SBIOA NEWS BULLETIN

SBI Officers' Association (CC)
84, Rajaji Salai, Chennai - 600 001.
Phone : 044-25227170/25228773
Fax : 044 - 25261013
E-mail : sbioacc@yahoo.com

Web : www.sbioacc.com, sbioacc.in, savepublicsector.com, nammachennai.in
Facebook: www.facebook.com/SBIOACC
Google Group: sbioacc@googlegroups.com
Study Group: sbioacc_study@googlegroups.com

(For Internal Circulation only)

July - 2016

PRIVATISATION OF BANKS WILL KILL THE FUTURE OF THE NATION - STRIKE CALL

UFBU is no stranger to struggles raising issues that normally affect the common man and the progress of the Nation as a whole . It is once again a struggle, not for any financial gain to its members but for protecting the economic interests of millions of the common man. Ever since the introduction of liberalization policies in 2001, UFBU has been raising its voice against these policies that destroy the interest of the poor and the middle class. Of late, the policies target the Banking sector and the Government has been on the fast track on Banking sector reforms. Gyan Sangam I & II, Indradanush, Bank Boards Bureau, Merger of Public Sector Banks etc. are steps that have been taken in the recent past.

In the name of labour reforms, most of the legal protection available to labour is tinkered with by enacting new laws or by amending existing laws. When the Union Government finds it hard to pass such laws, the State Governments (Rajasthan, Andhrapradesh, Gujarat etc.) are encouraged to pass the laws to the detriment of labour. In this background, UFBU has declared the agitation programme.

United Forum of Bank Unions (UFBU), comprising nine unions have given a one-day All-India strike call on July 29 against the banking sector reforms. The Nine Unions are -- AIBEA, AIBOC, NCBE, AIBOA, BEFI, INBEF, INBOC, NOBW, NOBO 10 lakh employees and officers from Public Sector banks, Private sector banks, foreign banks, including Regional Rural Banks will participate in the strike. UFBU has taken the decision to go on strike at a meeting held in Hyderabad on 11th May 2016 against the government's proposals to go ahead with the banking reforms measures like weakening and inadequate capital to public sector banks, consolidation and merger of banks, sanction of more licenses to private corporate companies, privatisation of IDBI Bank, allowing more private capital in Regional Rural Banks (RRBs) etc.

The agitation programmes as under were unanimously decided.

i. 15th June 2016 – Demonstrations at all centres;

ii. 27th June 2016 – Badge-wearing;

iii. 1 st July 2016 to 10th July 2016 – State Units of UFBU to chalk out their own agitation programmes;

iv. 19th July 2016 – Save Public Sector Banks Day – Rallies and distribution of pamphlets on the need to protect Public Sector Banks;

v. UFBU Convention in New Delhi during the second fortnight of July 2016;

vi. Letter from UFBU to all the Members of Parliament;

vii. 29th July 2016 – ONE DAY ALL INDIA STRIKE.

DEMONSTRATION ON 15TH June 2016

As per the UFBU agitation programme, demonstrations were held at all centres on 15th June 2016. At Chennai, it was held in front of State bank of Hyderabad, Parry's Corner. Similar demonstrations were held at Coimbatore, Tiruchirapalli, Madurai, Virudhunagar and other centres. Large number of members from all the unions participated. Our office bearers participated in the demonstrations and addressed members.

BADGE WEARING ON 27TH JUNE 2016

From 27th June onwards members have been wearing badges opposing the reforms.

SEMINAR ON 12TH JULY 2016

On 8th July 2016, the AIBOC State Committee & Save Public Sector Forum are meeting at Chennai to seek support for our strike. On 12th July, a Seminar on Anti Privatisation will be held at 5.30 PM in Raja Annamalai Hall , Esplanade, Chennai . A book on Trade Union Laws written by Adv. Ramapriya Gopalakrishnan and published by SBIOA(CC) also will be released on the day.

On 19th July 2016, the Nationalisation Day a seminar, organized by AIBOC will take place at Mercantile Plaza, Chennai. It shall be addressed by Dr. Vineeth Kholi, TATA Institute of Social Sciences, Mumbai.

MERGER OF ASSOCIATE BANKS WITH SBI

After over five years of hiatus, the Associate Banks of SBI including State Bank of Bikaner and Jaipur have proposed merger with the parent lender, SBI. It is unprecedented and obvious by the manner in which the proposals were put up - all the boards of the banks met separately on the same day and made the proposals that it was an instruction from the owner of the Bank, the Government to put up a proposal. The meeting of central board of SBI considered the merger and sought approval from the Government, which was duly approved by the Cabinet. It seems that merger is on fast track. It is strange that hardly 8 months after the SBI Chairman ruled out merger due to SBI grappling with many challenges, the board chaired by her had to recommend merger.

Though it appears that an ambitious plan to put it on the fast track, State Bank of Bikaner and Jaipur, State Bank of Mysore and State Bank of Travancore being listed entities with non promoter holding ranging between 7.7 and 25 per cent, it might take time for the merger process in case of listed entities.

The employees of the Subsidiary Banks seem to welcome the proposal in view of their receiving some HR benefits that are now available only to the SBI . The Officers' Associations in all these Banks and the Associate Bank Officers Association (ABOA) welcomed the move. The Federation has decided to not oppose the aspirations of ABOA and its members. In real terms, there is no change to the balance sheet size of the Bank as already SBI Group has a single balance sheet. It is all going to remain the same. It is just like you get a bigger continent by merging all the five continents. Will the extent of land increase, or the size of the oceans shrink?

According to analysts, the move will lead to higher operating costs in the near-term for SBI . The employees of SBI get both provident fund and pension, whereas the staff of all the subsidiaries get only one of the two. After the merger, SBI will have to give the employees of subsidiaries both, which in turn will push up SBI's staff expenses. So, SBI's profitability will be hurt initially after the merger," Even as per 2010 estimates according to S. Vishvanathan, the then Managing Director of SBI Associates and Subsidiaries division, the bank would have to fork out around Rs. 10,000 crore for merger of all the associate banks with itself. SBI had set aside nearly Rs 1,500-2,000 crore each during the previous mergers of State Bank of Saurashtra (August 2008) and State Bank of Indore (August 2010). However, the Chairman estimates that it will cost 3000 Cr . Who is right?

Rationalisation of branch network and employees will also be taken up as there is some duplication of branches. The subsidiaries have about 6,400 branches and 38,000 employees. The branch expansion and recruitment will come to a halt. Closure of branches and channelizing the human resources will pour cold water on the dreams of millions of unemployed youth of the country.

CDS ISSUES: MEETING WITH THE CHAIRMAN

The Federation leaders, President Com Franco and the General Secretary Com Y Sudarshan had a detailed discussion with our Chairman, DMD & CDO, CGM(HR) and GM(HR) at Corporate Centre on 8^{th}, 9^{th} & 10^{th} June, 2016 and during the discussions it was assured by the top management of our Bank that there will be no discrepancies or heart burns for any of the officers in the Bank. After the Federation took up the issues, it is informed that, now, an AGM (CDS), is designated in every circle to look after all the discrepancies of the officers of the respective circle, with regard to CDS scores.

Further in order to mitigate the problems and take care of discrepancies, the CGM of the Circle is empowered to improve the performance assessment of upto 3% of the total officers in the Circle.

It was advised and assured that after completion of grading on the basis of percentile of marks for all the officers, none will be in grade “C” as per CDS manual, for this year.

There are two cohorts namely “Measurable” and “Non-Measurable”. It has come to light that officers under the 'non measurable' cohorts are usually given high marks/full marks leading to heart burn amongst the officers under measurable cohorts, whose scores are extracted directly from the system/CBS. Therefore in order to provide more weightage to officers under measurable budgets, it has been decided to rate 30% of such officers under “AAA” as compared to officers in 'non measurable' cohorts which will be around 25%.

After the Cohorts are identified and mapped officer wise, the marks attained by each officer will be converted to percentile and gradation will be done, based on which the officers' performance is assessed.

The Management has assured the Federation that when the grades are awarded, if there are still discrepancies then such issues would be rectified immediately.

They have also assured that there will be no injustice or heart burns to any of the performers as compared to previous year's performance. Moreover for this year's promotions since 3 out of 4 years scores or 4 out of 5 years score will be reckoned, the CDS scores may not have a direct impact on promotions. But low scores of this year will affect the next year's promotions. Hence, we are following up the matter so that proper scoring is done, commensurate to the performances.

We have received representation from many of our members and taken up their cases with the Management . We observe from the representations received that there are a lot of discrepancies in the allotment of KRAs and the marks given do not commensurate with the performance. In many cases, areas over which Officers have little control are allotted as KRAs. The source of data taken for assessment in some cases are not known and in some cases, like reduction of complaints, System related entries that are the cause of complaints- ATM related complaints- and simple requests placed are all considered as complaints. You can write your grievance to agmcds.lhoche@sbi.co.in with details such as, the KRAs allotted, the marks given and your performance under the KRA. You can also state your other achievements not considered under CDS and forward us a copy for our follow up.

We understand that the AGM (CDS) does not have any mechanism to rectify most of the errors and they are just forwarded to Corporate Centre.

