



ALL INDIA BANK STRIKE

ALL IN UNITY MAKES THE STRIKE A TOTAL SUCCESS

BANKING SERVICES PARALYSED



PRESS RELEASE BY C.H. VENKATACHALAM, GEN SECRETARY, AIBEA

All India Bank Strike called today by United Forum of Bank Unions has been a total success all over the country in all the Banks. As per reports reaching us from various States, the strike has been enthusiastically observed by employees and officers.

Strike affected normal banking services in all public sector banks, old generation private banks, and Regional Banks. Shutters were down in most of the bank branches as Branch Managers also joined the protest strike. Nearly one million / 10 lacs employees and officers took part in the strike.

Cash transactions could not be carried out as usual as branches are closed down. Government treasury transactions were not able to be put through. Foreign exchange transactions, import and export bill transactions, sanction of loans, etc. were also affected.

In most of the places, clearing operations, particularly outward clearing was seriously affected. Normally in the three Clearing Grids functioning from South, West and North India, that is Chennai, Mumbai and Delhi, on an average about 40 lac cheques and instruments worth about Rs. 20,000 crores are transacted per day. This was affected in a big way.

Striking employees and officers are holding demonstrations, rallies, etc. in all towns and cities across the country. The participation has been a record compared to previous strike actions indicating the growing anxieties in the minds of employees due to the Government's banking policies of privatisation and mergers.

Among the 17 point charter of demands, the main demands are relating to Government's denial of adequate capital to public sector banks thus creating conditions for privatisation. Privatisation of banks would mean privatizing the Rs. 80 lacs crores of common people's money available in our Banks. This is dangerous for the country and our people. Privatisation of banks would also result in denial of loans to priority sectors like agriculture, rural development, education, etc.

Similarly, at a time India needs more banking services, Government is talking of consolidation, amalgamation and merger of Banks. Bank mergers would result in closure of bank branches as is happening in SBI now after merger of Associate Banks. Merger to create big banks is risky as big banks will huge loans and may lose.

The main and real problem facing the Banks today is the alarming increase in bad loans. It is now Rs. 15 lac crores that is about 20% of total loans. Bulk of bad loans are due from big industrialists and corporate houses. Top 12 defaulters owe Rs. 2,50,000 crores.

1. Bhushan Steel	44,478 crores
2. Bhusan Power and Steel	37,248
3. Lanco Infra	44,364
4. Essar Steel	37,284
5. Alok Industries	22,075
6. Amtek Auto	14,074
7. Monnet Ispat	12,115
8. Electrosteel Steels	10,273
9. Era Infra	10,065
10. Jaypaae Infratech	9,635
11. ABG Shipyard	6,953
12. Jyoti Structures	5,165
	2,53,729 CRORES

Even big companies like Reliance Communications, Reliance Defence Ltd., Videocon Industries, etc. are big defaulters. People like Kingfisher Vijay Mallya are willful defaulters. There are about 7000 wilful defaulters. They should be termed as criminal offenders and tough criminal action taken. But Government is suggesting litigation route /insolvency cases by which, money due to the Banks will not be recovered, rather there would be huge sacrifices and write offs. In the last 5 years, from 2013 to 2017, Banks have written off nearly Rs. 2,50,000 crores (Rs 249,927 crores) of loans due from these defaulters. This is diversion of people's money to benefit the rich people.

In addition, because of bad loans, Banks are losing interest revenue of about Rs. 1,50,000 crores per year. Hence some of the Banks are showing losses. But instead of recovering the interest and loans given to these big people, the Government, RBI and Banks are now reducing the rate of interest of savings deposits, collecting heavy service charges, penalty charges, etc. from customers. This is nothing but robbing Peter to pay Paul. The burden of loan defaulters are put on the shoulder of the common banking customers.

To oppose these anti-people banking reforms and demanding reversal of these policies, we served the strike notice. In response to the strike notice, Indian Banks' Association (IBA) called the UFBU unions for discussions on 16-8-2017 to explore the possibility of averting the strike. During the meeting IBA could not commit to resolve any of the demands stating that all these are policy issues of the Government but only

appealed to the unions to withdraw the strike. Hence Unions could not agree to the same.

