

# BANK EMPLOYEES FEDERATION OF INDIA



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To All Affiliates/Office Bearers/CC/GC Members

Dear Comrades,

## **Rouse Mass Anger Against ROBBING THE PUBLIC TO BENEFIT THE WILFUL DEFAULTERS**

Reserve Bank of India (RBI) has identified 12 companies that reportedly account for more or less 25% of Bad Loans (euphemistically called “Non Performing Assets” – “NPA” in short) of our Banks for immediate bankruptcy proceedings under the Insolvency and Bankruptcy Code, 2016 (“IBC” in short); 488 others, similarly identified with huge outstanding Bad Loans, have been put on notice for restructuring their debt failing which they will also be proceeded with under the IBC.

Names of those 12 companies and the total amount due from them are as under:

	<b>NAME OF THE LOAN DEFAULTER COMPANY</b>	<b>AMOUNT DUE (Rs. in Crore)</b>
01.	Bhushan Steel Ltd.	44,478
02.	Lanco Infratech Ltd	44,368
03.	Essar Steel Ltd	37,284
04.	Bhushan Power & Steel Ltd.	37,248
05.	Aloke Industries	22,075
06.	Amtek Auto Ltd.	14,074
07.	Monnet Ispat and Energy Ltd.	12,115
08.	Electrosteel Steels Ltd.	10,273
09.	Era Infra Engineering Ltd.	10,065
10.	Jaypee Infratech Ltd.	9,635
11.	ABG Shipyard Ltd.	6,953
12.	Jyoti Structures Ltd	5,165
	<b>TOTAL</b>	<b>2,53,733</b>

A “Resolution Plan” has been drawn up in respect of Monnet Ispat and Energy Ltd (MIEL), one of the first lot of 12 large non-performing loan (NPA) accounts referred to herein before; in all likelihood, the plan would be completed and implemented after compliance with other technical/legal formalities. As per the deal under NCLT,

the lender banks will get an amount of Rs.2,700 crore against the total outstanding loan of Rs.12,115 crore with different banks in the consortium agreeing to a **Hair Cut** of 75%.

Total NPA for Public Sector Banks have already hit a record high of Rs.9.5 lakh crore as per official acknowledgements; the actual amount, we apprehend, would be close to, if not more than, double that officially acknowledged amount and the first case of resolution under IBC Code that is going to take place with 75% reduction of unpaid loan amount in the name of **Hair Cut** from a corporate defaulter becomes the pattern of all future resolutions, PSBs will be landed in a situation of serious concern of all of us.

With the implementation of recommendations of INDRADHANUSH document for higher rate of provisioning, all PSBs taken together have incurred **Net Loss** consecutively for two years ending March 2016 and March 2017 for Rs.17992 Crore and Rs.11,388 Crore even though the PSBs earned operating profit of Rs.1,36,275 Crore and Rs.1,58,982 Crore respectively as on the same dates.

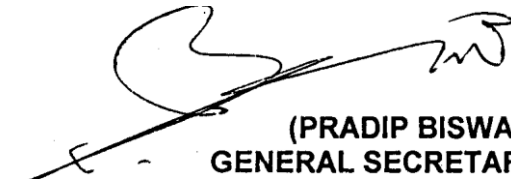
To put the matter straight, resolution process of NPAs under IBC Code 2016 is nothing but a ploy to rescue the corporate defaulters at the cost of public money without fixing the accountability of the members in the Boards of the banks that sanctioned the big loans to the corporate which later became NPAs.

This desperate attempt of the present government at the centre to give legal cover for the looters of public money has to be exposed and public anger against this mischievous design has to be roused by all in the banking fraternity in the interest of a national cause.

We, therefore, call upon all our State Units and bank wise Unions to unleash massive campaign amongst all sections of banking public.

With greetings,

Yours comradely,



(PRADIP BISWAS)  
GENERAL SECRETARY