

UNITED FORUM OF BANK UNIONS

(AIBEA-AIBOC-NCBE-AIBOA-BEFI-INBEF-INBOC-NOBW-NOBO)

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K K NAIR

Chairman

SANJEEV K. BANDLISH

Convenor

UFBU / 2018 / STRIKE NOTICE

10th May, 2018

FORM – 1

NOTICE OF STRIKE

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

Constituted by:

- 1. ALL INDIA BANK EMPLOYEES' ASSOCIATION (AIBEA)**
- 2. ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC)**
- 3. NATIONAL CONFEDERATION OF BANK EMPLOYEES (NCBE)**
- 4. ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA)**
- 5. BANK EMPLOYEES FEDERATION OF INDIA (BEFI)**
- 6. INDIAN NATIONAL BANK EMPLOYEES FEDERATION (INBEF)**
- 7. INDIAN NATIONAL BANK OFFICERS CONGRESS (INBOC)**
- 8. NATIONAL ORGANISATION OF BANK WORKERS (NOBW)**
- 9. NATIONAL ORGANISATION OF BANK OFFICERS (NOBO)**

NAMES OF ELECTED REPRESENTATIVES

- 1 Shri Sanjeev K. Bandlish, General Secretary, NCBE/Convenor UFBU
- 2 Shri C.H. Venkatachalam, General Secretary, AIBEA
- 3 Shri D.T. Franco, General Secretary, AIBOC
- 4 Shri S. Nagarajan, General Secretary, AIBOA
- 5 Shri Pradip Biswas, General Secretary, BEFI
- 6 Shri Subhash S. Sawant, General Secretary, INBEF
- 7 Shri K.K. Nair, General Secretary, INBOC
- 8 Shri Upendra Kumar, General Secretary, NOBW
- 9 Shri Shri. Hazari Lal Meena, General Secretary, NOBO

Dated this day of 10th May, 2018

**To
The Chairperson,
Indian Banks' Association,
World Trade Centre,
Cuffe Parade, Mumbai.**

Madam,

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 **48 hours CONTINUOUS STRIKE from 6:00 A.M. on 30th May, 2018 to 6:00 A.M. on 1st June, 2018** on the following demands:

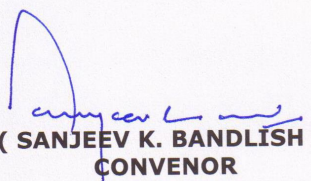
OPPOSING:

- **IBA's delay in resolving Charter of Demands**
- **Government's casual approach to wage revision for bank employees/officers**
- **IBA's meagre offer of 2% hike in wage bill towards wage increase**
- **Partial mandate given by some of the Banks only upto Scale III Officers**

DEMANDING:

- **Expeditious and early wage revision settlement.**
- **Adequate increase in salary and improvement in other service conditions**
- **Wage revision settlement to include all officers upto Scale VII**

The details of the programme and the Statement of the case are furnished herein.



(SANJEEV K. BANDLISH)
CONVENOR

**Encl : 1. Details of Agitational Programme
2. Statement of the Case**

Copy to :

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

AGITATIONAL PROGRAMME

16-05-2018	UFBU Memorandum to IBA
17-05-2018	Demonstrations before branches in all centres
18-05-2018	UFBU Memorandum to Finance Minister
19-05-2018	UFBU Memorandum to Labour Minister
21-05-2018 onwards	Posters display at all Branches
22-05-2018	UFBU Memorandum to Secretary, DFS, MoF, GOI
24-05-2018	Press Meet in all State Capitals
24-05-2018	Demonstrations before branches in all centres
28-05-2018	Black Badge Wearing
29-05-2018	Centralised Demonstrations in all centres
30-05-2018	All India Strike
31-05-2018	All India Strike

STATEMENT OF THE CASE

Whereas as Settlement/Joint Note was signed by the Indian Banks' Association with the Employees Unions and Officers Organisations in the Banks on 25-05-2015 covering revision of wages and improvements in other service conditions for the period from 1-11-2012 to 31-10-2017 and

Whereas the operation of the said Settlement/Joint Note was to end by 31-10-2017 and

Whereas the need would arise to revise the emoluments and service conditions with effect from 1-11-2017 and

Whereas the Unions and Associations submitted common Charter of Demands to the Indian Banks Association in February, 2017 and May, 2017 with a plea to the IBA to take up the demands for discussions and early resolution so that the revised pay scales, allowances and service conditions can be implemented from the due date i.e. 1-11-2017 and

Whereas having regard to the delay in negotiations and finalising the Settlements in the past, on 12-1-2016 the Department of Financial Services, Ministry of Finance, Government of India advised all the Banks as well the Indian Banks Association to initiate the process of wage revision and conclude it prior to the effective date i.e. 1-11-2017 and

Whereas having regard to avoid the delay in arriving at a settlement, the Department of Financial Services, Ministry of Finance, Government of India reminded the Banks and IBA several times with their reminder communications to complete the wage revision process without delay and

Whereas the IBA commenced the discussions with the Unions on 2-5-2017 with the assurance that the discussions would be completed by October, 2017 and

