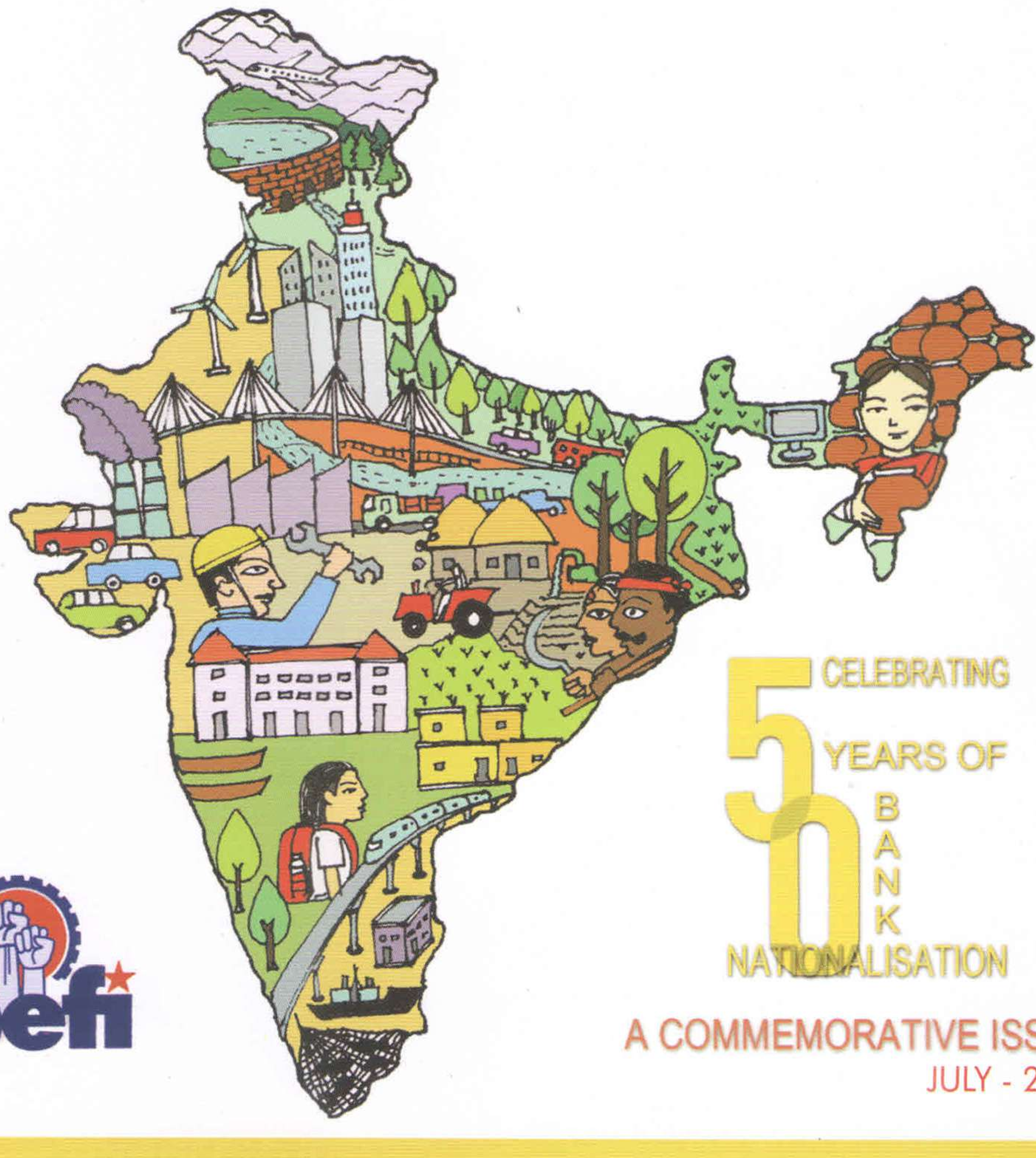
FORUM

JOURNAL OF UNITED BANK OF INDIA EMPLOYEES' UNION



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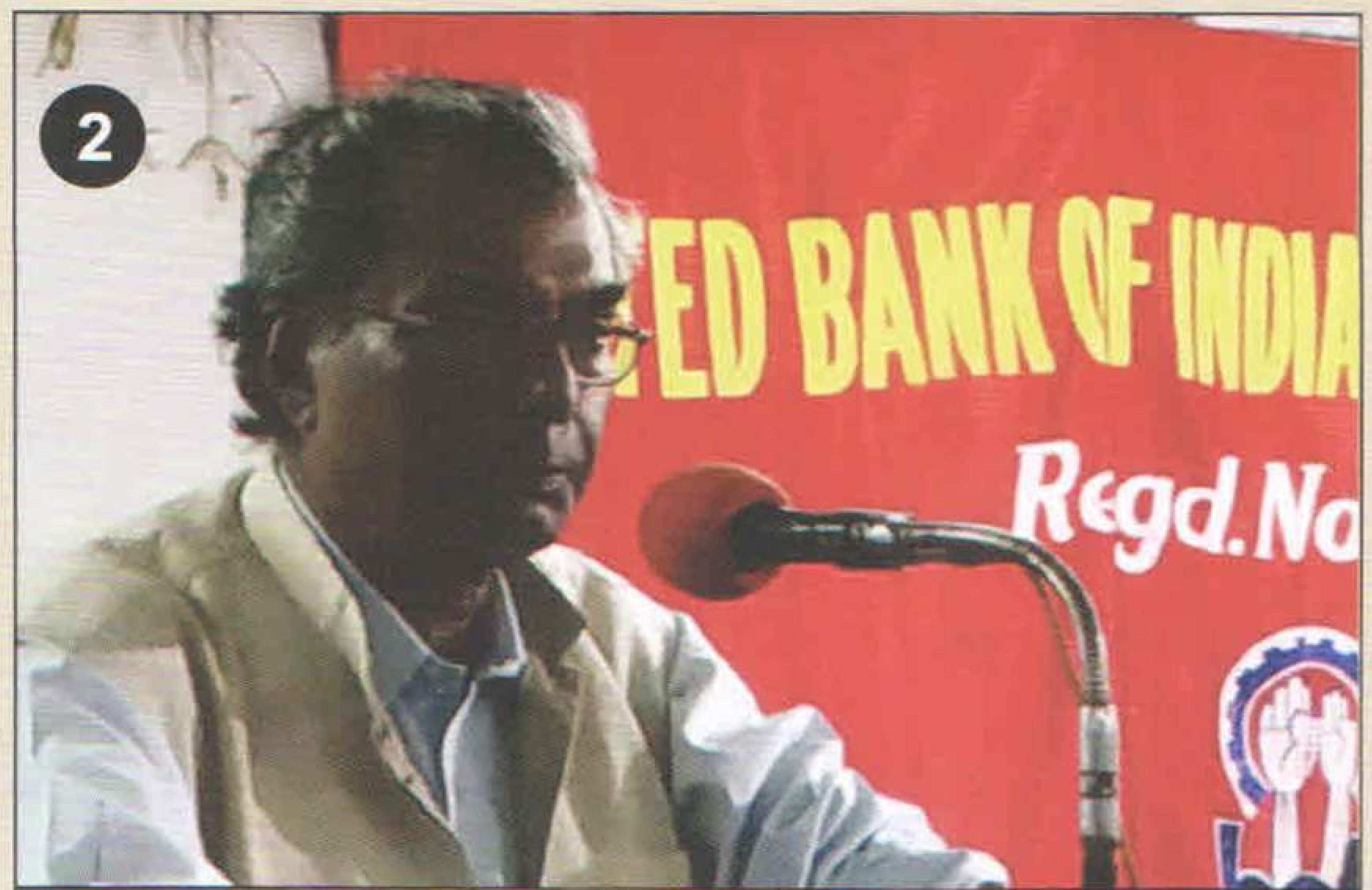
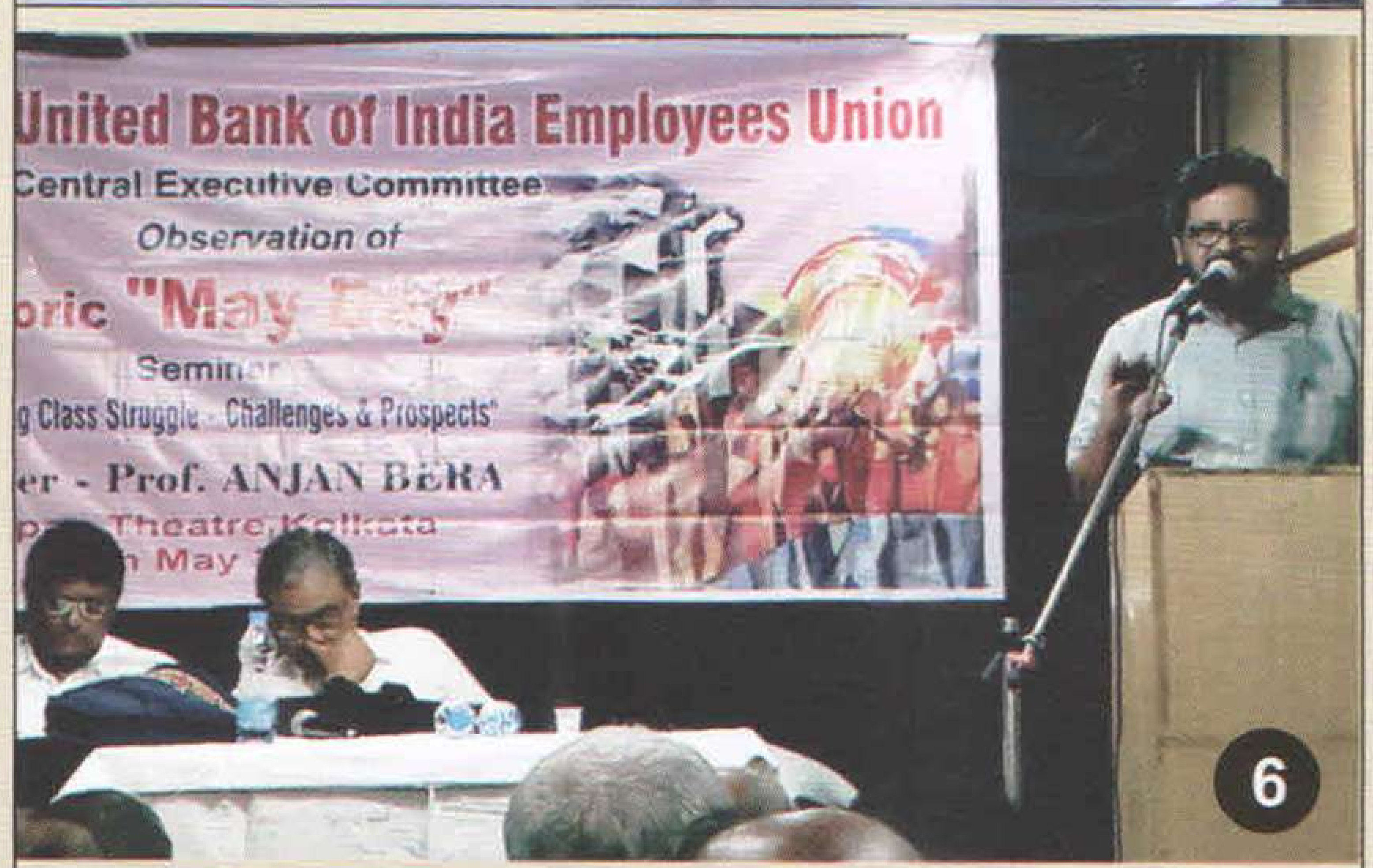
CELEBRATING 50 YEARS OF BANK NATIONALISATION

A COMMEMORATIVE ISSUE

JULY - 2019

SAVE PUBLIC SECTOR BANKS : SAVE PUBLIC MONEY





(1-3) BEFI 10th National Conference Reporting meeting in Kolkata
(4-5) UBIEU, CEC All India Office-Bearers' meeting at Varanasi
(6-7) UBIEU, CEC Observes 'May Day' at Tapan Theatre, Kolkata
(8) General Meeting of Malda Regional Committee held on 07.07.2019

