

2 Days

Continuous
nationwide

Bank Strike

On

16th and 17th

December, 2021

By one million
bank employees

WHY ?

ALL INDIA BANK EMPLOYEES' ASSOCIATION

United Forum of Bank Unions

**has given the call for
NATIONWIDE CONTINUOUS STRIKE
for 2 Days**

on

16th & 17th December, 2021

**by one million employees
and officers of Banks**

WE DEMAND

Strengthen Public Sector Banks

WE OPPOSE

**Privatisation of Banks and
Banking Laws (Amendment) Bill, 2021**

Why this agitation ?

Why this Strike ?

Ever since the Government unleashed their policies of economic liberalisation three decades ago, the successive Governments have been pursuing the policies and programmes of divesting and weakening the Public Sector Banks, through its various measures, including privatisation.

Look back: Though country attained independence in 1947, it remained backward economically. Basic and broad-based economic development was the need of the hour. But unfortunately, the then Banks, which were all in private hands and many of them owned by big industrial and business houses, did not come forward to contribute in the process of development. Agriculture sector, Rural and Cottage Industries, Small Industries and Business, which were the mainstay of our economy and other pivotal sectors of the economy remained neglected. Nationalisation of Banks and bringing them under Public Sector became very critical and crucial for giving impetus to country's growth and progress.

Birth of Public Sector Banking : In this background, in 1955, Imperial Bank of India was converted as State Bank of India under public sector. This was followed by taking over the 7 Banks of the Princely States as Associate Banks of SBI. This was found to be inadequate to cater to the needs of the country and its broad-based development. Hence, 14 major private Banks were nationalised in 1969 and 6 more private banks were nationalised in 1980. State Bank of India, its Subsidiary Banks, as well as the Regional Rural Banks, and the nationalised banks put together became the sheet-anchor of national economic development.

Expansion of Banks under Public Sector : Banks started reaching out to the common masses, bank branches started to be opened in rural areas and remote villages, precious savings of the people were mobilized and brought into banking system. Hitherto, neglected sectors like agriculture, employment generation productive activities, poverty alleviation programmes, rural development, health, education, exports, infrastructure, women empowerment, small scale and medium industry, tiny and micro industries, etc. became the priority sector and focused attention of Banks.

Class Banking was transformed into Mass Banking and the common man and deprived section of society could access, convenient and safe banking services. Economy got boosted and there were many large strides and achievements in the past 5 decades.

	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.

Phenomenal contribution : Public Sector Banks are the very vehicles of our economy's growth and development. PSBs have become the trustees of people's savings and the repository and depository of the people's confidence. Public Sector Banks are the reservoirs to irrigate the economic development in our country. Public Sector Banks contribution to make the country's self-sufficiency is immense as they played pivotal role in all revolutions like green, blue, dairy etc. Public sector Banks not only unshackled the farmers, landless laborers and the rural populace from the clutches of money lenders, but also provided much required credit which made rural India a strong component of country's economy. Today's major infrastructural development has the highest contribution from Public Sector Banks.

The nationalisation of private banks in 1969 and 1980 were watershed events. Bank Nationalisation resulted in banks being pressed into the service of the Nation; Public Sector Banks took birth, ushering in new era of next-door, trusted banking services to the citizenry.

This resulted in exponential growth of bank branches; making available much needed funds to the credit starved sectors like agriculture, small, village and cottage industries, small entrepreneurs, share croppers, deprived section of society, liberating them from the slavery to money lenders. Public Sector Banks became pivot on which the progress of the country revolved.

Today's rural/semi-urban India prosperity, infrastructural facilities, industrial advancement and the improved standards of life of common man is the result of the dedication of Public Sector Banks.

In the garb of efficiency, and mis-conceived policy to shrug of the responsibility, Government has embarked upon privatization of Public Sector Banks.

