

COMMON BOND

MAY - 2012



*Editorial***DIFFICULT PERIOD AHEAD**

The Indian Banking system has come through its eventful journey, ever since its nationalisation. The Nationalization heralded a new era in the economic history of our country, since the Banks were used as instruments to reach the masses in the interior parts of the country, especially to the lower strata of the society in the early 1970's, 80's and 90's in a most exemplary manner that has amazed several third world countries as well as under developing countries. The credit for ensuring economic, social and political equality as envisaged in the Constitution, through the financial assistance to the millions and millions of the people living below the poverty line must be given to the Indian banking system. This has resulted in achieving, self-sufficiency in food, and production of milk cereals, pulse etc., which became a rallying point for all the third world countries towards Indian leadership.

The last 2 decades saw a period of reversal of the attitude and policy decisions of the Government under the pressure from the International Monetary Fund and also the World Bank who were under the influence of the Western powers led by US and UK etc. The Government was under compulsion to open up the financial sector moving towards the market economy demonstrated in a remarkable manner to the satisfaction of the world agencies. For a couple of years the banking system in the West came under tremendous pressure of maintenance of International Norms for the purpose of classification of assets, capital requirements and also drawing up of the Balance Sheet. The Indian Government supported by the Reserve Bank meekly submitted to these dictates and converted it as an opportunity to strengthen the

financial system of the country in particular the financial institutions with a major thrust on banking system. Thanks to the robust growth of GDP and the internal strength of the banking system it could ward off the threat of take over the banking institutions by the Private Sector supported by the foreign investors and ultimately the Public Sector Banks emerged as a strong sector of the economy. Government had to acknowledge the robustness of the banking system and its internal strength and come out openly that it would protect the Indian Banks by recapitalization as and when required. This is a great tribute to the Indian Banking system of which we the employees and officers are proud of as our contribution in this direction is very substantial and unique. Our trade unions while fighting against the ill advised moves of the Government against the privatization of the existing public sector also participated in all positive approach and the hardship in an effective manner and converted the same as our strength.

Nations, world over are crumbling under the economic recession triggered by the US and its allies, due to the collapse of the financial sector in those countries. A number of countries are struggling to come out of debt trap in particular Spain, Greece, Italy, Ireland, Portugal etc. It is in this background one should recollect the role played by the Reserve Bank of India. The Reserve Bank has been concentrating on arresting of the inflationary trends in the country in view of the fact that it would gobble all the achievements and success of the GDP growth in the country. While Reserve Bank of India has increased repo rate successively 13 times, earlier only for the current policy declaration it has at one go reduced the repo rate by 50 basis points with a view to provide

VANDE MATHARAM

sufficient leverage for the banking system to meet the credit growth in the next couple of months. The rigid approach of RBI was one important weapon in containing the inflation rate in particular the food and the industrial growth in the country.

The threat of the slow down of the economic growth in particular the GDP rate, which has been downgraded to 6 to 6.5% from 7.5% is a big jolt to the economic growth of this country. The Banks are cautious as regards the reduction of interest rates consequent upon the change in repo rate and have been talking of the cost of fund

due to the higher rate of interest on deposits. They are expecting reduction in the Interest Rate on deposit with a view to reduce the cost of fund. This is a big challenge in the next couple of quarters in particular when the Western countries are reeling under economic recession and countries after countries are collapsing on the weight of the debt and fiscal failures in their countries. Let us hope that the Indian banking system would face the next couple of quarters squarely and ensure that the asset quality is not deteriorated and at the same time, the healthy growth of the industry is ensured. ■

A Homage

COM.R.N.GODBOLE NO MORE

An era of militancy, struggle and sacrifice came to an end when Com.Ravindra Narahari Godbole, the former General Secretary of the All India State Bank Officers' Federation, All India Bank Officers' Confederation and Professional Workers Trade Union Center of India breathed his last on 9th April 2012 at a Private Nursing Home at Bangalore. He battled with Parkinson, which attacked him in the recent past and ultimately succumbed to it. Thus, a golden era in the banking industry, which saw the emergence of the strong trade union roots amongst the supervisory cadre during his leadership lasting for more than three decades, has come to an end. He was popular not only amongst bank trade union circles but all over the trade union fraternity in the Public Sector units which drew an inspiration of his leadership in the Banking Industry and mobilized courage to stand up against the oppressive attitude of the Managements in different sectors of the economy. Thus, he symbolized the struggle amongst the white collared workers all over the country.



2. Com.R.N.Godbole, was born in Bijapur on 14th June, 1935 in a Teachers' family who were very popular in the city of Bijapur for their simplicity and social service in and around the locality. He has to

discontinue his studies to shoulder the responsibility of the family and had to begin his work immediately after his matriculation. While, working he completed his BA Honours and developed an urge to serve the working class in the country. By the time, he entered State Bank of India as a Clerk in Bijapur he had determined to serve the working class. His entry into the Staff Union in the early years of his career provided him an insight to the functioning of the trade unions in the Banking Industry. Thereafter he was successful as a Trainee Officer in their first

batch in the early 1960s. Since, then his life and career in the bank was wedded to the service of the Supervisory Cadre and to take them out of the exploitation, which continued even after the formation of State Bank of India.

3. Com.R.N.Godbole, when took the mantle of the All India State Bank Officers' Federation as its General Secretary, the movement was under turbulence due to the declaration of emergency. The appointment of Pillai Committee in the name of Standardization of Service Condition to the Bank Officers in the Banking Industry etc., were the real challenges before him. Using the weapon of emergency the Government unleashed a series of measures to victimize the trade union leaders, which consisted of transfer, and withdrawing of several

WORK IS WORSHIP, DO YOUR DUTY

immunities granted to the leaders of the union including the leaders of the officers organization in the country. As a symbolic protest on behalf of the Federation, he defied the transfer order and for almost 20 months, he did not receive the salary from the Bank. This gave him more vigour, and a strong Godbole was emerging in the banking scenario during this period. The Bank had to withdraw the Transfer Order and they accorded all the courtesies including duty off for working full time in the Federation.