On 18-8-2017, Mr A K Nayak, Chief Labour Commissioner of Ministry of Labour Ministry, Govt. of India, called both the IBA and the UFBU unions for a conciliation meeting. During this meeting UFBU representatives explained the demands and urged upon the IBA and Government to make assurance not to pursue the reform policies and to resolve the demands amicably. Since they could not come forward to make any such assurance, the UFBU decided to go ahead with the strike call.

Accordingly, as announced, nearly 10,00,000 employees and officers of various banks all over the country have gone on strike today. We regret that the Government and the IBA were not eager to resolve the issues to avert the issues thus forcing the unions to go ahead with the strike.

We are sorry for the inconvenience causes to bank customers but they should appreciate that our strike is to defend their interests and common people's interests.

PSBs plan to mobilise Rs 58,000 crore

Tuesday, 22 Aug, 2017, FINANCIAL CHRONICLE

Public sector banks, including SBI, Bank of Baroda and IDBI Bank, plan to raise Rs 58,000 crore through equity dilution during the current fiscal to meet Basel-III norms and clean up their balance sheets. Leading the pack, the country's largest lender, SBI, plans to raise Rs 15,000 crore through share sale and expects this to complete by the year-end, probably through a qualified institutional placement (QIP). "This is something for which we have everything in place but we will go when we find the market is conducive," SBI chairperson Arundhati Bhattacharya has said.

Besides, Bank of Baroda and Central Bank of India plan to raise Rs 6,000 crore and Rs 6,500 crore from capital markets, respectively. Oriental Bank of Commerce and IDBI Bank have taken board's approval for raising Rs 5,000 crore each through equity dilution, while Mumbai-based Union Bank of India plans to Rs 4,950 crore during the current financial year. Raising funds from the market will ease the pressure on the exchequer of pumping in capital. As per the Indradhanush plan, public sector banks need to raise Rs 1.10 lakh crore from markets, including follow-on public offer, to meet Basel-III requirements, which will kick in from March 2019.

This will be over and above Rs 70,000 crore banks will get as capital support from the government. Of this, the government has already infused Rs 50,000 crore in the past two fiscals and the remaining will be pumped in by the end of 2018-19.

In the Budget speech on February 1, finance minister Arun Jaitley announced capital infusion of Rs 10,000 crore for the current fiscal. "In line with the Indradhanush road map, I have provided Rs 10,000 crore for recapitalisation of banks in 2017-18. Additional allocation will be provided, as may be required," Jaitley had said.

PSU banks requires capital for meeting Basel-III norms and cleaning of balance sheet as non-performing assets (NPAs) have reached unacceptably high levels. These banks are saddled with non-performing assets or bad loans to the tune of a staggering Rs 6 lakh crore. Bad loans rose by over Rs 1 lakh crore in the first nine months of last fiscal to Rs 6.07 lakh crore by 31 December 2016. Gross NPA of PSBs stood at Rs 5.02 lakh crore at the end of March 2016, up from Rs 2.67 lakh crore at the end of March 2015.

Corporation Bank and Syndicate Bank have lined up fund raising plan of Rs 3,500 crore each, while Bank of Maharashtra has taken board's approval for raising Rs 2,000 crore. SBI, in 2014, had raised Rs 8,032 crore by selling shares through qualified institutional placement (QIP), largely aided by state-owned life insurer LIC.

The bank sold 5.13 crore shares at an average price of Rs 1,565, which was the lower side of the price band it had set. Besides, Canara Bank had also raised about Rs 1,250 crore from rights issue to its shareholders last fiscal.

Banking operations hit across India as over 10 lakh employees strike work protesting reforms

A large number of ATMs also remained closed, aggravating problems for the customers

Reported by: IANS, New Delhi 22 Aug 2017





A security guard reads a newspaper in front of a closed bank in Kolkata

Over 10 lakh bank employees in more than 1,30,000 branches pan-India have struck work, hitting banking operations across the country on Tuesday. The employees are protesting against reforms in the banking sector among other issues, thereby affecting cheque-clearing activity. Most public sector banks had their shutters down, IANS reported.

