



UNITY

June, 2015





STATE BANK OF INDIA OFFICERS' ASSOCIATION

(NORTH EASTERN CIRCLE)

(AFFILIATED TO ALL INDIA STATE BANK OFFICERS' FEDERATION)

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**CIRCULAR NO. 2 OF 2015
TO ALL UNIT / MEMBERS**

July 1, 2015

SALARY REVISION : COLLECTION OF LEVY

Let me congratulate you all on the successful completion of the 10th bipartite wage-negotiation process. The said process witnessed a series of protests and strikes across the country which wouldn't have been possible without your whole hearted participation. It is satisfying to note that the negotiations paved the way for a number of positive outcomes including a couple of additional monthly holidays, a significant improvement in the form of stagnation increments across all the cadres from Scale-II to Scale-IV, a hike in LFC reimbursements, substantial enhancements, as far as possible, in almost all the salary-slip components and more particularly merger of DA to a whopping 60.15%. Let us be forthright in stating that the improvements is the outcome of what we had struggled for long 33 months. The results emanating from the movement could easily be branded as a success story considering successive disruptive attempts by both the IBA and the Government.

It has been customary to collect Association levy everytime a wage revision is settled and arrear is paid. We do understand that in the parlance of trade union movements, collection of levies from the members occupy a very important role and could also be viewed as a meaningful way of participating in the movement and making the trade union stronger in its pursuit, more particularly when our philosophy is to run the organisation without any external financial support. In addition, in our circle we pursue some welfare activities like, exgratia payment of Rs. 1.00 lac when an officer die in harness, payment of Rs.10000 lumpsum amount on retirement etc. However, considering the fact that the Association wouldn't be mandated to bear any major expenditure in the near future the executive committee in its meeting held on the 19th June, 2015 has unanimously decided to not collect any levy from its members from the arrear payable on account of the revision of wages. In the next Annual General Meeting, considering the fund position, at that point of time, the association may decide to increase the amount of subscription subject to the approval of General Body. Meanwhile, we repose enough faith on the members and presume that our members will respond positively as and when a call for collection of funds is given in the event of any exigency.

With greetings,

**(Samir Kr. Mukherjee)
General Secretary**

CIRCLE NEWS

Payment of personal Allowance :

The North Eastern Circle in its pursuit to pass on significant monetary benefits to its members in the form of Personal Allowances has marked an unprecedented achievement by enabling around 1200 members to get the monetary benefit including the arrear payment which was hitherto been unattended by any of the circles in our Bank. The effort was accomplished by development of calculating software, the first of its kind, by Comrade Rupam Roy and he was adequately assisted by Com. Amit Paul, Com. Basudeb Chatterjee in his endeavour.

North East Allowance :

One of the very important issues that have been chased by the Circle Association incessantly during the recent years has been the North East Allowance. The Circle Association is constantly raising the issue in every forum including the Federation and Confederation to achieve the same. Meanwhile, Com. Rupam Roy, the secretary Finance of our Association had filed one RTI with the Ministry of finance Govt. of India as a result of which a whopping 20% of the basic emoluments could be ensured in the form of North East allowance for our officers who are from outside circles and also for them who are on interstate posting. The Circle Association however is relentlessly putting all its effort to see that the benefit is accrued to each of the officers serving in the circle irrespective of their place of domicile.

- The Disciplinary Sub-Committee of our Association is continuously doing great job in attending proceedings covering through out the Circle, writing replies to explanations, counselling for the innocent victims, and ultimately solving cases through continuous follow up and persuasions.
- The School Sub-Committee is doing marvellous job in sorting out the day to day problems. There are remarkable developments in term of infrastructure development and other school activities with active participation by the sub-committee. Recently the sub-committee played a pivotal role while settling the long pending issues relating to the School land.

The State Bank of India Officers' Association North Eastern Circle organised the "May Day" in a befitting manner. The flag hoisting was done by Com. Utpal Baruah the Vice President of the Association amidst a decent gathering of members chanting slowgans, which was followed by a brief speech by Com. Rajat Das paying tribute to the martyres.

27th Annual General Meeting, Guwahati

The 27th Annual General Meeting of the SBI Officers Thrift & Credit Co-operative Society Ltd. was solemnized on the 16th of May, 2015 in the presence of a houseful of shareholders from different branches of Guwahati and outside at the SBI Officers Association Office in Guwahati. The Chief Guest of the programme was Shri Jagadish Chandra Sarma, the Sub-Registrar of the Co-operative Society, Govt. of Assam. The Secretary of the Society, Comrade Jatindra Dev Goswami presented the Secretarial Report and Comrade Sanjib Sen presented the Statement of Accounts and the Auditors' Report which has been cheerfully accepted by the shareholders. Our fellow Comrades, Jagadish Chandra Paul, Sibananda Kakati, President of the SBIOA NE, Com. Srikanta Deka and the General Secretary of the SBIOA NE Circle Com. Sameer Kumar Mukherjee delivered their vivacious speeches with round of applause from the congregation. All of them urge upon to increase the number of shareholders as at the moment only 58 percent of the entirety officers of our Circle are the shareholders of this society. In his speech, the guest of the meeting, Shri Jagadish Chandra Sarmah, has rated the SBI Officers Thrift & Credit Co-operative Society Ltd. Guwahati as the best society in Assam which has consecutively been rated "A" Class by the Statutory Auditors, Govt. of Assam. The President and the General Secretary of the SBIOA NE Circle put before the gathering a meticulous psychiatry of the current state of affairs; starting from salary revision, 5 days banking, capital infusion in the PSBs, implementation of BCG models in our bank and its implications. The president presented a critical analysis of the BCG models and its five grades that will be substituting the AARF system in the coming years. The shareholders accepted the statement of the Accounts of the co-operative society for the year 2014-15 with pleasure and the Chairman of the Society in the presence of the shareholders adopted the resolution and made the necessary amendments in the bye laws. In every respect, the Annual General Meeting of the society has been an ostentatious success with the charisma of houseful of throng.