MEMBERS' MEETING AND FELICITATION TO COM A KARUNAHARAN, DY. REGIONAL SECRETARY IN TIRUCHIRAPALLI.

A members' meeting was held at Tiruchirapalli on 27/06/2016 in the eve of the retirement of Com A Karunaharan, Dy. Regional Secretary of Tiruchirapalli Module. President, Com A Krishnan, General Secretary, Com D Thomas Franco Rajendra Dev, Regional Secretaries of Chennai Zone I, Com A V Joseph, Chennai Zone II, Com A Ravichandran, Madurai Zone, Com J Stalin, Tiruchirapalli Zone , Com A Asok and other Circle and Module Office bearers participated in the meeting. The leaders addressed the members and felicitated Com. A. Karunaharan. General Secretary spoke on the current issues and replied to the queries of members who have gathered in large numbers.

Com. A KARUNAHARAN, Dy. Regional Secretary, Tiruchirapalli Module was promoted as JMGS I in 2004. He was a very active member of the Association with trade union spirit. He served with unflinching loyalty, never bothering about positions in the organisation. He always raises his voice against injustice and fight for the cause of members. He was elected as Zonal Secretary of Nagapattinam Zone in the 2008 elections. Known to be close to members, the Zonal meeting he organized at Nagapattinam in 2008 was attended by more than 150 members. He was the Unit Secretary at our Thanjvur Medical College Branch and Mannargudi Branch before getting elected as the Zonal Secretary. He was elected as Dy. Regional Secretary in 2011. He was Manager at the Bharathi Dasan University Branch.

SBIOA(CC) acknowledges his contributions, thank him and wish all the very best in his second innings.

MEMBERS' MEETING AT TIRUPUR AND FELICITATION TO Com. S.SAMPATH KUMAR, ZONAL SECRETARY.

A members' meeting was held at Tirupur on 28th June 2016 to thank him. On the eve of the retirement of Com. S. Sampath Kumar, the Zonal Secretary of the Zone, he was felicitated in the meeting. Com A. Krishnan, President presided over.

Com S Sampath Kumar was born on 15/06/1956 is a B Com.,CAIIB. He Joined the Bank in 1978 as a clerk cum cashier. He was promoted as JMGS I in 1997. He was the Unit Secretary of Tirupur Main branch . He was co-opted as the Zonal Secretary of Tirupur Zone in 2012 and elected to the Zone in 2014. He took up members issues with passion and helped them with sincerity. A dedicated soldier of SBIOA (CC), he is an excellent orator and keeps very close contact with members.

SBIOA(CC) acknowledges his contributions, thank him and wish all the very best in his second innings.

CO-OPTIONS: The following co-options were done unanimously:

- Com. S. Santhi, Zonal Secretary, Kancheepuram Zone has been co-opted as Deputy Treasurer in place of Com. V. Sridhar, who has resigned on health grounds. Phone: 9445000821
- Com. V. Jayasankar, Zonal Secretary, Thanjavur Zone has been co-opted as Dy. Regional Secretary, Trichy in place of Com. A. Karunaharan, who retired on 30th June 2016. Phone: 9445000851
- Com. S.Ravichandran, Manager PBD, Thanjavur has been co-opted as Zonal Secretary, Thanjavur Zone in place of Com V Jayasankar. Phone: 9445862369
- Com. M. Murugesan, Dy. Manager, Thennampalayam Branch has been co-opted as Zonal Secretary, Tirupur Zone in the place of Com. S. Sampath Kumar, who retired on 30th June 2016. Phone: 9443385573

MEETING OF PROBATIONARY OFFICERS 2015 BATCH

A meeting of the Probationary Officers of 2015 batch was held by the Association on 5th June 2016 at our SBOA Scholl & Junior College. More than 40 Probationary Officers working in and around Chennai participated in the meeting. Com A Ravichandran, Regional Secretary, Chennai Zone II welcomed and Com A Krishnan, President presided over.

The Probationary Officers came out with the problems they face at branches during their training period. Many of them hail from North India and it is their first experience in Tamil Nadu . They did not know the local language and they were not given any training in it before sending them to branches. Moreover, they happened to report during the Chennai floods and found it extremely hard to get help without even the contact numbers of the Branches to which they were posted.

Most of them are made to clear pending works at branches or asked to do marketing and very little time is given for their training. Considering the necessity for them to pass the confirmation test, non adherence to their training schedule will severely affect them.

They feel that, most of the time in most of the business we do everyone plays the numbers game and found out many short cuts to beat one another. Ultimately, without any real benefit to the Bank, these games fatten the purse of individuals through incentives. Many times due processes are given a go by as in the case of updating KYC documents. Some of them were given capability level '5' against the norms and asked to pass financial transactions. They find it odd that customers' accounts are debited without the consent of the customers and cross selling products are sold without any hope for after sales service. The Maha login days force them to adopt short cuts to reach targets as it is virtually impossible to attain those targets on a single day. They are of the opinion that they are only taught deception, sycophancy, dishonesty etc. immediately after their joining which does not augur well for the future of the Bank.

The meeting brought to focus the enormous talent the youngsters possess and the challenges they face at branches. We need to understand them, help them learn their job, make them aware of the rich traditions and culture of the Bank and make it a better work place to take it to newer heights.

We appeal to our Comrades to respect them, allow them to leave office in time, do not call them on holidays and help them learn good practices.

The biggest ever fire sale of Indian corporate assets has begun, to tide over bad loans crisis

Published in mthehindu.com on May 9, 2016

- Piyush Pandey

(Rs. In crore)

DEBT WATCH

A sample of who owes what, and what assets are on sale.

Promoter	Name	Gross debt 2014-15	Assets for sale (Rs Cr)
Mukesh Ambani	Reliance Industries	1,87,070	—
Anil Ambani	Reliance Group	1,24,956	60,000
Ruia Brothers	Essar Group	1,01,461	50,000
Anil Agarwal	Vedanta Group	1,03,340	—
Gautam Adani	Adani Group	96,031	6,000
Cyrus Mistry	Tata Steel	80,701	0*
Manoj Gaur	Jaypee Group	75,163	24,000
Sajjan Jindal	JSW Group	58,171	—
LM Rao	Lanco Group	47,102	25,000
GM Rao	GMR Group	47,976	5,000
VN Dhoot	Videocon Group	45,400	9,000
GVK Reddy	GVK Group	33,933	10,000

*Tata Steel recently placed its UK assets on sale, writing down its value by $ 2.9 billion

'For sale' tags on airports, roads, ports, steel plants, cement units, refineries, corporate park, among others, are visible.

We are seeing what is effectively India Inc.'s biggest ever fire sale. It's even bigger than the government's planned divestment target.

The Reserve Bank of India's (RBI) has decided to clean up the balance sheets of Indian banks, which are collectively saddled with Rs five lakh crore of bad loans, by the end of this fiscal. So, the banks have started cracking the whip on Indian companies for repayment of loans. For most affected firms and groups, this will mean they will be forced to sell prized assets to repay their ballooning debts.

We are seeing 'for sale' tags on airports, roads, ports, steel plants, cement units, refineries, malls, corporate parks, land banks, coal mines, oil blocks, express highways, airwaves, Formula One teams, hotels, private jets, and even status symbol corporate HQs. Substantial stakes in firms, and in some cases entire companies, are on the block.

The Hindu reviewed leading corporate houses with billion-dollar loans riding on them, and the results are startling. The top 10 business house debtors alone owe Rs 5,00,000 crore to the banks. They will be forced to sell assets worth over Rs 2,00,000 crore.

Reliance Group (Anil Ambani)

The Anil Ambani-led Reliance Group alone owes Rs 1,21,000 crore of loans to the banks and had an annual interest liability of Rs 8,299 crore against earnings before income tax of Rs 9,848 crore. Some of the group's firms, like Reliance Infrastructure and Reliance Defence, don't earn enough to service the interest outgo.

Assets put on sale by the Reliance Group include about 44,000 telecommunications towers (valued at Rs 22,000 crore) and optic fibre and related infrastructure (Rs 8,000 crore) from Reliance Communications (RCom), its flagship firm. Weighed down by about Rs 40,000 crore of debt, RCom has posted a loss of Rs 154 crore in FY14-15, and has continued to post losses in the first three quarters of FY 15-16, accumulating losses of over Rs 2000 crore until December 31, 2015; it is likely to end that fiscal with a net loss too. The company is valued at Rs 13,440 crore, less than a third of its total debts. However, RCom plans to reduce its debts to Rs 10,000 by selling Rs 30,000 crore of telecom assets.

Reliance Infrastructure (R-Infra) is sitting on a pile of debt of Rs 25,000 crore as of February. In November 2015, it agreed to sell a 49 per cent stake in its electricity generation, transmission and distribution business in Mumbai and adjoining areas to Canadian pension fund Public Sector Pension Investment Board (PSP Investments). The transaction is expected to reduce debt of Rs.7,000 crore attached to the distribution business. It agreed to sell its cement business to Birla Corporation for Rs 4,800 crore in February, and is looking to sell its entire roads portfolio, valued at Rs 9,000 crore, for which three international bidders have been short-listed. R-Infra's EBIT stands at Rs 1,686 crore, against interest liability of Rs 1,974 crore. Its market capitalisation at Rs 14,476 crore is Rs 10,000 crore lower than its debt. By sale, of cement, road and the Mumbai power distribution businesses, the company expects to be debt free on standalone basis by the end of this fiscal.

