



Association of Officers of UCO Bank

(Registered under the Indian Trade Unions Act, 1926)

Affiliated to All India UCO Bank Officers' Federation, an affiliate unit of AIBOC)

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Circular No. 36 / 2018-21

Dated: 26th Feb, 2019

TO ALL THE MEMBERS

Dear Comrade,

Sub: **AIBOC Condemns the Finance Minister's Statement on Merger of PSBs in RBI Board Meeting on 18.02.2019**

We reproduce hereunder the full text of Circular no. Com/EC/ 35 /2018-21 26th February, 2019, issued by Com. S Roy Choudhury, General Secretary, All India UCO Bank Officers Federation, wherein, Federation reproduced the full text of AIBOC Press Release dated 26.02.2019 on the captioned subject for information of all concerned.

With Warm Greetings

Comradely Yours

(Ajoy Kr. Mondal)
General Secretary

Quote

Office Bearers, EC Members & Units

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We reproduce hereunder the full text of AIBOC Press Release dated 26.02.2019 on the captioned subject for information of all concerned.

S Roy Choudhury
General Secretary

Quote

“PRESS RELEASE

AIBOC Condemns the Finance Minister’s Statement on Merger of PSBs in RBI Board Meeting on 18.02.2019

The All India Bank Officers’ Confederation (AIBOC), the largest trade union of officers in the banking sector commanding a membership of over 3.20 lakh officers strongly denounces the purported statement of the Union Finance minister Shri Arun Jaitley, to the effect that "India needs fewer but mega PSBs" as reported in www.moneycontrol.com on 18.02.2019 under the headline ‘FM addresses RBI Board, pitches for bank mergers’

Quote

“I think India needs fewer and mega public sector banks which are strong in every sense, from borrowing rates to optimum utilisation of resources, the economies of scale, as far as banking sector are concerned, are of great help.” This is the statement of Shri Arun Jaitley is reported to have been made during his speech to the Board of the Reserve Bank of India on 18.02.2019.

Unquote

AIBOC unequivocally denounces such a statement as it is oblivious to the actual challenges being confronted by the Banking sector and is only reflective of an anti-PSB mindset.

We note with consternation and dismay that the Union Government has been actively pursuing a fallacious policy of forced amalgamations of banks touting it as the panacea for all maladies afflicting the Banking Sector.

At a time 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 the closing down of existing branches of these Banks, which will only result in making the achievement of the goal of financial inclusion a distant dream.

The Government cannot abdicate its responsibility in the genesis of humongous amount of NPAs. We are of the opinion that amalgamation of Vijaya Bank, Dena Bank and Bank of Baroda is also meant to improve the parameters of the merged entity through financial engineering, rather than actually improving NPA recovery. While the Government proclaims that an amount of close to Rs 3 lakh crore has already been recovered in favour of banks and creditors, it has chosen to remain silent on the amount of ‘haircuts and write-offs’ that banks and other financial creditors are being forced to absorb by way of resolution of loans through Insolvency and Bankruptcy Code (IBC). We demand that a white paper be published by the Government of India detailing the amount of recovery through IBC channel since its inception, vis-a-vis the actual loan outstanding.

The effects of “optimum utilisation”, referred to by the FM, are manifested in branch closures and reduction of bank staff in post-merger SBI. Post amalgamation, SBI has closed down a substantial number of branches. At a time when the private sector banks have increased their recruitment, the total employee strength of the PSBs fell by over fifty thousand between 2014-

15 and 2017-18. The branches are reeling under acute staff shortage. Yet, the government is reluctant to recruit adequate personnel in the PSU Banks.

AIBOC urges upon the government to expedite and enforce the implementation of the existing laws in the country to bring to book big ticket corporate defaulters, which could effectively clean up the balance sheets of the PSBs and to publish the list of wilful defaulters and economic offenders responsible for accumulation of such humongous NPAs in PSU banks.

As a responsible Trade Union representing the aspirations of over 3.20 lakh officers, AIBOC vehemently opposes the statement and intent of the Hon'ble Finance Minister and the Union Government, as expressed in the RBI Board Meeting on 18.02.2019 and demands that the decision to amalgamate three PSBs be rescinded.

Sd/-
(Soumya Datta)
General Secretary" Unquote