



NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered under the Trade Unions Act 1926 - Registration No. B-2334)

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All letters to be addressed to the General Secretary

CIRCULAR NO.05

Date: 02.03.2021

TO ALL AFFILIATES & MEMBERS

Dear Comrades,

- **Our present struggle against privatisation of Public Sector Banks**
- **Solicit support to our demands and struggle**

We reproduce hereunder the Circular No. UFBU/2021/05 Dated the 2nd March 2021 issued by Com. Sanjeev K. Bandlish, Convenor, United Forum of Bank Unions (UFBU), for information of all affiliates and members.

With revolutionary greetings,

Yours sincerely,

(SANJEEV K. BANDLISH)
GENERAL SECRETARY

"In our endeavour to solicit the support of political parties, trade unions, Members of Parliament, eminent public personalities, intellectuals, etc., we have already addressed our representation to many of them. However, it would be more effective if we meet such leaders in person and solicit their support.

Hence it is suggested and requested that locally in all centres our union representatives should personally meet the political leaders, trade union leaders, MLAs, MPs, other prominent persons, etc. in the respective places and submit our representation to them and seek their support to our struggle.

The UFBU's Representation to be submitted to them is enclosed herewith. This representation is to be handed over to them along with your own covering letter.

It is further suggested that these leaders may be requested to issue their Statements, or address letter to PM/FM, or give us their write up, etc. Members of Parliament are to be requested to raise our issue in the Parliament in a manner they deem appropriate.

Photographs/reports of such meetings with these leaders are to be sent to us for our records and information.

With revolutionary greetings,"

To

Dear Sir / Madam,

Reg: Nationwide Bank Strike for Continuous 2 Days on 15th and 16th March, 2021 against the proposed privatization of Public Sector Banks – seeking your fraternal support.

You are well aware of the aggressive and adverse economic policies being pursued by the Central Government. As a part of these policies, they have been pursuing banking reforms policies which are retrograde.

Proposed Privatisation of Public Sector Banks - WE OPPOSE

Though country attained independence in 1947, it remained backward economically. Basic and broad-based economic development was the need of the hour. But unfortunately, the then Banks, which were all in private hands and many of them owned by big industrial and business houses, did not come forward to contribute in the process of development.

Agriculture sector, Rural and Cottage Industries, Small Industries and Business, which were the mainstay of our economy and other pivotal sectors of the economy remained neglected. Nationalization of Banks and bringing them under Public Sector became very critical and crucial for giving impetus to country's growth and progress.

In this background, 14 major private Banks were nationalized in 1969 and 6 more in 1980. State Bank of India, its Subsidiary Banks, as well as the Regional Rural Banks, and the nationalized banks became the sheet-anchor of national economic development. Banks started reaching out to the common masses, bank branches started to be opened in rural areas and remote villages, precious savings of the people were mobilized and brought into banking system. Hitherto neglected sectors like agriculture, employment generation productive activities, poverty alleviation programmes, rural development, health, education, exports, infrastructure, women empowerment, small scale and medium industry, tiny and micro industries, etc. became the priority sector and focused attention of Banks.

Class Banking was transformed into Mass Banking and the common man and deprived section of society could access, convenient and safe banking services. Economy got boosted and there were many large strides and achievements in the past 5 decades.

Public Sector Banks are the very vehicles of our economy's growth and development. PSBs have become the trustees of people's savings and the repository and depository of the people's confidence. Public Sector Banks are the reservoirs to irrigate the economic development in our country. Public Sector Banks contribution to make the country's self-sufficiency is immense as they played pivotal role in all revolutions like green, blue, dairy etc. Public sector Banks not only unshackled the farmers, landless labourers and the rural populace from the clutches of money lenders, but also provided much required credit which made rural India a strong component of country's economy. Today's major infrastructural development has the highest contribution from Public Sector Banks.

Public Sector Banks are earning huge Operating profits, as can be seen hereunder:

Operating Profits of Public Sector Banks – at a glance

Year	Total Operating Profits
2009-10	76,945 crore
2010-11	99,981 crore
2011-12	1,16,337 crore
2012-13	1,21,839 crore
2013-14	1,27,632 crore
2014-15	1,38,064 crore
2015-16	1,38,191 crore
2016-17	1,59,022 crore
2017-18	1,55,690 crore
2018-19	1,49,804 crore
2019-20	1,74,336 crore

Instead of further strengthening public sector banking, the present policies are aimed to weaken PSBs, by starving them of the required capital, human resources, through disinvestment and proposed privatization. Weakening our public sector banks is unwarranted, unjustified and regressive step. We demand strengthening of Public Sector Banks, by adequate infusion of capital, human resources and strengthened statutory framework to recover the stressed assets.