A team of 20 delegates visited Mumbai to become the witness of the 26th Triennial General Body meeting of our federation which also happens to be the Golden Jubilee year of its formation. The three days meeting started with a cultural extravaganza performed by the professionals from the city mumbai which incidentally set up the mood of the meeting. The inaugural session was glittered by the presence of our Chairman Smt. Arundhuti Bhattacharjee along with the Minister of Finance for state, Sri Jayant Sinha. Among the other dignitaries who graced the dais were comrade Harvinder Singh the president of AIBOC and Com Murali the convenor of UFBU. Our General Secretary, Comrade Samir Kumar Mukherjee, proposed vote of thanks amidst a full house of audiences.

The Business session was presided by Com. M Sreenath the president, from our Circle Com. Rupam Roy and Com. Sibananda Kakati spoke on dais highlighting the issue of North East Allowance and other vital issues confronting our members.

Banking News

- RBI relaxes loan norms for low-cost housing.
- Government wants PSU banks to consolidate, merge.
- Govt changes rule to make RBI more accountable.
- RBI moots priority sector tag for medium units, sanitation, renewable energy.
- **MUDRA Bank launched** : Prime Minister launched Micro Units Development and Refinance Agency Bank, with a mandate to refinance and regulate MFIs and fund small units that are typically excluded from mainstream banking system. Mudra Bank offers loans up to Rs. 10 lac to small entities classifying them in 3 categories - Shishu (loans up to Rs. 50,000), Kishore (up to Rs. 5 lac) and Tarun (Up to Rs. 10 lac).
- State Bank of India, HDFC Bank & ICICI Bank take lead in cutting base lending rates
- **PSB board members may soon get private sector pay** :

SBI wants more women directors on its board.

Postal bank set to become a reality, says Rajan.

To give mobile banking a fillip, banks told to boost user awareness

Interoperable cash deposit machines : The Reserve Bank is looking at connecting all cash deposit machines to the National Financial Switch (NFS) which will make them inter operable and allow customers to deposit cash into their accounts from any bank's machine.

For Aadhar card holders, I-T return filing now is a cakewalk : Now, the Aadhar Card holders need not to file income-tax returns physically. New ITR forms will link to Aadhar card and do away with the physical ITR-5 for those who are Aadhar-verified by the Electronic Verification Certification (EVC) system

Focus on digital but look at hand behind machine too : RBI : As banks in India move towards increasing digital banking, they must handle the man behind the machine to facilitate better transition, according to the RBI.

Banking majors shake hands with start-ups for data intelligence.

SBI joins hands with NICL to offer non-life cover under PMSBY.

SBI to auction retail store Loot (India)'s property.

Rajan to head panel for selecting non-exec chairmen for PSBs.

RBI introduces 'red flag' to clamp down on loan frauds.

India becoming one of world's fastest growing economies : IMF.

'Create separate rural cadre to push financial inclusion' : Finance Ministry panel tells Public Sector Banks.

Few takers for Jan Dhan overdraft : Only 8,000 account holders have availed of the overdraft (OD) facility under the Jan Dhan Yojana, according to government sources. A total of 108 people have availed of the accidental insurance cover, while another 152 have taken the life insurance cover provided by the scheme. The Jan Dhan Yojana envisages extending households an overdraft facility of Rs 5,000 after satisfactory operation of accounts.

IBA wants government to lower Rates on Small Savings Schemes.

Overdraft facility against FD for SBI's online customers.

Forbes names Arundhati Bhattacharya as 30th most powerful woman in the world.

SBI commissions ATM at world's 2nd coldest place : State Bank of India today commissioned an ATM in Drass valley, the second coldest place in the world where temperatures dip as low as minus 60 degrees.

SBI launches 'Her Ghar - Her Car' loyalty scheme.

Unions cry foul at govt's flexible hiring idea : Unaware of govt's proposals, unions tell labour minister.

FinMin may finalise additional fund needs for banks in 3 months : This will be over and above the budget provision of about Rs 8,000 crore earmarked for PSU banks.

State Bank of India can become a \$1 trillion bank in 10 years : State Bank of India can become a \$1 trillion bank in 10 years with 20 per cent plus annual growth in loan book, said Jayant Sinha, minister of state for finance.