Editorial

SAVE PUBLIC SECTOR BANKS

Banking in a broader sense of perception had been in existence in our country long centuries before. Exclusively owned and controlled by private capital a great many banks cropped up here and there, lasted for some years and then failed all of a sudden with total wipe out of the common people's deposits overnight. This was, in fact, a common phenomenon of Banking in pre-nationalization period. We find its poignant narrative in different novels and films of the past. Nationalization of 14 major private commercial banks in one stroke on 19th July, 1969 is generally considered the beginning of public sector banking in India though Reserve Bank of India and State Bank of India including its Associates (now non-existent) came into being as nationalized entities much before it. After 1969, Govt. owned Regional Rural Banks (RRBs) were formed in 1975 and another spell of nationalization of 6 other commercial banks took place in 1980. It is hardly overemphasizing to say that Bank Nationalization in 1969 was an epoch-making event in the history of Independent India that changed the trajectory of Indian economy qualitatively. The then Prime Minister of India Smt. Indira Gandhi in her address to the nation on the auspicious day of Bank Nationalization (19th July, 1969) said, ***"An Institution such as banking system, which touches and should touch lives of millions has necessarily to be inspired by a large social purpose and has to subserve national priorities and objectives. That is why there has been a widespread demand that major banks should not only be socially controlled but also publicly owned. This step now taken is a continuation of process which has been underway. It is my earnest hope that it will make a new and more vigorous phase in the implementation of avowed plans and policies....."*** It needs no elucidation of the glorious role played by public sector banks in building up our nation despite several twists and turns. Indian economy witnessed a turnaround in true sense with huge mobilization of deposits largely from the common people and channelizing the same to the developments of various sectors like Agriculture, Industry, SMEs, Infrastructure and so on. But for Bank nationalization, the country could have hardly achieved Green Revolution, White Revolution and self-reliance in food production. The old generation people today can still remind those distressing days of PL 480. This apart, Bank nationalization followed by huge expansion of branches had opened up flood gates of employment for the educated youth in the industry altogether for some subsequent years. Our peasantry could come out from the strangleholds of usurious money-lenders in rural areas to a great extent. Eradication of rural poverty had also been possible substantially through easy flow of Bank's credit to agriculture and other allied activities under mandatory 40% priority sector lending. Thus in many respects Bank Nationalization ushered in a golden era for our country and the countrymen as well.

With onset of neo-liberal reforms under the garb of New Economic Policy (NEP) since 1991 Banking industry began to take a U-turn from the ***'avowed plans and policies'*** of nationalization. It is the priorities of the corporate-driven market economy that has rudely replaced ***'national priorities and objectives.'*** Successive governments at the centre brought in several changes in policy framework and set out norms totally mismatched with public sector banking in pursuit of pro-corporate reforms. Capital adequacy as per Basel norms, harder and harder policies of asset classifications leading to staggering growth of Non-Performing Assets (NPA) and higher and higher provisioning thereto combined with huge write-off/hair-cuts in the name of recovery - all have practically let loose an anarchy in the banking sector. During the last five years of Modi-1 Govt, reforms received a tremendous boost. Govt. stake-holdings in Public Sector Banks (PSBs) continue to slip down alarmingly through successive disinvestments and in case of some banks it is hovering round the border line of 51%. NPA reached to an astronomical height of Rs. 8.95 lac crores as on 31.03.2018. Though reduced to Rs. 8.06 lac crore as on 31.03.2019, it is still as high as 14% of the total Bank credit. PSBs all together incurred net loss in last four years consecutively from FY 2015-16 to FY 2018-19 despite earning operating profit of 1.50 lakh on an average in every year. As a matter of fact, 70% of hard-earned profits evaporated simply because of provisioning for NPA alone during these years. According to RBI, 56% of this huge NPA is caused by willful default of few corporate borrowers. But successive governments at the centre preferred to dole out these corporate culprits making huge sacrifices of public money by way of write-offs and hair-cuts in the process of NPA recovery/ resolution and Modi-1 Govt. surpassed all its predecessors in this respect. More than 5 lacs crores of rupees had been sacrificed during the period of last 5 years alone essentially to the benefit of corporate defaulters. Much touted Insolvency & Bankruptcy Code 2016 (IBC-2016) introduced by Modi Govt. with an ostensible bid to hasten the recovery from large borrowal A/cs has practically turned out to be a tool of legalized plunder of public money by the corporate. According to the latest RBI report, 94 cases of large borrowal accounts (including 6 of 12 A/cs in RBI's first list) since resolved in FY 2018-19 through National Commisson Law Tribunal (NCLT) under IBC-2016 could fetch only 43% of the total claim amount of Rs. 1.73 lakh crore after an overall hair-cut of 57%. Loss of public money can well be estimated. Thus reeling under NPA menace PSBs continue to bleed profusely and stand to lose adversely in so far as their profitability, Return on Assets (ROA) and capital base etc. are concerned. On-going reforms are running counter to the interests of the common customers as well. They are made to lose interest income substantially on their hard-earned deposits as interest rate continues to decline intermittently to facilitate cheap credit flow to business houses. Besides, different service charges and penalties are being imposed on them under different stipulations.

Taking advantage of the projected ill-health of PSBs, Modi-Government has been moving aggressively to consolidate the banking sector through Merger & Amalgamation. During its first term two big ticket mergers took place - first 5 SB1 Associates and Bharatiya Mahila Bank with State Bank of India in April 2017 and then Vijaya Bank and Dena Bank with Bank of Baroda in April 2019 respectively. IDBI is no more a public sector bank with LIC having taken over 51% of its stake-holdings at the dictates of GOI. Thus, the number of PSBs has already come down to 18 from 26 during Modi-1 regime, Needless to mention, principal objective of Merger & Amalgamation is to squeeze the space of public sector banking and then dismantle it ultimately.

After the recently held elections to the 17th Lok Sabha Modi-2 Govt. has been installed at the centre with a massive mandate. The narrative of communal nationalist jingoism and fight against terrorism built around ghastly Pulwama terrorist attack on armed forces in Feb.'19 and subsequent rebuff of Balakot strike could successfully brush aside multitude of life and livelihood issues that Modi-1 Govt. had imposed on the people during its last five years' rule. While we must accept the people's verdict in our parliamentary democracy, we cannot but feel at the same time that it does not augur well for the working class and people in general. The Banking community, in particular, has reasons to be more apprehensive. Immediately after the swearing-in ceremony of the new Government, Niti Ayog came out with a *'big bang reforms'* agenda that includes Labour Law Reforms, privatization/closure of 42 PSUs etc. It was also announced that the proposed reforms programme is to start with banking sector. RBI has already been asked to start the process of ranking and classification of different PSBs based on their performances. Further spell of Merger & Amalgamation is looming large over the banking sector. So we must remain on our heels to fight against all these pro-corporate and anti-people reforms. These senseless reforms zero in on total dislodgement of public sector banking projecting it poor and a white elephant in the public eye even though PSBs still dominate the banking arena keeping 70% of business in its hold. We should here recall the wise saying of the world famous social analyst Noam Chomsky, ***"That is standard technique of privatization; defund, make sure that things don't work, people get angry, you hand it over to private capital."*** Team Modi has been working overtime for outright privatization of the PSBs in favour of the corporate finance capital in the name of reforms. Prime Minister Modi himself professedly believes in ultimate death of public sector entities.

Today when we are celebrating 50 years of Bank Nationalization, it really haunts our minds that a deep dark cloud of privatization engulfs the arena the public sector banking. But the Bank employees cannot let it happen in any way. For the last long 3 decades they have been in the path of struggles and held as many as 57 strikes to resist this sinister move and equally they are ready to go miles away further to foil the game plan. Public Sector Banks belong to the people of the country. It is they who have built in this strong edifice of the Indian economy keeping their hard-earned deposits worth lacs of crores of rupees reposing never-failing faith and confidence on nationalized banking. No Government, however strong it may be, has the authority to sell them out to the greedy corporate in the name of reforms. Bank employees' movement must grow further militant with renewed vigour ensuring active support of cross sections of the common people. At this auspicious moment of completion of the Golden Jubilee let us all take a vow to save Public Sector Banks, one of our prime national assets, at any cost.

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We welcome constructive criticism, suggestions and also invite articles from our members and readers as well for further enrichment of our organ 'FORUM'. Our different Regional/ State Committees are requested to send brief reporting of important programme, if any, organised by them for publication. Communications may be sent through e-mail at ubieu.cec@gmail.com or directly to our CEC office.

- Editorial Board

Birth : 01.11.1932 Death : 25.03.2019

Red Salute to

Com. Santi Bardhan

A Leader per excellence of Bank Employees' Movement

[Com. Santi Bardhan, Ex-General Secretary of BEFI, had been the Chairman of the Reception committee of the 11th All India Conference of United Bank of India Employees' Union held in Kolkata from 22-24th December, 2011. We reprint here his welcome Address to delegates and observers on the occasion which speaks for itself.]

Welcome Address of Com. Santi Bardhan

Chairman of the Reception Committee

Comrades,

I, on behalf of Reception committee, welcome you all coming from all corners of the country to participate in this 11th All India Biennial Conference of U.B.I. Employees' Union. We are very happy and obliged to receive you.

It is our great pleasure to receive you in this city of Kolkata, the city, which has been playing a historic role in the fields of culture, humanism, literature, science, liberalism in Religion, music, revolutionary movement, independence struggle, politics of India etc for about three centruies.

Kolkata was the first capital of India and also was the nerve-centre of renaissance which gave effect to social system in many parts of India.

Kolkata contributed many legendary figures of National and International strata Acharya Jagadish Ch. Bose, Satyendra Nath Bose attributed elementary discovery in the World of Science, Nobel Laureate Sri. C.V. Raman and Horgobinda Khurana, the renowned scientists started their carreer from this city. Acharya Prafulla Ch. Roy whose 150th Birth anniversary observation is going on, was the first entrepreneur of chemical industry of India and was also poineer in Science research.

Rabindra Nath Tagore, the first Nobel Laureate of India from the field of literature took birth in this city. His house at Jorasanko in this city comprising other close relations became epoch of Indian literature and art. Sri Amartya Sen is the latest on Nobel Laureate in Economics. Netaji Subhas Chandra Bose, one of the great freedom fighters of this country as well as the President of Indian National Congress and later on Commander-in-Chief on Azad Hind Fouz (INA) concentrated all of his political activities in this city. This city produced many revolutionaties like Prafulla Chaki, Binoy, Badal and Dinesh and so on who sacrificed their lives for independence of India

Khudiram Bose was the first martyr of the country in the struggle for Independence. Hrishi Arabinda Ghosh from his revolutionary life was turned into a saint under a background of philosophy of socio-political design.

Lacs of people come to Kolkata to see Kalighat Kali Temple and Dakshmeswar

Temple where Sri Ramakrishna Paramhansa held his spiritual activities He brought liberalism in Religion with humanitarian touch. His disciple Swami Vivekananda took birth in this city who first exposed Indian Religion in USA and throughout the world. He was a saint with practical outlook and social mission.

Indian history of developmental work will certainly ratify that this city held record of India's first Metro rail, contilever bridge over the Ganges.

You have come to a city which is the birth place of Bank Employees' Organisation and it's movement which later on spread all over India. AIBEA was formed in Kolkata in 1945.

UBIEU was also founded in this city in 1980 in this hall. Kolkata is the sparking centre of Working Class and Left-Democratic movement of the country. Let us spark according to the need of the hour.

Comrades, we are crossing over a very crucial period all the features of which were not in the past. US Imperialism being the driving force of the world, Capitalism is facing a deep and prolong recessionary crisis. The World gamblers of speculative Capital emanating from Finance Capital are the orientors of this crisis. G-8 being a steady group of US Imperialism is facing the same crisis. Hundreds of big banks, unimaginably bigger than Indian banks, have been liquidated. Peoples' money has been swindled. Unemployment has crossed all its past records. All social securities like pension etc are being gradually withdrawn. Due to the laws of speculative market 'food inflation is there. GDP growth rate is remarkably reducing in those countries. In such a condition a contradiction between the people at large and the respective States has been cropped up. The common people irrespective of colours and shade have come out on the streets with a slogan 'Occupy Wall Street'-the headquarter of world speculative capital. The people of USA is raising slogan this time against the 'system[1] being the root cause of all sufferings. With a background of many countrywise movements including historical strikes in those advanced countries, this movement is engulfing whole Europe and the rest of the World. A globalisation of working class movement against Capitalist globalisation is supposed to come in a shape. The Indian working people as called by Central Trade Unions and Federations has observed 'Action Day' on 3rd October, 2011 as called by WFTU and subsequently 'Jail Bharo' movement on 8th Nov '11.

