



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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**TO ALL OFFICE BEARERS
STATE FEDERATIONS & ALL INDIA UNIONS**

Dear Comrades,

**AITUC Working Committee meeting adopts Resolution
against current offensives in the banking sector**

Working Committee meeting of All India Trade Union Congress was held in New Delhi on 8th and 9th November, 2025. Among various other Resolutions, the AITUC meeting adopted a Resolution against the current offensives and policies of the Central Government in the banking sector. We furnish hereunder the text of the Resolution for the information of our units and members.

Resolution on Banking and financial sector

The Working Committee meeting of AITUC being held at Delhi on 8th and 9th November, 2025 is seriously concerned about the various developments in the banking sector and financial sector.

Financial sector is the backbone of the country's economy. Banks are important institutions because they deal with people's savings. In those days, all the Banks in our country belonged to private owners and big business houses like Tatas were owners of Central Bank of India and Birlas owned UCO Bank. But these private banks were concerned only about earning profits. They were utilising the funds in the banks for their own business purposes. Banking services were available only for the rich and affluent.

Hence arose the demand for nationalisation of the Banks. Besides the Communist Party and AIBEA, AITUC was in the forefront of the campaign demanding nationalisation of banks. Due to these efforts, 14 major private banks were nationalised in 1969 and another 6 banks in 1980. Thus, 90% of the banking sector came under public sector. Since then the banking profile has totally changed in our country. In 1969, there were only around 8500 branches, but today we have more than 85,000 branches of the PSBs. Savings of the people have been mobilised in a big way and utilised for lending including for priority sectors like agriculture, employment generation, small and medium industry, etc. Green revolution, white revolution, etc. are the impressive achievements of our PSBs.

But due to advent of new economic policies, there have been changes in the policy of the government in favour of privatisation. The present BJP/NDA government has been aggressively pursuing this policy with greater intensity.

For General insurance companies, government has already decided that these companies can be privatised. In LIC, government has started disinvestment. Government wants to allow FDI in insurance sector upto 100%.

In the banking sector, scenario is the same. Government has announced that to begin with two banks will be privatised in addition to IDBI Bank.

IDBI Bank deals with more than Rs. 3 lac crores. It is earning profits every year. Government and LIC together control 94% of the Bank's capital. Yet, government wants to sell this bank.

Now Government is talking of merger of public sector banks to make them big and world-class banks. But our earlier experience is that merger has not improved their efficiency, on the other hand, many branches have been closed. Yet, government wants to go for further merger of banks.

Government also wants to allow 49% FDI in public sector banks. Today the ceiling on FDI is 20%/ Allowing 49% FDI with equal voting rights would imply that foreign investors will be in the management of our Banks. Social lending will be discarded and loans will be given only to earn higher profits. Rural branches will become a casualty. Hence this is one more retrograde move.

Further it is observed that the government is encouraging take over of our private banks by foreign investors. For example, Lakshmi Vilas Bank was sold to DBS Bank of Singapore. In Catholic Syrian Bank, investment has been allowed from Canada and hence they are now controlling the bank. Recently, in Ratnakar Bank, major share capital has been decided to be sold to National Bank of Dubai from the Emirates. In Federal Bank, capital has been allowed from New York, USA. In Yes Bank, 25% of capital has been allowed to SMBC Japan. Private banks in our country today have Rs. 85 lacs crores as Deposits. Now foreign investors will be able to control this huge savings of the people. Thus, it is another attack in the banking sector.

Even in the Regional Rural Banks and in the Co-op. Banks, Government has decided to allow private capital. The agenda is to allow private and foreign investors to utilise and plunder the precious public savings of our people. In the total banking sector, there is more than Rs. 250 lac crores of public savings.

Instead of taking stern action on the companies and their owners for not repaying the loans to the Banks, the Government is forcing the banks to sell the bad loans for concessional price and hence banks are made to sacrifice large amounts. In the last 10 years from 2014, public sector banks have earned Gross profits of about Rs. 21 lac crore. Out of this, about Rs. 18 lac crores has been provided for writing of bad loans and thus the net profit was only around Rs. 3 lac crores.

This Working Committee meeting of AITUC is of the view that privatising, liberalising and allowing foreign capital in the banking industry is totally unwise and not in the interest of our economy and our people and hence demands of the government to halt and stop these adverse policies and pursue pro-people banking policies.

With greetings,

Yours Comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY