



TNBEF HERALD

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EDITORIAL

At the outset, TNBEF Herald conveys its New Year and Pongal Greetings to all our comrades. The year that has passed by has witnessed the most unprecedented catastrophe in the form of Covid-19 virus infection. The people have gone through a very difficult period of their lives that caused concern, anxiety, worry and fear about their lives, safety and future. More than 17 lakhs people throughout the world lost their lives, out of which 1.5 lakhs were from our country. The pandemic affected the economies of all the countries, developed, developing and under-developed, in a detrimental way and the world is yet to come up with a medicine and vaccine to stop this killer virus. We are hopeful and optimistic that in this year 2021, the vaccines that are being tested would be a salvation and road to recovery from this dreaded disease, which will ensure that the world returns to normalcy and our trade union activities shall begin to blossom as it was before the pandemic.

In our country, Corona has exposed the inadequacies of the health sector and the vulnerability of the social system in failing to protect the poorer sections of the population. The year 2020 observed the reverse migration of the workers from urban and metro centres to rural areas. More than 2 crore migrant workers have gone back to their natives in whatever means available including by walk during the early days of lockdown in the country, when transport was banned. Their woes and worries are far from over. The stimulus packages announced by the government did not yield any relief to the downtrodden and instead their problems continue to haunt them. Their livelihoods are lost, their jobs have been snatched away and their existence is at stake.

During the period of the pandemic, the Government has brazenly brought about ordinances to bring about retrograde changes in the farm laws that are detrimental to the farmers and peasants. Farmers are on warpath demanding the government to withdraw the anti-farmer legislations.

Against the working class of the country, the Government introduced the Labour Codes subsuming the various labour laws and making changes that are totally unfavourable to the workers and giving a free-hand to the employers to contractualise the employment, engage the labour for "fixed term", jeopardise their job security and to usher in an era of "hire and fire" at their whims and fancies.

In the Banking industry, during lockdown and pandemic, the Government went ahead with mega-merger of 10 public sector banks and forced them to be reduced to 4 in number. What we require in this country is expansion of Public Sector Banks and not their merger. In our nation, when the banking density is quite low and many people especially in rural areas are yet to utilise the banking services, it will be the public sector banks, which will be discharging such social responsibilities.

As far as the private sector banks are concerned, they are failing time and again due to mismanagement and maladministration. In March, 2020, the Reserve Bank of India clamped moratorium on YES Bank and State Bank of India was forced to bail-out with infusion of Rs.20000 Crores as capital in the beleaguered YES Bank. Recently, Lakshmi Vilas Bank was put under moratorium and within hours of announcement of moratorium, RBI has handed it over to DBS Bank, a Singapore-based financial institution.

**TNBEF HERALD
WISHES
ALL OUR MEMBERS
A HAPPY PONGAL/
SANKRANTHI**

The aim of private sector is profit and their commitment to social banking would be minimal. Their contribution in opening of Jan Dhan accounts, priority sector lending, loans to agriculture would speak volumes about their motives. That is the reason why, AIBEA has been continuously demanding nationalization of all private banks.

The silver lining in this year is the signing of the XI Bipartite Settlement on 11th November, 2020 after long-drawn discussions, negotiations and struggles with satisfactory wage increase and improvement in service conditions. We have achieved many improvements for youngsters, seniors including the retirees. Yet another hallmark of this Settlement is the achievement of “One Nation, one salary”, which means an employee in award staff cadre, wherever he joins, rural, semi-urban, urban or metro, will receive the same salary. From the period of different pay scales for different category of banks, different salary for different areas of the country, we have achieved the “One Nation, one salary”, which is really commendable.

We are in the Platinum Jubilee Year of AIBEA and on 20th April, 2021, AIBEA will be completing its 75 years of glorious existence in the cause of the bank employees. From its inception in 1946, the path has been full of struggles, experiences and achievements secured through bitter battles. The rich legacy and history of AIBEA should be cherished by each and every one of us and we shall have to strengthen AIBEA and take its flag to greater heights. We are in crucial times, where the existence of trade union is being threatened through the actions of the Government. We are in critical period, when the Public Sector Banks are sought to be privatized. We are in hazardous path, where we have to charter our course through struggles, sacrifices and strikes to counter the offensives.