Public Sector Banks earn huge profits : There is a wrong perception and mistaken information that public sector banks are not earning profits and are incurring losses. But the fact is that Public Sector Banks are earning huge Operating profits, as can be seen hereunder:

Operating Profits of Public Sector Banks

Year	Total Operating Profits
2009-10	76,945 crore
2010-11	99,981 crore
2011-12	1,16,337 crore
2012-13	1,21,839 crore
2013-14	1,27,632 crore
2014-15	1,38,064 crore
2015-16	1,38,191 crore
2016-17	1,59,022 crore
2017-18	1,55,690 crore
2018-19	1,49,804 crore
2019-20	1,74,336 crores
2020-21	1,97,374 crores
Total profits in 12 years	16,55,215 crores

Instead of further strengthening public sector banking, the present policies are aimed to weaken PSBs, by starving them of the required capital, human resources, allowing private hands through disinvestment and proposed privatisation moves. **Weakening our public sector banks is unwarranted, unjustified and is a regressive step.**

We demand strengthening of Public Sector Banks, by adequate infusion of capital, human resources and strengthened statutory framework to recover the stressed assets.

But the Government has announced during the Budget 2021 its intent to privatise two Public Sector Banks besides IDBI Bank.

Privatisation Vs Efficiency : It is irrefutable that “privatisation” neither brings efficiency nor the safety. Around the world innumerable private banks have failed. It is a myth to believe that only “privates” are efficient. If private enterprises are epitome of efficiency, there should not have been any NPAs from large private corporate entities at all. The huge NPAs/ stressed assets of the banking industry belong to private large corporate which incontrovertibly, unquestionably demonstrates that private enterprises do not epitomise efficiency.

Failure of 2132 Private Banks in India – 1913 to 1968

No. of banks that were closed, liquidated, ceased operation, amalgamated etc

Year	No. of Banks failed	Year	No. of Banks failed	Year	No. of Banks failed	Year	No. of Banks failed
1913	12	1927	16	1941	94	1955	29
1914	42	1928	13	1942	50	1956	28
1915	11	1929	11	1943	59	1957	30
1916	13	1930	12	1944	28	1958	28
1917	9	1931	18	1945	27	1959	38
1918	7	1932	24	1946	27	1960	26
1919	4	1933	26	1947	38	1961	47
1920	3	1934	30	1948	45	1962	33
1921	7	1935	51	1949	55	1963	20
1922	15	1936	88	1950	45	1964	82
1923	20	1937	65	1951	60	1965	42
1924	18	1938	73	1952	31	1966	17
1925	17	1939	117	1953	31	1967	15
1926	14	1940	107	1954	27	1968	7
						Total	2132

Public Sector Banks –the modern Neelkant Mahadev – the swallower of the poison of private losses - the Saviour of people’s money: After nationalisation of Banks, we have seen so many failed private banks have been merged with public sector Banks. Public Sector Banks have become the Neelkant Mahadev by swallowing the poison of loss of the private Banks and safeguarding the precious savings of the common people kept in the Banks as Deposits.

Failed Private Bank	Merged with Govt. Bank/bailed out by	Year
1. Bank of Bihar	State Bank of India	1969
2. National Bank of Lahore	State Bank of India	1970
3. Krishnarao Baldeo Bank	State Bank of India	1974
4. Belgaum Bank	Union Bank of India	1976
5. Lakshmi Commercial Bank	Canara Bank	1985
6. Miraj State Bank	Union Bank of India	1986
7. Hindustan Commercial Bank	Punjab National Bank	1986
8. Traders Bank	Bank of Baroda	1990
9. Bank of Tamilnad	Indian Overseas Bank	1990
10. Bank of Thanjavur	Indian Bank	1990
11. Parur Central Bank	Bank of India	1991
12. Purbanchal Bank	Central Bank of India	1991
13. Bank of Karad Ltd.	Bank of India	1993
14. Kashinath Seth Bank	State Bank of India	1995
15. Punjab Co-operative Bank	Oriental Bank of Commerce	1997
16. Bari Doab Bank Ltd.	Oriental Bank of Commerce	1997
17. Bareilly Bank Ltd.	Bank of Baroda	1999
18. Sikkim Bank Limited	United Bank of India	1999
19. Benaras State Bank Ltd.	Bank of Baroda	2002
20. Nedungadi Bank Ltd.	Punjab National Bank	2003
21. South Gujarat Local Area Bank	Bank of Baroda	2004
22. Global Trust Bank Ltd.	Oriental Bank of Commerce	2004
23. United Western Bank	IDBI Bank	2007
24. Bharat Overseas Bank	Indian Overseas Bank	2007
25. YES Bank – bailed out by	State Bank of India	2020

Public Sector Banks are nation builders. They have humongous value of assets, and lakhs of crore of funds with them. It would be irrational and, rather, mischievous and an ulterior motive to place the huge network of bank branches, infrastructure and assets of Public Sector Banks in the hands of private enterprises/business houses or corporates.

