

**CIRCULAR No. 39/ 2011**

**Date: 09.12.2011**

**TO ALL MEMBERS**

Dear friends,

- 1. MERGER/AMALGAMATION OF RRBs**
- 2. DHANALAKSHMI BANK OFFICERS' ORGANIZATION (DBOO) AND MANAGEMENT OF THE BANK REACHED UNDERSTANDINGS - DEADLOCK REMOVED - INDUSTRIAL RELATIONS TO NORMALIZE**

**1.0 Merger / Amalgamation of RRBs:** Government of India is reportedly contemplating reduction in number of RRBs through their cross mergers. We reproduce below the text of AIBOC Cir. No. 103/2011 dated 01-12-2011 issued in this regard for your information.

**2.0 Understanding between DBOO and the Bank Management:** We are happy to inform that Dhanalakshmi Bank Officers' Organisation [DBOO] and the Bank Management has arrived at an understanding on the long pending demands including trading union rights of the officers. We reproduce below the text of AIBOC Cir. No.104 dated 08-12-2011 issued in this regard for your information.

With greetings,

Yours sincerely,

  
**[ KAUSHIK GHOSH ]**  
**GENERAL SECRETARY**

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**1.0 MERGER/AMALGAMATION OF RRBs**

[ Text of AIBOC Cir. No.103 dated 01-12-2011]

1. We understand from our affiliate, All India Regional Rural Banks Officers' Federation that the Government of India is proposing to reduce the number of RRBs from 82 to 47 by cross merger of RRBs. This is against our demand for merger of RRBs with their sponsor Banks.
2. Further, we understand that, announcement of pension scheme in RRBs is linked to merger / amalgamation of RRBs. We have today sent a letter to the Hon'ble Finance Minister, Government of India seeking his intervention in the matter. A copy of our letter is annexed.
3. We shall advise further details later.

With greetings,

Sd/-  
**(G.D.NADAF)**  
**GENERAL SECRETARY**

[ Text of Letter No.1410/364/11 dated 30.11.2011 addressed to Sri Pranab  
Kumar Mukherjee, Hon'ble Finance Minister, New Delhi]

Respected Sir,

### **MERGER & AMALGAMATION OF RURAL REGIONAL BANKS**

1. We understand from our affiliate All India Regional Rural Bank Officers' Federation that, Government of India has initiated a process to amalgamate and merge of RRBs'; thereby reducing their number from 82 to 47.
2. Sir, you are aware that, earlier by merging 196 RRB's, sponsor Banks wise, the number has been reduced to 82. Subsequently, the Sponsor Banks have incurred huge cost in putting these amalgamated RRB's under Core Banking Solutions platform. Further, reduction of their number to 47 by cross mergers of RRBs' will create a lot of operational problems and avoidable cultural integration.
3. We reiterate our earlier suggestion that, RRBs' shall be merged with their sponsor Banks for better control, viability and compete, to make financial inclusion a success story.
4. Incidentally, it may not be inappropriate to once again request your good self to consider extension of Pension to RRB employees and officers as a social security measure.
5. We would like to seek an audience and request your honour, kindly to provide us an opportunity at the date convenient at your end to submit our views on merger/amalgamation of RRBs', their viability and capability to compete with others in the Banking Industry.

With kind regards,

Yours faithfully,  
Sd/-

**GENERAL SECRETARY**

- C.C:** 1) Shri.D.K.Mittal, Secretary Financial Services, Government of India, New Delhi.  
2) The General Secretary, AIRRBOF C/o Uttarabanga, KR.SH.GR. Bank, Hakimpura Branch, Bidhan Road, SILIGURI – 734 401 (W.B).

### **2.0 CONGRATULATIONS - DHANALAKSHMI BANK OFFICERS' ORGANIZATION AND MANAGEMENT OF THE BANK REACHED UNDERSTANDINGS - DEADLOCK REMOVED - INDUSTRIAL RELATIONS TO NORMALIZE**

[ Text of AIBOC Cir. No.104 dated 08-12-2011]

1. It was a long drawn struggle and agitation by our comrades in the Dhanalakshmi Bank and by our affiliate Dhanalakshmi Bank Officers' Organization for the last several months, with a view to restore the trade union rights and to re-establish bipartite structure; which was prevailing in the bank for a long time. The struggle was not only a prolonged one but bitter as well, due to the tough stand taken by the Management of the Bank and its series of actions, which undermined the well-established industrial relations that prevailed in the bank, and helped the

bank in achieving excellent performance over the last several decades. The Management not only initiated steps to undo several understandings that were prevailing, but also indirectly initiated certain moves with a view to de-unionize the officers' fraternity and brought the concept of 'Cost to the Company' in the recruitment. A large number of staff was recruited on 'cost to company' basis. They were also denied the right to join the Union/Association, which took place during the last couple of months.

