

STATE BANK OF INDIA OFFICERS' ASSOCIATION

(BENGAL CIRCLE)

(Registered under Trade Unions Act 1921-Regd. No. 6908)

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Circular No. 07/2015

Date : 10.03.2015

To All Member (Please Circulate)

ANNUAL CLOSING EXERCISE **OUR PRIORITIES**

Dear Comrade,

We place on record our heartfelt gratitude and gracefully acknowledge your active support and whole hearted participation that has made our 49th Annual General Meeting a grand success. We look forward to your continuing support and encouragement in days to come. It would keep us focused and committed towards protecting our self-esteem and dignity and our hard earned rights and privileges and serving our members more effectively.

We are awaiting further developments following the 10th Bipartite settlement, which we would share with you as soon as we receive the relevant information. While the agreed percentage or the load factor on basic may have disappointed many of us, the introduction of the 5 day week in the banking Industry with 2 Saturdays' off in a month, is really significant for many comrades who prefer improvement in work-life balance and in the working condition over financial compensation. Two Saturdays off is one step towards fulfillment of our cherished dream of 5 day week. We salute the unity, perseverance and unflinching support of our members that had made things possible.

The annual closing is knocking at the door. All through the year we all have put in tremendous hard work against daunting odds and numerous challenges, quite often at the cost of our personal health, quality life and family obligations. As the current financial year is inching towards its culmination, we like to share our concern on certain issues that, we believe require immediate and special attention.

We deeply acknowledge your sense of responsibility, commitment and concern for the growth and business development of our Circle. However, as a responsible Trade Union we would like to touch upon the following points as a gentle reminder so that none of these crucial issues is missed out from being properly addressed.

1. AGRICULTURAL LOAN ACCOUNTS WITHOUT CREDIT FOR MORE THAN 33 MONTHS / AGRI NPA / ACC, KCC RECOVERIES AND RENEWAL:

Continuing with large numbers of Agricultural Loan Accounts (KCC / ATL) recognised as Standard Assets despite having no credits for more than 3 years have attracted negative

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remarks of the Statutory Audit and RBI and has tarnished the image of our institution. We would thus urge upon our members to make all out efforts to contact these borrowers for recovery of the dues / effecting renewal of the accounts on a war footing.

Accounts where recoveries cannot be made despite best efforts need to be recalled and identified as NPA for further hard recovery measures. We have to ensure that all possible efforts are made before recalling such loans.

It is also observed that our Circle has substantial number of stand alone ACC / KCC NPAs aggregating more than Rs 100 crores. NPA percentage in AGL segment is increasing and we need to arrest it in all possible ways. Sending demand notices, making personal visit to the delinquent borrowers, organizing meaningful recovery camp would be our topmost priority of the remaining fortnight of the current financial year. Please do not forget to keep records of your efforts for recovery / renewal through inspection reports / tour dairies etc.

We have to also ensure data purity in CBS e.g. feeding of proper repayment schedule, NPA reckon date etc. to avoid technical NPA.

2. SECURITY VALUE CORRECTION IN CCDP/CBS:

We all are aware that insertion of proper security value in CBS / CCDP is of utmost importance to avoid unwarranted provisioning. We need to understand the gravity of consequences which results from wrong or non-incorporation of correct security figure in CBS. The unsecured portion of an NPA Advance attracts 100% provisioning as against 15% provisioning requirement for secured portion. This has direct bearing on Bank's profitability. Please revisit the security details of the accounts as per list of being provided by LHO / ZO / RBO on regular basis and feed and authorize the correct security particulars in CBS / CCDP. Don't forget to attend the list of expired / unauthorized securities.

3. GOLD LOAN NPA:

Our members must be aware that specific time norms have already been put in place to address almost Rs. 1.30 crores Gold Loan NPA as on 30.11.2014. We believe that by 15th of March, 2015 our branches would be completing all necessary formalities as scheduled for auction of gold in all eligible cases. Please verify the related status of your branch and take immediate action as we cannot afford to continue having NPA(s) in Gold Loan Accounts.

4. AUTO LOAN – SEIZURE OF VEHICLES:

We like to remind our members that guidelines for impounding of hypothecated vehicles and selling the same have been in existence for quite some time. If we can utilise the

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provisions for repossession of the vehicle (seizure) in all eligible cases it would significantly reduce number of willful defaulters and sizable quantum of NPAs in this area.

