

THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

Regd.Office: Bank of India Bldgs., 70-80, M.G.Road, Mumbai – 400 023.

OFFICE OF THE GENERAL SECRETARY,
C/o Bank Of India, Parliament Street Br.
PTI Bldg., 4 Parliament Street, New Delhi – 1100 001.
Phone:011-23730096 Tel/Fax :011-23719431
Resi: 011-23822211E-mail: fboioa.Sectt@yahoo.com



Circular No. 2013/20

Dated: 27/07/2013

TO ALL UNITS/MEMBERS

Dear Comrades,

BANK'S FINANCIAL RESULTS FOR Q1

You all are aware of the quarterly results of the Bank being announced. Highlights of the results are as under:

	<u>Total Business Mix</u>	<u>Rs.7,24,396 Cr</u>	
Deposits	Rs. 4,14,964 Cr	Advances	Rs.3,09,432 Cr
Operating profit	Rs. 2,180 Cr	Net Profit	Rs. 887 Cr
NIM	2.5 %	Gross NPA	3.04%
Net NPA	2.10%	Total NPA	Rs. 9413 Cr

It is matter of pride and solace for all of us that we have jumped to 2nd position amongst the Nationalised Banks after taking over Punjab National Bank in Business Mix and have narrowed down Gap with Bank of Baroda. But we cannot be complacent with this achievement, particularly when we do not find ourselves comfortable with NPAs. You will observe that as against Operating Profit of Rs. 2,180 Cr. our Net Profit is only Rs. 887 Cr. This is mainly due to higher provisioning requirements on account of slippages. Though the present position is the result of slow down of economic activities and entire Banking Industry is suffering from this phenomenon, we once again exhort our members not to compromise on the quality of the accounts and make all out effort to ensure the quality of loan book by focusing on recoveries and upgrading the asset quality. It is pertinent to mention that while taking over of accounts from other Banks we will have to be more vigilant.

SAR POLICY CIRCULAR ISSUED

As a responsible organization, we have from time to time been raising various issues that are in the larger interest of growth of our beloved Institution and for bringing back its lost glory, simultaneously protecting the dignity of our members and taking care of their welfare. Despite taking all precautions, one of the apprehensions expressed generally by our members while meeting targets set by the higher authorities has been that of accountability aspect. Though there is always an inherent risk involved in taking commercial decisions, our Federation has always ensured protection for bonafide decisions taken by our members working with full sincerity and honesty.

To allay the fears from the minds of the members and for a smooth operational working, we had been following up with the Management to implement a suitable Staff Accountability policy so that the officers can work with confidence, knowing the area of accountability and safeguarding their interest as well as the interest of the institution.

The agenda was once again followed up in the Central Consultative Committee meeting held on 16th April 2013 in which Management agreed to finalise the policy soon. We wish to highlight that up keeping the rich traditions, the Management consulted our Federation before finalising the policy. Many suggestions sought by us from units and senior/experienced colleagues were incorporated in the policy. We also ensured that certain provisions of Special chapter of vigilance manual limiting accountability of officers are also incorporated in the policy. All this was done to bring objectivity, restraining the scope of personal biases and prejudices, while maintaining uniformity in decisions so that the members can work fearlessly and contribute their best for the growth of our Institution.

We are glad and thankful to the management for having issued a revised and negotiated SAR policy circular on 25th July 2013 (Circulated to all vide our e-mail dt.25.07.13).

Some of the salient features of the SAR Policy are highlighted here under:

- Quick Mortality would be considered if account becomes NPA within one year of original sanction or first disbursement, whichever is later.
- While deciding the accountability, a view of the officer's track record and past performance would also be considered.
- A rational and lenient view would be taken in cases where the officers has complied with the observations given in prescribed format of reports and opinions submitted by the Lawyers, Architects, Valuers, Engineers, Goldsmiths etc., on Bank's Approved Panel but subsequently found to be incorrect or false.
- The time period has also been rationalized and restricted for considering the staff accountability aspect and initiating any disciplinary proceedings as well as for concluding any departmental inquiry.

Our members are advised to go through the Revised Policy meticulously and be guided accordingly. Any suggestion to bring improvement in the policy is welcome. We are sure that members would work with renewed strength, zeal and enthusiasm with fearless minds. We are also confident with such co-ordination between Management and the staff; we shall soon regain the Numero Uno position of our beloved Institution.

STAFF VEHICLE LOAN LIMITS RAISED

We had advised our members that our Federation took up the issue of revision in Vehicle loan scheme in CCC meeting with management on 16/04/2013. Our demand for enhancement in the limit of vehicle loan in view of the developments in Automobile market and availability of fuel efficient quality cars was agreed in principle. Accordingly, a Board note was put up in the Board meeting held on 26.07.13, proposing enhancement in the limits of loan for purchase of four-wheelers as well as two-wheelers. However, ROI proposed in the note was 12% simple. The undersigned requested the Board for reduction in ROI to Base Rate. Our Chairperson and ED were gracious in responding and the Board agreed for reduction in ROI to Base Rate (Simple), i.e. 10% at present. Salient features of the revised scheme are as follows:

Quantum of Loan:

For Purchase of four-wheelers: 80% of cost of vehicle or Rs.7.50 lacs, whichever is less;

For Purchase of Two-Wheelers: 90% of cost of the vehicle or Rs.80,000/-, whichever is less.

Rate of Interest :

For Four Wheelers: 8.5% (simple) upto Rs.80,000/-, Base Rate(simple) for limits above Rs.80,000/-, presently 10% p.a.

For Two-Wheelers: 7.5% (simple) up to Rs.15,000/-, Base Rate(simple) for limits above Rs.15,000/-, presently 10% p.a.

Repayment Period:

For Four-Wheelers: Repayable in 200 monthly instalments, Principal in 120 instalments and interest in 80 instalments

For Two-Wheelers: Repayable in 84 monthly instalments, Principal in 70 instalments and interest in 14 instalments

We are happy to inform that the enhancement in vehicle loan scheme has also been given to the Award Staff.

With comradely greetings,

Yours comradely,



**(HARVINDER SINGH)
GENERAL SECRETARY**