INDIAN NATIONAL BANK OFFICERS' CONGRESS

{Bank Officers Wing of Indian National Trade Union Congress (INTUC)}

INTUC National Head Quarters "Shramik Kendra" 4, Bhai Vir Singh Marg New Delhi - 110001

Chairman:
Dr. G. Sanjeeva Reddy, Ex. MP
President : K.K.Nair
General Secretary
Prem Kumar Makker
GS Mob : 9818227167

General Secretary's Office
C/O Bank of Baroda
3, Walchand Hirachand Marg
Ballard Pier, Mumbai-400001
Phone : 022-22618484, 49793233
Email : inboc.intuc@gmail.com

<u>CIRCULAR NO. 2021/28 TO ALL AFFILIATES</u> **03rd Dec, 2021**

Dear Friends,

Re: Our agitation against Government's move of Privatisation of Public Sector Banks Mobilisation of political support and public support

We append here below text of Circular No 2021/18 dated 02.12.2021 released by United Forum of Bank Unions (UFBU) launching the agitational programme on the subject issues

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"Text of UFBU Circular 2021/18 dated 02.12.2021"

By now all our unions would have received our detailed agitational programme decided by the UFBU against the Government's proposal to introduce the Banking Laws (Amendment) Bill, 2021 in the current session of the Parliament. We are sure that all our Unions in all the Banks and in all the States have started taking necessary steps to effectively implement the programmes.

In addition to mobilising the employees and officers to enthusiastically and whole-heartedly implement the programme, it is equally important that we mobilise the support of the people at large and also solicit political support to our struggle and demands.

As per our decided programme, today, from UFBU, we have addressed our letter to all the Members of Parliament from all the Political Parties.

- ***We are enclosing a draft of the letter to be submitted to leaders of all political parties, trade union leaders, important personalities, MPs, etc. in various local towns and cities by our local chapters of UFBU.***
- ***If these leaders address letters/appeal to PM/FM in support of our struggle, copies of such letters may be obtained and sent to us for circulation amongst our unions.***

With greetings,

Sd/-

Convenor UFBU

We request you to please implement the programmes in its true letter and spirit.

Yours sincerely,

PREM KUMAR MAKKER
GENERAL SECRETARY

Encl : Draft Letter

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Date: -12-2021

To

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Dear Sir/Madam,

Sub: The Banking Laws (Amendments) Bill 2021.

It has been brought to our notice that the government is moving 'The Banking Laws (Amendments) Bill 2021' in the current session of the Parliament so as to enable the Government to privatise public sector banks (PSBs).

You are aware that PSBs act as catalysts in the economic development of our nation in general and particularly for the underprivileged sections of the society and backward regions of the country. Nationalised banks have played a major role in the development of agriculture, small trade, small business, SSI, transport and in upliftment of weaker sections of the society.

	Banks in 1969	**Banks in 2021**
Total Branches	**8,000**	**1,18,000**
Total Deposits	**5,000 cr**	**157 lakh cr.**
Total Advances	**3,500 cr**	**110 lakh cr.**

In the process, common people were brought under the orbits of the banking and thereby development. Way back in 2008 when the world economy was plunged into a deep financial crisis and meltdown, it was PSBs, which helped Indian economy to sustain.

There is an argument that Public Sector Banks are not doing well and hence to ensure better efficiency, these Banks have to be privatised. We all know the efficiency of Private Banks, many of which have failed and closed down in the past due to mis-management. On the other hand, all the Public Sector Banks are doing well and earning substantial profit.

Operating Profits of Public Sector Banks – at a glance

Year	**Total Operating Profits**
2009-10	**76,945 crores**
2010-11	**99,981 crores**
2011-12	**1,16,337 crores**
2012-13	**1,21,839 crores**
2013-14	**1,27,632 crores**
2014-15	**1,38,064 crores**
2015-16	**1,38,191 crores**
2016-17	**1,59,022 crores**
2017-18	**1,55,690 crores**
2018-19	**1,49,804 crores**
2019-20	**1,74,336 crores**
2020-21	**1,97,374 crores**

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The only issue being confronted with the PSBs was that of huge Non-Performing Assets (NPAs) in which the major share was that of big corporates. Successive governments have taken initiatives such as Debt Recovery Tribunals, SARFAESI Act, IBC, etc, but they have not yielded the desired results and therefore ultimately banks were forced to write off those loans resulting into huge losses.

This shows that it is not the nationalisation of banks, which has failed but it is the wilful default of the corporate and big business houses, which have dragged the banks into this crisis.

Even under the Insolvency and Bankruptcy Code, while bad loans have been resolved and Banks could get back some portion of the loan, it has been with huge haircuts for the Banks.

SEE HOW HUGE CORPORATE BAD LOANS HAVE BEEN RESOLVED WITH HEAVY HAIRCUTS AND ENORMOUS LOSS TO THE BANKS
Rs. In crore

Borrower	Loan amount	Settled and Resolved for	Haircut for Banks %	IN FAVOUR OF
Essar	54,000	42,000	23 %	Arcelor Mittal
Bhushan Steels	57,000	35,000	38	Tatas
Jyothi Structures	8,000	3,600	55	Sharad Sanghi
DHFL	91,000	37,000	60	Piramal
Bhushan Power	48,000	19,000	60	JSW
Electrosteel Steels	14,000	5,000	62	Vedanta
Monnet Ispat	11,500	2,800	75	JSW
Amtek	13,500	2,700	80	DVIL
Alok Industries	30,000	5,000	83	Reliance + JM Fin
Lanco Infra	47,000	5,300	88	Kalyan group
Videocon	46,000	2,900	94	Vedanta
ABC Shipyard	22,000	1,200	95	Liquidation
Sivasankaran industries	4,800	320	95 %	Father in law

Total loan due in 13 accounts	Rs. 4,46,800 crores
Resolved and settled for	Rs. 1,61,820 crores
Loss to the Banks	Rs. 2,84,980 crores
Haircut	64 %

It is also a matter of reality that time and again public sector banks have been used to bail out ailing private sector ones such as Global Trust Bank, United Western Bank, Bank of Karad, etc. In the recent past, it was Yes Bank, which was bailed out by public sector SBI. Private sector's largest NBFC, IL&FS, was bailed out again by public sector SBI and LIC.

In the recent past private sectors like RBL Bank, Bandhan Bank and four small finance banks have posted losses. RBI has cancelled the licence of private sector Local Area Bank, namely Subhadra Local Area Bank. Thus, common people have become scared of private sector banks since they expose their hard-earned savings.

The government claims that it is implementing various social sector loans, pension and insurance schemes such as Jan Dhan, MUDRA for unemployed youth, Swadhan for street vendors, Pradhan Mantri Awas Yojana, Pradhan Mantri Jivan Jyoti Yojana, Pradhan Mantri

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Jivan Suraksha Yojana and Direct Benefit Transfer Schemes such as Pradhan Mantri Garib Kalyan Yojana, Pradhan Mantri Kisan Kalyan Yojana, Atal Pension Yojana, etc, for the underprivileged sections of the society in which the major share is that of PSBs. During the pandemic period, it is the public sector banks which have been giving uninterrupted customer services.

We therefore are of the view that privatisation of public sector banks will jeopardise the interests of the common people and backward regions of the country. We are opposed to any such retrograde move.

We request you to take up the issue with the Government to revisit the decision of privatisation of PSBs and to withdraw the proposed Bill in the interest of the common people and nation.

With regards,

Yours sincerely,

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CIRCULAR NO. 2021/27 TO ALL AFFILIATES **01ST Dec, 2021**

Dear Friends,