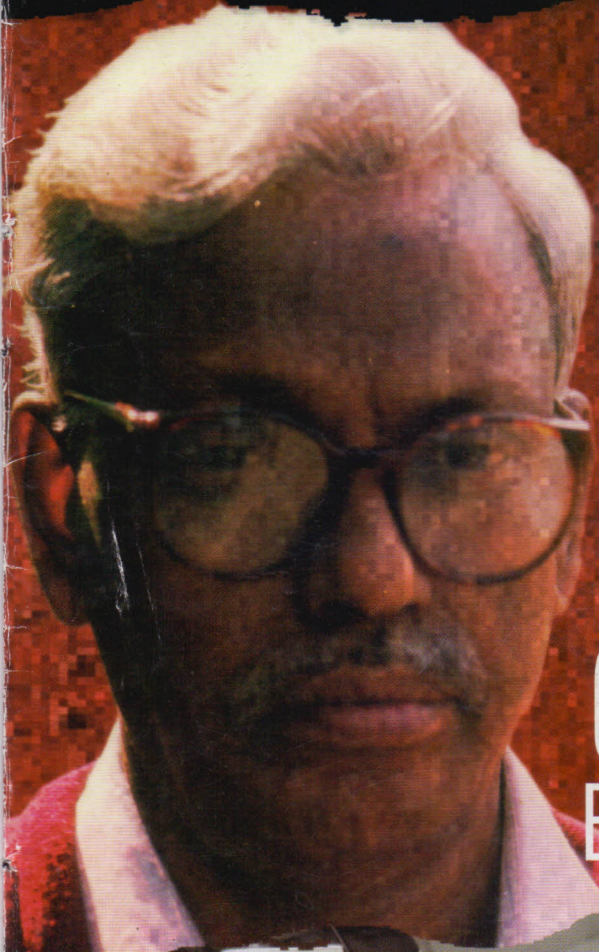


# FORUM

JOURNAL OF UNITED BANK OF INDIA EMPLOYEES' UNION

JULY 2015



## RED SALUTE *to*

COM. CHINMOY  
BHATTACHARYYA







Condolence Meeting of



Com CHINMOY BHATTACHARJEE at Agartala



Condolence Meeting of Com CHINMOY BHATTACHARJEE at Kolkata







INTERNATIONAL WOMEN'S DAY







Reporting Meeting of 9th Conference of BEFI



Reporting Meeting of 10th BPS



Meeting at Dibrugarh Region



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## EDITORIAL

Modi Govt. at the centre has completed its first year. The report card of the government, however, smacks of a mockery of '*achche din*' for the common masses who are reeling under sky rocketing price rise, swelling unemployment, job loss and growing sense of insecurity. Devoid of subsidies and minimum support price for their products poor and marginal farmers are abdicating agriculture and resorting to distress suicide. Our food security is under serious threat. The Govt. is pursuing the same neo-liberal policies of the previous UPA regime more aggressively than before and all out to barter away our national assets to serve the interest of the corporate capital. Union Budget 2015-16 provides for raising revenue of Rs.69,500/- by way of disinvestment of shares in a number of PSUs including 'nava-ratna' companies. Allocation of funds for flagship social projects like MGNREGA, ICDS etc. has been drastically curtailed and most important social sectors like Health and Education are practically exposed to privatization. The Govt. is working overtime to push through major amendments in labour laws empowering the corporate masters with unfettered rights to hire and fire throwing all hard-earned rights and interests of the toiling masses to the wind. In fact, the Govt.'s pro-corporate class character is clearly manifest. Ironically enough, the tall claim of the Govt. of being scam-free as well-orchestrated by big boses of the ruling combine after completion of one year has received a jolt in the face of recently exposed Lalitgate imbroglio.

Banking sector reforms have got a further momentum under the dispensation of Modi-led NDA Govt. which is hell-bent to dismantle public sector banking in fine tune with P.J. Nayek Committee recommendations. The post of Chairman & Managing Director has already been bifurcated into two – one Chairman (non-executive head) and the other Managing Director & CEO (operational executive head) allowing incumbents from both public and private sector banks under the purview of selection process. Policy decisions like setting up of Bank Board Bureau, Banking Invest Company, reduction of Govt. ownership to less than 51% etc. are under active consideration. The Govt.'s role will be of a 'promoter' instead of 'owner' as hitherto with complete non-interference in matters related to HR or credit portfolio management. Merger and consolidation is in the offing. The Working Group on Consolidation and Restructuring appointed by the Finance Ministry has already recommended for merger of six PSBs having less than 2 lakh crore assets (loans & investments) and proposed several measures to facilitate merger. On the excuse of staggering rise in GNPA in PSBs (Rs.2.78 lakh crore as on 31.03.2015) causing sharp capital erosion vis-à-vis requirement of huge capital (about 4.40 lakh crore) to comply with Basel-III norms by March 2019, a heinous campaign is on in the corporate media to project public sector banks as white elephants in public minds and to prepare a ground in favour of privatization.



Under the given context, we are left with no other alternative but to mobilize strong and put up a stiff united resistance along with all other sections of the working class to foil the evil designs of the Govt. Broad-based unity and sustained struggle is the need of the hour. All India General Strike on 2<sup>nd</sup> September, 2015 called by all the Central Trade Unions and many other independent federations of employees in different sectors including BEFI is of utmost significance in this perspective. We must go all out to the people to expose the real face of the Govt. and make the strike an all-round success.

The situation prevailing in our Bank is also very disquieting. Though there has been a small amount of net profit (Rs.256.24 Crore) in Q-4 of the last fiscal, the Bank is yet to come out of the wood. Financial results as at the end of March, 2015 show a negative growth in total business. Advance continues to be well below the benchmark in industry with practically no sign of improvement. NPA position though slightly improved, it is still above the danger mark and fresh slippage of a considerable high amount (4087.17 crore) is also a point of great concern. On the other hand manpower position particularly in award staff category has touched the bottom line. Though after a gap of more than two years Bank is going to recruit 500 clerks and 200 sub-staff, the number of new recruits is too insignificant to match with hundreds of vacancies existing in different branches all over the country. Truly speaking, such acute manpower shortage is now itself a hindrance to the growth of the Bank. Under the circumstances violations of operational guidelines to get the work done somehow or other are galore at branch level leading to spurt in vigilance cases. Our union is seriously taking up all these issues with the apex management of the bank both jointly and severally. We have also decided to launch vigorous campaign movements independently on some pertinent demands pending for long. We must, therefore, gear up the organization befittingly and it is what the situation calls for.

**The first issue of 'FORUM' is published after our last 12<sup>th</sup> All India Conference in December, 2014. Meanwhile, 'FORUM' Sub-Committee has been reconstituted. We invite constructive criticism, suggestions and articles from our members and readers for further enrichment of the organ. Communications may be made through e-mail at [ubieu.cec@gmail.com](mailto:ubieu.cec@gmail.com) or directly to our CEC office by post.**

**- Editorial Board**

## **PARTING WITH A COMRADE OF RARE QUALITY**

**- Uddhab Kakati**

The sixth sense of mine directed me to the Tata Medical Centre, Kolkata to have the close touch of Chinmoyda having been hospitalized a few days back. During those few hours we have been trying in vain, to infuse determination in his mind by summoning courage to face the stark reality. Unlike all previous meetings with him, it seemed as it were, Chinmoyda this time, understood the ground reality and hence, told me several times that he is now exhausted with the struggle for life. Placing a Phoolam Gamocha (Assamese flowery towel) on his shoulder I bade adieu to him with my utmost sense of respect to him. Naturally, no scope was left for me to share company with the host of mourners on 19<sup>th</sup> June, 2015 the deep sense of love and respect of the unnumbered comrades in arms.

It was Chinmoyda, who among a few of my senior comrades had inspired me along with the other members of the union in the North Eastern Region to serve the toiling masses with sincerity and devotion. I still remember the inspiring contents of the leaflets under signatures of Com. Chinmoy Bhattacharjee with the veterans like Keshabda, Chittada, Kamaleshda, Sunirmalda, Nandyda, Banida, Bimalda – all left and comrades like Barunda, Tamalda, to name a few, still rendering their valuable services to the Union. Their spirited call for an alternative to the class collaborationist approach became instrumental to formation of UBIEU. Chinmoyda used to maintain a living contact with most of the activists throughout the length and breadth of the Country. His untiring zeal in meeting unnumbered bank employees in various parts of the country and mostly those attuned to the spirit of class-conscious trade unionism yielded proper dividends even at the early stage of formation of the union. Even when UBIEU became endeared to the rank and file of UBI employees, his missionary zeal for strengthening the fund by way of collecting handsome amounts through advertisements published in quite a good number of conferences. His mass contact as the leader of UBIEU is, in fact, a virtue to be emulated. The most striking feature of Chinmoyda's activism was his personal acquaintance with all the members of this Region even by names. His close affinity endeared him so much that he became an integral part of most of the conferences of the Union in different Regions. Although not an appointed speaker in most of the conferences, his short but spirited speech even at the fag end of the Delegates' Session was exuberant with his true love for the organization, its members and the toiling masses.