This would incontrovertibly result in denial of easy, next door and safe banking to the populace of the country. This would also result in denial of convenient, economical banking services to the common man. This is regressive inasmuch as it turns the clock back to class banking from mass banking. This would also pave the way for monopoly and cartelization.

This is a retrograde measure for a developing country like ours where banking network needs to be spread further, with a sense of social responsibility also, which would be highly lacking if banks are privatized.

Public Sector Banks are the life line of the country. They should remain so. We strongly oppose any move to privatize public sector Banks. The public sector banks belong to the millions and millions of citizenry and we oppose any action to hand them over to the private corporates and the billionaires.

Retrograde Banking Reforms – WE OPPOSE

We have been opposing the misplaced, retrograde banking reforms that were introduced in the year 1991 by the then Congress Government for the reason that these measures are aimed at privatization of public sector banks, rather than enabling them to be stronger.

Repeated attempts:

The successive Governments have been making repeated efforts to weaken public sector banking and to encourage private sector banks. Various Committees were formed by the Governments and all these Committees unfailingly recommended as the Government desired and proposed privatisation of Banks and opening up the banking sector more and more to private sector.

Narasimham Committee(1991), Narasimham Committee II (1997), Verma Committee (1999), KV Kamath Committee (1999), Privatisation Bill,(2000) by Vajpayee Government, Tarapore Committee (2006), Raghuram Rajan Committee (2007), Anwarul Hoda Committee (2008), RBI Committee (2013), Nachiket Mor Committee (2014), PJ Nayak Committee (2014), Gyan Sangam (2015-16), FRDI Bill (2017), In all these measures, the running thread was the attempt to weaken public sector Banks and hand them over to private vested interests.

The intent has now been clearly exhibited by the demonstrated actions of the government through its discrimination in capitalization, dilution of stake in PSBs, irrational policies encouraging Private Sector Banks, attempts of privatization, allowing licenses of Small Banks and Payments to private corporate, blaming the Public Sector Banks alone for the alarming position of NPAs, showing them in poor light.

Non-Performing Assets of Banks

As on 31 st March	Gross NPA Rs. in Crores
1997	47,300
1998	50815
1999	58554
2000	60408
2001	63883
2002	54,673
2003	54,090
2004 - UPA I	51,537
2005	48,399
2006	41,358
2007	38,968
2008	39,030
2009 - UPA II	44,957
2010	59,927
2011	74,664
2012	1,17,000
2013	1,64,461
2014 – NDA 1	2,16,739
2015	2,78,877
2016	5,39,955
2017	6,84,733
2018	8,95,600
2019 - NDA 2	7,39,541
2020	6,78,318
2021	6,16,015

TOP 50 CORPROATE DEFAULTERS - BANK LOAN WRITTEN OFF			Rs. In Cr
GITANJALI	5492	COASTAL PROJECTS	984
REI AGRO	4314	PAREKH ALUMINEX	975
WINSOM DIAMONS	4076	FIRST LEASING CO	929
ROTOMAC	2850	CONCAST STEEL & POWER	888
KUDOS CHEMI	2326	STERLING OIL RESOURCES	888
RUCHI SOYA	2212	STERLING BIOTECH	887
ZOOM DEVELOPERS	2012	ACTION ISPAT & POWER P LTD	887
FOREVER PRECIOUS JWELLARY	1962	DIAMOND POWER INFRASTRUCTURE	870
KINGFISHER AIRLINES	1943	SURANA CORPORATION	855
DECCAN CHRONICLES	1915	INDU PRJECTS	835
ABG SHIPYARD	1875	ARSS INFRASTRUCTURE	794
TRANSSTROY	1790	SHREE GANESH JWELLERY	774
SURYA VINAYAK INDUSTRIES	1783	ELECTROTHERM	768