SBI Launches Online Forex Platform "SBI-eForex" □

CORRIGENDUM

Members may kindly take note of an error in printing in the Circular No. 2 dated 1st of July, 2015 published at the aftermath of the Salary revision with collection of levy. It has been erroneously printed as "Stagnation Increment from Scale - I to Scale - IV" instead of from Scale - II to Scale - IV. the unintentional error is deeply regretted.

We are happy to inform all The Members that Com. Mridul Kumar Dutta who was missing from our SBI Hojai Branch has since come back safely on 9th of July evening.

FEDERATION NEWS

ONGOING AGITATION IN DHANLAXMI BANK ENTERS NEW PHASE INDEFINITE HUNGER STRIKE BEGINS

Dhanlaxmi Bank Officers' Organisation (DBOO) has been fighting relentlessly with full grit. They have full support of the Confederation and its Affiliates/ State Committees which have actively been participating in the agitational programmes at all centres. We are happy that understanding the genuineness of their cause, trade union support has been extended not only from leaders of other Constituents but also from leaders of various political parties.

The entire cross section of the country - Ministers, Politicians, Trade Unions, Writers, Student & Youth Organisations, cultural ambassadors, intellectuals and women fora have joined the bandwagon by extending their solidarity and support. It no more remains a fight only between justice and injustice, truth and falsehood but it has reached a stage of fight between saving and losing precious lives of those sitting on indefinite hunger strike (unto death).

The ever increasing support is indeed a moral victory to the fighting cadres and lesson to the Management. It is high time, the Dhanlaxmi Bank Management understands that more they try to suppress the movement, the stronger the agitation would emerge. The spirit of striking comrades of DBOO has become leading light showing alternate path to the Trade Union Movement. DBOO, despite its small size has emerged as iconic symbol of strength !

LEAVE TRAVEL CONCESSION/HOME TRAVEL CONCESSION (LTC/HTC) VISITING FOREIGN DESTINATIONS ENROUTE - DEDUCTION OF INCOME TAX ETC.

CLARIFICATIONS ISSUED BY CORPORATE CENTRE

We are happy to inform all our members that in response to our communication seeking directions to the Circle authorities in regard to deduction of income tax on foreign LFC, on the wrong interpretation of the Madras High Court order, the Bank has now issued appropriate clarification to circle authorities to avoid hardship to our members. On and after 16.2.2015 Income Tax should not be deducted on any amount paid/ reimbursed to the employee of the Bank in respect of LFC/HTC availed, where the employee has visited a foreign city/country irrespective of the fact whether the LFC bills were submitted and paid prior to or after 16.2.2015. It is clarified that if any LFC/

HTC bill (which involves visit to any foreign city/country) was paid prior to 16.2.2015 and Bank has not deducted tax on the said bill, now it will not be in order to deduct tax from the amount paid after the date of court order i.e. 16.2.2015.

DISCIPLINARY AND VIGILANCE PROCEEDINGS NEED FOR A COMPREHENSIVE REVIEW

The issue of a need for review of the Disciplinary proceedings /Vigilance Proceedings has been under discussion since many years. In the recent years many changes have taken place in the systems and procedures, business processes, technology, Circular Instructions of the Bank and the way Banking is done practically under various inevitable constraints. Therefore there is an urgent need to have a relook into the procedures in the light of changing scenario of Banking. Else the officers might unwittingly fall into the disciplinary net in the over enthusiasm to perform.

ENCASHMENT OF LEAVE ON COMPULSORY RETIREMENT PERMITTED

Our members are aware that a long pending issue of permitting encashment of leave on compulsorily retirement was raised by us in one of the Sub-Committee meeting held with IBA, last month, during the course of Salary revision talks. We had already advised through SMS, the decision of IBA for agreeing to the same.

We are pleased to inform that IBA has now issued a Circular No. HR & IR/76/H7/E9/755 dated 11.05.2015 on the captioned matter. The scanned copy of which is attached, and is self- explanatory. This is yet another victory of our Confederation in resolving one of the long pending issues.

PAYMENT OF FAMILY PENSION

PROVISION FOR PAYMENT OF "FAMILY PENSION" TO PARENTS FOR LIFE

The Family Pension is payable to spouse and as also certain category of family members as defined in the Pension Rules. However, there was no provision in respect for the parents of the deceased, which was causing serious hardship in case of the death of the bread winner of the family at an early age, leaving behind the parents. The matter has been considered by the Bank in comparison with the provisions of the Pension Rules in the Central Government and other Public Sector Banks and we are happy to inform that the payment of Family Pension to the parents, where the officer does not leave behind any other dependent, has been approved in the Executive Committee of the Central Board in its meeting held on the 25th February, 2015 by redefining the concept of "Family" under Pension Rules.

PSBs & THEIR SURVIVAL

In a bid to "so-called" enhancing the efficiency of banking services in the country, Prime Minister Narendra Modi at the Centre is working on a plan to increase the pool of eligible candidates and it may consider a flexible salary structure to attract outside talent as part of the reforms road map. In this attempt, the Private sector candidates may be allowed for both the post of chairman and MD & CEO in the Public Sector Banks to recruit the most deserving candidates as per its own definition of the term "most deserving."

As per the official statement, public sector banks are faced with several problems and one of them has been to put a check on non-performing assets (NPA) and flaws in sanctioning of loans by the officers. Govt. is also of the view that improper sanctioning of loans are responsible for rising (NPA) which might be originating from the appointment process related to banking workforce.

The govt. at the centre is now seeking for new chief executives for the state-run banks from the private-sector applicants to consolidate the state run banks. Usually, public sector banks' bosses are picked from its own ranks, which dominate the sector with more than 70 percent share of the country's banking business. They, however, lag behind the private-sector rivals in profitability and amassed bad loans at a faster pace, as per the govt. analysis. The govt. is also considering a flexible salary package for the top bosses of the PSBs picked from the private sector which clearly confirms the acceptance of the fact by the govt. that the PSB bosses get only a fraction of what their counterparts in private banks earn. However, it is not bothered about the salary structure of the lower level officers. They also receive only a fraction of what their counterparts in private banks earn as salary despite shouldering equal responsibilities, if not more.

Perhaps the govt. is unacquainted with the fact that Indian banks don't look so bad off. The ratio of non-performing loans seems reasonably low at around 4 percent; which is around the same level as many of the advanced countries. The over-all (NPA) picture is because of the overall slowdown in the economy for various reasons. There is no denying of the fact that banking system in India is dominated

by state-owned banks, which account for more than 70 percent of the overall loans. Now, the govt. wants to improve the efficiency of these PSBs by recruiting the top bosses from private sectors instead of infusing more capital for consolidation. To the contrary, it is leaving no stone unturned for diluting its shares.

In a recent case as we all know, a consortium of 13 private and state banks continued to lend money to Kingfisher Airlines for six years despite the fact the airline never registered a profit. We all know the rest. What were the role of the expertise and knowhow of the bosses of the private players to handle this situation to keep the banks' interests intact? And now quite paradoxically, the govt. wants to bring an all-round solution to the problems of the PSBs by hiring these top bosses from the private players.

We are all aware of the recent arrest of Syndicate Bank Chairman and Managing Director (CMD) Shri S. K. Jain by the Central Bureau of Investigation for allegedly accepting bribes of Rs. 50 Lakh to enhance the credit limit of some companies. CBI had then said that Jain was favoured during the appointment process as Chairman of the bank. The ranks of management could be professionalized and paid accordingly. Boards, too, should be given greater autonomy. Rather than having the Ministry of Finance select members based on political patronage, they could be chosen by an independent panel of experts who would operate at arm's length from the government. The selection of the chief of the PSBs is completely made as per the instruction and the mileage provided by the govt. Unless and until the system is changed; it does not matter whether the boss of the bank is from within or from the private players. Things are going to remain the same. The bosses from the private sector don't possess any magical bandwagon to change things overnight.

India's goal is not to avoid a banking crisis; rather it's to achieve double-digit growth. And for that, banks need to feel confident enough to lend. Clearly they don't. The only way to restore banks' health is through a significant infusion of capital. As per the Reserve of India's own estimate, India's state-owned banks need at least \$38 billion to meet the Basel III standards for capital adequacy. The government simply sticks to with its stand that it doesn't have that kind of money available, given the need to spend on infrastructure and other sectors of the nation. Recently, it has also

come up with a decision that performance & profitability will be the decisive factor as far as the volume of infusion of capital to the PSBs is concerned.

As per the outlook of our govt., the only way to generate the necessary capital for the government is to sell off or dilute its stakes in state-owned banks. Sooner or later, this government will come up with a diktat of accepting more and more minority stakes in state lenders or selling them outright to private investors, including foreign banks. Only, this would generate the much-needed cash and help to address the major cause of bad loans as per the govt.'s understanding of the whole scenario.

There are various other measures that the government can take that would stop short of privatization and cut down on political interference as well. Currently, state banks are essentially run like a bureaucracy; employees win spots through competitive exams and usually spend their entire working life in the same institution. Salaries are heavily regulated, even at the top levels. Even the Chairman of the SBI, India's largest bank, earns one-tenth the compensation package of his/her private-sector counterparts. Nevertheless, the top bosses of the PSBs earn quite hefty amount as incentives for the business and cross-selling sourced by the lower level officers. These incentives should rather be minimized, if not wiped out utterly, and the salary structure should be brought at par with their private counterparts.

The present Modi Govt. at the centre has come with all guns blazing aimed at the public sector banks for the out-and-out privatization. The chiefs of all the public sector banks, senior finance ministry officials, the RBI Governor and other senior regulators and experts brainstormed over the issue of selecting the chief of PSBs from the private sector, but the unions representing both officers and staff in these banks were entirely ignored in the consultation process. The government is trying to push for massive privatization in the name of reforms ignoring the interests of the employees. These PSBs are running short of officers and staff, although the official statistics will tell a different story, and with the mass retirement on the verge, the situation is just going to deteriorate. Under the given circumstances, it is the need of the hour for all of us to stay united and raise our voice against these govt. atrocities. We all need to manifest our solidarity among us against the govt. and its own ruled management so that a mass movement led by our unions can crop up and the govt. and the management remain at the receiving end of the things.

