

ALL INDIA NATIONALISED BANK OFFICERS' FEDERATION

(Registered under Trade Unions Act 1926)
(Regn No: 25127/West Bengal)



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TO BE, OR NOT TO BE

Dear friends,

I am a thorough optimist. Yet, I am afraid and highly apprehensive that there seems to be no end to the untold miseries of the Bank officers.

Ever since the Government unfolded their malicious design of privatising the PSBs since 1991, we the fateful Bank officers, have been kept in the defensive mode.

Yet, the continuous onslaught never deterred us from **performing**, as we always consider this profession as noble and as an opportunity to serve our dear motherland.

Despite the appallingly raw deals handed out to bank officers, our sacrifice and dedication continued and we have always gone the extra mile by rising to the occasion to serve to the nation's call / cause.

The largest bankruptcy in the US history, of Lehman Brothers in 2008, led to public funding and Governmental bail out. Even during this crisis, the PSBs stood strong like a rock, thanks to our robust fundamentals.

We, the PSBs, branded as best performers till 2009 as certified by the Finance Commission and the World Bank, have pledged our talents and resources to the nation's economic survival through financing for infrastructure development.

We lost our sheen in the process of infrastructural lending, primarily extended to the Indian corporate, who were given contract through the newly found Govt. Policy viz., PUBLIC PRIVATE PARTNERSHIP, as the Government could not finance such activities budgetary deficit.

Those corporate were at the mercy of the PSBs only, as they were unable to generate resources abroad due to the global economic crisis.

Despite various odds, we performed exceptionally well for the welfare of our country. To quote two examples, the Pradhan Mantri Jan Dhan Yojaya - the citation of the Guinness World Records Certificate says *“The most bank accounts opened in 1 week as a part of financial inclusion campaign is 18,096,130 and was achieved by Banks in India from 23 to 29 August 2014”* is the proof of bank officers sweat and toil. And again during demonetization, we proved our mettle. *“I publicly thank all the bank employees. The amount of work which bank employees normally have to put in over a year, they have worked more than that in the last one week alone”*, gratefully expressed by the Prime Minister.

Despite our repeatedly exhibiting our best efforts and going beyond the call of duty, we are continuously targeted, unreasonably, and the recent salvo fired on us has shattered the very existence of the PSBs.

The Government organised bankers retreat styled as ‘Gyan Sangam’ in two editions, during 2015 & 2016. In both the editions, the Government outlined the plans to finish the PSBs by explicitly declaring the closure of Banks which do not meet the Industry’s average Return on Assets, and Return on equity, by not making the dear capital available for the survival of such Banks.

While we are blinking to brace the Govt. decisions, now they have unleashed their attack by holding the employees responsible for such failure.

The Govt. directs the trade unions to sign a tripartite agreement as a precondition to infuse capital with an inbuilt threat to close down such banks otherwise.

The embargo, announced by the Government, on the perks and benefits to the employees, is unheard of, unprecedented, unwarranted, and detrimental.

Rubbing salt into the wound, it is also indicated that there would be a cut in the existing benefits.

Kindly go through the following news item in *The Business Line* dated 19th March 2017.

1. *The government has asked 10 public sector banks (PSB) to curtail employee benefits, including industry-standard pay hikes, if these banks want to receive any capital.*
2. *The Centre wants these banks to sign a memorandum of understanding (MoU) with the employees' unions to get a commitment on this. If the unions agree, benefits such as leave travel concessions and perks could go for a few years till the banks returned to health.*
3. *All three Kolkata-based banks — United Bank of India, UCO Bank and Allahabad Bank — have got this diktat.*
4. *The letter has also gone to Indian Overseas Bank, Vijaya Bank, Bank of India, Central Bank of India, Andhra Bank, Bank of Maharashtra and Dena Bank.*
5. *These banks had asked for capital from the government, some as little as Rs 500 crore. But the government is acting tough, as these have a huge bad-asset problem and their profits are dwindling.*
6. *According to sources, the letter said, capital allocation would be linked to with quarterly measurable milestones on which all related parties — banks' board of directors, management and employees — must commit.*
7. *Support in the form of capital would require a tripartite MoU between the government, the PSB concerned and its employees. The MoU would be a commitment to an agreement for a time-bound plan, starting with the financial year 2017-18. It would be monitored quarterly.*
8. *Temporary restructuring of employee benefits would be done only based on need. Any reduction or suspension in benefits could be reversed if the bank concerned successfully managed turnaround operations, said sources.*
9. *Senior bankers in some of these institutions confirmed they had received such a letter.*
10. *SBICAP, the investment banking arm of the State Bank of India (SBI), has been inducted to design detailed bank-wise plan (terms of MoU) based on which the tripartite agreement can be signed.*
11. *According to a senior union leader, they would explore the option of going on strikes if they were not satisfied with the terms of the MoU.*
12. *Another Employees union leader said employees were ready to cooperate for the effective turnaround of banks.*
13. *However, unions and employees would not tolerate any vendetta or harassment. Banks have to be empowered to ensure effective recovery from defaulters, especially corporate borrowers, through legal means.*

- 14. "The government wants the banks to sign the MoU with the unions to restrict economic benefits of employees. This is probably the government's way of saying the employees of these banks deserve to be punished," said a source.**
- 15. Bank unions might find hurdles to their agitation plans. The P J Nayak Committee has already suggested privatisation of PSBs.**
- 16. Union Finance Minister Arun Jaitley has expressed a desire to start privatisation with IDBI Bank, being the first choice. Besides, the government in July 2016 said it would capitalise only 13 banks, out of the 19 it owned, based on performance.**

It would be inferred from the above that

The trade unions are driven to the corner to take an ultimate decision on their survival in the respective Banks, because there is an explicit threat of closure of banks.

