

ALL INDIA UNION BANK EMPLOYEES FEDERATION

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10th December 2018

Circular No. 68/XVI/2018

To All Units and CC members &
Woman Sub-Committee Members

Dear Comrades,

Employee Share Purchase Scheme

We circulated full text of the letter written by our Federation to the MD & CEO on 14.11.2018 through our Circular No. 68/XVI/2018 as on same date on the above-mentioned matter. As usual, our letter was not responded by him. In our letter we had drawn the attention of the MD & CEO that issuance of such share, no matter to whom and under whatever scheme, will undoubtedly further dilute government holding in the Bank leading to privatization against which, the bank employees have relentlessly been fighting. The relatively younger employees, more particularly those who are covered under New Pension Scheme, are to be educated that it is only due to that fight against privatization for which they are now working in a public sector bank and not in the private sector. Secondly, we pointed out that since Capital Adequacy Ratio of the Bank is in more comfortable position than stipulated one under Basel III norm and that is why procurement of further capital was not warranted. Thirdly, we pointed out that selling of shares to employees is a move to psychologically making the employees accountable for the profitability of the Bank in which practically they have no decisive role to play. The psychological moves of the Management may lead to a situation in which Management will try to mobilize the employees towards de-unionisation. We think, if our earlier circular was properly brought into the knowledge of the employees the message of opposition in the circular would not have been unclear to them.

We call upon all our Units to convey the message to employees of our opposition to Employee Share Purchase Scheme by visiting branches, holding meetings, issuing leaflet in respective local language etc. as that will further strengthen our struggle against privatization. We have been reported that, whatever might be the reason, the General Secretary of AIUBEA (AIBEA union) has declared their opposition to Employee Share Purchase Scheme.

Implementation of assurance on Welfare Scheme Net Profit vis-à-vis Interest Income towards NPA Recovery Publication of particulars of NPA Account

We reproduce overleaf full text of our letter written to MD & CEO today on the above-mentioned subjects for your information and intensive circulation among the employees.

With Greetings,

Yours comradely



Jagannath Chakraborty
General Secretary

Full text of the letter MD & CEO :

“ Employees were certainly unhappy to notice that while by dint of their hard labour the Bank could earn in March 2018 a huge amount of operating profit of Rs.7539.57 crores it had to suffer a net loss of Rs.5247.37 crores. Obviously the employees had a reason to be happy when they found that their beloved Institution could see the face of net profit for an amount of Rs.129.5 crores as at the first Quarter (June) of 2018-19. Simultaneously, they became upset to notice that while there had been an increase in the net profit to the tune of Rs.12.96 crore (129.54 - 116.58) in comparison to June Quarter of 2017 the amount of Employees Cost went down from Rs. 82.13 crore in June Quarter 2017 to Rs. 77.02 crore in June Quarter of 2018. Not only that, even after positive assurance to the employees and retirees that all the Schemes related to welfare of staff would be reviewed after September 2018 if there would be a turnaround in the performance of the Bank, nothing in this regard has appeared to have been done despite achieving net profit of Rs.269 crores as at the 1st Half Year of 2018-19 ending September 2018. Management has not yet responded to our letter dated 30.10.2018 in this regard.

In any case, it is on record that interest income for the quarter ended 30th June 2018 included an amount of Rs.274.43 crores towards recovery of a NPA in accordance with resolution plan approved by National Company Law Tribunal. Employees have a right to know against which NPA account and against what amount of NPA provisioning said recovery of Rs.274.43 crores was received.

It is also on record that without availing the option of dispensation available in terms of RBI communication DBR No. BP.8756/21.04.048/2017-18 dated 2nd April 2018 with respect to spreading of provisions the Bank made full provision in 2017-18 in respect of 29 accounts (1st & 2nd list) covered under the provisions of insolvency and Bankruptcy Code (IBC).

We request you kindly to implement said assurance on Welfare Schemes, to inform us against which NPA account and against what amount of NPA provisioning said recovery of Rs.274.43 crores was received and also to publish the names of 29 accounts (1st & 2nd list) covered under the provisions of insolvency and Bankruptcy Code (IBC), their amount of NPAs and amount of provision made.”

Copy to : All EDs, General Managers and Regional Heads