



Association of Officers of UCO Bank
(Registered under the Indian Trade Unions Act, 1926)
Affiliated to All India Federation of UCO Bank Officers (AIFUCBO)
An Affiliate of All India Bank Officers Association (AIBOA)

Circular No. 123/2018-21

June 7th, 2020

TO ALL THE MEMBERS

REG: AN APPEAL TO HALT THE ARTICULATION OF IDEAS TO STIMULATE THE VIEWS ON PRIVATISATION OF THREE PUBLIC SECTOR BANKS.

We reproduce hereunder the full text of circular no. AIBOA/CIR/2020-21/15 dated June 7, 2020 issued by Com. Mahesh Gupta, General Secretary, All India Federation of UCO Bank Officers, wherein, Federation reproduced the text of AIBOA Letter NO MIN:RBI:62:2020 dated 04/06/2020, addressed to Hon'ble President of India, on the captioned subject for information of all concerned.

Comradely Yours,

Yours truly,

Ajoy Kumar Mondal
General Secretary

Quote

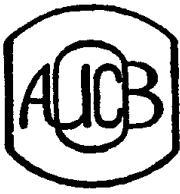
Dear Comrades,

REG: AN APPEAL TO HALT THE ARTICULATION OF IDEAS TO STIMULATE THE VIEWS ON PRIVATISATION OF THREE PUBLIC SECTOR BANKS.

We reproduce herein the text of AIBOA Letter NO MIN:RBI:62:2020 dated 04/06/2020 written by Com. S Nagrajan, General Secretary of AIBOA, to Hon'ble President of India on Privatisation of three Public Sector Bank.

With Regards,

(M K Gupta)
General Secretary



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Quote

**Hon'ble President of India,
Government Of India,
NEW DELHI
110001**

Respected Sir,

**REG: AN APPEAL TO HALT THE ARTICULATION OF IDEAS TO STIMULATE THE
VIEWS ON PRIVATISATION OF THREE PUBLIC SECTOR BANKS.**

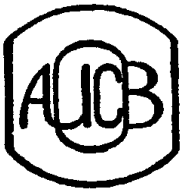
This communication is addressed to you, as the custodian of the Public Sector Banks, and it is necessary to place the information appearing in the print media/digital media about the articulation of strong ideas of privatisation of three Public Sector Banks. It is also aired that the idea had been mooted by NITI AAYOG and the purpose of the same was to save the taxpayers' money.

2. To quote the relevant facts of the three banks, viz. **Punjab and Sind Bank** was founded on **24th June 1908** by leading lights of Punjab. Late Vir Bhai Singh, Sir Sundar Singh Majitha and Sardar Tarlochan Singh. The motto of the trios was to uplift the weaker section with social commitments to lead a normal life in those days.

Bank of Maharashtra was founded on **16th Sept 1935** by the business leaders of Mahratta Chamber of Commerce led by one Late A.R.Bhat, who was a visionary. It was founded in the background of the failure of Banks in Bombay Province and Bank of Maharashtra was the one founded outside the then Bombay during the culmination of first world War fuelled into a great depression.

Indian Overseas Bank was founded on **10th Feb 1937** by a Business leader of that time, late M.Ct.M.Chidambaram Chettyar from the Southern State. IOB was having the foreign branches 5 nations viz. Singapore, Hongkong, Thailand, Sri Lanka and South Korea. This was one of the banks amongst the 14 banks nationalised on **19th July 1969**.

The Punjab and Sind Bank and Bank of Maharashtra were nationalised on **14th April 1980** and **19th July 1969**, respectively, by acts of the Parliament.



3. BUSINESS FIGURES OF THE THREE BANKS AS ON 31ST MARCH 2019.

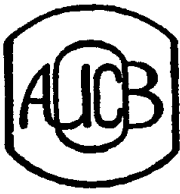
(IN CRORES)

ITEM	NAME OF BANK	DEPOSITS	ADVANCES	INVESTMENTS	PROFITS	NON PERFORMING ASSETS.
1.	Punjab and Sind Bank	98558	69176	26173	1397	8606
2.	Bank of Maharashtra	140650	82666	59697	2198	15324
3.	Indian Overseas Bank	222534	132598	66932	5034	33398

4. The above mentioned three banks are serving to the customers prominently in three states- Punjab, Maharashtra and Tamil Nadu respectively. All three were established in pre-independent India. As on date, the majority shares in these banks are held by Government of India. **These three banks were nationalised in two phases ie 19th July 1969 and 14th April 1980, by an act of the Parliament.** Any attempt to dilute the equity below the 51% will be detrimental to the Public Sector Character of Banking, which should consciously be pushed back.

5. PUBLIC SECTOR BANKS ARE THE SAVIOURS OF PRIVATE SECTOR BANKS:(Between 1993 and till date)

Kerala based Nedungadi Bank Ltd, 106 years old Private Sector Bank was taken over by Punjab National Bank; Western Maharashtra based United Western Bank Ltd was taken over by IDBI Bank; Hyderabad based Global Trust Bank was taken over by the Oriental Bank of Commerce; Recently, it was the Globally placed Bank State Bank of India came forward to bail out the new Generation Private Sector Yes Bank. **All the**



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debacles were because of use, misuse and abuse of financial powers vested with the promoters of these banks.

6. CONCLUSION:

Public Sector Banks are considered to be the central fulcrum of the developmental economy of any nation. Our Nation is not an exception. The role of the Public Sector banks in implementing the Government-sponsored schemes needs specific and special mention in particular in opening and operation of Jandhan Accounts right from August 2014 and Direct Benefit Transfer scheme to benefit the migrant workers, The five-stage stimulus package announced by the Government of India surely implementable through Public Sector Banks only. Public Sector Banks are nation Building Instruments. These are to be preserved, protected and promoted. The regional and also religious feelings of the customers attached with these three banks are also to be taken into consideration. **The expected growth of the economy is going to be not encouraging(minus) due to COVID-19, we fervently appeal to you as a custodian of the Public Sector Banks, not to allow any step by the NITI AAYOG aired view to be taken for implementation.**

AIBOA, and its membership, steadfastly discharging the call of the Nation during the COVID-19, as the financial sector warriors. In this background of the dismal precarious situation of Nation, any message tricking down from Government of India department will lead a lot of adverse situation and fueling unrest in the bank clientele and also in the banking workforce.

Please restore the confidence of the People of India and also appeal to you to preserve the Public Sector Banking in our Nation, which made the banking available to common citizens of this nation.

Yours respectfully,

**S.NAGARAJAN
GENERAL SECRETARY**

Unquote