Whereas the Negotiating Committee of the IBA held negotiations with the Unions on 2-5-2017, 5-6-2017, 20-7-2017, 6-10-2017 and 27-10-2017 and even held discussions with the Sub-Committees of Workmen Unions and Officers Associations on 1-8-2017, 2-8-2017, 23-8-2017, 6-9-2017, 16-9-2017, 3-10-2017, 9-10-2017, 24-10-2017, 3-11-2017 and 14-11-2017, and

Whereas, in every round of negotiations, the Unions have been pleading with the IBA to make their offer on the extent of wage revision that would be offered by the IBA, and

Whereas, the IBA kept on avoiding the issue and never made any offer on the question of wage increase even though discussions have taken place on other non-financial demands of the Unions, and

Whereas during the negotiations held on 27-10-2017, the IBA assured that they would hold the next meeting of the Negotiating Committee shortly and would make their offer and

Whereas, that this meeting of negotiations was never called by the IBA and hence, after patiently waiting for 5 months, in February, 2018, the Unions decided to give the call for All India Strike on 15-3-2018 and

Whereas, in this background, the IBA invited the Unions for further negotiations on 21-2-2018 and the Unions were looking forward to participate in the discussions to take the issue forward and

Whereas, suddenly, on the plea of developments relating to Nirav Modi fraud in Punjab National Bank, the IBA cancelled this meeting proposed for 21-2-2018 and

Whereas, in the context of such exasperating and frustrating delay in negotiations, the United Forum of Bank Unions met the Hon. Finance Minister, Government of India on 21-3-2018 and submitted a Memorandum seeking his intervention.

Whereas, after patient hearing of our submission, the Hon. Finance Minister advised the Unions to meet the Secretary, Department of Financial Services, and

Whereas, the Unions met the Secretary, Department of Financial Services and explained the issue in detail to him when he assured to advice the IBA to continue the dialogue and expedite the matter and

Whereas, in this background of the developments, the IBA invited the Unions for negotiations on 5-5-2018 and

Whereas, the Unions and the lacs and lacs of bank employees were expecting the IBA to keep all the above referred developments in mind and come forward with a reasonable offer on which further negotiations can take place to complete the process without further delay and

Whereas, during the negotiations held on 5-5-2018, the IBA made the following two unacceptable propositions:

a) IBA made an offer of 2% hike in the wage bill cost as on 31-3-2017 and

b) IBA adamantly maintained that the negotiations on officers demands would be restricted upto Scale III officers only.

To substantiate their offer, IBA stated that the financial positions of our Banks are not conducive to offer better wage revision and that the Banks profits have been eroded in the recent years.

It is well-known that all the Banks have been earning more Operating Profits year after year as per our information.

Profits of the Banks are increasing:

Public Sector Banks:

Rs in Crores

	2013-14	2014-15	2015-16	2016-17
Gross Operating Profit	1,27,653	1,38,440	1,36,926	1,58,982
Provisions for bad loans, etc	90,634	1,00,900	1,54,918	1,70,370
Net profit/Loss after provisions	37,019	37,540	17,992 loss	11,388 Loss

Private Sector Banks (old and new)

	2014-15	2015-16	2016-17
Gross Operating Profit	69,585	84,020	1,01,818
Provisions for bad loans, etc	30,853	42,707	59,570
Net profit/Loss after provisions	38,732	41,313	42,248

(Public Sector Banks)	Gross Operating Profit Before Provisions for Bad Loans	Provisions made for Bad Loans/NPAs	Published Net Profit
Year			
2008-09	45,494	11,121	34,373
2009-10	57,293	18,036	39,257
2010-11	74,731	29,830	44,901
2011-12	87,691	38,177	49,514
2012-13	93,684	43,102	50,582
2013-14	1,27,653	90,634	37,019
2014-15	1,38,440	1,00,900	37,540
2015-16	1,36,926	1,54,918	-17992
2016-17	1,58,982	1,70,370	-11,388
FROM 2008-09 TO 2016-17	9,20,894	6,57,088	2,63,806

Where the profits have gone ?

It can be observed from the above Table that in the last 10 years, while Banks have been consistently earning Operating Profits year after year, nearly **70% of hard-earned profits have evaporated due to provisions for bad loans and NPAs**. The net profits are getting reduced only due to huge provisions for bad loans and not due to any reasons attributable to the employees and officers of the Banks.

Hence denying reasonable wage revision for the bank employees and officers on this count is unfair.

- **Hence the Unions have rejected this offer and have demanded adequate increase in salary.**
- **Unions also demanded that all scales/grades of Officers should be included in the wage revision as has been the practice since 1979.**
- **Unions also demanded that as advised by the Government, the IBA should complete the process without further delay.**

Unfortunately, IBA did not agree to any of the above contentions and hence we have been forced to give the call for strike.

Increasing Bad Loans – Are employees/officers responsible?

It is well-known that Provisions for bad loans are increasing because bad loans and NPAs are increasing every year as per our information. One can observe how bad loans in the Banks have gone up.