Chinmoyda was quite familiar to most of the leaders of BEFI too. It is not because of his being one-time CC member of BEFI, but because of his deep attachment to the organization, his unique sense of responsibility and hardworking spirit. Receiving leaders and comrades from other states-be it in the Airport or Railway Stations, arranging their lodging at ICMARD and ensuring their comfortable stay was the specific responsibility of Com. Chinmoyda. I was often astounded to see him accompanying us upto midnight till the end of our dinner. On quite a good number of occasions, I had to intervene for his leaving for home. Such was the comradely spirit of Chinmoyda which has, of late, become

the guiding force to our new generation.

The departure of a comrade with so much of rare qualities has created a big void– very difficult to be filled in. He was a man wedded to the ideals of keeping social responsibilities above personal well-being. This led him to pass through a very complex and struggling personal life. Strangely enough, I never countenanced any amount of murmur about his personal problems. The struggle Chinmoyda had to pass through since his boyhood days, unfortunately continued till his last breath. But for a few days prior to the fateful evening of 18<sup>th</sup> June, Chinmoyda exhibited the rare sense of positivity. This reminds me of the two important lines of an immortal poem:

‘Ache deep, but make no moan,  
Shed no tears, but stilly suffer.’

–the virtues Chinmoyda had been rearing all through his life may be a living source of inspiration to all those losing hopes.

Red salute to Comrade Chinmoy Bhattacharjee and tearful farewell to dear Chinmoyda!

*(The author is the Ex-President of UBIEU, CEC and Ex-Vice President of BEFI)*



## CHINMOYDA – AS I HAVE SEEN

**Debasish Basu Chaudhury**

The last Central Committee meeting of Bank Employees Federation of India was held at Guwahati on 21-22 June 2015. On 22<sup>nd</sup> June, my return flight from G N Bordoloi Airport was at 8.10 PM which was scheduled to reach Kolkata Airport at 9.20 PM. But the flight after rescheduling thrice ultimately took off from Guwahati Airport as late as at 11.40 PM. Reaching Kolkata Airport, I took a pre-paid Taxi. Getting down from the taxi near to my residence when I was walking, my cell phone started ringing. The time was 1.12 AM. It was Com Sukhamay Sarkar, our Working President. He was inquiring how far away I was from my home. Hardly three minutes' walk was remaining. It was the only phone I received. In my real life, I realised that Com Chinmoy Bhattacharjee was no more. Had Chinmoyda been alive, he also would have called me no matter how late it had been. He never failed calling to know whether I reached my destination or not. It had been common experiences for all of us.

I signed the membership application form of UBIEU before joining the bank. When I reached Union office with one of my relatives who was an employee of the bank, it was Chinmoyda, already with flocks of white hair, received me and got my form signed. Incidentally, my posting was made in an office where Chinmoyda became the Secretary of the concerned Regional Committee. Since then he did not allow me to look back.

I was encouraged by Chinmoyda to work in the Federation Office. In the eighties, I was included in the BEFI News team which gave me opportunity to work with legendary leader Com Ashis Sen. Later I also got scope to be associated with Com Santi Bardhan when he became the General Secretary of BEFI. These experiences helped me a lot to be inspired to attend the Union Office almost regularly. He persuaded many comrades to accommodate me in many meetings and conferences as Observers. In this way, I got the rare chance to be present in the historic BEFI General Council meeting at Hyderabad where the resolution for launching campaign to achieve another option for pension was adopted. There is no doubt that Chinmoyda's nurturing put me to the position where I am now. It had been common experience for many of such young comrades. He used to encourage all newcomers to be involved in day to day trade union activities.

Chinmoyda was always aware of the likings and disliking of the comrades particularly the food habits. He knew my details very well. He used to inform the Regional committees about my food habits where I had to go. Despite my protest Chinmoyda was consistent in this regard. Even the caterers have been informed in such a manner that even in Chinmoyda's absence, they nicely take care of my foods. I do not get such treatment even in many of my close relatives' houses.

He was founder Central Committee member of UBIEU and subsequently co-opted as Assistant Treasurer. By his performance he was unanimously elected as Secretary of

CEC. Though the Secretary post was not created for him but he executed the responsibilities in such manner that to me it looked like that Chinmoyda moulded himself to become a perfect person for this post. Later, he became the Central Committee member of BEFI. He was always devoted to the works of the Federation, used to visit federation office almost daily. Chinmoy da shouldered maximum responsibility of organising the CC and GC meetings of BEFI which were held in Kolkata for many years. Besides a leader, he was a volunteer in true sense of the term unflinchingly doing any kind of work for the Union.

Chinmoyda was born in Bangladesh. He had to leave his native place due to fierce communal riots. In one of these riots along with some family members, his father also was killed by the fundamentalists. He was only a boy of 8 at that time. A new place, a new environment and lots of struggle. Chinmoyda drew all experiences from his own life. He was a born fighter. He started his fight for living. He also continued his studies. Besides many jobs, he earned his living even as a street vendor. But he never stopped struggling. By mere determination he graduated from Calcutta University and joined United Bank of India in 1966. Chinmoyda plunged into trade union movement immediately after joining.

A man with such struggling background, quite obviously, was attracted to left ideology and Marxist philosophy. Besides trade union activities, he associated himself with the left and democratic movement of the country. He became very popular in his locality also with his attitude and behaviour. He became target of the reactionary forces. During the semi fascist period of seventies he was brutally tortured and ultimately driven away from his home. Even after that he continued his activities for the downtrodden people till his last. Though his father was killed by the religious fanatics, Chinmoyda remained a devoted person to secularism and particularly vociferous against communalism.

Chinmoyda always maintained close contacts with the members around the country. Every member had access to him. Chinmoyda was a family friend of all. In the era before cell phone came into being, land phone was the only connectivity. Chinmoyda used to make contact with the members in their residential telephones. With an unmatched voice, he was known to the family members of many comrades. I still remember, my 4 year old nephew receiving phone calls at my residence instantly started shouting '*Mama (uncle) its Chinmoyda*'. A child while calling me as uncle was referring a person 20 years older than me as Chinmoyda (brother). Such was his popularity even amongst the family members of the comrades.

He sacrificed his whole life for the cause of the common masses. He never gave priority to his own necessities. As a result his financial situation was not very sound. It was not possible for Chinmoyda to continue his treatment for a long period. Naturally, financial help was sought for considering the contribution he made for the organisation. We were overwhelmed by the support extended by one and all. Irrespective of membership and cadre whoever got the information came forward. Many of these persons continued to ask if any more help was necessary. The treatment was a time consuming one. Chinmoy da's family members including his brothers and nephews were always ready for any



assistance and they stayed with Chinmoyda whenever required. The selfless service rendered by Comrades Barun Biswas, Sukhamay Sarkar and Saibal Das Gupta for treatment of Chinmoyda needs to be specially mentioned. As General Secretary of UBIEU, I express my gratitude to all these persons without whose support Chinmoyda might not have survived 26 months after detection of the fatal disease at stage 4.

He never let others realise that his days are numbered. He fought the deadly ailment with courage. In the last year, he attended many Regional Conferences ignoring our protest. He wanted to go to Malda even for a few hours to attend the All India Conference. It would have been a great occurrence for the comrades in Malda had Chinmoyda been able to go. But it was not advisable for his health to take him to Malda. He was the first to congratulate me, one of his disciples, after I was elected the General Secretary.

We, the bank employees, are traversing through a critical period. The Govt. at the Centre and a big section of corporate media have unleashed a severe attack on public sector banking. We must fight back these offensives in the way we are doing for the last quarter century. The fight was started by veteran leaders like Chinmoyda. We have to carry forward the struggle not for our interest only but for the country and its people. Though Chinmoyda physically will not be there but his teachings, his inspirations and his fighting spirit will always be with us. We have to prepare ourselves befitting to the situation and only by this we will be able to pay our tributes to a born fighter.

**Com Chinmoy Bhattacharjee Red Salute.**

**Com Chinmoy Bhattacharjee Amar Rahe.**

## **10<sup>th</sup> Bipartite Settlement Lessons For The Posterity.**

**–CJ Nandakumar**

“The history of the bipartite settlements in the Banking industry hitherto, was the history of “give and take” policies. The eighth Bipartite settlement is not an exception”. These are the words from the preamble of 8<sup>th</sup> Bipartite settlement published by Com. Santi Bardhan, as General Secretary of BEFI. Yes, the 10<sup>th</sup> Bipartite settlement also is no exception. Still, the 10<sup>th</sup> Bipartite settlement is unique in many respects which will indeed, attract the attention of the posterity.

The clamour for a scientific wage revision for bank employees commenced during the era of 4<sup>th</sup> Bipartite settlement. The Bank employees, once known as “High wage islanders”, were steadily being overtaken by others in peer sectors. . The reason attributed to this phenomenon was lack of a scientific wage revision in banking industry. The method of agreeing for a package quantum first and then setting out to distributie the same into various components of wage structure including superannuation and hospitalization expenses, proved to be defective.

