

UNITED FORUM OF BANK UNIONS

C/o. State Bank of India, LHO, Plot No.1, Sector-17A, Chandigarh - 160 017
Phone (Office) : 0172-4567142, 4567042, 2702518 Fax – 0172-2721716
Mobile – 09417032548 e-Mail – ufbu.chd@gmail.com

SANJEEV K. BANDLISH
Convenor

1st December, 2021

FORM – I NOTICE OF STRIKE

NAME OF UNION: UNITED FORUM OF BANK UNIONS (UFBU)

NAMES OF ELECTED REPRESENTATIVE

Shri. Sanjeev K. Bandlish, Convenor UFBU

To

The Chairman, Indian Banks' Association, World Trade Centre Complex, 6 th Floor, Centre 1 Building, Cuffe Parade, Mumbai. 400 005	Chief Labour Commissioner (C), Ministry of Labour, Office of the CLC, Shram Sakthi Bhavan New Delhi
--	---

Dear Sirs,

In accordance with the provisions contained in sub-section (1) of Section 22 of the I.D. Act – 1947, we hereby give you notice that the members of the constituent Unions of UNITED FORUM OF BANK UNIONS viz. AIBEA, AIBOC, NCBE, AIBOA, BEFI, INBEF, INBOC propose to go on strike on **16th and 17th December, 2021** on the following demands:

Demanding:

- **Strengthening of Public Sector Banks**

Opposing:

- **Proposed Privatisation of Public Sector Banks**
- **Banking Laws (Amendment) Bill, 2021**

The details of the programme are furnished hereinbelow.


(SANJEEV K. BANDLISH)
CONVENOR

1/12/2021

Encl :

- Details of Agitational Programme & Statement of the case

Copy to : Secretary, Dept. of Financial Services, MoF, Govt. of India
MDs/CEOs of All Banks
Chief Executive, IBA, Mumbai

3 rd Dec. 2021	Petition to all Members of Parliament by UFBU
Upto 4 th Dec. 2021	Dharna in all State Capitals
4 th Dec. 2021	Massive Demonstration in all State Capitals
On the day of introduction of Bill	Demonstration/Morcha before Parliament
7 th Dec. 2021	Demonstrations in all District & Town centres
8 th Dec. 2021	Demonstrations in all State Capitals
9 th Dec. 2021	Black Badge Wearing
10 th Dec. 2021	Twitter campaign
13 th Dec. 2021	Wearing of protest Masks & Demonstration in all State Capitals
14 th Dec. 2021	Submission of online petition to Prime Minister
15 th Dec. 2021	Press Meets in State Capitals & Demonstration in all Branches & Rallies
16 th & 17 th Dec. 2021	Two days continuous stay out strike

STATEMENT OF THE CASE

Privatisation of Public Sector Banks – WE OPPOSE Strengthening Public Sector Banks – WE DEMAND

Whereas the Government has been pursuing the policies and programmes of divesting, weakening the Public Sector Banks, through its various measures, including privatisation.

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. Nationalization of Banks and bringing them under Public Sector became very critical and crucial for giving impetus to country's growth and progress.

In this background, in 1955, Imperial Bank of India was converted as State Bank of India under public sector. 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 nationalized in 1969 and 6 more 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.

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

9

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.

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.

Public Sector Banks are earning huge Operating profits, as can be seen hereunder:

Operating Profits of Public Sector Banks – at a glance

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 crore

Instead of further strengthening public sector banking, the present policies are aimed to weaken PSBs, by starving them of the required capital, human resources, through disinvestment and proposed privatization. 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.

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

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.

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 NPAs/stressed assets of the banking industry belong to private large corporate which incontrovertibly, unquestionably demonstrates that private enterprises do not epitomise efficiency.

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

Whereas 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. 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. 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 %

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.

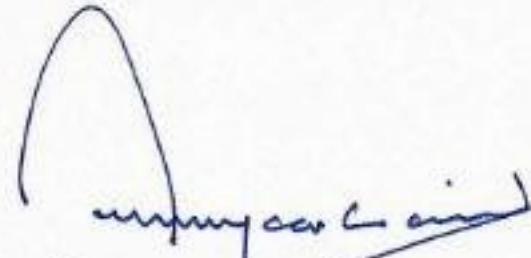
On the other hand, Government is seriously continuing the retrograde reform measures ignoring the real menace in the banking industry i.e. mounting bad loans and the growing list of wilful defaulters. Wilful default by large corporate borrowers, imposed hair-cuts through ill-conceived Insolvency and 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.

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.


(SANJEEV K. BANDLISH)
CONVENOR
11/12/2021