

ALL INDIA BANK OFFICERS' CONFEDERATION



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To All Affiliates (Please circulate)

Dear Comrades,

FOUR OFFICERS' ORGANISATIONS DENOUNCE THE GOVT POLICY OF EXTENDING UNDUE FAVOUR TO PRIVATE SECTOR BANKS BY LIFTING EMBARGO ON GOVT BUSINESS

We reproduce below the text of the press release dated 25.02.2021 from the Four Officers' Organisations on the captioned subject.

With revolutionary greetings,

(Soumya Datta)
General Secretary

Date: 25.02.2021

PRESS RELEASE

FOUR OFFICERS ORGANISATIONS DENOUNCE THE GOVT POLICY OF EXTENDING UNDUE FAVOUR TO PRIVATE SECTOR BANKS BY LIFTING EMBARGO ON GOVT BUSINESS

The four officers' organisations in the entire banking industry viz. AIBOC-AIBOA-INBOC-NOBO express their outright opposition and strong anguish over the decision of the Central Government to lift embargo on grant of government businesses, including government agency businesses to the private sector banks. The press release of the Finance Ministry and tweet of the Hon'ble FM have shocked the entire banking fraternity. Most disturbingly, Finance Minister has announced in unambiguous terms that private sector banks would be equal partners and the Government's social sector initiatives which were hitherto open majorly to state run banks and to only a few private banks, would now be accessible to all banks in private sector space.

Ironically, private banks are enjoying various exemptions such as priority sector lending norms, expansion of bank branches in rural / semi-urban areas, agricultural lending and so on, whereas banks in public sector space are required to comply with various norms relating to priority sector, agricultural loans, weaker sections etc. set by Reserve Bank of India. The insignificant number of Jandhan accounts opened by private sector banks vis-a-vis the public sector banks speak volumes of their commitment to uplift the poor and unorganised section of citizens.

Since PSBs are required to lend to the borrowers from priority sector at a much lower interest rate etc., they will always be at disadvantageous position compared to their private counterparts, who are neither statutorily nor legally required to play under administered pricing regime and therefore, do not lend at uncompetitive rate of interest lower than the market rate even while financing a tractor to a farmer. Opening up of the government business to such private players would thus enable them to garner float funds for augmenting their profits at the cost of much distress to poorer sections of our society.

Most importantly, the Prevention of Corruption Act, 1988, the Central Vigilance Commission Act, 2003, RTI Act etc. are applicable to public sector banks. They are always under the scanner of Central Vigilance Commission (CVC), which is considered as the apex organisation for exercising general superintendence and control over vigilance matters in administration and probity in public life. For this purpose, the officers of PSBs are treated as public servants, while Chief Vigilance Officer (CVO) is appointed in all PSBs, who works as liaison officer between the bank and the Commission as also between the bank and the CBI. All these provisions are not applicable in case of the private sector banks. Therefore, allowing these private banks to handle government business would lead to a situation of absence of accountability on the part of the officers and personnel of such banks.

Under the circumstances, and the banking sector being one of the strategic sectors of our national economy, we are alarmed at the unfortunate announcement made by the Finance Minister.

The four officers' organizations will go to any extent to thwart implementation of such anti-people policy of the Government.

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General Secretary
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(Nagarajan S)
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AIBOA

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(Prem Kumar Makker)
General Secretary
INBOC

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(Viraj Tikekar)
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NOBO