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State Bank of India Officers' Association (Patna Circle)

All Letters to be
Addressed to the
General Secretary

Regd. No. 1872 of 1975
(REGISTERED UNDER TRADE UNION ACT - 1926)

State Bank Building
West Gandhi Maidan
Patna - 800 001

CIRCULAR NO. **04** /2016

DATE : 20.04.2016

TO,
ALL MEMBERS

**GOVERNMENT IS TESTING WATERS PRIVATISATION IS STARING AT OUR
DOORS IDBI EMPLOYEES AND OFFICERS ON WARPATH**

We reproduce hereunder the text of the **AISBOF Circular No. 49 dated 04.04.2016**, contents of which are self-explicit.

With warm greetings,

(Ghanshyam Pd. Srivastava)
GENERAL SECRETARY

OUR UNITY : ZINDABAD-ZINDABAD
S.B.I.O.A. : ZINDABAD-ZINDABAD

TEXT

**GOVERNMENT IS TESTING WATERS
PRIVATISATION IS STARING AT OUR DOORS
IDBI EMPLOYEES AND OFFICERS ON WARPATH**

The history of IDBI is very interesting. The Reserve Bank of India had two arms under its control the one was for the rural advances under the control of NABARD and the other one was the IDBI for the industrial growth of the country. To-day, the IDBI is the youngest public sector bank in the country. The IDBI was confined to refinancing of the Industrial lending by the bank and it was considered as a specialized activity for the growth of the industrial sector in the country. The breeze of reforms which affected several institutions under the financial sector also affected the banking operations which was being done under the direct control of the Reserve Bank of Indian keeping the development of the economy of the country. The RBI was also reluctant to extend the same treatment to the employees and officers of these two arms controlled by them and was awaiting appropriate opportunity to push them out in the process. Thus, the IDBI was separated and became a universal bank doing all the activities that banking

institution can take up in the country. Though the core area of the IDBI was industrial financing, it had to compete in the market as that of any Public Sector Banks with a very little experience but were doing extremely well and there was no cause for triggering the privatization alarm in the IDBI. According us it is only an experiment that the Government is making to test the water and also the resisting capacity of the employees and officers in the banking industry.

2. The IDBI has made a very substantial progress in their performance ever since it became a universal bank and was looking forward to become one of the capable competitors amongst the public sector banks. The requirement capital

is a common phenomena in the banking industry whether a Public Sector Bank or a Private Sector Bank. The Government has received by way of dividend from all the Public Sector Banks and the IDBI was not an exception. It is in this background, the agitation of the employees and officers is worth supporting by the entire workforce in the banking industry. The IDBI when it was established it was the first of its kind in the entire Asian continent and it received appreciation for its great contribution to the industrial growth of the country from several countries in particular the third world countries. It has equally fared well when it was converted as a universal under the ownership of the Government of India as a Public Sector Bank.

3. The employees and officers in the banking industry are closely watching the developments in IDBI. There is a need to the entire trade union fraternity to come together and raise their voice of revolt against the sinister design of the Government of India to privatize the IDBI for want of equity. It is worth recalling that when the employees and Officers in IDBI went on strike action against the declaration of the intention of the Ministry of Finance which compelled the Government to announce that it will not dilute the equity of the Government to less than 51% and thus the employees were happy that the IDBI would remain as a public sector banks. However, in course of the budget speech the Finance Minister in his eagerness to declare about the reorganization of the banks and the intention of the Government to reduce the number of banks through privatization etc., and made mention of the reduction of equity of IDBI to less than 50% indicating the initiation of the process of privatization of the Bank. The Management has also taken up the campaign for the privatization of the bank in particular the senior executives of the Bank which led to a series of protest action from the rank and file across the country. These developments have caused a serious anxiety and frustration amongst the employees and officers in IDBI and they decided to launch a series of action program culminating in 4 days strike during the end of the March 2016. The United Forum of Unions in IDBI was formed for a greater unity amongst the unions in the IDBI and to pursue their struggle opposing the sinister design of the Government in the direction of privatization of the IDBI. The UFBU in IDBI is getting support and response from the entire fraternity of trade unions, the political parties, the Parliamentarians and have been able to campaign against these developments in an effective manner.

4. The Management and the Government did try all tricks to sabotage the strike. They sought the intervention of the Court with a view to get the strike declared as illegal. However, the court did not heed to the prayer rather it prescribed certain conditions for which the unions agreed and have put through the

strike to a grand success all over the country. It is for the working class in the Banking Sector to take a comprehensive view and forge unity amongst all the unions in the industry so that the sinister design of the Government of India is rebuked at the initial instant itself.

5. The Government should also draw appropriate lessons from these developments. They have attempted to test the water and have failed in the process. The workforce in the IDBI is united. The unions in the financial sector is backing their struggle and extending all fraternal support including the All India Bank Officers' Confederation all over the country. The affiliates of the Federation and the leaders in different parts of the country have been extending fraternal support to the agitating employees and officers of IDBI. The Confederation will take a holistic view on the subject when it meets in the Executive Committee at Bhopal on 6th of April 2016 and take an appropriate view in the matter.

6. Comrades, our red salute to the employees and officers for their struggle and their revolt against the sinister design of the Government of India to privatize the IDBI going back on their own assurance of retaining the public sector character of the IDBI. We are sure with the support of the all the unions in the banking industry they would succeed in their long struggle against the move of the Government. With revolutionary greetings,



Y.SUDARSHAN
GENERAL SECRETARY