



STATE BANK OF HYDERABAD STAFF ASSOCIATION

(Regd. No. 269)

Central Office, Gunfoundry, Hyderabad – 500 001

Phone: 040-66661941, 23387696, 23387-396,300,262, 217

e. mail. sbhsahyd@gmail.com website – www.sbhsa.org

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TO ALL THE MEMBERS:

Dear Comrades,

We reproduce hereunder the CIRCULAR NO. 27/25/2013/31, dated: 1st August, 2013, issued by our National Organization – AIBEA for your information.

Yours Comradely,

(JAGDISH M BHAVTHANKAR)
GENERAL SECRETARY

Dear Comrades,

WE DEMAND	Hands off Associate Banks
	Drop Merger proposals
	Delink Associate Banks from SBI
GET READY FOR STRIKES	

All of us are aware that consolidation and merger of public sector banks is one of the agenda of the Government under the banking sector reforms. Amongst the nationalised Banks, their idea is to consolidate the 19 Banks into 6 or 7 Banks. In the SBI Group, their effort is to close down the 5 Associate Banks and merge them with SBI. What is the need and necessity for such consolidation is not being explained. What are the benefits of consolidation, and if so, for whom, etc. are still question marks. But the whole attempt is to fall in line with the 'prescriptions' in the name of making our Banks bigger. What we need in India is stronger Banks and not bigger Banks. The whole world is already a sad witness to the downfall of the so called big banks. Can India afford such catastrophe? Yet the authorities do not want to learn lessons. That is why they keep harping on this agenda.

In the Associate Banks, the attempts are much more visible. One by one, the SBI wants to gobble up and swallow the Associate Banks. It is a strange irony that the SBI wants to get bigger and bigger but SBI would not allow its own Associate Banks to grow ! If there is space and need for SBI to become big, why not the Associate Banks too. Already, our Associate Banks have been dwarfed so much in the last five decades because our Associate Banks are always at the mercy of the SBI to grow. Some of the Banks which were nationalised in 1969/1980 and which were then of the size of our Associate Banks have now become very big banks. But Associate Banks have not been allowed to grow because of the policies of SBI.

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Even with all these restrictions, our Associate Banks have done well in all the business parameters. Their performance is far better than even the SBI in many of the parameters. In some of the States, our Associate Banks are more popular and bigger than the SBI in terms of the branch network. In deposit growth, credit expansion, per employee business, per employee profit, per branch NPA, etc. our Associate Banks are better than the SBI. In customer service, our Associate Banks are far ahead than SBI. Still there is step-motherly treatment.

If SBI has to become further big, let them grow. But there is no need to murder the Associate Banks for this purpose. If Associate Banks are de-linked and allowed to function freely and independently, they would grow faster and better. That is why from AIBEA, we demand that the Government should stop their plans to close down the Associate Banks for the purpose of merger with SBI. That is why we are demanding de-linking Associate Banks from SBI.

It is regrettable that some of the top management representatives of SBI talk so casually about merger of Associate Banks with SBI. For the employees, they love their Banks and have their own emotional attachment to their Banks. If all other Banks have the freedom to grow, why not the Associate Banks ? Why the Associate Banks should be closed down and merged with SBI. Associate Banks are playing a very leading role in some of the States for their economic development. Associate Banks have their own geographical and historical importance. In the present market-oriented environment, everybody has the right to exist and perform. Associate Banks are no exception. Given a chance, they will excel than many others.

That is why from our AIBEA Conference, we have resolved to fight back this offensive and attack. If they take any step forward, we must take two steps forward. Hence get ready for agitation. Get ready for strikes. We must fight back this unwarranted move. Let the entire army of AIBEA be in preparedness.

AIBEA Office Bearers are meeting in Chennai on 16th August, 2013. Await our decision. Await the call.

With greetings,

Yours Comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**

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