



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS
(FOR CIRCULATION TO ALL MEMBERS)**

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 17
By Prof. Saugata Roy, Member of Parliament**

Privatisation of Banks is not good for our country – Prof. Saugata Roy

All India Bank Employees' Association invited Prof. Saugata Roy, who was formerly Minister of Central Government on two occasions, once during United Front Government under Charan Singh and again in 2009 during UPA II under Dr. Manmohan Singh, for their webinar. He is a senior Parliamentarian in the Lok Sabha from Trinamool Congress and he was invited to address the AIBEA's ongoing National Seminar series to share his opinion and experiences on the theme of People's Money for People's Welfare.

Gist of his lecture: Speaking on the occasion, Prof. Saugata Roy thanked AIBEA for inviting him to address in the webinar series organised to commemorate the 52nd anniversary of Bank Nationalisation. He conveyed his best wishes to the members of AIBEA and said that AIBEA has been the prime organisation of bank employees, being the prime mover in improving the service conditions of the bank employees and also highlighting the ills afflicting the banking industry and since its foundation, it started demanding and agitating for the nationalisation of banking sector. After 23 years of struggles, on 19th July, 1969, 14 major banks were nationalised.

He nostalgically recalled the days when he was a student union leader in Congress in 1969 and how they took to streets to celebrate the nationalisation of banks. Now, after 52 years, the branch network has expanded exponentially, deposits and advances increased in an exemplary manner since nationalisation. When the public sector banks were the major players till 1991 when India embraced liberalisation policies and the Government of India brought the amendment to Banking Regulation Act to disinvest its holding in the public sector banks till 51%. But, when the Vajpayee government tried to reduce its stake upto 33%, there were protests everywhere and ultimately with the defeat of BJP-NDA government in 2004, the bill lapsed.

The problems of the public sector banks are the piling bad loans. However, the government instead of enacting methods to recover the bad loans, has introduced Insolvency and Bankruptcy Code (IBC) that favoured only the

corporate defaulters and banks had to suffer huge write-offs in the name of "hair-cuts". The Government is not disclosing the names of the willful corporate defaulters. However, AIBEA has disclosed the names of willful corporate defaulters more than once. All banks are doing well but for the corporate bad loans.

But, the government is trying to privatise the public sector banks, disinvest LIC and to privatise one general insurance company. The government is trying to sell the family silver for a song.

At present, banking system has 12 public sector banks and many private banks besides the cooperative banks and, regional rural banks. The government has been introducing social schemes but they have been implemented in full by only the public sector banks. Jan Dhan Yojana, Mudra loan scheme, etc., are examples of such schemes.

What is the road ahead? The Government of India has taken a decision to privatise two public sector banks. But, we have to fight against the privatisation of banking system. If the banks are privatised, it will not be able to take care of the poor people. We know the case of Mehul Choksi, Nirav Modi and how they cheated Punjab National Bank. We also know the case of Vijay Mallya, who cheated State Bank of India, IDBI Bank and other public sector banks. We also know about the involvement of Mrs. Chanda Kochchar of ICICI Bank in Videocon scam and it speaks amply about the functioning of private sector banks.

The credit given to agriculture, priority sector from the public sector banks is well known while the private sector banks eye only on profits. The social banking is possible only through public sector banks. When FRDI Bill was brought in, AIBEA appeared before the Standing Committee on Finance, and explained in detail about the ills of the FRDI Bill that was ultimately withdrawn.

He said that in the fight against privatisation, he and his party would be supporting AIBEA. The stalwarts, who spoke in favour of nationalised banks and who opposed privatisation attempts, for example, Com. Gurudas Dasgupta, are not on the floor of the Parliament. Many of the new Members of Parliament do not know about how the public sector banks helped to improve the economy of the country especially in rural areas. He said that fight is the only alternative and said with the support of people of the country and progressive political parties, AIBEA would emerge victorious in the fight against privatisation.

Com. Partha Chanda Joint Secretary of AIBEA coordinated the programme and proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY