

**THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS  
(REGD.No.7364)**

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Circular No. 2012/01  
29/01/2012

Dated:

Dear Comrades,

**“UNIVERSAL ACADEMY OF LEADERSHIP & LEARNING”**

All India Union Bank Officers' Federation has formed a 'Trust' under the name and style "Universal Academy of Leadership and Learning" (UALL) to take care of the activities relating to leadership development and mobilisation, sharing of knowledge on contemporary issues pertaining to Trade Union Movement and other welfare activities, for the benefit of Officers' fraternity. The trust will impart knowledge; provide leadership training and handling disciplinary matters to the members of AIBOC. They have taken a building on lease basis for 25 years for housing the Trust Office, Library with Photo gallery and other facilities.

The inaugural ceremony of the 'UALL' was held on 19<sup>th</sup> January, 2012 at the Trust building in Kolkata. Shri.M.V.Nair, CMD of Union Bank of India inaugurated the Trust by cutting the ribbon & lighting the lamp. Com.G.D.Nadaf, General Secretary, AIBOC/AISBOF was the Chief Guest. Com.S.R.Sen Gupta, former President/General Secretary of AIBOC was Guest of Honour on the occasion.

**RELEVANCY OF BASEL COMMISSION**  
**RECAPITALIZATION OF PUBLIC SECTOR BANKS**  
**FUTURE OF THE BASEL NORMS**

The world over, the financial institutions are seriously debating the relevancy of the Basel Commission after the era of globalization of over two decades. The year 2008 saw the collapse of strong financial institutions in the United States followed by several Western countries who were policing the third world countries to keep themselves abreast of the Basel Norms and adhered to the same while being arrogated as far as the implementation of the same is concerned in their own countries.

The extinction of the Lehman Brothers one of the biggest financial institutions in US which failed to maintain sufficient liquidity as well as capital and could not meet their commitments to the market, filed bankruptcy petition before the US Federal Court thus creating a history in the economic condition of the United States. It was one of the biggest Financial Institutions to collapse in the modern history of the world. Thereafter we have witnessed similar debacle of the financial institutions which despite the boldface kept by the rulers of the United States of America.

The Governments and the Financial Institutions world over are debating about the need of maintaining the capital as suggested by Basel Commission. The Basel Commission itself in their recent meeting are perturbed over these developments and taking a soft stand in order to appease the Western countries. Thanks to the Reserve Bank of India and its most conservative

approach as regulator par excellence in the entire world, has been able to attract the attention of the financial institutions all over the world, which not only saved the Indian Banking system but also sustained robust growth despite the ugly impact of the US economic recession elsewhere in the world.

The third phase of Basel Norms which expects to have further addition of capital to the extent of another 2 to 2.5% fully owned by the Banks is yet another challenge to the financial institutions in the world. However, the Reserve Bank of India has taken a bold step of insisting to maintain the third phase of Basel Norms of capital adequacy without any dilution in the process. The third decade of the globalization will be a testing time for the financial sector all over the world to decide whether the Basel is relevant to the era of so-called globalization and how the respective regulators will be able to protect the interest of the depositors and also the intrinsic strength of the economy. The Banks are the trustees of the resources of the community. The Government has a responsibility to protect the interest of the depositors through their honouring of the commitment that they have towards the ownership of the Public Sector Banks.

The direct infusion of Capital would enhance the image of the Banking Industry in the country. The owned capital always provides a better comfort than the one raised through the outside borrowings and it is for the Government to enter into the picture and provide the necessary capital to all the Public Sector Banks owned by them instead of insisting for the public issue and dilution of the equity held by them.

The Moody's have observed while rating the banks in India that the Reserve Bank is very stringent as far as the maintenance of the Basel Norms is concerned in comparison with other countries. Hence, they had downgraded some of the ratings and have now found that there is a need to review their approach as well.

There is a need to revisit some of the methodology of recapitalization of the Banks by the Government. The best method is to back their equity through sovereign guarantee since the people of the country have tremendous faith in the solvency of the Government and there is no need to compel the banks to seek financial support from the borrowings to meet the capital adequacy. A time has come to review the Basel Norms – the essence of the Basel Norms is that there has to be capital strength for the Banks in order to meet the contingency of liquidity and emergency and it is immaterial whether there is actual funds or not when it is owned by the Government of India. Hence, we need to campaign throughout the country for re-looking into some of these finer aspects so that the Banking system in India continues its robust growth during the next decade as well.

**ADIEU ! COM. DEBASHIS SENGUPTA- VICE PRESIDENT OF F.O.B.O.I.O.A.**

Com. Debashish Sengupta, fondly known as Debashish Da, born on 3<sup>rd</sup> January, 1952 is due for superannuation on 31<sup>st</sup> January, 2012, after completing approx. 42 years of uninterrupted, unblemished and successful tenure. He joined Bank of India on 05.04.71 as clerk and got promoted to officer cadre on 01.11.1978 and subsequently to MM II/MM III on 01.01.1986 and 01-01-1991, resp. He has throughout been known as a responsible, sincere, and successful banker. The Ranchi (Main) branch, was adjudged best urban branch for the year 2001-02, when he was its officiating Chief Manager. Besides being a successful Banker, he has been a militant, mature and dynamic trade union leader.

Immediately after becoming an officer, he was chosen as the Regional Secretary of erstwhile Bihar unit of our Federation in the year 1981. He was elevated as Joint General Secretary of the unit and in the year 2001 he took over as General Secretary of new Jharkhand unit which was carved out of Bihar unit. He remained undisputed leader of all cadres and led the UFBU as its convenor in the state of Jharkhand. He led officers' movement in RRBs also and remained President of Jharkhand Gramin Bank Officers' Association since its formation till last month. His mature vision and affectionate nature would always be cherished by us all. We place on record

our deep appreciation for all the contributions made by Com. Sengupta to strengthen our Federation and also AIBOC, in the states of Bihar & Jharkhand.

**A befitting farewell was given to Com. Debashis in Federation E.C. Meeting held on 28<sup>th</sup> & 29<sup>th</sup> January at Ranchi, along with two other E.C. Members, Com. Anil Ponkshe-President of our Pune Unit and Com. M.B.Deorukhkar-Vice President of our Mumbai & Goa Unit. On behalf of the Federation, we pray for Happy, Long and Contended retired life for them.**

**COM. DR. V. CHIDAMBARAKUMAR TAKES OVER AS VICE PRESIDENT**

**&**

**COM. AMEETAA SHARMA IS NEW TREASURER OF OUR FEDERATION**

Consequent upon laying down of the office of Vice President by Com. Debashis Sengupta on his superannuation, Executive Committee of the Federation unanimously co-opted Com.( Dr.) V. Chidambarakumar, General Secretary of our Southern Unit and present Treasurer of our Federation as Vice President of the Federation.

Executive Committee of the Federation also decided to Co-opt Com. Ameetaa Sharma, Treasurer of our Delhi Unit as Treasurer of the Federation. To our knowledge, Com. Ameetaa Sharma is the first lady comrade, who shall adorn such a responsible position in trade union movement of public sector banks. We convey both, Com. Chidambarakumar and Com. Ameetaa our heartiest congratulations and best wishes for the new responsibilities.

With Warm Greetings,

**Yours comradely,**



**(HARVINDER SINGH)  
GENERAL SECRETARY**