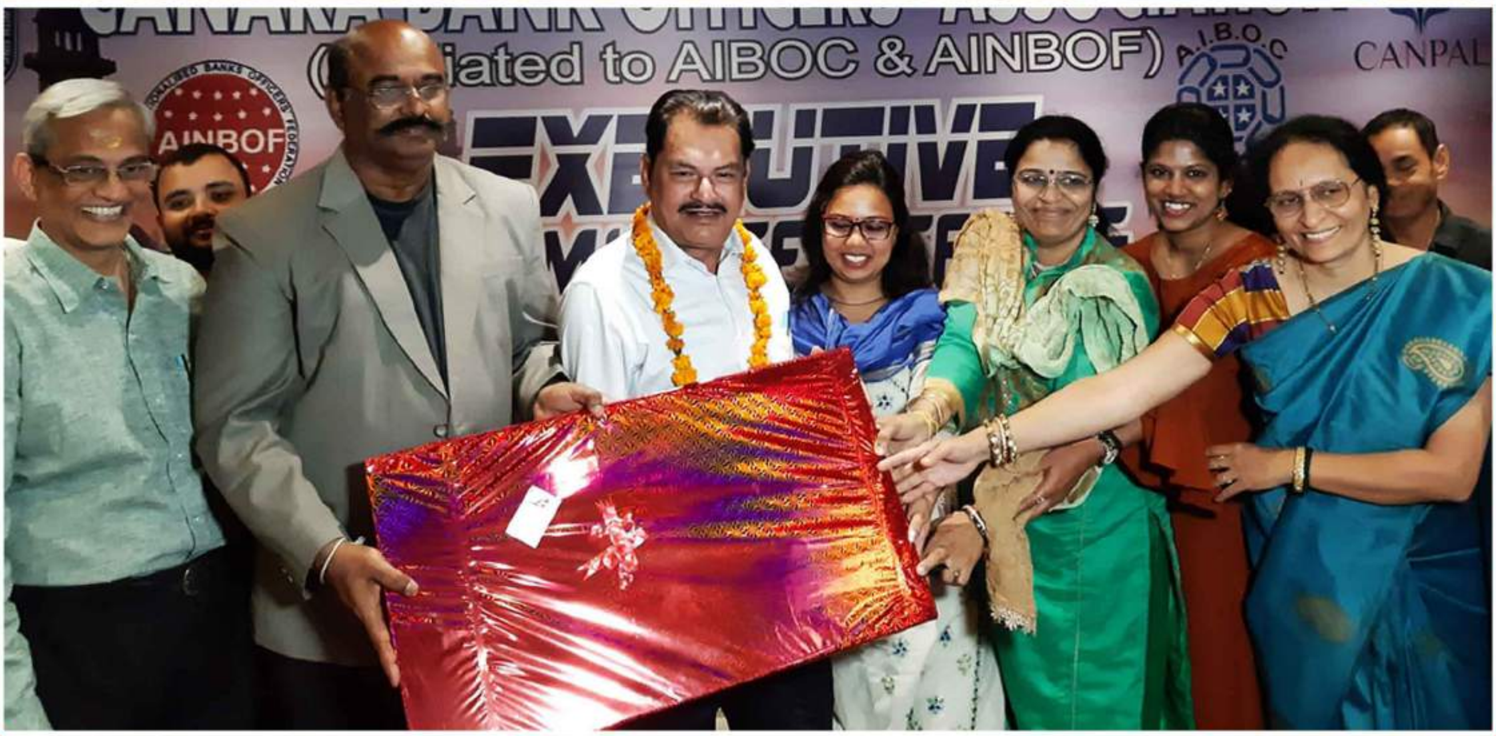
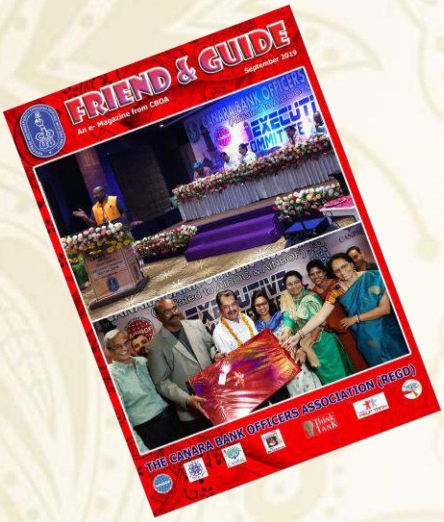
FRIEND & GUIDE

An e- Magazine from CBOA

September 2019



THE CANARA BANK OFFICERS ASSOCIATION (REGD)



CBOA FRIEND AND GUIDE
ISSUE: SEPTEMBER 2019

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COVER

PIC 1: Inauguration of CBOA Executive Committee Meeting ate Lucknow by our General Secretary, Sri. G V Manimaran

PIC 2: Felicitation of CBOA Chairman, Sri. Rakesh Kumar Bhardwaj, who retired on 31.08.2019 on superannuation.

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EDITORIAL

THINK OUT OF THE BOX

Hundreds of years ago there lived a loan shark in a village of Italy. He was very old and unattractive looking guy. He wished to marry Angelina, the most beautiful girl of that village and daughter of business man. He tried many ways to get her love but failed.

To his luck the business of Angelinas father failed and he could not pay back the large amount borrowed from the loan shark. The loan shark decided to make use of this opportunity to marry Angelina and he went to her father and presented a proposal to completely wipe off the debt.

The loan shark said he would place two pebbles in his bag, one white and one black and Angelina will be given a chance to reach out to the bag and pick out a pebble

If the pebble is black, the debt will be completely written off and Angelina should marry him. If the pebble is white, the debt will be completely written off and Angelina should not marry him.

Standing on a pebble path, the loan shark bend and picked up two pebbles. While picking up Angelina noticed that he picked two black pebbles and placed them into the bag. He then asked Angeline to pick one.

Angelina had three options

- **Refuse to pick pebble from the bag.**
- **Take both the pebbles from the bag and expose the loan shark for cheating.**
- **Pick a pebble from the bag fully knowing it was black and sacrifice herself for her fathers debt.**

Angelina thought for a while drew out a pebble and before looking at it accidentally dropped it into the midst of the pebble path. And said to the loan shark " Oh, sorry, how bad of me. Never mind. If you look into the bag for the one that is left out, we will be able to find out which one I have picked."

The pebble left in the bag is obviously black and the loan shark has no other way than clearing the debt without getting married.

Moral: We may have to face many tough situation in our life. Don't go with the only options you are given with. Think out of the box. All problems have solutions. Be positive always.

With Regards,
Editorial Team
CBOA Friend and Guide

Sri. G V Manimaran
General Secretary, CBOA
General Secretary, AINBOF
Senior Vice President, AIBOC
President, Canara Bank Officers Thrift Society

From the desk of
GENERAL SECRETARY

WAGE REVISION FOR BANKERS

Ref : GS/AUG/2019 dated 24.08.2019

- Wage revision is due from November 2017
- Charter was submitted well in advance **DEMANDED WAGE REVISION AS PER THE POLICY FOLLOWED IN 7TH CPC – THE MINIMUM WAGES FORMULA.**
- The COD was signed by the **GENERAL SECRETARIES** of all the four officers organisations **AIBOC,AIBOA,NOBO and INBOC.**
- As per the minimum wages formula the Government employees are getting 18000 as on 01st Jan 2016 and they demand this minimum to be increased to 28000.
- The Grade A officers are getting 56100 minimum @3.12 times of 18000 pm as on 01st Jan 2016 and will be 87360 pm if 28000 is accepted.
- Scale I officers are equated to grade A officers as per Pillai committee.
- GOI has equated the scale 1 officers with Grade A officers to arrive the income criteria to be placed them under creamy layer so as to deprive them from some concessions which otherwise they are entitled too.
- Now the GOI passed the code on wages bill and notified on 8th August after getting assent from the president, as per which

  1. All the workforce in the country will get salary as per the minimum wages policy which includes the officers working in the banking industry too.
  2. The minimum wages for the organised sector cannot be lesser than 18000 pm and 18750 pm as on 1st Nov 2017.
  3. The officers must get as per the above formula a minimum of 58500 as on 1st Nov 2017 and would be beyond 88000 + if the Govt agrees the Minimum wages at 28000.
  4. As the pension is fixed outside the purview of the wages as a social security scheme **we are likely to get updation of pension besides, the increase in basic pension due to increase in basic pay.**
  5. The employer will be penalised in case the salary is fixed lesser than the National minimum wages as the bill is now gazetted.

- Freeing the scale 6 and scale 7 from the negotiations and from IBA settled wages will be **RESULTING IN LATERAL RECRUITMENT OF SCALE VI AND SCALE VII AS HAPPENING IN LVB AND DHANALAKSHMI BANK WHICH WOULD AFFECT THE PROMOTION PROSPECTS OF EVEN THE EXISTING OFFICERS UP TO SCALE V.**
- 15% increase will not bring more than 40000 and 20% may be giving 43000 but minimum wages formula will be bringing 58500 minimum or the scale 1 officers and the scale VII will get the minimum of 2.25 lacs.
- Achieving the minimum wages formula and equivalent to Grade A officers and also **the running scale of pay will automatically ensure our negotiations on wage revision up to scale VII.**
- **Paying capacity cannot be an issue as a bank made a provision of 14500 crores against a bad debt in one year.**

Thus now,

The law of the land assures the salary, as per the minimum wages formula and there is a strong justification in demanding the salary equivalent to Grade A officers & running scale of pay and also a scope & hope to get the updation of pension besides increased pension due to improved basic pay.

These arguments are already appreciated by the Honourable High court bench Madurai and has admitted the writ and issued notice to the respondents which include GOI, IBA besides, trade unions.

Now the position is strengthened, as the bill became ACT.

But, the officers in the industry right from scale I to scale VII are silent and sullen and actively believing even the rumours like 15% or 20%.

Why?

Are they so innocent?
Or
Are they so ignorant?
Or
Are they feeling over paid already?
Or
Are they viewing that they are not deserving for such increase?
Totally clueless.
One thing, I know that
The YOUTH don't want QUICK SETTLEMENT BUT A QUALITY SETTLEMENT.
If you want a decent life.
RISE
NOW OR NEVER.

MANIMARAN G V

Ref: GS/ Letter dated 28.08.2019

MIND VOICE

1. **How my salary was decided up to tenth Bipartite wage settlements?**

Through negotiations with the recognised trade unions but primarily wages are fixed based on the average paying capacity of the banking sector directly linked to the profits earned by the banks.

2. **Why then 11th Bipartite is different?**

When the wages are due from November 2017, majority of the banks reported a big loss as on March 2016 and thus the policy of the wage fixation based on the profitability would place the wage revision either negative or paltry.

3. **What was the alternate?**

Alternate was to fix the salary matching to the status of the employees in the respective organisations for them to lead a decent life with their family without linking to the paying capacity and profitability of the respective organisation.

4. **What was the basis for the AINBOF and AIBOC to take such a stand as an alternate strategy?**
   - ✓ It was the formula on the lines of the resolution passed by the International labour organisation.
   - ✓ On the lines of the resolution passed by Indian National congress.
   - ✓ Adopted as a principle to fix the wages for the Government employees through various central pay commissions.
   - ✓ Followed in the 7th CPC which gave a big jump in the salary of Governments employees.
   - ✓ GOI has explicitly exhibited to introduce this formula to all the working class in the country by circulating CODE ON WAGES BILL 2017 with an intention to introduce as an ACT applicable to both the organised and unorganised work force.

5. **How it was suggested to be followed in 7th CPC?**

Through a scientific method of providing decent living to the family of an employee to lead a decent life they introduced a **MINIMUM WAGES FORMULA** as per which the entry level employee's initial salary was fixed at 18000 per month which was opined by the commission that would be sufficient to lead a decent life along with the other allowances.

6. **What was the demand of the AIBOC then?**

Not only AIBOC, the other three officers organisations viz., AIBOA, NOBO AND INBOC have signed the charter of demand highlighting the minimum wages formula followed in the 7th CPC elaborately and requested for introducing the similar formula to the bank employees too so as to ensure the sufficient salary for the officers to lead a decent life matching to their status in the banks without linking to the profits and paying capacity of the banks.

7. **Why they demanded the salary equivalent to the grade A officers salary in the Government?**
   - ✓ Government of India itself admitted that a Bank Officer in JMG Scale 1 is equivalent to Grade "A" Officer in Central Government while establishing equivalence of posts in the matter of fixing creamy layer for OBCs.
   - ✓ The pay parity was established by Pillai Committee recommendations in 1979 which rationalised the bank officers salary at Rs.700 as starting pay equivalent grade A officers.

