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स्टेट बैंक ऑफ इण्डिया ऑफिसर्स एसोसियेशन  
**State Bank of India Officers' Association (Patna Circle)**

All Letters to be  
Addressed to the  
General Secretary

Regd. No. 1872 of 1975  
(REGISTERED UNDER TRADE UNION ACT - 1926)

State Bank Building  
West Gandhi Maidan  
Patna - 800 001

CIRCULAR NO. 16/2011

DATE : 14.06.2011

TO,  
ALL MEMBERS

**7<sup>TH</sup> JULY ALL INDIA BANK STRIKE**

We reproduce hereunder the text of AIBOC Circular No.61 dt. 10.06.2011 on the captioned subject, the contents of which are self-explicit.

**TEXT**

**“Strike Notice:** The UFBU’s Notice for our proposed All India Bank Strike on 7<sup>th</sup> July, 2011 has been sent to the Indian Banks’ Association, Mumbai and Chief Labour Commissioner (Central), Government of India, New Delhi. Copies of the Notice have also been sent to all the Bank managements. Our unions need not serve any separate Notice on their managements.

**2.** A copy of the Strike Notice is sent herein for your information and records. The Notice contains the justification for the various issues and demands raised by UFBU and hence is to be utilized as a campaign document.

**3. Preparatory programmes:** All the preparatory programmes i.e., display of posters, badge wearing, demonstrations, rallies, mass meetings, submission of mass memorandum, etc. should undertaken earnestly and implemented effectively.

**UFBU/2011/STRIKE NOTICE**

**8<sup>th</sup> June, 2011**

**FORM - 1**

**NOTICE OF STRIKE**

**NAME OF UNIONS : UNITED FORUM OF BANK UNIONS (U.F.B.U.)**

- ALL INDIA BANK EMPLOYEES’ ASSOCIATION (AIBEA)
- ALL INDIA BANK OFFICERS’ CONFEDERATION (AIBOC)
- NATIONAL CONFEDERATION OF BANK EMPLOYEES (NCBE)
- ALL INDIA BANK OFFICERS’ ASSOCIATION (AIBOA)
- BANK EMPLOYEES FEDERATION OF INDIA (BEFI)
- INDIAN NATIONAL BANK EMPLOYEES FEDERATION (INBEF)
- INDIAN NATIONAL BANK OFFICERS CONGRESS (INBOC)
- NATIONAL ORGANISATION OF BANK WORKERS (NOBW)
- NATIONAL ORGANISATION OF BANK OFFICERS (NOBO)

**NAMES OF ELECTED REPRESENTATIVES**

1. Shri. C.H. Venkatachalam, General Secretary, AIBEA & **Convener, UFBU**
2. Shri. G D Nadaf, General Secretary, AIBOC
3. Shri. M V Murali, General Secretary, NCBE
4. Shri. R.J. Sridharan, General Secretary, AIBOA

5. Shri. Pradeep Biswas, General Secretary, BEFI
6. Shri. Subhash Sawant, General Secretary, INBEF
7. Shri. K.K. Nair, General Secretary, INBOC
8. Shri. Ashwini Rana, General Secretary, NOBW
9. Shri. S Deshpande, General Secretary, NOBO

**Dated this day of 8<sup>th</sup> June, 2011**

To  
**The Chairman,  
Indian Banks' Association,  
World Trade Centre, 6<sup>th</sup> Floor,  
Cuffe Parade, Mumbai**

Sir,

In accordance with the provisions contained in sub-section (1) of Section 22 of the I.D. Act – 1947, we hereby give you notice that the members of all the constituent unions of **United Forum of Bank Unions** (AIBEA, AIBOC, NCBE, AIBOA, BEFI, INBEF, INBOC, NOBW, NOBO) **propose to go on strike on the 7<sup>th</sup> July, 2011.**

