

FEDERAL BANK RETIRED OFFICERS' FORUM (FBROF)



(An Organizational Wing of Federal Bank Officers' Association)
(Affiliated to All India Bank Pensioners and Retirees Confederation - AIBPARC)
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To All Members,

Introduction of Monthly Subscription - Rationale

Background: As all are aware, the decision for switching over to monthly subscription was taken in our 23rd Annual General Body meeting held at Aluva on 9th July 2017. The suggestion for monthly subscription was originated in some of our Areas meetings and such suggestions received from area committees were discussed in subsequent Executive Committee meetings. The EC took decision to convene Area Meetings in all Areas with monthly subscription as the main agenda. The suggestion for monthly subscription of Rs 100/- originally came from Area Committees only with request to share a portion of the subscription collected with the Areas so as to meet the expenses for convening area meetings and such other expenses as required for effective functioning of the Area Committees. All these suggestions were codified and placed in the subsequent Executive Committee Meetings. After threadbare discussions in two of our EC meetings held jointly with Area Secretaries, decision was taken to go to membership for approval in the next Annual General Body Meeting. Members may please note that the necessity for augmenting the funds position was discussed in detail in page 22 of the General Secretary's Report of last Annual Conference for detailed deliberations. All the official resolutions, including the resolution for monthly subscription, were given to members along with General Secretary's report at the time of Registration before commencement of the AGM.

Members may please note that the decision for collection of monthly subscription was taken in a *most democratic* way after discussions in almost all the Area Meetings and EC Meetings held during 2016-17, where nobody has made any objection for this, but supported it as a very positive decision for strengthening area/zone wise activities of the Forum and for ensuring regular Area/Zonal meetings and for meeting the additional funds requirements for conducting the PF case, which is in the final stage at Supreme Court. The resolution for switching over to monthly subscription was approved by the General Body unanimously. In spite of getting enough avenues and opportunities for getting the doubts clarified / raising objections / stalling the resolutions etc; a very few of our members have now started false and misleading propaganda attacking the leadership through What's App postings in their group platforms. In order to remove the confusions, if any, created among the membership as a result of such false and misleading propaganda it is felt necessary to clarify further on the matter.

1. For meeting the litigation expenses in PF case and other organizational expenses such as Annual Conferences, centralized family meets etc, funds were raised additionally from members as PF levy / working fund etc in the past. But collection of such levies from the members were never 100%, but at around 50 - 60% level only. Introduction of monthly subscription is for ensuring contribution from all members and put an end to collection of special levies/funds to meet our expenses. Members may please note that as the central office is functioning without a paid staff, follow up and proper accounting and reconciliation of these periodic collections is not an easy task. In the case of monthly subscription collected by way of filing of authorization in the SB account and administered centrally at HO level, the accounting and reconciliation aspects will be very easy to administer as all details will be provided on-line by the Bank.
2. As of now, we have 31 Area/ Zonal Committees. Presently the expenses for convening Area / Zonal meetings are contributed by members attending such meetings. Now, with reimbursement of expenses for these meetings (**Executive Committee has already approved the request of Area/Zonal Secretaries for reimbursement of meeting expenses up to Rs 150/- per quarter for each member who attend the area/Zonal meeting**), we are aiming for conducting Area/Zonal meetings at regular intervals so as to ensure Area Meetings at regular intervals and also for more closer rapport and bondage among the members of the Area/Zone.

3. All our expenses related to Annual General Body Meetings are met internally whereas other organizations we are collecting conference levies. We used to incur around Rs. 6-7 lakhs for conducting conferences during a biennial period.
4. So also, it is the affiliate organizations that meet the funds requirements of our Apex organizations – AIBPARC (Central and State) and CBPRO. For this, affiliation fee based on membership of the affiliates is collected by AIBPARC every year.
5. **PF case:** As already reported, the case is in the final stage in Supreme Court. Total fees paid to Senior Advocates engaged by FBOA & FBROF at Supreme Court till 6/1/2018 is Rs. 9.50 lakhs. The fee of the Senior Counsel alone is Rs.3.00 lakh per appearance. Advocate's fee paid by us for this case at Kerala High Court for the past 2 years was Rs. 2.04 lakhs. As all are aware, in the last hearing on 9th Jan,2018, Supreme Court has referred the case back to the same division bench of Kerala High court, which passed the orders on 21.12.2016 in the writ appeal 1059/2012, for more clarity for their orders regarding the application of interest rate for the delay on the part of PF Organisation in transferring the principal amount to the Bank. This is likely to drag the matter further resulting in more legal expenses. Once the Kerala High court submits its clarification and if the Supreme Court prefer hearing all the parties again for final decision legal expenses are likely to go up further.
6. **Tax on perquisites:** We may also have to decide on joining the ongoing case on Tax on Perquisites (on leased accommodation from 1997 onwards and tax on monetary and loan perquisites. FBOA obtained interim stay from Supreme Court when High courts vacated the stays obtained by FBOA. We learn that the case is coming up for hearing at Supreme Court in next month. The fee paid for the senior advocate engaged in the Supreme Court for obtaining interim stay is Rs. 15 lakhs. We, the retired officers, are the major beneficiaries of the perquisite case. Presently the legal expenses of the case were met fully by FBOA. We understand that FBOA is having serious concerns for meeting the huge legal expenses henceforth.
7. At present, our Central office is functioning at FBOA Centre with voluntary support of our members from Aluva Area. As our membership as well as our activities are widening and as regular follow up with VIDAL (TPA) and HR Dept is required for attending to the grievances related to Medical insurance of our members and for data entry works, dispatch etc, we may have to think of engaging reasonably skilled staff in central office. If engaged, annual payout for the staff will be to the tune of Rs. 2-2.5 lakh.
8. Our income streams are very limited. The interest income from our Corpus Funds is also on a decline in the wake of the low interest rate regime, which we are getting now is around Rs 2.00 lakh for our corpus fund kept as fixed deposits.
9. As all members will agree, at present source of funds for the Forum is the admission fee and life membership fee. Additions to membership is coming down as the retirements are very less from this year onwards compared to previous years. The number of officers retiring during this quarter (Jan, Feb, March 2018) are only 8, 1, and 5 respectively This trend will continue for the next couple of years.

FBROF leadership from its formation days were taking all out efforts to limit the expenses to the minimum and keep the life subscription received in the corpus fund itself as far as possible. The present leadership is also moving on the same direction which is reflected in our audited accounts for the last 2 years. (FD as on 31.03.2015 is Rs. 20.53 L, 31.03.2016 Rs. 26.44 L and 31.03.2017 Rs. 30.67 L).

Friends, we hope that all of you are convinced about the rationale behind the need for introducing monthly subscription. We request all members who have not submitted their Mandate forms to send the same to Central Office, at the earliest, for enabling us to complete the data entry for registration with the Bank.

Friends, in the light of impending threats on the genuine demands and issues of the Retirees at the Bank and National level, let us show our solidarity, pride and unity in retaining our place and visibility at bank as well as national level by upholding and enhancing the morale of FBROF.

Yours Sincerely



George c chacko

General Secretary.