The common charter of Demands submitted by UFBU for 10<sup>th</sup> Bipartite discussions clearly demanded 35% hike, excluding superannuation and hospitalization expenses. The rationale behind the demands was substantiated by authentic figures and statistics highlighting .the “Productivity” and “Profitability” of banking industry. Thus the charter of demands for Tenth BPS can be termed as a step heading towards a scientific wage revision and finally we could achieve 15% hike on “PAY-SLIP components”

As usual, the UFBU charter was countered by IBA with a counter charter of demands which included imposing “Cost to Company concept”, performance linked variable pay, compulsory retirement after 50 years of age, right to disciplinary action post-retirement and a medical insurance scheme in lieu of the existing hospitalization scheme. When the first year of discussions lapsed centering round IBA demands and finally a shameful 5% against 35% hike was offered, UFBU retorted rightly, by calling for direct action including strike.

The rest is history until another unique turning point occurred in the month of August 2014, when one of the major unions adopted a resolution in their General Council Meeting held at Kolkatta and circularized, stating that the demand of UFBU for 25% hike (by the time UFBU scaled down its demand from 35% to 25%) is unrealistic and the UFBU should pragmatically review its position. It was all the more embarrassing and painful that this twist happened immediately after the entire UFBU leaders including the same union met the new Finance Minister and reiterated our demand for 25% wage hike.

Of course, none of the constituents of UFBU came out with any open circular against this as it would have given a wrong message of disunity among UFBU. Moreover, each



constituent of UFBU has freedom to air their independent view while collectively working for the benefit of banking community. BEFI, on its part, adopted a constructive approach, from its General Council Meeting held in the third week of August in Hyderabad by calling for independent action programmes including demonstrations and Dharna demanding early settlement of UFBU demands. This was followed by the four officer organisations also and finally UFBU gave the historical, clarion call for 4 days strike in February 2015 and indefinite strike in March 2015, which ultimately resulted in inking the MOU on 23.02.2015.

Another unique feature of this settlement is that 2% loading on Basic Pay became part of the MOU, for the first time. Never before in the history of BPS, loading percentage was a part of MOU. When this was promptly challenged across the negotiating table, by a small union, it was clarified by IBA officials that this was a rider imposed by Finance Ministry to avoid escalation of superannuation costs and they pleaded helplessness. Further, it was reassured that a special component will be introduced in the pay structure which will attract DA and take care of any gap due to lesser loading on Basic Pay.

But surprisingly, when the proposal for new pay structure was circulated by IBA, it contained no mention about any special allowance attracting DA, as promised. The Unions unanimously revolted and insisted for a special allowance attracting DA. Finally, 7.75% of Basic Pay was allowed as special allowance to all in the settlement. Another important feature of the settlement was that the demand of IBA for enhancing duties attached to special allowance carrying posts was thwarted by the unions.

The introduction of holidays on second and fourth Saturdays is another important feature. A lot of wonderful homework was done by constituents of UFBU, independently and collectively, on the Medical Insurance Scheme which is reflected in Schedule IV of the settlement. The clause that "None of the conditions of the contract between IBA and the insurance company is binding on the employees" and that the "Employees will submit their claim to respective Bank offices as hitherto done" ensures nullifying any harm ought to have done by accepting a counter demand of the management.

All the genuine demands of the Retirees were properly included in the UFBU charter and effectively discussed during the course of negotiation, but none could be clinched for obvious reasons. Governments across the globe are unleashing severe attack on social security benefits of its citizens, especially Pension. Since the present and past governments at the centre pursue anti-people, pro-corporate, neo-liberal economic policies, the task before us to achieve any pension related demand will be stupendous and time consuming. Anyway, a record note signed in this regard expose the objectionable attitude of IBA towards the demands of Retirees. Their argument that Bank Pension Scheme is a "FUNDED ONE" raises many pertinent questions. If so, what was the need to impose the NPS, the defined contribution and undefined benefit scheme, to the detriment of those who joined the banks from 01.04.2010? Further, the plea of termination of contract on attaining superannuation is far from sensible and highly reprehensible.

Incidentally, even after 10<sup>th</sup> BPS, the employees of SBI will get contributory provident fund of 10% in addition to pension, while around 1/3<sup>rd</sup> of the workforce in banking industry is covered by NPS. They have no Provident Fund at all. Another section is covered by defined pension scheme. Apart from the government policy, whether these weaknesses have any bearing on non-achieving of the demands of Retirees?

It will also be pertinent to mention here that during the course of negotiation on the demand of second option for pension, IBA gave a figures of Rs. 26000 Crores towards additional cost thereof. In fact, in the previous settlements of 7<sup>th</sup> and 8<sup>th</sup> BPS, IBA's calculation of cost was based on the above principle. But when a joint actuarial worked out the real cost for allowing second option for pension, it found only Rs. 6000 Crores of additional cost. And when the question of sharing this cost came up, it was decided to be shared by only those who go for second option. Whether all these past deeds have any relevance with regard to non-achieving the demand for updation of pension?

All these questions should be debated among the banking community to draw right lessons from the pages of bipartite settlements, including the 10<sup>th</sup> BPS.

It is really noteworthy that the UFBU could maintain its unity and launch unprecedented and undaunted strikes for 5 days, in addition to various forms of other agitations for achieving the 10<sup>th</sup> BPS, in its present form. One should not forget the fact that in the neo-liberal global environment, attack on the wages of the labour is a world wide phenomenon. The anti-labour character of the present NDA regime at centre is conspicuously evident from their move to amend all the labour laws in favour of the employers. The Prime Minister has proclaimed that he will make India a Cheap Labour Hub so as to fulfill his Make In India dream. In this background ,we should dedicate the achievements in the settlement to the movement of bank employees in general and to their unity and united struggle in particular.

If we feel that we have not achieved the optimum, where it is true also, we have to try to find out answers to the following questions. Whether the lack of proper cohesiveness among the constituents of UFBU, caused partly by lack of proper political understanding of the situation and partly by traditional egoistic mindset of some, played havoc in achieving the legitimate dues? Only a right thinking posterity can certainly find out the answers\*.

*(The author is the President of BEFI)*



## QUAGMIRE OF BASEL-III

–Shyamal Chakraborty

Much is being talked about the obligation of fulfilling the global norms of Basel-III in respect of Capital Adequacy Ratio (CAR) including Capital to Risk-weighted Asset Ratio (CRAR) in Public Sector Banks (PSBs) in India. As estimated, PSBs will need to raise almost 4.50 lakh crore in Tier-I capital including equity capital to the tune of Rs.2.40 lakh crore to comply with the Basel-III stipulations by the end of FY 2018-19. In the last fiscal the Govt. at the centre infused fresh capital of Rs.6990 crore to only 9 PSBs based on so-called efficiency parameters in terms of Return on Assets (ROA) and Return on Equity (ROE). It was, no doubt, a radical departure from earlier practice when capital infusion had been made particularly to those Banks where capital erosion had taken place to a larger extent. It clearly smacks of the Govt.'s real intention to facilitate merger and consolidation of public sector banks, the blue print for which is ready. In the Budget for the current fiscal Rs.7940 crore has been earmarked for recapitalization of PSU banks. Needless to mention, the provision for recapitalization is too meagre given the context of huge erosion of capital due to staggering rise in gross non-performing assets (GNPA) of the public sector banks which as at the end of March, 2015 reached to 2.78 lakh crore (5.17%) from the last year's 2.27 lakh crore. The problems have compounded further with restructuring loans turning bad again. The stressed assets (NPAs plus restructured loans) ratio, according to RBI data, was 13.2% as on 31.03.2015. Admittedly, huge growth of NPA in public sector banks is a point of serious concern. But the fact cannot be denied that it is a common phenomenon not only in PSBs but the banking sector as a whole. Both new generation and the old private sector banks have witnessed gross NPA rise of 35.3% and 50% respectively as compared to that of the previous year. It is, however, 22.5% in case of 26 PSBs. Since public sector banks have had much bigger exposure to loans and advances (75.74% of the total advances in banking sector) for historical reasons, total NPA figure naturally appears enormously higher. It is equally pertinent to mention that as per RBI data, the top 30 defaulters are sitting on bad loans of Rs.95,122 crore as on December 2014 which amounts to 36.50% of GNPA in PSBs. Persistent global financial crisis and slowdown in economic recovery, continuing uncertainty in markets leading to poor credit off-take are, no doubt, factors to reckon with; but the successive Governments' continuous reluctance to take the willful corporate defaulters to task with stringent legal and administrative measures, is no less responsible for the situation coming to such a critical pass.

Now, under the given situation of economic downturn the Govt. is pleading its helplessness to provide the huge capital to the PSBs required for Basel-III compliance. Then what is the way out? As a matter of fact, successive Governments at the centre – both UPA & NDA and several committees instituted by them for financial sector reforms including the latest P.J. Nayek Committee are having one and only prescription to offer. The prescription is to raise the required capital from the retail market by shedding off the Govt. equities. Since 1991 with the advance of neo-liberal reforms most of the PSBs have already disinvested Govt. equities varying from 35 to 45% phase-wise. Now, further disinvestment in most cases virtually amounts to Govt. stake-holdings going well below 50%. What a fallacy! On the one hand the Govt. is letting the real culprits (i.e. big corporate defaulters essentially responsible for generation of huge amount of NPA) go free with utter indifference to plug the loopholes of capital erosion, while on the other hand, suggesting the PSBs for dilution of its own stake-holdings to raise the capital required for implementation Basel-III norms. The ultimate game plan is to dismantle Public Sector Banking in India.

