

# All Odisha Union Bank Employees Association



( Affiliated to :- A.I.U.B.E.F. & B.E.F.I. through A.O.B.E.F. ),  
Regd. No. :- 1342/23.02.1981 of Indian Trade Union Act, 1926  
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Circular no.12/2018

07th May'2018

To,  
All Units & Members  
Dear Comrades,

## **ONGOING WAGE REVISION TALKS IN BANKING SECTOR**

We reproduce herewith the UFBU letter no. UFBU/18/08 dated 6th May 2018 addressed to The Secretary, Deptt. of Financial Services, Ministry of Finance, Govt. of India, for information of all units and members.

With revolutionary greetings,

( AJAY KUMAR MOHANTY )  
General Secretary

“To

Shri Rajiv Kumar  
Secretary, Department of Financial Services  
Ministry of Finance  
Government of India, New Delhi.

Dear Sir,

### **REG: ONGOING WAGE REVISION TALKS IN BANKING SECTOR**

We refer to our delegation's meeting with you on 21-3-2018 wherein we had handed over the copy of our Memorandum to our Hon Finance Minister regarding the ongoing negotiations between United Forum of Bank Unions and Indian Banks' Association on our Charter of Demands for wage revision.

You are aware that in view of the impending expiry of 10<sup>th</sup> Bipartite wage settlement/officer wage revision as at the end of October, 2017, the Government had been sending their directive to Banks as early as from 12-1-2016 advising the Banks and Indian Banks Association to commence the wage negotiations and conclude the same not later than November, 2017 when the revised settlement will become due. There have been several reminders from the Government to the IBA in this regard.

With the same intention to expedite the wage revision settlement, we had submitted our charter of demands to the IBA as early as May, 2017 with a request to negotiate and resolve the demands before November, 2017. IBA also

assured they would endeavour to complete the discussion and conclude the settlement before November, 2017.

Even though the discussions by IBA with the UFBU commenced in May, 2017 and even though 15 rounds of negotiations have been held by IBA with the Unions so far, IBA, one pretext or the other, had been avoiding to make any offer in regard to increase in wages. Discussions have been held only on other service conditions but IBA did not make any offer on wage revision.

From November, 2017, IBA did not call for any meeting to discuss our demands. In this frustrating background, we met the Hon Finance Minister on 21-03-2018 and thereafter our delegation met you also. You had assured that IBA would be advised to re-commence the negotiations in order to conclude the same early.

We are thankful for your intervention that on account of your advice, the IBA re-commenced the discussions with UFBU and today another round of talks was held after a period of 6 months.

While we were expecting a reasonable offer from the IBA to make a basis for further negotiations, to our surprise and utter disappointment, IBA made an offer of 2% hike in the Wage Bill as on 31-3-2017. You are aware that in the last settlement from 2012 to 2017, it was agreed at 15% hike in wage bill. Since then the banks' business have grown, workload on employees and officers have increased beyond tolerable limit, and hence it was expected that wage revision will be better than last time.

To substantiate their offer, IBA stated that the financial position of our Banks are not conducive to offer better wage revision and that the Banks profits have been eroded in the recent years. It is well-known that all the Banks have been earning more Operating Profits year after year.

Rs. in Crores

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>Gross Operating Profit</b>	<b>1,27,653</b>	<b>1,37,760</b>	<b>1,36,275</b>	<b>1,58,982</b>
<b>Provisions for bad loans, etc</b>	<b>90,633</b>	<b>1,00,901</b>	<b>1,53,967</b>	<b>1,70,370</b>
<b>Net profit/Loss after provisions</b>	<b>37,019</b>	<b>37,540</b>	<b>18,417 loss</b>	<b>11,388 Loss</b>

The net profits are getting reduced only due to huge provisions for bad loans and not due to any reasons attributable to the employees and officers of the Banks. Hence denying reasonable wage revision for the bank employees and officers on this count is unfair.

At this hour, we feel that the wage revision demands of bank employees should be settled expeditiously so that the entire workforce in the Banks can concentrate their time and energy in addressing the multiple challenges facing our Banks and to restore the confidence of the people on our Banks. But the approach of the IBA in attempting to victimise the bank employees and officers with meagre wage revision despite best contributions being extended by them in the present trying situation will only result in serious industrial unrest in the Banks and dislocation of banking services.

Hence we seek your immediate intervention in the matter to advice the IBA to adequately increase their offer and come forward to resolve our demands without precipitation at the earliest."

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