But it is improper and atrocious to put the entire blame on the workforce and trade unions for the present condition of PSBs. The fact remains otherwise that the failure of the PSBs, if at all to be framed so, is primarily due to the deliberate attempt of the Government and controllers to undermine the performance of the public sector Banks.

Thus it is a high time that we, the AINBOF - the body constituted to protect the interest of the PSBs, stipulate counter conditions to be followed by the GOVERNMENT and our CONTROLLERS.

If any situation arises to affix our stamp on the tripartite agreement, initial option is to refuse and if it is inevitable, our nod will be subject to the Govt & the Controllers accepting the following terms.

1. Banks shall not be placed under undue pressure to amend their MCLR matching to any change in Policy rate and Banks should be freed to fix their MCLR as it has to be the reflex of the Asset-Liability of the Individual Banks, but, not to the market sentiments, as the the interest collection constitutes 70% of the total income of any Bank.
2. SLR and CRR cut to be decided bank-wise in consultation with the respective banks and it shall be based on the Asset-Liability position of the individual banks.
Interest shall be given to CRR at least matching the Savings bank rate.
3. No advances need to be granted at ROI lesser than MCLR including DIR.
4. Provisioning and prudential norms shall be revisited & reworked and shall be arrived in relation to Indian political, social and economic condition.
5. Income tax shall be levied on the net profit but not on the operating profit.
6. No provision will be maintained on standard assets.
7. Till all the banks attain total turnaround, any dividend on the Government stake shall be retained as reserve.
8. Tightening the Recovery procedures - the rules and acts related to Recovery would discourage any defaulter to go scot free.
9. Strengthening Recovery act, Revenue Recovery act, SARFEASI act. Etc.,

10. Make public the wilful defaulters list.
11. No defaulter to hold public office.
12. Closure and relocation of the branches shall be vested with the Individual Banks.
13. No Government schemes shall be thrust on the Banks and achieving the priority sector targets shall be decided by the respective banks suiting to their geographical locations and financial strength.
14. All the incidental expenses incurred in implementing the Govt. Schemes shall be reimbursed by the Government.
15. Unclaimed deposits shall be added to general reserve or income after the statutory period.
16. Any major policy decision affecting the Bank's finance need to be viewed from the angle of "Loss to the public exchequer". E.g: Mining policy, Capital, Imports policy and public - private partnership.
17. Capital infusion shall be decided on business and presence than on the basis of ROA & ROE which are the prime indicators of profit fraught with various provisioning.
18. Government business and resources shall be restricted to the Public sector Banks only.
19. Existing vigilance arrangement which is proved to be a deterrent to take prudent credit decisions shall be reviewed and restructured.
20. A common Accountability policy shall be finalised which would act as a tool to erase the fear psychosis in the minds of the Bank officers and would be a morale booster to take bonafide credit decisions which always poses an inherent risk.
21. National appellate tribunal to be set up to hear the aggrieved Bankers manned by the personnel from the Judiciary.
22. There shall be centralised Employees grievances cell at IBA level to deal with employees related issues.
23. Directors representing the officers and employees shall be appointed to the bank Boards immediately.
24. No MD and ED shall be appointed from the private Banks.
25. Status quo in the shareholding pattern in the PSBs and no dilution of Govt. Holdings.
26. No merger or closure of PSBs.
27. Wage revision shall be on the principles of CPC formula and shall not be linked to profit and paying capacity.
28. There should be strict regulations and monitoring by the controllers on the functioning of Payment Banks & Small Banks and their business decisions including the pricing of their resources.
29. Uniform perks, allowances and benefits to all the officers in the PSBs.

Friends,

It is an ultimate warning to the structured and organised trade union movement of the officers of the Public sector banks.

Let us not be cowed down by this threat; let us rededicate ourselves; let us utilise the opportunity to display our stubborn unity and strong commitment by consolidating the entire officers force who are youthful and dedicated to the survival of the Public sector.

As a first step, organise meetings under AINBOF banner throughout the country primarily to spread the message across to the youth brigade and to generate favourable public opinion.

***To be, or not to be: that is the question:
Whether it is nobler in the mind to suffer,
Or to take arms against a sea of troubles.***

Let's consolidate and prepare ourselves for the big fight

AINBOF ZINDABAD

AIBOC ZINDABAD

**MANIMARAN G V
GENERAL SECRETARY
AINBOF**