Reliance Capital, with debt of Rs 24,000 crore has sold stakes, in phases, in its mutual fund and life insurance businesses to Nippon Life Insurance for Rs 3,461 crore to allow the latter to increase its stake to 49 per cent in each of the businesses. It further plans to raise another Rs 4,000 crore by the end of 2016-17 by selling non-core assets, including proprietary investment book and by inducting a partner in its general insurance business. Reliance Capital's debt includes its lending portfolio – commercial lending and housing finance- of about Rs 18,000 crore and claims to have a debt-equity ratio of 1.77, the lowest in the industry, as of December 31, 2015.

Mr Ambani is also looking to exit the media and entertainment businesses, under Reliance Broadcast Network Ltd (RBNL), for Rs 1,500 –Rs 2,000 crore.

His foray into defence — the recently-acquired Pipavav Defence & Offshore Engineering, rechristened Reliance Defence — is sitting on debt of Rs 6,800 crore against its current market capitalisation of Rs 4,895 crore. The loss-making company with negative EBIT of Rs 306 crore has an interest liability of Rs 347 crore a year.

Ruia's Essar group (Shashi and Ravi Ruia)

Shashi and Ravi Ruia's Essar group has gross debt of Rs 1,01,461 crore. The group is looking to sell about 50 per cent stake of its family silver, i.e., Essar Oil's 20mtpa (million tonnes per annum) Vadinar refinery, for Rs 25,000 crore. It also plans to bring in a financial partner for its 10mtpa steel business that currently has a debt of Rs 40,000 crore; a 49 per cent stake in the steel facility will be valued at about Rs 25,000 crore. The debt-laden group is also looking to sell stake in its ports business. Essar Steel and Essar Oil each account for one-third of the group debt, and Essar Power, one-fifth.

Adani group (Gautam Adani)

The billionaire Gautam Adani's Adani group, with Rs 96,031 crore debt, is under pressure to sell its stake in the Abbott Point coal mines, port and rail project. The Adani Group's debt stands at Rs. 72,000 crore. Last year, Standard Chartered bank had recalled loans amounting to $2.5 billion as part of its global policy of reducing exposure in emerging markets. Global lenders have backed out from funding the $10-billion coal mine development project. State Bank of India has also declined to offer a loan despite signing an MoU to fund the group with $1 billion. An Adani spokesperson declined to offer any comments on the issue.

Jaypee group (Manoj Gaur)

Manoj Gaur's Jaypee group's debt is over Rs 75,000 crore. The group has agreed to sell its 20mtpa of cement assets to Kumar Birla-led Ultratech for Rs 15,900 crore. This will leave its listed entities with about 6mtpa of cement capacity, three thermal power plants, one hydropower plant, an expressway project and land parcels. It is looking to sell most of these assets at the right price, but buyers are not easy to come by. Aside from selling stake in its land parcels and the Yamuna Express Highway, the group is looking to sell its remaining cement plants for Rs 4,000 crore and its Bina thermal power plant for Rs 3,500 crore. In the last year, the group has defaulted on payment obligations worth $350 million. Analysts say its capacity to service its debt has not improved.

GMR group (GM Rao)

G.M. Rao's GMR group was one of the first debt-ridden companies to sell off assets; it has already offloaded stake worth Rs 11,000 crore in its roads, power and coal assets in the last two years. Despite this, its total debt has actually gone up: from Rs 42,349 crore at the end of FY13 to Rs 47,738 as of March, 2015. The group is planning to raise about Rs 5,000 crore this year by selling land parcels, energy assets and stake in airport subsidiary. Last month, it announced it was selling part of a road project in Karnataka, to help reduce debt by more than Rs 1,000 crore. It also plans to sell 30 per cent of its stake in its airport arm, which is valued about Rs 10,000 crore.

Lanco group (L Madhusudhan Rao)

The Lanco group has debts of Rs 47,102 crore. It completed the sale of its Udupi plant in FY16 for Rs 6,300 crore (15 per cent of FY15 debt). Debt levels have continued to rise, up 6 per cent in FY15. The group plans to sell power assets worth Rs 25,000 crore to de-leverage its balance sheet and retire debts of about Rs 18,000 crore. It is also planning to sell a one-third stake in the Australian coal mine it acquired in 2011 for $750 million.

Videocon group (Venugopal Dhoot)

Despite the Videocon group selling its stake in its Mozambique gas fileds for Rs 15,000 crore, gross debt has continued to rise: it is up 10 per cent year-on-year to Rs 45,405 crore, while net debt has remained largely flat at Rs 39,600 crore. Last month, it sold its spectrum to Bharti Airtel for Rs 4,600 crore. “If you minus last month's spectrum sale amount of Rs 4,600 crore which will be paid directly to the banks, then debt comes to Rs.34,000 crore. To decrease debt further, we will be liquidating assets worth Rs 5,000 crore this year so the net debt of the group will be around Rs 29,000 crore,” Videocon Industries chairman Venugopal Dhoot told The Hindu adding that out of this net debt, Rs.21,000 crore has been taken for oil and gas ventures in Brazil, Indonesia and across the globe, where the group and ita partners have discovered oil and gas reserves. So, domestic debt of around Rs 8,000 crore will be serviced.

GVK group (G.V. Krishna Reddy)

To repay some of its debt of Rs 34,000 crore, the GVK group is in talks to sell 49 per cent of its airport subsidiary, which has an enterprise value of Rs 10,000 crore. Last month, it agreed to divest its 33 per cent stake in BIAL to Fairfax India Holdings Corp for an aggregate investment of Rs 2,149 crore. The company is also exploring the possibility of bringing in equity investors into Hancock Infrastructure Pvt Ltd, its holding company for its rail and port projects in Australia. A GVK spokesperson in reply to an e-mail query by The Hindu said, “As part of our corporate policy, we do not comment on any speculation in the media. While it's public knowledge that we are considering various options for reducing our debt, we regret we cannot respond to any of your queries.”

Reliance Industries (Mukesh Ambani)

India's largest debtor, Mukesh Ambani's Reliance Industries (RIL), has a total debt of Rs 1,87,079 crore (up from Rs 62,500 crore as on March 31, 2010, mainly because of the Rs 1,50,000 crore roll-out of Reliance Jio), the biggest among all corporate houses, and the largest ever in Indian corporate history. But it's also one of the best-rated firms in servicing its interest, so banks are happy to offer RIL loans at competitive rates. Analysts believe that huge debt may weigh down the profitability due to interest outgo and depreciation after the commercial roll-out of Reliance Jio, if it is not able to scale up quickly.

Reliance Industries (Mukesh Ambani) has a gross debt of 1,87,070 on 2014-15

Tata Group

The Tata Group, India's largest corporate group, with over 100 companies, wants to sell its UK steel business, which came as part of the $12.9 billion acquisition by Tata Steel of Corus in 2007. Tata Steel had invested over $ 2 billion as capital expenditure in its UK steel business and it has now written down the value of its investment of $2.9 billion, meaning the value of its UK steel business is almost zero. The company's consolidated debt was $10.7 billion on September 30, 2015, with the total long-term debt of its Europe business at about $4.3 billion.

The others

Among other corporates,

- Naveen Jindal-led Jindal Steel and Power Limited has agreed to sell a 1,000 MW power plant to his elder brother Sajjan Jindal at an enterprise value of Rs 6,500 crore and is looking to sell other assets to reduce debts of Rs 46,000 crore.
- DLF Ltd, India's most valuable property developer, has sought expressions of interest from several top global investors to sell a 40 per cent stake in its rental assets arm as it seeks to pare debt. The rental assets arm holds about 20 million sq.ft of leased-out office space and is valued at about $2 billion,
- India's largest sugar producer Shree Renuka Sugars Ltd has declared its Brazilian unit bankrupt and has filed for protection in the country. The company plans to fully exit from the National Commodity & Derivatives Exchange (NCDEX), as part of a strategy to sell all its non-core assets to reduce debt.
- The Sahara group's sale list is long: 86 real estate assets, a 42 per cent stake in Formula 1 team Force India, four airplanes, and its hotels: the Sahara Hotel in Mumbai, Grosvenor House, London, the New York Plaza Hotel, and The Dream New York Hotel.
- Almost all of Vijay Mallya's assets are on sale by the banks.

Quenching the fire

Despite all the desperate deleveraging, the financial stress at these groups has intensified: all of them saw further increases in debt in FY15. These debts have grown seven-fold over the past eight years and account for 12 per cent of system loans, according to Credit Suisse

As groups like Jaypee and GMR cut back on capex and sold assets, their debt and EBITDA have deteriorated further, mainly because they sold their best assets, which were contributing to as much as 70 per cent of their EBITDA. For Jaypee, Lanco, Essar, and GMR, about half their debt has already been downgraded to Default by rating agencies. For GMR and Videocon, absolute debt has continued to rise despite asset sales. Lanco's Udipi plant sales reduced debt levels by 15 per cent, but that project contributed to 69 per cent of its FY15 EBITDA. Videocon too hasn't seen any reduction in debt levels.

