

# Day 1 of bank strike impacts more than ₹21,700 crore of transactions

Business as usual at private banks; strike likely to have a bigger impact today

**SURABHI**

Mumbai, May 30

Banking services at state-owned banks will be hit on Thursday with PSU bank unions set to continue their two-day strike.

"We will continue our agitation as planned," said CH Venkatachalam, General Secretary, All India Bank Employees Association.

Operations of private banks such as ICICI Bank and HDFC Bank were normal. But the strike at PSU banks on Wednesday is estimated to have held up over 39 lakh cheques involving ₹21,700 crore, according to Venkatachalam.

Industry body ASSOCHAM had estimated that as much as ₹20,000 crore of customer transactions would be hit by the two-day strike.

PSU banks had asked customers to use digital banking systems and had also prom-

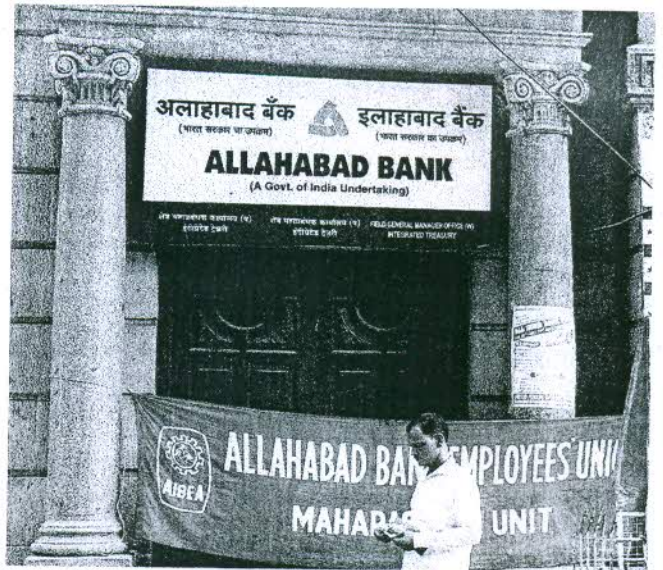
ised sufficient cash in ATMs.

Banking transactions are expected to see a bigger hit on the second day of the strike as it coincides with the end of the month and could hold up salary withdrawals from ATMs.

Other activities, including deposits in bank branches, renewal of fixed deposits, government treasury operations and money market operations, are also expected to be impacted by the strike.

"Our intent was not to make the customers suffer but the strike has been successful," said Ashwini Rana, Vice-President, National Organisation of Bank Workers, adding that the unions will meet later to discuss the next phase of their agitation.

Over 10 lakh PSU bank employees are participating in the two-day strike, which was called by the United Forum of Bank Unions (UFBU) follow-



Allahabad Bank's branch near Dalal Street, in Mumbai, wears a deserted look on the first day of the strike PRASHANT NAKWE

ing failure of talks with the Indian Banks' Association for wage negotiation. The IBA had proposed a wage hike of 2 per cent, which the bank unions termed meagre.

## Next wage negotiations

Sources said the bank unions

and IBA are likely to hold another round of wage negotiations in June.

"However, there has been no confirmation from the government or the IBA on whether they will agree to a higher revision in wages," said the source.



## Bank strike hits services, more pain ahead

SOMESH JHA  
New Delhi, 30 May

Branch-level operations, including cheque clearance and cash deposits, took a hit on Wednesday after 1 million bank employees participated on the first day of a two-day nationwide strike called by unions demanding wage hike.

While ATM functions were not affected much, about 80 per cent were operational, some digital transactions were hit.

A total of 3.9 million instruments, including cheques and demand drafts worth ₹217 billion could not be processed by banks during the day, said C H Venkatachalam, general secretary of the All India Bank Employees' Association. The impact is expected to be similar on Thursday.

The strike resulted in the shutdown of around 85,000 branches of public sector banks and some of those of the older private sector banks, for the full day, Venkatachalam said. However, operations of banks such as ICICI Bank, HDFC Bank and Axis Bank were normal in most states.

Trade unions have opposed the Indian Banks Association's (IBA's) offer of a 2 per cent wage hike. Banks, saddled with high levels of bad loans, have expressed their inability to offer a bigger wage hike.

At least 88 per cent employees working in public sector banks did not report to work, according to a preliminary assessment report.

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## Bank strike hits services...

Bihar, Jharkhand, West Bengal and the seven north-eastern states were the worst hit.

In Madhya Pradesh, 97 per cent bank staff did not report to work, followed by Karnataka and Chandigarh (95 per cent), Gujarat (94.5 per cent) and Chhattisgarh (94 per cent).

In some states, a few branches of private sector banks were functioning. In Maharashtra, 70 per cent of the workers in private banks skipped work.

Since the strike coincides with the month-end cycle, salary withdrawals may be affected. Owing to the strike call, several government departments had credited advance salaries to employees on May 29.

According to industry body Assocham, the two-day strike called by the Union Forum of Bank Unions (UFBU), representing nine unions, will affect transactions worth up to ₹200 billion.

Branch deposits, treasury operations and money market operations could also be hit.

Bankers, however, downplayed the impact and said most of them were prepared in advance because the strike

notice was given by unions two weeks in advance. "We have alerted all our regions and will ensure that ATMs run at normal capacity. While there will be some treasury impact, a lot of operations are now digital and are unlikely to be hit," State Bank of India Chief Operating Officer Neeraj Vyas said.

A Reserve Bank of India (RBI) official told Press Trust of India that some digital banking transactions were done through electronic systems such as RTGS, but the functioning of banks' servers was severely affected. Digital banking comprised about 5 per cent of banks' total operations, the official added.

Various rounds of wage negotiations between banks and unions have failed to make headway. Bank unions have argued that the employee workload had increased "drastically" due to the implementation of the government's flagship schemes such as Mudra and Jan Dhan, as well as the demonetisation exercise. In the last wage revision in 2012, for the period between November 1, 2012 and October 31, 2017, bank employees were awarded a 15 per

cent hike.

Another point of contention for unions was the decision of six public sector banks, including State Bank of India, Oriental Bank of Commerce and Union Bank, to restrict wage negotiations to Scale-III officers, or till the senior manager level. However, bank unions are demanding a wage hike for officers up to Scale-VII, which will include general managers, deputy general managers, assistant general managers and divisional managers.

The office of the Central Labour Commissioner held a meeting with bank unions and managements on Monday. However, disappointed with the bankers' response, unions decided to go ahead with the strike. The CLC advised banks to swiftly set up a meeting with unions and offer a fresh wage hike. It also told banks to cover all officers in wage negotiations since it might "not be conducive for amicable industrial relations."

(With inputs from Gireesh Babu in Chennai and Nikhat Hetavkar in Mumbai)