Let us have a re-look to the straight jacket of Basel norms. We should know that Basel norms regarding Bank's capital adequacy are formulated essentially for the privately owned banks of Europe

and the West with an eye to keep the depositors' money secured from turbulences that these banks are often prone to. Basel norms are voluntary and India is also not a direct party to these norms. So, why should there be such a mad rush to comply with the same particularly when the Govt. of India itself stands as guarantor to public deposits in PSBs? We all know that our countrymen have enormous confidence in nationalized banks simply because of their Govt. ownership. They keep their savings safely with these banks with no concern or consideration for their capital base. They have firm conviction that their hard-earned savings will remain completely secured since there exists a sovereign guarantee from the Govt. of India. It is for this confidence of the people over the years that public deposits in PSBs have been swelling into an astronomical height of more than **71.5 lakh** crore today. It may not be out of context to mention that at the fag end of the last century three Indian PSBs fell sick with sharp erosion of their capital base. At that point of time one of the leading Indian chambers of commerce namely CII had even recommended for their summary closure. But experience showed that even in that period of capital crisis, people did not lose their confidence in those banks and as a result, they could register a deposit growth higher than the national average then. Eminent economist Prof. Provat Pattanaik has rightly said, "**No Basel III norm in terms of equity base is actually necessary for them (PSBs) for they already enjoy the protection of the sovereign Government that owns them.**" This is, however, not the case with Private Sector Banks. To go by the experience of the past as also of the recent global meltdown of 2008, these banks, however giant they may appear to be, can hardly sustain any crisis and often go bankrupt leading to overnight withering away of hard earned savings of the depositors. A pertinent question, therefore, haunts the mind - why our Government is embracing the Basel strictures voluntarily and going all out for its implementation in PSBs even at the cost of their public ownership?

There is another aspect which is equally of great relevance. During the period from 2004-05 to 2013-14 the Central Govt. had to sacrifice about Rs.36.5 lakh crore by providing budgetary relief and subsidies in different taxes and duties to big corporate houses. So, for argument's sake, even if it is assumed that a fresh equity capital of Rs.2.40 lakh crore is required for the PSBs to fulfil the Basel-III obligations; why the Govt. is pleading helplessness to provide the same? Is it not possible for the Govt. to stop wastage of public money by giving huge doles to the corporate houses and offer a part thereof to the PSBs in the interests of the depositors and the nation as a whole? Whose interest the Govt. wants to serve by outright sale of the public sector banks in the name of raising capital for the Basel-III?

The Govt. at the centre is aggressively pushing through its reforms agenda at the behest of the corporate capital. Merger and consolidation of PSBs is in the offing. The Working Group on Consolidation and Restructuring appointed by the Finance Ministry has already recommended for merger of six PSBs which are having less than 2 lakh crore assets (loans & investments) and proposed several measures to facilitate merger. Merger poses to be an immediate threat to Banking industry. Astronomical rise in NPA resulting in continuous capital erosion together with requirement of huge capital for Basel-III compliance by March, 2019 really portends a great danger to the existence of public sector banking in India particularly in the face of Govt.'s abject pro-corporate stance and attitude. Under the given perspective and also in fine tune with the Govt.'s intention, a heinous propaganda is on in the corporate media to project public sector banks as white elephants in public minds. They are working overtime to form public opinion in favour of merger. Bank employees' movement must take a serious note of it and come all out in defence of public sector banking.

*(The author is Joint Secretary of our union)*



## UBI – The Path Ahead

– Debasish Basu Choudhury

The present Govt. at the Centre has completed one year of its tenure recently. During the period, the Govt. has pursued the trajectory of neo liberal economic path with far more aggressively than ever. It has established its determination to push through financial sector reforms with renewed dynamism.

The Union Finance Minister while placing its full budget in the month of February this year, has pronounced to implement some vital recommendations of P J Nayek Committee in regard to restructuring of Boards of Public Sector Banks. The FM has also suggested for merger of the PSBs in the days to come.

The Finance Ministry formed a working group on restructuring of PSBs. Recently, the Group has submitted their recommendations. They are of the opinion that those PSBs with asset value less than Rs 2 lakh crore should be merged with larger banks. The banks, as per recommendations, to be merged include UBI also as we are lagging far behind the stipulations to be maintained for separate identity.

A few weeks ago the performance report of our Bank for the FY 2014-2015 was published. We may go through the report in perspective of the national situation as proclaimed by the Finance ministry.

The total business of our Bank, as on Mar 2015, have reached only to Rs 177888 crores, reduced by 0.89% than it was a year ago. Though the advances, which stands at 69070 crore, has increased but the total deposits, stands at 108818 crore, has fallen by 2.41% than last year. An important development is that the CASA which was 36.98% (Rs 41231 crore) in 2014 has increased substantially to 42.05% (45755 crore). The total amount of Term Deposit has been lowered by 10.27%, as a result of which, the cost of deposit was reduced from 7.13% to 6.88%. The bank could shelve a sizable amount of high cost deposit which is also a significant development.

Despite reduction in total business, the business per employee has been increased to 12 crore. Though expenditures in almost all other fields have increased staff cost to total expenditure has decreased from 10.93% to 10.41%. This is mainly due to ban on recruitment imposed by our Bank after publication of results for third quarter of FY 2013-2014. Since August last year total number of 38.69 lakh PMJDY accounts were opened. Now some more schemes has been launched which is also putting immense pressure on the employees. So, it is amply clear that the front line employees, though hard pressed in the given circumstances, played a crucial role to augment CASA to provide the bank with some relief in the trying situation.

The position of NPA is still in alarming situation. Though the Gross NPA (GNPA) & Net NPA (NNPA) has been reduced to some extent but it is still high in any standard. As per report of the media we are topping the list of banks with highest NPA and restructured

advances which amount to 21.30% of total advances. The percentages of GNPA and NNPA are 9.49% and 6.22% respectively. Fresh slippage has been to the tune of Rs 4087 crores in comparison to Rs 1164 crores in the last year. The amount of restructured advances has increased from Rs 6340 crores to Rs 10168 crores, a hopping increase of 60.38%. Loans written off have also increased by almost in same proportion, from Rs 459.35 crores to 760.68 crores.

We have already mentioned that staff cost has been lessened in this FY. Additional provision for for pension & gratuity has been substantially reduced from Rs 1119 crores to Rs 451 crores. The provisioning for NPA is still high at Rs 844 crores though reduced from Rs 1119 crores. This is also one of the reasons of accruing net profit of Rs 256 crores in spite of operating profit of Rs 2428 crores.

Now, it is very important that a number of parameters require to be significantly improved. The Govt. & a section of media is campaigning for dismantling the PSBs. We are soft target in this regard. As a responsible trade union we have unambiguously expressed our cooperation to the management at every tier. On behalf of four award staff Unions, we have submitted concrete suggestions to the MD & CEO and sought for discussions. The management, so far, maintained its reluctance to interact with award staff unions in these matters.

We can't keep ourselves aloof in this hour of crisis. It is our beloved institution whose interest is of primary importance to us. We will continue our endeavour to take the management in right path. We have a very strong customer base. We also have good employees who are ready to extend their support for the betterment of our bank. We are to mobilize all support in our favour. This is the task which has been bestowed upon us.

*(The author is General Secretary of our union)*

## **Reportings**

### **COM. AJAY GUHA REMEMBERED**

UBIEU, CEC, organized a condolence meeting on 31<sup>st</sup> January, 2015 at UBI, Royal Exchange Branch premises to pay respectful homage to our departed leader Com. Ajay Guha who breathed his last on 7<sup>th</sup> January, 2015. Com. Ajay Guha was one of the founders and Ex-Asstt. Treasurer of our Union. At the outset leaders of the Bank employees' movement offered floral tribute to Com. Guha's portrait.

Com. Sukhamoy Sarkar, Working President of our union, presided over the meeting. Members from Kolkata and surrounding suburbs including retired members gathered spontaneously at the meeting. General Secretary of our union Com. Debasis Basu Choudhury while placing the condolence resolution briefly narrated the struggling life of Com. Guha. Thereafter, one minute's silence was observed in respectful memory of the departed leader. Com. Joydeb Dasgupta, General Secretary, BEF(WB) and Com. Tapan Das, BEFI CC member, recalled the role played by Com. Guha at the time of formation of BEF(WB) and his untiring efforts to organize the bank employees particularly in Kolkata (South) Zonal Committee. Com. Barun Biswas, Com. Pranab Kanti Chowdhury and Com. Sukhamoy Sarkar in their speeches remembered Com. Guha's pioneer role in organizing the first Annual General Meeting of our union at Thyagaraj Hall in South Kolkata and his dedication to strengthen the union keeping close contacts with members at grass root level as the founder secretary of Kolkata (South) Regional Committee. The speakers urged upon the members particularly of the new generation to carry forward the struggle against the onslaught of the Govt.-Banker combine with utmost sincerity to pay honour to Com. Ajayda. They also conveyed their deep condolence to the bereaved members of Com. Guha's family who also attended the meeting.



