



STATE BANK OF HYDERABAD STAFF ASSOCIATION

(Regd No. 269)

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CIR. NO. SA-CO/61/2014

Dated: 06.09.2014


ALL THE MEMBERS:

Dear Comrades,

We reproduce hereunder the Circular dated: 05.09.2014 issued by our National Organization – AIBEA for your information.

With Greetings,

Yours Comradely,


(JAGDISH M BHAVTHANKAR)
GENERAL SECRETARY

CIRCULAR TO ALL UNITS AND MEMBERS

5-9-2014

Dear Comrades,

- **OBERVE “ ALL INDIA DAY ” ON 15th SEPTEMBER, 2014 - PROTEST AGAINST THE PROPOSAL TO PROP UP LOCAL AREA SMALL PRIVATE BANKS - OPPOSE THE OSTENSIBLE MOVE TO HAND OVER LOCAL AREA BANKING TO PRIVATE HANDS – THE BANK MAY BE SMALL BUT HAVOC WILL BE HUGE – HENCE TO FIGHT BACK**

Our units and members are aware of the various attempts of the Government and the RBI to push through banking reform measures in one way or the other. The basic idea is to dilute and dismantle public sector banking and boost up private sector banking. These offensives are going on for the past two decades and from AIBEA and AIBOA we have been consistently fighting against such machinations. We have been able to build up intensive campaigns, agitations, struggles and strike actions against all these measures. We can also legitimately feel proud that due to all these persistent efforts, the speed with which these reform measures were proposed to be implemented, could not be of such dimension as planned. But we know that the Government is on their heels to somehow get their agenda implemented.

As expected, the present NDA/BJP Government at the centre is pursuing the same policy. In their election manifesto also, they have said that they would pursue the banking reforms further. We have observed in their recent Budget that the Government wants to go ahead with further privatisation moves by allowing more private capital by not allocating any funds for capitalisation. The Government has also announced their proposals for merger of PSBs. Already RBI has announced its scheme for granting licenses to corporates and industrial houses. Further RBI has announced their Guidelines on setting up of Small Private Banks and Payment Banks. Thus there is a concerted attempt to hand over our banking sector more and more to private hands.

In this background, it was been decided by AIBEA and AIBOA, we should fight back these attacks and offensives. Hence it was decided to observe the following programmes.

26-08-2014	ALL INDIA ANTI MERGER DAY
15-09-2014	ALL INDIA DAY AGAINST SETTING UP OF SMALL PRIVATE BANKS
25-09-2014	ALL INDIA DAY AGAINST SALE OF BAD LOANS INSTEAD OF RECOVERY OF LOANS
15-10-2014	ALL INDIA DAY DEMANDING MERGER OF RRBs WITH SPONSOR BANKS

Anti Merger Day was already observed on 26th August, 2014 through demonstrations, rallies etc.

BUILD UP THE BATTLE AGAINST SETTING UP OF LOCAL AREA SMALL PRIVATE BANKS - OBSERVE ALL INDIA DAY ON 15TH SEPT. 2014:

All of us would recall that in the year 1996, the Government of India proposed to set up large number of LOCAL AREA PRIVATE BANKS with a view to hand over the local banking services to private hands. From AIBEA & AIBOA, we unleashed a massive campaign and struggle and immediately thereafter, we gave the call to fight back this attempt. Because of that struggle, this attempt was virtually thwarted and foiled and Government could not proceed in the matter in a big way. As though turning from the grave, once again, this idea is being resurrected with a different name. Now they call it SMALL BANKS and PAYMENT BANKS.

Earlier on Narasimham Committee Report, 1998 recommended setting up of small local Banks in private sector. In 2009, Raghuram Rajan Committee Report also emphasized that Small Banks in private sector should be started. Last year, in 2013, RBI's discussion Paper on Banking Structures also spoke of the same thing. In the recent Budget, the FM had given the green signal and immediately, RBI has come out with its Guidelines in this regard.

RBI GUIDELINES AND 'SMALL BANKS' AND 'PAYMENT BANKS' in PRIVATE SECTOR

" SMALL BANKS " in Private Sector : RBI Guidelines	
GUIDELINES	- Will be under Companies Act, 2013.
OBJECTIVES	i) Accepting Deposits ii) Loans to small business units, small farmers, micro industries, etc.
WHO CAN START	Individuals, Professionals, NBFCs, Micro Finance Institutions, Local Area Banks can be converted as Small Banks.
AREA	Contiguous Districts in one or more States
CAPITAL	Rs.100 crores (minimum 40% from promoter). FDI can be allowed as per Government Policy.
"PAYMENT BANKS" in Private Sector - RBI Guidelines	
GUIDELINES	Payment Banks will under Companies Act.
OBJECTIVE	<ul style="list-style-type: none"> ▪ To provide small savings accounts. ▪ To provide payments / remittance services to low income households, migrant labour workforce, small business, other unorganised sector entities.
WHO CAN	<ul style="list-style-type: none"> ◆ NBFCs, Corporate Business Correspondents, Mobile Telephone Companies, Super Market Chains, Companies,

START	Real Sector Co-operatives.
ACTIVITIES	❖ Acceptance of Deposits (Current & Savings) upto Rs.1 lac per customers, Payments and remittances through branches, BCs, Mobile Banking, etc., Accepting cash at one end and payment at other end, Payments at point-of-sale locations, Issuance of prepaid payment instruments, Interest banking, Functioning as Business Correspondents of Banks.
CAPITAL	Minimum of Rs.100 crores. (Minimum 40% by promoter). FDI can be allowed.

Once these Guidelines of the RBI on Small Banks and Payment Banks are put in place, there will be mushrooming of various individuals and private agencies to start these private Banks. In the urban and metro areas, they are trying to push in private corporates to start Banks and in the rural and local areas, they are trying to hand over the banking services to small private agencies. The idea is to dilute and relegate the expansion of public sector banks. The idea is provide an all-pervasive space for the private sector in the Banking industry.

To convey our concern, express our protests and focus our demands, let us observe **15th SEPTEMBER, 2014** as **ALL INDIA DAY AGAINST SETTING UP OF LOCAL AREA PRIVATE BANKS** as under:

1. Extensive postering campaign
2. Letters to be addressed to Governor, RBI by all units on 15-9-2014 (draft letter will be sent separately)
3. Massive Demonstrations in all State Capitals and other important centres during lunch time or in the evening on 15-9-2014.

OUR DEMANDS
✓ STOP LICENSE TO START LOCAL AREA SMALL PRIVATE BANKS
✓ STOP LICENSE TO START PAYMENT BANKS
✓ OPEN MORE BRANCHS OF PUBLIC SECTOR BANKS
✓ EXPAND AND STRENGTHEN PUBLIC SECTOR BANKS

Yours comradely,

S. NAGARAJAN
GENERAL SECRETARY
AIBOA

C.H. VENKATACHALAM
GENERAL SECRETARY
AIBEA

POSTER: posters should be immediately got printed by all our Federations and unions and displayed before all bank branches

ALL INDIA DAY

AGAINST SETTING UP OF

LOCAL AREA SMALL BANKS

AND PAYMENT BANKS

IN PRIVATE SECTOR

15TH SEPTEMBER, 2014

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ALL INDIA BANK EMPLOYEES' ASSOCIATION
ALL INDIA BANK OFFICERS' ASSOCIATION

