



STATE BANK OF HYDERABAD STAFF ASSOCIATION

Central Office: Gunfoundry, Hyderabad-500 001, (Regn. No.269)

Phone: 040-23387262, 300, 396, 217, 23387696 040-66661941 Fax: 040-23387509

e mail sbhsahyd@gmail.com – website – www.sbhsa.org

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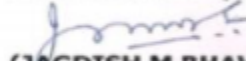
TO ALL THE MEMBERS:

Dear Comrades,

We reproduce hereunder the CIRCULAR LETTER No.27/48/2014/4, dated: 15th January, 2014 issued by our National Organization –UFBU / AIBEA for your information.

With Greetings,

Yours Comradely,


(JAGDISH M BHAVTHANKAR)
GENERAL SECRETARY

Dear Comrades,

UFBU's submissions to CLC

We have informed our Units that a conciliation meeting was held by the Chief Labour Commissioner on 13th instant in his office in Delhi on our strike notice. During this conciliation meeting, UFBU submitted its viewpoints as a rejoinder to IBA and we furnish herein the letter submitted to the CLC in this regard for the information of our units.

With greetings,

Yours Comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY

UFBU's submission to the CLC on 13-1-2014:

Ref: UFBU's Strike Notice dated 31-12-2013

Ref: Your Communication 21(111)/2013 dt. 2-1-2014

We thank you for your above communication in response to our Strike Notice and for holding the conciliation meeting today.

In this connection we wish to submit as under in continuation of the Statement of the case mentioned in our Strike Notice.

Even though the wage revision for bank employees and officers is due from November, 2012 and even though both the IBA and UFBU desired and agreed to conclude the negotiations expeditiously, there has been undue delay on the part of the IBA in making their offer in relation to the additional wage increase that they are prepared to offer on the basis of the charter of demands submitted by the UFBU.

After having waited for nearly an year, and since IBA's offer was not forthcoming, we gave the call for Strike on 18th December, 2013 and duly served the Notice on them.

Discussions on 14-12-2013: In this background, the IBA called UFBU for discussions on 14-12-2013. During the discussions, the IBA stated that the profitability of the Banks are under stress due to high provisions towards pension cost and higher provisions towards bad loans and hence there were constraints in offering wage increase.

Inadequate offer: After much persuasion from our side, they made an offer of 5% increase over the cost of total payslip components in the wage bill as on 31-3-2012. Since offer was considered by us as too low and did not form any basis for further negotiations, we urged upon the IBA to improve their offer so as to continue the negotiations further. Unfortunately IBA did not improve their offer.

Conciliation meeting on 16-12-2013: Based on the strike notice, you had held conciliation meeting at your office on 16-12-2013. In this meeting also, our representatives submitted that the IBA's offer nowhere matches with our expectations considering the wages paid in other comparable sectors and the need for IBA to improve their offer. Despite your best efforts to ensure continuation of talks to work out an acceptable position to both sides so that the strike call can be reconsidered, the IBA could not do so.

Strike became inevitable to express our resentment: Hence the strike on 18-12-2013 was forced on us and became inevitable in the absence of any improved offer from IBA. Even after the successful strike by which the entire workforce in the banks has expressed their resentment over the inadequate offer of the IBA, nothing was heard from the IBA about holding further meetings or improving their offer.

Further strike call: In this background, the UFBU had to meet and decide further programmes of protest actions and strike on 20th and 21st January, 2014.

IBA's stand unacceptable: IBA's stand that the profits of the Banks are under stress due to provisions for bad loans and increase in cost of pension, and hence the Banks cannot afford to give higher wage revision is not acceptable. Everyone knows that employees are not responsible for bad loans in the Banks. It is all created at the higher level. Nobody is preventing the Banks to take stringent measures to recover the bad loans. But citing it as a reason to refuse reasonable wage revision is not acceptable to us. Similarly, pension cost is bound to go up, when the DA on pension is going up due to price rise. Can employees be blamed for the unabated price rise? Hence this argument is also unfair.

Profits of the Banks are on the rise only: Despite the unfavourable economic scenario, Banks have been earning good profits over the years.