**Main Issues and Demands :**

1. Do not privatise Public Sector Banks
2. Do not reduce Government's equity in Public Sector Banks
3. Do not avail World Bank Loan to capitalise Public Sector Banks
4. Do not proceed with merger of Banks.
5. Do not allow unrestricted entry of foreign capital in banking sector.
6. Do not delete Section 12(2) of Banking Regulations Act
7. Do not remove the ceiling on voting rights of foreign investors.
8. Do not issue licence to industrial houses to start their own Banks.
9. Do not outsource permanent banking jobs and normal banking services
10. Do not proceed with the scheme of private business correspondents
11. Do not violate provisions of Bipartite Settlement on outsourcing
12. Provide adequate staff in Banks through recruitments to maintain and improve customer services. Stop violation of working hours.
13. Revive BSRBs for recruitment of staff in Public Sector Banks.
14. Implement the compassionate appointment / financial compensation scheme as finalised between IBA & UFBU.
15. Issue revised uniform guidelines on house building loan, vehicle loan and festival advance to bank staff.
16. Implement 5 day banking
17. Regulate and define working hours of bank officers.
18. Improve Pension Scheme in banking sector on the lines of Central Government Scheme - updation of Pension along with wage revision of serving employees, uniform D.A. neutralization, improvement in commutation, Family Pension, Ex-Gratia of pre – 1986 retirees, etc.
19. Withdrawal of Government's arbitrary instructions to Banks not to improve/amend any service condition without their permission.
20. Scrap Khandelwal Committee Recommendations.

SD/-  
**(C.H. VENKATACHALAM)**

## CONVENER

### Encl. :

1. Statement of the Case
2. Details of Agitational Programme

### Copy to:

1. Chief Labour Commissioner (Central), New Delhi
2. CMDs/MDs/CEOs of All Banks

### STATEMENT OF THE CASE

- **Do not privatise Public Sector Banks/Do not reduce Government's equity in Public Sector Banks**

We find that the Government's equity capital in the Public Sector Banks is being diluted and reduced and consequently the private capital in our Public Sector Banks is increasing. Public Sector Banks are nation building financial institutions and allowing private capital in these institutions will be detrimental to the implementation of the objectives of public sector banking. With every dose of private capital, the social orientation of public sector banks gets eroded. With every dose of private capital, our Public Sector Banks are slowly and steadily moving towards privatisation of our Banks. Hence we demand that Public Sector Banks should not be privatised and Government's Equity Capital in our Banks should not be reduced.

- **Do not avail World Bank Loan to capitalise Public Sector Banks**

Of late the Government has been availing loan from the World Bank in order to capitalize the Public Sector Banks. It is learnt that so far the Government has availed World Bank Loan of Rs. 15,000 crores for this purpose. By availing loan from World Bank, slowly the conditionalities of World Bank would be brought into the affairs and activities of our Public Sector Banks, which would affect the public sector character of our Banks. Hence, we demand that the Government should retrace their policy of availing World Bank Loan to capitalize our Banks.

- **Do not proceed with merger of Banks.**

The Government has been encouraging the policy of merger and consolidation of our Public Sector Banks for the sake of global competition and efficiency. Indian Public Sector Banks are designed and designated for our own domestic economic development, and forcing them into global competition is unwarranted. Further, we have seen the efficiency of the global players in the recent period who have crumbled like a pack of cards, in contrast to our Banks who have not been affected by the global financial crisis. Further, when there is so much of financial exclusion in the country and financial inclusion is the priority task, what the country needs is banking expansion and not banking consolidation. Indian banking has not saturated to warrant consolidation. India is still under-banked as far as the common masses are concerned. Hence, bank mergers are not called for.

Hence we are opposed to merger of Banks. Government should reconsider its policy.

- **Do not allow unrestricted entry of foreign capital in banking sector. Do not delete Section 12(2) of Banking Regulations Act. Do not remove the ceiling on voting rights of foreign investors.**

The Government has introduced a Bill in the Parliament in the last Session seeking to delete the existing section 12 (2) OF THE Banking Regulation Act. Today there is a ceiling of 10% on the voting rights of the FDI in our private sector Banks under the B R Act. If this clause is deleted, it would facilitate full voting rights without any ceiling and proportionate to their capital investment. This would instantly make our private sector banks vulnerable for takeover by foreign capital.

