

ALL INDIA BANK OFFICERS' CONFEDERATION

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To All Affiliates/ State Units (Please Circulate)

MERGER/AMALGAMATION OF VIJAYA BANK AND DENA BANK WITH BANK OF BARODA OUR STAY APPLICATIONS DISMISSED BY HON'BLE SUPREME COURT OBSERVE PROTEST DAY ON APRIL 1ST, 2019

We have to advise that the applications for stay of the Amalgamation scheme had come up for hearing on 28.03.2019 before the Bench of Justice Nariman and Justice Vineet Saran in the Hon'ble Supreme Court. AIBOC and AIVBOA were represented by Senior Counsel Shri Shyam Divan, while Union of India was represented by Solicitor General Shri Tushar Mehta and Bank of Baroda by Shri Mukul Rohatgi, former Attorney General of India. After hearing both sides, Hon'ble Supreme Court dismissed all stay applications and passed a one sentence order pronouncing "Applications for stay are rejected". Comrades, we shared with our affiliates the status vide our Circular No. 2019/11 dated 13.02.2019 as to how the Writ Petitions filed by **All India Bank Officers' Confederation (AIBOC) / All India Vijaya Bank Officers' Association (AIVBOA)** with Hon'ble Delhi High Court were hamstrung by the order of stay on the proceedings obtained by Bank of Baroda from Hon'ble Supreme Court on 8th February, 2019 without even a notice / making **AIBOC / AIVBOA** parties despite the caveats filed by us at the Supreme Court against any transfer of proceedings on the Writs. The situation had precipitated due to inexplicable filing of identical WP by Rajasthan State Committee of AIBOA along with Dena Bank Officers' Union (an affiliate of AIBOA) in the Hon'ble High Court of Judicature for Rajasthan at Jaipur Bench (Jaipur) despite AIBOC's petition filed long months before was already pending in Delhi High Court. This practically has deprived us of one level of appeal.

Comrades, it the precise reason why apprehending that Union of India and any other respondent might approach the Supreme Court for transferring all cases to the apex court, we knowingly refrained in the past from filing the petitions earlier in the matter of PCA imposed on Dena Bank as also in the matter of IDBI Bank, as some other constituents of UFBU had filed petitions before we could finalise ours so that the matters could not be clubbed and referred to Hon'ble Supreme Court.

It is well established fact that it is virtually AIBOC on its own strength have fought against the decision of the Government to amalgamate three banks right from the day of announcement of the merger. We have staged innumerable dharnas, protest meetings, organised rallies, public meetings, approached all lawmakers and all political parties of the country to take up our cause, appealed to individual board members of Vijaya Bank and Dena Bank, appealed to shareholders, undertaken massive signature campaign drives, mobilizing public support particularly in Karnataka, waging a battle on social media and even appealed to the Hon'ble Finance Minister and the Hon'ble Prime Minister to rescind the decision of merger. The judgment of 28th March, 2019 has come as cruel blow to our sincere efforts but our indomitable resolve to defend Public Sector Banks stands undiluted. **We might have lost just a battle but we will continue to fight the war.**

The Writs filed by us challenged the arbitrary, irrational and unreasonable decision of the Ministry of Finance, by flouting the mandatory provision of due consultancy with RBI as laid down in the Bank Nationalisation Act, 1970 / 1980 and also the top-to-bottom approach getting the decision of the Boards passed at the diktat of the MoF, when the positions of the Workmen and Officer Nominee Directors of the Boards of three Banks have been unreasonably kept by it vacant (like in case of other Nationalised

/ public sector banks). The undue haste, possible closure of many branches, likely VRS of the employees / Officers on account of likely mass scale displacement, loss of future job opportunities in large numbers and the unilateral short-sighted decision with total disregard to the principle of ensuring emergence of a much stronger bank post consolidation (as prescribed by different Deputy Governors / Governors of RBI / economists) and non-addressing the core issue of the mounting Non-Performing Assets (NPAs) were *inter alia* the issues that were highlighted and challenged by the petitions.

During the course of our legal battle as well as representations to the lawmakers and eminent personalities of the country, it was also pointed out by the Confederation that the strategies based on amalgamation have spectacularly failed in the West such as during the infamous 'global financial crisis' of 2007-08 when too big financial institutions failed and had to be subjected to state monitored bail outs at the tax-payers' cost. Following merger of the associate banks with itself, the largest bank of our country was in the red for the first time in over two centuries, posting a record loss of Rs. 6547 crore in 2017-18. Post amalgamation, NPAs of SBI has further gone upto Rs 2.25 lakh crore. The government's contention that amalgamations would make banks stronger globally does not hold water. Even if all the PSBs are merged into one, we cannot match global banks in terms of capital strength. Further, when we need more branches to achieve financial inclusion, the amalgamation of three public sector banks (Bank of Baroda, Vijaya Bank and Dena Bank), will result in closing down of existing branches of these Banks (as has happened in case of the recent State Bank group merger), which will not only result in making the achievement of the goal of financial inclusion a distant dream but also would cause serious agony to the common man. Such being the realities, our movement against the ill-conceived process of amalgamation / merger and 'reverse nationalisation' shall remain undeterred and would continue.

The time has now come to regroup in unified strength, refurbish our collaborative forces and forge a formidable deterrent to thwart all stratagems of those in power to subvert and undermine the relevance and dignity of Institutions in Public Sector. In this backdrop, we will observe a **Protest Day on 1st April, 2019** condemning the amalgamation of the three banks, which comes into effect on that day. All affiliates / State Units are advised to organise protest meetings at all major centres and district headquarters denouncing the draconian and retrograde decision of the merger.

AIBOC is certain to emerge as the largest body of employees of supervisory cadre in the new amalgamated entity and it will continue espouse the cause of the officers' fraternity as well as all stakeholders. We appeal to all officers of Bank of Baroda, Vijaya Bank and Dena Bank to strengthen AIBOC and urge upon non members to join our fold be a part of a mighty organisation, which is the dominant and most vibrant force in Indian banking today.

With revolutionary greetings,

Yours in comradeship,



(Soumya Datta)
General Secretary