Bank Employees are fighting for about 2 decades against privatisation of PSBs unitedly under the umbrella of UFBU. 13 strikes have been organised as against this menace. BEFI is playing a pivotal role in organising united movement. During this tenure of UPA II Govt. bankers combine are now very much prompt in programmatic implementation of privatisation, outsourcing of bank's normal job etc. For this purpose Banking Companies

Regulation Act Amendment Bill and PFRDA bill are pending for acceptance of parliament. Left and other democratic forces in the Parliament are opposing this move. The bank employees and working class in general are in agitational path against such onslaughts.

It is a serious concern with bank employees movement that Central Govt. has accepted the draconian anti-employee recommendations of 'Khandelwal Committee'. Out of many recommendations the committee has prescribed Bankwise wage agreement linked with productivity, capacity and profit, recruitment in only rural areas, outsourcing of core banking job, Online redressal of grievances amounting to negation of bilateralism etc. It is learnt that UFBU has already unleashed a movement programme against these attacks and resolving some pending demands.

Comrades, in this occasion, I take pride in Bank Employees movement that has set an unprecedented example of all out unity and action existing 2 decades and above even in the world history of industrywise T.U. movement. BEFI's catalyst role in forming and cementing this broad-basedclass unity against the attacks of ruling classes is a duty boundness of working class outlook. I have the conviction that united bank employees' movement will be able to meet these challanges.

The united movement of bank employees became able to meet the challenge before 9th B.P. Settlement. After $2^1/_2$ years' sustained struggle the UFBU could bowdown Govt-bankers combine and the 9th B.P. Settlement was signed with a marvellous proposition of acceptance of another option for Pension under old scheme. About 3.5 lac employees including retirees became benefitted who were debarred from pension since 1995. BEFI adopted a resolution in its G.C. Meeting held at Hyderabad in 2004 for opening another option for Pension and due to prolong independent campaign and endavours in UFBU for 5 years this was accepted as No 1 demand of bank employees.

Comrades, you are being leaders and organisers of UBIEU as a pioneer organisation of BEFI, will certainly take essence of bank employees movement and working class movement as a whole as formulated in the present juncture and will have the constructive deliberation on the proceedings of the Conference to strengthen your Organisation so that united movement can be unleashed in your bank so as to give a big contribution to the united bank employees' movement.

The Reception Committee has tried its best to accommodate you with all sincerity but there may have some shortcomings and for that matter we regret for any discomfort and inconvenience caused to you.

The Ridiculous Characters of Disfigured Mergers

C J Nandakumar

Two public sector banks were vanished from April 1, 2019.The erstwhile Vijaya Bank and Dena Bank are now known as ***'now Bank of Baroda'.*** It means there are likely to be changes. There are lot of deformities existing even after the merger of the said two banks with Bank of Baroda. It is because of the lack of a good home work and the after effect of a lack of coordination in a matter where different banks merge together. Even after April 1, in the system of Vijaya Bank, the same name is appearing. Situation in Dena Bank is too not different. Confusion amongst the customers is increasing. The management of Bank of Baroda is not able to convince the customers of Vijaya Bank and Dena Bank that how long it would take for them to conduct normal transactions with Bank of Baroda. The Challans and Cheque books are now distributed with the stamp of Bank of Baroda. There are different operating systems still prevailing in the banks which are merged. The mega merger which happened was the merger of associate banks with State Bank of India. The services of State Bank of India were available for all customers from the very date of merger i.e. April 1, 2017. However, what is the reason for this absurd state of affairs in the case of Bank of Baroda where both the customers and staff are put into utter confusion and panic?

Alternative Mechanism and Disfigured Mergers

It is not the first time that bank mergers are happening in India. There were hundreds of private banks crashed after the nationalisation and those were merged with Nationalised Banks. A nationalised bank like New Bank of India was merged with another nationalised bank, Punjab National Bank. Later the associate banks of State Bank of India were merged with State Bank of India in three phases. At that time, the presently visible uncertainty and anarchism were not present. The mergers took place after the implementation of banking reforms, after 1991, were a part of specific agenda. It was the Narasimham Committe that recommended reducing the number of Public Sector Banks. Obviously, protests emerged from bank workers and progressive organisations against this attempt. The protests peaked at the stage of the merger of associate banks. We could not simply forget that the Kerala Legislature unanimously passed a resolution against the merging of State Bank of Travancore with State Bank of India. In order to overcome these protests that the existing system was changed and Alternative Mechanism brought to scene and the decision making was passed over to the cabinet committee. Previously respective bank boards were to take a decision on this respect and considering the proposals of Reserve Bank of India too that the bank mergers had taken place. But now the decision of the cabinet committee would be conveyed to the Bank Boards and they have to simply implement the same. Precisely, Bank Boards and Reserve Bank of

India were reduced to the shameful position of subordination of the cabinet committee. In this case of the mergers of Vijaya Bank and Dena Bank the deformities came more into prominence. As per the Balance Sheet of March 2018, and according to the three stipulations decided by the government, Vijaya Bank stood first. Vijaya Bank was first in Profit, Capital Adequacy, and Less Non-Performing Assets. The authorities were not able to give a concrete answer why this bank was merged with Bank of Baroda. It was because of this reason that the cabinet committee declared amalgamation of three banks. As far as Dena Bank was concerned it was only one amongst eleven included in the prompt corrective action list of Reserve Bank of India. It was not that so bad amongst the eleven. But with the intention to liquidate Dena Bank, they imposed total ban on advances from Aprill, 2018. If we consider Deposits and Advances as two wings of Banking, it is common knowledge that if one is removed a Bank cannot fly. It was BEFI, the only organisation from banking industry that raised protest against this action. This action was to liquidate Dena Bank was not well conceived by other organisations and they did not protest. This should be a matter to be discussed by the rank and file of such organisations. In March 2017 central government brought a memorandum of understanding to which the responses of different organisations has to be read along with this. At the outset, this was an ulterior agenda of the central government that was implemented in a crooked way that created the disfigurement and the subsequent difficulties faced by the customers and staff. The managing director boasts that after the merger Bank of Baroda would be the third big bank in India with fifteen lakh crore business, twelve crores customers, 9500 branches and eighty-five thousand employees. He confirmed that though 10 to 15% branches would be surplus, no branch would be closed and no employee shall be sent on VRS and all employees will be given the best service benefits. Employees are not Alzheimer's patients. It was the same terminology used by the head of the India's number one bank two years back. But thousands of branches and offices of State Bank of India were'closed. High service charges and fees were levied from the customers. They have linked the savings bank deposit interest rate with the repo rate of Reserve Bank of India and thereby penalised the customers. The employees of the merged banks were not given the better service conditions that prevail in State Bank of India. They violated the bipartite settlement and forced the employees to proceed on leave as per the whims and fancies of the management and BEFI had to take recourse through court. The same fate is awaiting the ***'now Bank of Baroda'*** employees too and that cannot be other than that. They have made it very clear that the better retirement benefits that prevail in Bank of Baroda would not be extended to the employees of the merged banks. The first year will be a year of experiment. Bank of Baroda has hiked its service charges and other fees. Customers have started murmuring inside the branches.

Take caution against ridiculous characters

The ruling class has brought forward the idea through the merger of Vijaya Bank and Dena Bank that mergers would be the order of the days to come. We have to set aside the narrow thinking and should come forward to undertake consistent and continuous struggles against the ruling class, and that is what is expected from us today. We have to bring the customers too to our side in this struggle. Unfortunately, we could see some of them who praised the mergers. They became the majority union in the merged entity that they felt happy about. They have every right to see that the loss from the basket would be in the pond. However, they should also bear in mind that one plus one always may not be two. The bank employees should not fail to understand these leaders who proclaim recognition when a chairman of the bank participates in the committee meeting of the union. The ruling class spread red carpet to private finance capital by invalidating the public sector. It is almost clear that the forthcoming year in the third largest bank would be a year of uncertainties and confusions. New private sector banks and small finance banks will grow enormously. The unit of Bank Employees Federation of India in Bank of Baroda is steadfast in fighting the ridiculous characters of the disfigured mergers.

- (The author is the President of BEFI)

Bank Nationalisation Under Threat

- Uddhab Kakati

At a time when our generation of seventies becomes genuinely nostalgic about the historic Bank Nationalisation in the year 1969,they are also shuddered by the thought that those great ideas are going to be proved by the present dispensation as mere misnomer. Of late, nationalised banks, are under the throes of ever intensified crises planfully created by politicians-bureaucrats combine. Pointed recommendations made by none other than the erstwhile governor of RBI Urjit Patel in his lecture of Columbia University at New York (as reported in The Hindu dated April 25th, 2017 and his Deputy Viral Acharya in Mumbai on April 28 the same year, are proof enough to their firm conviction that the matter of nationalisation are prone to scrutiny and 'some of the Nationalised Banks need to be 're-privatised'. Those are to be privatized in order to reduce the capital from the government on account of huge NPAs.

Irony is that both of these bureaucrats who fattened their bailies by the gifts of the fore-ranking government bank-the Central Bank of the country, have been forced to bid a rather hasty retreat failing to withstand undue pressure from the government authority!

Be that as it may, we still rejoice over the gains of Bank Nationalisation which in short, are as under:

1. Banking penetration sky-rocketted in just two decades.
2. Credit flowed into agriculture and small business under priority sector.
3. Savings improved and so did investment.
4. Many people experienced financial freedom for the first time. The joy of owning a bank account can only be understood by someone from 70's generation (This is presently tomtomed by the present Prime Minister).
5. Green and white revolutions are the outcome of bank nationalisation.

Sceptics and prophets of doom have no end of evidence of the inherent deficiencies and shortcomings which is blown out of proportion.

According to them :

1. Banks become inefficient as branch expansion as well as increase in employee benefits (as now they are government employee) hurted the profitability of banks.
2. Loan waivers were politician's dream but banker's nightmare.

3. Legal infrastructure like SARFAESI failed to check defaulters.
4. Private sector being absent, there was virtually no competition and hence, customer service was poor.

Whatever may be the criticism, the truth is that nationalisation of banks in India did wonderful job, particularly in the following areas and spheres of activities:

1. It has taken banking services to rural and remote areas.
2. It awakened the rural masses about the need and usefulness of banking services.
3. It helped enormously speedy transfer of funds from one place to another.
4. It provided thousands of job opportunities to educated youths.
5. It made credit available to neglected people like agricultural labourer, small traders at reduced interest rate.

AND ABOVE ALL,

6. It helped to free the rural poor from the clutches of moneylenders.

Three decades after bank nationalisation have witnessed tremendous social-economic development of the people. Big business houses also at the same time got an opportunity to utilize bank finance to boost up their sagging financial position as a result of massive expansion of banking activities throughout the country.

But the spectacular achievements had to face a u-turn since introduction of the New-Economic Policy in 1991. The ills afflicting India's PSU banks today are deeply rooted with the various measures adopted by successive governments at the centre aimed at implementing the NEP. Policy decisions taken and implemented resulted in crises and one-sided attempt at solution of such crises led to intensification of the crises. Amalgamation, merger and consolidation on the spacious plea of NPA resolution or restructuring of the banking institutions, whatever name it is given, may be taken for example.

Public sector banks today are saddled with huge accumulation of bad debt called Non-Performing Assets (NPA). In the last few years, gross NPAs of banks (as percentage of total loans) have increased from 2.3% of total loans in 2008 to 9.3% in 2017. This indicates that an increasing proportion of bank's assets have ceased to generate income for the bank, lowering the banks' profitability and its ability to grant further credit. Escallating NPAs require a bank to make higher provisions for losses in their books of account. The banks set aside more funds to pay for anticipated further losses. This, along with several other structural issues, leads to low profitability. Profitability on the other hand, is measured by its Return on Assets (ROA), which is the ratio of bank's net profits to its net assets. Banks have witnessed a decline in their profitability in the last few years, making them vulnerable to adverse economic shocks and consequently putting consumer deposits at risk. The enormity of the problem can be gauged from the fact that as on March 2017, Gross NPA stood at Rs 6.84.733 crore as against Rs 5,39,955 crore of the corresponding previous year- a growth of 26.81 percent. Looking to figures of the last three years of Modi Government, one will be start led to see that there has been a record 145.89% growth in gross NPA. Public sector Banks earned an operating profit of Rs 1,58,982 crore as at 31 March, 2017 while on the same date, the net loss of the Banks have risen to Rs 11,388 crore as a result of provisioning of Rs 1,70,370 crore, mainly against NPA. The March 2018 figure was Rs 10.3 lakh crore which is 11.2% of the total bank credit. The net loss is Rs. 87,351 crore although operating profit was a substantial Rs 1.58 lakh crore. Needless to mention that the lions share of so huge NPA is owned by corporate defaulters like Vijoy Mallya, Nirab Modi, Mehul Choksi and many others. This is corporate loot and plunder plain and simple. Instead of taking effective and stringent measures to recover NPAs from the willful defaulters, the government has taken the route to allow huge concessions to them through processes like Insolvency and Bankruptcy Code (IBC) 2016, and National Company Law Tribunal (NCLT). Resolution of NPA have been made thus, compromising 70 to 80% claim of lending banks and this has been given a fancy name 'HAIR CUT'.

