



UNION IS STRENGTH

# ALL INDIA STATE BANK OFFICERS' FEDERATION

(Registered under the Trade Unions Act 1926, Registration No: 727/MDS)

Central Office: State Bank Buildings, St. Mark's Road, Bengaluru-560 001

Registered Office: 22, Rajaji Salai, Chennai- 600 001



**CIRCULAR NO. 59**

**DATE: 04.06.2021**

**TO ALL OUR AFFILIATES**

## **PERFORMANCE LINKED INCENTIVE(PLI)**

### **SBI FINANCIAL RESULTS 2020-2021**

We have sent a Joint communique from AISBOF & AISBISF Letter Number No. 7508/18/21, dated 04/06/2021 addressed to the Chairman, State Bank of India, on the captioned subject.

A copy is enclosed for information.

Yours comradely,

**(Soumya Datta)**  
**General Secretary**

**At the Service of Members for more than 5 Decades**

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## **AISBOF**

**All INDIA STATE BANK OFFICERS'  
FEDERATION, SBI BLDGS  
65, ST. MARK'S ROAD  
BANGALORE - 560 001**



## **AISBISF**

**All INDIA STATE BANK OF INDIA  
STAFF FEDERATION  
C/o. S.B.I. Local Head Office  
Sector -17 B, CHANDIGARH -160 017**

Date: 04.06.2021

No.7508/18/21

The Chairman  
State Bank of India  
Corporate Centre  
Mumbai.

Dear Sir,

### **PERFORMANCE LINKED INCENTIVE(PLI) SBI FINANCIAL RESULTS 2020-2021**

At the outset, we place on record our appreciation to the Bank for its promptness in declaring performance linked incentive to its staff for the financial year 2020-2021 in the backdrop of the record profit earned by the Bank. The stellar performance has surpassed market expectations and has enhanced the image of the Bank as the premier financial institution of the country. It is worthwhile to mention here that the entire State Bank fraternity has lived up to the expectations and braved the crisis in spite of the heavy casualties amongst the workforce caused by the pandemic.

02. In today's challenging environment, where there is stiff competition among banks, a genuine need has been felt to allow banks to pay their employees something extra by way of encouragement as per the profitability and financial soundness of the respective banks. In order to inculcate a sense of competition and also to reward the performance, the concept of Performance Linked Incentive Scheme has been agreed upon and the same has been incorporated in the 11<sup>th</sup> BPS/8<sup>th</sup> Joint Note signed between IBA and Unions & Associations on 11<sup>th</sup> November 2020, as per the matrix as under:

Sr No	YoY Growth in Operating Profit	Number of days for which Salary (Basic+DA) Shall be paid to employees
1	<5%	Nil
2	5% to 10%	5 days
3	>10% to 15%	10 days*
4>	15%	15 days*

3<sup>rd</sup> \* and 4<sup>th</sup> \* slabs are payable only if the Bank has net Profit. If a Bank has growth in Operating Profit of 5% & more, but there is no Net Profit, the Minimum 2<sup>nd</sup> slab of 5 days will be payable.

N.B. - These are the minimum no. of days for which PLI is to be paid.

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03. The Press Release of SBI clearly indicates the Operating Profit for the financial year 2020-21 as Rs. 61,617 crore and YoY growth as 13.08%. In consonance with the above PLI matrix, it is crystal clear that the employees are eligible for minimum 10 days salary (Basic plus DA) as PLI for the FY 2020-21 as the YoY growth of Operating Profit was declared by the Bank as 13.08%. However, the Bank has actually paid 5 day's salary (Basic plus DA) to the employees as PLI which has been worked out after adding exceptional income to the operating profit which undermines the Bank's 13.08% YOY growth in operating profit for FY 2020-21 as enumerated below:

	Rs in cr		
	2019-20	2020-21	Growth (%)
Operating Profit	61,917	70,015	13.08
Exceptional Income	6,216	1540	-75.23
Operating Profit + Exceptional Income	68,133	71,554	5.04

04. We are of the considered opinion that Bank's decision to pay 5 day's salary to the employees is against the spirit and understanding in unanimously agreeing to pay PLI as incorporated in the 11<sup>th</sup> Bipartite Settlement/8<sup>th</sup> Joint Note. As per the said PLI Matrix, the employees are rightfully entitled to minimum 10 day's salary (Basic plus DA) for the FY 2020-21 based on YOY growth in operating Profit to the tune of 13.08 % as declared by the Bank in the Press Release. Instead, by adding Exceptional income, the YoY growth of operational profit has been worked out to 5.02%, for which the staff members are eligible for 5 days (BP+DA) salary as PLI, which is not tenable.


05. Sir, it would be pertinent to mention here that there is no binding on the Bank to pay PLI @ 5 days because in the 11<sup>th</sup> Bipartite Settlement/8<sup>th</sup> Joint Note, it is clearly mentioned that if growth in Operating Profit is between 5% and 10% over the previous year then minimum 5 days PLI will be paid to the staff. It clearly implies that if the operating profit of the Bank registers a growth between 5% and 10% even then they are supposed to pay minimum of 5 days. It is therefore the discretion of the bank to pay more than 5 days for which the 11<sup>th</sup> BPA/8<sup>th</sup> Joint Note will not come in the way.

06. Sir, here we would like to point-out that Bank of Maharashtra and Canara Bank have paid PLI for 15 days and it is a matter of demotivation for our personnel that even after earning record profit this year, our esteemed organisation, which is the premier financial institution of our country, is paying PLI only for 5 days.

07. In view of what has been stated above, we urge upon your good office to revisit the decision and pay PLI for minimum of 15 days instead of 5 days for the financial year 2020-21, which will definitely generate positivity amongst the entire SBI fraternity. This will go a long way in fostering further growth and development of our esteemed organisation.

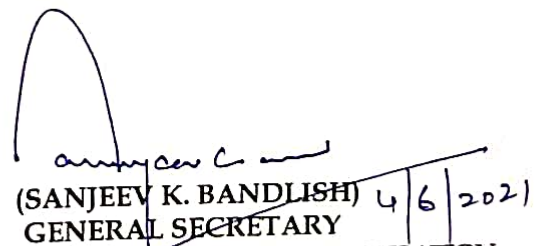
With regards,

Yours sincerely,



(SOUMYA DATTA)  
GENERAL SECRETARY

ALL INDIA STATE BANK OFFICERS' FEDERATION



(SANJEEV K. BANDLISH) 4/6/2021  
GENERAL SECRETARY

ALL INDIA STATE BANK OF INDIA STAFF FEDERATION