8. **After submitted the COD demanded the minimum wage policy on the lines of 7th CPC and salary of scale 1 equivalent to Grade A officers well before the due date Nov. 2017 signed by all the four officers organisations, why the negotiations was on percentage basis which is obviously linking to the paying capacity and profitability?**

Surprising. But when the AINBOF supported the writ filed by an individual demanded the direction to settle the salary as per the **MINIMUM WAGES POLICY** in the Madurai bench of High court of Madras through an affidavit in support of the petitioner, it was supported by AIBOC too through an affidavit, but the other organisations who signed the COD has not come out with their stand.

9. **Why the writ W.P.(MD) No. 22161 of 2018 was filed by the Individual in the court and what were the prayers?**

Since the negotiations were progressing on the lines of paying capacity which was with a humiliating start of 2% contrary to the demand of all four officers organisations and the same belied the expectations of the educated young officers in the banking industry, an individual filed a writ in the Madurai high court which was admitted too and the same was supported by the AINBOF and the AIBOC in the court through affidavits.

The prime prayer was to direct the IBA to implement the minimum starting pay of group A officers in Government service as the minimum starting pay for all JMG scale 1 officers in banks by taking in to account the union cabinet decisions notified vide their letter no. 19/04/2017 – welfare, Government of India, Ministry of finance, Department of financial services dated 6-12-2017 and the consequential revision of pension in accordance with 7th CPC formula which was supported by the code on wages bill 2017 which was under consideration then.

10. **Why then the current writ W.M.P.(MD) No.14820/19 filed in the Madurai high court bench on 26th August 2019?**

When the original writ was filed, the code on wages proposal which suggests the minimum wages policy was in the bill status under circulation but since it became an act and was gazetted already after getting the assent of the Hon'ble President of India, the petitioner has demanded a direction to be issued to the IBA and other respondents to pursue further negotiations on the lines of the Act.

11. **What is the position of the above said WMP now?**

The writ petition filed by Canara BANK employee was listed for hearing today before the MADURAI Bench of Madras High court. The counsel for the petitioner elaborately argued the grievances of 10 lacs employees of the Bank and minimum wages fixed by the Seventh Pay Commission and introduction of CODE ON WAGES 2019 and it's salient features.

However, the Secretary IBA has not chosen to appear through its Advocate inspite of the Mail, Fax and speed post sent by the petitioner's Advocate as per the direction of the Hon'ble High court on 26.8.19.

Under the above circumstances the Hon'ble Judge has adjourned the writ petition for SECRETARY IBA's representation on 30.8.19.

12. **What we should do now?**

It is highly unfortunate that IBA has not responded to the prayer of 10 lacs bank employees by appearing in the Honourable High court.

We keep our fingers crossed and wish & hope that the IBA will respect the sentiments of the Bank men and law of the land by presenting themselves in the High court on Friday.(30th August 2019).

We also expect that all the officers and work men organisations will advise and insist the IBA when they are meeting IBA on 29th August 2019 to attend the court on 30th August to specifically express their stand on abiding and implementing the **CODE ON WAGES ACT** which directs to follow the **MINIMUM WAGES FORMULA.**

13. **Will it not delay the wage revision process further which is already delayed lot, if we have to follow the code on wages act as the act suggests the Government to decide the minimum wages first and to be followed by the appropriate governments which includes banking and insurance sector later which may involve lot of time?**

It should not be a problem because the Government considered a minimum wage of 18000 as on 1st Jan 2016 which became 18750 approximately as on 1st November 2017.

For Grade A officers, GOI considered 3.12 times of the minimum wages and the same can be followed for immediate settlement which can be amended in case of upper revision in case the GOI fixes the minimum wages afresh later.

14. **What are the other demands related monetary revision?**
    - ✓ Minimum wages policy as per code on wages act
    - ✓ Salary to scale 1 officers equivalent to Grade A officers of GOI.
    - ✓ Running scale of pay
    - ✓ Updation of pension.

15. **What about the demand of " Mandate up to scale VII"?**

It is very much important in the interest of executives too, besides, that it is a trade union right, which otherwise, diminish the promotional chances of the youth to become Scale VI and Scale VII as the Banks may decide to recruit Scale VI and Scale VII laterally from the market and private by offering "cost to company" basis which is being adopted by some private banks in recruiting scale I.

16. **What about the five days a week concept on all the weeks?**

It is also a valid, reasonable and genuine demand but to be achieved in different footing and should be de linked from the wage revision demands as it is a non-monetary proposal demanded on different justifications.

Ref: GS / Letter dated 29.08.2019

WE ARE VINDICATED

It was rightly guessed by **ALL THE FOUR ORGANISATIONS** initially the attitude of the IBA and thus demanded minimum wages policy to ensure the salary matching to the status of the officers to lead the decent life without linking to the profit and paying capacity of the bank, and accordingly, the COD was signed by all the four General secretaries.

Members by their silence accorded their mandate.

But, very unfortunately, the discussions commenced in the usual tone of paying capacity and meagre two percent was offered, initially.

When the organisations could not turn the discussions on the lines of COD submitted and mandate of the members obtained, one individual has filed a writ in High court, Madurai bench to direct the IBA to discuss the wage negotiations on the lines of scientifically designed Minimum wages policy – a universally accepted wage formula which was followed in 7th Central pay commission recommendation.

Fortunately, the judiciary appreciated the genuineness in the demand and admitted the writ and sent notices to the IBA, GOI, AIBOC and Canara bank officers' Association.

But, unfortunately, the IBA and the GOI did not respond, whereas the **AIBOC, AINBOF and Canara bank officers' Association** filed their counter as respondents but in support of the Petitioner.

Meanwhile, the GOI passed an act which suggests the salary on the Minimum wages policy which was remained as proposal when the writ was filed.

It may be noted here that, the subject act titled "**code on wages act 2019" was supported by AITUC, CITU and HMS.**
In view of the bill became act, the petitioner filed a writ mandamus and prayed for directing the IBA to pursue the negotiations on the provisions of the act which supports the minimum wages policy.

The Canara bank officers' Association submitted the counter in support of the petitioner and the **AIBOC** also expressed their support.

But, for the reasons best known to IBA, they did not attend the court and thus it was adjourned to 30th August and the IBA is expected to state their stand on following the provisions of the ACT.

Meanwhile, the following two statements were received, on the discussions with the IBA held today(29th August)

1. "In today's meeting IBA has not increased its earlier offer but proposed discussion on Performance Linked Pay (PLP) by forming a sub-committee. UFBU decided to meet on 11th Sept to deliberate on this and take a view." -**Bandlish, Convenor, UFBU.**

2. "In today's meeting with IBA, **AIBOC** was represented by Com. Debasis Ghosh, President and Com. Soumya Datta, General Secretary. The following points were raised by AIBOC during the talks:

- The mandate issue has to be resolved.
- 5 day Banking and reduction of cash presentation hours.
- Updation of Pension and revision of Family Pension.
- Ramification of the Codes of Wage Act, 2019.
- Ramification of the recent instructions of DFS on granting permission to CBI under Section 17(A) of PC Act, 2018.
- Reference to the Madurai Court Case.The talks were inconclusive. IBA insisted on introduction of PLP.

UFBU will meet on 11th September'19."

It is now clear that the

1. ***IBA is not inclined to follow the act passed and gazetted too by the Government.***
2. ***As an insult to the injury, IBA wants to implement the performance linked pay which is totally against the spirit of code on wages act enacted by the GOI which ensures minimum wages matching to the status for decent living.***

Let's see the meaning of "wages" as explained in the code on wages act:

"**Chapter IV, "wages"** means all remuneration (other than remuneration in respect of overtime work) capable of being expressed in terms of money, which would, if the terms of employment, express or implied, were fulfilled, be payable to an employee in respect of his employment or of work done in such employment and includes dearness allowance, that is to say, **all cash payments, by whatever name called, paid to an employee on account of a rise in the cost of living,**
but does not include,

I. **any other allowance which the employee** is for the time being entitled to;
II. the value of any house accommodation or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of food grains or other articles;
III. any travelling concession;
IV. **any bonus including incentive, production and attendance bonus;**
V. any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the employee under any law for the time being in force;
VI. any retrenchment compensation or any gratuity or other retirement benefit payable to the employee or any ex gratia payment made to him;
VII. **any commission payable to the employee**

It may be observed from the above that the wage means the all cash payments, by whatever name called, paid to an employee on account of a rise in the cost of living, which does not include any other allowance or any commission paid to the employee which includes the allowance paid for the performance.

When the act describes the minimum wages which consists of basic rate of wages and the allowance linked to the cost of living, it stipulates under **CHAPTER II MINIMUM WAGES that NO employer shall pay to any employee wages less than the minimum rate of wages notified** by the appropriate Government for the area, establishment or work as may be specified in the notification.

7. (1) Any minimum rate of wages fixed or revised by the appropriate Government, in respect of employment, under section 8 may consist of–
(i) **a basic rate of wages and a special allowance** at a rate to be adjusted, at such intervals and in such manner as the appropriate Government may direct, to accord as nearly as practicable with the variation in the cost of living index number applicable to such

workers (hereinafter referred to as "cost of living allowance")

It is apparent from the above paragraphs that the WAGE does not include an allowance related to performance and the MINIMUM WAGES includes the basic rate of wages and the allowance linked to the cost of living (DA) and such minimum wages fixed cannot be reduced by any employer.

Let's also see the essence of wage fixation as stated in the 7th CPC

4.1.2. **Employee compensation is an important element** of government functioning**.** In general, the level and structure of compensation should aim **to achieve four objectives**:
(i) pay should be sufficient **to attract and retain high quality staff**;
(ii) pay should **motivate staff to work hard**;
(iii) pay policy should **induce other human resource management reforms**; and
(iv) pay should be **set at a level to ensure long term fiscal sustainability**.

The level of compensation provided should be enough to attract and retain quality and motivate the employees to work hard in the interest of the organization.

4.1.12 Ideally speaking, the compensation package should be a well defined function of prescribed educational and other entry level qualifications, job content, roles and responsibilities attached to the position

The pay should commensurate with educational and entry level qualifications, job position and responsibilities that go with that position.

The 7th CPC discusses on the performance linked pay too but their approach is mentioned as follows:

4.1.23 The Commission feels that there is strong need to create a culture of performance in government – from establishing standards of performance, to measuring, and promoting people based on performance. To emphasize on the culture of performance, the Commission has recommended that all the non-performers in the system should be phased out after 20 years. The Commission has recommended that **Performance Related Pay should be introduced in the government and that all Bonus payments should necessarily be linked with productivity**.

Thus, it may inferred from the Code on wages act and the 7th CPC that every employee is assured of minimum wages calculated as BASIC PAY AND THE DA LINKED TO THE COST OF LIVING and any payment towards performance does not form part of the wages, as at entry level, the performance cannot be measured.

Thus, our stand of demanding to introduce the minimum wages formula on the lines of Code on wages act and 7th CPC is vindicated and AINBOF & AIBOC stand of supporting the petitioner in high court bench of Madurai is also vindicated.

WE ALL ARE LITERATES, NO EMOTIONS PLEASE, LET'S APPROACH THE ENTIRE WAGE REVISION ISSUE INTELLIGENTLY.

LET'S NOT REST TILL WE ACHIEVE,

1. **MINIMUM WAGES FORMULA**
2. **EQUIVALENT TO GRADE A OFFICERS**
3. **RUNNING SCALE OF PAY**
4. **UPDATION OF PENSION**

BECAUSE,

WE WANT QUALITY SETTLEMENT
NOT
QUICK SETTLEMENT

Ref: GS/ whatsapp dated 10.08.2019

Dear CANPALs,

Yesterday 9th August evening CBOA meeting. Good attendance.

I was explaining business objectives, targets and established that there is a huge potential to achieve and vast infrastructure to employ.

I convinced them that there is a wide gap between our strength and results.

One young boy, probably a Manager in the Branch asked, " Sir, whether all employed in our bank are responsible for achieving the business objectives and targets?

I didn't understand and I admitted openly.

He elaborated,

Sir, 6300+ branches, nearly 60000 workforce, nearing 10 crores customers, but, it is only nearly 2.00 lacs Housing loans , roughly the same number is the credit cards, 1.5 SB accounts are only opened a day.

1. Is it not true that the responsibility is on 6300+ branch in charges and few MOs only and all others in the system are only guiding, reviewing and rating him?

2. If all the 60000 are owning and responding to the corporate call,

A. Is it not possible for us to open 60000 accounts per day which is approximately 10 accounts per per branch instead 1.50?

B. Is it not possible to achieve minimum 60000 HL accounts per month to reach 7.20 lacs accounts per year even with an average ticket size of ₹10 lacs per account?

C. Is it not possible for us to to give minimum of 7.20 lacs of credit cards to route through huge amount through CASA at an average spending of ₹10000 per month per card?

