

ALL INDIA UNION BANK EMPLOYEES FEDERATION

(Celebrating 60 years of Glorious existence)

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17th January 2020

Shri Rajkiran Rai. G
Managing Director & CEO
Union Bank of India
Central Office
Mumbai

Dear Sir,

Publication of a White Paper

We extended warm welcome to you when you took over the charge of our beloved Bank and its valuable human resource on 1st July 2017. It is in our memory that you did not feel to respond to our communication then and on subsequent occasions till now. But, that is not the subject matter at present. The subject matter is to take an account of the Bank and its human resource for nearly a period of two and half years under your able leadership. We believe that you are not inclined to think that your leadership is neither accountable nor answerable to the thousands of employees who started their career in this Bank and will conclude it in this Bank itself and also by dint of whose continual dedication and hard work the Bank could travel a glorious journey of 100 years. Therefore, we request you kindly to publish a White Paper on the following selective aspects relating to Bank and its human resource.

On matters relating to Bank

After your taking charge of the Bank it was for the first time in the history of the Bank that it had to face net loss in 2017-18 and continued with the same in 2018-19 i.e. in the centenary year. In 2016-17 (before your taking the charge) the Bank registered a net profit of Rs.555 crore while the operating profit was Rs.7430 crore. During your tenure in 2017-18 and 2018-19 while the operating profit was respectively Rs.7640 crore and Rs.7521 crore the Bank registered net loss amounting to Rs.5247 crore and Rs. 2948 crore. You attributed the reason being increased NPA provisions of Rs.12787 crore for the net loss of Rs.5247 crore. It is on record that the Bank did not avail the option of dispensations available as per RBI communication on spreading of provisions and preferred to make full provision in 2017-18 in respect of 29 accounts covered under provisions of Insolvency and

Bankruptcy Code, in respect of marking to market losses on investments held in AFS and HFT category and in respect of additional gratuity liability on account of enhanced gratuity limit and in 2018-19 in respect of spreading provision for fraud. Opinion of the human resources was not sought in those decisions as there was neither any representative from workmen side nor from officers' side in the Board.

You were quoted as conveying to the participants of a meeting on 15th June 2018, after the highest amount of net loss of Rs.5247 crore, as to how the year 2017-18 was painful for the bank as well as the industry and the corrective measures undertaken to rectify the imbalances arising out of certain actions of earlier years affecting the Bank's books but preferred to remain silent when our Federation vide its letter dated 01.08.2018 asked for clarifying "the imbalances arising out of certain actions of earlier years affecting the Bank's books".

During your tenure till now the RBI imposed following penalties on the Bank.

In 2017-18

Amount of Penalty	Reason for Penalty
Rs. 4.10 crore	For non-adherence of KY / Anti-Money Laundering Standards and breach in investment portfolio and other miscellaneous penalties including currency chest operations

In 2018-19

Rs. 1.00 crore	For delayed reporting of fraud
Rs. 1.00 crore	For violation of RBI regulation on monitoring end use of funds, exchange information with other banks and reporting of fraud and on restructuring of account
Rs. 3.00 crore	For delay in adherence to RBI direction on Time Bound Implementation of Strengthening of SWIFT related controls

Although being the CEO of the Bank you ought to take the overall responsibility for the penalties imposed by the RBI yet you have not responded to our letter dated 10.10.2019 in which we desired to know actually on whom the accountability of such huge loss to the Bank was fixed.

In the Board decision of 18.12.1997 a provision was made, "the lapses of the Executive Director / Managing Director are to be dealt with by the Government", no

such provision of attributing accountability on Executive Directors / Managing Director is there in the Policy on Staff Accountability as decided by the Board during your tenure on 14.12.2018 and 18.09.2019.

The Security Board for Exchange in India (SEBI) pointed out that our Bank had reported a divergence of Rs.998.70 crore in its net non-performing assets (NPAs) for 2018-19. The gap in the NPA position also had an impact on the profit / loss metrics for the fiscal ended in March 2019. Thus our Bank reported widening of its net loss to Rs.3,978.37 crore for 2018-19 from Rs.2,947.45 crore.

With the approval for merger of Andhra Bank and Corporation Bank with Union Bank of India without any valid reason for those two banks, our Bank will remain in the history as instrumental to eliminate Andhra Bank and Corporation Bank from the map of public sector banks in India.

On matters relating to Human Resource

During your tenure of two and half years far to speak of any new benefit there has been no improvement in the existing customary benefits being enjoyed by the employees such as canteen subsidy, reimbursement of cost of news paper, cost of cleaning materials, petrol expenses rather the employees were deprived of certain benefits for a certain period for no fault of them. After so many hurdles and taking legal steps by the Federation that led even to the extent of receiving show cause notice by you, they employees got the payment of overtime allowance during the demonetization exercise but that too remained unpaid for 9th, 10th and 11th November 2016. Promotion Policy settlements registered under I.D. Act 1947 had conveniently been breached leading to loss of seniority and monetary benefit to the employees. Even the appointments on compassionate ground are not being cleared with required initiatives.

Making a clean departure from the written commitment, Management refused to discuss employees' issues with the Federation.

Despite having a full-fledged and competent Law Department headed by a General Manager, huge amount of expenditure of public money is incurred for engaging legal practitioners by going against the settled Law just to fight the genuine cases of the employees in Tribunals and Labour Commissioners' office.

There has been uncalled for interference of the Management in the affairs of Unions even going against the Fundamental Right providing Right to Association as enshrined in Article 19 of the Constitution. Government's notification on payment of on-line union subscription has been distorted as per the suitability of the Management.

It is on record that within a span of 11 days of your taking charge of the Bank the Staff Circular issued by the General Manager (HR) on Recruitment Policy as decided by the Board on 22nd June 2017 was surprisingly withdrawn from the system without giving any reason. In more than half of the number of branches of the Bank there is no permanent Housekeeper. Temporary employees have been working for years together on daily waged basis. Our Federation placed a request before you on 16.07.2018 for absorption of all these temporary employees into permanent employment of the Bank as a Centenary Gift to the employees. Far to speak of considering the request positively you have not even acknowledged the request made by an organization which is existing in the Bank for the last 60 years. It is during your tenure that the employees were totally deprived of receiving any gift in the centenary year of their beloved Bank.

All these deserve to be clarified in the greater interest of the Bank and its human resource and hence we request you to publish a White Paper on the same.

Copy to : All Executive Directors
: All General Managers
: All Regional Heads

Yours faithfully



(Jagannath Chakraborty)
General Secretary