



Canara Bank Officers' Union[Regd.]
[AFFILIATED TO ALL INDIA BANK OFFICERS' ASSOCIATION]
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CBOU: 02 2019

DATE : 18 01 2019

**THE EXECUTIVE DIRECTOR
CANARA BANK
HEAD OFFICE
112 J C ROAD
BANGALORE 560 001**

Respected Madam

Sub : EMPLOYEE SHARE PURCHASE SCHEME.

We understand that our Bank has devised a scheme for purchase of Bank's share by employees under Employee Share Purchase Scheme (ESPS). It is also requested by our bank to all the employees to open their Demat Account through Canara Bank Securities Limited on line through SAS Package.

In this connection, we wish to bring the following for your kind information.

- 1. Our organisation is an affiliate of All India Bank Officers' Association (AIBOA) and our apex organisation has directed all our members **not to purchase banks share** under any scheme and the circular of AIBOA is enclosed herewith, the contents of which is self explanatory.*
- 2. We as an affiliate of AIBOA conveyed to our members to follow the directiojns of our apex organisation AIBOA*
- 3. It is learnt from our representatives at Circle levels that some of the Circle Executies/Regional Executives are forcing the work force to open demat account for facilitating the subscribing the purchase of Banks Shares.*
- 4. As the exercise is itself contrary to the directions of AIBOA, it would be proper on the part of the Administration to direct the Circle Heads not to exercise undue pressure on our members as the whole exercise is purely voluntary and not mandatory.*

A line of confirmation would be highly appreciated.

Thanking you

Yours faithfully

**M A SRINIVASAN
GENERAL SECRETARY**



ALL INDIA BANK OFFICERS' ASSOCIATION

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Circular No.1/VII/2019
January 7, 2019

TO
ALL Units / State Committees

Dear Comrades,

EMPLOYEE STOCK PURCHASE SCHEME: DILUTION OF GOVERNMENT' S CAPITAL.

Government of India, as a part of New Economic Policy promotion, right from 1992-93, had fallen a trap to Liberalisation, Privatisation and Globalisation ie. LPG. There were recommendations by the Standing Committee for Finance to reduce the Government capital in Public Sector Banks from the present level of 51% to 33%. However, the earlier Government, after returning to power in 2004, the first open declaration made by Dr. Man Mohan Singh was to retain the Government Capital upto 51%, thus the Public Sector character of Banks are still now maintained.

2. The capital can be acquired through three ways : [a]. Thro' Profit Generation [b]. Government providing Capital [c]. Acquiring the capital from the Markets. As bad loans are increasing, provisioning towards that, eat away the profit thus capital is not increased through internal Generation. Government has taken a stand that there are not in a position to provide from the Budget, a policy decision. The avenue available to shore up the capital is to acquire from the market. Before resorting to that exercise some of the banks have now started to float the scheme of Employee Stock Purchase Scheme. Before releasing the capital to the banks, majority unions were compelled to sign a MOU with the Management and in turn submitted to Government for receiving the capital support. There was not even a mention about the move now exercised by the Bank.

3. By purchasing the shares of the Bank by employees, Bank management talk of Sense of commitment to the Bank. They talk about employees' contribution for the progress of the Bank. Further, they talk of sense of feeling ownership. They talk about the sense of belonging to the Bank. They also talk of selling the shares for making profit. These expressions are nothing but enticing the workforce for subscribing to the ESPS.

4. AIBOA, strongly rejects the proposal of the various Bank managements of ESPS. It is nothing but backdoor privatisation of the Public Sector Banks. Instead of initiating steps to recover the Bad loans from the wilful defaulters, these attempts are noting but diverting the attention of the workforce.

Our Organisation directs the workforce not to subscribe for the ESPS proposed by the Bank managements. Don't lend your hands to privatise the Public Sector Banks.