Investment advisor SP Tulsian said that when you have gangrene in your body, you need to chop off that part to survive; "Similarly, Indian firms need to sell off assets to deleverage their balance sheets or they will die sooner or later. For, banks will take control of their assets and sell them to recover dues."

However, Morgan Stanley, the global financial services firm believes that the worst of India's corporate debt crisis seems to be over as companies are reporting positive Free Cash Flow (FCF) for only the second time in two decades.

In its Asia Insight Report tilted "India – Macro meets Micro," Morgan Stanley said that the distress in corporate India's balance sheet is unchanged for the past four years and lists out the following problems of corporate sector:

It's a balance sheet recession

-Corporate debt to equity is at all-time high

-The debt service ratio is at a new low. The BSE 500 index companies have about 4 times their operating income to pay interest expenses compared to around 10 times in the boom years

-Interest to sales is approaching an all-time high, hurting net margins and impeding debt serviceability.

-Excess return on capital (ROCE minus the prime lending rate) is at all-time lows and in negative territory. This means that companies are earning less on their investment than the cost of their debt.

Tulsi Tanti's Suzlon became the first casualty of the banks' recovery drive. In 2015, it was forced to sell its largest international subsidiary, Senvion, bought for €1.4 billion euro in 2007, for around €1.1 billion. The sale helped Suzlon cut down its debt of Rs 16,500 crore to Rs 10,500 crore, and reduce its interest liability from Rs 1,600 crore to Rs 800 crore a year. More companies from indebted sectors — power, infra, steel, realty for example — will be forced to emulate Suzlon and go for rapid asset sale in the hope of staying afloat until better times.

WEDDING BELLS

Sow. S. Pradeeba, D/o. Com. R. Selvaraj, AGM, LHO, Chennai married Chi. M. Raguram Rajkumar on 19.06.2016 at Chennai.

Chi. S. Kathiravan, B/o. Com. S. Manimaran, DM, CAG, Chennai, Zonal Secretary, SBIOA (CC) married Sow. G. Nimmy on 23.06.2016 at Chennai.

Chi. B. Subash Narayana, S/o. Com. B. Kousalya, DM, SBI, Mylapore married Sow. D. Deekshanya on 26.06.2016 at Chennai.

Chi. Ar. Chamraj, S/o. Suresh Babu Pandurangan, Manager Liaison, married Sow. Pavithra on 6.07.2016 at Chennai.

Sow. M. Sowmya, D/o. Com. V. Mathialagan, SBI, Chennai married Chi. K. Arunkumar, S/o. Com. A. Kanniappan, SBI, Chennai on 06.06.2016 at Chennai.

Sow. S. R. Divyaa D/o K. Raghunathan, BM, Chi!ar branch weds Chi. P. Vinodh on 16.07.2016 at Jenney's Residency, Ruby Hall, Aviinashi Road, Coimb

Sow.V.Vibisha D/o.Com. S.Vijayakumar, Deputy Manager, Commercial Branch, Rajapalayam branch married Chi.R.Sivanesh, on 06/06/2016 at Sivakasi.

Sow.M.Niruba, D/o.Com.M.Munusamy, Deputy Manager, SARB, Madurai married Chi.G.Veearaghavan, on 09/06/2016 at Madurai.

Sow.S.Priyavathana, Asst.Manager, Commercial Branch, Madurai married Chi. A.Prabhu, on 16/06/2016 at Salem. (Wedding reception)

SBIOA (CC) Wishes a very happy married life to the newly wedded couple.

Debate:

SBI Joint Venture for payment banks with Reliance. Send your views to sbioacc@yahoo.com

LEGAL CORNER

Globalisation and Tendency to compromise the interests of workers.

In a case, in 2010, a two-judge Bench of the Supreme Court , comprising Justices G.S. Singhvi and Asok Kumar Ganguly made stringent observations against the court's two-decade-old tendency to compromise the interests of workers in order to facilitate economic reforms and globalisation.

In their two separate but concurring orders in *Harjinder Singh vs Punjab State Warehousing Corporation*, pronounced on January 5, Justices Singhvi and Ganguly articulated the pro-labour philosophy of the Constitution in refreshingly lucid terms, even while deciding the case before them in accordance with facts, law and precedents.

Harjinder Singh was employed with the Punjab State Warehousing Corporation (PSWC) . Though his specified tenure ended on May 4, 1987, he was continued in service until July 5, 1988, when the Managing Director of the PSWC issued one month's notice seeking to terminate his service by way of retrenchment. On November 26, 1992, the Managing Director of the PSWC retrenched Harjinder Singh and 21 other workmen by giving them one month's pay and allowances in lieu of notice under the IDA.

Harjinder Singh availed himself of remedy under the Industrial Disputes Act (IDA), 1947 and challenged his retrenchment on the grounds that persons junior to him were retained in service, thus violating the mandate of the IDA . The labour court ordered Harjinder Singh's reinstatement with 50 per cent back wages because the PSWC had violated the principle of equality enshrined in Section 25G of the IDA by allowing persons junior to him to continue in service. The PSWC challenged the labour court's award in the Punjab and Haryana High Court on the grounds that Harjinder Singh was not a regular employee and that there was no post against which he could be reinstated. The High Court disapproved the award of reinstatement on the premise that his initial appointment was against the law.

The Supreme Court, in its order, held that the High Court had unjustifiably overturned an otherwise well-reasoned award passed by the labour court.

Importantly, Justice Singhvi observed: "In matters like the present one, the High Courts are duty bound to keep in mind that the IDA and other similar legislative instruments are social welfare legislations and the same are required to be interpreted keeping in view the goals set out in the preamble of the Constitution and the provisions contained in Part IV (Directive Principles) thereof in general and Articles 38, 39(a) to (e), 43 and 43A in particular, which mandate that the state should secure a social order for the promotion of welfare of the people...and also ensure that the workers get their dues."

Justice Singhvi recalled that in the 1970s, 1980s and 1990s, the courts repeatedly negated the doctrine of *laissez-faire* and the theory of hire and fire. But, he deplored, that of late there had been a visible shift in the courts' approach in dealing with cases involving the interpretation of social welfare legislation. The mantras of globalisation and liberalisation were fast becoming the *raison d'etre* of the judicial process and an impression had been created that the constitutional courts were no longer sympathetic to the plight of industrial and unorganised workers, he pointed out.

Justice Singhvi reminded the Supreme Court and the High Courts that if a man was deprived of his livelihood, he was deprived of all his fundamental and constitutional rights, and for him the goal of social and economic justice, equality of status and of opportunity, and the freedoms enshrined in the Constitution remained illusory.

Justice Ganguly emphasised that the court had a duty to interpret statutes with social welfare benefits in such a way as to further the statutory goal and not to frustrate it. In doing so, *this court* (emphasis added) should make an effort to protect the rights of the weaker sections of society in view of the clear constitutional mandate, he said.

He warned: "Any attempt to dilute the constitutional imperatives in order to promote the so-called trends of 'globalisation' may result in precarious consequences. Reports of suicidal deaths of farmers in thousands from all over the country along with escalation of terrorism throw dangerous signal."

He recalled Rabindranath Tagore's reference to eventualities that might visit us in our mad rush to ape Western ways of life. He concluded that at this critical juncture, the judges' duty was to uphold the constitutional focus on social justice without being in any way misled by the glitz and glare of globalisation.

Source: Frontline, Feb 13- 26,2010.

