

Banks lost ₹2.85 lakh crore due to loan default of 13 cos

UFBU's has called for a two-day strike on Dec 16 and 17 protesting against Banking Laws (Amendment) Bill 2021

OUR CORRESPONDENT

HYDERABAD: Public sector banks have lost nearly Rs 2.85 lakh crore on account of loan dues of 13 corporates even as the banks are used to bail out ailing financial institutions such as Yes Bank and IL&FS, United Forum of Bank Unions alleged on Monday.

In press release, UFBU's Convener B Rambabu said the organisation calls for a two-day all India bank strike on December 16 and 17 protesting against Banking Laws (Amendment) Bill 2021 and opposing the centre's alleged move to privatise PSBs.

According to the statistics given by the UFBU, the 13 corporates' outstanding dues were at Rs 4,86,800 crore and it was resolved at Rs 1,61,820 crore resulting in a loss of Rs 2,84,980 crore.

"It is also a matter of reality that time and again public sector banks have been used to bail out ailing private sector banks such as Global Trust Bank, United Western Bank,



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Bank of Karad, etc. In the recent past, it was Yes Bank, which was bailed out by public sector SBI. Private sector's largest NBFC, IL&FS, was bailed out again by public sector SBI and LIC," he said.

He said the PSBs participate

in majority of the government programmes and schemes such as Jan Dhan, MUDRA for unemployed youth, Swadhan for street vendors, Pradhan Mantri Awas Yojana and Pradhan Mantri Jivan Jyoti Yojana, among others.

The UFBU, therefore, is of the view that privatisation of public sector banks will jeopardise the interests of the common people and backward regions of the country, he said.

In the event of the government moving forward with the Bill in the Parliament to privatise the banks, bank employees and officers are prepared to go to any extent including indefinite strike against privatisation of banks, as it is detrimental to the interests of the nation and its people, the UFBU said.

The organisation said though the operating profits of the PSBs are in health condition the only issue being confronted with the banks was that of huge Non-Performing Assets (NPAs) in which the major share was that of big corporate.