

Observe 2 Day



**Bank
STRIKE**

On 28-29 March 2022

**SAVE PUBLIC SECTOR BANKS
SAVE THE NATION**



BANK EMPLOYEES FEDERATION OF INDIA

The Union Finance Minister, while presenting her Budget for 2021-22 proposed for privatization of two public sector banks.

The Govt, subsequently, announced the National Monetisation Pipeline (NMP) where proposals were made to hand over nationalised infrastructure like railways, roads, ports, airports, electricity, telephone towers, stadium worth astronomical amount to big corporates, national and foreign, for a pittance.

The proposal of bank privatisation is not isolated. It is very much integral part of wholesale privatisation drive of the public sector enterprises adopted by the Govt at centre.

At the call of UFBU, the joint platform of Unions/Associations of the banking industry, 2-day bank strike was observed on 15-16 March 2021.

Disregarding widespread protest, the Govt listed bank privatization bill for introduction and passing during winter session of Parliament. Again 2-day countrywide bank strike was observed at the call of UFBU on 16-17 December 2021.

A national convention of workers was held at Jantar Mantar, New Delhi on 11th Nov 2021 at the call of Joint Platform of Central Trade Unions and independent sectoral Federations. The convention adopted resolution to observe 2-day countrywide General Strike on 23-24 Feb 2022.

Bank Employees Federation of India (BEFI) will participate in the General Strike against Govt attempt of bank privatisation and to protect public savings and livelihood.

On 20th July 1969, the Indian Government nationalised fourteen private sector banks (PSB).

From 1947 to 1950, 183 banks failed. In 1951, there were 566 banks in our country; by 1967, just 91 were left.

From 1969 onwards, 38 private sector banks (PVB) had been put under moratorium in public interest due to mismanagement and a number of these have gone out of existence.

Several of these banks were merged with PSBs, such as the high profile case of Global Trust Bank (GTB) which was merged with Oriental Bank of Commerce in 2004. The GTB played a major role in the stock market scam in 2001.

Recently, the Lakshmi Vilas Bank Ltd, a PVB of 93 years has been

merged with DBIL, a wholly owned subsidiary of DBS Bank, Singapore after putting the Bank into moratorium.

A few months ago, Yes Bank, founded in 2004, fifth largest Private Sector Bank of the country was put under moratorium when the bank became critical due to fraudulent activity, sanctioning of unethical loans, scams, poor corporate governance. The top management have been accused of corruption of Rs 4300 crore by receiving kickbacks in exchange for lending heavily to big borrowers – loans those were later declared as NPAs. At the intervention of RBI, the Deputy Managing Director of SBI has been made CEO of Yes Bank and SBI picked up 725 crore shares @Rs 10 each to help with capital infusion.

Of late, the MD & CEO of Ratnakar Bank Ltd (RBL) stepped down as the bank performed badly. For the interest of the 3 depositors, the RBI in Dec 2021 appointed its Chief General Manager as an additional Director in the Board of RBL for a period of two years.

At the moment there are 12 PSBs in our country while in 2014, when the NDA-I came into power, there were 27. Some of the banks were amalgamated with other PSBs.

The IDBI bank has been listed as a Private Sector Bank after 51% of its equity was acquired by the LIC of India.

All these banks are recording huge operating profits :

2015-16	:	Rs 137151 crore
2016-17	:	Rs 158994 crore
2017-18	:	Rs 155603 crore
2018-19	:	Rs 149819 crore
2019-20	:	Rs 174640 crore
2020-21	:	Rs 197476 crore
2021-22 (As on 30.09.2022)	:	

The PSBs secured aggregate net profit of Rs 31820 crore in FY 2020-21. In FY 2021-22 (upto Sep 2021) the PSBs secured net profit of Rs 31145 crore.

In 1969, there were 8261 branches of scheduled commercial banks (SCBs). Since nationalisation, number of branches increased rapidly and reached 65412 in March 2000. As on 31 March 2021, the number is 150631.

In 1967, out of total 6985 branches only 1247 branches were situated in rural areas, i.e. 17.9%.

In 1967, the share of agriculture in credit was 2.1% while that of industry was 64.3%.

Banking Regulation Act was established in 1949. The first RBI inspection in 1951 showed familiar loopholes in the banks' 4 activities like loans to Director and their families, generous dividends to the owners and so on.

On 31 March 2021, the total number of branches of 12 PSBs is 86311, out of which 28828 (33.4%) are situated in rural areas.

The amount of lending of the PSBs to the agricultural sector on 31 March 2021 has reached to Rs 1068112 crore (18.15% of total credit), which was only 2.1% before nationalisation whereas amount of priority sector advances is Rs 2416750 crore).

There are total 213575 ATMs of all the SCBs. Out of these 34753 (16.3%) are in rural areas, of which the PSBs, Private Sector Banks and Foreign Banks are having 28255 (20.6%), 6140 (8.5%) and 96 (5.3%) of its own ATMs respectively.

