

# SYNDICATE BANK EMPLOYEES' UNION (REGD)

(AFFILIATED TO AIBEA)

CENTRAL OFFICE

G-5, Ground Floor, City Complex, 24, B.N. Road Lalbagh, Lucknow-226001.

Phone : 0522-2230402, Fax : 0522-2230402

E-mail : aksrivastava\_sbeu@yahoo.co.in



6<sup>TH</sup> TO 10<sup>TH</sup> NOVEMBER 2013

## THE HINDU Business Line

### Bank staff miffed over govt's 'casual approach' to wage talks

L.N. REVATHY, COIMBATORE, NOV. 9:

Bank employees have begun to voice their displeasure over what they call the Government's 'casual' approach in settling their wage accord, which is overdue.

The 9th wage settlement expired in October 2012. A year has passed but negotiations have hardly taken off, said C.H. Venkatachalam, General Secretary, **All India Bank Employees Association (AIBEA)**.

The 10<sup>th</sup> Bipartite talk between bank unions and Indian Banks Association (IBA) to decide on the quantum of wage increase for bank employees is currently on. Each settlement is valid for five years.

The current settlement would be valid from November 2012 to October 2017.

#### **Rising discontent**

IBA's slow approach has given rise to discontent among employees.

On the one hand, there has been a steep increase in living costs. On the other hand, the Government has announced Pay Commission for wage revision for Central Government employees well before the expiry of the existing wage accord.

Venkatachalam said the United Forum of Bank Unions will decide on strike action soon to press for early settlement of wages.

Without disclosing the tentative date of strike, he said: "The Central Committee of the **AIBEA is scheduled to meet at Allahabad on November 12 and 13** to chalk out

further intensified programme, including strike action, to press for early settlement among others.”

When asked about the AIBEA’s demand, he said it has four or five priorities.

For instance, improvement in the dearness allowance compensation, which is now credited every quarter, should be made on a monthly basis and reflect the effect of inflation; there should be provision of housing accommodation for all including new recruits, who are posted in various places; full medical reimbursement should be provided for the employee and his/her family, and there should be better post-retirement benefits such as family pension and gratuity.

“And it's not just the package. The job as such should be made attractive, as the profile of the banking industry itself is undergoing a change,” he said.

To yet another query, he said the IBA has agreed that the settlement will become effective from November 2012.

“It has also agreed that the pay-scales will be reconstructed at 4,440 points against 2,836 points at present; but after that, nothing has happened. Even the date for the next round of talks has not been fixed. It is disheartening,” he said.

The 8th wage talks (covering the period 2002-07) provided bank employees with a 13.25 per cent increase in wages on an average while the 9th wage talks (2007-12) gave them a 17.5 per cent rise.

## **New bank licences: Sebi scans listed applicants, group firms**

Hindustan Times

### **RBI is granting new bank licences for the first time in about a decade and preliminary screening process is underway for 26 entities**

As the Reserve Bank of India (RBI) gears up to issue new bank licences, capital markets regulator Securities Exchanges Board of India (Sebi) has also a job at hand that involves scrutinising all applicants coming under its jurisdiction directly or through group entities.

Sebi’s scrutiny follows detailed queries shot off by RBI to various regulators in India and abroad as a part of its due diligence of entities seeking to enter banking arena.

According to a senior official, Sebi is looking into the capital market record of all the group entities of 26 banking aspirants, some of whom are either listed entities or have presence in Sebi-regulated businesses like mutual funds, brokerage and investment banks.

The area of prime focus for Sebi was action taken by or underway for violations to various market regulations, he added. The scrutiny is expected to be over this month itself.

RBI is granting new bank licences for the first time in about a decade and preliminary screening process is underway for 26 entities that have submitted their applications. As part of this process, the banking regulator has also asked the applicants to provide further details about their promoters, equity structure, financial inclusion programme, proposed banking model, among others, sources said.

In addition to Sebi, RBI is also seeking details from other regulators such as Insurance Regulatory Authority of India and Pension Fund Regulatory and Development Authority about the businesses of the applicant entities under their respective jurisdictions.

With regard to some applicants, RBI has sought to know details about source of funds and compliance to the structural norms proposed for new banking players.

Besides, RBI is seeking additional details from the concerned foreign regulators about those applicants whose group entities have operations, significant business dealings with foreign companies or listings abroad. Sources said this due diligence process involves information exchange with domestic and foreign regulatory authorities for all group entities of the applicants.

RBI has also set up an expert panel to look into the applications. Headed by former RBI Governor Bimal Jalan, this committee includes RBI's former Deputy Governor Usha Thorat, Sebi's former Chairman C B Bhave and financial sector expert Nachiket Mo. This panel held its first meeting on November 1.

RBI's board will take a final decision on new licences after taking into account the panel recommendations. The names of successful entities are expected by January 2014.

The applicants include entities from large corporate houses like Tatas, Anil Ambani-led Reliance Group, Kumar Mangalam Birla-headed Aditya Birla Group, L&T, Bajaj, SREI, Religare and Indiabulls. Besides, Department of Post, IFCI, LIC Housing Finance, JM Financial, Muthoot Finance, Edelweiss, IDFC, India Infoline and Shriram Capital are also in the fray. In the past 20 years, the RBI has licensed 12 banks in the private sector in

two phases, with Kotak Mahindra Bank and Yes Bank being the last two entities to get banking licences in 2003-04.

