



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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**TO ALL OFFICE BEARERS, STATE FEDERATIONS AND
ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

**GOLDEN JUBILEE – 50TH ANNIVERSARY OF
BANK NATIONALISATION - 19TH JULY, 1969 -2019
CELEBRATE THE OCCASION AND TAKE THE PLEDGE
TO DEFEND PUBLIC SECTOR - DEFEAT PRIVATISATION**

19th July, 2019 marks the 50th Anniversary – Golden Jubilee of Bank Nationalisation in India. When Madam Indira Gandhi took the bold decision to nationalise the major 14 private Banks, it became a watershed decision in the political history of our country. Banks which were hitherto owned by big industrial houses and big business houses became Public Sector Banks. Bank Nationalisation ushered in a new path and direction to banking sector in our country.

Banks were not only owned by the rich, but they also catered to the rich sections only. But nationalisation opened the doors and banks started to reach the common masses. Branches have been opened in the unbanked rural areas and villages. Common people were able to open bank accounts and access banking services. Poor people could get bank loans. People could save their hard-earned savings in public sector Banks. Earlier, their savings in private banks were in danger because many private banks collapsed and people lost their savings.

In the last 50 years, nationalised banks have come a long way in reaching the common masses of our country. Today, to a great extent, class banking has transformed to mass banking. Nationalised Banks have contributed immensely to national economic development. Hitherto neglected sectors like agriculture, employment generation, poverty reduction, rural development, education and health, became priority sectors. Green revolution, white revolution, etc. can be solely attributed to bank nationalisation only.

Due to nationalisation, Banks have grown into very large financial institutions catering to all segments of the industry and every section of the society. Banks have been able to instill faith in the people and thus

Banks could augment huge savings of the people. Today Bank Deposits have crossed Rs. 125 lac crores. It is a very significant achievement.

Similarly Banks have been able to extend loans to all economic needs from industry, trade and commerce to agriculture, employment creation and micro-economic activities. Total Bank credit today is more than Rs. 95 lac crores.

Compared to the earlier scenario where Banks existed only in urban towns, after nationalisation, Banks have opened Branches in remote rural villages and hamlets taking banking services to all sections of the people including the poor. Today we have more than 1 lac branch outlets of the banks.

While these positive contributions of the nationalised banks are inspiring, there is need to further strengthen and expand our Banks to making accessible to every Indian citizen. But in the last more than two decades, because of the influence of prescriptions of globalisation and liberalisation, public sector banks have been under the impact of banking reform measures of the Government.

The successive Governments have been trying to dilute and weaken the role of public sector banks and attempts are afoot to privatise the Banks to hand over the Banks to private corporates and vested interests. Adequate capital is not being subscribed by the Government thus forcing the Banks to beg before private sector to fulfill capital adequacy criteria.

Instead of expanding the banking system to reach each and every one and make it further inclusive, the Government's policy is merger and consolidation. Mergers are shrinking the banking space through closure of branches yet further mergers are contemplated.

Corporate loans and loans to big industries continue to eat up the major portion of total bank credit but Priority sector loan targets are not achieved. All types of concessions are being given to the big ticket borrowers. Small borrowers continue to face hassles in getting loans from the Banks.

Bad loans and NPA are the villains today. It is more than Rs. 13 lac crores. The Government is not serious about 'recovery' of these loans. They are talking of 'resolution'. IBC is their latest mantra. But already Banks have suffered huge haircuts and sacrifice because of resolutions under IBC. When Banks suffer huge haircuts, one can imagine who benefits out of these 'resolutions'!

Small borrowers including agriculture loanees, retail borrowers, students who have availed education loan, etc. are harassed and pressurised but the corporate delinquents get a velvet treatment. Scheme after scheme is devised to rescue the big defaulters.

Our demand for publishing the names of these defaulters and to take criminal action is still eluding any positive response from the Government. Obviously, one can understand the nexus between these defaulters and political authorities.

Because of the mountain-like bad loans which are increasing year after year, the Banks are compelled to provide all their profits towards provisions for bad loans.

For example, during the year 2015-16, total Operating Profits of public sector banks were Rs. 136,900 crores but provisions for bad loans, etc. was Rs. 160,000 crores. During 2016-17, total Operating Profits were Rs.159,000 crores but provisions were Rs. 168,000 crores. For the year 2017-18, total Operating Profits were Rs. 155,600 crores and provisions were Rs. 271,000 crores. For the year ended 31-3-2019, only 5 Banks are in net profit and all other banks are in red because of bad loans and provisions thereon.

What is worrisome is that while such huge concessions to the defaulters are on the increase, the general banking public are being penalized to compensate the losses. Service charges, penalty charges for not maintaining minimum balance, ATM charges, credit card charges, debit card charges, cheque book charges, the list goes on. Common banking customers are being taxed and punished for the sins of the big defaulters.

We all want a prosperous India. We all want a vibrant economy. We all want India to become a strong nation. In this, our Banks have a great role to play. They can play this role, provided they are in public sector. Private sector Banks have their own narrow profit making orientation. Public sector banks have the social orientation. Hence our public sector banks have to be further strengthened.

Banks deal with people's money. People's money should be utilised for people's welfare and not for private corporate loot. Banking should become a fundamental right of every citizen. Banks should become the main engine of growth and development.

Thus, when we celebrate the 50th Anniversary of Bank Nationalisation, banking sector is at the crossroads. Banks are facing multiple challenges. Call the dog mad and shoot it seems to be the approach of the policy-makers.

But we need to reverse these policies. We need to reject these policies. We need to repulse these policies. We need to resist these policies. We need to repeal these policies. We need to fight back so that they retract these policies.

Defending public sector banking is a patriotic task. Defeating privatisation moves is a patriotic task.

In AIBEA, we are proud because we fought for nationalisation of Banks. We are proud that we campaigned and struggled for nationalisation of Banks. We are proud that we fought and achieved nationalisation of Banks. We are equally proud that for the past more than two decades, we are continuously fighting back all offensives on public sector banking.

We need to continue this struggle. We need to intensify our efforts. We need to broad-base our actions to enlist wider support to the cause.

In this background, we call upon all our unions, all over the country to celebrate the occasion befittingly.

Programmes:

- a. Badge Wearing on 19th July, 2019.**
- b. Pledge Taking on 19th July, 2019.**
- c. Mass meetings at all levels between 5th July to 25th July, 2019.**
- d. Customer meetings, explaining to beneficiary groups, etc.**
- e. Massive Conventions in Mumbai, Delhi, Kolkata, Chennai, Hyderabad, Bengaluru.**
- f. Conventions/meetings in all State Capitals, major towns.**
- g. Leaflets in regional languages.**
- h. Display of posters, banners, placards, etc.**

Comrades, plan and prepare from now on. Make the programmes a success.

With greetings,

Yours Comradely



**C.H. VENKATACHALAM
GENERAL SECRETARY**