### **COM. CHINMOY BHATTACHARYA REMEMBERED**

The Central Executive Committee of our Union organized a condolence meeting on 2<sup>nd</sup> July, 2015 at Krishna Pada Ghosh Memorial Trust Hall, Kolkata, in remembrance of our beloved leader Com. Chinmoy Bhattacharya, popularly known as 'Chinmoyda', who breathed his last on 18<sup>th</sup> June, 2015. Hundreds of members both working and retired including a host of veteran leaders of our union as also leaders of BEF(WB) and BEFI gathered strong at the hall to pay their respectful homage to the departed leader. Family members of Com. Chinmoy Bhattacharya were also present. The meeting presided over by our All India President Com. Swapan Bhattacharya commenced with a Tagore's song sung by one of our new comers Com. Pratiki Chakraborty. Thereafter, T.U. leaders of Banking sector and democratic movements offered floral tribute to Com. Chinmoyda's portrait. General Secretary Com. Debasis Basu Choudhury read out the Condolence Resolution which was followed by observance of one minute's silence in his fond memory.

Com. Pradip Biswas, Com. Joydeb Dasgupta, General Secretary of BEFI and BEF(WB) respectively recapitulated Chinmoyda's rare qualities of dedication, sincerity and profound sense of responsibility for the organization which endeared him to the comrades not only of UBI but also of other Banks. Leaders of Bank employees movements never failed to recognize him for these outstanding qualities. Senior leaders of our union like Com. Barun Biswas, Com. Uddhav Kakati, Com. Pranab Chowdhury and our Working President Com. Sukhamoy Sarkar – all were drawn by emotions as they recalled how Com. Chinmoy Bhattacharya worked for the union day in and day out painstakingly braving his personal problems and always maintained close contacts with all sections of members and sometimes even with their family members. He was always to stand by the members in their pains and strains spontaneously and thus became a loving 'Chinmoyda' to one and all, they said. Leaders of fraternal organizations like Com. Manoj Sinha, Dy. General Secretary of UBIIEA, Com. Uma Sinha Mohapatra, General Secretary, UBISKS and Com. Sambhu Nath Das, Jt. Secretary of UBI Retired Employee's Association also spoke highly of Com. Chinmoyda who never failed to raise his loud voice of protest for the cause of employees and at the same time maintained a close, cordial relationship with all. Com. Debapriya De Sarkar of UBIEC, who could not attend the meeting personally conveyed his condolence message. The meeting surcharged all through with a deep sense of emotion and reverence ended with the slogan "COM. CHINMOYDA AMAR RAHE".

### **Women Empowerment – Empowerment of Humanity**

Women Sub-Committee, West Bengal unit of UBIEU, celebrated International Women's Day this year at UBI, Shyambazar Branch, on 14.03.2015 in an enthusiastic atmosphere. The banking hall was really illuminated with the presence of lady comrades from different regions in and around Kolkata, guests and leaders of our organization. The programme started with opening song by our new comrades. The main speaker Ms. Paromita Ray, leader of democratic movement, delivered her speech on communal harmony after a brief introductory speech by the convener Com. Sabari Sen and a short but very inspiring and informative deliberation by the General Secretary Com. Debasis Basu Chaudhury.

Main speaker Com. Paromita Roy elaborately dealt with evolution of religion, secularism, problems of religious fundamentalism vis-à-vis age-long tradition of peaceful co-existence of different communities of our country in the light of Indian history. She touched upon the note of harmony latent in our national culture. With reference to far historical past to modern age she traced out instances of inhuman attacks and deprivations perpetrated on women causing an ethical crisis in our social fabric. According to her, people of our country both men and women must fight together against atrocities on women which should be viewed as a struggle for social change.

The programme ended with a short cultural rendering by young lady comrades. The convention was presided over by a presidium formed with Com. Mridula Chakraborty, Com. Bhaswati Bose and Com. Manjushree Paul, three CEC members stationed at Kolkata.

### **MAY DAY CELEBRATION**

To renew our solidarity with the working class, the Central Executive Committee of our Union celebrated the historic May Day by organizing a seminar at Krishnapada Ghosh Memorial Trust Hall, Kolkata, on 16<sup>th</sup> May, 2015. The topic for discussion was "Aggressive Finance Capital and the Working Class – Status Today & Challenges Tomorrow" and Com. Arindam Konar, leader of democratic movements, was the main speaker. Members including retirees from different regions in and around Kolkata gathered strong at the hall.

The programme started with a Tagore's song by Com. Kumkum Sen. Our Working President Com. Sukhamoy Sarkar, who was on the chair, welcoming the audience briefly outlined the topic for discussion and explained the importance of May Day celebration particularly in the present juncture. Com. Debasis Basu Chaudhury, General Secretary, briefly informed the members the latest position 10<sup>th</sup> BPS negotiation including other relevant problems in the industry and some pertinent developments of our Bank. He stressed on gearing up the organization at all levels to combat the challenges forthcoming.

To start his deliberation Com. Arindam Konar touched upon the history of May Day and great sacrifices of the martyrs to uphold the cause of the working class. Quoting from the writings of great philosophers namely Karl Marx, Engles and Lenin he explained elaborately the formation of finance capital (Bank finance & industrial finance) and its pervasive nature.

He said that during the World War-I when Com. Lenin explained the finance capital, it was then consolidated to a particular nation, but now it has assumed an international character and accordingly, exploitation of the toiling masses is also internationally common which is increasing day by day in the given context of neo-liberal globalization. On-going economic crisis is not an isolated phenomenon of a particular country, it is, in fact, deep-seated throughout the capitalist world. He said that the pro-capitalist path of neo-liberal economy being pursued in our country since 1991 with gradual withdrawal of the Government from the role of social benefactor leaving everything at the mercy of the market is the principal cause of woes and miseries of our people. Existence of our PSUs is at stake in the process of disinvestment going on. Pillars of our national economy like Banks, Insurance etc. are made to collapse through continuous reform process in the interest of the corporate capital, he added. He hailed the united movement in Banking industry under the leadership of UFBU for the last two decades against the policies of neo-liberal reforms. He also called upon the bank employees to fight jointly with other sections of the working class to protect the democracy and secularism of our country which are at jeopardy in the hands of the ruling Govt. at the centre. He also expressed his anguish over the misrule and lawlessness perpetrated by the present State Govt. in West Bengal and urged all to fight against it consolidating in a broader democratic platform. The audience got spell bound at the eloquence of Com. Koner. They greeted him with a thunderous applause as he concluded the speech.

### **9th Conference of BEFI & 10th BPS Reporting**

After successful completion of BEFI's National Conference held at Patna from 7th to 10th Feb.'15 C.E.C. organised a General Meeting of members around Kolkata mainly on 2 agendas. One was proposed 4 day strike in banking industry called by UFBU demanding early reasonable settlement of 10th B.P. as was slated from 25th - 28th Feb.'15 and another one was reporting of BEFI's 9th Conference. Members attended in a very good number. Com. Pradip, Biswas, Gen. Secy. Befi attended the meeting. Com. Debasis Basu Chaudhury, Gen. Secy., CEC while initiating 2 agendas gave a brief report on BEFI's 9th Conference. He said that having a land mark success in all respect the Conference was well directed so as to meet the demand of the day and thus the conference established itself the magma of bank employees movement. He implored all the members to gear up the organisation at their level to make proposed 4 day strike a grand success consisting with struggling heritage of UBIEU.

Com. Pradip Biswas, Gen. Secy. BEFI in his speech reminded the meeting that on going struggle for achieving a reasonable 10th B.P. Settlement can't be separated from the struggle against present NDA Govt.'s anti-labour policies as well as their rigid programme for privatisation of PSU banks. It has been evidently found that this Govt. is more speedy runner in implementing neo-liberal economy by attempting to have legislative changes and taking decisions administratively. BEFI 9th Conference took stock of the whole situation and decided to uphold the nationalisation of PSU Banks with a campaign programme independently. In this context,



this time , struggle for reasonable wage revision warrants to go more bitter way. The action programmes including preceding token strikes so far observed against IBA's initial offer for 5% wage hike in pay slip as yet have come to a logical culmination to 4 days bank strike from 25th to 28th Feb.'15. Com. Biswas expressed his firm conviction that UBIEU will certainly play it's pioneering role to make the 4-day strike, an all-out success. Com. Sukhamay Sarkar , Working President, CEC presided over the meeting .

CEC also held another General Meeting of members on 11/06/15 in K.P. Ghosh Trust Memorial Hall in and around Kolkata on the agenda of 10th B.P. Settlement. About 300 numbers were present. Main Speaker was Com. Pradip Biswas, Gen. Secy. BEFI. Com. Debasis Basu Chaudhury, Gen. Secy, CEC in his short introductory speech mentioned that even in such a situation of allout attacks against working class perpetrated by the present Govt., the 10th Bipartite Settlement is a positive one considering the stiff attitude of Govt. - bankers combine. He hailed this settlement.

