

# SYNDICATE BANK EMPLOYEES' UNION (REGD)

(AFFILIATED TO AIBEA)  
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19 20 OCTOBER, 2013



Bank Employees in Trissur, Kerala holding protest demonstration before Head Office of Catholic Syrian Bank against the RBI Governor recent statement to allow foreign banks to take over our Banks

## UFBU's CALL :

HOLD MASSIVE DEMONSTRATIONS IN ALL STATE CAPITALS  
AND MAJOR CENTRES ON 22<sup>ND</sup> OCT. 2013 DEMANDNG

**EXPEDITIOUS WAGE REVISION SETTLEMENT**

**SBI makes U-turn, goes soft on trade unions**

## Lender backtracks from decision last month to terminate the check-off facility to its officers' federation



SBI's reversal coincides with Arundhati Bhattacharya, the new chairperson, taking over charge from Pratip Chaudhuri.

**Mumbai: State Bank of India (SBI)**, the country's largest lender, has reinstated the so-called check-off facility to its officers' federation, backtracking from a decision last month to terminate the facility that marked one of the biggest management clampdowns on trade union activities by SBI in several decades.

SBI's management tendered an unconditional apology in Madras high court on 10 October for its action through an affidavit in a contempt of court case filed by trade unions after SBI discontinued the check-off facility on 25 September, days before former chairman Pratip Chaudhuri left office. SBI did so despite a stay from the court.

Under the check-off facility, which was started in 1970, SBI remits the subscription fee from the salary accounts of member officers to the account of the federation on the day of salary payment, typically the 25th of every month. The check-off facility is the lifeline of unions as it ensures regular money flow into union coffers—Rs.100-200 per employee. This money is used to run union activities nationwide.

Typically, at the time of joining, every employee instructs the bank in writing to deduct the sum every month from the salary account. The SBI officers' federation was formed in 1965 and has 70,000 members, while the bank's clerical staff has a separate union with 150,000 members.

SBI's U-turn coincides with Arundhati Bhattacharya, the new chairperson, taking over charge from Chaudhuri.

According to SBI officials and trade union leaders, SBI management remitted the contribution for September on 13 October from a so-called suspense account—an

account used by the bank for temporary unclassified transactions till a decision is made about the classification.

“The management has remitted the money to the account of federation for September. They have agreed to deduct the amount from the salary accounts for two months (September and October), from the October salary,” said G.D. Nadaf, former general secretary of the All India State Bank Officers’ Federation (AISBOF). B.K. Awasthi, president of AISBOF, confirmed the development, saying that the bank has restored the facility across all circles except in the Lucknow circle.

SBI management’s move to terminate the check-off facility had angered the union, which called it an effort to de-unionize the bank.

A senior SBI official, who too requested anonymity, said the management’s decision to discontinue the check-off facility was “clearly not warranted” as it challenged the basic right of employees to organize.

Bhattacharya, the 57-year-old new chief of SBI, seems to be more tolerant of trade unions. “We are the same team. We have to work together and discuss issues,” she said in a press conference on 8 October after taking over.

Chaudhuri had unleashed a major clampdown on trade unions in August last year, taking strict action against officers engaged in trade union activities, including transfers to far-off locations and issuance of chargesheets.

According to AISBOF officials and senior bank executives, the management has transferred about 200 senior office bearers of the federation to far-off locations and issued chargesheets to many others. Some were demoted, with salary increments scaled down.

For instance, in August, SBI management issued chargesheets to 28 officers after the federation staged a nationwide demonstration against the management’s proposed move to enforce a seven-working-day schedule at the bank.

Traditionally, unions have a say in most policy matters at the bank as well as decisions pertaining to staff, including compensation and transfer policies. However, in recent years, unions have steadily lost their voice even among conservative government banks, which are increasingly becoming competitive with their rivals in the private sector.

Experts said the power of trade unions has weakened in recent years due to the advent of technology. “Trade unions are getting marginalized due to higher automation and centralized nature of operations of state-run banks,” said Ananda Bhoumik, senior

director, banks and financial institutions, at India Ratings and Research, formerly known as **Fitch** Ratings India.

“The biggest challenge for government-owned banks will be to fill the vacuum which will be created when a large number of employees retire...rather than dealing with trade unions,” Bhoumik said.

## **AIBOC WRITES TO RBI GOVERNOR PROTESTING AGAINST PROPOSALS TO ALLOW FOREIGN BANKS TO TAKE OVER INDIAN BANKS**

Sri Raghuram Rajan,  
Governor, Reserve Bank of India,  
Mumbai.

Dear Sir,

Re: Your observation before Washington Audience  
on facilitation of entry of foreign banks to India

We had the occasion to go through your assertions in the aforesaid assembly a few days back. As red cloud in the Western horizon is generally precursor to hail storms, we are seriously disturbed to note the implications of your magnanimous call to the Foreign Banks to enter the country either by opening a branch or a subsidiary with the final intent to take over Indian Banks. We the several lacs of Employees and Officers consider ourselves to be real stake-holders of the Banking Industry, and do not restrict our vision only up to the tips of the nose but stretch up to the horizon. Our relationship with our Banks is not restricted to selling our labour and getting the value thereof but it is far beyond that in as much as the interest of Nationalized Banks and the Countrymen are inter woven with each other. We are, therefore duty bound to play the role of the faithful watch dog of the system.

Indian Banking sector has been enjoying the trust of common masses of the country over the years and with more than 70 lacs crores of hard earned public money. 80% of the banking activities of this country are being undertaken by Public Sector Banks, Regional Rural Banks (sponsored by PSBs) and old generation Private sector Banks who are also working like public sector Banks. Apart from doing normal Banking activities, these Banks have to undertake tremendous pressure of different works which otherwise were supposed to be done by Government departments. Even in the face of all such hazards, Indian Banks proved its mettle by displaying comfortable insulation

against the great economic crisis of 2008. Timely achievement of the targets of financial inclusion and direct benefit transfers schemes is yet another feather in the cap of our Banking system. Several economic experts of the country and abroad have, on record, praised the role of Indian Banks. Chairperson of UPA and our Prime Minister remembered Mrs. Indira Gandhi with due reverence for her foresighted act of Nationalisation of the Banks in India.

In contrast to the fact that Indian Banks can cope with the aspirations of the Government and countrymen, foreign Banks are not insulated against internal/external threats. It has been established beyond doubt that Foreign Banks failed to prove their intrinsic strength in the face of the Economic crisis of 2008. Banks after Banks have evaporated in the blue sky and State had to come forward to bail them out. With such credence, how can they come to our country as a savior of the system?

Many instances are evident before us in several countries where Foreign Banks have entered with great allurements (increasing rate on deposit and lowering down interest rate on loan) dismantling the indigenous banking and making the country totally dependent on foreign desires. Liberalisation of our regulations to permit entry of foreign banks with an option to take over the existing banks looks like a horror dream to us. Government declares the policy; RBI frames the guide lines and the ultimate heat of it comes upon the numerous branches of the Banking sector.

In view of this background, we express our concern and convey our dismay over your proposals on the foreign banks. Instead, we demand that all existing private sector banks and foreign banks should be nationalized in the wider interest of our countrymen. We hope that you would consider our view with due seriousness.

With greetings,

Yours faithfully,  
Sd./=  
(HARVINDER SINGH)  
GENERAL SECRETARY



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