

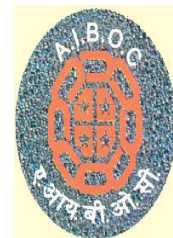
# THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

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Circular No. 2015/57

Date: 01/08/2015

Dear Comrades,

## **APPOINTMENT OF MDs /NON-EXECUTIVE CHAIRMEN BY GOVERNMENT IN PSBs** **AIBOC ADOPTS LEGAL RECOURSE TO OPPOSE VIOLATION OF EXISTING** **PROVISIONS**

We reproduce, hereunder, the contents of the Circular No. 2015/53 of date, on the captioned subject issued by Com. Harvinder Singh, General Secretary, AIBOC for your information and circulation among the members.

### **QUOTE:**

"Our members are well aware that the Nationalisation of Banks was done in two phases when fourteen banks were nationalized on 19.07.1969 and six more banks were nationalized on 20.04.1980. The objective of taking control of these banks by the Government was the growth of economy and prosperity of the nation through social banking with a foresight that common masses would get access to the banking facility which till then was available only to the elite classes. With nationalization the priorities of the banking sector changed from 'Class Banking' to 'Mass Banking'. The Nationalised banks have performed towards those objectives, passing not only the test of time but also exceeding the expectation by withstanding the global collapse of many big banks in 2007. Our economy was cushioned from crumbling because of the public sector character of the banks.

It is really unfortunate that due to certain ulterior motives, the Government of the times have been sabotaging the public sector character of Nationalised Banks, since earlier nineties, which was being opposed by all Trade Union Organizations whether of officers or workmen. Due to such oppositions, not much of damage could be done but once the Governments have realized that they cannot privatize these nationalized banks or reverse the process of nationalisation, they have thought of adopting indirect ways. One of the attempts which have been made by the present regime is to install the top executives from the Private Sector. The Government deliberately & discriminately designed eligibility criteria for the top most post for five large PSBs, viz. Bank of Baroda, Bank of India, Canara Bank, Punjab National Bank and IDBI Bank to make applicants from private sector eligible, without modifying the act and the scheme under which the policies of appointments for these posts are made. This was nothing but a well thought out attempt to privatise PSBs by benefitting certain set of private persons and institutions in order to control the resources of Public Sector Banks.

Apprehending that this may jeopardize the investment of common man and national economy, our Confederation immediately opposed the move of the Government by representing to Hon'ble Finance Minister and Prime Minister, vide letter no. 2015/40 dated 3<sup>rd</sup> March, 2015 & 2015/45 dated 12<sup>th</sup> March 2015, respectively. However, on receiving no response from Government Authorities, an alternative path was explored. Since we were busy with the Salary negotiation process, a PIL was filed by Com. K.D.Khera, one of the former President of the Confederation and a known face of our Confederation, on 4<sup>th</sup> April, 2015. We, on our part, continued our efforts by writing to the Chairman of Subordinate Legislation, Rajya Sabha, vide our letter no. 2015/57 dated 11<sup>th</sup> May, 2015 seeking to appoint the MDs and CEOs as per process already in place.

Apart from this lacunae in law, the philosophy of the trade union has been that if these individuals who do not possess the experience of working in Public Sector Banks and who do not espouse the philosophy of Public Sector and its objectives are given to hold such positions, the industry which is otherwise also saddled with the problem of NPAs will be adversely affected further. The functioning of these private individuals having altogether a different ideology and mindset in contrast to the philosophy adopted and implemented by the rank and file of the nationalized banks will harm the Banking industry further and this will jeopardise the huge resources of the common masses held in Public Sector Banks which are more than eighty three lac crore and is the hard earned money of common masses.

The issue also involves the concern for blocking promotional avenues for the staff who have given their blood and sweat while working in PSBs for the growth and prosperity of common masses and the economy of the Nation which steered through all tests of times. Besides, the new recruitments are taking place at a large scale and as per the existing scheme, the officers who are joining the banking industry are eligible to climb the career ladder up to the post of Chairman. If the post of the MDs and Chairmen are filled from people outside, the career path of our officers will be jeopardised.

Therefore, not only as the perspective of employees of the banks, or of the trade union organization of the officers of the banks but also in the interest of common masses our Confederation decided to oppose the move of the Government. Consequently, the Executive Committee of AIBOC decided to file petition against the process known to have started for the appointment of Non-executive Chairmen and also for filling a fresh Case against appointment of MDs. We have thus initiated the legal recourse by approaching the Apex court and shall keep the members updated about any developments in this regard.

**UNQUOTE**

With greetings,

Yours comradely,



(HARVINDER SINGH)  
**GENERAL SECRETARY**