4. Com.R.N.Godbole brought discipline in the organisation and the functioning of the trade union. He was a master negotiator also known as a tough leader representing the supervisory cadre in the Banking Industry. In the middle of 1985, he founded the All India Bank Officers' Confederation in order to

consolidate the strength of Officers in all Nationalised Banks and old generation Private Sector Banks. He was the architect of the 4th, 5th and 6th Bipartite which brought a very substantial improvements in the service conditions of the Bank Officers' in the country.

5. He was the first leader to understand the need for the trade union to be part of the mainstream of the society and with this passion took up several public causes along with his trade union struggles. As a result, he founded the Professional Workers Trade Union Center of India, which provided a vibrant platform for the entire professional workers in the country.

6. He brought a revolutionary outlook for the State Bank Trade Union movement for over two decades of his stewardship as the General Secretary of the Federation. He held the post of the Officer Director in State Bank of India for over one and half-decade

defending the interest of the Officers' fraternity in the Bank. His contributions for the strengthening of officers' movement cannot be described in a small note. He was known for his oratory skill, which could convince all his critics as well as admirers.

7. He founded the 'Officers' Cause' a house magazine which is a popular publication of the Federation for the last 30 years. He also founded the 'Common Bond' for the benefit of the Banking

Industry and also a popular journal known as 'Professional Worker' for the Public Sector Units in the country.

8. Com.Godbole inspired thousands of cadre all over the country, who took up the responsibility of leading the trade unions all over the country. He believed

in practicing what he believed as right than preaching to his followers. He gave up his career in the early years and chose the trade union path to serve the fellow workers in the banking industry. He had a large number of friends all over the country. It is difficult to fill the void created by his demise in the Trade Unions in the Banking Industry.

9. He has left a large number of his colleagues, the members of the family consisting of wife, a son and a daughter and 3 grand children in great shock and sorrow. We pray almighty to give strength and courage to the members of his family and large number of his followers to bear the loss of his demise.

"*Common Bond*" dip our banner on behalf of the thousands and thousands of our comrades from all over the country in honour of the departed soul and pray almighty to grant him eternal peace in his heavenly abode.■

We Reciprocate

We thank all our members and well wishers for having participated at the funeral; Condolence meeting and for their messages of Condolence on the sad demise of our beloved leader Com.R.N.Godbole on 09.04.2012

G.D. NADAF
General Secretary,
AIBOC/AISBOF
Editor - Common Bond

SELF HELP IS BEST HELP

COM. R.N.GODBOLE

A PROFILE

- Born on** - 14.06.1935 at Bijapur - Karnataka
Qualification - B.Com., B.A (Honours) CAIIB
Father - High School Teacher
Date of Joining in SBI Trainee Officer - 19.08.1957 as a clerk in Bijapur Branch
09.09.1965
- Organisational positions held:** (a) **General Secretary – All India State Bank Officers’ Federation**
(b) **Founder General Secretary – All India Bank Officers’ Confederation**
(c) **Founder Secretary General - Professional Workers Trade Union Centre of India**
(d) **President- SBI Officers’ Association (Chennai)**
(e) **General Secretary- SBI Officers’ Association (Karnataka)**
(d) **Officer Director on Central Board of State Bank of India**
(e) **Visited Cuba as Indian Trade Union delegate at the International Conference of Trade Unions.**
- Wife** - Smt. Rohini Godbole
Son - Shri. Sanjay Godbole, Dy.G.M. BHEL, Bangalore, Office Bearer of Engineers Assn.
One Son
- Daughter** - Smt. Geetha Sridhar Bhave, Ex-employee of SBI (taken VRS)
Husband - Sri. Sridhar Bhave
Engineer – Rashtriya Chemical Fertilisers
2 Daughters - 1 Son

HOMAGE TO MY GURU

*(By Com.Shantha Raju, the former General Secretary,
AISBOF and AIBOC, Convener of UFBU and close Associate of Com.R.N.Godbole)*

“Are you willing to come to the Federation and work with me” this was the word spoken by my illustrious Guru Com.R.N.Godbole, in the year 1982 when he was in Mangalore to attend a Zonal Conference organized by State Bank of India Officers’ Association (K). He was being felicitated in connection with his contribution to the Federation and after becoming the Officer Director on the Central Board of State Bank of India. I was entrusted with the task of giving a felicitation address on the occasion. He spoke to me when we were taking lunch after the



Inaugural Function of the Conference. The situation is still green in my memory and the place was Hotel Srinivas, Mangalore. I became an ardent devotee and admirer of his leadership by then. I had opportunity of taking up the issues connected with the Circle formation in coastal part of our State from where the then State Minister of Finance, Mr. Janardhan Poojary, hailed. He was espousing our cause along with us. Very much inspired by his call, I immediately responded saying “yes” without knowing what would be my role and responsibility in the Federation. But I had determined

BE TRUTHFUL, BE FEARLESS

that once I accept the responsibility given by my mentor I should devote myself to the same and give up my career in the Bank.

I forgot the same after some time. The next transfer exercise started. I was due for the line of assignment or alternatively change in the role and I had suggested to the Regional Management in Bangalore that I would like to complete my rural assignment and agreed I could be posted to North Karnataka for my next posting. While my name was being considered for a rural posting, I received a telephone call from the then General Secretary of our Association Com.P.M.Mandanna, who informed that I have been co-opted as Asst.Secretary of the Federation (it was changed to the position of Secretary in the next General Council) and thus I have to report at the Federation Office immediately. I could not get relieved for the reason that my replacement had not yet come. I decided to apply leave and come to the Federation office. In the meanwhile, Com.Godbole telephoned me and asked that I should come to Federation and accompany him to Mumbai to attend the Federation Executive Committee, the first meeting for me and my air tickets have already been booked. Thus, I accompanied him on that day and almost continued during his entire leadership in the Federation. The last time I accompanied him was on the 9th April 2012 at 5.00 p.m. in his last journey to the heavenly abode. Along with me the other close associates of him Com.C.Nanjappa, the former Treasurer of the Federation and Com.V.N.Inamdar, the Secretary of the Federation accompanied him to the mortuary. The other illustrious personality who was a senior comrade of our team was late Com.P.M.Mandanna, the then General Secretary of our Circle Association. We four in the Federation used to be an inner cabinet worked for a long time deciding several activities of the Federation.