AIBEA, since its foundation, has been fighting for nationalisation of banks. After 23 years of struggles and strikes, on 19th July, 1969, 14 major banks were nationalised. Subsequently, 6 more banks were brought under Government control on 15th April, 1980. However, since April, 2017, there has been a spree of merger of associate banks with SBI, public sector banks with one another and thereby reducing its number to 12 as on date.

But what is happening around us even during this period of pandemic is a point of grave concern. The internal working group of RBI has recommended that the Corporate and Industrial Houses can be allowed as promoters of Banks. AIBEA has immediately opposed these recommendations and started issuing statements in Press highlighting the failures of the private sector banks. Many eminent economists have voiced their apprehension to such recommendations of the RBI internal working group. Due to these pressures and oppositions, the Governor of RBI went on record to state that the views of the internal working group of RBI are not the views of RBI. But the danger remains still.

Recently, there has been a Press Report that the government is likely to set into motion the process of establishing a Bank Investment Company (BIC) to hold its stake in Public Sector Banks. The idea was mooted by the PJ Nayak committee way back in 2014, recommending for abrogation of Banking Regulations Act and to establish Banking Investment Company under the Companies Act. It further recommended that the BIC can decide to dilute the government holding below 51% and there is no need for either the Government or the BIC to go before the Parliament for such a decision.

Hence, the dangers are not in the offing but they have come to our doorsteps. With the merger of public sector banks and reducing their number, the ultimate aim of the government is to handover these public sector banks to private corporates. Nationalised Banks are Nation-building institutions and they shall have to remain so. As far as AIBEA is concerned, they are articles of faith. Therefore, there will definitely be moves of this Government, even in this Budget, to try and weaken the public sector banks and to eventually handover to private hands. Should there be such an eventuality and decisions of the Government, AIBEA will immediately launch agitations, organizational actions, strikes including continuous strikes. So, the days ahead are going to be crucial, perilous, critical and hazardous. We shall have to be prepared to face the challenges and counter them with our own traditional militancy and striking power. We shall have to gear up our machinery. We shall have to educate our members. We shall have to campaign about such ill-advised approach of the government and expose them to the general public to enlist their support.

When we welcome the New Year 2021 with hopes and expectations, we shall also be prepared for sustained and continuous struggles to save the public sector banks and that shall be the befitting contribution that we will be making when we celebrate the Platinum Jubilee of AIBEA. Let us March on and take the flag of AIBEA to greater heights.

BANKING AND ECONOMY

(A) Banking (As on December 18, 2020)

(Rs. in Crores)

1.	Aggregate Deposits	14482560
	Growth (YoY in %)	11.3%
2.	Investments	4412246
	Growth (YoY in %)	18.5%
3.	Bank Credit	10549549
	Growth (YoY in %)	6.1%
4.	Food Credit	93152
5.	Non-Food Credit	10456397

Details of Bank Credit

(Rs. in Crores)

1.	Loans, Cash Credit and Overdrafts	10378101
2.	Inland bills-purchased	22586
3.	Discounted	101037
4.	Foreign Bills – purchased	17524
5.	Discounted	30301

Foreign Exchange Reserves (As on December 25, 2020)

S. No.	Items	Rs. in Crores	US \$ Million
1.	Total Reserves	4272332	580841
1.1	Foreign Currency Assets	3953337	537474
1.2	Gold	270026	36711
1.3	SDRs	11108	1510
1.4	Reserve position in the IMF	37862	5145

(B) Ratios and Rates

	Ratios (As on December 18, 2020)	%
i.	Cash Reserve Ratio	3.00
ii.	Statutory Liquidity Ratio	18.00
iii.	Cash – Deposit Ratio	3.96
iv.	Credit – Deposit Ratio	72.84
v.	Increment Credit – Deposit Ratio	19.53
vi.	Investment Deposit Ratio	30.47
vii.	Incremental Investment Deposit Ratio	72.66
	Rates (As on December 25, 2020)	%
i.	Policy Repo Rate	4.00
ii.	Reverse Repo Rate	3.35
iii.	Marginal Standing Facility (MSF) Rate	4.25
iv.	Bank Rate	4.25
v.	Base Rate	7.40/8.80
vi.	MCLR (overnight)	6.65/7.10
vii.	Term Deposit Rate > 1 year	4.90/5.50
viii.	Savings Deposit Rate	2.70/3.00