Com. Pradip Biswas, the main speaker said that it was a record of 5 days strike since 1st B.P. settlement that bank employees had to go for a hard struggle. He detailed out the pros and cons of the gradual developments during B.P. talks. BEFI, despite some obvious well known weakness among the constituents, played an important role in UFBU in the run of pulling wage hike in pay slip components from 5% to 15%. In the distribution of agreed amount amongst the components, though above 2% loading could not be attained for the reason mentioned above, highest record of 60.15% D.A. merger with Basic pay was done and extra 7.75% spl. allowance attracting DA thereon also could be achieved. While medical insurance scheme in place of existing hospitalisation expenses has been agreed, it has been ensured that bank will be liable to pay medical expenses direct to the concerned employee but not through TPA. Extension of family definition with dependant's income for Rs. 10,000/- , limit of P/L accumulation, more or less uniformity in HRA by clubbing the arears, introduction of paternity leave and 8th stagnation, removal of pro-rata basis of pension of PTS, holiday on 2nd & 4th Saturday are the special features of this settlement. On the matter of pensioners' salient demands a Joint Note of discussion was held, It is not at all a settlement he said. BEFI will pursue the issues within UFBU to reach an understanding with IBA. The struggle of 10th BP Settlement is now over. This struggle was an intermediary struggle. We are to get prepared for a higher struggle for retaining our job security and entity of nationalised banks.

Com. Sukhamay Sarkar, Working President, CEC presided over the meeting.

### **Zonal Conventions of Tripura State Committee**

In order to provide better State-wide coverage of the organizational activities in the present situation of the Banking industry in general and out Bank in particular UBIEU, Tripura State Committee have formed four Zones namely West Tripura, South Tripura, North Tripura and Agartala and held zonal conventions with cluster of branches falling under their respective jurisdictions. Members at large attended these conventions. Com. Swapan Bhattacharya, our All India President, was the main speaker in all these conventions. Some of these conventions were also attended and addressed by Com. Tapas Sengupta, Secretary and Com. Gayatri Sutradhar, Chairperson of UBIEU, Tripura State Committee and leaders from different fraternal organizations. Burning issues of the industry right from 10<sup>th</sup> Bipartite Settlement to Govt.'s move for merger and consolidation were discussed in detail. Several problems of our Bank like acute manpower shortage, growing NPA & recovery drive as also our long pending demands like filling-up the vacancies of Sub-Staff and Sweeper and creation of full time sweeper-cum-sub-staff were discussed by the members who pledged to build-up movements on this score. Zonal committees are constituted from the conventions. Names the conveners of the four zonal committees are as under :

West Tripura Zone : Jt. Conveners : Com. Alok Paul, Com. Sentu Ranjan Das  
& Com. Narayan Das

South Tripura Zone : Jt. Conveners : Com. Subhas Debnath, Com. Bikash Nandi &  
Com. Litan Bhattacharya

North Tripura Zone : Convener : Com. Babul Chandra Dhar

Agartala Zone : Convener : Com. Dipankar Chowdhury

### **General Meeting on 26.04.2015 organised by Dibrugarh Regional Committee.**

A General Meeting of the members of Dibrugarh Regional Committee was held on 26.04.2015 at Dibrugarh Branch. The meeting was presided over by Com. Samit Ranjan Das, President, Dibrugarh Regional Committee. Com. Ajay Saha, our Ex-CEC member was present in the meeting. Com. Surajit Dutta, Secretary, Dibrugarh Regional Committee placed a brief report on the activities of the Regional Committee. On behalf of UBIEU, CEC, Com. Sukhamay Sarkar, Working President & Com. Uday Narayan Karmakar, Secretary were present in the meeting.

Com. Sukhamoy Sarkar discussed in detail about the wage negotiations and movement of UFBU for wage settlement. He elaborately deliberated the present position of the Banking Industry and reiterated our task to fight back jointly the privatization policy of Central Government. Com. Uday Narayan Karmakar eloquently explained the on-going situation in United Bank of India. While referring to the financial position of UBI, he was critical of the role being played by the apex management and mentioned some achievements of our organization to build up joint movement in our Bank.

The President gave a concluding speech and thanks all those present in the meeting.

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
RAJYA SABHA  
QUESTION NO 1777  
ANSWERED ON 12.05.2015  
Reforms of PSBs**

1777                      Shri Ahmed Patel

Will the Minister of FINANCE be pleased to satate :-

- (a) the total amount of Non-Performing Assets (NPAs) in Public Sector Banks (PSBs)
- (b) the details of the reformative measures being formulated by Government for PSBs in the wake of the “Gyan Sangam” retreat; and
- (c) by when these reforms will be implemented?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI JAYANT SINHA)

(a): The total amount of Gross Non-Performing Assets (NPAs) in Public Sector Bank (PSBs) as on March 2015 is Rs. 2,55,179 crore (provisionai).

(b) & (c): The Department of Financial Services (DFS) organized a two-day Retreat for Banks and Financial Institutions called ‘GyanSangam’ at National Institute of Banking Management (NIBM), Pune. The main purpose of organizing this event was to give an opportunity to Chairman & Managing Directors (CMDs) and Executive Directors (EDs) of all the banks to express their opinion about what went wrong and what could be done to improve the situation. The participants of the Retreat were CMDs and EDs of Banks and other Financial Institutions under the DFS, as also all the Public Sector Insurance Companies.

The executives were grouped in to six different groups on themes of Leveraging technology to improve banking operations efficiency, Rethinking priority sector lending, Achieving universal financial inclusion, Improving risk management, asset quality and recovery, Strengthening human capital and HR practices and Consolidation and restructuring of PSBs for better efficiency and governance. The working groups discussed specific actions that banks could consider in short term (over 12 months) and in the medium term (over 1-3 years). The group also provide suggestions for policy makers.

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**GOVERNMENT OF INDIA MINISTRY OF FINANCE**

**RAJYA SABHA**

**QUESTION NO 1782**

**ANSWERED ON 12.05.2015**

**Criteria for capital infusion in banks**

1782 Shri Paul Manoj Pandian

Will the Minister of FINANCE be pleased to satate :-

(a): whether it is fact that Government has decided to infuse ? 6990 crore in nine State run banks under the new criteria which rewards efficient banks with extra capital to strengthen their position; if so, the details thereof; and

(b) whether it is also a fact that the methodology for arriving at the amount to be infused in these banks has been based on efficiency parameters; and if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) & (b): Yes. Government has decided to infuse capital to the tune of Rs.6,990 crorc in Nine Public Sector Banks (PSBs) during the current financial year 2014-15 on the basis of efficiency parameters i.e. Return on Assets (ROA) and Return on Equity (ROE). Bank-wise details are as under:-

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No. Name of the Bank Amount (Rs. in crore)

1 State Bank of India 2970

2 Bankof Baroda 1260

3 Punjab National Bank 870

4 Canara Bank 570

5 Syndicate Bank 460

6 Allahabad Bank 320

7 Indian Bank 280

8 Dena Bank 140

9 Andhra Bank 120 Total 6,990

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**GOVERNMENT OF INDIA MINISTRY OF FINANCE  
RAJYA SABHA  
QUESTION NO 482  
ANSWERED ON 28.04.2015  
Bifurcation of top posts of PSBs**

482 Shri T. Rathinavel

Will the Minister of FINANCE be pleased to satate :-

- (a) whether it is a fact that bifurcating the top posts in Public Sector Banks (PSBs) will bring in transparency and accountability;
- (b) whether Government has taken a decision to bifurcate the top positions of four PSBs and appointment of Chairman, Managing Directors/Chief Executive Officers;
- (c) if so, the details thereof;
- (d) whether it is expected that the said move will improve the governance; and
- (e) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI JAYANT SINHA)

(a) to (e): Yes, Sir. The Government has approved the proposal to separate the posts of Chairman and Managing Directors in Public Sector Banks. While the Chairman would be non-executive, Managing Director & Chief Executive Officer (MD&CEO) would be the executive head. The splitting of the posts of Chairman and Managing Director is in accordance with international best practices. While the Chairman would give an overall policy directions to the Bank, MD&CEO would be responsible for day-to-day management of the Bank. The separation would bring in appropriate checks and balances and there would be accountability at the board level as the person executing will be answerable to a board that is headed by a different non-executive Chairman.

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**GOVERNMENT OF INDIA MINISTRY OF FINANCE  
RAJYA SABHA  
QUESTION NO 510  
ANSWERED ON 28.04.2015  
Autonomy of PSBs**

510 Shri S. Thangavelu

Will the Minister of FINANCE be pleased to satate :-

- (a) whether it is a fact that the Public Sector Banks (PSBs) should have greater autonomy to take commercial decisions as they confront a massive surge in bad loans;
- (b) whether it is also a fact that the level of NPAs in some State owned banks was unacceptable;
- (c) whether the ratio of stressed loans to total advances for PSBs stood at a staggering 12.9 per

cent as opposed to the ratio for private sector banks, which was pegged at 4.4 per cent; and

(d) if so, the reasons therefor?

### ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a): The Reserve Bank of India (RBI) had advised banks to formulate board approved investment policy, loan policy, loan recovery policy. Banks take credit decisions based on their internal assessment of the commercial viability as per Board approved policies and regulatory guidelines of RBI.

(b): The Gross Non-Performing Assets of PSBs in December, 2014 were at Rs.2,61,265 crore. RBI's Financial Stability Report (FSR) December 2014 states that the banking stability indicator suggests that overall risks to the banking sector remained unchanged during the first half of 2014-15. The stress tests suggest that the asset quality of banks may improve in the near future under expected positive developments in the macroeconomic conditions and banks may also be able to meet expected losses with their existing levels of provisions. However, the asset quality of scheduled commercial banks may worsen from the current level if the macroeconomic conditions deteriorate drastically, and banks are likely to fall short in terms of having sufficient provisions to meet expected losses under adverse macroeconomic risk scenarios

(c): The Ratio of stressed loan to total advances of PSBs as on December, 2014 is as under:

Banks Gross NPAs Restructured Standard Advances Stressed Assets (2+3)

(1)(2)(3)(4)

PSBs 5.63 7.54 13.17

Private Sector Bank 2.17 2.35 4.52

Source: RBI.

(d): The PSBs focussed in expanding their industry credit portfolio in the recent past. This is evident from their share in industry credit (as % of their gross credit) which increased from 41.7% as on March 2011 to 46.3% in March 2014. The share of industry credit of private banks moved up marginally from 31.3% to 32.4% during the comparable period. Thus there was apparent difference in business strategy between PSBs and private banks as regards credit expansion.

The quality of banks' industry credit portfolio especially exposure to infrastructure segment faced maximum deterioration and stress than other sectors. Besides spurt in actual NPAs, a substantial amount of restructuring especially in the infrastructure segment has taken place during the last few years.

Due to substantial concentration in industry credit, the asset quality of PSBs reflected more deterioration as well as higher stress compared to private banks.

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**UNITED BANK OF INDIA  
PERFORMANCE AT A GLANCE**

Amount in ₹ Crores

Parameters	2012-13	2013-14	2014-15
No. of Branches	1929	2001	2004
Capital	1174.71	1354.75	839.52
Equity	374.71	554.75	839.52
PNCPS	800	800	0
Reserve & Surplus	4709.01	3927.91	4988.52
Capital Adequacy			
Basel II	11.66%	11.46%	11.42%
Basel III	9.01%	9.81%	10.57%
Gross Profit	2050	2061.74	2427.94
Net Profit	391.9	-1213.44	255.99
Total Deposit	100651	111510	108818
Average Deposit	87791	106010	105410
Pre Cent Increase	15.15%	20.75%	-0.57%
Gross Advances	69708	67982	69070
Average Gross Advances	60962	72208	65920
Per Cent Increase	14.09%	18.45%	-8.71%
Total Business	170359	179492	177888
Per Cent Increase	11.35%	5.36%	-0.89%
Investments	33463	44876	46798
Advances to Priority Sector	25604	28950	28652
Per Cent of Net Credit / ANBC	40.09%	40.10%	40.48%
Total Staff	15479	16499	15192
Business Per Employee	10.83	10.67	11.53

(Source : UBI Annual Report 2014-15)

## PERFORMANCE AT A GLANCE

Public Sector Banks : Deposits/Investments/Advances												
As on March 31												
S.N.	Banks	Deposits			Investments			Advances			2015 ₹	
		2013	2014	2015 ₹	2013	2014	2015 ₹	2013	2014	2015 ₹		
I	<b>NATIONALISED BANKS</b>											
1	Allahabad Bank	1,78,742	1,90,943	1,93,424	58,306	63,961	56,479	1,29,490	1,38,007	1,49,877		
2	Andhra Bank	1,23,796	1,41,845	1,55,012	37,632	45,357	46,499	98,373	1,07,844	1,25,955		
3	Bank of Baroda	4,73,893	5,68,994	6,17,560	1,21,394	1,16,113	1,22,320	3,28,186	3,97,006	4,28,065		
4	Bank of India	3,81,840	4,76,974	5,31,907	94,613	1,14,152	1,19,792	2,89,368	3,70,734	4,02,026		
5	Bank of Maharashtra	94,337	1,16,803	1,22,119	31,430	37,250	36,715	75,471	88,920	98,599		
6	Canara Bank	3,55,856	4,20,723	4,73,840	1,21,133	1,26,828	1,45,346	2,42,177	3,01,067	3,30,036		
7	Central Bank of India	2,26,038	2,40,069	2,55,572	72,804	86,135	95,474	1,71,936	1,77,315	1,88,478		
8	Corporation Bank	1,66,005	1,93,393	1,99,346	58,164	66,191	63,412	1,18,717	1,37,086	1,45,066		
9	Dena Bank	97,207	1,10,028	1,15,936	34,343	36,612	36,499	65,781	77,554	78,934		
10	Indian Bank	1,41,980	1,62,275	1,69,225	41,805	46,910	45,899	1,05,643	1,22,209	1,25,864		
11	Indian Overseas Bank	2,02,135	2,27,976	2,46,049	61,417	70,237	81,310	1,60,364	1,75,888	1,71,756		
12	Oriental Bank of Commerce	1,75,898	1,93,489	2,04,010	58,555	61,472	68,440	1,28,955	1,39,030	1,45,261		
13	Punjab & Sind Bank	70,642	84,730	86,715	22,542	28,294	26,752	51,431	57,239	63,870		
14	Punjab National Bank	3,51,560	4,51,397	5,01,379	1,29,896	1,43,766	1,51,282	3,08,796	3,49,269	3,80,534		
15	Syndicate Bank	1,85,356	2,12,943	2,55,388	45,648	55,539	69,340	1,47,569	1,73,912	2,02,720		
16	UCO Bank	1,73,431	1,99,534	2,14,337	52,245	67,452	68,859	1,28,283	1,49,524	1,47,351		
17	Union Bank of India	2,63,762	2,97,676	3,16,870	80,830	93,723	94,093	2,08,102	2,29,194	2,55,655		
18	United Bank of India	1,00,662	1,11,510	1,08,818	33,463	44,876	46,603	68,909	65,768	66,763		
19	Vijaya Bank	97,017	1,24,296	1,26,343	31,285	42,585	44,522	69,766	81,504	86,556		
	<b>TOTAL OF 19 NATIONALISED BANKS</b>	<b>39,00,136</b>	<b>45,24,797</b>	<b>48,93,849</b>	<b>11,87,307</b>	<b>13,47,473</b>	<b>14,19,637</b>	<b>28,97,314</b>	<b>33,33,850</b>	<b>35,93,504</b>		
II	<b>State Bank of India (SBI)</b>	12,02,740	13,94,409	15,76,793	3,50,878	3,98,800	4,95,027	10,45,617	12,09,829	13,00,026		
III	<b>ASSOCIATES OF SBI</b>											
1	State Bank of Bikaner & Jaipur	72,116	73,875	84,239	20,146	17,750	22,465	57,535	64,172	69,548		
2	State Bank of Hyderabad	1,13,324	1,19,510	1,30,166	33,968	34,267	36,491	89,857	95,654	1,05,053		
3	State Bank of Mysore	56,969	61,560	66,064	16,775	19,190	20,566	44,933	49,482	52,026		
4	State Bank of Patiala	88,672	89,673	92,705	23,957	24,581	26,528	73,800	75,937	78,642		
5	State Bank of Travancore	84,624	89,337	91,077	27,226	27,941	26,648	67,484	69,405	68,721		
	<b>TOTAL OF 5 ASSOCIATES [ III ]</b>	<b>4,15,705</b>	<b>4,33,955</b>	<b>4,64,251</b>	<b>1,22,071</b>	<b>1,23,736</b>	<b>1,32,698</b>	<b>3,33,607</b>	<b>3,54,649</b>	<b>3,73,590</b>		
	<b>TOTAL OF STATE BANK GROUP [ II + III ]</b>	<b>15,18,445</b>	<b>18,28,363</b>	<b>20,41,044</b>	<b>4,72,948</b>	<b>5,22,529</b>	<b>6,27,725</b>	<b>13,79,224</b>	<b>15,64,473</b>	<b>16,74,017</b>		
IV	<b>Other Public Sector Banks</b>											
1	IDBI Ltd.	2,27,116	2,35,774	2,59,896	98,801	1,03,774	1,20,963	1,96,306	1,97,636	2,08,377		
2	Bharatiya Mahila Bank	0	87	731	0	413	528	0	89	352		
	<b>TOTAL OF 27 PUBLIC SECTOR BANKS [ II+III+IV ]</b>	<b>57,45,697</b>	<b>65,89,020</b>	<b>71,95,480</b>	<b>17,59,056</b>	<b>19,74,189</b>	<b>21,68,852</b>	<b>44,72,845</b>	<b>51,01,142</b>	<b>54,76,250</b>		

