





**Minutes of meeting held on 21.02.2017 before CLC(C)**

With reference to the strike notice dated 08.2.2017 given by the Convenor, United Forum of Bank Unions (UFBU) and United Forum of Regional Rural Bank Employees Union (UFRRBEU), conciliation meeting was convened in the office of CLC(C), in which the representatives of UFBU/UFRRBEU, Indian Bank Associations (IBA) and Ministry of Finance participated. The details of those who attended the conciliation meeting are given in the annexure.

2. The UFBU and UFRRBEU raised certain issues regarding banking sector reforms and also issues relating to wages and working conditions of bank employees. The issues are discussed in detail and the views of the representatives of IBA & Ministry of Finance were also taken into account. The issue wise deliberations are as follows:

**(i) Formation of Bank Board Bureau (BBB) :**

The UFBU and UFRRBEU opposed the formation <sup>and</sup> of functioning and Bank Board Bureau and stated that it had encroached into important areas affecting the autonomy of banks. They cited the instance of appointment of non-Executive Chairman in certain banks at the behest of Bank Board Bureau. They also expressed certain reservations about interference of Bank Board Bureau in wage revision of bank employees and capitalization of banks.

The representative of Ministry of Finance and IBA responded to say that the Bank Board Bureau is only a recommendatory body and in no way dilutes the existing decision making structures. It is a broad based body having representatives from banks as well as other stake holders and is primarily an advisory body to suggest ways and means to make banking sector more efficient and self sustaining.

**(ii) Privatization of Banks:**

The UFBU and UFRRBEU expressed their apprehensions that the formation of Bank Board Bureau and the budget speech of Hon'ble Finance Minister in February 2016 were pointers towards privatization of banks. It was clarified by representative of Ministry of Finance that budget speech of Hon'ble Finance Minister was only for exploring the possibility of reducing the stake of Govt. in IDBI Bank below 50%. But no concrete steps have been taken by the Govt. in this regard, he added.

**(iii) Level Playing field for Nationalized Banks:**

The UFBU and UFRRBEU stated that the Govt. by allowing payment banks and small banks to operate with attractive rate of interest at 7.65 % in fact has denied level playing field to nationalized banks. The representative of Ministry of Finance could not respond to the issue and stated that they would discuss the matter with UFBU and UFRRBEU to allay their apprehensions.

**(iv) Action to recover NPA:**

The UFBU and UFRRBEU demanded that Govt. Should take effective steps to recover bad loans and make good the NPAs of the banks. This would improve financial health of the banks and make them self sustaining, they added.

**(v) Outsourcing of jobs :**

The UFBU and UFRRBEU stated that the banks are resorting to increasing the outsourcing of jobs and there has been no recruitment worth the name in recent years.

The representative of Ministry of Finance stated that outsourcing is being done in case of only non-core activities and there has been regular intake of manpower in all relevant categories in the last 5 years. The overall intake ranged 62,000 to 90,000 in these years.

**(vi) Compensation for extra work in the wake of demonetization**

The UBFBU and UFRRBEU demanded that the bank employees should be compensated for the extra hours of works and hardship they were subjected to during demonetization. They also stated that the banks had incurred a lot of opportunity cost as they had to grapple with exigencies arising out of demonetization. The opportunity cost should be made good for the affected banks.

The representatives of IBA and Ministry of Finance clarified that there is provision of payment of over time for any extra work done by the workman beyond office hours and as per the existing wage settlement, there is no such provision to pay any over time to bank officers for extra work beyond office hours.

However, it was clarified that the respective Bank Boards can consider demand for grant of compensation to bank officers.

It was pointed out that most of the banks have not paid over time to workmen even though provision exists in the Bipartite settlement. The IBA should issue suitable guidelines to all banks for uniform grant of over time, to all eligible workman.

**(vii) Increase of existing limit for gratuity Income Tax exemption**

The UBFBU and UFRRBEU demanded that the ceiling limit of gratuity and income tax exemption limit of gratuity and leave salary be at par with Central Govt. employees as per 7<sup>th</sup> CPC.

It was informed by the representatives of Ministry of Finance that this would be taken care of after amendment of PG Act.

**(viii) Representation of workmen and officers in Bank Boards:**

It was stated by the UBFBU and UFRRBEU that for the last 3 years there has not been any representation of workmen and officers in Bank Boards.

It was clarified by the representative of Ministry of Finance that the matter is under process to appoint workmen & officers as Directors to the respective Bank Boards.

**(ix) Wage Revision:**

The UBFBU and UFRRBEU demanded that the process of wage revision should immediately start as the new revision is due from 01.11.17. They further stated that charter of demand from 5 Workmen Unions & 4 Officer Associations have been submitted to IBA on 15.2.2017 & 22.2.2017 respectively.

The IBA clarified that they cannot start the process of wage revision unless they receive mandate from participating Banks. Mandate from 15 banks have been received and mandate from 5 banks are awaited, he added. The IBA should expedite the remaining banks for mandate and immediately start process of wage revision.

**(x) Settlement of pension related issues**

The UBFBU and UFRRBEU stated that certain pension related issues such as 100% neutralization of DA for retirees prior to 01.11.2002, improvement of family pension and updation of pension with wage revision are pending for long.

The representative of IBA stated that these issues are under consideration in consultation with all stake holders and taking into account the affordability factor with the respective Banks.

IBA was advised to finalize these pension related issues alongwith wage revision, which is due.