



ALL INDIA BANK OFFICERS' CONFEDERATION



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C/o State Bank of India Officers' Association (North-Eastern Circle)

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Press Release

“Save IDBI – Save India’s Financial Sovereignty”

All India Bank Officers’ Confederation (AIBOC)

Guwahati | 27th August 2025: The All-India Bank Officers’ Confederation (AIBOC) strongly opposes the Government of India’s move to privatise IDBI Bank. Established in 1964 as a Development Financial Institution, IDBI has played a pioneering role in building India’s industrial and financial backbone. Handing over this institution funded by taxpayers’ money and nurtured for decades to private or foreign hands is a direct assault on the principles of social justice, financial inclusion, and national sovereignty.

Privatisation of IDBI Bank is not just the sale of shares, it is the sale of people’s savings, the weakening of India’s public banking network, and the betrayal of parliamentary assurances given at the time of its transformation.

IDBI, as a public sector bank, has delivered credit to farmers, small businesses, women, rural households, and marginalised communities. A private bank driven by profit will not prioritise these goals, leading to exclusion of the very people banking nationalisation sought to serve.

Banks are custodians of citizens’ deposits and resources that are part of the nation’s economic sovereignty. Handing over control to private or foreign entities risks placing these assets beyond the reach of democratic accountability.

Privatisation threatens the job security of thousands of IDBI employees, endangers reservation policies for SC/ST/OBC communities, and risks widespread branch closures, particularly in rural India.

Neither the IDBI Act (1964) nor the IDBI Repeal Act (2003) envisaged full privatisation. Past finance ministers assured Parliament that government ownership would not fall below 51%. Breaching this commitment without due legislative process is a violation of constitutional trust.

The nationalist voices have long emphasised Swadeshi or self-reliance and protection of Indian resources. Selling a national asset like IDBI to foreign or private profiteers contradicts this principle. True nationalism demands safeguarding our people's savings and strengthening public institutions.

In the Mahabharata, Vidura advises that “wealth must serve dharma, not greed.” In the Ramayana, Lord Rama's governance epitomised the idea that rulers must protect people's welfare above personal gain. Privatisation, driven by profit, undermines the dharmic principle of placing **jan-hith** (people's interest) over **arth-labh** (profit).

In 1969, the government nationalised banks with the clear message that banking resources were a sacred trust of the people. During the freedom struggle, leaders in the past emphasised swaraj and self-reliance—values incompatible with selling national assets to private hands. Repeated parliamentary assurances safeguarded IDBI's public ownership, yet today these commitments are being disregarded.

Privatisation and private dominance in banking have led to repeated crises:

- **Global Trust Bank (India, 2004):** Collapsed due to reckless lending—rescued by a public bank.
 - **Yes Bank (India, 2020):** Required State-led rescue despite being a private entity.
 - **Silicon Valley Bank (US, 2023):** Collapsed due to governance failures and risky practices.
 - **Credit Suisse (Switzerland, 2023):** One of the largest global banks, forced into an emergency takeover after mismanagement.
- These examples prove that private ownership does not ensure safety or stability but public accountability does.

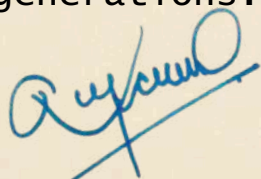
At a time when the Indian economy urgently requires greater credit expansion for MSMEs, agriculture, infrastructure, and the weaker sections, shrinking the footprint of public sector banks is a regressive step. It is only public banks that have consistently sustained Jan-Dhan accounts, ensured rural outreach, and fulfilled priority sector lending obligations. They uphold reservations in employment, thereby creating opportunities for disadvantaged communities. It was public sector banks that shielded India from the global financial crisis of 2008 while private banks across the world failed to offer such protection.

Privatising IDBI is nothing short of privatising people's savings. Nation-building requires strong public banks, not profiteering institutions. Public banks exist to serve the people; private banks exist to serve profits.

AIBOC urges the Government of India to immediately withdraw the proposal to privatise IDBI Bank. Instead, the focus must be on strengthening governance and accountability, infusing capital through public financial institutions, accelerating digital modernisation, and expanding IDBI's developmental mandate.

We appeal to Members of Parliament, policymakers, civil society, and the people of India to unite in defending IDBI Bank—a people's bank built with public trust.

Privatisation is not reform, it is retreat. Retain IDBI in the public sector to safeguard India's economic sovereignty, democratic accountability, and the welfare of future generations.



Rupam Roy
General Secretary

About AIBOC: All India Bank Officers' Confederation (AIBOC) is India's largest organisation of bank officers, representing more than 325000 officers across PSBs, RRBs and Private banks. AIBOC advances the interests of officers, the bank customers, and the broader economy through constructive engagement and evidence-based advocacy.