- State-run banks have been nudged to trim their stakes in asset reconstruction companies (ARCs) because of he inherent conflict of interest n such ownerships. This comes at a time when Banks Board Bureau (BBB) is looking to resolve he issue of stressed assets in he banking sector. “We are encouraging public sector banks to withdraw stake n such firms because it will free up more capital (for banks) to end,“ said an official aware of he developments.
- The proposal to merge the five Associate Banks and the Bharatiya Mahila Bank with SBI as approved by the Boards of all the above Banks at the behest of the Government was approved by the Union Cabinet. The integration of 70,000 employees [34 percent of the parent workforce; size of business is 25 percent of the parent's] will be a key challenge. Neeraj Vyas, deputy managing director, SBI, who is in charge of associates and subsidiaries says, “Retrenchment will be there, it is more like trimming the excess flab off.”
- Lauding the efforts taken by the government to take action against wilful defaulters, RBI Governor Raghuram Rajan today said the central bank has created a monitoring cell for early reporting of frauds to investigative agencies. “We should send the message that no one can get away, and I am glad that the Prime Minister's Office is pushing prosecution of large frauds. The RBI has set up a fraud monitoring cell to coordinate the early reporting of fraud cases to the investigative agencies,” Rajan said addressing an event here. He further said quick and effective investigation by the agencies is very important to check frauds.
- The NITI Aayog has completed the appraisal of the Twelfth Five-Year Plan, which will be placed before its Governing Council that is chaired by Prime Minister Narendra Modi. The meeting of the Governing Council is expected soon. NITI Aayog Vice-Chairman Arvind Panagariya on Wednesday said the practice of Five-Year Plans will end after the current Plan gets over in 2016-17. “It would instead be replaced with three documents,” he told reporters adding that the Vision Document is likely to be in place before Budget 2017.These would cover the short-term through a three-year Action Plan, the medium-term by seven-year strategy and the long-term by a 15-year Vision Document.
- In a sweeping overhaul of foreign direct investment norms across nine key sectors, the government eased FDI caps for defence, aviation and food processing sectors. And did away with the need for prior government approval for up to 74 per cent FDI brownfield investment in pharmaceuticals. The relaxation in norms made India “the most open economy in the world for FDI”
- The Unified Payment Interface (UPI), which was launched in April by the National Payments Corporation of India (NPCI), will become available for public use next month. As many as 16 scheduled commercial banks are set to go live with their UPI applications when the platform goes live on July15, Dilip Asbe, chief operating officer at NPCI, told FE.The UPI is a common platform through which a person can transfer money from his bank account to any other bank account in the country instantly using nothing but his/her UPI ID.The interface will be based on the Immediate Payment Service (IMPS) platform and can be availed of by customers of banks that have agreed to provide the service.
- Wiser from experience, RBI has come up with revised norms - the Scheme for Sustainable Structuring of Stressed Assets (S4A) - to address these cases. S4A is an improvement over the previous 5:25 scheme and it allows banks to take a haircut. Also, banks do not have to find a new buyer in a definite period of time, as was the case under Strategic Debt Restructuring (SDR) rules. Under SDR norms, banks had to find a new buyer within 18 months. S4A incentivises existing promoters to opt for this scheme as they can continue to hold majority stake.
- State Bank of India seems to be setting great store by start-ups in the financial technology (FinTech) space. After starting an exclusive branch for start-ups in Bengaluru earlier this year, it has set up a Rs. 200-crore fund to provide assistance to them. SBI Chairman Arundhati Bhattacharya said the 'IT Innovation Start-up Fund' will consider assistance of up to Rs. 3 crore to any Indian-registered company operating in the area of banking and related technology. Recently, ICICI Bank and HDFC Bank, among others, organised start-up contests to spot the best innovators in the FinTech space and adopt their technology.

Ref: ORG/31/2016 29.06.2016

The Chief General Manager
State Bank of India
Local Head Office, Chennai.

Dear Sir,

WORK - LIFE BALANCE : LATE SITTING AND HOLIDAY WORKING

We had a detailed deliberation in our Executive Committee on 26.06.2016 on the prevailing work atmosphere in the branches. The Officers have been bearing with shortage of staff, absence of subordinate staff and acute shortage of officers for quite long now. We had been requesting them to bear with the difficulties with a hope that with additional recruitment and promotions the situation will improve and there will be some improvement in the work life balance. But unfortunately, the situation is deteriorating every day. Though you have been taking up the issue of shortage of staff regularly, the Corporate Centre has not bothered to act.

1. Now it has become extremely difficult for Officers to avail leave. Every leave application has to be referred to the Regional Manager for approval / sanction even where the sanctioning authority is below his cadre. Some of the Regional Managers are asking the officers to make their own arrangements for relief forcing them to beg somebody to take over keys thereby passing the responsibility of HR Management to individual officers.
2. There is no correlation between the branch categorisation and number of staff. There is acute shortage of manpower at every branch. When officers are retiring, there is no replacement for them. Between March 2011 and March 2016 the deposits have grown by 81% and Advances by 68%, but the staff strength has come down by 11.6%. (from 15202 to 12972).
3. Scale III and IV Officers are forced to sit in the counter as Single Window Operators as they are forced to complete every transaction within 10 minutes which is supervised by the queue management software. (We have seen the Chief Manager of Srirangam Branch which has a business of 520 crores working as Single Window Operator. This is only an example.)
4. There are so many single Officer branches including many Scale III Branches with business more than 100 crores. For these Branch Managers every day is a nightmare. There is a single officer branch even with more than 200 crore business (Jawahar Nagar).
5. Specialist Officers are forced to work in 2 branches whereas the CDS does not reflect their actual work at all.
6. The CDS has created so much of frustration among Officers of all scales. One of the best performing DGMs has got 42 marks out of 70, one Chief Manager doing excellently well has scored 18.5 marks and majority of the RMROs have got very little marks because their work other than Agri is not taken into account in CDS.
7. The Branch Managers of Single Officer Branches are forced to attend review meetings from 6.00 pm to 9.30 pm as there is no possibility to arrange reliever.
8. Because of the shortage of staff, retired officers are asked to conduct accountability study which is affecting the officers badly.
9. There is tremendous pressure for cross selling which has led to mis selling. For eg. new account holders are forced to take personal accident insurance by paying Rs.100/-which they think is a bribe for opening an account. Many of them already have Pradhan Mantri Suraksha Bima Yojana. They are abusing the Officers. Every borrower is forced to take SBI Life policy which is creating a bad image for the Bank.
10. Officers are allotted too many ATMs for verification, making the verification process tedious.
11. Alternate Channels have led to additional work for the Officers. For eg. every ATM complaint comes to the Branch for rectification, whereas often the fault is that of the outsourced agency. Officers have to attend to the recyclers atleast twice in a day. The number of CDMs catered by the Officers are too many making it difficult for the officers to manage the branch and the CDMs simultaneously.
12. There are too many video conferences every day and officers find it difficult to perform their duties at branches / offices. The comments by Senior Executives in review meetings like 'you are unfit', 'don't you eat', 'are you not getting salary', in the presence of so many people including through video conferences has demoralised the officers.
13. Officials from agencies like SBI life, SBI General, SBI cards etc are attending review meetings though

they are not SBI employees and they are questioning our Officers in a rude manner.

14. The pressure of work has led to an exodus through voluntary retirement and sabbatical leave.
15. The promotion exercise which started in February has not been completed till now. Even the vacancies have not been declared, which should have been done before the written test.
16. The sale of education term loans to Reliance ARC has led to a situation where borrowers, politicians and newspaper reporters come to the Branch and abuse our Branch Managers very badly.
17. Impossible targets are given in different areas including KYC rectification, knowing fully well that this target cannot be achieved.
18. Some of the Controllers think that 2nd Saturday and 4th Saturday are their God sent gift to extract additional work and they plan activities in advance for these days. We have sacrificed the other Saturdays by agreeing to work full day instead of half day so that our Officers can have some work - life balance. But now this is totally deprived of by many of the Controllers.
19. The customer service at the branches are badly affected due to shortage of staff. The NPA follow up is also becoming very difficult due to shortage as well as change in the attitude of the borrowers.

Under these circumstances, Officers are frustrated as they do not have any work - life balance and it has begun to affect them personally and socially. This does not augur well for the bank as a whole.

Taking all the above into consideration, State Bank of India Officers' Association has decided to support our Officers to leave office latest by 6.30 pm (though the working hour is over by 5.00 pm) and not work on holidays unless there is an emergency.

We request you to kindly take up the issues mentioned above with the Corporate Centre and improve the working atmosphere, which alone can improve the business and also the image of the Bank.

Yours faithfully,

(D. THOMAS FRANCO RAJENDRA DEV)
GENERAL SECRETARY

Ref: ORG/30/2016 25.06.2016

The Circle Development Officer
State Bank of India
Local Head Office, Chennai 600 006.

With further reference to our letter no. ORG/25/2016 dated 08/06/2016 , ORG/26/2016 dated 09/06/2016, ORG/27/2016 dated 15/06/2016 and ORG/28/2016 dated 18/06/2016, we furnish the specific details of the CDS assessment for some more Officers who feel aggrieved.

1. Shri... NPA Reduction is one of her KRAs and she has reduced NPA by 1. Cr and recovered 25 lacs AUCA, the marks given under CDS for the KRA is Zero. Reduction in Overheads is another KRA. As a Field Officer, she can not have any control over Overheads, but the KRA was allotted and marks given is Zero. She is a 9 time MDRT and has done exceptionally well in Cross selling . Her performance in processing loans also is not considered .
2. Shri... NPA Reduction is one of his KRAs and he has reduced NPA by 1. Cr, but the marks given for the CRA under CDS is Zero. The KRA allotted to him is irrelevant. As a Divisional Manager (DBD), he has done more than 22 cr business during the period , which is not considered as it is not a KRA for him.
3. Shri... NPA Reduction is one of his KRAs and he has reduced NPA by 1. Cr, but the marks given for the CRA under CDS is Zero. Decrease in complaints is another KRA and there were no complaints other than the complaints generated by system which relate to ATM etc. Marks allotted to him under the KRA is Zero. He has surpassed budgeted growth in deposits and advances.
4. Shri... He has been allotted the task of processing HTL and ETL at the branch but the KRA allotted under CDS is Growth in Agri. loan, which is not relevant. He has processed more than Rs 19 cr in HTL. Similarly reduction in Overheads is another KRA which has no relevance as he can not have any control over overheads. The marks for the KRA is also zero.
5. Shri... Reduction in Overheads is one of her KRA about which she can not have any control as a Field Officer. Marks given is Zero though, there is no relevance to the KRA allotted. Similarly reduction in complaints is another KRA and there were less complaints and yet the marks given is zero.
6. Shri... He is the Cash Officer of the Branch but the role allotted to him is under DBD and thus the KRAs allotted to him have no relevance.
7. Shri... Renewal of CC Limit is a KRA and there was no pending renewal under CC for the period. But the marks given under the KRA is Zero. Slippage ratio SME is another KRA and there was no slippage in the accounts handled by him and yet

the marks allotted is Zero.