Lectures on Banking at University of Madras

We are happy to inform you that Com. C.H. Venkatachalam, General Secretary of AIBEA, was invited to deliver a lecture at the University of Madras on 20th November, 2020, on “Recent Trends in Banking and Marching towards future”. It was arranged by the Department of Commerce for senior teachers of commerce working in colleges and universities across

the country. Com. CHV also delivered another lecture on 12th December, 2020, organised by the Department of Economics and UGC – Human Resource Development Centre, University of Madras, to the college teachers and young research scholars throughout the country on the topic, “Banking Sector in India”. A detailed note on evolution of Banking in India was also prepared and sent to all the participants. Both the lectures were given in virtual mode and we are very happy that the renowned University of Madras has recognised our Organisation, AIBEA, and its role in the development of Banking Industry. It is an honour bestowed on AIBEA and its General Secretary.

Farmers’ struggle – AIBEA extends support and solidarity with the struggling peasants

For the past more than a month, the farmers have been fighting a courageous battle against the Government of India to repeal the 3 farm laws as these legislations have been passed undemocratically in the Parliament without any fruitful discussions. The Government of India did not discuss in detail about these farm laws either before the Ordinance or at the time of placing the Bills before the Parliament with the farmers, opposition parties and other stakeholders.

One of the main issues for which the entire working class of the country went on National Strike on 26th November, 2020, was against the farm laws demanding of the Government to immediately withdraw these legislations. Being part of the strike programme on 26th November, 2020, AIBEA extended all-out support to the struggles of the farmers. AIBEA gave the following programmes:

- a) Support Campaign to the struggles of the kisans through twitter, facebook, whatsapp and social media.
- b) Display of placards before all Bank branches to support the demands of the peasants.
- c) Badge-wearing with demands/Black-badge wearing in support of farmers’ struggles.
- d) Participating in the demonstrations at the respective centres arranged demanding repealing of farm laws.

When the farmers commenced their relay hunger strike, AIBEA gave a call to all its members to skip the lunch on 24th December, 2020, to extend solidarity with the agitating farmers, which was successfully implemented by the comrades. Farmers’ struggle continues and AIBEA has reiterated its support and solidarity to their struggles and demands of the Government to repeal the contentious farm laws to resolve the problems of the peasants.

Misuse of provisions of Apprentices Act by State Bank of India – Protest by 4 Workmen Organisations

State Bank of India gave an advertisement in leading dailies calling for applications to engage 8500 apprentices

in the Bank. AIBEA took initiative, discussed the issue with the workmen unions viz., AIBEA, NCBE, NOBW and INBEF and accordingly, the 4 Workmen Organisations gave a protest letter dated 8th December, 2020, to the Chairman, IBA, demanding immediate review and reconsideration of the decision of SBI. The text of the letter is given below:

“Dear Sir,

Reg: Misuse of provisions of Apprentices Act

Our attention has been drawn to a recent advertisement published by the State Bank of India in various newspapers all over the country proposing to engage 8,500 apprentices in the Bank. In recent years, few other Banks have also engaged such apprentices, of course in a very limited way.

In this regard, we would like to bring the following for the attention and consideration of the IBA:

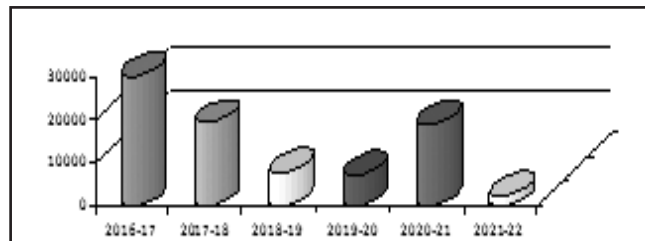
As you are aware, the scheme of apprenticeship is provided under the Apprentices Act, 1961. The Ministry of Skill Development and Entrepreneurship is the administrative ministry governing the scheme of apprenticeship. Thus the basic idea is training and skill development and not a substitute for regular employment. In 2014, the Act was amended to provide for more emphasis and thrust on skill development and avenues of such training. Thus the Government provided the Scheme under the amended Act to regulate the engagement of apprentices in various sectors.