A MATCHLESS LEADER – He practiced what he preached. I had the unique opportunity of spending the maximum time with him and became part of all his efforts in consolidation of the Bank Officers' movement. I was part of his success, failures, agonies, bitterness and above all his robust approach during the times of crisis. No body can match Godbole as regards the robustness and ability to convert a crisis into success and his tremendous ability to excel during the period of crisis. For me each and every moment I



Com. Godbole, addressing a meeting

spent with him was a learning process. I considered my working with him was a like attending a University. His writing was simple but eloquent and inspiring. He was a man of practice and believed in following what he preached rather advising people to follow his prescription. He would not hesitate to do any type of work in connection with the Trade Union activity. He had come up the hard way and was able to achieve the pinnacle of glory in the Federation because of his ability to face these hardships. During the initial days we were not having sufficient resources. There were occasions in the early 1980's when there was no accommodation for both of us and we have slept in the Banks' holiday home, known as Moonlight, near our Corporate Office and just spend the night and then in the morning take our break fast in the nearby south Indian Hotels and rush to the Central Office.

I almost became permanent fixture of the Federation, hardly attended the Bank work. I must remember my colleagues in the early days of my work in the Federation, who came forward to manage my desk, my first desk was a general section attached to a Region and then Dy.Regional Secretary of the Bangalore Modul. Late Com.B.S.Keshava Murthy, took the responsibility of managing my desk. For some time I used to have small pinpricks from my superiors and subsequently they gave up and I almost became a permanent sitting Office-Bearer of the Federation.

The Federation was functioning in a small room. The sitting arrangement was facing the west. Com.Godbole, changed the direction and made it

SUCCESS COMES ONLY TO THOSE, WHO DARE AND ACT

East facing. I do not know whether he was believing in Vastu – but may be the turbulent period he underwent in the later part of 70's and the early 80's might have been the cause for such a feeling in him. The Office had only two assistants. The first assistant who joined the Federation was Mr. Deepak Suvarna, the younger brother of Mr. Suvarna from Mumbai, who retired as the General Secretary of Mumbai Circle and the other person was Mr. Ningappa, who was taken as typist. Thus, we were 5 men army in the Office, working endlessly to keep the organization effective and kicking. There was no time limit for working. I used to come along with Com. Godbole and Com. Mandanna in the early morning and use to stay upto late night depending upon the workload in the office. Only after a couple of years, we had a big team of Staff and also an efficient Manager in late Shri. S. Venkatesan who also became one of the close associates of myself and Godbole.

Com. Godbole, comes from a Teachers' family. Myself from Weavers' family and Nanjappa from Farmers' family. Both of us perhaps due to our social background never used to raise any issue whenever we were directed to do certain job in the Federation and also entrusted with the responsibility of administration of the Office.

A MASS LEADER - He had thousands of followers and admirers all over the country and had tremendous mass support. He was a man of masses. He travelled widely and mingled with masses throughout the country, that endeared him to one and all. He also had a large number of hypocrites around him and they knew that by praising him they could get whatever they wanted to get in the organization. There were several detractors amongst them as well. They would dissuade those who were close to him and were willing to walk along with him that, where is the guarantee that he would continue to get re-elected. I myself faced these questions from many of my colleagues in the organization. His philosophy of giving up something in life and demonstrative refusal of promotion was not liked by many. They also advised me that I would be doing a foolish act by simply following him, there is no guarantee of continuity in the trade union, and he would simply use us and throw us like a waste paper. None of these things deterred myself and Com. Nanjappa. Many acknowledged their success to his guidance. There



During a deliberation with the members

were few close disciples to him and in the order of priority, I rate Com. C. Nanjappa, as his first disciple although I became his successor on his laying down the Office of the Federation for the simple reason, that he was a real disciple willing to do any sacrifice. If Godbole asked him to jump from the top of a building, he would have done without any hesitation, that was his commitment and devotion to this great personality. He was virtually on the verge of dismissal and on loss of pay for over 11 months when he was fighting a battle on behalf of the Federation against the Management and the Management had transferred him to a branch as a Branch Manager though he was eligible for immunity to make him defunct in the Federation. At the direction of Com. Godbole, he refused to report along with Com. P. M. Mandanna, another stalwart who sacrificed a lot for the Circle Association, also defied the order of the Management and faced the disciplinary case. It was a proxy war. One side the Management was represented by Mr. C. D. Nambiar, the then Chairman, Mr. K. S. T. Pani, the Chief General Manager of Chennai Circle and Shri. Panduranga Rao, the Chief Regional Manager of Bangalore Module. Com. C. Nanjappa was defended by Com. Godbole himself in the enquiry and the enquiry abruptly adjourned in the first sitting itself when he raised several fundamental issues with the Enquiry Officer. It was a classical case defended by Com. Godbole himself. He had tremendous interest in the Disciplinary Cases and this motivated him to seek the guidance of late Shri. P. J. Sitaraman, a renowned Labour advocate from Chennai and organize the Disciplinary Workshop which work was taken over by the NATURE subsequently.

NEVER BEND BEFORE THE INSOLENT MIGHT

Over a period of time we were able to improve the financial position of the Federation and could stay in reasonably good hotels. I used to carry his brief case on several occasions. His brief case was Brown and the colour he retained almost till the end of his leadership and it became a fad with me as well. We used to carry only one or two pair of dresses so that our luggage would be light and used to travel for days on end together in different places. These experiences got absorbed in me and I did not feel it difficult when I used to travel all over the country for days and weeks with just two pair of dresses.