D. If all are owning the targets, why so many proposals sent by the branches are rejected at RO/CO level?

E. Why so many queries were asked on the proposals instead of assisting the branch to perfect the proposals?

Now I understood the question but don't know the reply.

Can you help me, because I assured him to send reply before 11am today (10th August 2019)?

Manimaran G V

Ref: GS/ Whatsapp dated 13.08.2019

CBOA- a majority trade union for officers in Canara Bank which enjoys 30000 + officers as its members always believe and follow the principle DISCIPLINE IN CBOA AND DEVELOPMENT IN CANARA BANK.

All our present officers are only becoming the executives in the Bank and many of our members even became the EDs and MDs of many banks and guide the Industry.

We strongly condemn the political intervention in the day to day functioning of the Bank and the behaviour & threatening posture of the MP to our General Manager Mumbai today.

Yielding to this kind of threats will damage the very decent fabric of the Banking industry and will shatter the hopes of thousands of Indian youths join in the Banking industry.

Everyone in the Banking industry must firmly oppose the behaviour of the Shivsena MP whose behaviour is against the promises of the Honourable PM of our country who has assured the absence of political intervention in building up a decent and strong India.

Let's unitedly raise voice against this action as it questions the DIGNITY OF LABOUR.

Manimaran G V

Ref: GS/Whatsapp dated 14.08.2019

I forwarded a videos and photos show threatening by Shivsena MP to our GM Mumbai yesterday 13th August which questions the dignity of individual, position and organisations.

It will also damage the matured relationship to be maintained between the Administration and a responsible trade union and also this will misguide young officers and employees to resort to political means which will destroy the time tested hierarchical system which ultimately finish the business and our very existence.

Very unfortunately, the issue which should have been condemned every body in Banking industry is being quietly sidelined by even the very affected lot.

I am surprised to witness such reactions.

Nevertheless, we as a majority Association for the supervisory strength which includes the executives too who gone up in the ladder, proposes to represent to our Honourable Prime Minister and the Honourable Finance Minister to save the industry which is already reeling under various pressure due to such interference.

Ref: GS/ Whatsapp dated 15.08.2019

HAPPY INDEPENDENCE DAY

73 Years

1. INDIA is growing younger day by day
2. INDIA is Owners pride, Neighbors envy
3. INDIA's presence is felt as Strength to Friends and threat to the opponents.
4. Any decision in any part of the world, INDIA's views can't be ignored.

HOW?
1. Democracy is preached and practiced.
2. It believes it's own strength.
3. The Leaders LOVE the NATION before themselves and their affiliates.
4. The leaders pave the way to the youth on due date.
5. Aggressiveness is shown on building the NATION TOO.
6. INDIA is a Lion outside their DEN TOO.
7. INDIA never threats but educates.
8. INDIA never thinks REGIONALLY but GLOBALLY.
9. INDIA NEVER tender Apologies because, it NEVER commits such Mistakes.

CBOA is crossing 53 years.

1. CBOA is also growing younger day by day.
2. CBOA is Owners pride, Neighbors envy.
3. CBOA's presence is felt as Strength by Friends and threat by the opponents.
4. Any decision by any trade union in the BANKING SECTOR, CBOA views can't be ignored.

DISCIPLINE IN CBOA
DEVELOPMENT IN CANARA BANK

Ref: GS/ Whatsapp dated 27.08.2019

Should bankers appreciate transfer of 1.75 lac crores from RBI to Government?

I think, we must.

1. RBI earns out of Banking operations and the surplus is kept as reserves after paying dividend to the Govt.
2. Now this amount is transferred to Govt which otherwise could have been paid as dividend.
3. We once questioned that how RBI earns profit when member banks are posting loss.
4. Now we can demand from the government to infuse additional capital to the PSBs over and above 70000 crores announced by Honourable FM.

   A. Capital adequacy will improve.
   B. Liquidity will increase
   C. Cost of funds will reduce and thus MCLR will reduce.
   D. Ease in the market and advances will look up.
   E. Percentage of NPA will reduce, profit will increase.
   F. Job opportunity will increase.
   G. BANKS WILL HAVE SUFFICIENT CAPITAL TO INCREASE THE SALARY TO THE BANKMEN AS PER THE MINIMUM WAGES POLICY AND NO LONGER THE INADEQUACY IN PAYING CAPACITY.

AINBOF CIRCULAR

Ref : GS/AUG /2019/ dated 15th Aug 2019

Work force in the Nationalised Banking sector is well aware that the initiative undertaken by the Government with the purpose of gathering views and suggestions to find solution through officials in the banking sector on various parameters which may rejuvenate the Industry to become best in the world. The initiatives have been envisaged aims at extending Credit to Micro, Small and Medium Enterprises (MSME) sector, Retail lending, Agriculture Credit, Export Credit and Digital Payments among many other parameters by adopting review exercise on performance of banks during the last five years.

It also encompasses alignment of banking with national priorities, synchronization with area-specific issues and growth potential, role of PSBs as active partners in the Indian growth story, generation of ideas for creating a roadmap for the future, comparative ranking of banks, enhanced ease of living by making banks more responsive to customers, challenges before banks and their preparedness in areas such as cyber security and data analytics, multi-layered analysis of comparative performances at regional, state and national levels, both within and across banks, etc.

This exercise may be due to our continuous and consistent efforts towards reaching the top through mass mails and our mass signature campaign demanding our real concerns in developing the banking sector to be heard.

It is indeed a rare opportunity available to us to voice our ideas to improve the business and to remove concerns which are impediments in improving the business.

AIBOC our apex body represented to invite them to be part of the consultation process which we also reiterate to be considered by the Government as it is considered as a right occasion to invite the suggestion from all the stake holders.

It is an occasion because it was the practice in the industry to represent the issues through the organisations and now it is the turn of the members to voice their expectations directly which in fact will have much envisaged and desired results and also we can't find better lot in the industry than the branch managers to briefly and broadly echo issues benefitting and impacting the business development. So we request that this opportunity may be utilised effectively to present the ways and tools, we need to reach the goals which include the changes required in the working conditions of the officers community. While highlighting the ways to improve the business from out of your field experience and exposures, you shall record your expectations in improving the following aspects too.

1. Poor wage structure which in no way commensurate with quality and qualifications of the Indian youth joined in the banks with great expectations. This inferior wage band will discourage the talents to be attracted towards the Banking. Even the top levels in the Nationalised banks like MDs and EDs who command almost 70% of the market share are nor exceptional and they are also not compensated equal to their counterparts in the private who manage lesser business. Thus to accelerate the vibrancy in banking by attracting talents, the wages are to be fixed immediately on the minimum wages formula without linking to the profitability and such wages to the scale 1 officers shall equivalent to the Grade A officers of the GOI.
2. To ensure the officers in the industry to keep running with enthusiasm, the scale of pay linked to the promotion to be removed and the running scale of pay should be implemented.
3. To assure the officers to have a peaceful retired life which shall motivate them to run enthusiastically during the service, the pension shall be updated.
4. The basic benefits like housing, conveyance, medical reimbursement and other benevolent

measures shall be attractive, sufficient and uniform in the industry and there should not be any discrimination as all the officers and employees enter in to the industry through same or similar tough screening process.

5. As the officers are subjected to all India transfers and also are being deployed even in the remote corners of the county in order to introduce poverty alleviation programs effectively to every Indian family, such officers must be provided with ample security cover from the goons at times targeting the innocent bank officers and employees.
6. The credit dispensation- the major responsibility of bankers which brings 70% of the income to the banks are inherently risky and thus proper insulation shall be provided to the officials who are duty bound to take such risky decisions from the agencies like CBI and CVC. It may be noted that a big number of bank officials right from former celebrity CMDs to the innocent officers who carried out the direction in building the banks are in the clutches of such agencies even after the retirement. A firm assurance shall be given to the bank officers that the officers will be guarded NOT ONLY FOR THEIR BONAFIDE DECISIONS, THEY WILL BE PROTECTED FROM THEIR BONAFIDE MISTAKES TOO WHICH WERE TAKEN IN THE INTEREST OF THE BANK.
7. To enable the officers to serve with continued vigour, the working hours must be regulated, five days a week must be enlarged to all the weeks and also shall be compensated suitably in case of any emergency work to be attended beyond working hours and on holidays.
8. The business model of Cross selling the third party products shall be regulated as it impacts the core business of the bank and also a cause for NPA on many occasions.
9. The prudential and provisioning norms shall be revisited to be framed as practical as the existing norms are swallowing the entire operating profits which are the real gauge to measure the employees' efficiency and place the banking sector in poor light due to the negative or subdued net profit caused by the impractical prudential and provisioning norms.

Dear friends, we are well aware that you are experienced and seasonal banker and must have observed many issues to be shared in improving and sustaining the business of Nationalised Banks and we request that while highlighting such measures, kindly ensure that the above mentioned points are also discussed and documented in the interest of the Nationalised Banks, Indian economy, Indian peasants, Indian brothers who are below the poverty line and also in the interest of the COMMITTED WORK FORCE IN THE BANKING INDUSTRY WHO DEDICATE THEIR LIFE AND CAREER IN NATION BUILDING.

Ref : GS/AUG/2019/015 dated 25.08.2019

Sub : Eleventh Bipartite Settlement – Negotiations with IBA

We are at a crucial juncture in terms of our wage revision is concerned. Over the period, the bank officers have not been given the wages matching to their service and qualifications by the Indian Banks Association quoting the profit and paying capacity of the Banks and in the process, the bankers were subjected to a raw deal.

The recent rumours that are being floated on concluding the wage revision with a salary hike of around 15% to 20% makes it inevitable to recall the stand of AINBOF since 2017 on this subject.

Right from the conception of Charter of Demands, we have been batting for fixing of salary based on the Minimum Wages principle adopted by Indian Labour Congress way back in 1957. This principle based on the recommendations of International Labour Organisation (ILO) adopted by many countries world over.

Incidentally, while looking for Indian example, it was noted that the same minimum wages principle was adopted by Government of India in its Seventh Central Pay Commission which further strengthened our demand. Hence this was incorporated in the Charter of Demands prepared by the four officer organisations and submitted to IBA.

Then came the Code on Wages Bill 2017 tabled in Lok Sabha which revealed the intention of the Government to implement the minimum wages principle for the organized sector. Since introduction of the bill in Lok Sabha in 2017, AINBOF has been advocating for the Minimum Wages principle adopted in the bill as it envisages fixing salary based on that formula only for the Bank Officers.

Government of India itself admitted that a Bank Officer in JMG Scale 1 is equivalent to Grade "A" Officer in Central Government while establishing equivalence of posts in the matter of fixing creamy layer for OBCs. From this our demand of getting the pay parity which was established by Pillai Committee recommendations in 1979 but diluted in the subsequent bipartite settlements, was all the more strengthened.

Till date the negotiations have not happened on the lines of Charter of Demands submitted by us and IBA commenced its offer with a measly 2 percentage increase. The initial offer of 2% was increased to 10% by IBA much to the disappointment of the bankers.

As per the minimum wages formula the initial pay of the lowest placed government employee is Rs.18000 as on 01.01.2016 and it is demanded by them that this minimum to be increased to Rs.28000. The Grade "A" officers are getting minimum pay of Rs.56100 which is 3.12 times of Rs.18000 and will be Rs.87360 if their demand of Rs.28000 is accepted.

Government of India has passed the Code on Wages Bill and notified on 08.08.2019 after getting Presidential assent and this is going to determine the pay for millions in the organized sector which cannot be below Rs.18000/-. AINBOF was insisting for wage revision based on Minimum Wages Principle and not on percentage basis in order to bridge the huge gap in salary and to ensure the pay parity with that of the Grade A Officers in Central Government.

The importance of Minimum Wages Principles and the construction of pay are lucidly explained in the seventh central pay commission report and the relevant portions are reproduced herein below along with our inferences to bring about clarity for all concerned.

4.1.2. **Employee compensation is an important element** of government functioning**.** In general, the level and structure of compensation should aim **to achieve four objectives**:

(i) pay should be sufficient **to attract and retain high quality staff**;

(ii) pay should **motivate staff to work hard**;

(iii) pay policy should **induce other human resource management reforms**; and

(iv) pay should be **set at a level to ensure long term fiscal sustainability**.

The level of compensation provided should be enough to attract and retain quality and motivate the employees to work hard in the interest of the organization.

4.1.9. The efforts of the Commission have been to devise a **pay structure** to address all the above listed issues and concerns. Special emphasis has been laid on designing a pay matrix which is **simple, transparent, predictable and easily comprehensible**. During their interactions with the Commission, the stakeholders placed many demands, ranging from common entry pay, rationalization of the existing grade pay structure, common treatment of like cadres, transparent pay structure as also increasing the frequency of the MACP. The new pay matrix incorporates all these features: subsuming the grade pay, the rationalized matrix presents the whole universe of pay levels in one simple chart. The levels have been rationalized too, displaying a logical pay progression. Employees would be able to see their pay level, where they fit in and how they are likely to progress over their career span. The Commission has also recommended simplified procedures for computation of pension.

