



# NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered Under Trade Union Act, 1926–Registration No.B-2334)

Registered Office & Head Quarters:

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**CIRCULAR No.32**  
**TO ALL MEMBERS:**

**Date: 28.04.2012**

## **FINANCIAL INCLUSION vis-a-vis LOSS-MAKING BRANCHES**

We reproduce hereunder the full text of our Letter Nos.NCBE/GOVT/PM/2012/57 & NCBE/GOVT/FM/2012/58, dated the 16<sup>th</sup> April, 2012, addressed to Dr. Manmohan Singh, Hon'ble Prime Minister and Shri Pranab Mukherjee, Hon'ble Finance Minister, Government of India, New Delhi, respectively on the captioned subject, the contents of which are self-explanatory.

**(M.V. MURALI)**  
**GENERAL SECRETARY**

NCBE/GOVT/PM/2012/57  
Dated: 16.04.2012

Dr. Manmohan Singh,  
Hon'ble Prime Minister,  
Government of India,  
**NEW DELHI.**

NCBE/GOVT/FM/2012/58  
Dated: 16.04.2012

Shri Pranab Mukherjee,  
Hon'ble Finance Minister,  
Government of India,  
**NEW DELHI.**

Respected Sir,

## **FINANCIAL INCLUSION vis-a-vis LOSS-MAKING BRANCHES**

"We are deeply pained with the newspaper report that Shri D.K. Mittal, Financial Services Secretary, has indicated in the recent press conference at Confederation of Indian Industry event in New Delhi that "the Government is making efforts for evolving a new strategy for loss-making branches of public sector banks and insurance companies which includes relocation of branches and even scaling down staff as primarily the branches have been set up to earn and if there are loss making branches, the Government have to relook them".

It is known that the banking services are in the nature of a public good and it is essential that the availability of banking services to the entire population without discrimination is the prime objective of public policy of the Government. More particularly when the entire public sector banking system in the country is on the social path and moving towards universal financial inclusion, that too by strictly and sincerely following the directives of the Government/ Reserve Bank of India, which is not only a national commitment but also a public priority policy for our country, we are at a loss to understand the logical reason behind the purported move of the Government as stated above.

The process of Financial inclusion, with the public sector banks in the driving seat, ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost, has become one of the most critical aspects in the context of inclusive growth and development, thereby fulfilling the expectations of poor people in the security and safety of deposits, low transaction costs and convenient operating time.

It will not be out of context to mention here that the public sector banks, over a period of time serving the nation with the objective of social banking under the directives of the Government, have made enormous contribution to the economic development of the country. Multiple steps like the priority sector lending, lead bank concept, establishment of regional rural banks (RRBs), service area approach, self-help group-bank linkage programme, etc., have been taken up by the public sector banks over the years to increase access to the poorer segments of society.

At a time when banks are effectively moving towards financial inclusion, the road that India needs to travel towards becoming a global player, which will result not only in increasing employment and business opportunities but also will act as a source of empowerment and allow people to participate more actively in the economic and social process, the proposed ill-fated move of the Government is totally unwarranted and would in all respects jeopardize the public sector banking system, which saved the country from the destructive effect of global recession. It would also result in irreparable damage to the entire workforce due to the resultant drastic reduction of employment opportunities.

Further, with the encumbrance of social banking on the business of public sector banks, with the Government objective to ensure availability of banking facilities to the entire population through enhanced network of branches with a target of minimum one branch for each group of 2000 population, the Public Sector Banks, which are in the forefront in implementing the policies of the Government had to open more number of branches in rural areas. It is quite natural that profits would drain and the bank branches concerned, which are truly and spiritually in the social path, would be well within the list of loss-making branches.

We categorically lodge our protest against the dangerous, ill-motivated and hidden moves of the Government towards closure of branches in the guise of relocation and retrenchment of workmen in the pretext of achieving profits while enforcing social banking, on the other side, through public sector banks.

We request you to kindly intervene and do justification to the entire public by preventing the above-mentioned anti-public moves and safeguard the public sector banking system in the country which was introduced aiming at saving oriented economy and which has insulated the economy of the country from the evil effects of recent global recession – which is an undisputed reality of the situation.

We sincerely hope for your kind intervention and favourable action in the matter.”

Yours sincerely,

**Sd/-  
(M. V. MURALI)  
GENERAL SECRETARY**

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NATIONAL CONFEDERATION OF BANK EMPLOYEES::::::::::::::::::::::::::ZINDABAD !  
OUR SOLIDARITY::::::::::::::::::::::::::ZINDABAD !  
OUR UNITY::::::::::::::::::::::::::ZINDABAD !