



NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered Under the Trade Unions Act 1926 - Registration No. B-2334)
Registered Office : C/o SBI, Local Head Office, Hyderabad.

Head Quarter : 2nd Floor, Opp. PPF & G Dept., C/o State Bank of India, Local Head Office,
Amaravati, Gunfoundry, Hyderabad - 500001. Fax : 040-23421714
GS (M) : 9849652496 Email : ncbe.ama@gmail.com

All letters to be addressed to the General Secretary

Date: 04.03.2025

NCBE/GS/2025/12

To,
Chief Executive,
Indian Banks' Association,
World Trade Centre Complex, Centre 1, 6th Floor,
Cuffe Parade,
Mumbai - 400 005.

Respected Sir,

OPPOSITION TO ENGAGEMENT OF APPRENTICES UNDER APPRENTICES ACT, 1961, IN PUBLIC SECTOR BANKS

It has come to our attention that Bank of India, Indian Overseas Bank and Bank of Baroda have recently issued notifications for the engagement of 400, 750 and 4000 apprentices, respectively, for FY 2024-25 under the Apprentices Act, 1961.

2. The primary objectives of the Apprentices Act, 1961, are:

- To support establishments, particularly MSMEs, in engaging apprentices and providing them with stipends as per prescribed rates.
- To assist establishments, especially MSMEs that lack in-house Basic Training Facilities, in setting up such facilities or partnering with external training providers to conduct the required Basic Training for fresher apprentices before they begin on-the-job training.
- Under the two categories of trades defined in the Act, banking falls under the Optional Trade category.

3. A key amendment to the Apprentices Act in 2015 granted employers the flexibility to offer industry-driven "Optional Trades" for apprentices, allowing them to create their own training courses beyond the "Designated Trades" specified by the Government of India. This model was designed to bridge skill gaps in industries facing supply-demand mismatches. However, no such mismatch exists in the banking industry. Any workforce gap results from the management's failure to recruit employees at regular intervals.

4. We express strong opposition to the engagement of apprentices in public sector banks under the Apprentices Act, 1961, as it represents a deliberate attempt to contractualize permanent jobs and undermine the hard-won rights of regular employees. While the Act aims to provide training and skill development opportunities, its application in banking raises serious concerns about employment opportunities, fair wages, and job security for aspiring banking professionals.

5. The banking sector is a critical pillar of the economy, requiring a highly skilled and knowledgeable workforce. Employing apprentices under this Act could lead to the exploitation of young professionals by offering them low stipends instead of fair wages, effectively replacing permanent job opportunities with short-term, low-paying engagements. This practice could jeopardize the employment prospects of deserving candidates seeking stable careers in public sector banks. Moreover, banking functions involve significant responsibilities, including handling financial transactions, customer service, risk management, and regulatory compliance. These roles require extensive training and long-term commitment, which cannot be adequately addressed through temporary apprenticeship arrangements. Instead of hiring apprentices, banks should focus on direct recruitment processes that provide job security, adequate compensation, and career growth opportunities.

6. Additionally, the meager stipend of Rs. 10,000/- to Rs. 15,000/-, depending on the branch category, and the uncertainty of extension raise serious concerns about data integrity and potential data loss—now considered more valuable than money. It is also crucial to highlight that employers registered under the Apprentices Act, 1961, are exempt from contributing to EPF and ESI for apprentices, further reducing employment benefits. Furthermore, engaging apprentices in core banking operations could compromise service quality and customer trust. Public sector banks must uphold the highest standards of professionalism and accountability, which may be difficult to maintain if a substantial portion of the workforce consists of temporary apprentices with limited experience.

7. We urge the concerned managements to reconsider this practice. While the National Apprenticeship Promotion Scheme (NAPS) is a government initiative, the banking sector is highly sensitive, where public trust is of utmost importance. Instead, we call upon management to prioritize stable employment opportunities in public sector banks. Fair recruitment policies will not only strengthen the banking workforce but also contribute to economic stability and social welfare. The National Confederation of Bank Employees (NCBE) remains steadfast in protecting the interests of banking professionals and job seekers. We demand the immediate withdrawal of advertisements for apprentices and a commitment to the direct recruitment of qualified candidates for permanent positions.

8. Please acknowledge receipt of this communication and advise us the developments in this regard.

With best regards

Yours sincerely,



(L. CHANDRASEKHAR)
GENERAL SECRETARY