We are aware that banking sector is also covered by the Act and as well as in the Scheme thereunder. The underlying objective behind the Act and the Scheme is to train the unemployed youth with skills so that it would enable them to get employment opportunities in the sectors where their trained skill would be preferred and found useful to both the trainees and the employers.

You will appreciate that the objective and purpose of engaging such apprentices in any industry or sector should be helpful to such unemployed persons to get employment and the period of apprenticeship would be useful to them to learn the job techniques in the sector in which they get employed. In the banking sector, we observe that the intake of clerical staff is shrinking and getting reduced drastically. The following table will explain the declining graph of clerical recruitment in the Banks.

2016-17	30,000
2017-18	19,243
2018-19	7,883
2019-20	7,275
2020-21	18,954
2021-22	2,500

It is matter of concern and intrigue that while the Banks as a whole would be recruiting only about 2500 clerical staff for the next financial year, only one Bank is now asking to engage 8500 apprentices. If the objective of



engaging apprentices is to provide skill to them keeping their future job opportunities in that sector, then, engaging 8500 apprentices when future job slots are so meagre, is not reconcilable. In the current unemployment scenario, where the youth are desperate for jobs, this will frustrate majority of them as only few of them, if at all, may expect to get jobs in the Banks.

Secondly, such method of skill development is more suited for manufacturing sector and not for service sector like banking sector. In manufacturing sector, pre-employment skill training in related work will be useful while in banking such prolonged and long duration training is not necessary and warranted.

Thirdly, we find in some of the Banks, where such apprentices are engaged, in the name of on the job training, they are being allowed to attend to regular work of permanent employees including exercising passing powers of Single Window Operators. Thus these apprentices are being used as normal employees. In addition to their replacing permanent employees, Banks are also running the risk of exposing the operation of the CBS system to all of them.

Fourthly, when there is no commitment or possibility that such apprentices would get preference in getting employment in the Banks, engaging them in such large number for a long duration of 3 years will result in misplaced expectation and consequent frustration and avoidable litigations.

Further, the consolidated lump sum payment for these unemployed youth without any guarantee of future employment is exploitative in nature. Such large scale engagement of apprentices will also adversely affect the normal recruitment of permanent employees in the Bank. Hence, we strongly oppose this engagement of apprentices in the banking sector in this large manner and it needs immediate review and reconsideration.

Yours faithfully,

C H Venkatachalam
Gen. Secretary AIBEA

S K Bandlish
Gen. Secretary NCBE

Upendrakumar
Gen. Secretary NOBW

O P Sharma
Acting Gen. Secretary INBEF

Discussions with IBA on pending issues

Arising out of the Charter of Demands submitted by the Workmen Unions to the Indian Banks’ Association on revision of wages and service conditions, while most of the demands raised by the Unions have been covered by the XI Bipartite Settlement signed on 11th November, 2020, certain other important issues such as 5-day Banking, Updation of Pension etc., were required to be followed up. Hence, when the issues were taken up with IBA, on 10th December, 2020, the 4-workmen unions had a discussion with IBA on these issues and Supplementary Minutes have been signed on the issues covered.

As far as the 5-day banking is concerned, it has to be pursued further with the Government and the Reserve Bank of India. Regarding updation of pension, the

unions have urged upon IBA to hold regular meetings to discuss the issues and settlement it as early as possible.

The Supplementary Minutes dated 10th December, 2020, is given below:

“Arising out of the Charter of Demands submitted by the Workman Unions to the Indian Banks’ Association on revision of wages and service conditions, while the issues and demands raised by the Unions have been mutually discussed, resolved and entered into a Settlement vide Settlement signed on the 11th November, 2020, certain issues need further discussions besides approval from appropriate authorities, etc., and it is felt expedient by the parties to minutes the same as under for the purpose of further discussions, follow-up and possible resolution.