True to its commitments to big corporate, the present government coming to power for the second term with more number of seats is all out for implementing the reforms agenda- more particularly, public sector banks and insurance reforms. Decontrol, deregulation and denationalisation through disinvestment of equity shares have been the key features of neo-liberal economic reforms programme. Disinvestment of equity shares of PSU banks, is, infact, privatization through the back door. Since introduction of NEP, half a dozen of high-level committees prominent among them being the Narasimham Committee, 1991 have gone a long way by this time. Modi government is by far, the most aggressive in this respect. Just after its second stint in power, the Niti Ayog has already institutionalised the formalities behind reforms of banking sector in a more effective manner. Disinvestment, merger and consolidation are the priority items of its agenda. In the first phase, merger in SBI has been completed. Defying all opposition of the banking community, the second phase has also been given effect to by way of merger of Vijaya and Dena Banks with BOB- making it the second biggest entity after SBI among the PSU Banks. Medium sized banks such as HDFC Bank, Corporation Bank and PNB are also looking out for their big presence in north, east and south.

Needless it to say that the desire for size (main objective of merger and acquisition) is leading to unhealthy creation of super banks. Again, sectoral consolidation and reduction in competition do not give immediate benefits for customers and staff who are directly affected by rationalisation of jobs. A latest study by the Bank for International Settlements (BIS) reports the experience of majority of the mergers as 'disappointing' with organisational problems. It also results in poor credit flow to small business segments and major share may go to corporate sector, thus affecting the economic cycle. It is also found that larger financial institutions tend to charge more and higher fees (and service charges) than smaller banks- adding burden upon the common customers. Examples are galore. The merger of SBI has already resulted in closure of 1800 branches along with 240 controlling officer of its associate banks. The proposed reduction of staff strength is to the tune of 1,5000. Merger of Vijaya and Dena Banks with BOB is also going to cadse Substantial reduction of branch network and existing manpower.

In the name of strengthening PSU banks, the programme of recapitalisation has been initiated by the government. In fact, recapitalisation has become necessary to meet the stipulations of Basel-III, for excessive need of capital. Although most of the advanced capitalist countries did not implement Basel norms, in our country it is followed and implemented already twice leading to stringent MOUs as preconditions for recapitalisation and turnaround plans. Conditionalities like closure of large numbers of branches on the spacious plea of those being non-profitable, curtailment of employees' financial benefits, stringent service conditions and selling of Government equities etc are being attempted for pushing through. It is in the fitness of things, trade union movement backed by peoples' support must face these challenges ensuring, in the process, protection and preservation of the public sector banking institutions of our country.

It is appreciable that although preliminary MOUs have already been signed by various bank unions, from BEFI affiliated units it was made clear that they will be free not to sign the final turn around plan in case adverse conditionalities like closure of branches, ATMs, raising capital, more provisioning, writing off of NPA etc are imposed.

No privatisation of gains, no nationalisation of losses.

(The author is the former President of UBIEU and also former Vice-President of BEFI)

Fifty Years of Banks' Nationalisation
The Journey of Development and Social Justice

Prof Mohd Muzammil

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The nationalisation of 14 major private banks fifty years ago on 19 July 1969 is a watershed in the history of economic development of India since the independence of the country. No other single measure of the Government of India has had as widespread and far reaching impact on the development of the country as the ordinance of nationalisation of banks of 1969. In one stroke it served the twin basic aims of development which all developing countries had been trying to accomplish i.e. achieving economic development and securing social justice. Later on 6 more private banks were nationalised on 15 April 1980. It is highly befitting that to commemorate this great occasion bank Employees Federation of India (BEFI) has been organising several commemorative events to mark this historic event. We appreciate the contribution of BEFI to observe this momentous occasion and their re-dedication for the cause of promoting development and securing social justice in the country.

The contribution of nationalised banks in development is so massive and widespread and both direct and indirect that it is almost impossible to enumerate the impact of the banks in the development process of the country. However, the following is an humble attempt to give a glimpse of the background situation and the contribution of banks in the journey of development of the country over the last five decades.

The decade of 1960s: the period of crisis and poverty

The decade of 1960s is a watershed decade in the development of world countries. The United Nations rightly designated this decade as the decade of development. In India, however, 1960s proved to be a decade of wars and worries, debts and droughts, political upheavals and poverty, controls and restrictions, education commission and nationalisation.

Banks were nationalised with a view to finance development based on small farmers in agriculture, artisans and small scale and progressive entrepreneurs and it also aimed at checking the lending operations for speculative purposes and restrict the growth of monopolies and concentration of economic power in few hands.

The main objective of nationalisation was to use financial institutions as the instrument for promoting economic and social development in a more purposive manner so as to create an egalitarian society. After the nationalisation of banks, very soon the network of banking recorded a very rapid growth. The newly created public sector banking sector started working with the following aims : (i) mobilisation of the savings of the people to the largest possible extent and to utilise them for productive purposes, (ii) operations of the banking system should be promoted by a larger social purpose under close public regulation, (iii) legitimate credit needs of the private sector industry and trade, big or small should be met, (iv) to ensure that needs of the productive sectors of the economy and in particular those of farmers, small scale industrialists and self-employed professional groups are met in an increasing manner, (v) nationalised banks were made to actively foster the growth of the new and progressive entrepreneurs and create fresh opportunities for hitherto neglected and backward areas in different parts of the country, and (vi) to curb the use of bank credit for speculative and other unproductive purposes. Briefly stated, a new system of banking was created though nationalising the major banks. The success of Green Revolution has been largely the result of the funding made available by the nationalised banks to farmers of the country.

The decade of 1970s : the time of Group and Area Specific Plans

After the nationalisation of Banks in 1969, the decade of 1970s began with several crises in the Indian economy. The India Pakistan war of 1971 saw the diversion of funds to war financing and the banks were hard pressed to meet the financial needs of the development sectors of the economy. The emergence of Bangladesh and war refugees to India and then the international financial crisis of early 1970s followed by the oil crisis after the formation of the OPEC and sudden jump in petroleum prices all created new problems for the country. The food crisis and the energy crisis were the immediate tasks to be addressed in the Indian economy and the nationalised public sector banks did play their commendable role in tackling these big problems successfully which had come up before the country.

For economic and social justice in the Indian economy, government brought out schemes for small and marginal farmers and landless labourers. Launching of Regional Rural Banks (RRBs) sponsored by the big nationalised banks opened a new chapter in rural banking. The support programme for uplift of the poor was taken up by these banks and the differential interest rate system of the Reserve Bank of India really helped in channelizing advances for the priority sector of the Indian economy.

Various poverty alleviation schemes and the employment generation programmes were the main heads in which the advances were made by the banks to help the needy and achieve the target of increasing production and promoting development with social justice set forth in the Fifth Plan. The war and the oil crisis had triggered inflationary pressures on the Indian economy which needed a carefully monitored credit expansion such that demand (purchasing power) of the poor was strengthened and production was also enhanced without increasing economic power in few hands. Lending was operated judiciously to achieve the twin goals of development and inflation control. Area specific schemes were related with Drought Prone Area Programme, Terai Area Development Programme, Hill Area Development Programme, Intensive Agriculture District Programme in select districts of the country and many more schemes launched earlier continued in this period with active financial support of bank credit.

Food for Work Programme, the first of its type in Independent India was funded by bank credit. Similarly the beginning of Antyodaya Yojana was also based on bank credit for the poorest of the poor or the last man in the group of poor people.

The Decade of 1980s : the Decade of Expenditure Boom

Removal of poverty was the foremost objective of the Sixth Plan and a strategy was adopted to finance infrastructure both for agricultural development and for industrial development. The NABARD was set up in 1982. It coordinated in funding long term projects a big way for agro-rural development. The result was that while the public sector outlay of the Sixth Plan was Rs. 97,500 crores the actual expenditure reached to about 1,10,000 crores. The Integrated Rural Development Programme (IRDP) and the priority sector lending through the public sector banks became synonymous to rural development in India. Budgetary deficit started rising in central government budget. Balance of payments crisis emerged sharply and foreign exchange reserves depleted. Growth indeed recorded good progress.

In the Seventh Plan the focus went on to increase food production, provide work opportunities and enhance productivity (efficiency). All these objectives could not have been addressed without the active support of advances from the Banks and its productive use by the borrowers. For increasing employment opportunities banks were made the vehicle for implementing Jawahar Rozgar Yojana in rural and Nehru Rozgar Yojana in urban India.

In the later years of 1980s certain rigidities and weaknesses were found to have developed in the banking system. The Government felt that these issues need to be addressed to enable the financial system to play its active role in ushering in a more efficient and competitive economy.

The Decade of 1990s : the Beginning of Economic Reforms

A high powered Committee was set up in the beginning of the 1990s to examine all aspects relating to the structure, organisation, functions, and procedures of the financial systems. Based on the recommendations of this (the Narasimham) Committee comprehensive reform of the banking system was introduced in 1992-93.

Another committee on Financial System under M. Narasimham was constituted in 1997 which reported in 1998 and it paved the way for opening private banks in India under the new system of banking network in India.

Thus, this decade witnessed very extensive and intensive banking sector reforms in the country. With the breakdown of Soviet model of development and the increasing confidence in the market based system of economic growth, so many liberal economic policies were adopted in India in the name of economic reforms in the country. Some of the main reform measures related with monetary policy reform, fiscal policy reform, wages and income policy reform and exchange rate policy reforms in the country. In the sectoral economy of India some reform measures related to industrial policy reforms, agricultural policy reform, trade policy reform, public sector reform, factor market reform (including land, labour and capital market reforms), and administered prices reforms. Cost recovery approach was adopted at the cost of welfare oriented policies.

The period of 1990s also opened up banks to advance loans for social sector development - educational and health services. The focus in this period went on human development and the phrase of 'development with a human face' became very popular. It was in the time of Eighth Plan that decks were cleared for opening of private banks and foreign banks in India. Structural adjustment reforms and macro stabilisation policies in this period redefined the role of the public sector banks. Trade sector reforms and funding of foreign trade activities gained priority in banks' lending operations. While many other public sector enterprises could not do well, the working of public sector banks remained commendable even in this challenging period.

The Government of India established Rural Infrastructure Development Fund in 1995-96 with contribution from scheduled commercial banks and it started working for the benefit of several sectors on the economy particularly in the agricultural and rural sectors' economic and social development.

The year 1997 witnessed the Golden Jubilee of India's Independence and many of the public sector banks did come out with special loan schemes to boost up growth and development in agricultural and non-agricultural sectors as well. Household lending and consumer goods advances also started rising at a faster rate. The launch of the Ninth Plan focusing on fulfilling basic minimum needs drastically altered the structure of bank loans. The introduction of Kisan Credit Card (KCC) in 1997-98 stands out as an innovative credit delivery system aiming at adequate and timely credit support from the banking system to farmers for their cultivation needs including purchase of inputs in a flexible, convenient and cost effective manner. The scheme is being implemented by all cooperative banks.

The Decade of 2000s : The Years of Economic Growth

The 21st century opened with the slogan of economic growth and Millennium Development Goals were chalked out with a programme of action to be followed. India has been a signatory to these MDGs and therefore the action plan in the country did enrol active participation of commercial banks in all the areas of economic and social development as set forth in the year 2000. With the permission of the RBI as per the recommendation of the Narasimham Committee-II report, private Banks started their operations in India from 2003 and 2004. These private banks were included in the Second Schedule of the RBI Act of 1934. Consequently, the RBI issued detailed instructions of the ownership and governance of the newly created private sector banks in 2005.