As of last year, the capital and total Deposits of our Indian private sector Banks were as under:

	<b>Total Capital</b>	<b>Total Deposits</b>
Old Private Banks	1273 Cr	229,897 Cr
New Private Banks	3276 Cr	592,904 Cr
<b>Total Private Banks</b>	<b>4549 Cr</b>	<b>322,801 Cr</b>

Already the foreign capital in some of the private Banks is very high as under:

<b>Bank</b>	<b>Total foreign / Non Resident Capital as % to total Capital</b>
1. Indus Ind Bank	68.5 %
2. ING Vysya Bank	67.3 %
3. ICICI Bank	66.3 %
4. Yes Bank	58.1 %
5. Federal Bank	43.5 %
6. Dhanlaxmi Bank	30.6. %
7. Axis Bank	42.1 %
8. South Indian Bank	39.9 %
9. Catholic Syrian Bank	38.0 %
10.HDFC Bank	45.6 %
11.Kotak Mahindra Bank	29.8 %
12.Karur Vysya Bank	24.2 %

Allowing and encouraging more and more foreign capital in our Banks and that too relaxing the existing voting rights will be highly detrimental to our country's interest.

- **Do not issue licence to industrial houses to start their own Banks.**

In August 2010 RBI has released its Discussion Paper on Entry of New Banks in the Private Sector. The idea is to allow industrial and business houses to start their own Banks. In the recent Budget, Government has also announced its intention to go ahead with this new licencing policy.

With the introduction of new economic policies in 1991, RBI issued guidelines in 1993 and 2001 for giving licence to new private Banks with a capital induction of Rs.300 crores.

10 Banks were set up after 1993 and another 2 Banks after 2001 guidelines. Out of these 12 new private banks, 4 were promoted by financial institutions, 1 each by conversion of a co-op Bank and an NBFC into commercial banks, 5 Banks by banking professionals and 1 Bank by a media house.

Out of the 4 Banks promoted by individuals, only 1 Bank is surviving now. The Global Trust Bank was merged with OBC after its debacle and 2 Banks were merged with other private Banks due to lack of financial strength and bad governance.

Out of the remaining 6 Banks, Times Bank has merged with Yes Bank. 4 Banks have merged with the parent institution or re branded.

This is the track record of these new generation private sector banks started with all fanfare and open encouragement from the Government.

Now the RBI wants to liberalize its licencing policy to allow industrial and business houses to float their own Banks.

In India, we have the better experience of the role played by those private banks, which were owned and controlled by industrial houses in those days. Because of their manipulations, negative contributions and unwillingness to be part of socio-economic development, the need arose to nationalize those banks.

Today RBI wants to allow these industrial houses to start Banks! The RBI draft also mentions that our RRBs can be handed over to these industrial and business houses!

We know there are 100 billionaires in our country with a total net worth of \$ 300 Billions. The proposed capital requirement to start a Bank is only around \$ 200 million. (Rs.1000 crores).

Hence, UFBU is opposed to this new policy and demands of the Government not to proceed with the same.

- **Do not outsource permanent banking jobs and normal banking services; Do not proceed with the scheme of private business correspondents ; Do not violate provisions of Bipartite Settlement on outsourcing**

The Government, the bankers and the RBI are trying to encourage the policy of outsourcing the permanent and perennial jobs in the banking industry. They are escalating their efforts to outsource the regular jobs of the bank employees and officers. Each Bank has unilaterally formulated their outsourcing policy to contract out the normal banking jobs. The Bipartite Settlement between IBA and Unions provide for outsourcing of IT and its related activities in respect of specialized areas where in-house capability is not available. But in violation of this settlement, all types of routine/non-specialised jobs are being outsourced. Recently, the Banks are resorting to appointment of Business Correspondents who are nothing but outsourced employees and who are required to undertake our normal banking work. Hence the policy needs to be reversed and permanent jobs should not be outsourced.