The pay structure should be easily understandable by all the employees and it should be transparent with assured and logical increase during their career.

4.1.11. **The pay matrix addresses the important issue of adequacy of the compensation structure.** The Commission observes that the purpose of pay is to compensate the employees for work done, to motivate them to perform well. The purposes also include **attracting talent to government service and also retaining them,** thus avoiding the need for expensive recruitment and training for replacement.

The pay should be adequate for the work done by the employees and further motivate them to perform well besides ensuring retention of talent to avoid recruitment and training costs.

4.1.12 Ideally speaking, the compensation package should be a well defined function of prescribed educational and other entry level qualifications, job content, roles and responsibilities attached to the position ......

The pay should commensurate with educational and entry level qualifications, job position and responsibilities that go with that position.

4.1.13 The Commission has also analyzed the important question of whether wages are sufficient to attract and retain qualified staff. One way to address this question is to **compare wages in government sector positions with wages for comparable positions in the private sector**. ......

This goes to prove that Government has gone to the extent of comparing the wages with comparable positions in private sector while arriving at the minimum pay.

4.1.15 Having said this, there is no denying that officers at higher level shoulder maximum responsibility and accountability and hence should be compensated accordingly. In light of this, the Commission has accorded slightly higher index of rationalization at level of Senior Administrative Grade and above.

The officers are given more weightage while fixing the minimum basic considering the responsibility and accountability that goes with their work.

4.1.17 **The Commission has adopted an innovative design to make the remuneration structure attractive.** It has adopted the need based minimum wage formula for designing the pay matrix. The rationalization of pay levels has been done keeping this minimum pay as the base for all calculations.....

To make the remuneration structure attractive the commission has adopted innovative design that is the need based "Minimum Wage Formula".

4.1.22 One recurrent theme in the representations of various associations relates to 'equity' or 'Equal Pay for Equal Work'. Ideally, **the remuneration package should establish horizontal equity**: employees should feel that their pay is comparable with the remuneration structure of similarly placed positions outside their organization. The employees should also feel that the pay structure shows **linear progression pattern and thus the notion of vertical equity is also maintained**. ....

While horizontal growth is taken care of due weightage is also given for maintaining the vertical equity on promotions by taking into consideration the pay for similar positions outside the organization.

4.1.23 The Commission feels that there is strong need to create a culture of performance in government – from establishing standards of performance, to measuring, and promoting people based on performance. To emphasize on the culture of performance, the Commission has recommended that all the non-performers in the system should be phased out after 20 years. The Commission has recommended that **Performance Related Pay should be introduced in the government and that all Bonus payments should necessarily be linked with productivity**.

Minimum pay is assured and payment of performance bonuses are necessarily linked with productivity. Not the entire pay is linked to productivity.

4.2.1 The estimation of minimum pay in government is the first step towards building its pay structure. In doing so, the approach is to ascertain, by using the **most logical and acceptable methodology, what the lowest ranked staff in government needs to be paid to enable him to meet the minimum expenditure needs for himself and his family in a dignified manner**.

Minimum pay should be arrived at logically in an acceptable method and which the lowest ranked employee should get to lead a DECENT LIFE with this family members.

4.2.2 In making this assessment various methodologies are possible, and have been considered by different Pay Commissions. The **V CPC adopted the 'Constant Relative Income Approach'** to estimate the minimum pay. This approach is based on the principle that **the real minimum pay must grow in tandem with real per capita income** so that the compensation of government staff is not independent of the economic realities of the country………

4.2.3 To estimate the minimum pay in the government, **the VI CPC used the norms set by the 15th Indian Labor Conference (ILC) in 1957** to determine the **need-based minimum wage** for a single industrial worker. The norms set by the ILC are as below:

i. **A need-based minimum wage for a single worker should cover all the needs of a worker's family**. The normative family is taken to consist of a spouse and two children below the age of 14. With the husband assigned 1 unit, wife, 0.8 unit and two children, 0.6 units each, the minimum wage needs to address 3 consumption units;

ii. The food requirement per consumption unit is shown in the Annexure to this chapter. **The specifications were derived from the recommendations of Dr. Wallace Aykroyd, the noted nutritionist,** which stated that an **average Indian adult engaged in moderate activity should, on a daily basis, consume 2,700 calories** comprising 65 grams of protein and around 45-60 grams of fat. Dr Aykroyd had further pointed out that animal proteins, such as milk, eggs, fish, liver and meat, are biologically more efficient than vegetable proteins and suggested that they should form at least one-fifth of the total protein intake;

iii. **The clothing requirements** should be based on per capita consumption of 18 yards **per annum**, which gives 72 yards per annum (5.5 meters per month) for the average worker's family. The 15th ILC also specified the associated consumption of detergents, which can be seen in the Annexure;

iv. **For housing, the rent corresponding to the minimum area** provided under the government's industrial housing schemes is to be taken. The 15th ILC kept it at 7.5 percent of the total minimum wage;

v. **Fuel, lighting and other items of expenditure** should constitute an additional 20 percent of the total minimum wage.

4.2.4 The **VI CPC considered additional components of expenditure to cover for children's education, medical treatment, recreation, festivals and ceremonies**. This followed from the **Supreme Court's ruling** in the Raptakos Brett Vs Workmen case of 1991 **for determination of minimum wage of an industrial worker**. The Supreme Court had prescribed this amount at 25 percent of the total minimum wage calculated from the first five components. However, in considering this additional component the VI CPC took note of the educational allowance and medical facilities being provided by the government.……..

Paragraphs 4.2.2 to 4.2.4 speak about how the minimum pay was arrived in the previous pay commissions.

Fifth pay commission intended to keep the minimum pay growth aligned with the economic / inflationary growth.

But Sixth CPC used the norms set by Indian Labour Congress in 1957. It advocates for a need based minimum wage for a worker's family comprising spouse and two children.

This takes into account the family's food / nutritive requirements based on the recommendations of Dr.Wallace Aykroyd, the noted nutritionist, the clothing requirements, housing, fuel, lighting and other items of expenditure. In addition to the above <u>expenditure for children's education, medical treatment, recreation, festivals and ceremonies</u>

were also included following Supreme Court's ruling for determination of minimum wage.

4.2.5 In its representation the **JCM-Staff Side** has **submitted that the Commission must determine a 'need-based minimum pay,'** estimated **entirely from the ILC norms** and **factoring in the 1991 ruling of the Supreme Court to provide for education, medical, recreation, festivals and ceremonies**. In addition they have also sought the inclusion of a quantified skill factor on the lines of the VI CPC's approach for addressing the merger of the Group D staff into Group `C'. They have further stated that unlike the previous CPCs, **the Commission should not exclude any of the seven components (five ILS components + additional 25 percent provisioning + skill factor)** on the apprehension that it would impose a heavy financial burden on the government.

4.2.6 Based on the various components of the ILC norms and the subsequent additions the **JCM-Staff Side** has reported that **the minimum pay should be Rs.26,000 per month, as on 01.01.2014**, the date from which it wants the Commission's recommendations to be implemented. The prices used for the calculation are stated to be the retail prices prevailing in New Delhi, Mumbai, Chennai, Kolkata, Hyderabad, Bhubaneswar, Trivandrum and Bangalore, as on 01.01.2014. **The JCM-Staff Side has argued that this estimation of minimum pay is still on the lower side**. This is on the **basis of their argument that the 15th ILC norms need to be revised for including old and dependent parents** as additional consumption units.

The fact that the submissions of the JCM Staff side are reckoned by Commission itself proves that the CPC is not a unilateral mechanism as claimed by certain quarters. Besides, the Commission has recorded many times in the report that the views of the stakeholders are considered.

Besides, the demand of the JCM Staff side is a minimum pay of Rs.26000 per month and that too as on 01.01.2014. Their argument is that the minimum pay calculated is on the lower side since the 15th ILC norms need to be revised for including old and dependent parents also.

4.2.7 **The 15th ILC norms were formulated in 1957.** As such, the I CPC, which gave its recommendations in 1948, pre-dated the same. The II CPC did make an initial assessment using the ILC norms. However, it moderated the minimum pay so calculated in line with the then prevailing per capita income. The III CPC adopted a modified version of the norms to calculate the minimum pay. The IV CPC estimated the minimum pay by applying the growth of total emoluments index on the minimum pay estimated by the III CPC. As already discussed, the V CPC estimated the minimum pay through the 'Constant Relative Income Approach' whilst the VI CPC adopted the 15th ILC norms to arrive at a base figure, to which was added additional 25 percent for various additional items plus the skill factor. The Commission has thus noted that directly or indirectly, the ILC norms have always been at the core of the minimum pay calculations made by the previous Pay Commissions. **The Commission is also of the view that the ILC norms**, along with other supplements **(the entire set of seven components), are the best approach to estimating the minimum pay** as it is a **need-based wage calculation** that directly costs the requirements, normatively prescribed **to ensure a healthy and a dignified standard of living**.

The commission accepted that though the ILC norms were the basis for previous pay commissions also sixth pay commission also accounted for additional components as per Supreme Court order on determination of minimum wage.

Seventh Pay commission found that the ILC norms along with other supplements are the best method for arriving at the minimum pay and this need based wage calculation so arrived will ensure a healthy and dignified standard of living.

4.2.8 The Commission has estimated the minimum pay through the following steps:

Step 1: The food, clothing and detergent products listed and their respective quantities specified by the 15th ILC have been adopted. These quantities indicate the monthly consumption of the listed products by a family comprising three consumption units. [For e.g. for the product 'Dal' the quantity specified for daily consumption is 80 grams per consumption unit per day. The monthly consumption of Dal by a consumption unit thus works out to 2.4 kg (80 x 30). Accordingly the monthly consumption of Dal by a family comprising 3 units is 7.2 kgs (2.4 x 3).]

Step 2: The quantities have been multiplied by their respective product prices to arrive at product wise cost. The price adopted for each product is the average of prices of various items that are included in the product. The price of an item is the average of its prices prevailing in each month from July, 2014-June, 2015. [At monthly family consumption of 7.2 kg the Commission has estimated the monthly expenditure on Dal at Rs.704.44 after calculating the price of Dal at Rs.97.84 per kg. The price of Dal has been calculated as the average of prices of Toor, Urad and Moong Dal items specified under the product Dal and whose prices have been determined at Rs.87.86, Rs.109.66 and Rs.96.00 respectively. The prices of these three Dal items are the twelve monthly average prices for the period July, 2014–June, 2015.] The prices of all items have been sourced from Labor Bureau, Shimla. These prices are used in the calculation of the CPI (IW) and subsequently the calculation of Dearness Allowance. In the current exercise the prices of all items are for the period July 2014-June 2015 and have been used in the calculation of DA at 119 percent operative from 01.07.2015.

Step 3: The cost of food, clothing and detergent products obtained from Step 2 has been divided by 0.8 to arrive at a total, of which 20 percent provides for fuel and lighting expenses. This addresses the fifth component under para 4.2.3. The fourth component on housing under para 4.2.3 has not been addressed at this stage as its quantification at the final stage of pay estimation is considered more appropriate by the Commission.

Step 4: The cost estimated from Step 3 is divided by 0.85 to arrive at a total, of which 15 percent is towards recreation, ceremonies and festivities. The prescribed provision of 25 percent to cover education, recreation, ceremonies, festivals and medical expenses has been moderated to 15 percent because expenses on educational and medical necessities are being separately provided for through relevant allowances and facilities and thus need not be provided here. This partially addresses the first of the two components outside the 15th ILC norms.

Step 5: The cost estimated from Step 4 is increased by 25 percent to account for the skill factor, following the reasoning that there is no unskilled staff in the government after the merger of Group D staff in Group `C'. This addresses the second of the two components outside the 15th ILC norms.

Step 6: The cost estimated from Step 5 is divided by 0.97 to arrive at a total, of which 3 percent provides for housing expenses. This is done in view of the observation that license fees for government accommodation is about 3 percent of the total pay. This addresses the fourth component stated under para 3 but partially so, as the 15th ILC norms had fixed the housing provision at 7.5 percent.

Step 7: The cost estimated from Step 6 is as on 1 July, 2015 when the DA was 119 percent. The DA is assumed to be 125 percent as on 1 January, 2016, the day from which the Commission expects its recommendations to be implemented by the government. Accordingly the cost estimated from Step 6 has been increased by 3 percent (2.25/2.19 = 1.027 or nearly 3%).