The Beleaguered Indian Farmer*

C.P. Chandrasekhar

India's beleaguered farmers are facing another threat to what is now a tenuous livelihood. That threat is the real prospect of a poor Southwest monsoon that would substantially reduce agricultural production over crop year (July to June) 2015-16. In its second stage updated forecast of the Southwest monsoon, which arrived a few days late in early June, the Indian Meteorological Department (IMD) predicts that it is likely to be "deficient", as opposed to just "below normal", as it had earlier indicated.

The revised forecast suggests that during the peak June to September rainfall months, precipitation is likely to be around 88 per cent of its long period average, as compared to the 93 per cent of the long period average the IMD had earlier predicted. The figures by region are currently placed at 85 per cent over Northwest India, 90 per cent over Central India, 92 per cent over the Southern peninsula, and 90 per cent over the Northeast.

Thus, Northwest and Central India, which together account for more than 60 per cent of India's food grain production are expected to be badly hit. Moreover, the media have been reporting predictions from a range of global forecasters that this is likely to be an El Nino year, with the probability of an El Nino event placed as high as 90 percent. Since such an event would have unpredictable effects in terms of rainfall distribution, with drought in some parts of the country and heavy rainfall and floods in others, it too can have a significantly damaging impact on agricultural production.

This is particularly bad news for two reasons. The first is that the Indian economy has already experienced one truant monsoon with unseasonal rainfall that affected crop production adversely. Thus, according to the official third advanced estimate of food grain production during the just completed crop year (July to June) 2014-15, output is likely to fall by 5.3 per cent. An additional year of production decline following this would not only worsen the demand-supply imbalance and possibly lead to shortages that could herald the return of inflation, but also encourage speculative holding that translates that inflationary trend into a price spiral, especially in the case of food crops.

Handling this situation would be a challenge for a government committed to prioritising fiscal consolidation and fiscal deficit reduction above all else. Any attempt to counter inflation by distributing either domestically procured or

imported food grain through the public distribution system at subsidised prices would require enhancing the subsidy bill paid out from the government's budget. Given the government's revenue mobilization record this would definitely increase the budgetary deficit. So it is likely to hold back on that option. On the other hand, just releasing grain from its reserve through open market sales at a price that covers 'economic cost' or the cost of procurement plus storage and transportation, would do little to hold down prices. That would only increase the volume of stocks held by the private sector, which would worsen rather than resolve the inflation problem. The problem in India is that, if the minimum support price (MSP) at which grain is procured, which covers cost and provides a reasonable margin, is attractive for the farmers in a poor harvest year, the floor price this sets for food tends to be too high for a large section of India's population. Hence grain released at an MSP-linked price would not find adequate takers. So the government subsidy matters from the point of view sustaining off-take from the (PDS).

The government, however, is overcommitted to reducing the per unit subsidy on food. It does this in three ways. It has adopted the targeted PDS (TPDS) system, which separates the population into households below the poverty line (BPL) and a substantial section above that line (APL). Second, it plans to do away with any subsidy on sale to the (APL) population, making it unaffordable for those who are just above or near the so-called poverty line. Thirdly, the government restricts allocations to the states of food stocks at subsidised prices, especially those states with a strong (PDS) that serves the (APL) population as well. The result is that even in periods when the harvest is reasonable, sale of (PDS) grain does not rise adequately, though procurement is high, resulting in a growing discrepancy between procurement and off-take from the (PDS) with stocks accumulating with the government. When the harvest is deficient or poor, the impact on prices of the resulting "hoarding" by the government is likely to be adverse.

Thus, the as-yet brief period when inflation has come down under the NDA's watch is likely to be short-lived. However, for much of the rural population and the farmers already hit badly by the unseasonal rainfall during crop year 2015-16, higher market prices are unlikely to provide much comfort. A very large section of them, especially agricultural labourers and small and marginal farmers, are net buyers of food and would lose from higher food prices. Others produce very little of the marketed surplus, though they would gain from food price inflation. But any shortfall in production would adversely hit these peasants as well. Given the losses

these sections suffered during the previous year, which triggered a number of suicides, this additional burden would be difficult to carry.

Needless to say, the impact of a poor harvest would be much wider than just on grain producers. For example, among the worst sufferers of a failed agricultural policy are sugarcane growers, who have not been paid their dues by the sugar mills for consecutive seasons. Cane arrears in the current sugar season stretching from December, 2014 to September, 2015 are estimated at Rs. 21,000 crore. Such arrears reportedly arise when the price realised by the sugar mills is too unremunerative for them to compensate the farmers for the cane they provide. Each time arrears accumulate, governments sympathetic to the corporate sector come out in support of the sugar mills, who complain of low sugar prices that makes it difficult for them to pay the ostensibly high prices for sugarcane set by the Centre and the even higher State Advised Prices recommended by certain state governments. This year too the government has announced that it will grant up to Rs. 6,000 crore of loans free of interest for one year to the sugar mills so that they will clear at least a part of the arrears. The burden on the budget on account of interest foregone would be Rs. 600 crore. Union Minister for Road Transport and Highways Nitin Gadkari is quoted as telling reporters after the Cabinet Committee meeting that took the decision that the committee had "taken this decision in the interest of farmers."

