

All India Bank of Baroda Officers' Association

(Central Office)

Registered Under Indian Trade Unions Act, 1926 & Recognised by Bank

(Affiliated to INTUC-INBOC)



CIRCULAR TO MEMBERS NO.9 OF 2018

22nd March, 2018

Dear Members,

RE: UFBU's DHARNA BEFORE PARLIAMENT ON 21.3.2018-A GRAND SUCCESS

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Further to our Circular No:8 dated 14th March,2018, we have to inform that as proposed, UFBU held a Dharna before Parliament on 21st March,2018. The Dharna was a Grand Success with participation of representatives and delegates from various constituents of UFBU in large number. After the Dharna, the representatives met the Hon.Finance Minister and handed over four Letters/Memorandums in connection with (1) Allocation of Funds for Staff Welfare Scheme for Banks (2) Wage Revision (3) Undue Delay in Appointment of Workman Employee & Officer Employee Directors in the Banks (4)Recent Fraud in Punjab National Bank. The copies of the Memorandums were also handed over to Shri Rajeev Kumar, Secretary, DFS.The gist of the said Memorandums submitted are furnished hereunder for your information.

1.Allocation of Funds for Staff Welfare Scheme for Banks.

In terms of guidelines of Government, allocation of 3% of net profits of the Banks can be utilized for various Staff Welfare Schemes. However, during the last two years, large provisions for NPA have resulted in drastic reduction in Net Profits of the Banks and many Banks have turned red. Further, as on 31.3.2018 also, there will be heavy pressure on various Banks due to increase in NPAs, provisions on account of cases referred to NCLT etc. It was proposed for allocation of funds for Staff Welfare Schemes based on the Operating Profits of the Banks instead of Net Profits. During the delegation of UFBU on 15.9.2017, the Hon.Finance Minister had appreciated the suggestion and assured to advise the Banks suitably. It was, therefore, once again stressed upon to consider this representation and advise the concerned Department to issue necessary guidelines to the Banks.

2.Wage Revision.

The next Wage Revision for Bank employees is already due with effect from 1.11.2017 and Finance Ministry has been frequently reminding the Banks and IBA to expedite the wage revision process. Though IBA has commenced discussions on the Charter of Demands submitted by UFBU, no tangible improvement has been made since IBA has not offered their initial offer on wage increase. Even during the last four to five months no discussions have taken place. A resentment has been, therefore, brewing amongst the Bank employees & Officers about the delay in Settlement. Further, IBA has informed that this time the Officers negotiations will be limited from Scale:I to III only. This was also brought to the notice of Hon.Finance Minister on 15.9.2017 but there is no change in the approach of IBA. Therefor it was requested to include all Officers from Scale:I to Scale:VII in the ensuing Wage Revision and also to conclude the negotiations at the earliest.

3.Undue Delay in Appointment of Workman Employee & Officer Employee Directors in the Banks.

In order to provide workers participation at the Board Level Management, the Bank Nationalisation Act provides for appointment of Workman Employee Director and Officer Employee Director in all the public sector Banks and this has been vogue since 1972.However, since last three years no appointment of Workman or Officer Employee Director has been released by the Government. Not filling up these posts amount to negation of representation and right of workers participation. During the delegation on 15.9.2017, the Hon.Finance Minister has assured to look into the matter and to advise the concerned officials to expedite. It was, therefore, once again urged upon to give necessary instructions to ensure appointment of Workman and Officer Employee Directors in all Banks without any further delay.

4.Recent Fraud in Punjab National Bank.

The entire nation was shaken by the recent massive fraud that has been penetrated on Punjab National Bank. It has affected the confidence and trust of the people on the credibility of Banks, particularly, the public sector Banks. The depositors were getting highly concerned about their money in Banks and, therefore it was felt necessary to address this issue in a broader perspective. The fraud has exposed the vulnerabilities of the Banks with regard to supervision and control internally and externally and also from the Regulator's point of view. It ought not to be dismissed as a fraud done by the lower level staff of a branch of PNB, but higher ups including the top Executives of PNB who are involved in the fraud must be proceeded against.RBI's role and accountability in this episode has to be verified thoroughly. The role of other Banks in these fraudulent transactions also requires proper examination. When various prescribed audits could not detect these violation of procedures, the sanctity of audits comes under question.Further, SWIFT and CBS to be linked together as per RBI guidelines, which was not done by PNB.It was requested to initiate steps to bring the main culprits and take stringent actions against them.It was proposed to form a high power Parliamentary Committee to probe into the fraud and suggest accountability and improvement in the system. Expressing great anguish and deep resentment on the demands from various quarters of vested interests to privatise the public sector Banks, it was urged upon to make a categorical statement of denial of any such move on the part of the Government.

We are awaiting the response from Government on the above issues and shall apprise you further developments in due course.

With greetings,

Yours sincerely,

(K.K.NAIR)
GENERAL SECRETARY

PLEASE CIRCULATE AMONGST ALL OFFICER-COLLEAGUES