



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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PRESS RELEASE

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Do not privatise Banks: In 1969, major private Banks were nationalised in India. In the last 53 years, these nationalised Banks have immensely contributed for the economic development of our country. Thousands of branches have been opened, particularly in the rural areas to serve the common people. Loans are being given to agriculture, small and medium industries, education, major industries, rural development, infrastructure sector, etc. in a big way. Savings of the masses have been mobilised by these Banks to provide safety for their savings.

Prior to nationalisation and even after 1969, many private banks have collapsed due to mismanagement and people have lost their savings. Nationalised Banks are protecting the savings of the people. Nationalised Banks alone are giving loans to priority sector.

Total Deposits of Banks today : Rs. 165 lac crores

Total loans given : Rs. 120 lac crores

These nationalised Banks have to be further strengthened to serve the people. But the Government has announced that nationalised Banks will be privatised. If Banks are privatised, rural banking will be affected. Private Banks will not encourage rural banking. They will be interested in more profits only. Slowly only rich people will be encouraged to have accounts. Hence AIBEA is opposing the decision to privatise the Banks.

We are undertaking a national campaign to educate the people to support our demand. We are collecting signatures from the people to submit a mass petition to Prime Minister.

Dharna before Parliament on 21-7-2022: From United Forum of Bank Unions, representing the 9 bank unions viz. AIBEA, AIBOC, NCBE, AIBOA BEFI, INBEF, INBOC, NOBW, NOBO we are holding a Dharna before Parliament on 21-7-2022 to express our protest against the moves of bank privatisation.

Strike in Banks: We have decided that if the Government will bring any law to privatise the Banks during the ensuing Session of the Parliament, then, there would be intensified and prolonged strikes in Banks.

AIBEA demands recovery of bad loans from big companies: The only major problem in the Banks today is the increasing bad loans because of the default by big corporate companies. We have been demanding action against them to recover the loans. But Govt. is giving them more and more concession.

For the past 6 years, bad loan accounts are referred to Tribunals under Insolvency and Bankruptcy Code IBC. Instead of loan recovery, these loans are being sold to some other companies for cheap rate and Banks have made huge losses.

IBC has become a method to loot public money because Banks incur huge hair cuts and sacrifice in these deals. Defaulters escape without any penal action on them. Another Corporate Company is taking over these loans at cheap rates.

NPA - IBC HAIRCUT STORY

Rs. In crores

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

Where the profits go: as on March, 2022 – Public Sector Banks

Total Gross Operating Profit : 208,654 crores

Provisions for bad loans, etc. : 1,41,918 crores

Net Profit after provisions : 66,736 crores

Thus, the bulk of the profits (68 % of the profits) earned by the Banks goes for provisions for bad loans and write off of bad loans. Thus people's money is being looted by the Corporates.

Closure of Branches: When Govt talks of inclusive growth and taking service to all people, in reality, the number of branches are coming down year after year. We demand that more new branches should be opened especially in the unbanked areas.

WE OPPOSE PANAGARIA REPORT ON PRIVATISATION OF BANKS:

On 13-7-2022, Mr. Arvind Panagaria, former NIITI Aayog and Poonam Gupta of National Council of Applied Economic Research have submitted a report suggesting privatisation of all Banks because private banks are more efficient. It is a vindictive and revengeful report against public sector Banks.

They have completely forgotten that in our country so many private banks have collapsed due to in efficiency and Govt. Banks had to merge and rescue them.

They have forgotten that 90% of bad loans are due from the big private corporate companies.

They have forgotten that 98 % of the Jan Dhan Yojana accounts have been opened by Govt. Banks and not by private Banks.

They have forgotten that loans to agriculture, employment generation, poverty reduction, rural development, education, health, women empowerment etc are given only by govt. banks and not private banks.

They have forgotten that only PSBs have opened branches in remote rural villages and not the private Banks.

Even today there are a lot of hidden mess in private Banks. Past track record of private banks has been no good at all. **We demand rejection of this Report.**

**C.H. VENKATACHALAM,
GENERAL SECRETARY**