The first decade witnessed commendable growth of the Indian economy and the Tenth Plan (2002-07) recognised rapid increase in the labour force and the population dividend and accordingly such policies were adopted which addressed the problems of youth and the labour class in particular. Employment intensive sectors in agriculture were identified and special arrangements of advancing loans in those sectors were made. The celebrated PMGSY which was started in late 1990s did continue on a larger scale and banks did play very significant role in its financing. Rural roads connectivity also enhanced the borrowing capacity of the rural consumers, farmers and small investors. That really gave a special boost to banking activities and public sector banks enhanced their development role in this period.

The great financial crisis beginning in USA in 2008 which engulfed several countries of the world could not affect the Indian economy much mainly because of the safe lending by the public sector banks and their supported agricultural sector of the economy. This crisis also known as sub-prime financial crisis affected the mortgage industry in the USA because the borrowers could not return the money to banks and many financial institutions became bankrupt. With the collapse of lending institutions, the hedge funds also collapsed which affected global credit market. In India, it was the dominance of the public sector banks and their most rational and safe lending as always, which saved the Indian economy and the financial system of the country from the adverse effects of the global financial crisis.

The Decade of 2010s : Overabundance of Schemes and Accumulation of NPAs

The task of the nationalised banks has become really challenging as more and more private sector banks are coming up and branches of foreign banks are being opened in the country in large number. But national banks are doing well despite huge NPAs as the big borrowers are the main defaulters of borrowings from these banks. It is also to be noted that private banks and foreign banks are not having large NPAs only nationalised banks are credited with accumulation of huge NPAs! The answer is not difficult to be found.

In the first decade of this century, the Eleventh Plan (2007-12) focused on inclusive development which has been a very welcome objective to help the poor and the marginalised groups in the society. Likewise, the Twelfth Plan (2012-17) underlined the need for faster, more inclusive and sustainable development of the Indian economy. While several sick public sector enterprises have been closed, the public sector banks are flourishing. The government is getting ready for strategic disinvestment of public sector enterprises.

The Start-up India Action Plan is expanding with the help of bank advances and giving hopes for future to the progressive and young entrepreneurs of the country. The NITI Aayog is having four Managers to direct the operation of Start-up Action Plan in the country. It is hoped that under this plan young and skilled entrepreneurs will come up for borrowing and investment in the country which will benefit themselves and the society.

The Economics Survey of the Government India 2017-18 pointed out that the performance of the Public Sector Banks had been subdued in recent years. Gross NPAs and Stressed Loans both had shown a tendency of marginal increase over the last few years. Many public sector banks recorded negative profitability ratio which was causing concern. However, the Economic Survey 2018-19 has revealed that there is improvement in the working of the public sector banks. Gross NPAs and Stressed Advances have decreased.

The Rural Infrastructure Development Fund operationalized by NABARD is now having a cumulative allocation of Rs 3,20,500 crore and public sector banks have contributed to this fund which now covers agriculture and related sectors, social sector and rural connectivity.

The decade beginning from 2011 onwards has witnessed efforts for inclusive and sustainable growth and entrepreneurial development with several recent loan schemes. Recently announced schemes of bank loans such as Mudra Yojana, Start-up schemes have added new dimensions. The nationalised banks are now helping through their products in cashless transactions and digital banking practices with state of the art technology. They have taken leads in several directions. The Union Budget for 2019-20 accordingly has proposed to provide Rs. 70, 000 crores capital to public sector banks to boost credit for a strong impetus to the Indian economy.

The Outlook and Way Forward

Modern development of India owes much to the nationalised banks. Many of the activities would not have been possible without active support of national banks in the form of offering loans. Investment requirements in infra-structure sector of the country are really huge. In view of this change the Government of India has made arrangement that banks should be able to finance the investments in various types of infrastructure of the country. Therefore, public sector banks continue to be the major source of financing infra-structure in the country. The RBI has been modifying the guidelines for advances to the infra-structure financing.

Infrastructure and core industries projects have long gestation period and large capital investments. The repayment period for loans should be corresponding to their gestation period of cash flows. However, banks were unable to provide such long tenor financing due to asset liability mismatch issues. The Reserve Bank of India came out (in 2014) with 5/25 scheme to enable banks to provide longer repayment period infra-structure loans. But it is creating problems of mismatch in liabilities and assets. The scheme is under review. It's encouraging to note that the NPAs of nationalised banks have declined substantially as per recent data. Several legal measures have provided safeguards to banks' lending. The declaration of Sustainable Development Goals (SDGs) in 2015 to which India is a signatory has put additional responsibility on nationalised banks to help achieve the SDGs which are set for the realisation with goal-wise specific targets by the year 2030. Public sector banks in India are the most critical source of capital for sustainable agriculture; industry and business by enabling them take roots and grow.

Labour laws, working conditions and social security and welfare measures in the public sector banks need to be improved. These are closely related with ensuring good efficiency and healthy work culture. It is hoped that the four codes that the Economic Survey is talking of viz. (i) Code on Wages, (ii) Code on Safety and Working Conditions, (iii) Code on Industrial Relations and (iv) Code on Social Security and Welfare will be operationalized in such a way that these Codes sincerely protect the interests of bank employees while promoting the development of banking sector in India. The recent merger of three big public sector banks into one giant bank stands as an effort to make the banks more viable and competitive. The adverse effects also do need to be taken care of. The ILO has noted with concern that mergers and acquisitions while re-shaping the banking and financial sector always accelerate aggregate employment declines. Similarly the operation of Insolvency and Bankruptcy Code (IBC) and the benchmarking of loans with international standard levels are the most noteworthy new provisions before the public sector banks.

This is high time to underline the massive contribution of the public sector banks in nation building, accelerating economic development and help achieve social justice and inclusive society. They have gradually moved from manual ledger to computerised system and now to digital banking practices. These banks have successfully adopted the emerging banking norms and practices for protecting and promoting the interests of customers. They hold the promise to achieve these cherished goals in future too for the Indian economy.

The International Labour Organisation has expressed its concern on the contrary views of the World Development Report 2019 wherein the nature of work is discussed in detail at the global level but profit sharing is put into forefront instead of minimum wages. Similarly the demand for minimum wages for skilled workers is also opposed in many corners which needs to be taken note of so that the best interests of the workers are protected and bank employees find a better and motivated environment to work for the progress of the nation and help in achieving an egalitarian society. Let me take this opportunity to salute to the Bank Employees Federation of India and its all state units for their tireless struggle to achieve the goal of nationalisation and continuously striving for better working of banks and ensuring their invaluable service in nation building.

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50 YEARS OF BANK NATIONALISATION - OUR TASK

Debasish Basu Chaudhury

Before 1947 the Indian Banking system was in its pre-natal stage and the banks were mainly concentrated in the urban centres catering to the needs of the merchant capital. The banking habits were confined within few people engaged mainly in trade and commerce. There were innumerable number of small banks and every now and then they used to be bankrupt making several thousands common depositors pauper. The vast multitude of Indian population was deprived of any banking facilities and became easy prey to the unscrupulous money lenders.

In 1947 there were as many as 648 commercial banks in India of which 97 were only scheduled commercial banks. Within the period of 1947 to 1969 the number of scheduled commercial banks was reduced to 73 and that of non-scheduled commercial banks came down to 16 from 551. Therefore, it can be seen that about 24 scheduled commercial banks and 535 non scheduled commercial banks either got closed or merged with others plunging the millions into untold miseries.

Taking over of the Imperial Bank of India, subsequently renamed : State Bank of India, by the Central Government in 1955 was, the first instance of Bank Nationalisation in India; the subsidiaries of SBI were also nationalized in 1959. Prior to that, the Reserve Bank of India was nationalised on 1 January 1949, which commenced its operations on 1 April 1935 in accordance with the RBI Act 1934.

But, as per popular perception, “Bank Nationalisation” refers to taking over of 14 the then major Private Commercial Banks, with deposits of more than Rs 50 crores, by the Government of India on 19th July 1969. In that view of the matter, 19th July this year (2019) marks the completion of 50 years of Bank Nationalisation. Nationalised Banking Sector, also called “Public Sector Banks” (PSBs), was further strengthened through nationalisation of 6 more Private Commercial Banks in 1980 and setting up of Regional Rural Banks, under the sponsorship of Nationalised Banks, in 1975.

In the preamble of Bank Nationalisation Act 1969, the purpose of the Act clearly states, “The banking system touches the lives of millions and has to be inspired by large social purpose and to subserve the national priorities and objectives such as rapid growth in agriculture, small industries and exports, rising employment level, encouragement of new entrepreneurs and development of backward areas”.

Post nationalisation, there have been phenomenal growth in banking system of the country. The most important phenomenon of this growth of the banking sector is in the hitherto non-banked and under-banked rural as well as semi-urban centres of the country. During this period, the Public Sector Banks (PSB) became the major source of direct employment to the educated youth. This also contributed substantially in creating millions of jobs in self employed, small scale industries and in tiny sectors of the economy. The immense contribution of the PSBs in making the country self-sufficient in food by rejuvenating the agricultural sector where, more than 70% of the population were involved must not be underestimated. By channelizing the credits to the agriculture and allied sectors, the bank nationalisation liberated millions of rural population from the exploitation of traditional money lenders. In short, the PSBs acted as a very effective instrument of bringing important changes in the society on the lines of objective of nationalisation.

As a responsible trade union, it is our bounded duty to bring forth certain facts of the banking industry which, we feel, have got far reaching consequences to our people and the Nation. Since second phase of nationalisation which took place in 1980, the PSBs traversed through its path as mentioned in the preamble of the Act, 1969. But the situation started to change qualitatively since early part of the nineties of the last century and that too in reverse direction.

It is no secret that, since the onset of neo-liberal reforms regime in early 1990s, successive Governments at the Centre have been working overtime to privatise the nationalized Banks. Starting with Narasimham Committee -1 of 1991 right up to P. J. Nayak Committee of 2014, numerous Committees have been constituted to find out the ways and means to accomplish their cherished goal. But, so far as United Bank of India is concerned, there should be special mention about Verma Committee Report.

On the trail of Narasimham Committee - II, a Committee headed by Mr M. S. Verma, ex-CMD of State bank of India was constituted by RBI in Feb 1999, to identify weak PSBs and to recommend their revival. The Committee evolved some parameters purely on the criterion of profitability to evaluate performance of PSBs. As per Committee's finding, barring two as 'weak' with varied degrees; three of the PSBs were identified as 'chronic weak banks'. Verma Committee diagnosed that the huge NPAs piled up in those three banks, viz. UCO Bank, Indian Bank & United Bank of India, was the main factor for their weaknesses. Without finding the ways and means to recover such huge NPAs, the Committee recommended for penalising the employees and officers imposing wage cut, wage freeze, reduction of staff strength etc. Close to the heel, came the recommendation of an unofficial committee constituted by Confederation of Indian

Industries (CII) under chairmanship of Mr Kamath, Chairman, ICICI; which recommended, among others, closure of those three so called weak banks and outright sale of their NPAs at a discount by Govt. financed private sector managed Asset Reconstruction Companies. Both Verma Committee and Kamath Committee remained silent about recovery of dues from the defaulting borrowers. On the contrary, the borrowers were relieved of paying their huge dues to the banks. Ironically in the 7th Bipartite Settlement which was signed on 27th March 2000, it was agreed upon that, "with regard to 3 weak banks viz. Indian Bank, United Bank of India and UCO Bank, if the managements of these banks find it difficult to make payment of arrears, they may discuss with the Unions in their respective banks and reschedule amicably". As a mark of protest to the conditionality, BEFI did not sign the settlement on 27.03.2000 and observed one day strike in these three banks.

We should not forget the glorious role played by our predecessors for struggling on demand of bank nationalization for years together. The struggle coupled with aspirations of the common people of the country, banks were nationalized. On the other hand, the powerful Bank Employees' Movement through united platform have been opposing tooth and nail move for privatization since 1991. Employees and officers of the Banking Industry have observed as many as 57 days of Strike till date against so called banking sector reforms which aim at weakening the PSBs. These strikes and struggles have generated huge public support as a result of which the banking system of the country withstood the turbulence of the global financial crisis in the last decade. Add to it, the confidence of the common people that the nationalized banks command, it had not been politically expedient for any of the earlier Governments to dismantle a very sound and healthy 'Public Banking System. Full-scale privatization could be staved off all these years; but the danger has only been aggravated in recent years. There is no scope of being complacent.

