

UNITED FORUM OF BANK UNIONS

(AIBEA-AIBOC-NCBE-AIBOA-BEFI-INBEF-INBOC-NOBW-NOBO)

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Convenor

UFBU/ 2018/

Date : 03-08-2018

To

**Hon, Minister for Finance,
Govt. of India,
New Delhi.**

Respected Sir,

We thank you for your precious time to meet our delegation amidst your busy schedule of work. We wish to submit the following issues for your kind attention.

1. Alarming increase in Bad Loans in Banks:

You are aware that Bad Loans/ Non-Performing Assets in the Banks increasing day by day and are reaching alarming proportions. From about Rs. 75,000 crores in 2011, it has touched around Rs. 10 lac crores at present.

Year	Gross Bad Loans
2011	74,664 crores
2012	1,17,000
2013	1,64,461
2014	2,16,739
2015	2,78,877
2016	5,39,955
2017	6,41,000
now	10 lac crores

This alarming increase in bad loans is not only dampening the economy but it is directly hitting the Banks in terms of their profitability and earning capacity besides restricting their capacity to lend further. This is also have an adverse impact on the capital adequacy of the Banks. Hence urgent and stringent measures are needed to recover these bad loans.

We have been suggesting that the names of these defaulters should be published periodically by the RBI and Government and criminal action should be taken on the wilful defaulters. In a recent reply to the Parliament, the Government has stated that there are 9063 wilful defaulters of bank loans who owe Rs. 100,050 crores. Hence special efforts are need to recover the bad loans. The present Scheme under IBC is resulting in the Banks suffering from severe haircuts and hence further measures are required to safeguard the interest of the Banks.

2. Need to withdraw embargo on Dena Bank:

Like all other Banks, Dena Bank is also facing problems of high level of bad loans, lower earnings and consequent higher provisions and net losses. But Dena Bank has been making Operating Profits in all years. There are 11 Banks which are currently under PCA norms of RBI and Dena Bank is one amongst them. There is nothing specially alarming about Dena Bank and the management as well as the entire workforce on the job to work for the recovery of the Bank to better health.

At this juncture, RBI has clamped a total embargo on the lendings of the Bank which will hit the Bank severely if it is continued. Dena Bank is an important Bank in many part of the country like Gujarat, Maharashtra, etc. They have lead responsibilities and as a public sector Banks, Dena Bank has the obligation to lend to priority sectors. By this embargo, all lendings have been stopped.

We strongly feel that Dena Bank is being singled out and isolated while the problems facing the Bank are similar to the problems in many other Banks. Hence we submit to you, Sir, to advice the RBI to reconsider their directive and withdraw the embargo on lendings by the Bank.

3. Government to maintain 51% Equity Shares in IDBI Bank:

When the IDBI Repeal Bill was passed by the Parliament in 2003, the then NDA/BJP Government assured to maintain a minimum of 51% in the Equity Share-holding of the newly set up IDBI Bank and accordingly, the same was incorporated in the Articles of Association of the Bank. But we are concerned to note that Government is now permitting LIC to invest in IDBI Bank upto 51% with the result that Government's shareholding will come down to 43%. This, you will appreciate, Sir, would be against the assurance of the Government to the Parliament and would also change the character of IDBI Bank. Hence we strongly urge upon the Government to revisit this decision and ensure that Government maintains minimum of 51% equity shareholding in IDBI Bank.

4. Banks are not to issue Aadhaar Cards:

Recently the Ministry of Electronics and Information Technology has given instructions to the Banks that they must undertake Aadhaar Enrollment services. Keeping in view that already so many Government schemes are thrust on the Banks leading to a great stress on the employees and officers at the branches, we submit that this sensitive work of issuing Aadhaar cards should not be given to the Banks especially when issuing Aadhaar cards does not come under the purview of banks. We request you to kindly send necessary guidelines in this regard to the banks.

5. To stop harassment of Bank Officers:

You are well aware that bank employees and officers are doing their jobs to the best of their ability and beyond their capacity to meet the requirements and expectations of the people. But we are bound by the rules and regulations of the Banks. We are sorry to point out that and it has been brought to our notice that Mr. Hansraj Ahir, Union Minister of State for Home, had issued instructions to some District Magistrate that annual increment should be stopped for Bank Managers, who have not completed the target to sanction Mudra Loans. This is highly unfair and arbitrary and is working as a great demotivation to the Branch Managers/officers concerned. We seek your intervention to stop these harassments.

Similarly, you will be aware that in the case of Bank of Maharashtra, the Managing Director and few other officials were arrested by the local police in Pune even though they do not enjoy such jurisdiction. Consequently the powers of these officials have been withdrawn. While we do not support any wrong-doers, we feel that the Government should come out with clear guidelines and instructions that such things do not reoccur.

Thanking you,

Yours faithfully,

SANJEEV K. BANDLISH

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