S KUMAR	1581	ABC COTSPIN	766
GILI INDIA	1447	VARUN INDUSTRY	764
VMC SYSTEM	1331	ERA INFRA	738
SIDHI VINAYAK LOGISTICS	1318	SEL TEXTILES	718
GUPTA COAL INDIA	1235	SPANCO LTD	705
SURYA PHARMA	1208	B S LTD	701
NAKSHATRA BRANDS	1109	SAI INFOSYSTEM	683
INDIAN TECHNOMAC	1091	JAY POLYCHEM	677
JAIN INFRA PROJECT	1073	LOHA ISPAT	646
HUNUNG TOYS & TEXTILES	1039	JAS INFRASTRUCTURE & POWER	630
K S OILS	1026	CENTURY COMMUNICATION	607
NAKODA LTD	1025	KEMROCK INDUSTRY & EXPORT	605
TOTAL WRITE OFF IN 50 ACCOUNTS			68,607 Cr

Instead of tightening the laws to recover the large NPAs, laws like Insolvency and Bankruptcy Codes have been brought forcing hair-cuts upon PSBs in the garb of "NPA Resolution".

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 %

WILFUL DEFAULTERS
(LOAN DUES OF RS. 25 LACS AND ABOVE)
SUIT FILED CASES AS ON SEPTEMBER, 2021

	No. of Accounts	Amount Rs. In crores
PUBLIC SECTOR BANKS	10,001	209,488
PRIVATE SECTOR BANKS	1,076	22,179
FOREIGN BANKS	39	740
CO-OP. BANKS	9	126
FINANCIAL INSTITUTIONS	96	2,303
HOUSING FINANCE COs	4	1
	11,225	234,837

Amounts Written Off By Public Sector Banks

Annex-II referred to in Rajya Sabha Starred Question No. *77, Regarding Loans Waived Off in PSBs

Bank	FY 2018-19	FY 2019-20	FY 2020-21	Bank	FY 2018-19	FY 2019-20	FY 2020-21
Bank of Baroda ¹	19,292	15,912	14,782	Indian Overseas Bank	7,794	16,405	4,618
Bank of India	7,405	7,618	8,815	Punjab and Sind Bank	1,635	1,781	71
Bank of Maharashtra	5,127	5,698	4,931	Punjab National Bank ⁴	24,076	18,444	15,877
Canara Bank ²	21,042	12,431	7,642	State Bank of India	58,905	52,362	34,402
Central Bank of India	10,375	4,169	5,992	Uco Bank	4,420	12,479	9,410
Indian Bank ³	7,091	12,151	8,371	Union Bank of India ⁵	16,040	16,426	16,983

Data Source:RBI

Amount in Crores

1: Vijaya and Dena Bank were amalgamated into Bank of Baroda

2: Syndicate Bank was amalgamated into Canara Bank

3: Allahabad Bank was amalgamated into Indian Bank

4: Oriental Bank of Commerce and United Bank of India were amalgamated into Punjab National Bank

5: Andhra & Corporation Bank were amalgamated into Union Bank of India

Note: The Figures of the banks amalgamated are incorporated into those for the respective bank into which they were amalgamated.

ALL INDIA BANK EMPLOYEES' ASSOCIATION

Amounts Written off by Public sector Banks...



**Government claims that NPA are reduced!
Yes, not by recovery but by write off.**

Year	Loan Write Off
FY 2018-19	1,83,202 Crores
FY 2019-20	1,75,876 Crores
FY 2020-21	1,31,894 Crores
Total	4,90,972 Crores

Data Source:RBI

Annex-II referred to in Rajya Sabha Starred Question No. *77,
Regarding Loans Waived Off in PSBs

ALL INDIA BANK EMPLOYEES' ASSOCIATION

Bulging Bad Loans – Who are the main culprits : Everyone knows that the only major ill confronting our Banks today is the alarming and huge bad loans. Everyone also knows that the main people behind these bad loans are the Corporate delinquents and wilful defaulters.