The PSBs are, however, afflicted with a major ailment in these days, that of Bad Debts, euphemistically called "Non Performing Assets" (NPA). While certain amount of Bad Debt is inescapable in Banking Business, the recent abnormal growth of NPA of the PSBs is a contribution of an unholy nexus of a section of unscrupulous corporates, dishonest political bosses at the centre and some top echelons of the Banks combine. The amount of such bad debts have increased manifold during the regime of the previous Govt. at the centre since 2014. As per a recent RTI disclosure by the RBI available from media reports, nearly 50% of the accumulated NPA officially acknowledged, amounting around Rs.4.5 Lakh Crore, is due from only top 100 big borrowers. Not very surprisingly, neither the Government nor the Bank lords are interested in recovering the astronomical amount of NPA due from corporate giants. Instead, efforts are on for accommodating the defaulting corporates through various subterfuges viz. Loan Restructuring, Asset Reconstitution, write offs and waivers, etc. The latest mechanism on this line is the Resolution Process under the "Insolvency and Bankruptcy Code" (IBC), where huge amount is being doled out to the big borrowers through a new route named 'hair cuts'.

With the BJP-led NDA assuming power at the Centre in 2014, and consolidating it further in the recently concluded Lok Sabha election this year, there is hardly any room for let up, much less for any complacency. The hot haste of the Government in the matter of merger of PSBs is just an indication, nay, a warning bell. The Niti Aayog has already announced 100-day programme of Reforms in Public Sector Undertakings including Banking Sector. Bank employees' fraternity has been on struggle for protection of the public banking system and they will have to continue it with added courage, conviction and vigour. But with a belligerent Central Government pouncing upon with all its might, the entire people of the country, more particularly all sections of the working people, have to be mobilized in defence of the Public Sector. This is the primary task in front of the Bank employees on the occasion of Golden Jubilee of Bank Nationalisation.

(The author is the General Secretary of UBIEU and BEFI as well)

Allow Banks to serve the objectives of Nationalization

- A. Aja Sarma

The nationalization of Banks is the biggest financial reform in post-independent India. On 19th July 1969, the then president of India Sri. V V Giri promulgated an ordinance nationalizing 14 private Banks. The then Prime Minister of India Smt. Indira Gandhi immediately addressing the nation on All India Radio declared the objectives of nationalization:

* To raise confidence in banking system among the public.
* To mobilize savings from the rural and urban areas as bank deposits.
* To expand banking facilities in rural and semi- urban areas.
* To give more credit to the priority sectors viz. agriculture, small industries and traders.
* To ensure enough development funds for the planned growth of the economy.
* To decentralize economic power in order to break the control of big industrialists upon the banking system.
* To reduce regional inequalities and help the poor.

The back ground of this nationalization was a strong demand from the employees of banks as well as general public to save the nation from private banks, since between 1947 and 1951 there were alarming 205 bank failures. The number of banks came down from 567 in 1951 to 91 in 1967 because of inefficient functioning of private banks.

These objectives were achieved and PSBs were in a growing path till 1990. Between 1969 and 1987 rural credit as a proportion of total credit went up from 3% to 15%. Rural deposits went up from 6% to 15%. Credit deposit ratio (CDR) increased from below 40% to 70% in 1984. Number of rural branches increased from 14,443 to 35,000 in 1990. Under priority sector lending 40% of the credit was earmarked for agriculture allied activities, small scale and cottage industries. Within this 40%, the share of agriculture was 18%. The number of agricultural borrowers, which was 70 lakhs in 1970, went up to 3 crores in 1990. With the nationalization of six more Banks in 1980, the control by business houses drastically came down. Another important achievement was concentration of wealth had come down from 1% of the rich having 20% of wealth in 1940 to 6% in 1980.

At the onset of Neo Liberal policies in the name of New economic policy during the tenure of Sri. PV Narasimha Rao in 1991, entire scenario was changed. The policies of the government took a U-turn which was reflected in banking sector also. The Monopoly & Restrictive Trade Practices Act (MRTP) was removed. In the name of reducing NPA massive write off is taking place to corporate houses. The priority lending objective was given a go by. In 1991 when the policies were changed, 35.9% of the credit went to the borrowers with less than two lakh rupees and majority of them were less than Rs. 25,000. This was

99.3% of the total borrowers. On the other hand only 577 borrowers had credit above Rs. 10 crore with 10.8% of the total credit. But there is a drastic shift later. In 2017, the credit of less than two lakh rupees had come down to 6.9% of the total credit, while 11,643 borrowers with credit above Rs. 100 crore availed 36.18% of the total credit.

With these policies concentration of wealth has also gone up. In 2000 top 1% owned 20% of the wealth and in 2018 the same 1% owns 76% of the wealth while in case of bottom 50% wealth has been increased by only 1%. In 2018 the rich 10% have appropriated 76.3% of the national wealth at the same time half of the population own only 4.1%. With these policies number of billionaires also increased from 9 in the year 2000 to 101 in 2017. This massive appropriation of wealth was possible not because of their hard work or intelligence, but because of the total shift of the credit policy of the banking sector at the behest of the government. Big corporate houses are looting the people's money by way of unrestricted credits. We have seen how Vijay Mallya, Nirav Modi left the country publicly with the total support of present government. Now Reliance is the biggest borrower with Mukesh Ambani having Rs. 1.76 lakh crores and Anil Ambani Rs. 91,000 crore public sector banking credit. Whose money it is?

With the default of these corporate houses, the non performing assets (NPA) have reached to its peak and now it stands at Rs. 9 lakh crore. And surprisingly government instead of taking stern steps for recovery of these loans had chosen to shift the burden on the common man by shamelessly introducing Financial Resolution and Deposit Insurance Bill, 2017. Though it was withdrawn later due to the stiff resistance from people in general and bank unions in particular. But the Government has made its intention clear that it will not touch the defaulted big houses.

During the nearly three decade-long neo liberal policy regime welfare objective of the bank nationalization is changed to profit maximization. This has made P.J. Naik committee recommend to repeal Banks Nationalization Acts, reduce Government share and allow the banks to be brought under Companies Act, so that these can be privatized easily. Perform or Perish is the policy now. This reverse process has achieved a galloping speed under the dynamic leadership of our Prime Minister, who says, Public Sector was born to die or be privatized. Niti Aayog Vice- Chairman Sri. Rajiv Kumar listed out the priorities of new government. He says big bang reforms including PSU privatization and labour aws reforms and suggested that the Government should start with reforming the state-owned banking sector.

Now, the challenge before the people of this country and Bank employees in particular is whether to allow these policies to continue or to stop this menace. In the interest of the nation as a whole a big movement to re-orient the Public Sector Banks is need of the hour with a demand to allow the Banks to serve the objectives of the nationalization once again.

(The author is a former Working Committee member of CITU)

Women — Unite and Struggle

Sabari Sen

'what do you do?'

'Nothing.'?

'Nothing? How can you sit idle all through the day"?

"Sitting idle? Me? 24 hours a day are not enough to complete my work!"

"Then why do you say you don't do anything?"

"I meant I do not earn anything."

This is how a woman's work is perceived by themselves. Paid work i.e employment is beyond reach to many of Indian women. ILO says that women represent 50% of the population, 30% of the labour force,perform 60% of all working hours, receive 10% of the world's income and own less than 1% of world's property. Both in developed and developing countries women work less hours in paid work and undertake a greater scale of unpaid domestic work, take care of children and the elderly people of their family. In India the scene is miserably dark. India ranks 127th on the gender inequality index and 108th on the global gender gap index. Latest government statistics suggest that women's labour force participation rate fell from 29.4% in 2004-2005 to 22.5% in 2011-2012. The gender gap in the labour force is particularly stark when we consider that in the 15-59 age groups, women's participation is only 32% in rural areas compared to 83% for men, and 21% in urban areas compared to 81% for men.

Participation of women in organised sector.

Though 90% of working women are employed in unorganised sector, but in keeping pace with growing economy the proportion of women working in the organised sector is also increasing gradually. In the organised sector, there are two sub sections—private and public sector. In both of two sectors women are involved in various types of activities such as mining, manufacturing, electricity, gas and water, construction, wholesale, retail business and hotel, transport, financial, insurance, teaching and specially in banking. An analysis of women's employment during last three decades show that women's employment in central government increased by 323%, in state governments by 390%, in quasi - state and central governments by 684%, in local bodies by 171% and large establishment public sector by 195%. As a section of women are getting more and more access to education and training facilities, there has been an increasing extent of women's work participation in the organised sector.

Nationalization of Indian Banking sector in 1969 was a great step to promote women empowerment. Employment in Banking and Insurance sector was always on the basis of competitive examination in which there is no scope of reservation for women. The pattern of Indian women's employment has markedly changed since 1970's. Phenomenal growth of Banking created massive employment opportunities and Indian women preferred job in Banks more attractive and came out of teaching and other stereotyped professions. According to latest data(2014), number of lady employees in nationalised Banks 196374 which is 24% of all employees among which 102354 are in the clerical cadre and 20475 are sub employees.

Problems of women working in organised sectors, specially in Banking Industry

women working in organised sector have some problems in common because of their position in society. They have to play dual role—the role as worker and the role of a home maker. A woman may be wage earner but at home she is a mother or a daughter or sister of a brother. Society expects her to be a submissive and care giving personality.

In Banking Industry problems of lady employees are related with general problems of the Industry. But the effect has been aggravated for their dual role mentioned above. Dangers of abrupt curtailment in manpower, closure of Branches, and amalgamation have practically ruined the atmosphere of the Industry. Most of the Branches have no rest room ,even a space to have little privacy. Taking legitimate leave is becoming next to impossible because of reducing manpower. All of us know that sometimes lady employees are being compelled to take leave for their attachment with family. They are facing severe problems in this respect.

Govt. of India have issued specified guidelines on the preferential posting of ladies in Banks which are not followed at all. Ladies are being posted far from their residence where there is no hostel, creche and other amenities necessary for a lady. They are not getting the special care which a society must provide for them.

Incidents of sexual harassment are not so alarming in Banking Industry but *very* often ladies are facing vulgar languages and are not treated by customers even by their colleagues as expected.

Women and trade union

Women and trade union sound a bit contradictory in view of the belief that women do not come together and unionize to put their demands. It is expected that women remain silent and docile in the society that defines the role of men and women differently. Even in organisation women are not expected to be included in the decision making bodies at the apex level. But in the history of working class movement throughout the world women have played a big role. As men and women have to shoulder jointly to bring emancipation, employees irrespective of gender should fight against oppression confronting them.

Working women have an important role to play in trade union specially in recent time in Banking Industry where number of women has been increasing. We are all anxious about our members opting for promotion whereas a lady thinks twice to take promotion because of her personal liabilities. The concept of ladies Branch is almost obsolete today because all staff members are eventually ladies in most Branches. In the present context Women can add new dimension to trade union movement and also to Democratic Movement if they are convinced and motivated. They become loyal members of the Union if specific issues are taken and some gains are achieved through struggles. Women employees can make any sacrifice needed and have a clear vision of Rights and Wrongs. They are morally very strong and do not back out from the struggle easily.

It is true that there is some hurdle to involve lady members in the day to day programme of the union because of their dual role. Generally they have to keep their other self at home and those who have no liability become career monger leaving the responsibility of being trade unionist. But the situation demands their active participation in union activities by which not only the organisation but the members themselves will be benefitted.

BEFI and women organisation

West Bengal State unit of BEFI took first initiative of organizing lady members to have a platform to discuss problems of lady employees and sort out the path of movement to fight with in 1999. It had a positive impact on different States and later on 47 members from different States came to Kolkata to hold convention in 2002. A clear message emerged from this convention that women are no exception before attacks of LPG and they have to be organized to combat the problems. Though it was a hard task then to involve lady members in day to day activities of organisation, but an adhoc women subcommittee was formed for the purpose of interaction. At the apex level BEFI All India Women Subcommittee was formed on February 2009 at 1st All India Women Convention at Bhubaneswar. Subsequently two successful All India Conventions were held on 2014 and 2017.

Lady comrades are now more organized and stepping forward to leadership in steady steps. In many State organizations ladies are being elected in decision making posts. Sub-committees in States throughout India like West Bengal, Bihar, Jharkhand, Kerala, Tamilnadu, Karnataka, Rajasthan, Odisha, NER are raising voice against atrocities on women, anti-people policies of the government and other social oppressions. Units of BEFI such as UBIEU, UCBEA and others have All India as also State sub-committees. But Units somehow do not find women leaders to be elected in apex body of general leadership.