YEAR	GROSS NPA (Rs. in Crores)
1992-93	39,250
1993-94	41,040
1994-95	38,380
1995-96	41,660
1996-97	45,377
1997-98	45,653
1998-99	51,710
1999-00	53,033
2000-01	54,672
2001-02	56,473
2002-03	54,090
2003-04	51,537
2004-05	48,399
2005-06	41,358
2006-07	38,968
2007-08	40,452
2008-09	44,957
2009-10	59,926
2010-11	74,600
2011-12	1,12,489
2012-13	1,64,462
2013-14	2,29,278
2014-15	2,80,481
2015-16	5,41,972
2016-17	6,86,750
December, 2017	7,77,280

Can IBA say that ordinary employees and officers of the Banks are responsible for these huge bad loans in the Banks? Can the employees and officers be victimised with lesser wage revision because of this huge NPA?

Volume of business and volume of work is going up.

Volume of business and volume of work of the employees and officers have gone up enormously in the recent years as per our information as can be seen from Table below:

YEAR	DEPOSITS	ADVANCES	TOTAL BUSINESS
31-3-2012	47,90,000	36,97,000	84,87,000
31-3-2013	57,45,000	44,72,000	1,02,17,000
31-3-2014	65,90,000	51,00,000	1,16,90,000
31-3-2015	71,95,000	54,76,000	1,26,71,000
31-3-2016	74,86,000	55,94,000	1,30,80,000
31-3-2017	108,05,000	78,81,000	1,86,86,000
30-3-2018	114,75,000	86,50,000	2,01,25,000

In addition, bank employees and officers are compelled to undertake so much of non-banking business and all the burden of doing various Government schemes have fallen on the shoulders of the bank staff.

Everyone is aware of the increasing stress under which bank staff are working in the Bank Branches and adding salt to the wound, such a meager hike in wages is offered by IBA. It is totally unfair and unacceptable.

More Branches are opened but due to lack of adequate recruitment, workload is going up:

YEAR	No. of BRANCHES in PSBs
31-3-2012	67,930
31-3-2013	74,000
31-3-2014	81,715
31-3-2015	87,303
31-3-2016	90,437

Wage increase should be commensurate with the increasing workload, which according to our information is as under:

INCREASE IN BUSINESS PER EMPLOYEES – AN INDICATOR:

PUBLIC SECTOR BANKS

YEAR	BUSINESS PER EMPLOYEE
31-3-2012	1879 lacs
31-3-2013	2159 lacs
31-3-2014	2340 lacs
31-3-2015	2618 lacs
31-3-2016	2730 lacs

WAGE AS % TO TOTAL EXPENSES HAS DECLINED:

IN PUBLIC SECTOR BANKS

Year	Wage bill as % of total expenses
31-3-2012	13.72
31-3-2013	11.44
31-3-2014	11.62
31-3-2015	11.35
31-3-2016	10.81

Hence it cannot be argued that wage increase will increase the total cost and reduce profits.

Prices are going up – Wages also should go up:

	Consumer Price Index
Nov. 2011	4440
Nov. 2012	4876
Nov. 2013	5400
Nov. 2014	5764
Nov. 2015	6032
Nov. 2016	6352
Nov. 2017	6574

When inflation is uncontrolled and when prices go up unabated, can wages be depressed. Is it fair to deny reasonable wage increase?

All Scales/Grades of Officers to be included in wage revision:

In response to IBA's communication, majority of the Banks have given their mandate to the IBA to negotiate wage revision demands with the Unions and to cover all scales/grades of officers from Scale I to Scale VIII. This has been the practice since 1979 when the uniform regulations on officers wages and service conditions were introduced. From 1979, on 8 consecutive occasions , i.e in 1979, 1984, 1989, 1995, 2000, 2005, 2010 and 2015, Joint Note Agreements have been signed by IBA with Officers Associations covering wage revision for all scales of officers from Scale I to Scale VII. Officers regulations which deals with wages and service conditions of officers is a composite Regulation covering all scales of officers and excluding Scale IV to Scale VII Officers is unfair. But IBA is refusing to negotiate and cover these scales of officers and insists on restricting the wage revision upto Scale III. We demand that all officers upto Scale VII to be included in the wage revision process.

IBA is ignoring and violating Government's directives:

From January, 2016 onwards, Dept. of Financial Services, Ministry of Finance, Government of India has been advising the Banks and IBA to initiate and conclude the Settlement in time well before November, 2017. Several reminders were given by the Government. Even then IBA has not bothered to take any steps and the present paltry offer of 2% shows that they are not interested to negotiate meaningfully and reach a satisfactory settlement at the earliest.

GOVERNMENT'S CAUSAL APPROACH:

The Government is also aware that despite their repeated letters, there is no progress in the negotiations and no offer was made to the Unions till the meeting held on 5th May, 2018. This shows that the Government is also not serious about early wage settlement in the Banks. It is unfortunate that when the Government wants and expects bank employees and officers to extend all co-operation to implement all the Schemes of the Government through the Banks, when it comes to the legitimate demands for a reasonable and fair increase in wages, the Government is not paying serious attention.

HENCE THE STRIKE CALL