4.2.9 The cost estimated from Step 7 is next rounded off to Rs.18,000, which is the minimum pay being recommended by the Commission, operative from 01.01.2016. This is 2.57 times the minimum pay of Rs.7,000 fixed by the government while implementing the VI CPC's recommendations from 01.01.2006. Accordingly, basic pay at any level on 01.01.2016 (pay in the pay band + grade pay) would need to be multiplied by 2.57 to fix the pay of an employee in the new pay structure.

The various steps involved in the calculation of minimum pay of Rs.18000 per month are explained in detail in paragraphs 4.2.8 & 4.2.9 Further, the basic play is multiplied by a factor of 2.57 at all stages thus maintaining uniformity while arriving at the new basic pay.

4.2.11 Besides DA, government provides house rent, transport, location and function specific allowances besides Leave Travel Allowance (LTA) which, along with the basic pay, constitute the gross pay of a government employee. If one were to only take HRA and transport allowance, as are admissible in A1/A class cities, together with educational allowances for two children, the gross pay further increases to Rs.20,870 per month......

This makes it clear that the minimum pay of Rs.18000/- per month arrived at by CPC is only basic + DA and all other allowances are exclusive of this.

4.2.13 After considering all relevant factors the Commission is of the view that the minimum pay in government recommended at Rs.18,000 per month, w.e.f. 01.01.2016, **is fair and** reasonable and one which, along with other allowances and facilities, would ensure a **decent standard of living for the lowest ranked employee** in the Central Government.

Commission is of the view that minimum pay of Rs.18000/- per month is fair and reasonable and would ensure a decent standard of living for the lowest ranked employee.

5.1.5 The Commission has endeavored to incorporate the above principles while devising the new pay structure. The approach of the Commission has been to ensure that the **emolument structure is in consonance with the nature of work, role and responsibilities and accountability involved at various levels of the hierarchy** in the Government of India.........

The commission's approach is the pay should be matching to the stature of the employee in the organization and relation with the responsibilities and accountability involved.

5.1.16 The pay structures in vogue, by way of pay scales or pay bands, indicate the definite boundaries within which the pay of an individual could lie. It is however difficult to ascertain the exact pay of an individual at any given point of time. Further, the way the pay progression would fan out over a period of time was also not evident. Since various cadres are designed differently the relative pay progression also varies. The Commission believes that any **new entrant** to a service would wish to be **able to make a reasonable and informed assessment** of how **his/her career path** would traverse and **how the emoluments will progress** alongside.

The commission's approach is that the pay structure should be simple enough to be understood by all and any new recruit should be

in a position to know his career progression and make out the salary increase without any difficulty.

5.1.21 The pay matrix comprises two dimensions. It has a **"horizontal range"** in which each level corresponds to a **'functional role in the hierarchy'** and has been assigned the numbers 1, 2, and 3 and so on till 18. The **"vertical range"** for each level denotes **'pay progression'** within that level. These indicate the steps of annual financial progression of three percent within each level. The starting point of the matrix is the minimum pay which has been arrived based on 15th ILC norms or the Aykroyd formula. This has already been explained in Chapter 4.2**.**

5.1.22 On recruitment, an employee joins at a particular level and progresses within the level as per the vertical range. The movement is usually on an annual basis, based on annual increments till the time of their next promotion.

5.1.23 When the employee receives a promotion or a non-functional financial upgrade, he/she progresses one level ahead on the horizontal range.

5.1.24 The pay matrix will help chart out the likely path of pay progression along the career ladder of any employee. For example, it can be clearly made out that an employee who does not have any promotional prospects in his cadre will be able to traverse through **at least three levels** solely by means of assured financial progression or MACP, assuming a career span of 30 years or more.

5.1.39 In the true spirit of having open ended pay scales the span of levels 1 to 11 has been kept at 40 years. This has been done to ensure that no stagnation takes place.

The pay structure has two structures horizontal and vertical progression. On promotion the employee will move horizontally to the next level and yearly increments will be in a vertical range within the level.

Even without any promotional prospects an employee will tranverse through three levels with assured financial increase by way of Minimum Assured Career Progression and keeping the span of levels at 40 years virtually eliminates stagnation at all. Commission has also endorsed this saying it is done to ensure that no stagnation takes place. This is akin to our demand for running scale of pay.

5.1.40 This Commission has felt that comparison of entry pay of the lowest functionary in the government with the highest pay drawn by the Secretary to Government of India is not appropriate. The comparison should be like to like while calculating the compression ratio. Accordingly, the lowest pay at entry level of Group `C' should be compared with the entry pay of Group `A' to arrive at the compression ratio. This Commission has recommended a minimum pay of Rs.18,000 at entry level in Group `C' and Rs.56,100 as entry pay at Group `A' level. **The compression ratio is thus arrived at 1: 3.12** which signifies that a Group `A' officer entering the government on direct recruitment basis gets roughly three times the pay drawn by a Group `C' level functionary at their entry level.

The compression ratio of 3.12 is nothing but the relativity factor where we are demanding improvement. This relativity will bring better salary for officers and above.

5.1.42 The various associations of the JCM-Staff Side have **demanded that the recommendations of this Commission should be implemented w.e.f. 01.01.2014**. Their argument is that there has been substantial erosion in the value of wages owing to non-merger of DA, which has crossed the 100 percent mark in January 2014. They have also **demanded wage revision after every five years**, instead of the present decennial exercise.

5.1.49 The **Commission**, after its interaction with the authorities of Australia and New Zealand, **feels that India should also have a permanent Remuneration Authority** that should **review the pay structure** based on job roles evaluation, remuneration prevailing in the market for comparable job profiles, general working of the economy, etc. within a given budgetary outlay. With this, **the pay structure could be revised periodically, at more regular intervals, say annually**, without putting an undue burden on the public exchequer every ten years, as is the case now. Such a periodic review may have many possible fallouts: impact of revision of wages could be easily absorbed in each year's budget and quicker remediation of anomalies would take place, leading to greater employee satisfaction. In the backdrop of annual revisions, the present system of biannual revision of DA could also be dispensed with.

Even the Central Government staff have demanded wage revision every 5 years and their demand for minimum pay was Rs.26000/- per month as on 01.01.14 which they are still pursuing and going by the indications they may get also.

The commission has also felt that the review of pay should be done more frequently and they have even suggested annually. This effectively rules out the fear created by certain quarters that if we are demanding wages based on the minimum wages formula then our salary revision will happen once in ten years.

From the above it could be made out that the Central Pay Commission has taken elaborate steps to arrive at the Minimum basic pay of Rs.18000/- per month in a logical and acceptable manner . Besides, this is expected to help the lowest ranked employee of the Government and his family to lead a decent life matching to his status.

The passage of Code on Wages Bill in the parliament and its gazette notification effectively implies the Government's intention of implementing salary as per the minimum wages policy which includes the officers working in the banking industry too.

The Central Pay Commission has also vouched for the irrelevance of the stagnation and strongly felt that the pay increase should not be stopped merely on account of non-availability of promotions and there should be an assured increase and it is envisaged through Minimum Assured Career Progression spanning for 40 years spread across 11 cadres. With the promotions and career progression not in the hands of the young officers, who have joined the banking industry in large numbers making up 70% of the officers community nowadays, it is in their best interests that the demand for running scale of pay has been made.

It appears that the intention of the policy makers behind their stubbornness on the mandate issue is that freeing the scale 6 and scale 7 from the negotiations and from IBA settled wages will be paving the way for them to recruit executives at that level from market as is happening in few private sector banks already. This would affect the career prospects of even the existing officers up to Scale V who have risen through the ranks in their organization with their hard work.

Thus any of our demands should not be watered down and we must stick to the charter of demands submitted by all the officer organisations and pursue the demands vigorously until the same are attained without any concessions.

Our demands should be

1. Settlement of Wage revision based on Minimum Wages principles as incorporated in Charter of Demands
2. Unconditional Mandate upto Scale VII
3. Running scale of pay
4. Updation of pension

The voice of the youth
of not wanting a
QUICK SETTLEMENT
but prepared to wait for a

"QUALITY SETTLEMENT"
based on Minimum Wages Formula

should reverberate everywhere and heard by the powers out there advocating quick settlement.

RISE AS ONE and FUTURE IS YOURS

MANIMARAN G V
GENERAL SECRETARY
AINBOF

AIBOC CIRCULAR

Ref: Press release dated 30.08.2019

AIBOC STRONGLY OPPOSES AND CONDEMNS THE MEGA BANK MERGER

All India Bank Officers' Confederation(AIBOC), the apex body of the bank officers' trade union movement in the country having membership of around 3.2 lakh officers, expresses its outright opposition to the wholesale merger of Public Sector Banks announced by the Union Minister of Finance and Corporate Affairs today. Such bank merger announcements made by the Govt. undermines the autonomy of the bank boards and makes a mockery of the provisions of the Banking Companies Acquisition and Transfer of Undertaking Act, 1970 & 1980. The PSU Bank boards have no representatives of either Officer or Workmen director despite explicit legal provision and direction of Hon'ble Delhi High Court. Such illegal decisions against the interests of the PSU Banks and its officers and employees are not acceptable.

The justification for bank mergers given by Hon'ble Finance Minister is apparently misplaced. SBI continues to face financial stress in the post-merger scenario. The BoB-Dena Bank-Vijaya Bank merger has not yielded any significant improvements either. The decision of merger will act as a major impediment to the dream of the Govt. of moving towards a $ 5 trillion economy instead of being a catalytic process as claimed by our Hon'ble Finance Minister.

The creation of 4 new banks by merging 10 PSBs; Canara Bank and Syndicate Bank; Union Bank, Andhra Bank and Corporation Bank; Punjab National Bank (PNB), Oriental Bank of Commerce (OBC) and United Bank of India and Indian Bank with Allahabad Bank; will only enable them to create larger balance sheets to conceal the NPAs and absorb more losses and haircuts. This is a clear diversion of attention from the core issue of NPA recovery. It is common knowledge that mergers cannot resolve or clean up the balance sheets.

The ultimate objective of the government is not only to bail out the delinquent corporate, who owe the PSU banks trillions of rupees in bad loans but to eventually sell the PSBs to these unscrupulous corporate entities and pave the way for NBFCs and Fintech companies to make inroads into areas dominated by PSBs. AIBOC had been in the forefront in opposing the earlier merger of Vijaya Bank and Dena Bank with Bank of Baroda. We will again build up countrywide resistance against this wholesale bank merger move, which is a step in the direction of denationalisation and privatisation of the banking sector.

(Soumya Datta)
General Secretary
Mob – 9830044737

RBI Notifications

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/201920/22DBR.No.Ret.BC.05/12.06.173/2019-20 dated August 01, 2019

Inclusion of "Jana Small Finance Bank Limited" in the Second Schedule of the Reserve Bank of India Act, 1934

We advise that the "Jana Small Finance Bank Limited" has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DBR.NBD.No.499/16.02.011/2019-20 dated July 16, 2019 and published in the Gazette of India (**Part III - Section 4**) dated July 27 – August 02, 2019.

(S M Parida)
General Manager

RBI/201920/23DBR.No.Ret.BC.06/12.06.172/2019-20 dated August 01, 2019

Inclusion of "Bank of China Limited" in the Second Schedule of the Reserve Bank of India Act, 1934
We advise that the "Bank of China Limited" has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DBR.IBD. No.10585/23.03.005/ 2018-19 dated June 19, 2019 and published in the Gazette of India (**Part III - Section 4**) dated July 27 – August 02, 2019.

(S M Parida)
General Manager

RBI/201920/24DBR.No.Ret.BC.03/12.07.134/2019-20 dated August 01, 2019

Cessation of "National Australia Bank" as a banking company within the meaning of sub –section (2) of Section 36 (A) of Banking Regulation Act, 1949

We advise that the "**National Australia Bank**" has ceased to be a banking company within the meaning of the Banking Regulation Act, 1949 vide Notification DBR.IBD.No.10668/23.13.085/2018-19 dated June 24, 2019, and published in the Gazette of India (**Part III - Section 4**) dated July 27, 2019 – Aug 02, 2019.

(S M Parida)
General Manager

RBI/201920/26DBR.No.Ret.BC.07/12.07.150/2019-20 dated August 01, 2019

Alteration in the name of "The Royal Bank of Scotland plc" to "NatWest Markets Plc" in the Second Schedule to the Reserve Bank of India Act, 1934

We advise that the name of "The Royal Bank of Scotland plc" has been changed to "NatWest Markets Plc" in the Second Schedule to the Reserve Bank of India Act, 1934 by Notification DBR.IBD.No.10678/23.03.031/2018-19 dated June 24, 2019 published in the Gazette of India (Part III-Section 4) dated July 27 – August 02, 2019.