We are passing through a very grim situation. Modi 1 govt has done enough damage to Banking Industry. ThePublic Sector Banks, Private Sector Banks, Cooperative Banks, Regional Rural Banks, Nabard all are adversely affected by the pro-corporate policies of the previous government. Though people have re-elected the present Govt at the centre but we believe that patriotic people will not recede before anti-people conspiracy of the Govt. Strive we must as we have opposed labour law reforms, privatisation of PSU and other such measures.

There is no other alternative but unity and struggle.

(Courtesy : The Voice of Working Women)

- (The author is the Convener of Women Sub-Committee, BEF (WB) and Asstt. Secretary of UBIEU)

ATTUNED TO EMPLOYEES' COMMON CRIES — Trade Union Movement in United Bank of India

- Uday Narayan Karmakar

In the wake of world-wide great recession specially after 2nd World War large-scale Bank failures causing immense damage to depositors and scare about job security to many bank employees, the amalgamation of four banks --- The Bengal Central Bank Ltd. (BCB), Hooghly Bank Ltd. (HGB), The Commilla Banking Corporation Ltd. (CBC) and The Commilla Union Bank Ltd. (CUB) - as UNITED BANK OF INDIA LTD. in the year 1950 was a turning point in the history of growth in banking, particularly in the states of Eastern India, where banking was more or less traditionally neglected. Owing to the farsight of the architects of the amalgamation, "UNITED' had not ended merely in the mechanical process of merging but had brought in with it the spirit of 'UNITY' in the institution as a whole. It was also a glorious event that four separate unions willingly merged themselves to form one Association. A profound change had taken place under the wise-leadership and magficient unity among all ranks in the face of tough challenges. Com. Sudhin Deb and Com. Jogesh Sinha were chosen by the members to hold the helm as the President and General Secretary respectively.

Prior to the existence of unions, recruitment and dismissals were determined at the whims of the employers. There was no service condition and this was dependent on the sweet-will of the employers. Before amalgamatiom all the four banks used to pay 'Bonus' during the festivals. But the authority of amalgamated United Bank stopped payment of 'Bonus' in 1951. The employees started agitation and ultimately the decision for taking strike-ballot was taken. It was decided to strike if 80% voted in favour of it. Though more than 80% voted in favour of strike,Central Committee Meeting reviewed the decision and called for demonstrative programme. In the face of agitation, the bank management agreed to pay 'Bonus'. Later on the management manipulated the Balance Sheet and rejected payment of 'Bonus' depriving 2276 employees of the bank in the year 1951.

'Sen Award' was implemented from 12th August, 1950. In April 1951, 'Sen Award' was declared null and void by the Supreme Court of India. Then the Central Government promulgamated a Temporary Provisions Act to protect the salary and D.A. of the employees. United Bank reduced the quantum of D.A. in violation of this Act. The Central Committee drew the attention of the Government, and the Government tried to pursuade the bank management to restore the due salary and DA. After a long lapse of time, the bank filed a motion before the High Court against Government move. It was a case of deprivation of 2250 employees of the bank in the year 1952.

'Sastry Award' came into existence in the year 1953. Bank employees filed an appeal against Sastry Award. The Judgement of Labour Appellate Tribunal was delivered in 1954. Bank employees under the leadership of AIBEA launched a protest movement. The employees of United Bank also participated in the movement with great devotion.

United Bank was included in the category of 'B' class bank upto December, 1954 as per Sastry Award. As per this Award the pay-scales, etc. for employees of the bank was lowered down substantially, compared to pay-scales as applicable to 'A' class banks to which United Bank employees were legitimately entitled to. Employees, discontent and patience reached to the breaking point. On 22nd September, 1955, the negotiation for a settlement in presence of conciliation officer ended in fiasco. Association took decision for General Strike on 23rd September, 1955. Tremendous success of the strike compelled the bank management to start discussion with the Negotiation - cum - Action Committee. Amidst differences among the union leadership, an 'Agreement' was signed with the Bank Management, wherein the employees would have had to wait till 1964 to get full benefits of 'A' class banks. On 3rd and 4th December, 1955 the General Body Meeting of the Association rejected the 'Agreement' outright by overwhelming majority. Demands for full benefit of 'A' class bank by 1958 and year to year Annual Increments for all employees were placed before the bank management. To achieve the demands the President and General Secretary undertook 8-days hunger strike at the Head Office Building. Ultimately, full benefits of 'A' class bank and other demands were agreed to by the bank management. This event was the turning point in the history of trade union movement in United Bank. In the year 1958, employees got Bonus for 15 days with a minimum of Rs. 50/- for the first time since amalgamation of the bank.

During the period from 1959 to 1965, Association raised various demands for the benefit of the employees. Though certain issues had been settled, but many important issues were on discussion stage.

Era of Bipartite - 1966 Onwards

1st Bipartite Settlement - Signed on 19.10.1966

2nd Bipartite Settlement - Signed on 12.10.1970

3rd Bipartite Settlement - Signed on 01.08.1979

4th Bipartite Settlement - Signed on 17.09.1984

5th Bipartite Settlement - Signed on 10.04.1989

* 6th Bipartite Settlement - Signed on 14.02.1995

*(BEFI becomes a party and signatory to the settlement)

** 7th Bipartite Settlement - Signed on 27.03.2000

**(BEFI refused to sign the settlement protesting against debarring clause for 3 Banks - Indian Bank, UCO Bank and United Bank of India)

8th Bipartite Settlement - Signed on 02.06.2005

9th Bipartite Settlement - Signed on 27.04.2010

10th Bipartite Settlement - Signed on 25.05.2015

Charter of Demands for 11th Bipartite Settlement on revision of wages and service conditions had been submitted by United Forum of Bank Unions(UFBU) to IBA, prior to the expiry date of 10th Bipartite Settlement. Discussions on the issues are going on.

BANK NATIONALISATION

14 Major Banks (including United Bank of India) having deposits of and above 50 crores were nationalised on 19th July, 1969. Six more banks with deposits of Rs. 200 crores and above, were nationalised on 15.04.1980.

UNITED BANK OF INDIA EMPLOYEES UNION EMERGES

Simmering discontent and differences within the organisation (UBIEA) on many vital issues cropped up logically mainly on the question of restorationm of democracy within the organisation. 'Vote by secret ballot' in Conference became a popular slogan of members which was also denied. It is worth mentioning here that the leadership of UBIEA even denied to launch movement for reinstatement of some retrenched employees, who were politically victimised by the ruling class. The high-handed and sectarian actions of the then leadership called for a historical compulsion to form a separate organisation (UBIEU) to protect the rights and privileges of all sections of employees and to uphold the militancy of Trade Union movement.

A General Meeting was held on 10-11 January, 1981 at Thyagraja Hall, Kolkata, Com. Keshab Sen & Com. Chittaranjan Banerjee were elected as President and General Secretary. **Since then during these 4 decades our organisation has been traversing a long struggling path taking concrete decision on concreate situation in each twist and turn with a sense of responsibility in the spirit of a true trade unionism.**

So far rights and privilegesof employees are concerned there were no written policies. Our organisation played a vital role in introducing so many policies in black and white in 80s after the birth of our it was union for the first time the policy of transfer, posting, rotational transfer, promotion of clerk-substaff even PTS and canteen boys, negotiation policy etc. came into existance. Keeping pace with the introduction of ever changing mechanised system in banking industry and its all offshoots our organisation has earnestly devoted itself for strengthening the unity of all unions keeping intact its independant role for updating the earned policies with all practicability including manpower policy. **We take pride in T.U movement in UBI that we have been able to set a rare example of broad unity of all Award Staff unions in our Bank. Starting from the isue of elevation of P.T.S to Sub-Staff and their working hour to all earnest issues of S.W.Qs all award staff unions are moving jointly.**

Starting with this century a massive branch closure programme was undertaken by the management. We opposes it vehemently and called for alround resistance including strike. We were able to mobilise the customers and local people's representatives as a result of which the massive branch closure move of the management was halted.

Com. Keshab Sen, Com. Chitta Ranjan Banerjee, Com. Amitava Nandy, Com. Sunirmal Sengupta, Com. Arjun Prasad, Com. Chintu Sen, Com. Bani Chattopadhyay, Com. Bimal Lal Banerjee, Com. Chinmoy Bhattacharyya, Com. Shyamalendu Bhattacharyya and all our ex-Office-bearers who have passed away were the fore-runners of our organisation.

The architects of our organisation Com. Barun Biswas, ex-General Secretary, Com. Uddhab Kakoti, ex-President, Com.Pranab Kanti Chowdhury, ex-General Secretary, Com. Swapan Bhattacharya, ex-President and many of our ex-leaders are collaterally involved in working class politics with the background of Bank Employees' movement.

When we are celebrating 50th year of Bank Nationalisation our Central Executive Committee send the message to all that -

"BANK EMPLOYEES ARE UNITED AND OUR MOVEMENT IS CERTAINLY ANCILLARY TO THE WORKING CLASS AND DEMOCRATIC MOVEMENT OF OUR COUNTRY".

LONG LIVE UNITED BANK OF INDIA EMPLOYEES UNION.

[The author is Vice President of UBIEU and BEF (WB)]

Without Comment

GOVERNMENT OF INDIA
MINISTRYOF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOKSABHA
UNSTARRED QUESTION NO : 387
TO BE ANSWERED ON THE 24th JUNE, 2019/ASHADHA3, 1941(SAKA)
QUESTION Bank NPA

387 : SHRI SUSHIL KUMAR SINGH : SHRI GOPAL CHINNAYASHETTY : ADV. ADOORPRARASH

Will the Ministerof FINANCE be pleased to state :

(a) whether any survey or study has been conducted or commissioned by the Government on Non-Performing Assets (NPAs) in the various banks and other financial institutions of the country including the share of leading corporate houses/ companies therein;

(b) if so, the details thereof, bank-wise;

(c) whether according to the Reserve Bank of India, the gross NPAs in public sector banks are valued at around Rs. 4 lakh crore which represents per cent ot the total NPAs of banks in India; and

(d) if so, the details thereof and the corrective steps being taken by the Government to recover and reduce NPAs in the country particularly in the State of Bihar?

ANSWER
To be answered by
FINANCEMINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (d) : As per Reserve Bank of India (RBI) data on global operations, aggregate gross advances of Public Sector Banks (PSBs) increased from Rs. 18,19,074 crore as on 31.3.2008 to Rs. 52,15,920 crore as on 31.3.2014. As per RBI inputs,the primary reasons for spurt in stressed assets have been observed to be, *inter-alia,* aggressive lending practices, wilful default / loan frauds / corruption in some cases, and economic slowdown. Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of NPAs. As a result of AQR and subsequent transparent recognition by banks, stressed accounts were re-classified as NPA and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. Further, all such schemes for restructuring stressed loans were withdrawn Primarily as a result of transparent recognition of stressed assets as NPAs. Gross NPAs of PSBs, as per RBI data on global operations, rose from Rs. 2,79,016 crore as on 31.3.2015, to Rs. 8,95,601 crore as on 31.3.2018, and as a result of Government's 4R's strategy of recognition, resolution, recapitalisation and reforms have since declined by Rs. 89,189 crore to Rs. 8,06,412 crore as on 31.3.2019 (provisional data).

Data on NPAs is regularly published by RBI as part of its Financial Stability Reports. NPA data is not collected by RBI in terms of corporate houses / companies. PSB-wise details of gross NPA (GNPA) for Industry category advances in domestic coperations and total GNPA in global operations, as per RBI data, are at Annex.

As per RBI provisional data on global operations, as on 31.3.2019, the aggregate amoumt of gross NPAs of PSBs and Scheduled Commercial Banks (SCBs) were Rs. 8,06,412 crore and Rs. 9,49,279 crore respectively. Over the last four years, Government has taken comprehensive steps under its 4R's strategy of recognising NPAs transparently resolving and recovering value from stressed accounts, recapitalising PSBs, and reforms in banks and financial ecosystem to ensure a responsible and clean system.

Steps taken to expedite and enable resolution of NPAs of PSBs, include, *inter-alia,* the following :

(1) The Insolvency and Bankruptcy Code, 2016 (IBC) has been enacted, which has provided for the taking over management of the affairs of the corporate debtor at the outset of the corporate insolvency resolution process. Coupled with debarment of wilful defaulters and persons associated with NPA accounts from the resolution process, this has effected a fundamental change in the creditor debtor relationship Further, the Banking Regulation Act, 1949 has been amended to provide for authorisation to RBI to issue directions to banks to initiate the insolvency resolution process under IBC. As per RBI's directions under the aforesaid amended provision in the Banking Regulation Act, 1949, banks have been filing cases under IBC

before the National Company Law Tribunals in respect of RBI-specified borrowers.

