



# ALL INDIA BANK OFFICERS' CONFEDERATION

(Registered under the Trade Unions Act 1926, Registration No.:3427/Delhi)

State Bank of India Officers' Association

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## Press Release

All India Bank Officers Confederation, the largest officers' organization having membership of around 285000 officers organized a two days workshop with regard to the Turnaround Plan at Chennai on 17<sup>th</sup> & 18<sup>th</sup> April 2017 to discuss the various parameters based on which the eleven public sector banks can have a sustainable growth in the business and profitability. Many acclaimed experts also attended the workshop and contributed to the proceedings to prepare a roadmap for the Turnaround Plan. After detailed analysis, the workshop arrived at the consensus that all these banks have an excellent business performance in the year under review. Accordingly, we wrote to the heads of the respective banks and proposed for a turnaround plan based on our analysis. Meanwhile, we have been served with the broad parameters for the Turnaround Plan as suggested by Department of Financial Services, Ministry of Finance, Govt. of India.

To our utter surprise, the DFS suggested the concerned banks "to make efforts to bring down expenses (ex. Salaries) by atleast 25% in next 3 years i.e. 8% each year. Strategies to achieve the same has to be stated clearly. No net employee additions for the next three years. Substaff/watch and watch staff to be outsourced." All India Bank Officers Confederation vehemently oppose such autocratic and anti-employee direction put forward by the DFS. The Reserve Bank of India, vide its Notification dated 6<sup>th</sup> December 2005, has given clear instruction that the banks cannot outsource their core functions which is in contradiction with the diktat given by the DFS. There have been multiple instances in recent years where banks had to face serious reputational and financial debacles due to a third party's error. We firmly believe that the DFS' direction is very immature and highly anti-employee and anti-officer. Further, the DFS has also directed as "The profitability analysis should be done on branch basis and any loss making branches for more than 5 years to be closed/merged/relocated. There should be no net branch addition for next 1 year. A similar analysis should be done for ATM with specific focus on Paying-Acquiring Business to ensure that non-profitable ATM operations are closed/relocated." The All India Bank Officers Confederation condemns this direction of minimizing the branches as this will lead to downsizing the number of employees and officers. Downsizing of bank branches defeats the whole purpose of nationalization and the much talked about financial inclusion. Moreover, the Bank Branch density in India is very low compared to developed and developing countries like USA, UK, Germany, Russia, Brazil and China. Unfortunately, our government is making all efforts to close down the branches.

In its direction, the DFS has also stated about "Reduction in Net NPA in Banks by at least 0.5% each quarter;" where as it is the policy of the government, credit decisions and environmental factors owing to which the entire banking industry is facing the menace of NPA. The employees and the officers have a very little role to play in this regard. The major portions of the NPAs in these banks are Corporate Loans which are very big in size. The credit decision in these cases are not taken by the employees and officers represented by the respected Unions. IDBI has provided relief to "Reliance Defence" by reducing interest rate and also extending the loan for a period for 20 years. We apprehend similar demands will come from other borrowers also. Further, it is also very pertinent to note that more than 20 Bank Boards do not have any representa-

tion in the form of Employee/Officers Director for a long time, despite our legitimate demand for that. We, on behalf of the entire bank officers' fraternity of the country, want to make it very clear that we will neither tolerate the tactic of the government to shift the responsibility of the rising NPAs on the officers and the employees of the banks nor we will let the government target the salaries of the officers.

We would also like to state it in clear terms that we will not sign the Turnaround Plan on the terms and conditions as directed by the DFS, Ministry of Finance, Govt of India. Rather, we negotiate for a better turnaround plan which does not impact the salaries and perks of the employees and officers and which does not insist on outsourcing of employees and closing down of the branches. We would also like to make it very clear that none of our affiliates will sign the Turnaround Plan unless our demands are fulfilled i.e.

- a) Immediate appointment of Officer/Employee Directors in the Board of the Banks.
- b) Immediate implementation of the recommendations of the Parliamentary Standing Committee.
- c) Immediate publication of names of the willful defaulters and treating them as criminal offenders.
- d) Immediate release of compensation to Banks for the expenditure incurred in opening 27 crore Jandhan Accounts and cost incurred along with opportunity cost due to demonetization.

We have also decided to organize demonstration on every Monday at all state capitals and district headquarters and other important centres demanding:

- Appoint board of directors representing the workmen/officers in all PSBs, immediately.
- Publish the list of wilful defaulters, bank wise.
- Reimburse the cost incurred due to Demonetisation exercise & Jan Dhan accounts.
- Stop moves towards merger and privatisation.
- Implement Parliament Standing Committee recommendations on NPA.
- Provide relief to farmers affected by drought.



(D. T. Franco)  
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