Year	Bad Loans Written Off	Year	Bad Loans Written Off
2001	5,555	2012	15,551
2002	6,428	2013	27,013
2003	9,448	2014	32,595
2004	11,308	2015	49,976
2005	8,048	2016	59,400
2006	8,799	2017	81,684
2007	9,189	2018	1,28,230
2008	8,019	2019	1,83,202
2009	6,966	2020	1,75,876
2010	11,185	2021	1,31,894
2011	17,794	2001 TO 21	9,88,160 CRORES

SEE WHERE THE PROFITS GO

Year	Gross Profit Before Provisions for Bad Loans	Provisions made for Bad Loans/NPAs	Published Net Profit
2008-09	45,494 Cr.	11,121 Cr.	34,373 Cr.
2009-10	57,293 Cr.	18,036 Cr.	39,257 Cr.
2010-11	74,731 Cr.	29,830 Cr.	44,901 Cr.
2011-12	87,691 Cr.	38,177 Cr.	49,514 Cr.
2012-13	93,684 Cr.	43,102 Cr.	50,582 Cr.
2013-14	1,27,652 Cr.	63,389 Cr.	37,018 Cr.
2014-15	1,37,817 Cr.	76,837 Cr.	37,540 Cr.
2015-16	1,36,926 Cr.	1,60,303 Cr.	- 17993 Cr.
2016-17	1,58,982 Cr.	1,68,469 Cr.	- 11,388 Cr.
2017-18	1,55,585 Cr.	2,70,953 Cr.	- 85,371 Cr.
2018-19	1,49,804 Cr.	2,16,410 Cr.	- 66,606 Cr.
2019-20	1,74,336 Cr.	2,00,353 Cr.	- 26,016 Cr.
2020-21	1,97,463 Cr.	1,45,021 Cr.	31,780 Cr.

TOTAL OPERATING PROFITS IN 13 YEAARS : 15,97,458 CRORES
PROVISIONS FOR BAD LOANS, ETC. : 14,42,001 CRORES

Despite opposition from the trade unions, stakeholders in the banking industry, the Government is unrelenting and continuing the misplaced reforms at neck-breaking speed.

As important stakeholder in Banking Sector, we owe a pious duty to the citizens of the country to guard the Public Sector character of Banks in order to ensure safe, economic and easy access of banking facilities, sans exploitation, to the common man of the country and not to place the humungous assets, network of bank branches and lakhs of crore rupees in the hands of private corporate/ businessmen and the business houses. Hence, we oppose any ill-conceived reforms in banking space.

Whereas we have been demanding stringent measures to recover the large corporate stressed assets which are the cause of concern to the Banks, including strong recovery laws and taking criminal action against willful defaulters. Government has not exhibited its firm willingness to implement these possible, reasonable and implementable measures.

On the other hand, Government is seriously continuing the retrograde reform measures ignoring the real menace in the banking industry i.e. mounting bad loans and the growing list of wilful defaulters. Wilful default by large corporate borrowers, imposed hair-cuts through ill-conceived Insolvency and Bankruptcy Code, has resulted in heap of write offs, making dent on the balance sheet of Public Sector Banks. This has not only affected the profitability of the banks, but has become an alibi to allege inefficiency. The hard work of dedicated bank personnel has been constrained to go in vain.

There is an urgent, decisive and imperative need to bring in suitable statutory framework to consider willful default of bank loans as "Criminal Offence" as this can alone deter such willful default, consequential NPAs and strengthen Public Sector Banks to enable the country to achieve overall development. Equally, there is also urgent need for framework to examine the accountability of Board level/top executives. These will deter NPAs in the Banks.

Our protest not considered:

When the Government announced in February, 2021 in the Budget that two public sector Banks would be privatised, entire banking employees and officers conveyed their massive protest through the 2 days strike on 15th and 16th March, 2021. We regret that this protest has not be considered and the Government is now proposing to introduce the Privatisation Bill in the current session of the Parliament.

Hence our Strike:

It has, therefore, become inevitable for the United Forum of Bank Unions to convey our protest and draw the attention of the Government and Bank managements through agitational programmes and strike action and accordingly this Notice of strike is being served after exhausting all reasonable avenues to convey our protests and the Government and concerned banks remaining adamant and determined on their decision.
