

ALL INDIA BANK OFFICERS' CONFEDERATION

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

C/o Bank of India, Parliament Street Branch

PTI Building, 4, Parliament Street, New Delhi: 110001

Phone:011-23730096 Tel/Fax 23719431

E-Mail: aiboc.sectt@gmail.com



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PRESS RELEASE

GYAN SANGAM II – ANOTHER EYE WASH

A Committee to review the governance of Boards of Banks in India was constituted by RBI on 20th January, 2014 headed by Sri P. J. Nayak, former Chairman and CEO of AXIS Bank and former Country Head, Morgan Stanley India, Mumbai as Chairman of the Committee. The Committee was asked to go into the functioning and governance of the banks' Boards in India and review the RBI guidelines on bank ownership, ownership concentration and representation in the Board. The Committee submitted its report on 12th May 2014.

The following major recommendations of the committee were:

1. Transfer of ownership of Public Sector Banks (PSBs) to a Bank Investment Company (BIC) to be formed under Companies Act and Government eventually to reduce its stake below 50%.
2. Constituting a Banks' Board Bureau (BBB) for appointment of Directors including the Chairmen and Managing Directors, Executive Directors and other Directors.
3. Government to cease to issue policy directions and withdrawal of nominees of Government and RBI from Banks' Boards.

The Gyan Sangam was organized on 2nd & 3rd of January, 2015, at Pune to provide sanctity of these recommendations and also on the agenda of the so called reforms of the Government. Our Organisation, which is representing more than 2,75,000 officers working in the Banking Industry requested all authorities including Department of Financial Services, Hon'ble Finance Minister and Hon'ble Prime Minister to invite us also during the discussions to present our view points as a major and most important Stake Holder in the Banking Industry. Since there was no positive response, we presented our view points through full page advertisements in Pune addition of Times of India, Maharashtra Times and Indian Express. After that also as a concerned and positive Trade Union of Officers, we continued our efforts of putting forth our views on all major policies and steps envisaged by the Government.

It is really painful that Government is going ahead with its agenda of so called reforms with all retrograde steps leading to privatization of Public Sector Banks and against the interest of common man of this country. AIBOC opposes any such move and has launched agitation to save Public Sector Character of Banking.

We are really surprised to note that except for lip service, no steps are being taken by the Government to reduce mounting NPAs of the Banking Industry which are basically due to policy paralysis. Infact, Public Sector Banks had done better than new Private Sector Banks in NPA management during the period of 2008 to 2011. We expect from the Government to:

1. Strengthen recovery mechanism like DRT and SARFESI by giving teeth to the laws and make recovery process faster and less time consuming.
2. Amend IPC to make willful default a cognizable offence with stern punishment
3. Bar the promoters and full time Directors of companies which are willful defaulters from holding public offices.
4. Adopt a policy to recover the concessions extended to corporates under CDR and other restructuring once the company starts making profits.
5. Provide sufficient capital to all Public Sector Banks.

The proposal and move to bring down the stake of the Government in IDBI Bank below 50%, without any apparent rational is condemnable as it is with ulterior motives. Hence, AIBOC has decided to oppose any such move of reducing the Government stake below 50%. We also demand autonomy for boards of Public Sector Banks in real sense.

A seminar to suggest alternatives to the recommendations of the Gyan Sangam was organized by our Affiliate on 26th & 27th of February, 2016, at New Delhi. The seminar after due deliberations provided alternatives to the initiatives suggested by the policy makers. We demand from the Government and organizers of the Gyan Sangam-II to be held on 4th & 5th March, at Gurgaon, to invite us and consider the alternatives provided by us as per the attachment.

We hope that the policy makers will consider our views in the right earnest and in the interests of the Banking Industry of India and the common man will be protected. Failing which our Confederation may have to adopt other alternatives at its command.

(HARVINDER SINGH)
GENERAL SECRETARY