



ALL INDIA BANK OFFICERS' ASSOCIATION

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TO

ALL UNITS / STATE COMMITTEES

Dear Comrades,

**BANKING IS NEEDED AND NOT THE BANKS –
CONTROLLER OF BANKING SYSTEM ECHOES.
GOVERNMENT'S APPROACH
TOWARDS PRIVATISATION OF PUBLIC SECTOR BANKS.
LOSS OF JOBS ABSOLUTELY VISIBLE.
JOB SECURITY SHALL BECOME A DISTANT DREAM**

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The central nerve system of any economy is based on the Banking activities of that particular country. In our country, Public Sector Banking has entered the 50th Year of its purposeful existence. We, the banking workforce, are the main contributor to make banking available to a common man of our Nation. Public Sector Banks have certainly contributed for opening nearly 37 crores of accounts with a deposit of more than Rs.1,00,000 crores under the Financial Inclusion exercise initiated by AIBEA from the 27th Conference of AIBEA from Kerala and the Government could get the idea given from the Conference as their pet project. In implementing the Demonetisation exercise from November 10th 2016 to December 30th 2016, banking workforce out stretch themselves, to perform, unmindful of the cost and consequences to them. Even the overtime claim for that period is yet to be settled by some of the banks.

2. Right from the introduction of the Nationalisation of Banks bill in 1969, the lone member who was objecting the move was late A.B.Vajpayee representing the Jansangh in the Parliament. Today. One of the new generation Private bank is in crisis. To bail out the same, Global branded State Bank of India, has offered its services to Yes Bank. Every time when the Private Sector Banks are/were in deep crisis, due to mismanagement of the affairs in dealing with the Public money, Public Sector Banks have extended their arms to save the deposits of the Public. To quote few PSBS, which have extended

their services are: **State Bank of India, Central Bank of India, Bank of India, Union Bank of India, Oriental Bank of Commerce , Punjab National Bank and IDBI.** The authorities have used, misused and abused their powers and pushed those banks into deep crisis. One of the top most reason, is the system of recovery of the Bad loans from the wilful defaulters. Government of India, instead of enacting strict recovery laws, they are hell bound to extend velvet method treatment. As on 31st December 2018, the **NCLT** disposed off 23 cases, in which the claim made was around Rs.1,35,000 crores and the settlement by judgement was just Rs.74000 crores that with lot of concessions in repayment. Straightaway Rs.61,000 crores have been charged to Profit and Loss account of the Banks. **The slogan best suited to the situation is Nationalisation of Losses and Privatisation of Profits.**

3. The global Branded Bank SBI had swallowed its own subsidiaries in phases: 2008; 2010; and 2017. The net result of such exercises so far witnessed are; **Rise in Bad loans, Fall in Profit earning, Closure of Branches in the name of Rationalisation of Branches, non-filling of vacancies: and halt on recruitment.** In spite of the bitter lessons and experiences, still the Government is in a fast forward movement to complete the process of Public Sector Banks through mergers. The last merger exercise was with effect from 1.04.2019, it had its toll on Bank of Baroda, which is run by outside consultants engaged by the then MD and CEO, having gained the experience from a Foreign bank. Technology integration of the three banks will take at least another 18 months. The new concept of “**Bank in Branch**” has been experimented thereby pushing the loyal customers to shift to private Banks. Now, another 6 banks have been proposed to be merged with 4 banks wef from 01.04.2020. Man is being replaced with machines ie. **Artificial Intelligence (AI).** The banks experimenting AI are SBI, Canara Bank, HDFC etc,

4. Mr.Uday Kotak, Chairman and MD of Kotak Bank, who heads the revival plan of ILFS, advocates that government should reduce their stake below 50% in Public Sector Banks. He prescribes a formula of SIX – THREE – THREE. ie SIX in Public Sectors, three should have a government equity holding of below 50% and the rest should have Public-Private ownership category. While advocating this formula, he has forgotten an aspect that against Rs.60,000 crores capital infusion over a period of 10 years the dividend pay out to Government of India was Rs.64,000 crores besides income tax paid was around Rs.130000 crores. **Which Industry gives 300% return on the capital invested?**

5. Successive struggles launched by the Union in our Industry right from 1997 against the reforms policy of the Governments had certainly stone walled their moves during the last 22 years. The present government at the Centre is bent upon to handover the profit earning public sector undertakings including Banks to private hands. The transfer of funds from RBI to Central Government Rs.1,76,000 crores contributed by the Public Sector Banks

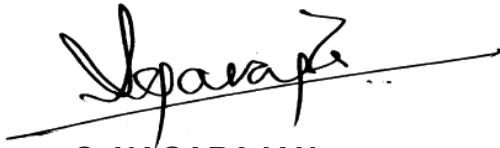
to bridge the budget deficit is well known fact to common man of our Nation. The recent budget announcement of dilution of government / stake in LIC and proposed withdrawal totally from IDBI bail out exercise are aiming to handover the financial Institutions to Private entities. Hence, the blue print to exit from Public ownership of Institutions is loud and clear. Amendment to Labour laws facilitating the private owners to experiment hire and fire is also on the fast forward movement.

Hence, the present notification issued by the Government of the merger of 6 banks with other 4 banks, without Parliament approval is also intriguing. Belittling the Temple of Democracy is the present Government's new art of denying the recognition to Parliament. Therefore, the joint struggle with AIBEA is in right direction, as decided in the meeting held at Bengaluru.

MAKE THE JOINT STRIKE BY AIBOA AND AIBEA A MASSIVE SUCCESS.

With greetings,

Yours comradely,



**S. NAGARAJAN
GENERAL SECRETARY**

**NEVER, NEVER, NEVER QUIT,
IT IS ALWAYS BETTER TO FIGHT
AND LOSE RATHER BE A LOSER
WITHOUT FIGHTING AT ALL**

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**Mangaluru
11.03.2020**

Sd/-
**(Suresha Hegde S.)
GENERAL SECRETARY**