(S M Parida)
General Manager

RBI/FIDD/2019-20/70Master Direction FIDD. CO. Plan. BC No.08/04.09.01/2019-20 dated July 29, 2019

Master Direction – Priority Sector Lending – Small Finance Banks – Targets and Classification

The Master Direction enclosed incorporates the updated guidelines/ instructions/ circulars on the subject. The Direction will be updated from time to time as and when fresh instructions are issued. This Master Direction has been placed on the RBI website at www.rbi.org.in.
2. A comprehensive set of guidelines for Small Finance banks in the form of compendium were published on our website on July 6, 2017. The guidelines issued under Chapter II of the

compendium have been incorporated in this Master Direction. The list of circulars consolidated in this Master Direction is indicated in the Appendix.

(Gautam Prasad Borah)
Chief General Manager - in - Charge

RBI/2019-20/29 DBR.Dir.BC.No.08/13.03.00/2019-20 dated August 02, 2019

Levy of Foreclosure Charges /Pre-payment Penalty on Floating Rate Term Loans

Please refer to our circulars DBOD.No.Dir. BC.107/ 13.03.00 /2011-12 dated June 5, 2012 and DBOD .Dir. BC.No.110/13.03.00/2013-14 dated May 7, 2014, in terms of which banks are not permitted to charge foreclosure charges / pre-payment penalties on home loans / all floating rate term loans sanctioned to individual borrowers.

2. In this connection, it is clarified that banks shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned, for purposes other than business, to individual borrowers with or without co-obligant(s).

(Dr. S. K. Kar)
Chief General Manager

RBI/201920/30DNBR (PD) CC.No.101/ 03.10.001/ 2019-20 dated August 02, 2019

Levy of foreclosure charges/pre-payment penalty on Floating Rate Loans by NBFCs

Please refer to paragraph 30(4) of Chapter VI of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and paragraph 30(4) of Chapter V of Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 on waiver of foreclosure charges/ prepayment penalty on all floating rate term loans sanctioned to individual borrowers.

2. It is clarified that NBFCs shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

3. The Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 have accordingly been updated.

(Manoranjan Mishra)
Chief General Manager

RBI/2019 20/31 DCBR.BPD (PCB/RCB).Cir. No.02/13. 01.000/2019-20 dated August 2, 2019

Financial Inclusion - Access to Banking Services - Basic Savings Bank Deposit Account (BSBDA)

Please refer to our circulars UBD.BPD.Cir. No.5/ 13.01.000/ 2012-13 dated August 17, 2012 and RPCD.CO.RRB.RCB.BC.No.24/07.38.01/2012-13 dated August 22, 2012 on the captioned subject.

2. The Basic Savings Bank Deposit (BSBD) Account was designed as a savings account which would offer certain minimum facilities, free of charge, to the holders of such accounts. In the interest of better customer service, it has been decided to make certain changes in the facilities associated with the account. Banks are now advised to offer the following basic minimum facilities in the BSBD Account, free of charge, without any requirement of minimum balance.

(i) Deposit of cash at bank branch as well as ATMs/CDMs

(ii) Receipt/ credit of money through any electronic channel or by means of deposit /collection of cheques drawn by Central/State Government agencies and departments

(iii) No limit on number and value of deposits that can be made in a month

(iv) Minimum of four withdrawals in a month, including ATM withdrawal

(v) ATM Card or ATM-cum-Debit Card

The BSBD Account shall be considered a normal banking service available to all.

3. Banks are free to provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be

priced (in a non-discriminatory manner) subject to disclosure. The availment of such additional services shall be at the option of the customers. However, while offering such additional services, banks shall not require the customer to maintain a minimum balance. Offering such additional services will not make it a non-BSBD Account, so long as the prescribed minimum services are provided free of charge.

4. The holders of BSBD Account will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any existing savings bank deposit account in that bank, he/she will be required to close it within 30 days from the date of opening a BSBD Account. Further, before opening a BSBD account, the bank should obtain a declaration from the customer that he/she is not having a BSBD account in any other bank.

5. The BSBD Account shall be subject to RBI instructions on KYC/AML for opening of bank accounts issued vide Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016 on 'Master Direction - Know Your Customer (KYC) Direction, 2016', as amended from time to time.

6. The instructions issued on free transactions available for normal savings bank account in own-bank/other bank ATMs vide circulars DPSS. CO.PD.No.316/02.10.002/2014-2015 dated August 14, 2014 and DPSS. CO.PD.No.659/02.10.002/2014-2015 dated October 10, 2014 are not applicable to BSBD accounts. The minimum free withdrawals available to the BSBD Account holders can be made at all ATMs (own-bank/other bank ATMs).

7. This circular supersedes earlier instructions issued vide circulars UBD. BPD. Cir. No. 5/13.01.000/2012-13 dated August 17, 2012 and RPCD. CO. RRB. RCB. BC. No. 24/07.38.01/2012-13 dated August 22, 2012 on 'Financial Inclusion-Access to Banking Services–Basic Savings Bank Deposit Account' and UBD. BPD. (PCB) Cir No.35/13.01.000/2013-14 dated October 31, 2013 and RPCD.RRB.RCB.AML.BC No.36/07.51.018/2013-14 dated September 17, 2013 on 'Financial Inclusion- Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA) – FAQs'.

8. These instructions will come into force with effect from September 1, 2019. Banks are advised to frame Board approved policy / operational guidelines in this regard.

(Neeraj Nigam)
Chief General Manager

RBI/201920/36DBR.No.Ret.BC.10/12.01.001/2019-20 dated August 07, 2019

Change in Bank Rate

Please refer to our circular DBR.No.Ret.BC.44/12.01.001/2018-19 dated June 06, 2019, on the captioned subject.

2. As announced in the Third Bi-Monthly Monetary Policy Statement 2019-20 of August 07, 2019, the Bank Rate is revised downwards by 35 basis points from 6.00 per cent to 5.65 per cent with immediate effect.

3. All penal interest rates on shortfall in reserve requirements, which are specifically linked to the Bank Rate, also stand revised as indicated in the Annex.

(Dr.S.K.Kar)
Chief General Manager

RBI/2019-20/39FIDD. CO.Plan.BC.7/04.09.01/2019-20 dated August 13, 2019

Priority Sector Lending – Lending by banks to NBFCs for On-Lending

In order to boost credit to the needy segment of borrowers, it has been decided that bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories subject to the following conditions:

Agriculture: On-lending by NBFCs for 'Term lending' component under Agriculture will be allowed up to ₹ 10 lakh per borrower.

Micro & Small enterprises: On-lending by NBFC will be allowed up to ₹ 20 lakh per borrower.

Housing: Enhancement of the existing limits for on-lending by HFCs vide para 10.5 of our Master Direction on Priority Sector lending, from ₹ 10 lakh per borrower to ₹ 20 lakh per borrower.

2. Under the above on-lending model, banks can classify only the fresh loans sanctioned by NBFCs out of bank borrowings, on or after the date of issue of this circular. However, loans given by HFCs under

the existing on-lending guidelines will continue to be classified under priority sector by banks.

3. Bank credit to NBFCs for On-Lending will be allowed upto a limit of five percent of individual bank's total priority sector lending on an ongoing basis. Further, the above instructions will be valid for the current financial year upto March 31, 2020 and will be reviewed thereafter. However, loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity.

4. The existing guidelines on bank loans to MFIs for on-lending as detailed in para 19 of Master Directions on Priority Sector Lending will continue to be applicable for NBFC-MFIs.

5. The guidelines shall come into effect from the date of the issuance of this Circular.

(Gautam Prasad Borah)
Chief General Manager-In-Charge

RBI/201920/40FIDD.CO.LBS.BC.No.09/02.01.001/2019-20 dated August 13, 2019

Direct Benefit Transfer (DBT) Scheme – Implementation

Please refer to Circular RPCD.CO. LBS.BC. No.75 /02.01 .001/ 2012-13 dated May 10, 2013 and RPCD .CO.LBS.BC.No.11/02.01.001/2013-14 dated July 9, 2013 regarding the use of Aadhaar to facilitate delivery of social welfare benefits by direct credit to the bank accounts of beneficiaries.

2. In this connection, banks are advised to ensure that opening of bank accounts and seeding of Aadhaar numbers with existing or new accounts of eligible beneficiaries opened for the purpose of Direct Benefit Transfer (DBT) under social welfare schemes, is in conformity with the provisions listed under Section 16 of the Master Direction - Know Your Customer (KYC) Direction, 2016 (updated as on May 29, 2019) and extant provisions of the Prevention of Money Laundering (PML) Rules.

3. The above guidelines will be in supersession of Circular FIDD.CO.LBS.BC.No.17/02.01.001/2015-16 dated January 14, 2016 on "Direct Benefit Transfer (DBT) Scheme – Seeding of Aadhaar in Bank Accounts – Clarification".

(Gautam Prasad Borah)
Chief General Manager-in-Charge

RBI/201920/41 DPSS.CO.PD No. 377/ 02.10. 002/ 2019-20 dated August 14, 2019

Usage of ATMs – Free ATM transactions – Clarifications

Please refer to our circulars DPSS.CO.PD.No. 316/02.10.002/2014-2015 dated August 14, 2014 and DPSS.CO.PD.No. 659/02.10.002/2014 - 2015 dated October 10, 2014 on the subject.

2. It has come to our notice that transactions that have failed due to technical reasons, non-availability of currency in ATMs, etc., are also included in the number of free ATM transactions.

3. It is hereby clarified that transactions which fail on account of technical reasons like hardware, software, communication issues; non-availability of currency notes in the ATM; and other declines ascribable directly / wholly to the bank / service provider; invalid PIN / validations; etc., shall not be counted as valid ATM transactions for the customer. Consequently, no charges therefor shall be levied.

4. Non-cash withdrawal transactions (such as balance enquiry, cheque book request, payment of taxes, funds transfer, etc.), which constitute 'on-us' transactions (i.e., when a card is used at an ATM of the bank which has issued the card) shall also not be part of the number of free ATM transactions.

5. This directive is issued under Section 10(2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

(P Vasudevan)
Chief General Manager

RBI/201920/42 DBR.No.Ret.BC.12/12.07.160/2019-20 dated August 15, 2019

Inclusion of "North East Small Finance Bank Limited" in the Second Schedule to the Reserve Bank of India Act, 1934

We advise that the **"North East Small Finance Bank Limited"** has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DBR.NBD.No.31/16.02.010/2019-20 dated July 1, 2019, and published in the Gazette of India (**Part III - Section 4**) dated August 10-August 16, 2019.

(S.M.Parida)
General Manager

RBI/201920/46 DPSS (CO) RTGS No.364/ 04.04.016/2019-20 dated August 21, 2019

Real Time Gross Settlement (RTGS) System – Increase in operating hours

A reference is invited to the circular DPSS (CO) RTGS No. 2488/04.04.016/2018-19 dated May 28, 2019 on 'Real Time Gross Settlement (RTGS) System – Extension of Timings for Customer Transactions'.

2. At present, the RTGS system is available for customer transactions from 8:00 am to 6:00 pm and for inter-bank transactions from 8:00 am to 7:45 pm. In order to increase the availability of the RTGS system, it has been decided to extend the operating hours of RTGS and commence operations for customers and banks from 7:00 am.

3. The RTGS time window with effect from **August 26, 2019** will, therefore, be as under:

Sr. No.	Event	Time
1.	Open for Business	07:00 hours
2.	Customer transactions (Initial Cut-off)	18:00 hours
3.	Inter-bank transactions (Final Cut-off)	19:45 hours
4.	IDL Reversal	19:45 hours - 20:00 hours
5.	End of Day	20:00 hours

4. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007).

(P Vasudevan)
Chief General Manager

RBI/201920/48FIDD.CO.FSD.BC.No.10/05.02.001/2019-20 dated August 26, 2019

Interest Subvention Scheme for Kisan Credit Card (KCC) to Fisheries and Animal Husbandry farmers during the years 2018-19 and 2019-20

Please refer to our circular FIDD.CO.FSD.BC.12/05.05.010/2018-19 dated February 4, 2019 extending KCC facility to animal husbandry farmers and fisheries for their working capital requirements and our letter dated May 27, 2019 conveying Government's approval to extend the benefits of Interest Subvention at 2% and Prompt Repayment Incentive (PRI) at 3% to fisheries and animal husbandry farmers to meet their working capital needs under the KCC scheme.