- **Provide adequate staff in Banks through recruitments to maintain and improve customer services. Stop violation of working hours. Revive BSRBs for recruitment of staff in Public Sector Banks.**

While there is increasing demand for improving customer service, it is observed that adequate staffs are not being provided to handle the increased volume of work. Due to the persistent efforts and agitations in the past, some recruitment are taking place in the Banks, but the same are inadequate. Some months ago, the Government appointed a consultant to get a report on Human Capital in Banks. According to this Report, the PSBs would be requiring about 7 lacs employees in the next decade due to retirement and other natural wastages, etc.

#### **Increasing workload:**

	<b>1991</b>	<b>2010</b>
No. of Branches	46,000	65,000
No. of customers	8.6 crores	58 crores
Total Deposits	2,43,000 crores	47,50,000 crores
Total Advances	1,51,000 crores	35,00,000 crores
Total Staff	9.47 lacs	9.41 lacs

In addition to the normal business requirements, the PSBs have to play a leading role in the agenda of financial inclusion. This will also require additional manpower. Hence adequate recruitments are a very urgent necessity.

### **Revival of BSRBs:**

In the recent recruitment processes in the Banks, campus recruitments, process by private recruitment agency etc. have been resorted too. Recruitments in Public Sector Banks should be through Government agencies and a transparent system. It is high time that BSRBs are revived and recruits in PSBs are done by BSRBs.

#### **• Scrap Khandelwal Committee Recommendations.**

The Government appointed Khandelwal Committee has submitted its recommendations which are totally adverse to the interests of the employees/officers and our trade unions and seeks to neutralize the long-time achievements of the trade unions secured in the last more than six decades. Some of the main recommendations are:

To outsource all non-core jobs.

1. Direct Recruitment of Officers upto 50 %
2. Qualification for entry level recruitment  
For Clerks: Graduation; For Substaff: 10<sup>th</sup> Std.
3. Fresh Recruitments to be only in Rural and Semi Urban areas and not in metro/urban branches.
4. Appointment of exclusive Executive Director (HR).
5. Bank wise wage revision based on capacity to pay, profitability, productivity, etc. instead of industry level agreements.
6. Introduction of Variable Pay as a major component of wages and introduction of cost to company concept.
7. Review all internal settlements on mobility.
8. HR Professionals to be recruited at senior/junior levels.
9. HR administration to be automated through web-based system.

All these are unwarranted and provocative ideas and not acceptable to the employees and officers. These recommendations should be rejected by the Government.

#### **• Implement the compassionate appointment/financial compensation scheme as finalised between IBA & UFBU.**

A uniform policy on compassionate ground appointments in the Banks has been followed since 1978 based on Government guidelines. In 1996, based on a Supreme Court judgement, the Government advised the Banks to keep in mind the economic condition of the family while considering the employment on compassionate ground to a family member on the death of an employee. This was also being followed by the Banks. However, in 2004, based on Government's advice, a new model scheme was evolved stopping all compassionate appointments. After exhausting our efforts to restore the earlier scheme, UFBU gave a call for strike on 9-3-2006. Based on CLC's advice, the strike was deferred and we submitted our suggestions to the IBA. But IBA/Government did not agree to any of our suggestions but implemented an unilateral financial compensation scheme. Hence, UFBU gave the call for strike for 3 days in March 2007. UFBU met the Prime Minister and Finance Minister on 19-3-2007 and 21-3-2007 and submitted our views. Consequently, an MOU was signed on 21-3-2007 when the IBA assured that the Government would consider our suggestions and the strike was deferred. But the Government/IBA implemented again another unilateral scheme from July 2007 without considering our suggestions.

Aggrieved by this, UFBU gave the call for strike on 12-9-2007 and again CLC intervened and advised the IBA to amicably resolve the dispute and hence the strike was deferred. Yet the issue remained unresolved and hence UFBU observed

the strike on 25-1-2008 and call was given for 2 days strike on 25/26-2-2008. UFBU met the Finance Minister on 19-2-2008, and on 25-2-008 an MOU was signed by which the strike was withdrawn. Consequently there were discussions between IBA and UFBU in 2008/09 and in February, 2009, a mutually acceptable scheme was worked out keeping in mind the Government views, Supreme Court judgement, etc. **This scheme is still pending with the Government for the past more than 2 years.** The incidence of death while in service is very negligible in the Banks ( it ranges between 50 to 70 per year per Bank i.e. about 0.4 % only). The IBA/Government approach on this issue is unfair and is devoid of sympathetic approach.

