

ALL INDIA BANK OFFICERS' CONFEDERATION

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Circular No. 2020/44

Date: 05.05.2020

To All Affiliates (Please Circulate)

Dear Comrade,

MEGA AMALGAMATION OF 10 BANKS INTO 4 - HR RELATED ISSUES

We have sent a communiqué to the Secretary, Department of Financial Services vide our letter no. AIBOC/2020/23 dated 05.05.2020 on the captioned subject. Copy of the letter has also been sent to the MD&CEOs of the four anchor banks. Text of the communication is appended.

With greetings,

(Soumya Datta)
General Secretary

Text of Letter No. AIBOC/2020/23 dated 05.05.2020

Ref No. AIBOC/2020/23

Date: 05.05.2020

Shri Debasish Panda
Secretary
Department of Financial Services
Ministry of Finance
Government of India
New Delhi

Dear Sir,

MEGA AMALGAMATION OF 10 BANKS INTO 4 - HR RELATED ISSUES

After announcement of amalgamation, your office had directed all the ten banks to form a committee of Executive Directors to go into the HR related issues that might arise in the merged entities post amalgamation. Though the banks formed the Committee as directed by you, no meaningful discussions appear to have taken place in such Committees. None of the Committees held any discussion with the recognised trade unions of their respective banks to know their views. As a result, many HR issues have arisen in the merged entities post amalgamation, some of which are as below:

1. The Hon'ble FM had announced that the best of the facilities among the merged banks will be made available to employees post merger. In terms of notification dated 04.03.2020 issued by Government of India on merger of 10 banks into 4 also, it is mentioned: Quote **"the pay and allowance offered to the employees or officers of the Transferor Banks shall not be less favourable, overall, as compared to what they would have drawn in the respective Transferor Banks immediately before the commencement of this Scheme and without any break or interruption in service and the Board of Transferee Bank shall ensure that the interests of all transferring employees and officers of the Transferor Banks are protected"** Unquote. But in effect, the anchor banks have not taken care to ensure that they offer the best of the facilities to the employees of the merged entities. As a result, the employees of target banks are denied of the facilities which they were enjoying in their banks before merger.

2. Other than the allowance and perquisites, it was also expected that the merged entity will follow the best of the HR practices among the anchor and the target banks. You will appreciate that many of those HR practices are the result of the negotiations between the management and the recognised unions of those banks. But we regret to note that the anchor banks are following their own HR practices instead of adopting the best practices among all the merging entities. While synchronising these HR practices, the 'Anchor' banks have not displayed even the courtesy to discuss any of the related issues with the recognised unions, where it is on record that those practices and benefits are outcome of many negotiated settlements reached between those unions and the respective individual bank managements.

3. It is a known fact that in every bank there are unions of the officers and workmen who are granted check-off facility by respective banks to receive the members' subscription. Over the years, their members have filed check-off mandates with the respective management, to deduct monthly subscription from their salary and remit to their union / association. The check-off mandate filed by the employees of all the banks which are merged with their respective banks prior to merger must be binding on the new merged entity. But some anchor banks have either been refusing to honour the check-off mandate filed by employees of the target banks or are imposing restrictions. Though many of them are affiliated to the same apex level union, the fact remains that they are separate entities registered under the Trade Unions Act in different states. Even if they wish to merge into one, the procedure requires time. Each of the individual bank based unions, though affiliated to a single trade union at apex level, have their own Constitution / Bye-laws, which may differ from that of others. Their organisational structure, subscription, welfare scheme, etc. also differ. Because of COVID19 pandemic, the leaders are unable to meet and work out proper amalgamation scheme of the bank level unions / associations into one. Further, such amalgamation of unions requires the consent of the members in terms of the Trade Unions Act, 1926. Refusing to honour the check off mandate filed by the officers of target banks or imposing any type of restrictions on them is nothing but denying the right of association to those officers which they were enjoying till the date of merger.

4. Though it was being propagated and thus expected that new entities will emerge after the amalgamation of banks, as per the reports received by us, in practice the anchor banks are imposing their own conditions, even by-passing the understandings which the trade unions of the anchor as well as the target banks had with their respective managements. In fact, this attitude is not limited to only HR related matters. We understand that even though during the meeting of the Committees constituted to adopt the best of the policies of merged entities, it was decided to adopt some of the best practices of the target banks'. However, we understand that later it was unilaterally turned down.

In view of the same, we request you to kindly intervene to ensure the following:

1. The service conditions which are best among all the banks in the merged entity are extended to the officers. These include the Perquisites, Loan Schemes, Welfare Schemes and other facilities.
2. The HR practices which are best among all the banks in the merged entity are followed. These include various HR policies also.
3. Check-off mandate given by the officers and filed by the individual bank level unions before merger of the banks is honoured by the merged entity without any restrictions / preconditions.
4. All the understandings which the trade unions, one of the major stakeholders, had with their respective earlier managements are honoured by the merged entity and all such agreements should continue in the best interest of all concerned.

With best regards,

Yours sincerely,

Sd/-
(Soumya Datta)
General Secretary