A STORY OF COW AND CALF: I used to accompany him morning to evening. My colleagues used to make fun of me as I am like his shadow. I still remember when we were to visit Chandigarh Circle in connection with an Executive Committee meeting, we took our family as well. When my wife was enquiring about me, Com.Keshava Murthy told her that you find the cow then the calf will be by his side rather worrying about him. I really enjoyed this comparison for the simple reason my dedication and sincerity to him was unquestionable and even when there were occasions where I had to differ with him and face his wrath, my love and respect towards him did not diminish as explained elsewhere in the note. We used to get up early at 5.30 a.m, have our tea and go for a morning walk in the Marine Drive, a routine, which was not changed throughout our staying together. In between, we used to have different leaders as our room mates. Some time we had the company of senior leaders of the Federation and thereafter, when he took over the reins of the Confederation, we used to have the company of the leaders of the Confederation. The discussions used to be in my presence and at no time, Com.Godbole, excluded me being present in these discussions. I used to observe his moves, his strategies, his foresightedness and above all his courage to stand up and fight the injustice caused to the members. A number of important meetings, which used to take place in the restaurants with the officials of the IBA, the State Bank Management and certain occasions with the Government officials, I use to be the part of these meetings. My job was just to hear with rapt attention. I never used to participate in any discussions. My silence used to be so eloquent even when I did not agree with some of the points I never used to open my mouth nor show any facial signs

having observed closely the nature of Com.Godbole, I had decided that my job is just to observe and learn.

A MASTER NEGOTIATOR: He was a master negotiator. There is no parallel to him when it comes to the Negotiating Table and he will make his opponent just to listen to him and accept several alternatives he would come out with. He had a knack of making the management to commit on something and then get them agree for whatever he says. His ability to demonstrate his view points with facts and figures, with anecdotes, and above all comparative quotation of what is happening elsewhere in the banking industry as well as outside the banking industry was a unique one. I had learnt several traits and even to-day I have no hesitation to acknowledge that he was my Guru in all respects. He never used to carry any enmity with the representatives of the Management if they do not agree with his viewpoint but would make all out efforts to bring a solution. We used to have a number of meetings with the representatives of the Managements not only in SBI but at IBA level as well and surprisingly, several ticklish issues used to be sorted out outside the negotiating table through these meetings. I was fortunate to be privy to many of these meetings. I was also privy to many of his inner circle meetings to decide



Com. Godbole with Com. Shantha Raju

about the strategies for the success of the organization. He had an excellent rapport not only with the officials in the banking circles but the Government as well. I had the unique opportunity of accompanying in all these meetings as well. I used to follow him even whenever he chooses to meet the Chairman of State Bank of India. By the time, I took over the reins of the Federation I was very familiar with the 18th floor behaviour pattern, the politics and above all the knack of getting our work done.

SAVE PUBLIC SECTOR, SAVE INDIA

A PERFECTIONIST: Com. Godbole was a perfectionist. He does not like to do any work in a haphazard manner. He hates mediocre work. He believed in professional approach. He developed a wonderful structure in the Federation and the Confederation, which has become a household name. His message used to reach at jet speed. He believed in disseminating the information as quickly as possible across the country. These were important lessons for me as well. When I started attending to the communication of the Federation and Confederation in the early 1990's even before my assuming the leadership, I used to watch him whether he would appreciate me or not. He was a real Guru and would not say anything but used to quote to other leaders if there is any laxity in the communication system elsewhere.

A PROLIFIC WRITER: He founded "Common Bond", "Officers' Cause" and "Professional Worker" for the federation and the confederation. He was a prolific writer and was capable of single handedly running these magazines. His work inspired me and I had no hesitation in continuing his work but also coming out with few more house magazines namely the 'Domestic Enquiry', 'Social Concern' and 'Labour Research' in place of the Professional Worker, the publication of which was stopped due to the organizational differences and closing down of the PWTUC.

IMMACULATE ORGANISER: I do not refer chronologically to his achievements in the Trade Union field, as it is well known to all of us. He was the founder of the Confederation and PWTUC apart from strengthening of the AISBOF. He believed in fighting the issue alone and he had developed allergy towards the unions in those days since they were working with cross-purpose. Hence, during his period he could not develop any broader co-ordination due to these differences. He also had flair to carry the struggle by himself without bothering about the detractors. He would never expect any special treatment. He liked to share the local food and enjoy the local culture. He would not be fussy about his accommodation, food etc., during his organizational tour. I had a similar nature and hence he used to feel free with me on all such occasions. I still remember an occasion that when we completed our meeting in Mangalore and were coming back to Bangalore it was mid night and all the hotels were closed in the City of Hassan

where we had planned to take food. I asked him whether he would like to eat chats or idlies on the footpath as I used to do the same, he readily asked



Com. Godbole with his followers during Fourth Triennial General Conference of AIBOC

the driver to stop the car and we promptly went towards a footpath vendor and started eating idlies. The driver quietly took the members of our family to a nearby hotel where they took their food. We were unmindful of these developments, both of us relished idlies. Even the driver used to refer to these instances with our family members comment that both these sahibs would stop on the way for taking a cup of tea or snacks without bothering about the comforts. He was a legend in his own time and even afterwards and no one can replace these hard truths. He had his own inimitable style in functioning.

A TOUGH LEADER: He was impatient to the criticism and he would never allow his enemies or detractors to raise their ugly head. Some of his strong as well as weak points were his temperament. He would shout at his detractors if he is not convinced with them. He does not mind fighting a lone battle even if all his colleagues distanced from him. I had seen him closely, his feelings, when he was fighting with several causes and the hardship in realizing those causes. His rise was not a meteoric in the initial stage. He did contest certain elections, which he lost. But continued his efforts to replace leaders who were not according to him, the proper leaders.