No.	Issue raised by the Union	Comments / Response of the IBA
1.	Introduction of 5 Days Banking, Declaration of remaining Saturdays as weekly holidays.	At present IBA is not in favour of this. However, the issue may be discussed further and keeping in mind the views of various other stake-holders including the Government of India, the issue will be addressed accordingly.
2.	Provision for periodical updation of pension on the occasions of wage revision and updation of pension for existing pensioners.	It is appreciated that updation of pension and periodical revision in pension is a genuine aspiration of the retired employees. IBA is quite sympathetic to the issue, especially revision in pension for those who have retired under earlier Settlement periods when the emoluments were relatively lesser than at present. As Unions are aware, IBA has agreed, subject to Government approval, for revision in Family Pension. Banks will have to make additional provisions towards this. Updation also involves additional cost and additional funding. During the negotiations on wage revision, IBA has already indicated that looking to the cost constraints, the issue would be pursued further for amicable solution subject to Government’s approval in this regard. The current details of the Pension Fund in various Banks are being collected and based on these details, actuarial working also needs to be done. These processes would be expedited to take the issue further forward and IBA/Banks would take decisions subject to Government’s approval.
3.	Revision of Ex Gratia pension to pre-1986 retirees/ their surviving spouse. The scheme was introduced in the public sector banks as per Government guidelines in 1998. In 2013, the amount was revised to Rs.350 pm + DA and Rs.175 p.m + DA for retirees and equal number of surviving spouse. Present total pay-out is less than Rs.20 crores per year for all Banks put together. Their age is 94 + now. Their Ex-Gratia pension needs revision.	IBA is quite sympathetic to this issue and we have since taken up the matter with the Government as the scheme is based on Government guidelines. Matter will be taken up again taken up with the Government to expedite their decision.

4.	Improvement in Group Medical Insurance Scheme for retired employees and insurance premium to be paid by bank managements.	Due to the efforts of IBA, certain improvements like flexible option for coverage, single person insurance premium, etc. have been implemented during the recent renewal of the Policy. Unions may submit their suggestions and the same would be taken up with the National Insurance Company in due course. Regarding payment of premium by the Banks, IBA is unable to accept the same but efforts would be taken by the IBA to discuss the issue with the Banks for extending some subsidy towards the premium paid. Matter needs further discussion looking to the financial implications.
5.	Bringing all pensioners to common index point of 6352 points. Now it is at 600, 1148, 1684, 2288, 2836, and 4440 points. Since this is only actual merger of DA at common index point, the same is cost-neutral.	Detailed proposal may be submitted by the Unions upon which IBA would discuss the issue.
6.	Shifting to DA Scheme under 2016=100 index series instead of present 1960=100 series.	Matter needs detailed study to understand the implications. Unions may submit their Note to the IBA which will be discussed by the IBA, and would be further discussed with the Unions if found feasible.
7.	Allocation of funds for staff welfare scheme in Banks based on operating profits instead of net profit.	Matter has already been taken up with the Government and would be followed up with them as any change in the scheme can be done by the Government only.
8.	Revision/increase in Conveyance Allowance to Physically Challenged employees / Persons with Disability.	Since this allowance is paid based on guidelines from the finance Ministry of GOI, the matter would be recommended to them for their consideration.
9.	Calculation of Pension based on last drawn pay or on average of last 10 months whichever is beneficial to employee as is available in the scheme for Government employees.	The matter will be examined.
10.	Sanction of full pension on retirement after 20 years instead of present 33 years as is available in scheme for Government employees.	The matter will be examined.
11.	Special allowance paid in North East / Sikkim by Central / State Govt., LIC, RBI, etc. and to officers, to be extended to award staff in banks.	Matter was already taken up with the Government but it has not been agreed to by the Government. Will be taken up again with the Government.
12.	Payment / Introduction of special compensatory provisions for employees working in North East, Jammu and Himachal Pradesh like RBI/LIC/Govt. employees.	Unions may submit further details.

13.	Guidelines with FAQ to be given to Banks on fitment and fixation of Ex Servicemen to avoid litigations.	Detailed guidelines have already been issued by IBA to all Banks based on extant Government guidelines on fitment for Ex-servicemen employees joining the Banks. Same would be reiterated
14.	Government guidelines on concessions to Persons with Disability (PWD) in recruitment / promotion / transfers / rotations / postings, etc. to be strictly followed by all Banks.	All extant guidelines from the Dept. of Financial Service, Ministry of finance in this regard as are applicable to Banks are being adhered to by the Banks. All guidelines from time to time would be implemented scrupulously.
15.	Direction to be given to Banks / SLBCs to observe Business hours (cash transactions) strictly as per RBI guidelines within the total working hours.	Unions' views are noted. Matter will be discussed in the Managing Committee meeting of IBA looking to RBI guidelines, etc. and thereafter necessary guidelines would be given as may be deemed necessary.
16.	Exemption of entire retirement benefits from the purview of Income Tax including Gratuity, Leave Encashment.	Matter is not within the purview of IBA. However, Unions' viewpoints would be brought to the attention of the Government.
17.	Festival Advance to employees-increase in quantum.	Individual Banks may take the decision at their level subject to the guidelines of the Government in this regard."