(Rs. In Crores)

Year	Gross Operative Profits	Net profits
2006-07	42,268	20,152
2007-08	50,307	26,591
2008-09	66,972	34,392
2009-10	76,871	39,257
2010-11	99,981	44,901
2011-12	1,16,335	49,514
2012-13	1,21,943	50,583

Bad Loans are increasing BUT not because of employees:

(Rs. In Crores)

YEAR	BAD LOANS/NPA
31.03.2008	39,030 crores
31.03.2009	44,954 crores
31.03.2010	59,927 crores
31.03.2011	74,664 crores
31-03-2012	117,000 crores
31-3-2013	1,64,461 crores
31-3-2013 PSBs + Private/Foreign Banks	1,94,000 crores

Profits diverted to provide for bad loans – Can employees be penalised ?

(Rs. In Crores – fig. of PSBs)

Year	Provisions made for bad loans from the profits earned by the Banks
2008-09	11,121 crores
2009-10	18,036 crores
2010-11	29,830 crores
2011-12	38,177 crores
2012-13	43,102 crores
In 5 years	1,40,266 crores

Bad loans written off by Banks:

(Rs. In Crores)

	PSBs	OLD PVT BANKS	NEW PVT BANKS	FOREIGN BANKS	ALL BANKS
2007	9189	610	1232	590	11621
2008	8019	724	1577	1334	11654
2009	6966	616	5063	3350	15995
2010	11185	884	6712	6238	25019
2011	17794	682	2336	3083	23895
2012	15551	671	3024	1646	20892
2013	27013	863	3487	855	32218
TOTAL	95,717	5,050	23,431	17,096	1,41,294

There is profit to write off bad loans but no profit to increase wages ?

The total wage bill for the entire 8 lacs employees of the public sector banks for the year ended 31-3-2012 was Rs. 56,000 crores. Now IBA's offer is 5% increase over the payslip wage components i.e. Rs. 1575 crores

But Rs. 38,000 crores were provided from profits towards bad loans for the year ended 31-3-2012, Rs. 27,000 crores was additionally written off towards bad loans. (Total Rs. 65,000 crores). But when it comes to dealing with wage increase, the argument is that Banks cannot afford. This is not acceptable to the UFBU.

Our demands are reasonable:

Our demands are reasonable and also negotiable. UFBU would like to settle the demands through mutual discussions. But if the Banks do not adopt a fair approach, the employees' resentment would have to be ventilated through strikes only. We hope that IBA would understand our demands and come forward to settle the demands through amicable negotiations and finalise the settlement at the earliest.

Better wages would result in better profits:

If employees are paid better wages commensurate with the price rise and their workload, it will be a great motivation and incentive to improve productivity and this would lead to more efficiency and better profits for the Banks. Hence wage increase should be seen with a positive outlook.

Wage increase will not destroy the Banks;

No Bank in India had so far collapsed or gone into loss due to increase in wages but many Banks have collapsed due to mismanagement and bad loans. Hence our demand for wage increase should be settled at the earliest.

Review Banking Sector Reforms:

Similarly, the Government is also pursuing policies of banking reforms which are not good for our country. Government wants to hand over the Banks to private hands, give more licenses to industrial houses and corporates to start their own Banks, allow foreign banks to take over our Banks, giving concessions to defaulting borrowers and write off of huge bad loans of corporates, etc. These are retrograde steps and hence should be abandoned forthwith.

Strengthen and expand our public sector banking:

Banks should be expanded to reach and serve the common people more effectively. Bank employees are always ready to work more and more for the progress and growth of the Banks so that it will benefit the people at large.

We are ready to resolve the issues by discussions:

UFBU is always open to resolve the demands by discussions and negotiations but IBA and the Government should also be forthcoming.

The present 5% offer of IBA is very very inadequate. IBA should give their revised and better offer to form the basis for further negotiations.

IBA should also come forward to work out a time-bound framework to complete the negotiations early and sign the Settlement expeditiously.

Onus is on IBA and the Government: Peaceful negotiations and expedited settlement or more and more industrial unrest in the vital banking sector depends on the approach of the IBA and the Government. What bank employees and officers are expecting and demanding is a fair wage revision comparable to other equally placed sectors. Our demands are legitimate and reasonable. Delaying and denying the same is unfair.

We seek the intervention of your good offices to prevail upon the IBA and the Government to see reason and come forward with a better offer and positive approach so that bilaterally issues can be resolved through meaningful discussions to reach an expedited settlement.

Sd..

M V Murali, Convener