An official of the **United Forum of Bank Unions (UFBU)** -- the umbrella body of nine unions which has given the strike call -- said "over 10 lakh bank employees spread in more than 1,30,000 branches across the country have struck work hitting cheque-clearing activity".

Banking operations in Tamil Nadu were affected with around 55,000 bankers striking work pressing for their demands, said a report from Chennai citing a top **All India Bank Employees' Association (AIBEA)** leader.

"The strike is a huge success. It is a dawn-to-dusk strike as cheque clearing operations start at 6 a.m. Bankers working in around 10,300 branches struck work protesting the policies towards the sector," C.H. Venkatachalam, General Secretary, AIBEA told IANS.

Venkatachalam said around 12 lakh financial instruments valued at around Rs 7,300 crore would not be cleared.

With branches closed, automated teller machines (ATMs) might get empty sooner than normal.

Government treasury transactions would also be impacted. Foreign exchange transactions, import and export bill transactions, sanction of loans and others would also be affected.

In most of the places, clearing operations, particularly outward clearing, was seriously affected.

Normally in the three clearing grids functioning from South, West and North -- Chennai, Mumbai and Delhi -- on an average about 40 lakh cheques and instruments worth about Rs 20,000 crore are transacted per day. This has been affected in a big way as a result of the employees' stir, Venkatachalam said.

Over 150,000 bank employees in Maharashtra joined the nationwide banking strike, paralysing all financial operations in the country's commercial capital, a union official said in Mumbai.

The strike hit all the 42,000 branches of 21 public sector banks, including the monolithic State Bank of India and IDBI, 18 old-generation banks, eight foreign banks and 56 Regional Rural Banks in Mumbai and Maharashtra, said **All Indian Bank Employees Association (AIBEA)** leader Vishwas Utagi.

"All cheque clearing operations, financial transactions and other routine daily banking functions are stopped today (Tuesday) due to the strike. Many ATMs, which are now functional, may run out of cash by noon as there will be no replenishment," Utagi told IANS.

The strike comes after the talks here between UFBU on one side and Indian Banks' Association, Chief Labour Commissioner and Department of Financial Services (DFS) failed on Friday.

"All India State Bank Officers' Federation and All India State Bank of India Staff Federation, being part of the UFBU, will participate in the strike. It is likely that our bank will also be impacted by the strike," State Bank of India (SBI) said in a regulatory filing in the BSE.

Among the 17-point charter of union demands, the main relates to the government's denial of adequate capital to public sector banks, thus creating conditions for privatisation, an AIBEA statement said on Tuesday.

"The one-day banking strike has been successful as close to 9,500 ATMs and around 3,000 branches are closed with 70,000-100,000 bank employees participating in the protest in West Bengal," **AIBEA's (West Bengal) General Secretary Rajen Nagar said in Kolkata.**

All India Bank Officers' Association's (West Bengal) General Secretary Sanjay Das said employees and officers from cooperative and grameen banks including regional rural banks also participated in the strike and private banks' branches were mostly closed as their employees supported unions' demand.

"The strike is 100 per cent successful. Bank employees and officers are conducting demonstration in front of banks' branches and ATMs," Das said.

Thousands of employees of state-run banks began day-long strike in cities and towns across Karnataka, affecting cash and other transactions for the day, said a report from Bengaluru.

"We have received an overwhelming response from all our members for the strike call in support of our demands, including our opposition to the merger of state-run banks," state AIBOC General Secretary A.N.K. Murthy told IANS.

In Bengaluru, hundreds of employees of various banks took out a rally and staged demonstrations protesting against the government's proposal to merge their banks.

Private banks, including ICICI Bank, HDFC Bank, Axis Bank and Kotak Mahindra, however, opened for business as usual

Banking services were badly affected in the Left-ruled Tripura on Tuesday as most of the major banks remained closed due to a nation-wide employees' strike.