A PERFECT GUIDE: He had a knack of developing camaraderie and friendship with his compatriots and also equally suffered the breaking up with those compatriots. He began his real leadership experiments

NATION FIRST, ORGANISATION NEXT, INDIVIDUAL LAST

in Tamil Nadu, the then Madras Circle (now Chennai) for over a decade with yet another legendary leader of Chennai Com.E.A.G.Moses, as President and General Secretary of the Circle Association. The trade union spirit not only grounded strongly in State Bank soil but also in other banks and institutions as well. It will not be out of place that he had more number of fans and admirers in Tamil Nadu than in Karnataka in those days and subsequently as well. Both these leaders were inseparable throughout the breadth and length of Tamil Nadu. He was fluent in Tamil and could converse with all the members all over the Circle. He had also worked with several such members with his long stay in Chennai. A number of comrades in Chennai became his fans and followers who subsequently rose to the highest post in the organization. He was remembered all over the Circle. The members used to refer to him as Com.Godbole means God Bole and such was the devotion and dedication of the membership. Unfortunately, the difference rose between Com.Moses and himself and they got separated and remain so for ever.

There were similar experience in the Federation when Com.Kotaiah, indulged in his dissident activity and desired to disrupt the strike call given by the Federation. Thereafter he developed some differences with Com.S.R.Sengupta when the PWTUC came into being. The relationship also got strained with Com.Ashoka Rao the President of the PWTUC.

Our relationship had certain ups and downs when he was indulging in cross-firing. But having seen him from the close quarters I did not allow these differences to erode our friendship and my loyalty to him. I used to observe with utmost silence whenever he was not happy with me, believed not supporting him, and was attempting to provoke me with various activities. I maintained the same respect and regard for him and I considered all his attempts as an acid test given to check the mettle of his disciple and could over come all those tests in a remarkable way.

Our closeness continued even after my retirement. When I led the joint Indefinite Strike in State Bank for 8 days in the year 2006 a historic one, with a view to improve the Pensioners' lot in State Bank of India, he was in the forefront in that struggle and inspired all of us with his active participation. He had by then become the President of the Pensioners' Association

in Karnataka and the same position he relinquished insisting that I should take over from him. I was greatly blessed with such an act on his part when he was very much needed in the Pensioners' Association. Perhaps that motivated me to work with the same spirit in the Pensioners' Association as well.



During Fourth Triennial General Conference of AIBOC



Com. Godbole with his wife Rohini

EPITOME OF LOVE AND AFFECTION: It is difficult to caricature his life story in a small article. But if anybody asks me what attracted me towards this great leader, I would say without any hesitation that it is his simplicity, honesty and commitment to the trade union cause. He was humane and never used to support the Management when it came to defend a member of the organization. He taught me to keep the doors of the Federation always open for the members. The members all over the country should be free to meet us at any point of time and no appointment is needed.

DUTY FIRST, RIGHT NEXT

We have chosen to serve them and we have the onerous responsibility to be at their beck and call at all times.

Com. Godbole is a legend in the Trade Union movement in the country and above all, he was a perfect gentleman, always struggling for the emancipation of the working class in our country. For me he was not

only a mentor, philosopher and guide but above all he was almost a part of my life and treated me with lot of love and affection and I had no reason whatsoever over the last 30 years of our stay together, to raise any dispute or quarrel with him. He may not be amidst us to-day but his inspiration would remain with me till the last breath of my life. ■

Organisational Issues

UFBU DECLARES AGITATION TO RETAIN BILATERALISM ON HR ISSUES

Text of UFBU Circular No.2 Dated 26th March 2012

2. The Constituents of UFBU, after due deliberations on the issues confronting the Banking Industry at its meeting held on 21.03.2012 at Mangalore, have decided to short list the issues, set agenda for clinching long pending residual issues on time bound manner and to protect the hard earned bilateralism on HR issues. It was also decided to oppose contentious recommendations of Khandelwal Committee recommendations as well as to continue to oppose the Banking Reforms through proposed amendment to Banking Laws and Nationalised Banks' Act, which may be taken up for passing in the Current Budget Session. We are successful in stalling labour and financial reforms agenda of the Government from 1991 onwards, due to our stiff opposition. Otherwise, IMF and World Bank dictates would have become the law of the land. We have no alternative than to continue our opposition to these reforms. At the same time, we cannot ignore the issues directly affecting the members and their expectations. Therefore, it was decided to launch an agitation programme on following long pending issues.

1. DEMANDING :

Immediate resolution of:

- a) Improvements to Compassionate Appointment/ Compensation Scheme.
- b) Regulated working hours
- c) 5 Day week
- d) Updation of Pension and Pension related issues

2. OPPOSING :

- a) Unilateral imposition of Khandelwal Committee recommendations and changes in service conditions by the Government, ignoring bilateral understandings.
- b) Outsourcing of routine Banking Activities, through middlemen, viz., Business Correspondents and Business Facilitators.

3. The UFBU will write to the IBA on the above short listed issues and urge upon them to resolve the same in a time bound manner. The following action programme has also been chalked out.;

- i. Demonstrations
- ii. Submission of Memorandum to CMDs /CEOs of Banks
- iii. Seminar at Delhi and other metros
- iv. Badge wearing
- v. Strike Action

4. The above action programmes will commence from middle of April, 2012. We shall advise the dates of action programmes in due course.

5. It was also decided that, UFBU should take up with Government/RBI on mounting NPAs in Banking Industry, demanding transparency in write-offs and making public the names of willful defaulters, especially amongst, corporate customers.

6. The UFBU will reiterate its demand on childcare

LET NOBLE THOUGHTS COME TO US FROM EVERYWHERE

leave as available to employees in Central Govt., improvements to staff welfare fund allocation and to oppose delegation of board level financial powers to Committee for Sanction of high value advances upto Rs. 400 crores and cross deputation of officers between RRBs and Sponsor Banks.

7. There will be an exclusive meeting of UFBU during April 2012 to discuss on strategy for 10th Bipartite Negotiations and Khandelwal Committee Recommendations affecting Bilateralism.

8. The undersigned is grateful to the UFBU

Constituents for reposing faith and entrusting the responsibility of leading the UFBU as its Convenor .The UFBU has become a force to reckon with in the Banking Industry. It has to be further strengthened for the common cause of Bank Employees /Officers. The undersigned is confident that, with the wholehearted support and guidance of UFBU constituents, the task will be made easy.

