



**ALL INDIA CANARA BANK RETIREES' FEDERATION (Regd.)**  
(Affiliated to All India Bank Retirees' Federation)  
"A.K.Nayak Bhavan", 2<sup>nd</sup> Floor,  
14, Second Line Beach, Chennai – 600001.

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A.B.Kasturirangan

**Assistant Treasurer**

R.Ravishankar

Our Ref: 76:2018

20-09-2018

**To: All Affiliates, Office Bearers and Central Committee Members**

Dear Sir/Madam,

**ON MERGER OF BANK OF BARODA, VIJAYA BANK & DENA BANK**

On 17.09.2018 , the Government announced its decision to merge three Banks viz. Bank of Baroda, Dena Bank and Vijaya Bank into one single Bank. This is not a surprise altogether as this is part of this Government's agenda to consolidate the Banks. But in India what we need is expansion of Banks and not consolidation and merger of Banks.

Firstly, there is no evidence that merger of Banks would strengthen the Banks or make it more efficient. We have seen the example of 5 Associate Banks merging with SBI. No miracle has happened. On the other hand, it has resulted in closure of Branches, increase in bad loans, reduction of staff, reduction in business, etc. For the first time in 200 years, SBI has gone into loss. Total bad loans of 5 Associate Banks as on 31-3-2017 was around Rs. 65,000 crores and that of SBI at Rs. 1,12,000 crores, that is a total of Rs. 1,77,000 crores. Now in 2018 bad loans of SBI has increased to Rs. 2,25,000 crores. So it is clear that merger has not helped to recover bad loans. Banking industry today is facing only one major problem Viz: Alarming increase in bad loans.

Year	Gross NPA
31-3-2014	2,29,278 cr
31-3-2015	2,80,481 cr
31-3-2016	5,41,972 cr
31-3-2017	6,86,750 cr
31-3-2018	8,95,600 cr

What is needed is tough measures to recover the bad loans. Already, the Government's policy of Insolvency and Bankruptcy Code to resolve NPAs is resulting in huge haircuts for the Banks. Scams like Kingfisher Mallya, Nirav Modi, Winsome Diamonds, Videocon are on the surface rocking the Banks. Many big names are hitting the headlines about their involvement. Out of 21 PSBs, 19 Banks are in loss on account of bad loans and provisions for bad loans. 21 PSBs put together, as on 31-3- 2018, the total Operating Profit was Rs. 1,55,565 crores but due to provisions for bad loans to around Rs. 2,70,000 crores, there is a net loss of Rs.85,000 crores.

In respect of Government's recent decision in respect of bank mergers, our National Organisation, All India Bank Retirees' Federation has protested merger of public sector banks.

We reproduce hereunder for your information the text of All India Bank Retirees' Federation Letter No.201/96 dated 20.09.2018 addressed to Sri Arun Jaitley, the Honble Finance Minister, Government of India, New Delhi:

With Greetings,

Yours Sincerely,



(S.V.SRINIVASAN)

**GENERAL SECRETARY**

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Text of the AIBRF Letter No:201/96 dated 20.09.2018 addressed to the Honble Finance Minister, Government of India, New Delhi.

"Respected Sir,

Re: Merger of 3 Public Sector Banks  
Re: Protest

We find that recently Government of India has announced merger of three public sector banks namely Bank of Baroda, Vijaya Bank & Dena Bank as a part of banking reform.

2. In this regard we wish to invite your kind attention that these three banks were established several decades back to meet banking requirements of the area/ region and as part of Swadeshi Movement in pre-independence era. These banks enjoy rich traditions and high confidence of the people. These banks have contributed significantly in economic developments of the region/ nation with creditable performance.

3. We are of the view that no useful purpose will be served with the proposed scheme of merger. On the contrary in our opinion it will create huge confusion and frustration among work force, public, depositors besides wilful defaulter taking advantage of it on technical pretext. AIBRF lodges strong protest against such move of the government with the request to you to reconsider the decision and request you withdraw it.

With Respectful Regards,

Yours Sincerely,  
(Sd.S.C.Jain)  
GENERAL SECRETARY"