

Privatisation of Banks is anti-thesis to atma nirbhar Bharat AIBEA to fight back, if privatisation of a

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Â Once again, there is news in the press and media about some reported move by the government on privatisation of public sector banks. It is unfortunate that at a time we are celebrating the 51st anniversary of bank nationalization and recalling their glorious contributions, such a news about Governmentâ€™s thinking on privatisation of banks is being floated. Equally it is ironical that when AIBEA has release the names of 2400 wilful bank loan defaulters who all are private companies, the news is coming that Banks would be privatized which means that Banks would be handed over to these very same private companies who are the defaulters. Â

In fact, as all of us know, that loans are given by the banks from the savings of the Depositors who keep their money in the Banks. Now, the people who defaulted the loans taken out of the peopleâ€™s savings, will become the custodians of the savings of the Depositors. One cannot forget the bitter experience of the 1940, 1950 and 1960s when hundreds of private Banks collapsed due to mismanagement by the owners of those private Banks. One cannotÂ forget the past that in the wake of these repeated failures of private banks, AIBEA led a powerfulÂ agitation and the then General Secretary of AIBEA Com Prabhat Kar, who was also a Member ofÂ Lok Sabha from 1957 to 1967, strongly took up the issue in the Parliament due to which, aÂ special provision, Section 45 was added in then Banking Regulation Act in 1961-62 whichÂ enabled the RBI to recommend to the Government to clamp moratorium on such failing BanksÂ and to merge them with another Bank. Because of this, peopleâ€™s money was safeguarded due toÂ the timely effort of AIBEA. Similarly, the demand for nationalization of banks was also because of the failure of privateÂ banks. In the last four decades, so many private banks had failed and merged with anotherÂ Bank, mostly with a Government Bank.

This is the story of the â€œefficiencyâ€™ of private Banks. Even recently we have seen the episode of Yes Bank. I was painted as glorious private Bank. Now everything has come out. And, SBI had to bail it out. What about ICICI Bank. How that Bank was managed or mismanaged, etc. under the leadership of the previous Managing Director Mrs. Chanda Kochhar is known to all now. Hence there is a case for nationalization of private Banks. But unfortunately, there are talks of privatisation. From AIBEA, we are strongly of the view that privatisation is not the solution to the problems of public sector banks. Recover of the huge loans given to private corporate companies is the solution. We need to take stringent measures to recover these bad loans and save our Banks. Handing over the Banks to the very same private sector which is responsible for the Himalayan bad loans would be most retrograde. Â Hence we shall oppose any such proposal to privatisation of our Banks. We shall observe repeated strikes to draw the attention of the people and the government. after, banks represent peopleâ€™s money. privatisation of banks would mean privatisation of the hard earned savings of the people. we should never allow that.

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