

ALL INDIA BANK OFFICERS' CONFEDERATION

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Circular No. 2022/15

Date: 06.05.2022

To All Affiliates (Please Circulate)

Dear Comrade,

AIBOC writes to RBI Governor and denounces RBI's decision to open all bank branches on Sunday, the 8th May 2022 for receiving ASBA subscription for LIC IPO.

We reproduce hereunder the text of AIBOC letter No. AIBOC/2022/09 dated 06.05.2022 addressed to the Hon'ble Governor of Reserve Bank of India on the captioned subject for your information. Copy of the letter has also been sent to the Secretary, DFS; Chairman SBI and all MD & CEOs of all public sector as well as private sector banks for their information and necessary action.

With regards,

Yours Comradely,

(Soumya Datta)
General Secretary

Text of the Letter No. AIBOC/2022/09 dated 06.05.2022

The Governor
Reserve Bank of India
Central Office Building
Sahid Bhagat Singh Road
Mumbai – 400001.

Dear Sir,

OPENING OF ASBA DESIGNATED BRANCHES ON 8TH MAY, 2022 TO FACILITATE PROCESSING OF APPLICATIONS OF LIC IPO

Greetings from All India Bank Officers' Confederation (AIBOC), the apex organisation of officers in the banking industry.

We invite a reference to RBI notification RBI/2022-23/43 DOR.LEG.REC. No.35/09.7.005/2022-23 dated 04.05.2022, instructing the banks to keep open all ASBA designated Branches across the country for public on May 8, 2022 (Sunday) to facilitate processing of application for LIC IPO.

02. In this context, we would like to point out that the subscription for the LIC IPO was opened on 04.05.2022 and on second day of bidding the IPO is subscribed 1.03 times, with policy holders bidding for 3.11 times, staff 2.21 times, and retail investors 93%. With the closing date being on 09.05.2022 and 04 days still remaining for bidding, we fail to fathom out the reason for the RBI Notification for opening the Branches on Sunday.

03. While the GOI has embarked on a massive Digital Banking initiative and with the Banks having existing platforms with various companies which offer online Demat service and applications, available 24x7 for the customers to subscribe for the IPO, the opening of Branches on a Sunday cannot be substantiated by any cogent logic.

04. Further, we would like to bring to your attention that as a sequel to CBS all the Branches are considered as ASBA designated Branches. SBI alone has 22219 branches in March 2021 and there are 245652 employees. As per your instructions, all these branches will have to remain open on a Sunday and all the employees attending offices/branches have to be paid an overtime as per the factories act. If we take the average overtime as Rs 5000/-, it would cost a staggering Rs122.8 crore to keep the branches open for public in State Bank of India alone and for the entire banking industry, it would a few hundred crore of rupees which will be an avoidable dent in the bank's profitability. Even if two staff are requisitioned, it will be Rs.22.21 crore which will be a colossal waste as no work is expected to be performed. Most of the branches have not had even a single application for the IPO in the last 2 days.

Considering extensive usage of online subscription of IPO among the investors which is most hassle free, we are of the considered view that most of the branches will not get even a single application on Sunday in the physical format. In such circumstances, the decision to keep open all the bank branches is per se farcical as banks cannot afford to bear such humongous expenditure which will not yield any tangible result. This has naturally created angst and displeasure among the officers fraternity of the banks, who are actually the drivers of the industry.

05. It is a conundrum that while bank officers are required to work on every 1st, 3rd and 5th Saturday, the officers and employees of RBI and LICI enjoy a 5 day week and bank officers will be requisitioned to work on Sunday, the 8th May 2022 at the instruction of RBI to ensure the success of the LICI IPO!

06. While the DIPAM has been over enthusiastic to ask branches to work on holiday, we feel that RBI has not assessed the actual requirement to keep all bank branches open. In fact, in the IPO advertisement, LIC has asked potential bidders in West Bengal to take necessary steps to complete the process well in time as 9th May is a holiday in West Bengal. The last date of the IPO can be extended by a day to avoid the needless opening of bank branches on Sunday, the 8th May 2022.

07. In view of the foregoing, we urge upon you to revisit your decision which assumes profound significance in work life balance and in the well-being of our banks and bank officers. In the backdrop of insignificant commercial benefit to banks and the extremely low probability of the individual investors walking in the branches for depositing application in the branches on Sunday in the physical format when the IPO has been oversubscribed even on the 2nd day of bidding, rescinding of your decision will save several thousand crore of rupees from the banks' coffer. Incidentally, we have stood with the government in implementing all government schemes including demonetisation. The bankers have exhibited their commitment, dedication and zeal for extending banking services during lockdown and thereafter risking their life for the cause of the nation.

08. We reiterate that, the decision to keep open all the Branches will not yield any result rather impose huge financial burden which is estimated to be more than Rs100 crore on account of employee compensation and other operational costs to keep open the branches on a holiday. The unwarranted for expenditure will definitely be questioned by the shareholders/ customers of the bank/ Taxpayers of the country as well as lawmakers. In view of the foregoing, the AIBOC representing over 2.80 lakh officers of PSBs, RRBs, Cooperative banks and private sector banks and therefore being one of the major

stakeholder in the Banks urges upon your good office to reconsider the decision to keep open all the Branches across the country on Sunday, the 8th May 2022.

With regards,

Yours sincerely,

Sd/-
(Soumya Datta)
General Secretary