The truth seems to be different. While sugar production this year has (at more than 28 million tonnes) been estimated to be far in excess of demand (around 24 million tonnes), resulting in subdued prices, the practice of holding back on payments to cane growers has become routine. This is the third time in recent years that the government has provided such support to the mills. The government had provided a similar interest free loan package to the tune of Rs. 6,600 crore in December, 2013 and a further Rs. 4,400 crore in June, 2014.

It is, however, not clear that the benefits of such support went to the farmers rather than being absorbed by the industry. That the government suspects the latter is happening is clear from certain features accompanying the most recent package. To start with, the sugar mills have been requested to provide the banks a list of sugarcane growers, payments to whom are in arrears, with their bank accounts details. This is to transfer the sums due directly into those accounts to ensure that the concerned farmers receive them. Only arrears due to those without known accounts are to be transferred to the mills themselves. What is unclear is why mills are expected to obtain and provide bank account details of the cane suppliers, if they

prefer to absorb the interest subvention themselves. Secondly, the interest free loans are to be provided only to mills that have cleared at least 50 per cent of their outstanding arrears by June, 30. Some evidence of commitment to pay is required to obtain government support.

Such clauses suggest that the government suspects that the mills are not using the subsidised credit to pay the farmers. Suspicion is also aroused by the fact that sugar mill owners, including many belonging to leading business groups, have criticised the government's decision to adopt such measures of ensuring that arrears are paid to the farmers, based on the subsidised credit provided. Meanwhile, stock prices of listed sugar mills have risen after the government's announcement, suggesting that 'the market' expects the mills to gain. Thus, even when the government claims it is acting in the interests of farmers, the benefits do not always accrue to them. If in addition sugarcane producers are adversely affected by weather conditions and experience crop failure, their plight would be a cause for much concern.

It is to be seen whether the political damage that any worsening of the conditions of an already neglected peasantry would prod the government to act in all ways it can irrespective of cost, to mitigate the adverse effects of a bad monsoon. It has every reason to do so. It is faced with the prospect of a return of inflation soon after celebrating a year in office, claiming that it has reversed a record of poor economic governance, conquered inflation and restored investor confidence. Inflation in turn can impact other variables. It could adversely affect foreign investor confidence and trigger the exit of investors already spooked by the prospect of an increase in interest rates in the US. Domestically, higher inflation could force the RBI to hold back on its hesitant effort to reduce interest rates to stimulate growth. All told, an economic downturn could follow another episode of inflation. It is to be seen whether, despite the political damage that could cause, the government's commitment to neoliberal reform would paralyse it into inaction. Even worse, it could limit action to those measures, such as the amended land acquisition Bill, which hurt farmers even more in order to please the corporate sector. That would be disastrous for an already beleaguered peasantry.

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LEARNING POINT

PERSONAL BANKING : AUTO LOANS - TRACKING OF ECS MANDATE AND MIGRATION OF DOCUMENTS :

"Migration of Auto Loan documents to RACPC : Circles to instruct branches to submit ECS mandate to the concerned RACPC immediately on disbursement and not to wait for transfer of documents. PBBU may explore to have a mechanism for tracking of ECS mandate and loan documents transfer to RACPC by branches and advise the same to Circles. Concerned DGM (B & O) to be responsible for timely submission of ECS Mandate and loan documents to RACPC". In this connection we have already advised vide our Circular No PB/AL/1/KNR/34 dated 23.01.14 that ECS mandate should be lodged for activation immediately after disbursement. The instructions were reiterated vide our Circular No PBBU/AL/10-A/KNR/ 8 dated 21.06.14 advising the Circles to obtain the ECS mandate before the disbursement of the car loan and to forward the same immediately on disbursement of car loan to RACPC/RASMECCC for activation, without waiting for migration of documents. Whenever, the staff accountability exercise is conducted, this aspect also has to be examined thoroughly. We request that the instructions should be meticulously followed up. Regarding tracking of ECS mandate, we propose to place on PBBU portal 10.1.1.13, the list of accounts sanctioned during the month where Repayment Option is given as ECS. The list for the month of Feb '15 will be placed on the site on or before 5th of March '15 and so on for the subsequent months. The operating functionaries should check the list and ensure that in all these accounts ECS mandate is activated. The mechanism for tracking of the migration of documents to CPCs is already in place. The status can be checked from maintenance code available in CBS. If the maintenance code is 'o', it indicates that documents are not migrated to CPC. Where the maintenance code is that of linked CPC, it indicates that account documents are migrated to CPC. The list of accounts pending migration is placed on the link [ftp://10.1.1.13/Auto % 20 Loans % 20 dept/](ftp://10.1.1.13/Auto%20Loans%20dept/) and communicated to Circles every month.