The striking employees were protesting the "anti-people banking reforms" and demanding for compensation to employees for extra work done on account of demonetisation of high value currencies since November 8, 2016, and booking loan defaulters.

According to Nikhil Das, a leader of the striking employees, around 3,000 bank employees belonging to about 414 branches of 15 nationalised, regional, rural and cooperative banks in the northeastern state took part in the strike in Tripura.

A large number of ATMs also remained closed, creating problems for the customers.

Strike paralyses banking operations



Bank employees at a protest in front of State Bank of India on Tuesday in Mangaluru. The August 22 strike has been called by the United Forum of Bank Union to protest against the government's proposed consolidation move. Photo: Arranged

Cheque-clearing badly hit; will intensify agitation if concerns are not addressed: union

MUMBAI, AUGUST 22:

Banking operations in public sector banks, old generation private sector banks and regional rural banks across the country were hit on Tuesday as about 10 lakh employees went on a one-day strike to oppose, among others, amalgamation among public sector banks and their privatisation, and to demand tough measures against large loan defaulters.

The United Forum of Bank Unions, the umbrella union of trade unions, plans to intensify its agitation by calling for a two-day strike either in October or November if its concerns are not addressed, according to union representatives.

With the aforementioned banks accounting for about 75 per cent of the total banking business in the country, cheque-clearing operations were severely impacted. Besides, cash transactions could not be carried out as usual and government treasury transactions could not be put through as branches were closed down.

CH Venkatachalam, General Secretary, **All India Bank Employees Association**, said in most of the places, clearing operations, particularly outward clearing, were badly affected.

Normally, in the three clearing grids in Chennai, Mumbai and Delhi, on an average, about 40 lakh cheques and instruments worth about Rs 20,000 crore are transacted per day.

“The government’s denial of adequate capital to public sector banks is creating conditions for privatisation. This would mean privatising the ₹80 lakh crore of common people’s money available in our banks.

“This is dangerous for the country and our people. Privatisation of banks would also result in denial of loans to priority sectors like agriculture, rural development, education, etc.,” he said.

Similarly, at a time when the country needs more banking services, the government is talking of consolidation, amalgamation and merger of banks, the trade union leader said, and added that bank mergers would result in closure of bank branches as is happening in SBI now after the merger of associate banks.

Loan defaulters

Given that the banking industry is reeling under bad loans, S Nagarajan, General Secretary, All India Bank Officers’ Association, emphasised that the industry has to be saved from the clutches of loan defaulters.

Sanjay Manjrekar, General Secretary, Syndicate Bank Officers Association, said instead of hauling the large loan defaulters over the coals, the common depositor is being unfairly penalised by banks in the form of cuts in deposit rates and higher charges. The government should allow banks to take criminal action against the defaulters.

Pointing out that there are about 7,000 wilful defaulters, Venkatachalam felt that they should be termed as criminal offenders and tough criminal action taken. “But the government is suggesting litigation route/insolvency cases by which money due to the banks will not be recovered, rather there would be huge sacrifices and write-offs.

“In the last five years, from 2013 to 2017, banks have written off nearly Rs 2.50 lakh crore of loans due from these defaulters. This is diversion of people’s money to benefit the rich people,” he said.

Bank unions plan to meet PM Modi next month; Tuesday strike disrupts banking transactions

The nationwide strike called upon by nine bank unions on Tuesday saw major participation of nearly 10 lakh employees and officers of public sector banks across 10,300 branches in the country.

By Beena Parmar



Bank unions have sought to meet Prime Minister Narendra Modi after the morcha it plans to hold on September 15, to put forth their concerns over the consolidation and merger of public sector banks.

The nationwide strike called upon by nine bank unions on Tuesday saw major participation of nearly 10 lakh employees and officers of public sector banks across 10,300 branches in the country.

All cheque clearing operations, financial and cash transactions and other routine daily banking services were stopped due to the strike. Though ATMs were operational, some ran out of cash by noon as there were no replenishments.

