



All India RRB Officers' Federation (AFFILIATED TO AIBOC)

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All Affiliates/ Members
(Please re-circulate)

BOOK RELEASE

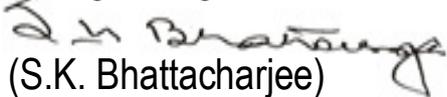
We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 16 dated 3rd May, 2018.

QUOTE

I am forwarding a circular drafted by our comrades of Corporation Bank Officers Association for your information please.

UNQUOTE

With greetings,



(S.K. Bhattacharjee)

GENERAL SECRETARY

TEXT

Book Release – Reforming the Indian Public Sector Banks – The Lessons and Challenges

“The burning issue today in the country is banking. The unions need to be bold and articulate on issues related with banking. They have to play the role of the whistle blower effectively.

We have seen three self-congratulatory pieces of writing intended for self-glorification authored by three of former Governors of RBI. In contrast, the book that has been released today is bold, candid and has come at a time most relevant,” said Smt. Sucheta Dalal, Founder Trustee, Moneylife, Mumbai. She was addressing a distinguished audience consisting of bankers from various PSBs, functionaries and veterans from bank unions, present and former top brass of a few PSBs at a programme organized by Corporation Bank Officers’ Organisation at the Speakers Hall at Constitution Club of India, New Delhi after releasing a book titled ‘Reforming the Indian Public Sector Banks – The Lessons and the Challenges’, which has been authored by Sri T R Bhat.

“Banking industry is suffering due to huge NPAs because the Corporate India has not been repaying their loans. Privatisation is not a solution for this. There is no accountability on these borrowers. Depositors must demand accountability as their funds are at stake. Write off of loans is a biggest scandal and tax-payers’ money is misutilised to recapitalize the banks after these write-offs and huge provisions. AIBOC is a powerful union. It takes proud and strong stands on relevant issues. One such issue is Aadhaar – which is not a banking task at all,” she said further.

The function held on 9th April was presided over by the President of CBOO, Ekanath Baliga. Satish Shetty, General Secretary, CBOO and EC Member of AIBOC explained the background under which the programme was organised. Sri Bhat has authored an autobiographical experience in Kannada on the days he was leading CBOO. The book was released in a function organized by CBOO in 2015. There was a request to translate it into English for enabling a larger readership. The present book is a compendium brought out of his rich, three decades of experience in banking as emerging from a trade union angle. This could be an effective reference book in future, he said.

General Secretary of AIBOC, Franco D T was the Guest of Honour. Addressing the audience, AIBOC General Secretary congratulated Mr. Bhat for bringing out a relevantly documented book on the developments in the banking industry along with valid suggestions to take the industry forward.

“At a time when a few of the Western educated/influenced ideologues express apathy over the Public Sector character of Indian banking, the book is an eye-opener on the relevancy of Public Sector Banks, the strengths of PSBs and their enormous contribution to the nation. The latest development of the Reliance Jio Payment Bank with State Bank as a junior partner, is a danger in the banking Industry. A group which owes the banking industry more than Rs.1,76,000/- crore will convert the name of State Bank of India into Reliance Bank of India one day, if one reads the history of Indian Petro Chemical Corporation Ltd., which lost its very identity within years of ceding a minority share to the Reliance group.”

“A few years ago, when negative information was spread twice, there was a near run on ICICI Bank and State Bank and other PSBs were marched to save the ICICI Bank. But either when three PSBs were declared weak a decade back or when Nirav Modi fraud struck PNB, there was run on these banks. This depicts the confidence of the public in PSBs and the public sector character of banking in India will stay,” he said.

The author of the book, Sri T R Bhat, former Vice President of AIBOC and former Chairman of CBOO explained the background with which the book was brought out with the support of the publishers, M/s. Gyan Publishing House, New Delhi. "It is necessary to know what transpired during earlier reforms. The actual commencement of banking reforms was 1968 as a result of which Bank nationalization took place in 1969. The banks owned by the Government have contributed to the economic growth enabling easy access to finance. But failures in bank administration were manifest through scams and frauds. Successive Governments did not act on the reports and recommendations of committees set up after the scams and frauds.

Reforms have not been translating the goals into reality. Consolidation of banks is not a solution for the present crisis as size is not a guarantee for quality or stability. Utterances of privatization are knee-jerk reactions. These proponents of privatization seem to have forgotten the GTB (declared as a model for future banking by the then Finance Minister, Sri Manmohan Singh) experience. Present developments at the ICICI Bank are an eye-opener. 10 private sector banks have lost their existence after the reforms set in motion after 1991- most merged with Public Sector Banks. There is a lot of strength in PSBs which Government has not harnessed properly. The Government must prioritise attending to the governance issues especially appointment of Directors more specifically Officer and Workmen Directors and honest introduction of (the missing) autonomy for the PSBs," he said.

Ekanath Baliga, President of CBOO expressed his happiness for being a part in the launching of the book at the capital city. At a time when some vested interests are threatening the PSB concept, the book throws light on the relevance of it, its history and growth and the failures of the owner to do better.

" A malicious campaign is let loose against the PSBs. When a massive fraud took place in the stock market, it was named as Harshad Mehta Scam. When another similar fraud was inflicted, it was called Ketan Parekh Fraud. But in respect of the present mis-hap, it is publicized as PNB Fraud and not Nirav Modi Fraud. In quite contrast, when it come to ICICI Bank, the same media, press and authorities call it as 'ICICI Bank- Vediocon Loaning irregularities!' This is the mindset to degrade the PSBs.

Even the Government is not acting straightforward. They want PSBs for implementing Government schemes – be it Jan Dhan, APY, Bima Yojana or Demonetization. But it does not support the PSBs with same righteousness. On the one side, Government is tacitly supporting the voices for privatization – they want to hand over banking to private sector. On the other, they want PSBs to undertake Aadhaar enrolment as they do not believe the private agencies which have been doing it till now. A copy of the present book must be sent to the PSB baiters like Nandan Nilkeni, Arvind Panigariya and Aravind Subramaniam apart from DFS and Finance Minister so that they will understand the evolution of Public Sector and other relevant aspects of Indian banking," he said.

Vice President CBOO and Vice President, Delhi State AIBOC, Sri Anil Pahwa welcomed the gathering in the beginning. Sri Munna Raja, Circle Secretary, CBOO proposed vote of thanks. Sri Anil Wats, Corporation Bank compeered the programme.

Former President of AIBOC, Sri K D Khera, former General Secretary of AIBOC, Sri Harvinder Singh, Former Chairman & Managing Director of Corporation Bank, Sri S R Bansal, Executive Director of Punjab & Sindh Bank, Sri Fareed Ahmed formed a part of the audience apart from Sri Debashish Ghosh, Senior Vice President, Sri Sunil Bansal, State Secretary, Sri Ravindra Gupta, Joint General Secretary, Sri Prakash Karotia, President, Syndicate Bank Officers Association and Sri Pankaj Kapoor, BOIOA.