9. We place on record the services rendered by the outgoing Convenor, Com.C.H.Venkatachalam, for his services to the bank Employees and Officers for more than 4 years.■

GUIDELINES FOR PROMOTION IN PUBLIC SECTOR BANKS

Text of Our Letter No.1410/90/12, Dated 07.04.2012, addressed To, Sri. D.K. Mittal,Secretary, Department of Financial Services, Ministry of Finance, Government of India, NEW DELHI -110 001.

Respected Sir,

We had addressed a letter to the Hon'ble Finance Minister, Government of India vide our letter No.1410/02/12 dated 03.01.2012, wherein we had given our views on the guidelines issued by the Ministry for promotions, requirements of minimum experience, mandatory semi-urban service etc. A copy of the letter addressed to the Hon'ble Finance Minister is enclosed for your perusal. We have for reference your guidelines under notification No.F/No/4/11/1/2011/IR dated 14.03.2012. We are glad that some of the suggestions made by us have been accepted by you and the above guidelines are issued in supersession of the earlier guidelines.

2. We appreciate your decision to consider the requirement of rural /semi –urban posting or experience as Branch or Regional Head etc; can be applied prospectively. We observe that, the stipulation, of minimum 75% marks in APAR for each of the years of service for promotion under merit channel/fast track has been retained. We suggested that the total of 225 marks in three years out of the

previous four years should be the criteria, instead of 75% marks per year. Further, promotion policy upto Scale III is a product of bipartite agreement between the management and the Associations. Hence, Associations should have been taken into confidence, before implementing revised guidelines on promotion policy in the Banks.

4. It is observed that, the reporting standard differs from Bank to Bank. In some Banks, the Reporting Authorities will be liberal in giving marks for performance, but in other banks, even for similar performance, the Reporting Authorities may be conservative. The criteria of minimum of 75% marks per year for promotion are now prescribed. Therefore, it is suggested to consider overall marks for the previous 3 years instead of minimum of 75% marks each year for the purpose of eligibility for promotions. However, the condition of minimum of 75% marks each year may be implemented from prospective date, as in the case of rural service.

5. Please consider our suggestions in the interest of equity and justice.

Thanking you Sir.

Yours faithfully
SD/-
(G.D.NADAF)
GENERAL SECRETARY

KNOWLEDGE IS POWER

HR POLICY IN RRBs

Text of Letter by UFBU No. 1367/05/12 Dt: 28.03.2012, Addressed to Shri. D.K. Mittal, Secretary, Department of Financial Services, Ministry of Finance, Government of India, 3rd Floor, Jeevan Deep Building, Parliament Street NEW DELHI -110001.

Respected Sir,

At the meeting of the UFBU held on 21.03.2012 at Mangalore, one of the issues deliberated was, Government of India instructions to CEOs of all Sponsor Banks on Operational Integration and Human Resource Development of RRBs through 20% deputation of RRB Officers in Scale I to IV to Sponsor Banks for a period of 3 years and cross deputation of officers of Sponsor Banks to RRBs.

2. The instructions are against the provisions of the RRB Act and RRB Staff Recruitment – cum - Promotion rules.

3. It is pertinent to take note of the following facts.

- (a) The allowances and benefits differ between RRBs and sponsor Banks, even though according to Section 17 (i) of the RRB Act, the Government of India has to issue instructions for revision of Salary and other allowances, after each salary revision in Sponsor Banks. However, Government of India did not revise other allowances and benefits of RRB Staff, after two successive salary revisions. This has resulted in wide disparity in allowances and perquisites between RRBs and Sponsor Banks.
- (b) The officers of RRBs are governed by the RRB Officers' and Employees' Service Regulations 2010, which are totally different from Bank Officers' Service Regulations (OSR). The officers

of sponsor Banks on deputation to RRBs shall have to be paid higher allowances and leased housing accommodation, which would put avoidable extra financial burden on the exchequer of the RRBs. There is an urgent need to bring uniformity in other allowances, benefits and Service Regulations between RRBs and sponsor Banks.

- (c) At a time, when RRBs are reeling under tremendous pressure of attaining viability and wiping out accumulated losses, the proposed move will be a drag on the profitability of the RRBs, because of payment of deputation allowances, other allowances, other benefits including retirement benefits for the deputation period to those deputed Sponsor Bank Officers, which invariably are higher than those payable to RRB Officers.

- (d) These instructions if implemented will generate lot of operational problems and demotivation, among the officers.

4. In view of the fore quoted constraints, we would request you to kindly withdraw the impractical order. In this regard, there is an urgent need to evolve a comprehensive manpower policy in the RRBs.

5. Therefore, UFBU has decided to request the Government of India, to review their earlier decision and to shelve the idea. We shall be glad if you will please do the needful.

With greetings,

Yours faithfully,
Sd/-
(G.D.NADAF)
CONVENOR

ALL INDIA BANKS PENSIONERS AND RETIREES CONFEDERATION CONSTITUTION OF AD-HOC COMMITTEE

We are happy to inform all the Pensioners and Retirees members of the Confederation that an ad hoc committee was constituted at the Historic

Foundation Conference of the All India Banks' Pensioners' And Retirees' Confederation held at Nagpur on 17th March 2012 with the following:-

TIME AND TIDE WAIT FOR NONE

Joint Convenors:

Com.S.R.Sengupta Bank of India, Kolkata
Com.Shantha Raju State Bank of India,
 Bangalore
With on Ad-hoc Committee consists of 69 Members

from various affiliates.

The adhoc committee members have to mobilize the Pensioners and Retirees. Bank wise and to seek affiliation with AIBPARC at the earliest. The Convener and Joint Convener will co-ordinate the activity. ■

DENIAL OF 2ND OPTION ON PENSION

Text of the letter from UFBU No.1367/7/12 , Dated. 8th April, 2012, Addressed to The Chairman, The Indian Banks' Association, MUMBAI – 400 005.

