



**STATE BANK OF INDIA OFFICERS' ASSOCIATION  
(HYDERABAD CIRCLE)**

(Registered Under Trade Unions Act 1926:No.3396 A.P.)  
(Affiliated to All India State Bank Officers' Federation)  
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Circular No.54

31.08.2017

**THREAT OF MERGER OF BANKS**  
**NEW INITIATIVES OF THE GOVERNMENT**  
**STRUGGLE HAS TO CONTINUE**

We reproduce hereunder Circular No.92 dated 29<sup>th</sup> August, 2017 issued by All India State Bank Officers' Federation, the contents of which are self-explanatory.

  
(G.SUBRAMANYAM)  
GENERAL SECRETARY

**Quote**

The Government has failed to take note of the strong sentiments of the workforce in the banking industry. Over 12 lac members working in the banking sector representing all shades of banking viz., Public Sector, Private Sector, Regional Rural and Co-operative Banks in the country, struck work on 22<sup>nd</sup> August, 2017 to send a strong message of protest to the Government against its ill-advised initiative of reduction of the present number of Public Sector banks through the mergers amongst themselves in the name of consolidation and tackling of NPA's. The cabinet went ahead with its action plan to go for the proposed merger of banks and reduction of the present number of banks to 10 to 12 banks as was being advocated.

2. The Government has been attempting to go for a strong campaign supported by the experts from the banking industry, former heads of the RBI etc., in support of the merger initiatives. The decision of the Government to closely monitor the initiative of the banks in regard to the merger process and also its declaration that by the end of this financial year, the first stage of mergers of the public sector banks would take place is highly provocative and invitation to confrontation with the unions. The representatives of the UFBU have conveyed their strong resentment over any such initiatives and insisted for detailed discussions on the issue so that they can come out with several alternative proposals avoiding the proposal of the merger mooted by the Ministry of Finance.

3. The Government is also creating an impression amongst the general public that the NPA issue could be resolved through the merger process. The problems of NPA's can be resolved only through stricter measures of recovery from the willful defaulters as well as the corporate borrowers. NPAs have to be recovered through the effective recovery including the taking over of the assets of the promoters who have defrauded the banking system and enriched themselves in the process. The present NPA of around Rs.7 lac crores is expected go up in the coming quarters and it is for the Managements of the Banks to strengthen the recovery process. A small recovery here and there cannot help the strengthening of the equity base of the banks. There has to be a sustained plan of action to recover these bad loans rather than going for the soft options for recovery and campaigning for the merger or privatization of the public sector banks.

4. The issue came up for debate in the last Executive Committee meeting of the Confederation and the methodology to be adopted for tackling the serious challenge posed by the Government to the workforce in the banking industry. The members were of unanimous view that the issue should be taken up on priority basis with the UFBU and a meeting should be convened immediately so that further course of action can be planned to thwart the sinister design of the Government.

5. Comrades, there is a need for strong preparation on the part of the rank and file to rally round the organizational action plan so that we should be able to succeed in our attempt to stop the move of the Government in this direction.

With revolutionary greetings,

Sd/-  
(Y.SUDARSHAN)  
GENERAL SECRETARY

Unquote

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