The Pradhan Mantri Jan Dhan Yojana (PMJDY), financial inclusion programme launched by NDA-I government on 28 Aug 2014 aimed to expand affordable access for the Indian citizens to financial services such as bank accounts (with zero balance and several other facilities), remittances, credit, insurance and pensions. As on 12.01.2022 total 44.44 crore accounts were opened under this scheme. The break up is given below :

PSB	:	35.04 crore (78.84%)
RRB (sponsored by PSBs)	:	8.11 crore (18.25%)
PSB + RRB	:	43.15 crore (97.09%)
Private Banks	:	1.29 crore (2.91%)

The Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) was launched by the Ministry of Housing and Urban Affairs on June 01, 2020 for providing affordable Working Capital loan to street vendors to resume their 5 livelihoods that had been adversely affected due to Covid-19 lockdown. This scheme targets to benefit over 50 lakh street vendors. As on 14th Dec 2021, a total 2718050 number of loans were disbursed in the scheme out of which only 48303 (1.77%) were disbursed by the private sector banks while the rest was done by the PSBs.

The Education Loan disbursed by PSBs since 2015 is given below :

No of loans	:	1353786
Total amount disbursed	:	Rs 76383.63 crore

The total outstanding Education loan of SCBs, as on 31 March 2020, was Rs 79056 crore out of which share of PSB was Rs 72891 crore (92.2%).

The Sukanya Samridhi Yojana (SSY) was launched in 2015 to provide stable collections for future expenses of the female children. So far guaranteed return is concerned, highest rate of interest (7.4%) is being offered in SSY. The number of new accounts opened under SSY from 01.04.2018 to 31.10.2021 is 14273910. Out of these, the distribution proportion of PSBs and Private Banks in number of accounts since launch of the scheme is 96.24% and 3.76% respectively.

In regard to MSME sector, the resolution plan/restructuring has been implemented by the PSBs, as on 26 Nov 2021, for 9.8 lakh MSME accounts amounting to Rs 58524 crore, and in 8.5 lakh loan accounts of individual borrowers amounting to Rs 60662 crore, as on 15 Nov 2021.

PSBs sanctioned Rs 184046 crore to 1.1 crore existing loan accounts under Covid-19 emergency relief schemes for their existing borrowers, including MSME borrowers and Self 6 Help Groups, by providing additional loan facility without additional margin/security/or processing charge.

In the matter of Digital Banking the PSBs have facilitated the following steps :

Enhanced access to mobile banking and Internet banking has been enabled through an increase in the PSB average for the number of services offered (43), customer-friendly features (135) and regional languages available on the customer interface (8);

End-to-end automated digital lending has been introduced in larger PSBs for unsecured personal loans (in five PSBs), loans to micro-enterprises ("Shishu Mudra", in five PSBs) and renewals of loans to micro, small and medium enterprises (in three PSBs);

Digital retail loan request initiation through digital channels has been enabled in all the seven large PSBs, with retail disbursements

from loan requests so initiated in the financial year (FY) 2020-21 amounting to Rs 40,819 crore;

Customer-need-driven, analytics-based credit offers have been given an impetus, resulting in Rs 49,777 crore of fresh retail loan disbursements by the 7 larger PSBs in FY2020-21. Initiation of digital lending has been made contactless through psbloansin59minutes.com, using triangulation of credit bureau, income-tax and goods and services tax (GST) data, to provide online in principle approval for loans to Micro, Small and Medium Enterprises (MSMEs), home loans, personal loans and automobile loans. As on 31.10.2021, 2,62,475 loan applications amounting to Rs 51,709 crore have been sanctioned on this platform.

The PSBs are subjected to loot and plunder by a section of corporate houses who did not pay their dues.

The number of wilful defaulters has increased from 2208 as on 31.03.2020 to 2494 as on 31.03.2021. The number was 2017 as on 31.03.2019. The Indian banking system's latest record on wilful defaulters shows a Rs 62970 crore, or around 10%, increase in the additional amount outstanding since the pandemic began.

The banks have written off Rs 202781 crore of bad loans during FY 2020-21. With this, the banks have written off a whopping Rs 1168095 crore in the last ten years. Of the total write off in 10 years, as much as Rs 10.72 lakh crore write off has happened since FY 2014-15.

NDA government's much touted reform – the Insolvency and Bankruptcy Code (IBC) – is floundering as recoveries under IBC is continually shrinking. Banks have taken on an average 67% 'haircut' in all Insolvency cases which have seen resolutions so far. In 458 cases resolved through IBC, creditors have recovered only Rs 2.5 lakh crore, or just 33% of the total admitted claims of Rs 7.5 lakh crore. The figure released by the Insolvency regulator till Dec 2021, shows that of the 37 cases resolved during 3rd quarter of FY 2021-22, creditors could recover only 13% of the admitted claims of Rs 33000 crore.

In the prevailing circumstances, the bank employees are going to observe 2-day countrywide bank strike on 28th and 29th March 2022.

**PLEASE SUPPORT THE STRIKE
THE COUNTRY IS NOT FOR SALE
WE SHALL NOT ALLOW IT**