Corrigendum to XI Bipartite Settlement – Settlement on Special Area allowance

On 10th December, 2020, the 4 workmen unions, AIBEA, NCBE, NOBW and INBEF, signed a corrigendum to XI Bipartite Settlement for revision and improvements in Special Area allowance for centres covered in the Andaman & Nicobar islands, Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Lakshadweep, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttar Pradesh, Uttarakhand and West Bengal. The revised rates of special area allowance would be effective from 1st November, 2017.

Government gave clearance for implementation of wage settlement

After the signing of XI Bipartite Settlement on 11th November, 2020, IBA has referred the matter of implementation of 11th Bipartite Settlement with Workmen unions and Joint Note with Officers' Organisations to the Government of India. Specific government approval is required for implementation of Officers' wage revision as well as for payment of pension on revised payscales pending amendment to Pension Regulations.

The matter was being delayed for over a month and AIBEA was consistently taking up the issue with the Chairman of IBA. On 18th December, 2020, the Department of Financial Services, Ministry of Finance, gave its approval. Immediately, IBA has advised all the Banks to proceed with the implementation of Settlement viz., payment of arrears since 1st November, 2017, and revised emoluments in the new payscales and allowances.

Improvement in Family Pension and enhanced contribution by managements under NPS – Workmen unions write to Minister for Finance

Even though the clearance for implementation of XI Bipartite Settlement was received from the Government of India, the approval for improvement in family pension besides revised contribution by the management for New Pension Scheme at 14% are yet to be received. Hence, the 4 workmen organisations, AIBEA, NCBE, NOBW and INBEF, gave a representation on 30th December, 2020, to the Honourable Minister for Finance, seeking her attention for approval of improvement in family pension and enhancement in management's contribution to NPS, so that it would enable the managements to implement them.

Workmen unions demand wage revision for employees and officers of Regional Rural Banks

The 4-workmen unions, AIBEA, NCBE, NOBW and INBEF, represented to Ministry of Finance, through its letter dated 4th January, 2021, that as per the Award of the National Industrial Tribunal and the judgement dated 31st January, 2001, of the Honourable Supreme Court of India, the salary and service conditions of the employees and officers of the Regional Rural Banks shall have to be revised based on the recent wage revision in the commercial banks. Hence, the workmen unions have demanded to extend the provisions of the XI Bipartite wage revision on the same lines to the employees and officers of the Regional Rural Banks. The unions have sought that necessary instructions be issued by the Ministry of Finance in that regard.

Staff Welfare Fund in Public Sector Banks – AIBEA writes to Ministry of Finance demanding revision in ceiling per year after merger of Banks

The existing ceiling for Staff Welfare measures has been fixed way back in 2012 by the Department of Financial Services, Ministry of Finance and subsequent to merger of banks when the staff strength in banks has gone up, the allocation for staff welfare measures has become inadequate, which might result in curtailment of the schemes. Hence, AIBEA has taken up the matter for upward revision of staff welfare fund allocation through its representation dated 15th December, 2020. In the said representation, AIBEA has also demanded that the allocation for staff welfare fund shall be from Operating Profit instead of Net Profit.

AIBEA's social media team

As per the decision of the office-bearers of AIBEA, Social media teams will be formed both at the National level as well as in each State. These teams shall consist of young comrades, who are well-versed to supplement the communication tools of the organisation and who will work as special squads to handle social media platforms on behalf of AIBEA. AIBEA held a virtual meeting of such of those young comrades from different States, who have brought to the attention of the leadership as to how certain anti-AIBEA elements are misusing social media to denigrate our Organisation and its leaders besides underestimating the significance of collective bargaining and bilateralism, indulging in deliberate propaganda through false information and injecting dissatisfaction in the minds of the innocent members, making wanton and disparaging comments on leaders etc. Hence, to counter such offensives through social media as well as to highlight the decisions and views of AIBEA to the members, it was decided to build up the social media team of AIBEA as under:

1. Apex Core Team.
2. 60-member National Social Media Team.
3. State-level Core Team.
4. 500-member State-wise Social Media Team.
5. Bank-wise Social Media teams.