Government treasury, foreign exchange, remittances, import and export bill transactions and sanction of loans among other services were also impacted.

CH Venkatachalam, General Secretary, AIBEA (All India Banks' Employees Association) said, "We were happy to see more young officers also participate in the protest and that helped us put forth the message. The present political culture has ignored the bank unions' views but there will be a long term confrontation on the same. We plan to meet the Prime Minister Modi post the September 15 morcha to put forth our points."

The unions plan to hold a rally in New Delhi with the help of around one lakh employees and officers.

"Normally in the three clearing grids functioning from South, West and North - Chennai, Mumbai and Delhi - on an average about 40 lakh cheques and instruments worth about Rs 22,000 crore are transacted per day. This has been affected in a big way as a result of the employees' stir," Venkatachalam said.

New private sector banks including ICICI Bank, HDFC Bank and Axis Bank skipped participation in the strike while old private sector lenders such as Federal bank, Dhanlaxmi Bank, South Indian bank and Tamilnad Mercantile Bank among others, participated in the strike.

Among the 17-point charter of unions' demands, the major ones include government's denial of adequate capital to public sector banks, thus creating conditions for privatization, merger and consolidation of banks and problem of resolution of large bad loans.

HR Khan dubs farm loan as bubble, flays govt for setting targets



MUMBAI, AUG 22: PTI/ BUSINESSLINE

Amid reverses faced by banks on farm loans, RBI's former Deputy Governor H R Khan has come out strongly against the practice of agri credit targets set by the government every year for lenders and termed them as a "perpetual bubble".

"The banking system has just been reactive to the targets given by government," he said, speaking at an industry awards event organised by consultancy D&B here last night.

Noting that every year the government keeps on setting new credit disbursement target in the trillions in budget, and the banks exceed it, Khan said most of these are short term crop loans.

He said that there is a need to support the long term needs of the farm sector through capital investments, adding that the proportion of capital investments in total farm credit has fallen to 20 per cent from 35 per cent level five years ago.

He said in the last 10 years, while credit to the farm sector has grown at 18 per cent, the production rose only 12 per cent and farmer incomes continue to be depressed due to a variety reasons, including lower prices for their produce rise in wages and input costs.

"Investments need to be done in aspects like warehouses, supply chains and other infrastructure-related aspects," Khan said.

Khan, who retired from RBI last year, termed agriculture loans as a "perpetual bubble" which the public policy has not been able to solve. "Many a times, the short term farm loans are taken for consumption purposes and claimed that a fourth of the money raised through it goes for buying gold," he said.

The former career central banker, however, did not make any mention of farm loan waivers which has affected credit behaviour and increased non-performing assets (NPAs) for the banks as farmers stop servicing their loans once such announcements are made.

Twin problems

Khan said these are challenging times for the banking sector because of the twin problem of NPAs and pressure on capital levels. For NPAs, he pointed out that thermal power and telecom are the concerning sectors to watch out for.

On the insolvency and bankruptcy code, Khan said, "We should be realistic and cautiously optimistic as our experience says that no system has been really effective."

Khan said that he does not favour bank consolidation at this point, as it will not alleviate any pains being faced on NPAs and capital requirements. Without naming SBI, he said the country's biggest lender had its GNPA's shoot up to the double digit mark because of the merger of associates.

On capital, he said provisioning for the IBC accounts and a shift to the Ind-AS system of accounting will create new pressure even though the central bank may give some relaxation on the accounting change.

Standard Chartered Bank's country head Zarin Daruwala, who also spoke at the event, said that dealing with the top-50 NPAs can help halve the extent of the NPA problem.

She also pitched for banks being allowed to look at a firm's GST filings and making it mandatory for banks to share financial transaction details for effectively dealing with the issue.

AIBEA THIS DAY – 23 AUGUST	
1988	One day strike against mass transfers by Corporation Bank Employees' Union.
1996	Com. Tarakeswar Chakraborti, General Secretary, AIBEA attends 17th triennial Conference of NUBE at Kuala Lumpur.



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