- **Issue revised uniform guidelines on house building loan, vehicle loan and festival advance to bank staff.**

So far, the scheme on housing loan, vehicle loan and festival advance for the bank staff has been based on uniform guidelines from the Government. However, recently, each Bank is revising these schemes on its own and despite repeatedly taking up the issue; there is no revised uniform guidelines either from the Government or IBA. This has resulted in disparities and discriminations in the schemes and has created heartburning amongst the employees.

- **Implement 5 day banking**

With the introduction of technology, etc., banking services have been enabled to reach the customers more easily and basic services are available 24 x 7. Even within the existing working hours, Banks have increased the banking hours for the benefit of the customers. In RBI, 5 Day banking has been introduced. Financial markets, foreign exchange markets, stock exchanges, etc. do not function on Saturday. There is no reason why Banks cannot adopt 5 Day Banking. This was a part of our charter of Demands but this was not considered at that time.

- **Regulate and define working hours of bank officers.**

There can be no two opinions that officers working in the banks are also employees even though they may be discharging supervisory duties. But in the service conditions of the officers, there is no stipulated working hours thus making them 24 hours servant. Other than the senior Executives, the other officers in the Banks are normal employees and they are entitled to defined working hours. The absence of the same is highly unfair and draconian in nature.

- **Improve Pension Scheme in banking sector on the lines of Central Government Scheme - updation of Pension along with wage revision of serving employees, uniform D.A. neutralization, improvement in commutation, Family Pension, Ex-Gratia of pre – 1986 retirees, etc.**

The Bank Employees Pension Scheme was introduced in 1993 based exactly on the Central Government employees pension scheme and on the same conditions i.e. by foregoing the management's contribution to PF. Recently, even the New Pension Scheme, as applicable to the Government employees, was forced to be implemented for the bank employees joining the Banks from 1-4-2010. While so, when certain improvements in the Government Pension Scheme have been made in the 6<sup>th</sup> Pay Commission Report, the same are being denied to be extended to the Bank employees. This is discriminatory and unjust.

- **Withdrawal of Government's arbitrary instructions to Banks not to improve/amend any service condition without their permission.**

Recently the Government, we are informed, has advised all the Banks not to improve any service conditions of the staff without their prior permission. This is highly arbitrary and unilateral and runs counter to the bilateral norms subsisting in the Banks over the years. Except on issues which are governed by common Government guidelines/instructions, other service conditions should be allowed to be improved within the permitted parameters.

**DETAILS OF AGITATIONAL PROGRAMMES:**

<b>From 2<sup>nd</sup> Week of June, 2011</b>	<b>Display of Posters</b>
<b>Between 1<sup>st</sup> and 15<sup>th</sup> June 2011</b>	<b>Submission of Mass memorandum to Bank Managements by all our unions (To Branch Managers, Regional Managers/Zonal Managers)</b>
<b>Between 5<sup>th</sup> &amp; 20<sup>th</sup> June, 2011</b>	<b>Deputation to CMDs/MDs of all Banks to submit the Memorandum</b>
<b>Between 20<sup>th</sup> &amp; 25<sup>th</sup> June, 2011</b>	<b>Mass Demonstrations throughout the country (date to be decided locally)</b>
<b>30<sup>th</sup> June, 2011</b>	<b>Badge Wearing</b>
<b>4<sup>th</sup> July, 2011</b>	<b>Mass Rallies, Processions, etc in all major cities and towns</b>
<b>7<sup>th</sup> July, 2011</b>	<b>ALL INDIA BANK STRIKE</b>
	<b>Further agitational programmes and strikes will be announced thereafter.</b>

*With warm greetings,*

**(ANIRUDH AKHAURI)**  
**GENERAL**

**SECRETARY**

OUR UNITY : ZINDABAD-ZINDABAD  
S.B.I.O.A. : ZINDABAD-ZINDABAD