8. Shri... He is a CRO (PB). Renewal of CC limit is one of his KRAs which has no relevance to his role. The marks given is Zero.

9. Shri... Average outstanding CASA deposits is one of his KRAs. Other Officers at the same branch allotted with the same KRA have been given full marks under the KRA whereas he is given only3.5 marks. Reduction in KRA is one of his KRAs though he is the Accountant of the Branch. The KRA is not relevant to his role and the marks given is Zero.

10. Shri... Maintaining Audit Score is one of his KRAs. Though the branch has retained A+ rating, marks given for the KRA is Zero.

11. Shri... From 29.06.15 to 31.03.16 he is at IFB, Chennai, but the KRAs for the branch are not allotted to him for the branch. His KRAs still show that of XXXXX Branch. Consequently, the works done by him at IFB does not get credit. He has improved his audit score, which is one of his KRAs and closed the Audit Reports in time which is another KRA and the marks given to him under both the KRAs is Zero. He is also not able to tag his CIF so as to report his self- appraisal.

12. Shri... She has accepted KRAs allotted to her as Field Officer. But now the role is changed to "Other Officers" and the KRAs changed accordingly. However, she worked only as a Field Officer. The KRAs % of regular savings bank accounts for which welcome kit issued and Increase in outstanding from new customers(new CIF) as a % of total increase in outstanding are irrelevant KRAs for which zero marks were awarded.

13. Shri... Reduction in complaints is one of his KRAs and the marks given is 0/20, though there were no complaints other than the CMS related complaints. These complaints normally read as "my Internet password has been locked", "sent me ATM CARD and pin number to my abroad address", "Deposit account intt. certificate sent through mail", "customer requested HTL intt. certificate through CMS", "Customer used ATM card in other banks cash not disbursed", "Customer used more than 3 times wrong pin of ATM card and card has been blocked", "Cheque book dispatched to customer address but customer is not available in there house", "Due to BSNL LINK problem customer is not getting SMS alert", and "Due to Bank Internet Server down, customer unable to do INB" etc.

14. Shri... He is assigned two branches, as Field Officer (Agri). Though he is assigned Field Officer (Agri) he has done business under PER and SME segments also. Moreover, his performance in XXXXX branch is not linked to CDS in his KRA.

15. Shri... He was Branch Manager XXXX branch till 5th Sept. 2015 and then transferred to XXXXXX where no particular role was allotted to him . He was used mostly in non- measurable roles . The KRA for the period Sept 2015 to March 2016 is blank and the marks also are shown blank .

16. Shri... Her role at the Branch is Non-budgetary but under CDS, it is shown as Budgetary. The Audit rating in Asset Maintenance of the Branch is maintained @ 86% and yet the marks allotted for the KRA under CDS is nil.

17. Shri... and Shri... Their CDS score is 29.22 each. Average outstandings of loans is one of their KRAs. However, new proposals sanctioned but not disbursed are not considered and growth in NFB Volume is not considered. Net interest income after TPM is one of the KRAs the calculation of which is not transparently explained and the score given is Zero. Keeping middle management officers under measurable parameters in a corporate branch is not correct as there are no direct access for these Officials to Corporates for middle management for canvassing new business and as such budgetary option should not be made applicable to them. Their role should be set with parameters such as timely submission of proposals, CRA , post sanction process such as analysis of stock statements, FFRs etc.

18. Shri... His role is non-budgetary position but under CDS it is showing budgetary.

19. Shri... Proj Ganga errors rectification is one of her KRAs. She has rectified and updated errors on a regular basis, but marks given is Zero.

20. Shri... He has been working at SAMB, Chennai since May 2015. His CDS score is Zero. One of the KRAs is 'timely up-dation of the programme on court cases. It has been updated timely and yet the score is zero. He has achieved recovery in NPA to the extent of 113% of the budget and in AUCA, he has recovered 109% of the budget. Yet under the two KRAs – Asset recovery and AUCA recovery, the marks under CDS is Zero. The Audit Score of the Branch is marginally down from 884 to 878. The score for the KRA is also zero, though the rating is maintained.

We shall submit more lists in the next few days. Meanwhile, we haven't yet heard from you about action taken on our representations. We shall be glad to know the action taken in the matter.

Yours faithfully,

(D. THOMAS FRANCO RAJENDRA DEV)
GENERAL SECRETARY

Ref: ORG/28/2016 18.06.2016

The Circle Development Officer
State Bank of India
Local Head Office,Chennai 600 006.

Dear Sir,

CAREER DEVELOPMENT SYSTEM:

With further reference to our letter no. ORG/25/2016 dated 08/06/2016 , ORG/26/2016 dated 09/06/2016 and ORG/27/2016 dated 15/06/2016, we furnish the specific details of the CDS assessment for some more Officers who feel aggrieved.

1. Shri... Has achieved advance growth 45.90 crores against the budgeted total of 42.62 crores. The Marks given under CDS is only 5.99/10. Similarly, for the KRA Credit Risk Management the marks given is Zero though the CRM score was increased from 360 to 414. Moreover, the revised RFIA scoring system is also not taken into consideration which has brought down the score of branches everywhere.
2. Shri... He has improved his branch Audit score from 770 to 818. He is also a Graha Tara and a Bachat Tara. He has not been given any marks under any of the KRAs allotted to him. His CDS score is Zero.
3. Shri... He has achieved CASA deposit growth of 7.88 crores against the budgeted growth of 4 crores. The marks given for the KRA is only 3.69 He has reduced NPAs comparing to March 2015 but the marks given is 2.02. The complaints also have decreased. It, however, seems that the number of complaints received on account of 'SMS Alert not working', 'Lost ATM PIN', 'Failed ATM transactions' etc are added even though the concerned Officers are not responsible for such complaints. The marks given for the KRA is 3.26. Similarly increase in Overheads due to natural calamities is not considered as the branch had to incur an amount of repairs/purchase towards UPS, Battery, Computers and Server due to the Chennai floods in Dec 2015. The marks given for the KRA is 0.14.
4. Shri... Against reduction of complaints, he is given Zero marks in CDS, though no complaints against the branch were there.
5. Shri... He was Branch Manager, XXXXXX till Sept 05th 2015. From September 2015 to march 2016 , he is at XXXXX and his KRA was shown as independent line assignment , though he was not given any line assignment. He rejected it by saying its not applicable , still it was allotted in the backend. He was given different seats in different divisions in IFB ,Chennai and no permanent role /seat during the period .
6. Shri... is posted as FIC- in- charge, but his allotted KRA is that of Field Officer. Thus the CDS score given to him , 16.95 does not reflect the work he has done as the FIC-in-charge
7. Shri... He was at XXXXX from 01/04/15 to 29/10/2015. His KRA score for Quick Mortality NPAs for SME Advances is 0/15, but there were 0 NPA accounts. For the KRA, ' Slippage Ratio', the marks given is 0.5/20 though there was no slippage during the peried. For the KRA, 'Renewal of Cash Credit Accounts and Review of Term Loan Accounts' full marks are not given though all the accounts were renewed/ reviewed.

   In his KRA at Shri... for the period from Oct 2015, the marks given under ' reduction of NPA is Zero, despite there has been considerable reduction in the period. He has sanctioned flood Loans for Rs.97 lacs, Xpress Credit for 16 lacs, Car loans for Rs.25 lacs. Overall, there was marginal growth in the advances and yet the marks under the KRA given is Zero.
8. Shri... The role assigned to him under CDS is Dy. Branch Manager. But he is posted as HLC Coordinator. The CDS marks given to him 36.89 is not related to any of the works done by him.
9. Shri... The CDS marks awarded under reduction of complaints is Zero, though less than 10 complaints other than the system generated complaints like ATM and SMS were there last year. For Alternate Channel Transactions she has achieved 80.51% migration. However the marks allotted is only 3.46 out of 10,
10. Shri... Non- performing Assets of the Branch were lower at1.35 cr. In March 15 against 1.74 cr in March 2015. The marks given under CDS for the KRA is only 7.92/10. For the KRA renewal of Cash Credit and Review of Term Loans the mark given under CDS is Zero, though there are no CC renewals or TL pending. Moreover, he is a Field

Officer in the PB division.

We shall submit more lists in the next few days. Kindly give a reply for our representations.

Yours faithfully,

(D. THOMAS FRANCO RAJENDRA DEV)

GENERAL SECRETARY

Ref: ORG/27/2016 15.06.2016

The Circle Development Officer
State Bank of India
Local Head Office, Chennai 600 006.

Dear Sir,

CAREER DEVELOPMENT SYSTEM:

With further reference to our letter no. ORG/25/2016 dated 08/06/2016 , and ORG/26/2016 dated 09/06/2016, we furnish the specific details of the CDS assessment for some more Officers who feel aggrieved.