Illegal termination of 8 permanent employees of MUFG Bank (Bank of Tokyo-Mitsubishi Ltd)

MUFG Bank is having five branches in our country, at Delhi, Chennai, Bengaluru, Neemrana and Mumbai, employing 14 workmen employees, who have put in more than 25 years of service. On 29th December, 2020, in the evening, 8 permanent employees were served with termination notice telephonically throwing all norms and procedures to the winds. This was further confirmed through e-mail that their termination would take effect from the close of business hours on the same day, 29th December, 2020. It stated further that they need not

attend office from 30th December, 2020 and that their dues would be credited to their accounts. Apart from 8 employees, 18 officers have also been terminated. The dismissed employees were evicted from the branch and their access card, ID card etc., were snatched from them by the HR Head. In the name of centralization of operations, MUFG Bank has made fresh appointments of employees and officers but the terminated employees were not given option to relocate to Mumbai but they have been forcibly thrown out in the most cruel and inhuman way.

Even though the Home Ministry has given clear guidelines to deal with the workers in private sector including instructions that employees should not be deprived of their wages, it is so painful and disheartening that MUFG Bank has flouted all rules, laws and guidelines and dismissed the permanent employees in a most illegal and unfair manner. This Bank has a legacy of notoriety and 20 years ago, it closed its Kolkatta branch overnight without notice and this led to a prolonged agitation including a call for All India Strike by AIBEA.

Shamefully, once again, the Bank has now resorted to such flagrant and blatant action of terminating the permanent employees. AIBEA immediately swung into action, advised all the bank-wise unions to send protest telegrams to the Minister for Finance and the Labour Minister. A complaint was also lodged before the Chief Labour Commissioner (Central), Government of India, Ministry of Labour, for his intervention.

Banking License to Corporate Houses – a very bad idea

With RBI's Internal Working Group submitting their recommendation that Corporate Houses and Big Business Houses can be allowed as promoters of Banks, a lot of debate is going on. As far as AIBEA is concerned, it is not very difficult – rather it is very easy – to come to the conclusion that allowing entry of Corporates to run their own Banks is a very bad idea because of past bitter experiences. Mismanagement of private Banks in our country is not new. Every now and then we observe that some private Bank or the other is getting into problems. Few months ago, there was a crisis in YES Bank and how it was bailed out by the RBI and Government by managing capital from SBI. Now LVB has been donated to DBS. When you look back at the time capsule, the list is long.

Era of Bank Failures - 1639 Banks collapsed in five decades: Those were the years in 1930s, 1940s and 1950s when all Banks in our country were private banks and there were few foreign banks also. Many private banks were failing and getting closed. Innocent people, who had kept their savings as deposits in the Banks, lost their money.

Failure of 1639 Private Banks in India – 1913 to 1960

Year	No. of Banks failed	Year	No. of Banks failed	Year	No. of Banks failed	Year	No. of Banks failed
1913	12	1926	14	1939	117	1952	31
1914	42	1927	16	1940	107	1953	31
1915	11	1928	13	1941	94	1954	27
1916	13	1929	11	1942	50	1955	29
1917	9	1930	12	1943	59	1956	28
1918	7	1931	18	1944	28	1957	30
1919	4	1932	24	1945	27	1958	28
1920	3	1933	26	1946	27	1959	38
1921	7	1934	30	1947	38	1960	26
1922	15	1935	51	1948	45	TOTAL NO. OF BANKS FAILED	1639
1923	20	1936	88	1949	55		
1924	18	1937	65	1950	45		
1925	17	1938	73	1951	60		

Pioneering role of AIBEA and Com. Prabhat Kar: AIBEA took up the issue and built up a national campaign. AIBEA also launched agitation demanding safety for people’s money. In 1957, Com. Prabhat Kar, our beloved leader and the then General Secretary of AIBEA contested elections and became a Member of Parliament. He championed this issue in the Lok Sabha by repeatedly raising this issue and forced debates in the Parliament. Thus, outside AIBEA was fighting in the streets and inside the Parliament Com. Prabhat Kar echoed these issues.