2. In this regard, it is advised that Government of India has now issued the operational guidelines of the Interest Subvention Scheme for Kisan Credit Card facility to fisheries and animal husbandry farmers for a period of two years i.e. **2018-19 and 2019-20** with the following stipulations:

In order to provide short-term loans upto ₹ 2 lakh to farmers involved in activities related to Animal Husbandry and Fisheries, through a separate KCC for these activities, apart from the existing KCC for crop loan, at a concessional interest rate of 7% per annum during the years 2018-19 and 2019-20, it has been decided to provide interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs) and Private Sector Commercial Banks (in respect of loans given by their rural and semi-urban branches only) on use of their own resources. This interest subvention of 2% will be calculated on the loan amount from the date of its disbursement / drawal upto the date of actual repayment of the loan by the farmer or up to the due date of the loan fixed by the banks, whichever is earlier, subject to a maximum period of one year. In case of farmers possessing KCC for raising crops and involved in activities related to animal husbandry and/or fisheries, the KCC for animal husbandry/fisheries shall be within the overall limit of ₹ 3 lakh.

ii. To provide an additional interest subvention of 3% per annum to such of those farmers repaying in time i.e. from the date of disbursement of the working capital loan upto the actual date of repayment by farmers or upto the due date fixed by the banks for repayment of loan, whichever is earlier, subject to a maximum period of one year from the date of disbursement. This also implies that the farmers repaying promptly as above would get short term loans @ 4% per annum during the years 2018-19 and 2019-20. This benefit would accrue to only those farmers who repay their **both** short term crop loan and working capital loan for animal husbandry/fisheries activities in time.

iii. Interest subvention is to be provided on a maximum limit of ₹ 2 lakh short term loan to farmers involved in animal husbandry and fisheries. The farmers already possessing KCC (crop loan) and involved in animal husbandry & fisheries activities, can avail a sub-limit for such activities. However, the interest subvention and prompt repayment incentive benefit on short term loan (i.e. crop loan+ working capital loan for animal husbandry and fisheries) will be available only on an overall limit of ₹ 3 lakh per annum and subject to a maximum limit of ₹ 2 lakh per farmer involved in activities only related to animal husbandry and / or fisheries. **The limit for crop loan component will take priority for interest subvention and prompt repayment incentive benefits and the residual amount will be considered towards animal husbandry and / or fisheries subject to cap as mentioned above.** (Illustrations)

v. To ensure hassle-free benefits to farmers under Interest Subvention Scheme, banks are advised to make Aadhar linkage mandatory for availing short-term loans for Animal Husbandry and Fisheries in 2018-19 and 2019-20.

v. The Interest Subvention Scheme is being put on DBT mode on 'In Kind/services' basis and all short term loans processed from 2018-19 are required to be brought on ISS portal / DBT platform. Banks are advised to capture and submit the category wise data of beneficiaries under the scheme and report the same on ISS portal individual farmer wise once it is launched by the Ministry of Agriculture and Farmers Welfare to settle the claims arising from 2018-19 onwards.

2. Banks may give adequate publicity to the above scheme so that the eligible farmers can avail the benefits.

3. It is also advised as under:

i) In respect of 2% interest subvention, banks are required to submit their claims on a half-yearly basis as on September 30 and March 31 for the years 2018-2019 and 2019-2020, of which, the latter needs to be accompanied by a Statutory Auditor's certificate certifying the claims for subvention for the financial year ended on March 31 of the corresponding year as true and correct.

ii) In respect of 3% prompt repayment incentive, banks may submit their one-time consolidated claims pertaining to the disbursements made during the years 2018-19 and 2019-20, accompanied by Statutory Auditor's certificate certifying the claim as true and correct. Any remaining claim pertaining to the disbursements made during the years 2018-19 and 2019-20 and due during 2019-20 and 2020-21 respectively, may be consolidated separately and marked as an 'Additional Claim' duly certified by the Statutory Auditor as true and correct.

iii) Claims in respect of 2% interest subvention and 3% prompt repayment incentive may be submitted **within a quarter from the close of the half year/year**. The 'Additional Claim' pertaining to the disbursements made during the years 2018-19 and 2019-20 may be submitted latest by **June 30, 2020 and June 30, 2021** respectively. The above mentioned claims may be submitted in **Formats I and II (enclosed herewith)** to the Chief General Manager, Financial Inclusion and Development Department, Reserve Bank of India, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai – 400 001 both in hard copy and soft copy (excel format) to fsdco@rbi.org.in.

iv) The copies of such audited claims may also be submitted to the **Department of Animal Husbandry and Dairying**, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India and **Department of Agriculture Cooperation and Farmers Welfare**, Ministry of Agriculture & Farmers Welfare, Government of India.

(Sonali Sen Gupta)
Chief General Manager

RBI/201920/50DPSS.CO.PD.No.501/02.14.003/2019-20 August 29, 2019

Cash Withdrawal at Points-of-Sale (PoS) Devices

A reference is invited to the circulars DPSS.CO.PD.No.147/02.14.003/2009-10 dated July 22, 2009, DPSS.CO.PD.No.563/02.14.003/2013-14 dated September 5, 2013 and DPSS.CO.PD.No.449/02.14.003/2015-16 dated August 27, 2015 on cash withdrawal at PoS devices enabled for all debit cards/open loop prepaid cards issued by banks. The instructions outlined therein, limit –

- cash withdrawal to ₹ 1000/- per day in Tier I and II centres and ₹ 2,000/- per day in Tier III to VI centres
- customer charges, if any, on such cash withdrawals to not more than 1% of the transaction amount.

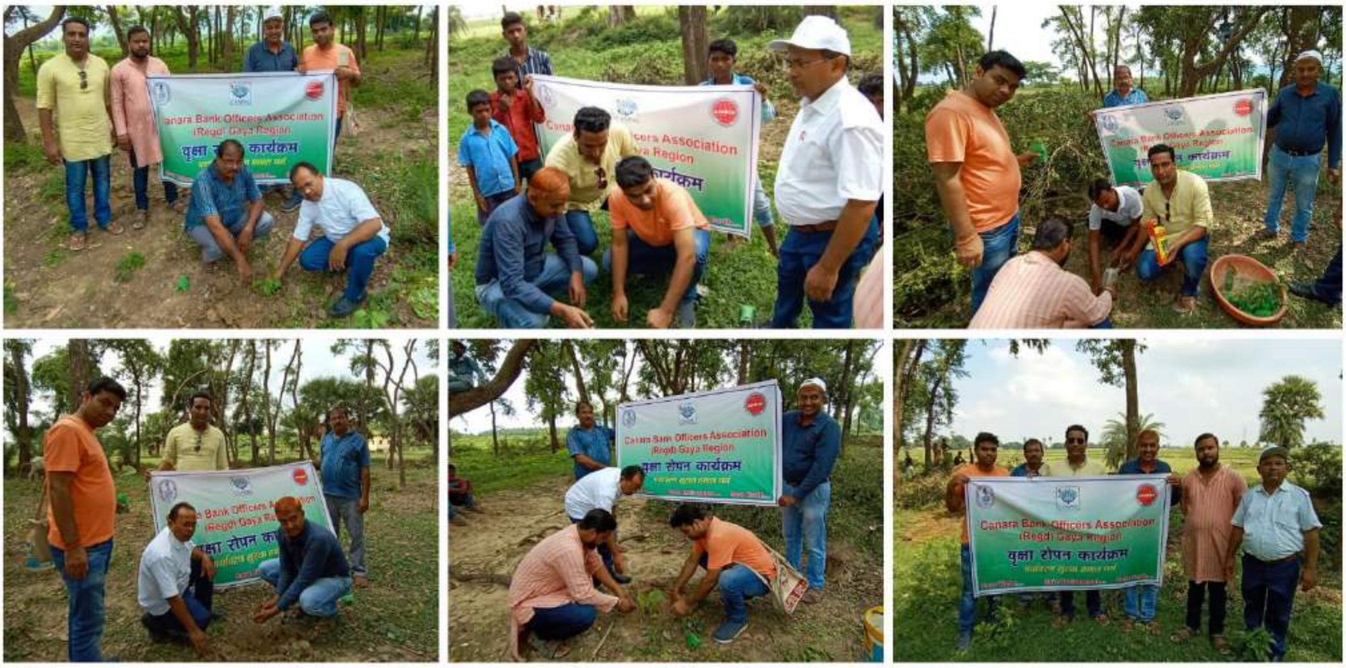
2. It has come to our notice that the above have not been implemented in letter and spirit. The instructions issued in the above circulars are, therefore, reiterated with a view to provide for cash withdrawals at PoS by card-holders. To this end, banks may extend the facility of withdrawal of cash at any merchant establishment designated by them after a due diligence process.

3. Banks are also advised to submit data on cash withdrawals at PoS devices to the Chief General Manager, Department of Payment and Settlement Systems, Mumbai 400001, on quarterly basis within 15 days of the end of quarter as per the format enclosed to the circular dated August 27, 2015; the data shall be forwarded to the email with effect from the quarter ending September 30, 2019.

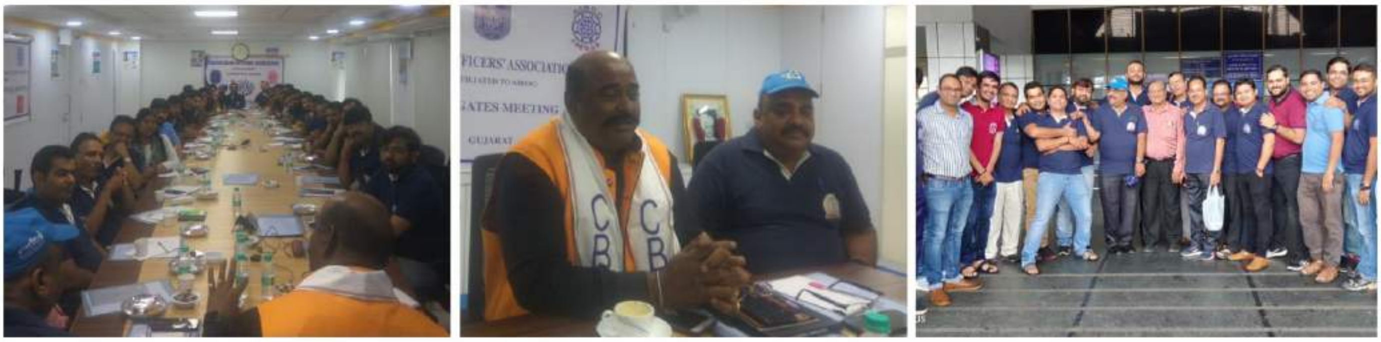
(P. Vasudevan)
Chief General Manager

EVENTS OF AUGUST

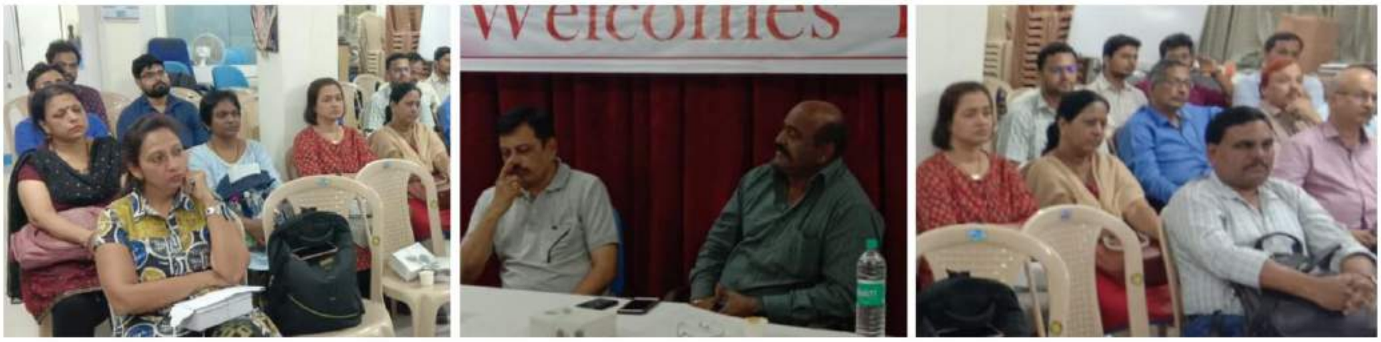
Felicitation and Handing over Rs.25000.00 to All India topper and Rs.10000.00 to all Circle toppers of Clerical to Officer promotion as a motivation for all to take up the promotion.