Public Sector Banks : Assets/Gross and Net Non-Performing Assets																				
As on March 31																				
S.N.	Banks	Total Assets					Gross NPA					Net NPA								
		2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015							
I	NATIONALISED BANKS																			
1	Allahabad Bank	2,04,373	2,20,434	2,27,096	5,137	8,068	8,358	4,127	5,722	5,979										
2	Andhra Bank	1,46,299	1,67,341	1,85,170	3,714	5,858	6,877	2,409	3,342	3,689										
3	Bank of Baroda	5,47,135	6,59,505	7,14,989	7,983	11,876	16,261	4,192	6,035	8,069										
4	Bank of India	4,52,603	5,73,190	6,18,698	8,765	11,869	22,193	5,947	7,417	13,518										
5	Bank of Maharashtra	1,16,953	1,36,320	1,46,019	1,138	2,860	6,402	393	1,807	4,127										
6	Canara Bank	4,12,343	4,91,922	5,48,001	6,260	7,570	13,040	5,278	5,965	8,740										
7	Central Bank of India	2,69,130	2,89,496	3,11,940	8,456	11,500	11,873	4,988	6,649	6,807										
8	Corporation Bank	1,93,442	2,22,048	2,25,993	2,048	4,737	7,107	1,411	3,181	4,465										
9	Dena Bank	1,13,440	1,24,863	1,29,921	1,452	2,616	4,393	917	1,819	3,014										
10	Indian Bank	1,62,823	1,87,327	1,92,836	3,565	4,562	5,670	2,384	2,764	3,147										
11	Indian Overseas Bank	2,44,656	2,74,905	2,85,637	6,608	9,020	14,922	4,027	5,658	9,813										
12	Oriental Bank of Commerce	2,00,697	2,20,303	2,30,314	4,184	5,618	7,666	2,903	3,904	4,315										
13	Punjab & Sind Bank	80,478	94,509	97,753	1,537	2,554	3,082	1,110	1,919	2,265										
14	Punjab National Bank	4,78,948	5,50,420	6,03,334	13,466	18,880	25,695	7,237	9,917	15,397										
15	Syndicate Bank	2,15,122	2,51,861	3,03,135	2,979	4,611	6,442	1,125	2,721	3,344										
16	UCO Bank	1,98,651	2,39,125	2,45,917	7,130	6,621	10,265	4,069	3,556	6,331										
17	Union Bank of India	3,11,861	3,53,781	3,81,616	6,314	9,564	13,031	3,353	5,340	6,915										
18	United Bank of India	1,14,615	1,25,105	1,23,028	2,964	7,118	6,553	1,970	2,664	4,081										
19	Vijaya Bank	1,10,982	1,37,369	1,42,643	1,533	1,986	2,443	910	1,262	1,660										
	<b>TOTAL OF 19 NATIONALISED BANKS</b>	<b>45,73,551</b>	<b>53,19,813</b>	<b>57,14,239</b>	<b>95,233</b>	<b>1,37,487</b>	<b>1,92,275</b>	<b>58,750</b>	<b>83,642</b>	<b>1,16,831</b>										
II	State Bank of India (SBI)	15,66,211	17,92,748	20,48,080	51,189	61,605	56,725	21,956	31,096	27,591										
III	ASSOCIATES OF SBI																			
1	State Bank of Bikaner & Jaipur	86,017	90,877	1,02,302	2,119	2,733	2,945	1,303	1,771	1,769										
2	State Bank of Hyderabad	1,36,078	1,41,489	1,54,503	3,186	5,824	5,393	1,449	2,985	2,370										
3	State Bank of Mysore	67,233	73,976	79,469	2,081	2,819	2,136	1,209	1,630	1,122										
4	State Bank of Patiala	1,08,551	1,14,121	1,16,709	2,453	3,758	4,360	1,194	2,405	3,049										
5	State Bank of Travancore	1,01,579	1,05,285	1,05,595	1,750	3,077	4,367	989	1,929	1,399										
	<b>TOTAL OF 5 ASSOCIATES [ III ]</b>	<b>4,99,456</b>	<b>5,25,749</b>	<b>5,98,578</b>	<b>11,589</b>	<b>19,211</b>	<b>17,192</b>	<b>6,143</b>	<b>10,719</b>	<b>9,709</b>										
	<b>TOTAL OF STATE BANK GROUP [II + III]</b>	<b>20,65,669</b>	<b>23,18,497</b>	<b>26,06,658</b>	<b>62,778</b>	<b>79,816</b>	<b>73,917</b>	<b>28,100</b>	<b>41,815</b>	<b>37,299</b>										
IV	Other Public Sector Banks																			
1	IDBI Ltd.	3,22,769	3,28,988	3,56,031	6,450	9,960	12,685	3,100	4,902	3,993										
2	Bharatiya Mahila Bank	0	1,117	1,843	0	0	0	0	0	0										
	<b>TOTAL OF 27 PUBLIC SECTOR BANKS [I+II+III+IV]</b>	<b>69,61,988</b>	<b>79,66,416</b>	<b>86,78,770</b>	<b>1,64,462</b>	<b>2,27,264</b>	<b>2,78,877</b>	<b>89,950</b>	<b>1,30,360</b>	<b>1,59,973</b>										

(Source : IBA)

Public Sector Banks : Profit												
As on March 31												
S.N.	Banks	Operating Profit			Provisions & Contingencies			Net Profit				
		2013	2014	2015	2013	2014	2015	2013	2014	2015		
<b>I NATIONALISED BANKS</b>												
1	Allahabad Bank	3,385	4,020	4,460	2,200	2,848	3,039	1,185	1,172	621		
2	Andhra Bank	2,767	2,760	3,296	1,478	2,325	2,660	1,289	436	638		
3	Bank of Baroda	8,999	9,291	9,915	4,518	4,750	6,517	4,481	4,541	3,398		
4	Bank of India	7,459	8,423	7,488	4,709	5,694	5,779	2,749	2,729	1,709		
5	Bank of Maharashtra	2,149	2,007	2,355	1,389	1,620	1,904	760	386	461		
6	Canara Bank	5,890	6,796	6,950	3,018	4,358	4,248	2,872	2,438	2,703		
7	Central Bank of India	3,173	3,238	3,559	2,158	4,501	2,953	1,015	(1,263)	606		
8	Cooperative Bank	3,037	3,039	3,027	1,602	2,478	2,443	1,435	562	584		
9	Dena Bank	1,739	1,774	1,330	928	1,222	1,066	810	552	265		
10	Indian Bank	3,060	2,901	3,014	1,480	1,742	2,009	1,581	1,159	1,005		
11	Indian Overseas Bank	3,817	3,997	3,322	3,250	3,396	3,777	567	602	454		
12	Oriental Bank of Commerce	3,691	4,155	4,227	2,363	3,016	3,450	1,328	1,139	778		
13	Punjab & Sind Bank	939	801	775	600	500	654	339	301	121		
14	Punjab National Bank	10,907	11,384	11,955	6,160	8,042	8,853	4,748	3,343	3,062		
15	Syndicate Bank	3,450	3,564	4,007	1,445	1,851	2,484	2,004	1,711	1,523		
16	UCO Bank	3,357	4,940	4,910	2,739	3,430	3,772	618	1,511	1,138		
17	Union Bank of India	5,583	5,218	5,823	3,425	3,522	4,042	2,156	1,696	1,782		
18	United Bank of India	2,050	2,062	2,428	1,658	3,275	2,172	392	(1,213)	256		
19	Vijaya Bank	1,122	1,104	1,259	536	688	820	586	416	439		
<b>TOTAL OF 19 NATIONALISED BANKS</b>		<b>76,573</b>	<b>81,475</b>	<b>84,105</b>	<b>45,657</b>	<b>59,257</b>	<b>63,479</b>	<b>30,917</b>	<b>22,217</b>	<b>20,625</b>		
ii	State Bank of India (SBI)	31,082	32,109	38,914	16,977	21,218	25,812	14,105	10,891	13,102		
<b>iii ASSOCIATES OF SBI</b>												
1	State Bank of Bikaner & Jaipur	1,713	1,695	2,104	983	963	1,327	730	732	777		
2	State Bank of Hyderabad	2,788	2,691	2,914	1,538	1,671	1,597	1,250	1,020	1,317		
3	State Bank of Mysore	1,331	1,164	1,331	915	880	922	416	274	409		
4	State Bank of Patiala	1,542	1,448	1,599	875	1,001	1,237	667	448	362		
5	State Bank of Travancore	1,351	1,370	1,372	736	1,065	1,037	615	304	336		
<b>TOTAL OF 5 ASSOCIATES [iii]</b>		<b>8,725</b>	<b>8,368</b>	<b>9,320</b>	<b>5,047</b>	<b>5,591</b>	<b>6,120</b>	<b>3,678</b>	<b>2,777</b>	<b>3,200</b>		
<b>TOTAL OF STATE BANK GROUP [ii + iii]</b>		<b>39,807</b>	<b>40,477</b>	<b>48,234</b>	<b>22,024</b>	<b>26,809</b>	<b>31,932</b>	<b>17,783</b>	<b>13,669</b>	<b>16,302</b>		
<b>Other Public Sector Banks</b>												
1	IFBILIM	5,458	5,681	5,728	3,576	4,560	4,955	1,882	1,121	873		
2	State Bank of Madhya Pradesh	0	19	31	0	7	11	0	12	20		
<b>TOTAL OF 27 PUBLIC SECTOR BANKS [ii+iii+iv]</b>		<b>1,21,838</b>	<b>1,27,653</b>	<b>1,38,097</b>	<b>71,256</b>	<b>90,633</b>	<b>1,00,277</b>	<b>50,583</b>	<b>37,019</b>	<b>37,820</b>		

(Source : IBA)