

THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

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Circular No. 2016/03

Date: 14/01/2016

Dear Comrades,

LATEST DEVELOPMENT **GOVT., REGULATORS MUST TAKE BLAME FOR NPAs: SBI CHIEF**

We reproduce, hereunder, the contents of the Circular No. 2016/04 dated 13.01.2016, on the captioned subject issued by Com. Harvinder Singh, General Secretary, AIBOC for your information, circulation among the members.

QUOTE:

“Please refer to our Circular No. 2016/03 dated 14.01.2016, with which we annexed a letter written by our Confederation to Shri Raghuram Rajan, The Governor, Reserve Bank of India. We are really happy to know that Smt. Arundhati Bhattacharya, Chairperson of the largest Public Sector Bank of our Country i.e. State Bank of India has also expressed the same views. We append below the news clipping of the esteemed Newspaper “The Hindu” quoting her views:

QUOTE:

THE  **HINDU**

» **TODAY'S PAPER** » **BUSINESS**

Published: January 13, 2016 00:00 IST | Updated: January 13, 2016 11:10 IST NEW
DELHI, January 13, 2016

Govt., regulators must take blame for NPAs: SBI chief



The country has “abundant reserves to capitalise the banks with a swift response.....so China would not have a hard landing”, says Arundhati Bhattacharya, Chairperson, SBI.

State Bank of India (SBI) Chairperson Arundhati Bhattacharya on Tuesday said that the blame for banks’ non-performing assets (NPAs) was not limited to them. All the stakeholders, including promoters, government, lenders and even the regulators are to blame, Ms Bhattacharya said.

“Promoters were bidding aggressively riding on the back of good times around 2007-08 and some of them were diverting funds out of the well-run units hoping the money flow would continue forever,” Ms. Bhattacharya said. The banks, she said, extended loans for long duration, as much as 30 years, while hoping the funds would be recovered in 10 years or so. While the regulator is to blame for allowing such a dispensation, the government was to take the blame for policy uncertainty like cancellation of telecom licences, she said. Ms. Bhattacharya was delivering the ASSOCHAM Foundation Day Lecture here. She allayed concerns that the banks reeling under the stressed assets might be inadequate capitalisation and said that SBI and several other public sector banks were planning to divest non-core assets in order generate the funds required to meet the Basel III norms. Earlier, SBI had announced plans to lower its stake in insurance ventures–SBI Life Insurance and SBI General.

“One thing I would like you to be assured about is that there is a lot of thought going into it and the banks will be capitalised enough in order to have good capital to support the economy,” she added.

UNQUOTE

We sincerely hope that many more top executives will express their views in order to protect the Public Sector Banks of our Country.

DFS DIRECTS THE CEOs OF PUBLIC SECTOR BANKS TO CONCLUDE THE NEXT WAGE REVISION IN TIME

Our members are aware that the 10th Bipartite Settlement which was due from 01.11.2012 was signed on 25th May, 2015, i.e. after the delay of 30 months. All our early settlements have also been delayed with almost similar period. Such delays have been causing lot of anxiety in the minds of the workforce working in the Banking Industry and thereby affecting the working atmosphere and efficiency. This concern was time and again raised by our Organisation at various platforms during the negotiations and afterwards.

We are please to inform you that the Government has realized the concerns and has taken a step to ensure that no such delays occur in future. The Department of Financial Services, Ministry of Finance, Government of India vide their Letter Ref:4/2/2/2015-IR dated 12.01.2016 addressed to the Chief Executives of all Public Sector Banks directed them to initiate the process of negotiations / next Wage Revision and conclude it prior to 01.11.2017 i.e. the effective date of 11th BPS. We sincerely hope that the Indian Banks’ Association will start the process of 11th Bipartite Settlement at the earliest. It is pertinent to mention that the pending

issues of the last settlement will continued to be pursued by us irrespective of the developments. We append below the the notification issued by the Government of India:

- BPS

F.No.4/2/2/2015 -IR
Government of India
Ministry of Finance
Department of Financial Services

Jeevan Deep, IIIrd Floor,
Parliament Street, New Delhi
Dated the January 12, 2016

To

The Chief Executive of all Public Sector Banks.


Subject: **Next Wage revision in Public Sector Banks**
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Sir,

I am directed to refer to the subject cited above and to request Public Sector Banks(PSBs) to initiate the process of negotiations/next wage revision of the employees and conclude it prior to the effective date i.e. 1.11.2017.

2. This issues with the approval of competent authority.

Yours faithfully,


(Manish Kumar)

Under Secretary to the Government of India

Copy for necessary action to:

The Chief Executive, Indian Banks' Association, Mumbai.

DFS GRANTS AUTONOMY TO THE BANKS ON PROMOTION POLICY

The issue of the administrative guidelines and their applicability uniformly in all Public Sector Banks has been a cause of concern for many Public Sector. This issue was discussed in the Executive Committee Meetings of our Confederation also on many occasions. The Bank Managements have been representing the Government for seeking relaxation in the Promotion guidelines conveyed by the Department of Financial Services on 18.12.2015. This was causing delay in the promotion process of the Banks.

We are pleased to advise you that Department of Financial Services, Ministry of Finance, Government of India vide their Notification Ref: 4/11/3/2013-IR dated 07.01.2016 have given autonomy to the Public Sector Banks to decide their promotion policy/relaxation subject to approval of the respective Board of the Banks. This relaxation will certainly help the Public Sector Banks in taking decisions with regard to banks specific requirements. The

Communication issued by the Government of India is annexed for your information and records."

F.No.4/11/3/2013 -IR
Government of India
Ministry of Finance
Department of Financial Services

Jeevan Deep, IIIrd Floor,
Parliament Street, New Delhi
Dated the January 7, 2016

To
The Chief Executives of PSBs.

Subject: **Guidelines for Promotion in PSBs**
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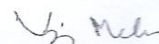
Sir,

I am directed to refer to this Department's letter of even number dated 18.2.2015 addressed to all PSBs with a copy to Chief Executive IBA regarding relaxations in the guidelines for promotion for the year 2015-16.

2. The issue has been examined in this Department and it is decided that no further requests for relaxation in the promotion guidelines be sent to this Department till further orders. Banks may henceforth decide the promotion policy/relaxations on the subject with the approval of the Board of the Bank and be guided accordingly in the best interest of the Bank. The Banks may take an objective view and prefer consistency in the guidelines.

3. This issues with the approval of competent authority.

Yours faithfully,



(Vijay Malhotra)

Under Secretary to the Government of India

Copy to:

- (i) The Chief Executive, Indian Banks' Association, Mumbai.
- (ii) Corporation Bank w.r.t. CMD's letter dated 17.12.2015.
- (iii) Andhra Bank w.r.t. letter No.666/3/E/807 dated 1.12.2015.

UNQUOTE

With comradely greetings,

Yours comradely,



(HARVINDER SINGH)
GENERAL SECRETARY