



# **BANK EMPLOYEES FEDERATION OF INDIA**

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## **To All Affiliates/Office Bearers/CC/GC Members**

Dear Comrades,

### **OPPOSE ESPS**

The Ministry of Finance, Govt. of India agreed in principle to allow the public sector banks (PSB) for offering stock options to their employees. As per media reports, the decision was taken in March last year. Some banks have, since then, as per decision of their respective boards, offered shares to the employees. The scheme is named "Employee Share Purchase Scheme" (ESPS).

Though all the bank managements, in their respective circulars, mentioned that purchase of share through ESPS is purely optional, but we are informed that employees are being pressurized, intimidated and coerced for purchasing the shares and the reluctant ones are either being transferred or being threatened of transfer.

A campaign have been launched on behalf of the bank management that a minimum percentage of share is being off loaded through ESPS by which there will be no change in character of the respective banks. We are opposed to dilution of Govt. stake, irrespective of percentage, through selling of shares in the PSBs.

Moreover, a campaign has been launched that, through ESPS, the employees will be the owner of the bank. From the past experience, we can easily apprehend that the shares will not remain with the employees in the long run. We also feel that adequate capital should be provided by the Govt. of India to meet the regulatory level of the respective banks. We should not support dilution of Govt. equity for augmentation of capital. We also emphasize that ESPS, would, at the very best, change the ownership structure of the respective Banks through transfer of a certain percentage of shares from the Central Government to the employees; it will not change, even a bit, the very capital base of the banks in any way.

In the prevailing situation, we call upon our Units to unleash extensive campaign amongst all sections of workforce in respective banks so that they refrain themselves from joining the scheme. We should stand firm for safeguarding the public sector character of the banks.

With greetings,

Yours comradely,

Debasish Basu Chaudhury  
General Secretary