## **Public sector banks lagging in risk appraisal skills**



G. Gopalakrishna, Executive Director, RBI.

### **RBI ED stresses on need for training by external experts, institutions**

MANGALORE, NOV. 10: BL

Most banks have identified training gaps in the areas of credit/risk management, agriculture programmes, and foreign exchange, according to Reserve Bank of India Executive Director G. Gopalakrishna.

These areas require an equal measure of knowledge of rules, practices and specialised skills for appraisals, on the one hand, and an awareness of markets, on the other, he said while inaugurating the Nitte Institute of Banking and Finance at Nitte University in Mangalore.

Banks, he said, require training by external experts and institutions in these areas.

Stating that the training needs cannot be uniform across the banking industry, as each bank has a unique structural make-up of its own with a different set of aspirations, he said: "What applies to a public sector bank may not be applicable for a different skill set present, say, in foreign banks and new generation private sector banks." Public sector banks have shortage of skills in credit appraisal and risk management, whereas new generation private sector banks and foreign banks have better skills in these areas, he said.

The training intervention in banks will have to be geared towards orienting, facilitating and encouraging more employees to take up positions in such areas to manage the competitive rush, Gopalakrishna said.

Stressing the need for the institution to follow a regimen of analysing training needs, he said this would help ascertain specific training requirements and address them specifically.

#### TRAINING PROGRAMMES

On an average, 60-65 per cent of bank employees are covered every year under some training programme or the other. While some banks have been able to train 85-90 per cent of their workforce, a few have been able to train not more than 40 per cent of their staff in a given year, he said.

Training is also required for senior employees, including board-level executives of the bank, in terms of accountability, responsiveness, and competence. These factors call for appropriate training interventions to keep them up-to-date.

It will be necessary to train independent directors on the boards on aspects such as their powers and responsibility towards the stakeholders and expectations from them that transform with changing times. This will help them perform their role well and without any interference, he said.

## **Staff retirement: Banks will face severe operational risks**

BL , MANGALORE, NOV. 10:

Retirement of the existing pool of employees this decade has intensified the war for talent in the banking industry, according to S. R. Bansal, Chairman and Managing Director of Corporation Bank.

Speaking at the inauguration of the Nitte Institute of Banking and Finance at Nitte University in Mangalore, he said more than half of the staff pool in the banking industry - at about 58 per cent - would retire during 2010-2020.

Stating that the retirement is quite intense at the level of the top executives, he said 82 per cent of top executives in the banking industry will retire during the period.

It means a leadership gap at the top management level, and banks are likely to face severe operational risks.

He said the retirement of the experienced and committed employees would make way for the inexperienced, young and enthusiastic new ones.

Added to this, the entry of new banks will increase the competition further. He suggested that institutes such as Nitte Institute of Banking and Finance focus on identifying the needs of bankers and developing contemporary contents for the banking industry.

The Nitte Institute of Banking and Finance has trained 444 probationary officers of Corporation Bank. It has also conducted one train-the-trainer programme for the bank, he said.

N. Vinay Hegde, Chancellor of Nitte University, and M.S. Moodithaya, Director of the Nitte Institute of Banking and Finance, spoke on the occasion.

## **Separate pay scale for government banks unlikely**

Asif Showkat Kallol **Dhaka Tribune** 10-11-2013

### **The committee recommended a Tk2,000 hike, introducing income tax and cancellation of bonuses**

Faced with strong opposition from bankers, the government is unlikely to implement a separate pay scale for the Bangladesh Bank and the state-owned commercial banks (SOCBs) and financial institutions at the end of its tenure.

A few days ago the committee of secretaries placed recommendations before the finance minister about a separate pay structure for the government bankers.

The committee recommended a Tk2,000 hike, introducing income tax and cancellation of bonuses. It also proposed 11 pay grades instead of the existing 19.

A government official said the gap between reality and what the staffs of the central bank and the other SOCBs had been demanding came to the forefront after the committee placed its recommendations.

Dr Aslam Alam, secretary of the Bank and Financial Institution Division of the finance ministry, told the Dhaka Tribune that implementing the proposed pay structure would not be easy because some problems had to be resolved first.

One of these problems is that at present the employees of the Bangladesh Bank get their salaries in line with the national pay scale. The central bank would have to come out of the national scale for being brought under the separate pay scale.

The government bankers have also opposed the fact that they would have to pay income taxes from their own incomes under the proposed separate pay scale. According to existing arrangements, the employees of the government banks do not need to pay income tax.

However, Finance Minister AMA Muhith said last week that the government would simultaneously implement the national pay scale for government employees and the separate structure for the government banks within November 15.

Initially, state-owned Sonali, Agrani and Janata were supposed to be brought under the new pay structure as corporate banks.

Now Rupali Bank, which is a state-owned commercial bank and also a public limited company, has been added to the list. At present it is under the finance ministry and most of its board members are appointed by the finance division of the ministry.

Although the committee recommended a Tk2,000 hike in the basic pay for all the employees of the central bank and the SOCBs, the finance minister had hinted in the past that they would get a much bigger raise.

At present, the four government commercial banks have 90,000 employees, while the central bank employs about 6,000.

- See more at: <http://www.dhakatribune.com/banks/2013/nov/10/separate-pay-scale-government-banks-unlikely#sthash.eA236sXD.dpuf>



## **ALL INDIA BANK EMPLOYEES' ASSOCIATION**

***Central Office: PRABHAT NIVAS***

***Singapore Plaza, 164, Linghi Chetty Street, Chennai-600001***

***Phone: 2535 1522, 6543 1566 & Fax: 2535 8853, 4500 2191***

***e mail ~ chv.aibea@gmail.com***