



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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TO : ALL UNITS AND MEMBERS :

Dear Comrades,

Observe 50th Year of Bank Nationalisation 19th July, 1969 – 2018

19th July, 2018 marks the 50th Year of Bank Nationalisation. 49 years ago, in the year 1969, it was on this historic date of 19th July, the Government brought the Ordinance nationalising the 14 major private Banks in our country. Since then the Banks have chartered a new course linking banking industry with the overall national economic development. Shedding their baggage of class banking, Banks transitioned to mass banking and became effective instrument of economic transformation. Banks became the engine of basic economic growth and development.

Bank branches proliferated and banking became accessible to the common man. Neglected needs and sectors like agriculture, employment generation projects, small scale industry, rural development, health and education, women empowerment, poverty reduction, etc. became the priority sector. White revolution and green revolution became a reality and possibility because of massive bank loans.

The contributions of public sector banks in the last 49 years has been remarkable, outstanding and sumptuous. The precious savings of the people have been mobilised and augmented into the Banks. These resources have been made available for national development. Though their contributions have been commendable and laudable, instead of further expanding and strengthening public sector banks, for the past 25 years, from the year 1991, the Government has been pursuing their policy of banking reforms aimed at weakening and diluting the role of public sector banks and their objective is to privatise and hand over the Banks back to the corporates, business houses and capitalists. Due to the continuous struggle of bank employees, privatisation of banks could be thwarted so far but the attempts continue even now.

Today, Banks have entered a crisis zone. On the one hand Banks have mobilised huge savings of the people and on the other hand huge amount of loans given to the corporates are stuck up as non-performing loans. Instead of taking tough action and recovering the loans from them, they are being given concessions and concessions. Profits earned by the banks are eaten away by provisions made for bad loans.

When thousands of villages do not have banking services, what is needed is expansion of banks and more branches to be opened. But they are talking of consolidation, amalgamation and merger of Banks and closure of Branches.

Government has admitted in the Parliament that as on December, 2017, there are 9063 corporate borrowers who are wilful defaulters and owe Rs. 1,10,050 crores to the Banks. These are deliberate cheaters and deserve to be proceeded with criminal action. But regrettably, they are being bailed out in the name of Insolvency and Bankruptcy Code and are being relieved of their delinquency and loan liability. The result is that Banks are forced to bear the brunt of the huge losses. That is why find that for the year ended 31-3-2018, while the Banks had earned a total Operating Profit of Rs. 1,50,149 crores, they have landed up a total Net Loss of Rs. 85,370 crores. Rs. 2,83,672 crores have been provided from the profits towards bad loans.

While the corporate defaulters are being extended such velvet treatment, the burden is being transferred on the shoulders of the poor bank customers. Service charges and penalties are being imposed on them to pay for sins of corporate loan defaulters. Adding insult to injury Government is proposing to pass the FRDI Bill aimed at empowering RBI to offset the deposits of the people to adjust the losses of the Banks caused due to corporate defaulters.

In this scenario of multiple offensives against Public Sector Banks, the Bank Nationalisation Day this year assumes special significance. We call upon all our units to observe the Day befittingly with the following programmes.

- **Mass meetings, Seminars, Rallies etc. during the week 16th to 22nd July.**
- **Display of posters at all Bank Branches**
- **Distribution of leaflets in local languages to customers in bank branches about achievements of public sector banks and the need to safeguard them**

- ◆ **Let us all hail : Nationalisation of Banks**
- ◆ **Let us demand : Strengthening of public sector banks**
- ◆ **Let us oppose : Privatisation of Banks**
- ◆ **Let us demand : Stringent measures to recover bad loans**
- ◆ **Let us demand : Nationalisation of ICICI Bank and all private Banks**
- ◆ **Let us Pledge : Better customer services to the common people**

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**