2. It is in this background, the leadership of Dhanalakshmi Bank Officers' Organisation relentlessly launched its struggle and agitation programme in order to bring balance in the industrial relations and to take care of the aspirations and hopes of the members. The organization was also concerned about the intrinsic strength of the Bank in view of the new outlook of the Management, which affected the business to a large extent. In view of these developments and also in order to bring normalcy in the industrial relationship, the DBOO sought the support and guidance of the Confederation in resolving the stalemate. The initiative of the Confederation brought tremendous pressure on the Management and the executives of the Bank had to convene a meeting of the representatives of both DBOO as well as the leadership of the Confederation to find a solution to remove the current impasse in the industrial relations.
3. A meeting was held with the management of Dhanalakshmi Bank lead by Shri.Amitabh Chaturvedi, CEO, and Shri. Manish Kumar, HR Head, on 28.11.2011 at Thrissur, wherein the top leadership of DBOO led by Com. G.D. Nadaf, General Secretary of the Confederation along with the other leaders namely Com. P. V. Mathew, General Secretary, AIPSBOF, Com. Abraham Shaji, Secretary, AIBOC-Kerala State Unit participated in the marathon meeting, which provided an opportunity to both the sides to present their views and cases with a view to resolve the current stalemate. The Management while agreeing to several of the issues raised by the affiliate of the Confederation wanted some more time to finalize the understandings. Accordingly, the second round of meeting was held on 03.12.2011, between the representatives of the Dhanalakshmi Bank Officers' Organisation, Com. Vijaya Anandkrishnan President, Com. P.V. Mohanan, General Secretary, along with Com. P.V. Mathew and Com. Abhraham Shaji and the Management representatives. A broad understanding was reached on almost all the issues. The meeting was very fruitful in the sense; the Management acknowledged the trade union rights of the Officers working in Dhanalakshmi Bank but also assured to restore those rights along with the bipartite relationship to ensure a long-lasting industrial relations in the Bank. The details of the settlement are as under:
  - (i) Officers recruited on C to C basis from Scale -I to Scale-III will be given an option to move to IBA Pattern. They will also enjoy trade union rights.
  - (ii) Bonus and increment denied to 13 Officers in 2010 will be paid with arrears.
  - (iii) Option for Pension to Officers who joined between 2004 and 2010 will be provided.
  - (iv) Trade Union rights of Officers will be fully restored.

- (v) Structured meetings with DBOO, which is the majority officers' Association in the Bank, shall be held once in every 45 days.
- (vi) The Corporate Office of the Bank will remain at Thrissur.
- (vii) Profitability, business, priority sector lending, educational loans etc. should be improved.
- (viii) No Penal action will be initiated against any member of DBOO, who took part in the agitation.
- (ix) On the other issues, viz., Charter of demands, residential telephone, performance Management system, future recruitment on IBA pattern, transfers, open job posting, etc., an amicable understanding has been reached.
- (x) The Bank circular, broadly covering the understandings with DBOO will be issued by the Bank on or before 8<sup>th</sup> December, 2011.

4. Comrades, the present success of the agitation in Dhanalakshmi Bank by our affiliate is yet another glorious chapter in the history of the Private Sector Bank Officers' Federation. We are confident that the experience we have gone through in Dhanalakshmi Bank would be an eye opener to all other Banks in ensuring a cordial industrial relations in the Banks. We thank all those who extended fraternal support and guided as to reach an understanding. We take this opportunity to compliment and congratulate all our members in Dhanalakshmi Bank who stood like a rock in the trying circumstances and also the members of affiliates of the Confederation, the Federation of Private Sector Banks, the Kerala State Unit of AIBOC and their leadership in successfully concluding the struggle and ensuring restoration of the normal industrial relation atmosphere in the Bank.

**OUR UNITY – ZINDABAD**

With warm greetings,

Sd/=  
**(G.D.NADAF)**  
**GENERAL SECRETARY**

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