INDIVIDUAL HOUSING LOAN SCHEME (IHLS) FINANCING OF MORE THAN TWO HOUSES : The matter has been revisited in terms of RBI guidelines on CRE Home Loan exposure. In the light of guidelines issued on CRE Home Loan, we

reproduce the instructions issued to classify home Loans to public under the following categories as CRE Home Loans :

- i. If an individual owns two or more houses, singly or jointly then the exposure for the third house onwards/purchase of plot will be treated as CRE Home Loans. The maximum number of houses/flats/residential plots will be restricted to 3 under CRE Home Loans over and above the two houses/flats permissible under Home Loan Scheme. In cases where total units, including existing and proposed exceed 5, the loan proposal will be processed under SME (CRE). In other words, CRE Home loan interest rates will be applicable to a maximum of 3 units beyond which SME interest rates and repayment terms will apply.
- ii. If the third house which is proposed to be funded through Home Loan is intended to be purchased by the borrower for upgrading from a small house to a bigger house or vice-versa, moving to a more convenient, locality/place/city etc. and he/she intends to sell one of the existing houses within 6 months after getting possession of the third house, exposure to third house may not be treated as CRE exposure, provided the borrower submits an affidavit to that effect. In case of non-fulfilment of this condition by the borrower, Home Loan will carry the rate applicable for CRE Home Loan from such due date till fulfilment of the stipulated condition.
- iii. Loan for extension of the present house will be treated as CRE Home Loan if more than 50% of the monthly instalment of the loan is expected to be raised through the rent receivable from the extended portion. Present stipulation in the Home Loan Policy that "while computing maximum eligible loan amount, expected rent accruals from proposed house/flat being let out (net of taxes, cess etc.) may be reckoned subject to maximum amount equivalent to the Net Monthly Income of borrowers" shall continue to be in force.
- iv. If the funding of third house merits classification under non-CRE exposure for reasons other than those mentioned above, Circle CGM will have discretion to permit such classification on the basis of recorded justification which does not violate the spirit of RBI guidelines mentioned above and subsequent modifications, if any, in the guidelines issued by RBI. Accordingly, it has been

decided to permit housing loan under IHLS to staff even for more than two houses/flats without any restriction as to ownership (including ancestral house, if any) but within the overall entitlement of an employee and depending on the overall repayment capacity of the employee, as well as spouse, if employed in the Bank. The only restriction being that the IHL should be categorized as CRE Home Loans and not SME (CRE) Apart from individual employee, if both the husband and wife are working in the Bank, it has been decided to allow housing loans for more than two houses within their individual/combined entitlement either singly or jointly as per their individual entitlements. From now onwards, the sanctioning authority of housing loan will obtain a declaration regarding number of houses owned by an employee/applicant singly/jointly to sanction the housing loan under CRE exposure, if applicable.

APPEAL

A general appeal is hereby made to all the members for their valuable contribution, in the form of write ups, articles, on their topics of interest and supplement to our endeavour of making this in-house publication a true mouth piece of North Eastern Circle Association and other vociferous activities that we the members have committed ourselves into.

OBITUARY

STATEMENT OF EX-GRATIA & RETIREMENT BENEFIT PAID

EX-GRATIA PAID From January, 2015 to June, 2015

“Unity” extends heartfelt condolences on the bereavement caused by the untimely death of our following comrades and prays for their soul to rest in peace and for the family members to regain strength from this.

SL. No.	Name	Address	DOE
1	Lt. Jagat Ch. Das	Jorhat Br.	10/1/2015
2	Lt. Dilip Goswami	RBO - Dibrugarh	04/02/2015
3	Lt. Jagadish Athpuria	Duliajan	03/03/15
4	Lt. Bhumidhar Rabha	LCPC Guwahati	19/04/2015
5	Lt. Mukul Borkakaty	Chowkham	11/05/2015
6	Lt. Subrata Rn Deb	R/O - Silchar	06/06/2015

RETIREMENT BENEFIT PAID From January, 2015 to June, 2015

“Unity” wishes its members a happy and contented retired life ...

SL. No.	Name	Address	DOR
1	SUNIRMAL DUTTA CHOUDHURY	UDAIPUR	Jan - 15
2	NIKHIL CH PAUL	HOJAI	Jan - 15
3	HARADHAN ANADI	RASMECCC - AGARTOLA	Jan - 15
4	SUPAL CH. CHOUDHURY	RASMECCC - AGARTOLA	Jan - 15
5	SHIPRA RANI DEY	RASMECCC - SHILLONG	Jan - 15
6	SHIMUL NANDI MAZUMDAR	RASMECC - SILCHAR	Jan - 15
7	DHRUBAJYOTI NATH	NEW BONGAIGAON	Jan - 15
8	SIBABRATA MAJUMDAR	R/O - DIMAPUR	Jan - 15
9	AMOSH M MARAK	R/O - TURA	Jan - 15
10	SHANGLONG HOSEA LEO	RBO - MOKOKCHUNG	Jan - 15
11	PRASANTA KR. DEY	AE COLLEGE GUWAHATI	Jan - 15
12	MRINAL KANTI GUPTA	AU - GUWAHATI	Jan - 15
13	ABDUL AZIZ	L.H.O. GUWAHATI	Jan - 15
14	SIBA KUMAR DEY	DIBRUGARH	Feb -15
15	KALPANA AHOM	GUWAHATI	Feb -15

