



SYNDICATE BANK EMPLOYEES' UNION(Regd.)

(Affiliated to A.I.B.E.A)

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TO ALL THE OFFICE BEARERS/CEC MEMBERS & STATE SECRETARIES
(for onward circulation among members)

Dear Comrades,

We have received communication from AIBEA Office containing detail with regard to Govt. move to Re-Privatize Banks. We are reproducing the same for the information of our members.

With Warm Greetings,

Yours Comradely,

(Suresh Kumar Sangtani)
General Secretary



Reproduction of Circular of AIBEA & AIBOA dated 31.03.2017

1-5-2017

AIBEA WILL STRONGLY OPPOSE ANY MOVE RE-RPIVATISE ANY BANK

Our attention has been drawn to the recent statement by RBI Deputy Governor Viral Acharya that time has come to re-privatise some of the public sector Banks. He has suggested re-privatisation as a solution to the problems faced by the increasing stress the banks are facing today. The only stress our Banks are facing today is on account of increasing bad loans by the corporate houses and big business. The total bad loans in the Banks have crossed Rs. 13 lac crores. Everyone knows including Viral Acharya that the bulk of the bad loans are due to big defaulters and private sector is the contributor of 97% of the bad loans. Even according to RBI and Finance Ministry, few big borrowers' defaults constitute more than 70% of the bad loans. If RBI cannot catch them and recover the money, it cannot be put on the shoulders of the Banks or the nation at large.

Banks have been in private sector in our country for years and looking to national interests, major banks were nationalised in 1969. Since then their spectacular contributions to Indian economic development is well known to the world. Even when there was global banking sector crisis, even when so many banks failed in USA, India was insulated from the global crisis only because our Banks were in public sector. This is acknowledged by former RBI Governor Y V Reddy more than once. It is unfortunate that Viral Acharya is trying to denigrate public sector banks in this fashion instead of suggestion measures to take tough action on willful defaulters and to recover the bad loans.

All public sector banks are making operating profit despite all odds and pressures and the net loss is only due to provision for bad loans. For the year ended 31-3-2016, the public sector banks earned **Operator Profit of Rs. 1,37,306 crores**. But total **provisions for bad loans and contingencies were Rs. 1,55,297 crores** and so there was **net loss of Rs. 17,991 crores**.

Political nexus, corruption, etc. are responsible for the alarming bad loans in the Banks. Banks are otherwise doing well. Just now, the Finance ministry is on their job by bringing bank managements and unions together to work out turn-around strategy. MoUs are being signed to recover the loans by faster steps, reduce wasteful expenditure etc. At that time RBI Dy Governor is talking of handing over the banks to very same private sector which is the main culprit for the huge bad loans in the Banks. We expect RBI, the central bank of the country, to stand by public sector banks to strengthen them and not otherwise.

In all the Banks, RBI has its nominee Directors on the Boards. All big loans are sanctioned with the concurrence of the RBI. RBI cannot escape from its responsibility now and advocate privatisation. Let there be proper accountability for the bad loans. That is why AIBEA is demanding parliamentary probe or by CBI to book those responsible for the bad loan scam.

Let RBI publish the names of these big loan defaulters. Let them amend the RBI Act for this purpose. Let them declare willful defaulters as criminal offenders to take criminal action. Let RBI not become the mouthpiece of the private corporate delinquents who are responsible for the huge NPAs. Let them support public sector Banks.

If there is any attempt on the part of the RBI to privatise any Bank, there will be instant resistance and strike actions to oppose the same.

Banks belong to the people. Banks represent the hard earned savings of the people. They must remain so. It cannot be handed over the profit greedy private sector. We demand withdrawal of these remarks by the RBI Dy Governor.



**C.H. VENKATACHALAM
GENERAL SECRETARY**