The Government has made announcement to privatise the Public Sector Banks in the recent budget session. The nationalization of private banks in 1969 and 1980 are watershed events. Bank Nationalization, led to private banks being pressed into the service of the Nation; Public Sector Banks took birth, ushering in new era of next-door, trusted banking services to the citizenry.

This resulted in exponential growth of bank branches; making available much needed funds to the credit starved sectors like agriculture, small, village and cottage industries, small entrepreneurs, share croppers, deprived section of society, liberating them from the slavery to money lenders.

Public Sector Banks became pivot on which the progress of the country revolved. Today's rural/semi-urban India prosperity, infrastructural facilities, industrial advancement and the improved standards of life of common man is the result of the dedication of Public Sector Banks.

In the garb of efficiency, and mis-conceived policy to shrug of the responsibility, Government has embarked upon privatization of Public Sector Banks.

It is irrefutable that "privatization" neither brings efficiency nor the safety. Around the world innumerable private banks have failed. It is a myth to believe that only "privates" are efficient. If private enterprises are epitome of efficiency, there should not have been any NPAs from large private corporate entities at all. The NPAs/stressed assets of the banking industry belong to private large corporate which incontrovertibly, unquestionably demonstrates that private enterprises does not denote efficiency.

Public Sector Banks are nation builders. They have humungous value of assets, and lakhs of crore of funds with them. It would be irrational and retrograde decision obviously with an ulterior motive to place the huge network of bank branches, infrastructure and assets of Public Sector Banks in the hands of private enterprises/business houses or corporates.

This would incontrovertibly result in denial of easy, next door and safe banking to the populace of the country. This would also result in denial of convenient, economical banking services to the common man.

This is regressive inasmuch as it turns the clock back to class banking from mass banking. This would also pave the way for monopoly and cartelization.

This is a retrograde measure for a developing country like ours where banking network needs to be spread further, with a sense of social responsibility also, which would be highly lacking if banks are privatized.

Public Sector Banks are the life line of the country. They should remain so. We strongly oppose any move to privatize public sector Banks. The public sector banks belong to the billions and billions of citizenry and we oppose any action to hand them over to the billionaires.

Retrograde Banking Reforms – WE OPPOSE

We have been opposing misplaced, retrograde banking reforms that were introduced in the year 1991 for the reason that these measures are aimed at privatization of public sector banks, than enabling them to be stronger.

The intent has now been clearly exhibited by the demonstrated actions of the government through its discrimination in capitalization, dilution of stake in PSBs, irrational policies encouraging Private Sector Banks, attempts of privatization, allowing licenses of Small Banks and Payments to private corporate, blaming the Public Sector Banks alone for the alarming position of NPAs, showing them in poor light.

Instead of tightening the laws to recover the large NPAs, laws like Insolvency and Bankruptcy Codes have been promulgated forcing hair-cuts upon PSBs in the garb of "NPA Resolution".

Despite opposition from the trade unions, stakeholders in the banking industry, the Government is unrelenting and continuing the misplaced reforms at neck-breaking speed.

As important stakeholder in Banking Sector, we owe a pious duty to the citizenry of the country to guard the Public Sector character of Banks in order to ensure safe, economic and easy access of banking facilities, sans exploitation, to the common man of the country and not to place the humungous assets, network of bank branches and lakhs of crore rupees in the hands of private corporate/businessmen and the business houses. Hence, we oppose any ill-conceived reforms in banking space.

We have been demanding stringent measures to recover the large corporate stressed assets which are the cause of concern to the Banks, including strong recovery laws and taking criminal action against wilful defaulters. Government has not exhibited its firm willingness to implement these possible, plausible and implementable measures.


On the other hand, Government is seriously continuing the retrograde reform measures ignoring the real menace in the banking industry i.e. mounting bad loans and the growing list of Wilful defaulters. Wilful default by large corporate borrowers, imposed hair-cuts through ill-conceived Insolvency and Bankruptcy Code, has resulted in heap of write offs, making dent on the balance sheet of Public Sector Banks. This has not only affected the profitability of the banks, but has become an *alibi* to allege inefficiency. The hard work of dedicated bank personnel has been constrained to go in vain.

There is an urgent, decisive and imperative need to bring in suitable statutory framework to consider wilful default of bank loans as "Criminal Offence" as this can alone deter such wilful default, consequential NPAs and strengthen Public Sector Banks to enable the country to achieve overall development. Equally, there is also urgent need for framework to examine the accountability of Board level/top executives. These will deter NPAs in the Banks.

It has, therefore, become inevitable for the United Forum of Bank Unions to convey our protest and draw the attention of the Government and Bank managements through agitational programmes and strike action to convey our protests and the Government.

You have been consistently fighting against the Government's various retrograde policies. We earnestly request all of you to extend your support to our demand and agitational programmes.

Yours sincerely,


(SANJEEV K. BANDLISH)
CONVENOR