1. Shri... The Branch has improved the Audit score from 715 to 779, but the marks given under the KRA is Zero.
2. Shri... One of the KRAs given is “Improve and maintain the pre-sanction audit score . His pre-sanction audit score for last year was 85.27 and this year it is 85.97 and yet the KRA marks given is Zero.
3. Shri... The marks given under CDS for the KRA reduction in gross value of NPA is Zero, even when there is NIL NPA for accounts allotted to him.
4. Shri... She has not been awarded marks under CDS for the KRA “SME Customer Meetings per week” though she had 47 meetings from 01/01/2016 to 31/03/2016 in Project Vijay. She also has not been given any marks for KRA "Renewal of cash credit limit and review of term loans". Even though there are no overdue renewal pending in the list of accounts alloted to her.
5. Shri... He was **a processing Officer** at RASMECCC, Vellore from 01/04/2015 to 30/09/2015. He was, however, given the KRA for Maintenance and processing. He has not been given any credit for the works he had done as a processing Officer.
6. Shri... Under the KRA, decrease in complaints, the CDS score given is Zero, though the complaints are fewer than last year. Under average outstanding loans, the CDS score is 3.74 as it has not considered the transfer of Rs.6 crores transferred to SARC. New business booked during the year alone should have been considered.
7. Shri... His role is Field officer per segment , but as per KRA it is wrongly set as service manager. He has finished all my mandatory lessons pertaining to Field officer per segment within the time lines. He is one of the top ten in completing highest number of tests in a month (i.e. August 2015). He has completed 156 e- lessons during 2015-16. Despite all this the marks under the KRA under CDS is Zero.
8. Shri... His CDS score is 9.5. He is looking after both Forex and Personal banking advances. But none of the works he has done is reflected in CDS.
9. Shri... His CDS score is Zero. He has achieved deposits growth of 22 crores against the budget of 16.33 crores and advance growth of 35 crores against a budget of 8.33 crores. SBI life 1.02 Crs and SBIMF 2.50 Crs.

We shall submit more lists in the next few days

Yours faithfully,

D. THOMAS FRANCO RAJENDRA DEV)

GENERAL SECRETARY

Ref: ORG/25/2016 08.06.2016

The Circle Development Officer
State Bank of India
Local Head Office, Chennai 600 006.

Dear Sir,

CAREER DEVELOPMENT SYSTEM

With reference to your letter no. HR:IR 636 dated 31/05/2016, we furnish the specific details of the CDS assessment for some of the Officers who feel aggrieved. The list is only indicative and not exhaustive. We shall submit more lists in the next few days.

1. Shri... PER & SME segment business done not considered as it is not mapped. CDS Marks scored 32
2. Shri... Served as processing Officer till July 15, but role mapped as Agri FO/FI. Posted to XXXXX Branch in Aug.15 and doing all segments but KRA mapped only for Agri. CDS marks scored: 22.93/65. AARF Score last year 98/100
3. Shri... He was awarded the best performer award for AUCA recovery and NPA recovery, but his marks under that KRA is Zero. This Officer has sourced and obtained sanction for 5 proposals worth more than 2 crores and achieved 200% of his budget. AARF Score 100 each for the last 5 years.

4. Shri... posted as FIC in charge attached to XXXXX Branch was asked to work at XXXXXX. His KRA is not fixed according to the work he is doing inspite of an email sent by him to the Management. Now he has got just 18/65.
5. Shri... He is handling International Banking division and processed Import and LC bills worth more than 2000 crores has got a score of zero whereas his score last year was 100.
6. Shri... Deposit, Advance, Cross selling budgets achieved. RFIA Marks 863. CDS marks scored 39. AARF marks scored last year 100.
7. Shri... Achieved 127% of budget. CDS marks scored 18.13. Last Year's AARF score.100
8. Shri... Trainee Officer on 2nd year training, XXXXX Branch. Till Feb 2016 at XXXX Branch. KRA allotted was that of Service Manager at XXXXX Branch. Work allotted at the branch was to take care of P Segment advances. In March 16, posted as Branch Manager of XXXXXX Branch and done a business of 21 lacs in 8 working days. CDS Score scored is 32.9.
9. Shri... He has achieved 107% in deposits, 127% in advances and scored 868 marks in RFIA. He is a MDRT, Bachat Tara, Tiruva Tara and Griha Tara . He has 26.40 marks in CDS. His AARF score last year is 100.
10. Shri... at XXXX branch till August 2015. Agri loan processing through LOS is exempted due to connectivity problems as such all the Agri loans processed have not been considered for assessment. CDS Score scored is 2.07. At XXXXX Branch since Sept 2015. Achieved 200% of budget allotted . Disbursed 2 cr of 5 loan proposals. Loan proposals above 25 lacs is not done through LOS and thus it is not assesse for CDS. The CDS score is 32.04.
11. Shri... RMPB, Dy Manager, XXXXXX Branch . He has done 20 crores business in Housing loans, Xpress Credit for 65 lacs, Pension loan for 50 lacs and Education Loan 3 crores. His CDS score is 10/65

As the problems and the names indicated here are only indicative of the pervasiveness of the irregular assessment under CDS, we once again request you to take up the matter with the Corporate Centre and stop implementing it in the Circle till the inadequacies in the system are addressed.

Yours faithfully,

(D. THOMAS FRANCO RAJENDRA DEV)
GENERAL SECRETARY

(Identity of the members whose cases are taken of is not revealed for obvious reasons)

Dear Comrade,

Please conduct the Unit Meeting on the first Saturday of every month. We have asked your Zonal Secretary to conduct the Zonal Committee meeting with all the Unit Secretaries on the third Saturday of every month.

OBITUARY

Com. S. Deivanai, Manager (NPA) Region IV, AO, Coimbatore expired on 30.05.2016 at Coimbatore after a brief illness.

Com K Naganathan, Assistant Manager(S),, Alangudi Branch expired on 24/06/2016.

Com. R Ponnusamy, Dy.Manager, Dharmapuri passed away in an accident on 03/05/2016

BEREAVEMENT

01. Com.K.Karunakaran, Branch Manager, Bodinayakanur branch lost his father on 10/06/2016 at Dindigul.
02. Com.R.Rajanandhini, Deputy Manager, RASMECCC, Madurai lost her father in law on 20/06/2016 at Madurai.
03. Com.K.Naganathan Asst.manager (spl) Alangudi Branch Expired On 24/06/2016 at Karaikudi.

May their soul rest in peace

CADRE DEVELOPMENT PROGRAMME

The 22nd Cadre Development Programme was held at SBOA School & Junior College on 12th June 2016. For a change, it was a one day programme. Registration started at 9.00AM and the programme started at 9.30 AM with a welcome address by Com. A V Joseph, Regional Secretary, Chennai I. More than 45 members attended the programme. A Session on "Why Cadre?" was taken by Com. A Krishnan, President which was followed by a session by Com D Thomas Franco Rajendra Dev, General Secretary on the Historical Perspective of Bank Employees Movement with Special Reference to Bank Officers' Movement.

On Assimilating the Youth & Technology Introduction in Trade Union Education, Com. A V Joseph had a session and Com. A Ravichandran, Regional Secretary, Chennai Zone II took a session on SBI Officers' Service Rules. After lunch, a session on 'Preventive vigilance' was taken by Com R Balaji, Vice President and 'Evolution of SBI Officers' service conditions' was elucidated by Com T Senthi Kumar, Dy. General Secretary. It was followed by a session on 'Structure and organizational Forum' by Com. K Rajaram, Dy. General Secretary.

In the Open Forum members raised queries on many issues which was replied by the General Secretary and he spoke elaborately on the latest developments and challenges and concluded at 6.30 PM.

Download our App "SBIOACC" by going to "playstore" for android phones and "istore" in iphones. Log in with your PF number as ID and use your date of birth in yyyymmdd as your password.

Have you displayed Association posters ?
Have you displayed circulars in a notice board?
Are you sharing our pamphlets and books with customers?
Have you displayed "Compendium of Customer Information" ?

RETIREMENTS

JUNE - 2016

	S/Shri Name	Designation	Branch
1.	A. Karunaharan	Mgr	Bharathidasan University (DRS, SBIOA(CC) Trichy Module
2.	S. Sampathkumar	DM	Veerapandi Zonal Secretary, SBIOA(CC) Tirupur Zone
3.	R. Krishnan	AGM	Coml Coimbatore
4.	N. Balakrishnan	AGM	LHO, Chennai
5.	V.B. Sundaram	AGM	LHO, Chennai
6.	S. Sakthivel	AGM(S)	LHO, Chennai
7.	T. Joseph Chandran	AGM	LHO, Chennai
8.	M. Adhikesavan	AGM	PB. Br. T.Nagar
9.	P. Mohan Raj	Mgr	CAC, Pondicherry
10.	T. Vijayarajan	DM	CCPC Coimbatore
11.	V. Gopal	DM	CCPC, Chennai
12.	R. Balu	AM	Chinnadharapuram
13.	P. Murthy	Mgr	Kalpakkam
14.	R. Kulandairaj	Mgr	LHO, Chennai
15.	G. Rajasekaran	Mgr	LHO, Chennai
16.	D. Thangaraj	DM	LHO, Chennai
17.	C. Uma Devi	DM	LHO, Chennai
18.	C. Gowthanam	CM	LHO, Chennai
19.	B. Kousalya	DM	Mylapore
20.	M. Raju	Mgr	Namakkal
21.	V. Bupathy	Mgr	P K Puram
22.	A.V. Kuttiannan	DM	Pollachi
23.	R. Padmavathi	DM	RACPC Anna nagar
24.	R. Muthusamy	DM	RACPC OMR Chennai
25.	S. Rengarajan	Mgr	RACPC, Chennai
26.	D. Anandan	DM	RACPC Coimbatore
27.	V. Venkataramana Moorthy	Mgr	RBO, Thanjavur
28.	J.K. Maria Sudhagar	DM	RBO-I, Chennai
29.	S.P. Mohana Sundaram	Mgr	SAMB Coimbatore
30.	S. Ramakrishnan	AM	SCAB Tiruchy
31.	B. Krishnan	DM	SME Br. Salem
32.	S. Balaguru	CM	SMECCC Ambattur
33.	Isael Ranjini Graham	AM	Tambaram
34.	T. Sampath	DM	Thousand Lights
35.	A. Mohandoss	Mgr	Tiruvarur Town
36.	U. Viswanathan	Mgr	Vadapathimangalam
37.	V. Narayanan	DM	ZO Coimbatore
38.	John M. D. Couto	CM	ZO

SBIOA (CC) wishes the above comrades a very happy, healthy and peaceful retired life.