It is known to us that in terms of Bank's policy of zero NPA in Auto Loan detailed action plan has been set in our Circle in this regard. We have to ensure that seizure notice is issued at RG 3 level itself and if the concerned accounts are not upgraded / closed we have to proceed for seizure of vehicles through Bank's approved Resolution Agents and complete the auction at the earliest as per prescribed guidelines.

5. SARFAESI ACTION / RA TRANSFER / WRITE OFF / FILING OF SUIT:

Accounts where mortgage of immovable properties are available with us as primary / collateral securities and there is no scope of up-gradation, SARFAESI Action, specially in Home Loan NPAs is required to be initiated without any delay. We also need to follow up such cases properly and should proceed with the hard recovery measures maintaining strict time schedule as per the provisions of SARFAESI Act.

Transfer of outstanding to Recalled Assets, completion of write off exercise and filing of suit after obtaining proper approval of the appropriate authority would be our priorities.

6. PENDING REVIEW / RENEWAL OF ACCOUNTS:

STOCK STATEMENT:

Loans Accounts which are due for renewal / review should be given special emphasis so that we can avoid NPAs on account of non-financial delinquencies. While doing so please ensure obtention of all necessary papers / documents and execution of proper documents and exchange of arrangement letter as per Bank's norms.

Obtention of stock statement and incorporating it properly in CBS in all eligible cases needs to be ensured to avoid slippages and adverse remarks of the Auditors.

7. QUALITY BUSINESS: LAST DITCH EFFORTS

As per latest information available to us, up to 15th of February, 2015 our Circle has achieved 83% of its Deposit Budget, while achievement in Net Profit Budget comes around 75%. But it is matter of great concern that our advance portfolio has dipped 34% on a Y-O-Y comparison. Although NPA Level in absolute terms has declined, but this is due to a large extent on account of Write-Off and transfer to SAMB. Position of actual up-gradation by Cash Recovery is not very encouraging.

Let us put in our best efforts, if possible a bit extra to book quality business, specially in Personal Segment Advances and Agricultural Gold Loans to improve the position of our Circle. Pending SME Proposals, if found bankable and pending disbursements, if any need to be completed on due observance of Bank's instructions.

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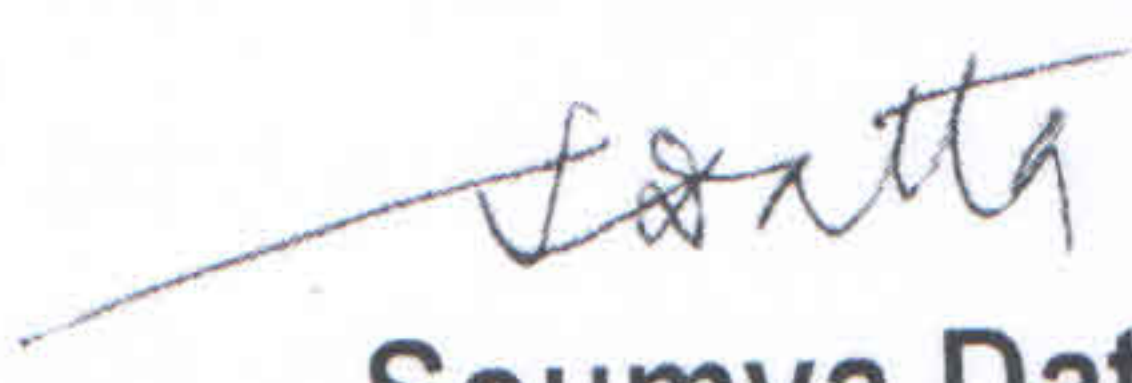
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Comrades, we have proved ourselves on many occasions. Our Chief General Manager had appreciated the sincere efforts of our members in turning things around and bringing back the lost glory of our Circle. Let us strive harder, let us work as a team for the growth and development of our beloved institution, let us continue our relentless efforts to see our Circle marching ahead in all parameters.

Together we will make it happen.

With best wishes for a smooth, successful and hassle-free Annual Closing Exercise.


Soumya Datta
(General Secretary)