



STATE BANK OF HYDERABAD STAFF ASSOCIATION

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ALL THE MEMBERS:

Dear Comrades,

We reproduce hereunder the CIRCULAR LETTER NO. 27/43/2013/55, dated: 15th December, 2013, issued by our National Organization – AIBEA for your information,

With Greetings,

Yours Comradely,

(JAGDISH M BHAVTHANKAR)
GENERAL SECRETARY

Dear Comrades,

AIBEA'S MEETING WITH PRIME MINISTER

After our massive Parliament Morcha and Public Rally on 11th December, 2013, from AIBEA, we met the Prime Minister Dr. Manmohan Singh in the evening in his residence. The meeting was arranged with the help of Com Gurudas Dasgupta, General Secretary, AITUC, who was also present during our meeting with the Prime Minister.

We submitted our memorandum to the Prime Minister and explained the various issues raised by us during the Morcha. He received our delegation warmly and heard our views patiently. He assured to go through our memorandum and also refer the issues to the Finance Minister and RBI.

The text of the memorandum is furnished herein for the information of our units and members.

With greetings,

Yours Comradely,

C.H. VENKATACHALAM
GENERAL SECRETARY

AIBEA'S MEMORANDUM :

11th December, 2013

**To
Dr. Manmohan Singh,
Hon. Prime Minister
Government of India
New Delhi**

Dear Sir,

On behalf of All India Bank Employees' Association and our half a million members, we submit this memorandum to you on matters relating to the Banking sector seeking the attention of your high office and suggesting necessary action thereupon.

Transformation of banking under public sector : You are well aware that with the nationalisation of major private Banks in 1969 ushered in by the then Prime Minister Indira Gandhi, the whole banking scenario has undergone a change and the character and profile of banking industry has metamorphosised. Class banking has been greatly transformed into mass banking and the achievements of the public sector banks since then in the last four decades have been phenomenal.

	15th Aug. 1947	19th July 1969	31st March 2013
Total Deposits	Rs. 1019 crores	Rs. 4646 crores	Rs. 69 lacs crores
Total Advances	Rs. 424 crores	Rs. 3600 crores	Rs. 54 lacs crores

Thus, the achievements of the Banks in augmenting the savings of the people or in extending credit has been unprecedented. It is perhaps a world record.

Public Sector banking – the safety valve: In the recent years, when in country after country including in the USA, the banking sector faced serious crisis and many Banks collapsed like pack of cards, our Banks in India were highly insulated from the crisis and continued to perform well. Today it is acknowledged by everyone that our Banks were saved from such peril and catastrophe only because our Banks were in Public Sector. It would not be out of place here to mention that our Association had been consistently fighting in defence of public sector banking and against all attempts of dilution thereof.

Need for expansion of Public Sector Banks : In such a scenario and backdrop, it is obvious that our public sector banks have to be further expanded to not only reach the remaining populace of our country but also to take banking services to everyone. We are of the opinion that the Government's agenda of total financial inclusion cannot be achieved without adequate expansion and strengthening of our public sector banks.

De-regulation and liberalisation – not the way: But we are disturbed to observe that in the name of banking sector reforms, what is sought to be done is to actually reverse the clock by liberalising the banking sector and diluting the regulations. When our Banks are dealing with the huge and precious savings of the people, safety of their money and better use of the same for equitable economic development becomes significantly important. Hence there is an urgent need to review the reform measures in the banking sector and adopt a course-correction approach.

Steps to be taken: Banks are nation-building institutions and they must remain so. If the objective is to subserve the goals of bank nationalisation enunciated by the late Prime Minister Mrs. Indira Gandhi, if the objective is to enable our Banks to be engines of growth and progress, if banks have to fully reach the mass of this country, we strongly feel that banking sector, particularly the public sector, should be further strengthened and the following steps are to be taken in this regard:

- a. **Present banking sector reforms are to be halted**
- b. **Public Sector Banks should be further strengthened.**
- c. **Corporate houses should not be given banking license.**
- d. **Government's equity in the Banks should be increased and private equity capital in the PSBs should be reduced**
- e. **Mergers of Banks should be abandoned.**
- f. **Foreign Banks should not be encouraged.**
- g. **More and more rural branches should be opened in all the villages**
- h. **Private Business Correspondent model should be reviewed and wound up.**
- i. **More credit should be given to agriculture and other priority sectors**

- j. **GDP: Debt ratio should be significantly enhanced.**
- k. **Priority sector loans should be given at further concessional rates**
- l. **Stringent measures to recover bad loans**
- m. **List of big loan defaulters should be made public**
- n. **Loan defaulters should not be allowed to hold public office**
- o. **Provisions made for bad loans not due to lack of diligence should be funded by the Government.**
- p. **All private and foreign Banks should be brought under public sector**
- q. **Regional Rural Banks should be merged with the sponsor Banks**
- r. **Efforts to merge Associate Banks with SBI should be given up.**
- s. **Associate Banks should be given autonomy and de-linked from SBI.**
- t. **Agricultural Rural Development Banks should be further re-vitalised.**
- u. **Profits of Co-op. Banks should be exempted from Income Tax.**
- v. **Primary Agri. Co-op. Societies should be allowed to continue.**
- w. **The assured capital for the ailing District Co-op. Banks in Uttar Pradesh should be released**
- x. **Daily Deposit Collection scheme should be further expanded to cover micro banking services including recovery of small loans, etc.**
- y. **ATMs should not be outsourced and provided with regular and permanent security staff.**
- z. **Adequate recruitments should be made in the Banks and outsourcing of permanent jobs should be stopped.**

Right to Banking – to be a fundamental right: In our country where more than 60 crores of people do not have a Bank account and where 85 % of the people have no access to banking credit, unless the Government can ensure that right to banking becomes a fundamental right, the fulfillment of the dream of financial inclusion will remain far away.

Yours faithfully,
Sd..

**C.H. VENKATACHALAM
GENERAL SECRETARY**