



CIRCULAR TO ALL UNITS & MEMBERS

READ AND CIRCULATE

24.7.2018

Dear Comrades,

GET READY FOR AGITATION & STRIKE ACTION
DEMANDS

- **GOVT. TO MAINTAIN MIN. 51% EQUITY IN IDBI BANK**
- **DO NOT PRIVATISE IDBI BANK**
- **RECOVER BAD LOANS**

All our units and members are aware that while the bad loans in IDBI Bank has been increasing alarmingly and it has gone upto Rs. 55,000 crores, instead of taking stringent measures to recover these bad loans given to big corporate houses, the Government is going back on its assurance given to the Parliament to maintain 51% of the Bank's capital and trying to hand over the Bank to LIC and opening the gateway for privatisation of the Bank.

Clause 4 of the Articles of Association of IDBI Bank provides that Government will maintain 51% of the Equity at all times.

(Clause 4 : The Central Government, being a shareholder of the Company, shall at all times maintain not less than fifty-one per cent of the issued capital of the Company.)

But by allowing LIC to acquire 51% of the equity, Govt. capital will come down to around 43%. Thus even the Bank's own Articles of Association is being violated.

When the IDBI Repeal Bill was passed by the Parliament, the then BJP Government (Mr. Jaswant Singh, Finance Minister) assured on the floor of the Parliament - in the Lok Sabha on 8-12-2003 and in the Rajya Sabha on 15-12-2003 that Government shall, at all times, maintain not less than 51% of the issued capital of the Bank. This assurance was duly incorporated in the Articles of Association of the Bank. This assurance was also taken on the records of the Parliamentary Committee on Government Assurances.

The main problem in IDBI Bank is the growing bad loans of the big corporate and business houses. Because these huge bad loans are not being recovered, rather all types of concessions are being given, the profits earned by the Bank are going towards making provisions for these bad loans.

Rs. In crores

	Operating Profit	Provisions for bad loans	Net profit / loss	Gross NPA
2014-15	5,778	4,855	+ 873	12,685
2015-16	5,370	9,035	- 3,665	24,875
2016-17	4,579	9,737	- 5,158	44,753
2017-18	7,905	16,143	- 8,238	55,588

In the last 7 years from 2012 to 2018, Rs. 24,226 crores of loans of the big borrowers have been written off by the Bank. When the entire profit of the Bank is going towards provisions for bad loans, the Bank is suffering from loss, inadequate capital, etc., Government should take tough measures to recover the bad loans and in the meantime, extend capital support as assured to the Parliament.

Instead, the Government is deciding to reduce its equity to less than 51% in flagrant violation of their own commitment. LIC is being allowed to acquire majority equity of the Bank. This is surely the gateway to ultimately privatise the Bank.

Hence, it is felt necessary to launch our agitation programme to save this

Bank from privatisation and safeguard the jobs, job security and other interests of the employees and officers.

Accordingly, in a meeting of the representatives of AIBEA, AIBOA, AIIDBEA and AIIDBIOA held in Chennai today, the following programmes have been decided upon:

- Delegation to Finance Minister by AIIDBEA and AIIDBIOA along with AIBEA and AIBOA leaders.
- Issue to be raised in the Parliament
- Issue to be taken up with the Parliamentary Assurance Committee and Standing Committee on Finance
- Mass meetings of employees and Officers of IDBI Bank (between 1st to 26th August, 2018)
- Demonstrations before IDBI Bank branches on 1-8-2018
- Deputations at RO/ZO/HO to submit Memorandum to management

- Badge Wearing in IDBI Bank on 13-8-2018
- Postering before all Branches from 1-8-2018
- Dharna by IDBI employees and officers before Parliament on 9-8-2018
- Dharna in all State Capitals and major towns under the banners of AIBEA and AIBOA on 23-8-2018.
- **All India Strike in IDBI Bank on 30-8-2018**
- **All India Strike in all Banks by AIBEA and AIBOA** (date to be announced)

DEMANDS


- **Stop privatisation of IDBI Bank**
- **Government should keep its assurance to the Parliament and implement Clause 4 of the Articles of Association of IDBI Bank by maintaining min. 51% equity in the Bank**
- **Take stringent measures to recover bad loans.**


Comrades, it is a matter of shame and regret that this Government is trying to go back on the assurance and commitment given in the Parliament by its own earlier Government in 2003 when Shri A B Vajpayee was the Prime Minister.

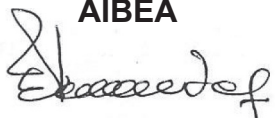
We request all our units and members to implement the programmes successfully.

With greetings,

Yours comradely,


(C.H. VENKATACHALAM)
GENERAL SECRETARY
AIBEA


(S. NAGARAJAN)
GENERAL SECRETARY
AIBOA


(RATNAKAR WANKHADE)
GENERAL SECRETARY
AIIDBEA


(VITHAL KOTESWARA RAO A.V.)
GENERAL SECRETARY
AIIDBIOA

MANGALORE
24.07.2018

REPRODUCED BY
ALL INDIA KARNATAKA BANK EMPLOYEES' ASSOCIATION, (REGD.)
&
KARNATAKA BANK OFFICERS' ORGANISATION (REGD.)

Sd/-
(P.R. KARANTH)
GENERAL SECRETARY, KBEA

Sd/-
(K. RAGHAVA)
GENERAL SECRETARY, KBOO