(2) Securitisation and Reconstruction of Financial Assets and Enforcement ot Security Interest Act has been amended to make it more effective, with provision for three months' imprisonment in case the borrower does not provide asset details and for the lender to get possession of mortgaged property within 30 days Also, six new Debts Recovery Tribunals have been established to expedite recovery.

(3) Under the PSB Reforms Agenda, PSBs have created Stressed Asset Management Verticals to focus attention on recovery, segregated monitoring from sanctioning roles in high-value loans, and entrusted monitoring of loan accounts ot above Rs. 250 crore to specialised monitoring agencies for clean and effective monitoring, and created online end-to-end One-Time Settlement platforms tor timely and better realisation.

Enabled by the above steps, as per RBI data on global operations (provisional data for the financial year ending March 2019), gross NPAs of PSBs have declined from the peak of Rs. 8,95,601 crore in March 2018 to Rs. 8,06,412 crore in March 2019 (provisional data). PSBs have recovered Rs. 3,59,496 crore over the last four financial years,including record recovery of Rs. 1,23,156 crore during 2018-19,

Note : Figures cifed above for PSBs include those for IDBI Bank Limited, which was recategorised as a private sector bank by RBI *with effect from 21.1.2019.*

ANNEXURE

Lok Sabha Unstarred Parliament Question No. 387, for 24.6.2019
Gross NPA (GNPA) for Industry category advances in domestic operations and total GNPA in global operations of Public Sector Banks

Bank	GNPA* for Industry category (as on 31.3.2019)	Total GNPA* (as on 31.3.2019)
Allahabad Bank	20,413	28,578
Andhra Bank	24,295	28,380
Bank of Baroda	27,374	53,383
Bank of India	29,164	59,117
Bank of Maharashtra	7,692	15,324
Canara Bank	23,800	38,003
Central Bank of India	21,493	33,567
Corporation Bank	13,615	23,630
Dena Bank	8,008	12,242
Indian Bank	9,980	13,437
Indian Overseas Bank	23,353	35,139
Oriental Bank of Commerce	13,762	23,952
Punjab and Sind Bank	4,145	8,046
Punjab National Bank	45,695	78,031
Syndicate Bank	8,929	24,675
UCO Bank	20,697	29,888
Union Bank of India	27,321	49,995
United Bank of India	9,087	11,673
Vijaya Bank	5,225	8,088
State Bank of India	1,28,921	1,76,342

Source : RBI

Lok Sabha Starred Parliament Question No. *35, for 24.6.2019
Data on wilful defaulters for Nationalised Banks
as per reply of finance Minister, Nirmala Sitharaman

Financial year	Total number of wilful defaulters declared by end of the financial year (including wilful defaulters declared in previous years)
2014-15	5,349
2015-16	6,575
2016-17	7,079
2017-18	7,535
2018-19	8,582

Source: Banks

Status of 6 large accounts initiated by the Reserve Bank

(amount in ₹ billion)

Name of corporate debtor	Claims of financial creditors dealt under resolution		
	Amount admitted	**Amount realised**	**Realisation as a percent of claims**
Electrosteel Steels Ltd.	131.8	53.2	40.38
Bhushan Steel Ltd.	560.2	355.7	63.5
Monnet Ispat & Energy Ltd.	110.2	28.9	26.26
Essar Steel India Ltd.	494.7	.	.
Alok Industries Ltd.	295.2	50.5	17.11
Jyoti Structures Limited	73.7	36.8	50.02

* Apportionment between FCs and OCs is under consideration by NCLAT
Source : IBBI Quarterly Newsletter (January-March-2019)

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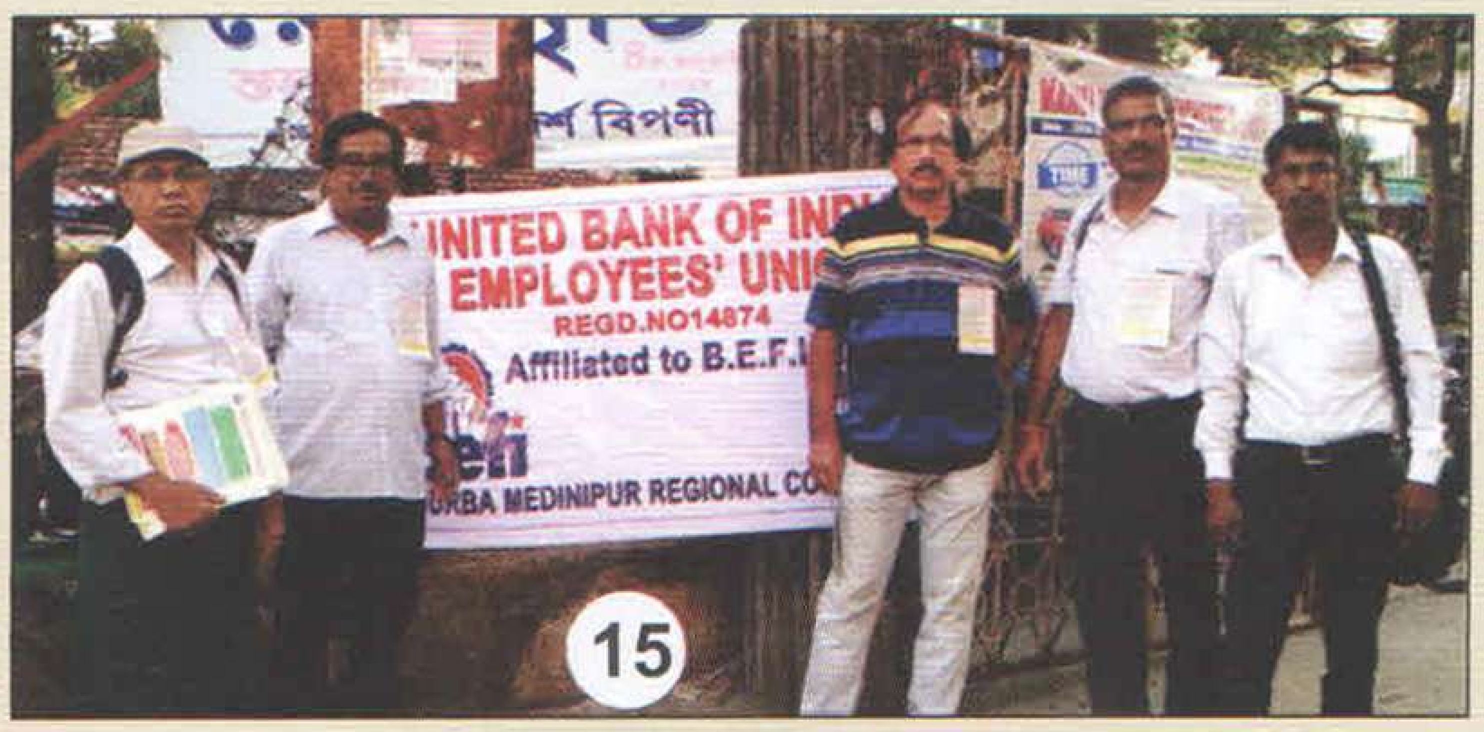


(9) Moulindu Kundu, Son of our Com. Manika Kundu, being felicitated by our Kolkata (S) Regional Committee for his ranking 8th in WBHS Exam, 2019.

(10) Meeting of Burdwan Regional Committee held at Durgapur on 22.06.2019

(11-12) A General Meeting of Kolkata (North) Regional Committee held in May 2019

(13) A general Meeting at 24Pgs. (S) Regional Committee in January 2019

(14-16) Comrades of different Regional Committees of UBIEU in West Bengal are in Mass Campaign Programme to celebrate 50 years of Bank Nationalisation

Comrades of different Regional Committees of UBIEU in West Bengal are in Mass Campaign Programme to celebrate 50 years of Bank Nationalisation

OBSERVE

50 YEARS OF BANK NATIONALISATION DAY
19 July 2019

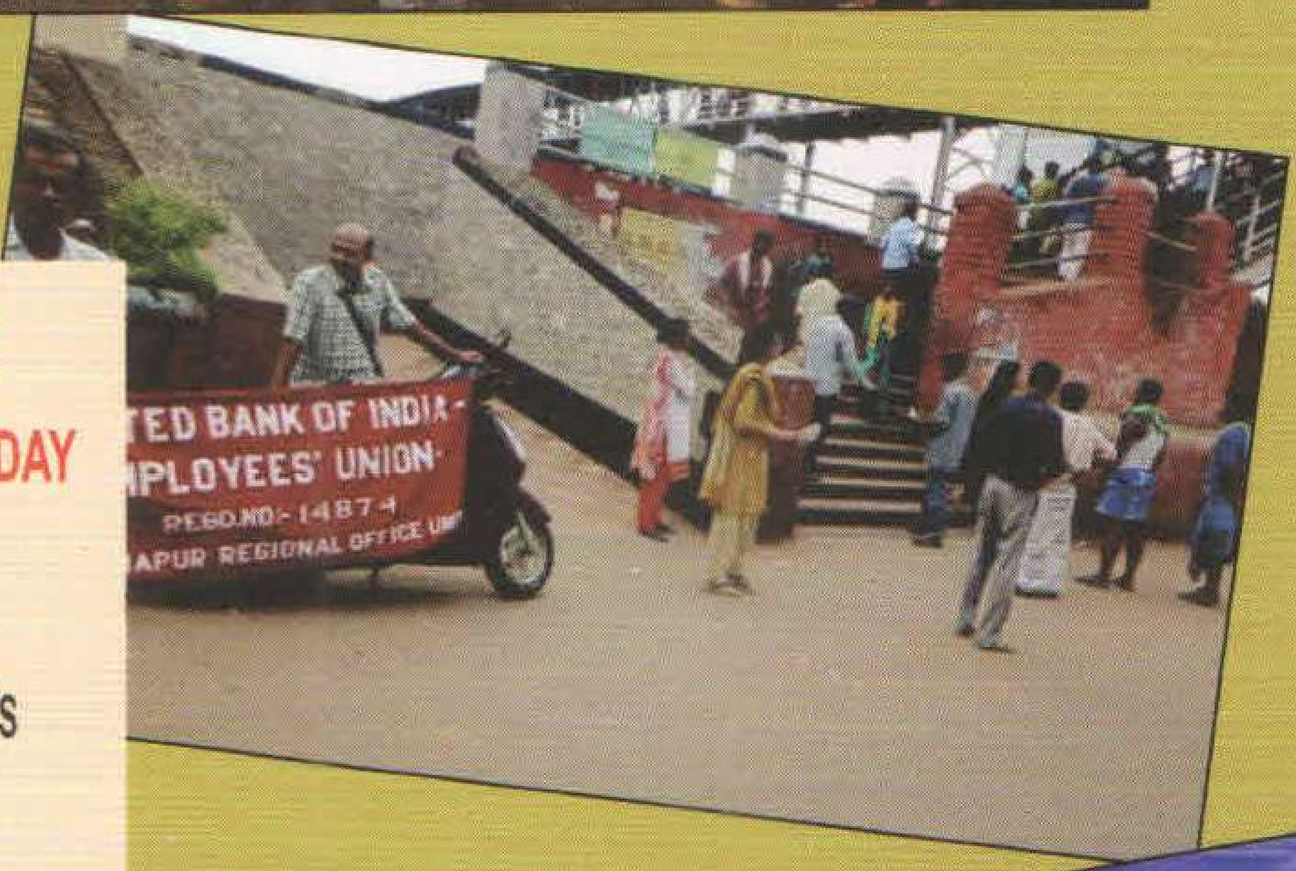
SAVE PUBLIC SECTOR BANKS
SAVE PUBLIC MONEY

- TAKE STRINGENT ACTION AGAINST WIFUL DEFAULTERS
- INCREASE INTEREST RATE ON BANK DEPOSITS
- RECRUIT ADEQUATE CLERKS & SUB-STAFF
- REGULARISE CONTRACTUAL/CASUAL WORKERS
- OPPOSE ANTI PEOPLE BANKING REFORMS
- ENSURE SMOOTH CUSTOMER SERVICE
- SCRAP NEW PENSION SYSTEM (NPS)
- EXPEDITE 11TH BIPARTITE SETTLEMENT
- ROLL BACK INCREASED SERVICE CHARGES

NO FURTHER AMALGAMATION OF PUBLIC SECTOR BANKS

befi

BANK EMPLOYEES FEDERATION OF INDIA



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