Dear Sir,

You are aware that, based on the understandings reached between the IBA and UFBU, one more option for pension was made available to all existing CPF optees as well as to those who retired from 1993/95, onwards, subject to certain terms and conditions. During the course of discussions on the modalities for arriving at additional cost on 2nd option on pension and parameters to be communicated to the common actuaries, to arrive at cost of 2nd option, it was decided that,

- i. All existing CPF optees, serving and retired be provided with one more option to Pension.
- ii. Those retired from 1993/95, onwards under superannuation or otherwise shall also be given an opportunity to opt for pension in lieu of provident fund.
- iii. Those even with less than 20 years pensionable service , who were considered for Special VRS during 2001,shall also be considered for 2nd option on pension.
- iv. Out of Rs 6000/- crores additional cost on 2nd option, estimated by the common actuaries, CPF optees on rolls as on 27.04.2010, to contribute Rs. 1800/- crores , and to opt for pension in lieu of Provident Fund.
- v. All those retired earlier to 27.04.2010, to refund 156% of PF with interest if any received at the time of retirement.
- vi. Any clarification or dispute shall be resolved by the IBA in consultation with Unions/

Associations

Unfortunately , at the time of implementation of the above understandings, the following aberrations have crept in.

- a. Those retired on superannuation or under VRS on or after signing of the understandings by the UFBU at IBA on 27.04.2010, and before issue of instructions from individual Banks , are made ineligible for the 2nd option on Pension
- b. Those who retired under VRS as per Officers Service Rules or Resigned or Compulsorily retired after completion of pensionable service are also made ineligible for the option.

In this connection, we draw your kind attention to the following , which were part of the said understandings.

- i) We demanded 2nd option on Pension to all those who have retired on superannuation or otherwise like VRS , Resignees & Compulsory Retirees after putting in 20 years of pensionable service, in lieu of provident fund.
- ii) While calculating the additional cost on 2nd option, all categories of retirees viz., VRS , Spl. VRS, Compulsory Retirees etc., were taken in to account by the IBA and accordingly data was provided to the common actuaries to arrive at the additional cost.
- iii) The additional cost of Rs. 6000/- crores arrived at by the actuaries include, existing CPF optees and all types of Retirees, from 1993/95,including those pension optees, opted for Special VRS with minimum of 15 years service, who were given benefit of 5 years

ARISE, AWAKE, STOP NOT TILL THE GOAL IS REACHED

notional service to make them eligible for pension.

Therefore, denial of the legitimate benefit to the above mentioned retired CPF optees, amounts to violation of the understandings reached between the UFBU and IBA on 27.04.2010. This had led to avoidable legal cases filed by the affected parties. The issue came up for discussion at UFBU meeting held on 21-03-2012 at Mangalore, and it was decided to take up the matter with the IBA for resolution of the long pending issue on priority. The UFBU also felt that, IBA should have consulted Unions/

Associations, before deciding to deny the offer to retirees of certain categories as, these directions do not conform to the understandings reached on 27.04.2010. We, therefore request you to review your decision and implement the understandings in right perspective.

Please treat the matter as most urgent.

Yours faithfully,
Sd/-
(G.D.NADAF)
CONVENOR

PENSION LIABILITY OF PSB

With the implementation of second option on pension as per 9th Bipartite settlement the pension liabilities of 24 PSB have gone up to ₹ 28821.13 cores as on 31.3.2011. The Reserve Bank of India had vide Circular No.DBOD. BP.BC.80/21.04.018/2010-11 dated 09.02.2011, permitted these banks for amortization of such

increased liability in five years. Accordingly banks have provided ₹ 8326.59 crores in their P/L account during the year 2010-11 and kept the balance liability of ₹ 20494.54 crores to be amortized next four years. The net profit of the bank recorded during the corresponding period was ₹ 34985.98 crores.■

Banking & Finance

UNION BUDGET 2012-13

Increased Business Opportunities for Banks

The union Budget 2012-13 (UB13) unfolds several growth opportunities for the banking industry. Like in every year, it is one of the key documents which progressively shapes up the strategic policies of the banks to drive the growth, create new business verticals, transform product lines and improve competitive abilities to further assert its positioning in the global banking industry. While the fiscal deficit, subsidy/budgetary/expenditure allocations, structuring revenues from direct and indirect taxation, planning the landscape of growth are more to do with the balancing act and fiscal reengineering that are necessary in the given dynamics of external/domestic economy there will always be a necessity to provide sops for various industries with which the banking industry interacts and grows in partnership.

Timely identification of such enhanced commercial activism can provide wide business opportunities to banks. Application of analytical skills at an early stage can help banks to bring about changes in their operational strategies in the short term and strategic business shift with long term perspective. Hence, while

operating in the given macroeconomic environment, the performance of banks and their future prospects will hinge around developments that can emanate from UB13 when taken together with the Economic Survey-2011-12. Few of the measures that have the potentiality to significantly impact the banking industry in devising its strategies for growth.

AGRICULTURAL LENDING ACTIVITIES: In order to bring about growth in agriculture sector, banks' target for lending to agriculture sector has been raised from INR 475000 in FY 12 to INR 575000 crores in FY 13 calling for an incremental rise in lending up to INR 100000 crores. The interest subvention scheme for providing short term crop loans to farmers at 7 percent interest per annum will be continued in FY13 too. Moreover an additional subvention of 3 percent will continue to be available for prompt repayment of farm loans. In addition, the same interest subvention on post harvest loans up to six months against negotiable warehouse receipts will also be available. This will encourage the farmers to keep their produce in warehouses and avail the borrowing facilities.