Amendment to Section 45 of B.R Act: Due to all these struggles and efforts, Government agreed and an amendment was made to Section 45 of the Banking Regulations Act. This Amendment to the B.R. Act enabled the RBI to intervene in the affairs of any Bank in public interest and merge that sick Bank with another Bank. This amendment stopped abrupt closure of any Bank. Thus AIBEA played the important role in fighting for the interest of Depositors and in preventing Banks being closed down. Since then, no Bank in our country has been closed down. All the ailing Banks were put on moratorium and merged with another Bank.

From 1961 to 1968, 263 private Banks failed but all these Banks were merged with some Bank or the other. No Bank was closed.

1961	47	1964	82	1967	15
1962	33	1965	42	1968	7
1963	20	1966	17	1961-68	263

1969 – Golden Era of Nationalisation begins: AIBEA was not satisfied with this. Our visionary leaders Com Prabhat Kar and Com H. L. Parvana wanted the Banks to be nationalised so that not only the people’s money is safeguarded, but also that money is helpful for national development instead of helping the private owners to earn more profit. From 1964 Conference of AIBEA held in Trivandrum, this call was given and a bitter struggle ensued. This struggle forced the Government to accept our demand of Nationalisation of Banks and Madam Indira Gandhi nationalised the 14 major private Banks

that were controlled by powerful Business Houses like Tata, Birla and others.

Public Sector Banks – Neelkant Mahadev – the swallower of private losses - the Savior 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	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.	SouthGujarat 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

Bulging Bad Loans – Who are the main culprits: Everyone knows that the only major problem 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 willful defaulters.

Year	Bad Loans Written Off	Year	Bad Loans Written Off
2001	5,555	2011	17,794
2002	6,428	2012	15,551
2003	9,448	2013	27,013
2004	11,308	2014	32,595
2005	8,048	2015	49,976
2006	8,799	2016	59,400
2007	9,189	2017	81,684
2008	8,019	2018	1,28,230

2009	6,966	2019	1,96,849
2010	11,185	2001 TO 19	6,94,037 CRORES

IBC – who has gained and who has lost: In the name of Insolvency and Bankruptcy Code (IBC), Corporate defaulters are relieved of their huge loan obligations to the Banks and these bad loans are sold to other Corporates for cheap rates. Thus Banks are the losers and Corporates are the gainers in the process. See the following examples:

COMPANY/ BORROWER	LOAN AMOUNT DUE	RESOLVED FOR	HAIRCUT/ DISCOUNT/ CONCESSION GIVEN	PURCHASED BY
ALOK INDUSTRY	30,200 CR	5,052 CR	83 %	RELIANCE
MONNET ISPAT	11,478 CR	2,892 CR	75 %	JSW
ELECTROSTEEL	13,958 CR	5,320 CR	62 %	VEDANTA
JYOTHI STRUCTURE	8,179 CR	3,691 CR	55 %	Rich individuals
BHUSHAN STEEL	57,505 CR	35,571 CR	38 %	TATA
ESSAR	54,000 CR	42,000 CR	23 %	ARCELOR MITTAL

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 JEWELLARY	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 JEWELLERY		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

Banks incur losses due to provision for bad loans given to these Corporates:

(Public Sector Banks)	Operating Profit	Provision for bad loans	Net loss Rs. Crores
2015-16	1,36,926	1,54,918	- 17,992
2016-17	1,58,982	1,70,370	- 11,388
2017-18	1,55,585	2,70,953	- 85,370
2018-19	1,49,804	2,16,410	- 66,606
2019-20	1,74,336	2,00,353	- 26,016

Can we hand over Banks to these Delinquents, Defaulters & Dodgers? Banks deal with people's money. Banks deal with public savings. It is risky to hand over Banks to these Corporates. Our experience is very bad.

That is why AIBEA has coined the slogan "People's Money for People's Welfare and not for private Corporate Loot." We shall have to fight these offensives in the days to come should the Government proceed with such moves.

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<https://play.google.com/store/apps/details?id=com.jai.aibea>

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<https://apps.apple.com/in/app/aibea-official/id1546526816>

You can go to Play Store in your Mobile Phone, type AIBEA in search and you can download the App.

The views expressed in this Journal are not necessarily the views of the TNBEF.

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