



# **BANK EMPLOYEES FEDERATION OF INDIA**

**NARESH PAUL CENTRE**

53 Radha Bazar Lane, (1<sup>st</sup> Floor), Kolkata – 700 001

e-mail: [pradipbefi@yahoo.co.in](mailto:pradipbefi@yahoo.co.in) Website: [www.befi.in](http://www.befi.in)

(Ph):033-22254414/22365108 (M)9433144271 Fax:033-22365109/22420690

## **Press Statement issued on 18<sup>th</sup> May 2018 by Shri Pradip Biswas, General Secretary, Bank Employees Federation of India, on some recent developments in Banking Industry**

“Times without number, we have asserted that the unholy nexus amongst some unscrupulous corporate lords with some political bosses at the centre and top echelons of Banks have been the main culprit for enormous Bad Loans, euphemistically called **NON PERFORMING ASSETS (NPA)**, ailing our Banking system in general and the Public Sector Banks (PSBs) in particular. The case of Nirav Modi-Mehul Chokshi duo denting a huge sum of Rs.13,000/- crore+ of a PSB is an ample testimony to our repeated assertion; while the CBI has charge-sheeted a few top-executives, both past and present, of the affected Bank and an ex-executive of that Bank, subsequently shifted elsewhere, has been divested of all powers of her present position, the proximity of Nirav Modi with the top political boss is well documented.

We reiterate our demand that (i) wilful default in repayment of Bank-loans must be made a criminal offence and deterrent punishment must be meted out to the culprits; (ii) all assets of the defaulting corporates, their promoters and the in-house directors must be confiscated to recover the loans; (iii) all companies having, on its boards, any director of any defaulting company must be debarred from all sorts of Bank-Loans, whether fund-based or not; and, finally, (iv) all Bank-executives directly involved in sanctioning of loans must be made personally accountable for Bad-Loans and responsible for recovery thereof and for this purpose, necessary legislations be made and the relevant part of the P.J. Nayek Committee Report recommending immunity to the concerned executives must be scrapped. In this connection we further demand that the RBI representative on Banks’ Boards must be made responsible for keeping close surveillance over the loan portfolios of the respective Banks.

At the same time, we are concerned at RBI debaring two PSBs from making any fresh advance **till further notice**. Making of advances is the main source of revenue for any Bank and a blanket ban on the same would only add to the present crisis of the concerned Banks; this would have the effect of killing the patient instead of curing his ailment. Moreover, the marginal people, more particularly the small entrepreneurs, the peasants, the artisans, etc., in remotest areas where that particular Bank happens to be the only Banking outlet, would be hard hit because of such ban. In such a scenario, public confidence on PSBs might take an unwarranted beating. We are painfully aware that Central Government is going full steam for privatisation of PSBs; shaking of Public confidence and trust would create a fertile ground for such privatisation. Blanket ban on sanctioning of loans, we apprehend, may be a ploy to bolster the nefarious game-plan on the Government. Hence, we demand immediate revocation of the subject ban in the best interest of the Banking public, more particularly the marginal ones, and of the Public Sector Banking as a whole.

In the forgoing circumstances, we call upon the Bankmen, cutting across organisational and cadre barriers, as also the Banking public to raise their united voice on the aforesaid demands.”

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To  
The News Editor/Chief Reporter,  
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For favour of circulation/broadcasting/telecasting through your esteemed media,

Joydeb Dasgupta  
Secretary.