In order to mobilise large resources to fund irrigation projects, a government owned irrigation and water

OUR LIFE IS WHAT OUR THOUGHTS MAKE IT

resource finance company is being operationalised. It will fund micro-irrigation, contract farming, and waste water management projects. Similarly, additional storage capacity is to be created to step up food processing activities. Banks can make full use of the opportunities arising from the initiative of the government of Bringing Green Revolution to Eastern India (BGREI). This has resulted in a significant increase in production and productivity of paddy. Recognising the potentiality of the scheme to raise the paddy production by seven million tonnes in Eastern India, allocation of funds to this scheme has been raised from INR 400 crores to INR 1000 crores. Similarly in order to bring in more farming areas under protective irrigation, allocation has been raised to INR 300 crores to Vidharbha Intensified Irrigation development scheme. Banks can activate their coordination with the lead banks to ensure that proper loan scheme are customised to the local needs and more and more borrowers are targeted for delivery of credit. The increase in the allocation of funds for accelerated irrigation benefit program by 13 percent amounting to INR 14242 would help farmers to get benefitted.

EMPHASIS ON SMALLSAVINGS AND CAPITAL MARKET INVESTMENTS: The budget provides taxpayers a deduction of up to INR 10000 against interest earned from savings bank accounts held in banks, post offices, or cooperative society under section 80TTA. This should encourage a large number of small tax payers to save in bank's savings accounts. Banks should increase its marketing network to reach out to more people. Introduction of a paperless, fully electronic-driven savings accounts offering increased interest rates (more than that paid on normal SB account) using the freedom of deregulation of savings interest can increase the savings bank deposits. Banks can also market their demat account facilities and savings account to small tax payers to enable them to use the newly introduced tax relief on investment in equity up to INR 50000 under Rajiv Gandhi Equity savings scheme for those having income of less than INR 10 lacs. It is estimated that about 30 million PAN card holders with less than INR 10 lacs income are not having demat accounts. If this segment is targeted, banks can get good float funds in SB accounts and can earn service charges from demat accounts. The raising of IT exemption limit INR 180000 to INR 200000 will also provide some surplus cash with the salaried class than can be targeted by banks to make use of the tax

exemption. Moreover, with the recent focus on branch expansion of banks under financial inclusion savings accounts canvassed from smaller centres explaining the tax concessions to the customers.

BOOSTING UP HOUSING SECTOR: In order to meet the shortage of housing for low groups in major cities/towns, funds can now be accessed via ECB route for affordable housing projects. A credit guarantee trust fund will also be set up to ensure better flow of institutional credit for housing loans. The allocation to rural housing fund is raised from INR 3000 crores to INR 4000 crores. The interest subvention of one percent on housing loans up to INR 15 lacs where the cost of the house does not exceed INR 25 lacs is extended for another year. The ceiling of loans to housing is now raised from INR 5 lacs to INR 10 lacs to be reckoned as a priority sector lending. Such well structured sops should be able to expand the scope for banks to design appropriate schemes to fund the housing sector more particularly the affordable housing. It can be a great opportunity to plan for reaching out to more consumers. The scope for organised employment going up and with more youngsters getting added, the demand for housing is set to go up. Banks can coordinate with emerging organisations to bulk sell the housing loans.

FINANCIAL INCLUSION: As a result of 'Swabhiman' campaign launched in collaboration with IBA in 2010-11 and with the help of banks' commitment for financial inclusion, out of 73000 identified villages with population in excess of 2000, banking facilities in the form of branches, electronic delivery channels etc., could be provided in about 70000 villages. With the help of technology-enabled outreach programme, 2.55 crore beneficiary accounts could be operationalised. As a next step Ultra Small branches are being set up at these habitations. Going forward, these initiatives are expected to generate additional business for banks, more particularly the savings bank corpus. It all depends on the efficiency of the banks to constructively engage the network of BCs to open new accounts. The Aadhaar project of UIDAI has been able to support the financial inclusion project of the banks. Its enrolment so far has reached 200 million. Keeping in view its significant role in establishing the identification, allocation of funds to the project has been increased to INR 14000 crores to cover another 200 million enrolments. Aadhaar architecture is now ready to support the payments to the beneficiaries of MG-NREGA, old age

SUCCESS AWAITS AT THE DOOR WHERE DILIGENCE IS

pensions, scholarship funds etc., directly to the beneficiary's accounts. Banks can be benefited in two ways. They can earn fee income from collaborative agency arrangements by providing facilities for new Aadhaar enrolments and can also use it for KYC purposes to open new accounts, more particularly in the recently connected villages. Financial inclusion efforts are pursued in a mission mode by the government and banking industry more particularly in the last two years that has an inherent sustainable business model in the long run.

CONCLUSION

The well planned inclusive measures well structured in UB13 in the given external/domestic environment can turbocharge the various sectors of the economy to accelerate the growth towards GDP target of 7.6 envisaged for FY 13. The granular analysis can unfold the meticulous effort to benefit each and every arterial sections of the economy that can forge together to create the right synergy to stimulate growth. Banks, as key intermediaries can seize such opportunities and deliver to the entrepreneurs for a win-win outcome. The technology enabled alternate delivery systems, the transforming architecture of centralisation in most banks for gaining economies of scale, the capability to customise products/services, the network of well trained and skilled employees and other consciously built resources of banks can combine into a reckoning force to harness the

potentiality of growth. The measures contained in UB13 are discussed here from the banking perspective. But there are a range of concrete measures more particularly in the area of fiscal consolidation, reduction of subsidy expenses, more flexible access to foreign resources to key industries along with certain plans to curb sovereign profligacy etc.

These measures can be used extensively by banks to design their growth strategies. It may require a little tweaking of a certain bank's operational and tactical strategies in the field in the short run while reworking on the strategic planning to align the efficiency of the structure to meet the growing needs of different user sectors of the economy. More collaborative approach, better coordination and bringing together various government and non government forums together to work in tandem will be essential for banks to derive the full synergy to UB13 and to integrate it with the vision of the banks. Banks have the state-of-the-art wherewithal to serve the emerging sectors that are set to scale up their operations taking the benefit of facilitation provided in UB13. Banks that are proactive to swing into action can be immensely benefited not only in intensifying business connections but also in enhancing profitability. UB13 has, thus opened up new vista of growth for banks which seeks to tread the path of enterprise. ■

*Dr. K. Srinivas Rao, D.G.M., Bank of Baroda
Source: The Indian Banker*

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