Plantation of 101 trees at Baja Bigha Villa by CBOA Gaya Region

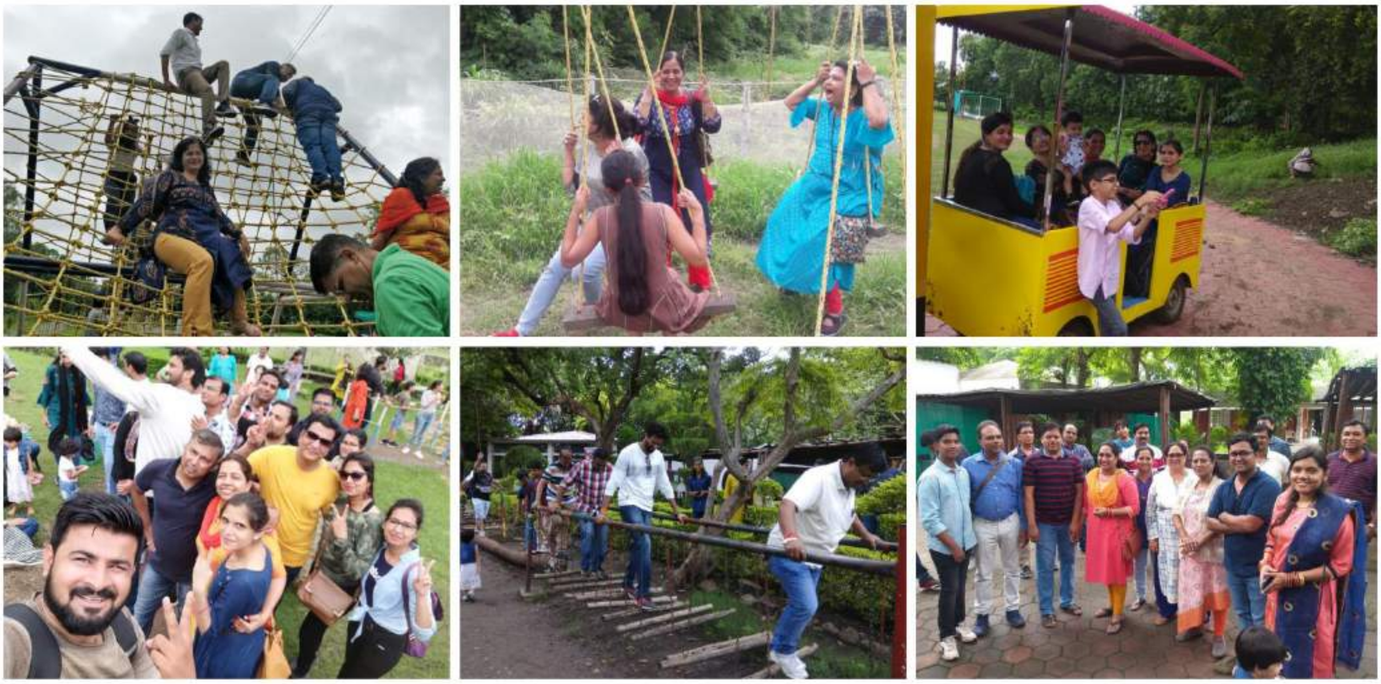


GS, Sri. G V Manimaran addressing Delegates Meeting at Ahmedabad



GS, Sri. G V Manimaran addressing Delegates Meeting at Mumbai

GS, Sri. G V Manimaran addressing Delegates Meeting at Chandigarh



PICNIC by CBOA Indore

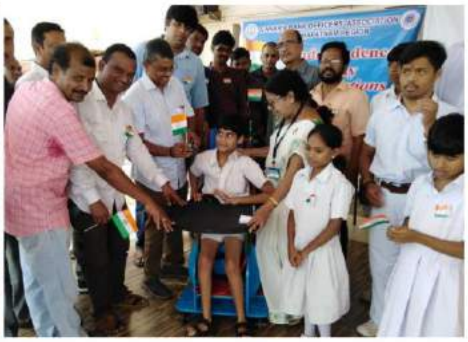
CBOA Hyderabad addressing the Promotee Officers

CLJM at Trivandrum Circle office and Felicitation of GM, Smt G K Maya on her Retirement by CBOA

Blood donation camp by CBOA Chandigarh

Branch visit by CBOA Jaipur



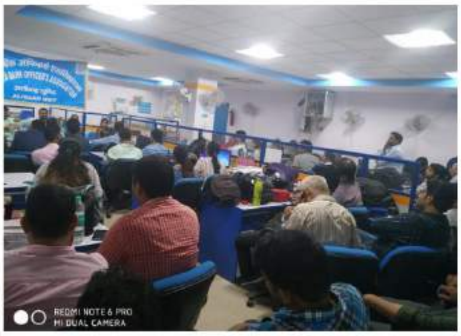


Donation of CP Chair to Arunodaya Special School for disabled by CBOA Vijayawada


Flood Relief activity by CBOA Guwahati



General body meeting – CBOA Agra

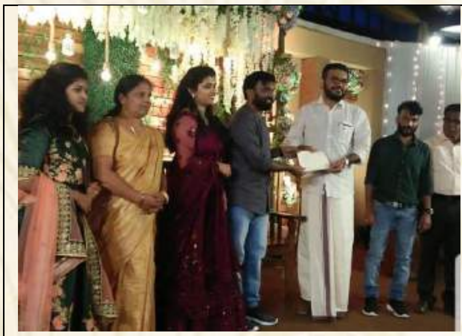
General Body Meeting – CBOA Aligarh


General Body Meeting – CBOA Jaipur

Executive Committee Meeting at Lucknow

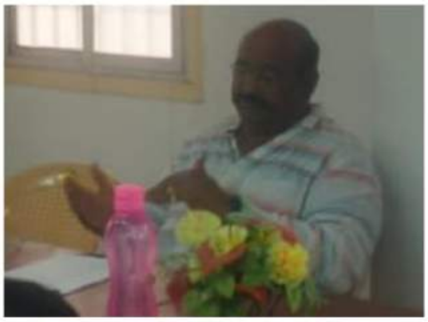


General Body Meeting – CBOA Jodhpur



Mr. Ujwal, District Secretary CBOA Palakkad, During his marriage reception Donating an amount of Rs.50000.00 to Chief Minister Distress Relief fund to support the flood affected people. Cheque is handed over to Mr. M B Rajesh, Ex MP.

Canbandan: Amith and Varsha




GS, Sri G V Manimaran, addressing General Body Meeting at CBOA Office, Chennai


Addressing Promotee officers by CBOA Trivandrum


General Body Meeting – CBOA Bikaner



Adressing promote officers by CBOA Kolkatta

REF: CBOA: GS: AUG: 2019 August 11, 2019

CBOA CANPAL'S CASTLE (HOLIDAY HOME) POLICY

As a CANPAL'S initiative, the Canara Bank Officers Association has constructed / purchased Holiday Homes at various places of tourist/ religious interest throughout the country for the benefit of its officers and employees. It is an attempt by CBOA to provide good accommodation at reasonable rates. The CANPAL'S CASTLE POLICY aims to achieve transparency and offer ease of access & comfortable stay.

LIST AND DETAILS OF CBOA CANPAL'S CASTLE:

PLACE	ADDRESS	STATUS OF THE CASTLE	DETAILS OF ACCOMADATION	CONTACT PERSON
Amritsar	**CANPALS CASTLE-AMRITSAR** Flat no 37, 3rd floor, Improvements Trust Flats, HIG category, Improvement trust Colony, New Amritsar, GT Road, Amritsar.	Operational	No of Rooms: 03 Air Conditioned Common kitchen.	Mr. Rajesh Puri, Assistant regional secretary, CBOA. Mobile: 9915111437 Care-taker: Mr. Sat Pal Mobile: 9988875354

PLACE	ADDRESS	STATUS OF THE CASTLE	DETAILS OF ACCOMADATION	CONTACT PERSON
Chandigarh	**CANPALS CASTLE-CHANDIGARH** Flat No 602, Oak Tower, Ansal Woodbury Apartment, Zirakpur Patiala Road, Near Air Force Station Road, Chandigarh.	Operational	No of Rooms: 03 Air Conditioned, Common kitchen.	Mr. Yugesh Kumar, Regional Secretary, CBOA. Mobile: 9501016719 Care-taker: Mr. Sanjeev Mobile: 9855493096
Chennai 1	**CANPALS CASTLE-CHENNAI 1** No 216, Royapettah High Road, Opposite to Deccan Hotel, Near Ajanta Bus Stop, Royapettah, Chennai.	Operational	No of Rooms: 02 Air Conditioned, Common kitchen.	Mr. Palaniappan, Regional Secretary, CBOA. Mobile: 7358639688; 9498357058 Care-taker: Mr. ChandraKumar Mobile: 8667715408
Chennai 2	**CANPALS CASTLE-CHENNAI 2** Kavanur Road, Near VGN Apartments, Potheri.	Under Process	Proposed No of Rooms: 08	Mr. Govindhan, Regional Secretary, CBOA. Mobile: 9791636006
Coimbatore	**CANPALS CASTLE-COIMBATORE** No 1/1-59 Anna Nagar, Near kathir College, Neelambur, Coimbatore-641062	Operational	No of Rooms: 04 Air Conditioned, Common Kitchen	Mr. Kaviarasan, District Secretary, CBOA Mobile: 6369334541 Care-taker: Mrs. Vasantha Mobile: 9047292437
PLACE	**ADDRESS**	**STATUS OF THE CASTLE**	**DETAILS OF ACCOMADATION**	**CONTACT PERSON**

Hampi	**CANPALS CASTLE-HAMPI** Plot no 9, Soujanya Layout, Near Vijayshree Resort, Hampi Road, Malappanagudi, Hospet.	Under Construction	Proposed No of rooms: 05	Mr. Mukund Zalki, Regional Secretary, CBOA Mobile: 9448441988
Kalaburagi	**CANPALS CASTLE-KALABURAGI** Kaasi Kamal, Behind High Court, Afzalpur Road, Kalaburagi	Operational	No of Rooms: 05 Air Conditioned.	Mr. Thimmareddy, Regional Secretary, CBOA. Mobile: 9448413399
Kolkata	**CANPALS CASTLE-KOLKATA** 12B, Mahim Halder Street, Kolkata 700025.	Operational	No of Rooms: 03 Air Conditioned.	Mr. Sanjib Kumar Das, Regional Secretary, CBOA. Mobile: 8334927300 Care-taker: Mr. Uday Pal Mobile: 8584961063 8013015122
Rameswaram	**CANPALS CASTLE-RAMESWARAM** Meyampulli Village, Near APJ Abdul Kalam memorial, Rameswaram.	Operational	No of rooms: 06, with double beds Air conditioned. TV set with audio system.	Mr. Radhakrishnan, CC member, CBOA. Mobile: 9994571367
Tirupati	**CANPALS CASTLE-TIRUPATI** Narayanapuram, Behind Hotel Bliss, Tirupati 517502.	Under Construction	No of Rooms: 09, Parking facility in ground floor.	Mr. Nagaraja Reddy, Regional Secretary, CBOA. Mobile: 8500593455
PLACE	**ADDRESS**	**STATUS OF THE CASTLE**	**DETAILS OF ACCOMADATION**	**CONTACT PERSON**
Trivandrum	**CANPALS CASTLE-**	Under Renovation	No of Rooms: 03	**Mr. Srikanth**,

	TRIVANDRUM Chirakulam Road, Mullassery lane, Trivandrum 695001.		Air Conditioned.	Regional Secretary, CBOA. Mobile: 9744558709

POLICIES OF THE CASTLE:

- All the holiday homes will be called as **CANPAL'S CASTLE** followed by, name of the City. Ex: **CANPAL'S CASTLE AMRISTAR**.

- Accommodation facility is available to all the employees, both retired and in service. Preference will be given to members of CBOA.

- Where holiday home is located in the regional headquarters, respective Regional Secretary of the region, in which the holiday home is located will be the administrative Incharge for managing and maintaining the holiday home: Otherwise, the District Secretary in whose jurisdiction the holiday home is located, will be the administrative Incharge (or) as nominated by the General Secretary.

- All the running expenditures, including maintenance of rooms, maintenance of consumables, salary to the care-taker, electricity bills and taxation are to be managed from the income generated from the holiday home.

- For maintaining and operation of funds from the holiday home, an account comprising Regional secretary, Assistant regional secretary and District secretary to be opened, with operating condition- JOINTLY BY ANY TWO.

- The holiday home care-taker maybe permitted to use the premises to prepare snacks and beverages to be sold to inmates at a discounted price. The price of the items to be finalized by the Regional Committee.

- Holiday home can be booked for a maximum of **03 (THREE)** consecutive days. Online booking facility will be introduced shortly.

- On receipt of booking calls, the vacant room should be rented based on availability.

- Rent to be paid in advance to the designated account at **Rs 500/- per room for 24 hours.**

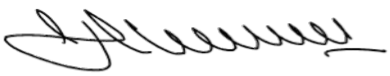
- No refund or concession is permitted.

- The officer/ employee on whose name the holiday home is booked should necessarily accompany the inmates.

- At the end of each month, the holiday home account must be tallied and account statement- income and expenditure incurred during the month, position of balance in the account must be communicated to the Treasurer, during the first week of succeeding month.

- Feedback and complaints register to be maintained at each and every holiday home. Complaints shall be forwarded to the General Secretary, CBOA.

Yours faithfully



G V Manimaran
General Secretary