Dear Comrades,

Let us celebrate Nationalisation and Protect Public Sector Banks

The decision to nationalise 14 Private Banks till 1969 was a historical decision. The decision was taken based on report of Mahalanobis Committee on distribution of income and levels of living (1964) and R.K. Hazari Report (1967) which stated "so long as many of the major credit institutions are under direct control and / or influence of big industry and unless the linked control of the industry and Banks in the same hands is nabbed by nationalisation of Banks, reducing concentration of economic power with a few was not possible". As on June 1969 the average population per branch was 65000. Only 1832 branches (22.2%) out of 8262 were in rural areas, out of this 629 branches were that of SBI in rural areas. The concentration of branches was in urban areas and 46% of Bank deposits and 65% of credit were in 5 Metros (including Ahmedabad) 617 major towns did not have a commercial bank branch. The share of credit to agriculture was just 0.2% in 1966. Overall, the essential feature of the Banking System appeared to be financial exclusion.

The objective of nationalisation was not profit. The declared objectives of nationalization were:

(i) Wider territorial and regional spread of the branch network;

(ii) Better mobilisation of financial savings through bank deposits;

(iii) Re-orientation of credit deployment in favour of small and disadvantaged classes all along the production spectrum;

(iv) Removal of control by a few business houses (and that too with microscopic capital stakes),

(v) The conferring of a professional bent to bank managements, and

(vi) The provision of adequate training and reasonable terms of service for bank staff. The Public Sector Banks have not only reached all these objectives but also have generated enormous profit. An estimate says that the total dividend paid and income tax remitted is much more than 300% of the investment made by the Government.

In 1972, certain "priority" sectors were identified. These included agriculture and related activities and small-scale and cottage industries. A target of 33% lending to the priority sector was set in 1975. In 1979, the target was raised to 40%. In 1980, sub-targets were set: 16% of lending was to go to agriculture and 10% had to be targeted to "weaker sections". The share of priority sector in total credit of commercial banks went up from 14% in 1969 to around 40% by the end of the 1980s. The share of agriculture had reached 19% by 1985 and remained around that figure until 1990. The number of agricultural loan accounts increased from around 1 million in the early 1970s to nearly 30 million by the early 1990s. Within agriculture, 42% of the credit went to small and marginal farmers. The focus shifted only after 1991 in the name of liberalization and globalization.

From 6.3 per cent in December 1969, the rural deposit share touched 15.5 per cent in March 1991 and the credit share rose from 3.3 per cent to 15.0 per cent. More significantly, with the target credit-deposit (C-D) ratio set at 60 per cent, the C-D ratios of rural branches had touched 64-65 per cent on the basis of sanctions. In fact, if migration of bank credit from the place of sanction to the place of utilization is taken into account, the C-D ratio for rural branches had ranged from 85 per cent to 97 per cent by March 1991. As on 31st March 2015, the CD Ratio has reached 77% of which Rural is still 65%, semi urban 57%, Urban 56% and Metro 94%.

Three historically underbanked and economically underdeveloped regions namely, north- eastern, eastern, and central regions, had received special attention in the branch expansion programme of scheduled commercial banks until the 1990s. These three regions accounting for about 50 per cent of the country's population, had only about 25 per cent of bank branches in 1969. By March 1992, their proportion of bank branches had shot up to 42.6 per cent and the number from a total of 2,068 branches to 26,439. Alternatively, the proportion of bank offices located in relatively under-banked states or BIMARU states improved during the period from 23.0 per cent to 34.0 per cent. This improvement is also reflected in a sizeable reduction in the average population covered by each bank office in the under-banked and moderately-banked states. Besides, it is in these backward states that the shift in the share of bank branches in favour of 'rural' areas has been much more pronounced. Another factor which is claimed in official circles to have contributed to an improvement in C-D ratios of regions and states has been the banks' effort to supplement bank credit by investment in securities and bonds of state governments and state-level institutions like electricity boards, improvement trusts, local boards and others. This occurred to a greater extent in underdeveloped states than in the relatively developed states.

The number of districts enjoying C-D ratios of 60 per cent and above shot up from 136 in March 1980 to 209 in March 1985; thereafter it remained in the range of 163-177 until March 1992. Such improvement took place in rural centres of districts too.

Sectorally, a major achievement of the banking industry in the 1970s and 1980s was a decisive shift in credit deployment in favour of the agricultural sector in particular. From an extremely low level at the time of bank nationalisation, the credit share of the sector had moved to nearly 11 per cent in the mid-1970s and to a peak of about 18 per cent at the end of the 1980s which was the official target set.

Next to agriculture, the small-scale industrial sector occupies a pivotal position in terms of employment and output share in the economy. Immediately after the introduction of social control and subsequent bank nationatisation, banks found the small-scale industries a lucrative target for lending. Hence the share of SSI units in total bank credit shot up from 6.9 per cent in June 1968 to 12.0 per cent in June 1973. Thereafter, the share was sustained in the range of 11 to 13.5 per cent until the early 1990s.

Between December 1972 and June 1983, there were 21.2 million additional bank loan accounts nursed by the scheduled commercial banks, of which 19.8 million or 93.1 per cent were accounts with credit limits of Rs 10,000 or less. This trend continued for another decade up to March 1992 (despite the loan waiver scheme effective March 15, 1990).

With a view to taking account of the impact of inflation, the cut-off limit for small borrowal accounts in the RBI's reporting system was raised to Rs 25,000 in December 1983. Between December 1983 and March 1992 when there were another 38.1 million of additional total bank accounts, the number of small borrowal accounts with credit limits of Rs 25,000 or less increased by 36.0 million or almost 95 per cent of the total increase.

This ability of the scheduled commercial banks to service small borrowal accounts - a peak of over 62.5 million with credit limits of Rs 25,000 or less from various sectors and regions of the economy, could be said to be one of the outstanding achievements of bank nationalisation. It is this aspect of banking development that aroused the aspirations of the common man and gave him a sense of participation in the development process. If this would have continued there would have been no need for a Mudra Bank now. The reforms killed small credit. In 25 years the Govt's policy and focus shifted. Many RRBs were merged, rural branches closed, large Corporates were given credit while ignoring small credits, priority sector was diluted, the development financial institutions like ICICI, HDFC and UTI were privatized and infrastructure credit was forced on commercial banks, equity funds schemes for new entrepreneurs (start ups) were closed, recruitments in Banks were stopped for more than a decade and profit became the priority. NPA norms kept on changing and the boards of Public Sector Banks got many politicians in them. Regular jobs were outsourced including banking by business correspondents depriving a huge population of job opportunities.

You have to be enthusiastic enough to do what is required for achieving your dreams and goals.

Laila Gifty Akita

The RBI financial stability report June 2016 shows that large borrowers whose exposure is above Rs.5 crores constitute 58% of the credit and 86.4% of the NPA. Top 100 borrowers account for 19.3% of all bad loans.

Parliamentary Standing Committee headed by Shri Veerappa Moily has recommended stringent legal remedies including publication of the names of 30 biggest defaulters of each public sector bank but the Govt has not taken any step so far. So what is needed is strengthening the banking system with powers to seize the assets of willful defaulters including personal assets. If this is done the NPA will go down and Banks will not require any additional capital. But unfortunately what is suggested is handing over assets to assets reconstruction companies, reducing Government holding and privatization of Public Sector Banks. In a developing nation directed credit is essential for equal growth, equity and equality. We will not allow the baby to be thrown out with water because there is little dirt.

If Financial Inclusions, Skill up India, Start up India, Mudra Loans and the Govt's Pension Schemes have to succeed, we require Public Sector Banks and stop blaming the Chairman and Staff of the Public Sector Banks.

Even today out of 22 crore Jan Dhan A/cs, 97% is opened by Public Sector Banks including RRBs.

Comrades, we need to fight hard to save the Public Sector Banks because only Public Sector will save the nation. The question is whether the country is for 116 dollar billionaires and 2.36 lakh dollar millionaires or for the rest of the 124 crore people?

Comradely yours,

(D. Thomas Franco Rajendra Dev)
General Secretary