

THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

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Circular No. 2018/17

Date: 03/05/2018

Dear Comrades,

Meeting at DFS today – 2nd May 2018.

We reproduce, hereunder, the contents of AIBOC Circular No. 2018/15 dated 02.05.2018 on the captioned subject for your information & circulation amongst members.

With greetings,

Yours comradely,

(SUNIL KUMAR)
GENERAL SECRETARY

QUOTE:

Dear Comrades,

Meeting at DFS today – 2nd May 2018.

The Finance Ministry invited us for a discussion based on the memorandum we had submitted to Department of Financial Services and RBI. The meeting took place at the Office of Mr. Ravi Mittal, Additional Secretary Finance. Mr. Amit Agarwal, Joint Secretary, DFS also joined.

Discussions were held on the following issues:

1. Wage Revision:

The talks have resumed but the issue of Mandate and Quantum has to be settled. Lady Officers issues were to be taken care.

The response was positive. The addl. Secretary said "Your arguments are well taken. We will see what best can be done"

2. Appointment of Officer Director / Employee Director:

The response was that steps have been taken.

3. Implementation of the recommendation of Parliament Standing Committee on NPA:

The response was that the Standing Committee is going to come up with fresh recommendations soon.

4. Levy for Tax on Net Profit:

The response was that it will be explored with the concerned ministries.

5. Tax on CRR:

The response was that it is an issue RBI has to decide.

6. Reimbursement of Expenditure on Govt Schemes:

No response

7. Cross Selling:

The response was very positive. The officials are also of the opinion that the income should be credited to the Banks commission account.

8. Review of RBI Policies; PCA, NCLT etc:

Now no proposal for Bad Bank. The issues are to be taken up with RBI.

9. Service Tax on Banks for on Services Charges waived:

The response was that efforts are on to solve the issue.

10. Superannuation Benefits:

We have submitted detailed memorandum related to various issues concerning superannuation benefits.

11. General

The Banking Sector may take another two years to get rid of the problems. Image of the Banking system has to be restored by all of us together.

Comrades, this is the first time we were invited for an official discussion. The discussions were positive. The dialogue should continue.

Comradely yours,



(D.T.FRANCO)
GENERAL SECRETARY

Encl: Copy of the letter submitted to DFS today.

Text of letter No.AIBOC/2018/28 dated 01.05.2018

The Additional Secretary,
Department of Financial Services
Govt of India
New Delhi

Dear Sir,

Issues affecting Banking Sector

Thank you very much for inviting us for a discussion. We thank the Ministry for the following:

1. The IBA has called us for the Wage Negotiation on 5th May 2018 after our meeting with the Secretary, DFS on 21.03.2018.
2. The implementation of Ind As has been deferred by one year giving small relief to Banks.
3. RBI has reduced the provision for accounts transferred to NCLT by 40% instead of 50%.
4. The provision for Investment Fluctuation has been allowed to be spread for 4 quarters instead of one.

However the following issues remain and we request your urgent intervention.

- ❖ Wage Revision: The issue of restricted mandate has not been settled yet. SBI, PNB, UBI, Indian Bank, CBI and BOB have given restricted mandate. This requires your personal intervention.

There is widespread disenchantment with the salary structure. Recently Karnataka, Andhra Pradesh and Telengana govts have given a good salary hike. Hence, we request your intervention for a decent wage hike without looking at the Net Profit as Banks are instrumental in implementing the Govt schemes without any compensation. Moreover, in the last 3 years Banks have written off Rs. 241000 Crores and our Wage Revision cost will be negligible in comparison. Without employee satisfaction the Banks can't grow.

The starting basic of an officer in Govt is Rs.56100/-

The starting basic of an officer in RBI is Rs.35150 /-

The starting basic of an officer in LIC is Rs.33745/-

The starting basic of an officer in Bank is Rs.23700/-

Basic Pay is crucial for everything including superannuation. Hence we request that it should be similar to that of the Central Govt. Officers as presented by the Pillai Committee.

Our other demands are

- i) Five Day Week
- ii) Regulated Working Hours
- iii) Child care leave for ladies with salary
- iv) Crèche facility
- v) Assured Pension etc.

[Copy of Charter of Demands & Further Notes submitted to IBA enclosed]

- ❖ Appointment of Officer Director / Employee Director
At present no Public Sector Bank has an Officer Director or Employee Director.
- ❖ Implementation of the Recommendation of the Parliament Standing Committee on NPA.
If the recommendations are implemented the entire Banking Industry can be saved. (copy of the Report enclosed)
- ❖ Please don't levy tax on Gross Profit. The tax should be on net profit.
- ❖ RBI should provide interest on CRR which at present is almost one lakh crores. This will help the Banks.
- ❖ Reimburse Expenditure on Govt Schemes.
The expenditure on Jandhan, Pension Yojana and other Govt Schemes if reimbursed will help the Banks.
- ❖ Stop Cross Selling
In the name of Universal Banking we have allowed Banks to sell insurance, Mutual Funds & other products. The huge incentive has lead to misselling. Please intervene. (Note Enclosed)
- ❖ Review PCA
The 11 banks under PCA have not improved their performance. Hence a review is needed.
- ❖ Review IBC & NCLT
Both have created lot of problems. They are not helping Banks but benefit the defaulters and new purchasers of the companies. Urgent steps are needed.

Yours faithfully,
Sd/-

D.T. Franco
General Secretary

Encl: As above.

UNQUOTE