



ALL INDIA BANK OFFICERS' CONFEDERATION

(Registered under the Trade Unions Act 1926, Registration No: 3427/Delhi)

State Bank Buildings, St. Mark's Road, Bangalore – 560 001

CIRCULAR NO.24

DATE: 22.05.2013

TO ALL AFFILIATES/MEMBERS:

**PRESS REPORTS ON THE ISSUE OF MERGER ETC.,
CONFEDERATION OPPOSES THE INITIATIVE**

In response to some of the statements appeared in the press about the initiatives of the Government towards the Merger of Banks, we have to-day sent a communication to the Hon'ble Minister of finance, Government of India, New Delhi, a copy of which is enclosed for your information.

2. All our affiliates/members are requested to await further developments in the matter.

With greetings,

**(D.S.RISHABADAS)
GENERAL SECRETARY**



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No.1452/29/13

22.05.2013

To,
Shri.P.Chidambaram,
Honourable Minister of Finance,
Government of India,
NEW DELHI.

Dear Sir,

GOVERNMENTS' INITIATIVES TOWARDS MERGER OF BANKS OPPOSITION BY OUR CONFEDERATION AND OTHER UNIONS

We are surprised to note the reports appearing in the Press about the initiative of the Government towards Merger of Banks although the issue has been a bone of contention between the Government and the Unions in the Banking Industry. The Confederation the largest officers organization in the Banking Industry has been campaigning since last several years against the initiatives of the Government in this direction and it was one of the major issues that was flagged for the last 2 days' industry wide strike on 21st and 22nd February, 2013 by the entire banking industry wherein all the 9 unions under the banner of the United Forum of Bank Unions have successfully implemented the strike action giving vent to their grievances against several long pending issues as also the encouragement that the Government is giving to the banks' managements in the matter of mergers and acquisitions.

2. The Indian Banking Industry has accounted itself in a creditable manner in comparison with the banking industry elsewhere including the affluent nations for the last couple of years and there is a vast scope for expansion of the industry through creation of additional banking institutions rather attempting in the name of merger and consolidation by way of merger of banks which would be resisted by the workforce in the banking industry. The Government has declared that it would provide

more opportunities to new operators in the banking industry by granting license to them for establishment of new banks so that the private participation in the banking industry gets enhanced. While, these initiatives are definite indication of the tremendous opportunities that are available for further expansion of the banking industry any idea to truncate the existing number of banks both in the old private sector as well as the Public Sector are nothing but a sinister design to slowly and steadily privatize the entire banking industry.

3. The Confederation on a number of occasion has made their stand clear on this issue of merger of the banks and the existing well established Public Sector Banks as well as old Generation Private Sector banks including the Associate Banks in State Bank of India should be allowed to continue in their existing position and allowed to expand their activities in an effective manner. While, the Government has assured to discuss all the issues related to the last 2 days' strike action by the unions, the issue of the merger also being one of the issues which was flagged for the strike, the recent declarations in the public as well as the press by the Honorable Minister of Finance has again created heart burn amongst our rank and file.

4. We therefore request you to kindly take note of our strong resentment about the proposed initiatives of the Government in regard to Merger and kindly shelve all such initiatives if any and convene a meeting of the representatives of the unions in the banking industry to enable us to present our views before the Government to avoid industrial unrest in the banking industry.

5. Please treat the matter as urgent.

Thanking you,

Yours faithfully,



(D.S.RISHABADAS)
GENERAL SECRETARY