SL. No.	Name	Address	DOR
16	SAJAL KANTI GOSWAMI	NARSINGPUR ADB	Feb - 15
17	DEBASISH BHATTACHARJEE	FANCY BAZAR	Feb - 15
18	SIBABRATA BHATTACHARJEE	LHO - GUWAHATI	Feb - 15
19	NIKHIL DUTTA	LHO - GUWAHATI	Feb - 15
20	CHANDAN LAL DEY	LHO - GUWAHATI	Feb - 15
21	PARAMA NANDA DAS	LHO - GUWAHATI	Feb - 15
22	PROBIN CHANDRA BORAH	SONAKUCHI HPC	Feb - 15
23	HEM CHANDRA MIRI	R/O- ITANAGAR	Feb - 15
24	ZEVITA NENGMINJA SANGMA	R/O - TURA	Feb - 15
25	PROMOD DAS	DOCUMENT ARCHIV	Feb - 15
26	BHUPEN CHANDRA DUTTA	RBO - GUWAHATI	Feb - 15
27	PHUNGCHINTHANG PHUAIJANG	RBO - V SHILLONG	Feb - 15
28	MITA NANDY MAZUMDAR	RBO - V SHILLONG	March - 15
29	CHANDAN SEAL	RASMECCC - SHILLONG	March - 15
30	MILANENDU PAUL	DGAR - SHILLONG	March - 15
31	GOPAL KRISHNA CHOUDHURY	L H O - GUWAHATI	March - 15
32	BIJOY BHUSAN DEBROY	RBO - AGARTALA	March - 15
33	ROBIN KR. DOLEY	NAYABUNGLOW	March - 15
34	RANJAN MITRA	TINSUKIA	April - 15
35	RANJIT KUMAR DEB	RASMECCC SILCHAR	April - 15
36	BISHNU PADA CHAKRABORTY	R/O AGARTALA	April - 15
37	HEMANTA DAS	GEETAQNAGAR	April - 15
38	JASOWANTA DEB LASKAR	R/O AIZWAL	April - 15
39	PRADIP KR. SARMAH	A U - JORHAT	May - 15
40	SUJIT KR. SAHA	RBO - GUWAHATI - 1	May - 15
41	TRAILUKYA SONOWAL	R/O DIMAPUR	May - 15
42	KIRANMOY DAS	RASMECCC JORHAT	May - 15
43	F LALRAWNA	LUNGLEI	May - 15
44	ABUL KALAM AZAD	L H O - GUWAHATI	June - 15
45	PAZAWNA	R/O - AIZWAL	June - 15
46	ASISH BHATTACHARJEE	R/O - SILCHAR	June - 15
47	JYOTISH CH. ADHIKARI	RESTI - DIPHU	June - 15
48	ABU YOUSUF M M CHOUDHURY	R/O - SILCHAR	June - 15
49	BHAGIRATH SUTRADHAR	KUNJAVAN	June - 15
50	DHARMESWAR SWARGIARY	DAWRPUI	June - 15

SBOA PUBLIC SCHOOL, GUWAHATI
Result Analysis of AISSE, 2014 - 2015
SUBJECT : ENGLISH
Class : X Result

No on Roll : 88
No. Appeared : 88
No. of Students Passed : 88

Details :

Grade secured	No. of students
A1	22
A2	52
B1	9
B2	5
C1	Nil
C2	Nil
D	Nil

Name of the Subject Teacher :
Mridula Das
Piyali Choudhury

RESULT ANALYSIS, 2015
Commerce Stream
Result : XII, 2015

No of Appeared : 19
No of Passed : 19

Grand Total Marks : 500
Class Average : 82.4

Sl No	STUDENT NAME	ACC	BST	ECO	ENG	EP / IP / MATHS	Phy Edu	Total (500)	Percentage
1	AAKASH PANSARI	100	95	95	90	91	99	480	96.00
2	AVIK SARKAR	85	95	80	81	90	93	444	88.80
3	AVTAR SINGH	69	94	46	66	78	96	403	80.60
4	CHAMAN BERIA	95	97	95	88	88	100	475	95.00
5	DHEERAJ KUMAR GIRI	66	86	63	67	85	84	388	77.60
6	KAVERI GHOSH	68	89	76	82	83	87	417	83.40
7	KIRANJEET KAUR	95	95	95	95	87	96	476	95.20
8	MONALISHA DAS	63	89	54	67	78	79	376	75.20
9	PUJA GUPTA	74	95	66	80	82	95	426	85.20
10	RUMI BORO	65	71	46	65	77	85	363	72.60
11	RISHIKA GARG	95	95	85	89	82	87	451	90.20
12	SUPRATIM KAR	68	78	64	70	52	90	370	74.00
13	SAHILAFRIDI	65	72	46	60	85	71	353	70.60
14	SWETA AGARWAL	72	95	84	76	92	91	438	87.60
15	SHIVANGI SARKAR	78	86	86	94	86	94	446	89.20
16	SUDEEP DEY	76	79	73	75	83	85	398	79.60
17	SUBHAM DEY	57	74	40	60	55	76	322	64.40
18	TAHREEM FATIMA	61	93	34	82	68	80	384	76.80
19	KOMAL AGARWAL	73	95	56	92	77	85	422	84.40



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AGS (Shillong)	Bijay Krishna Dutta	9436104421	
Asstt. Secretary Finance	J.D.Goswami	9864109952	

The Sub Committee of UNITY Comprises of
Com. Rupam Roy and Sanjib Sen

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