



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.44

DATE: 28.04.2012

TO ALL AFFILIATES /MEMBERS:

PROPOSED AMENDMENT TO BANKING LAW BILL

We reproduce hereunder the text of UFBU Circular No.7 dated 27th April, 2012 contents of which are self-explicit.

With greetings,

(G.D.NADAF)
GENERAL SECRETARY

TEXT

We have to-day sent a communication to the Hon'ble Finance Minister; Govt. of India, expressing our concern over the developments in regard to the Amendment to Banking Law (Amendment) Bill, proposed by the Government and cleared by the Union Cabinet, despite our stiff opposition. A copy of our communication is enclosed.

2. We note to advise further developments in the matter. We also propose to organize protest demonstrations all over the country in the event of the Government pursuing their attempt to place the same before the Parliament for approval. We may also stage Dharna before the Banking Dept. Government of India, New Delhi on the day, when

the bill will be moved in the Parliament. We will advise further details after having discussions on the subject in the next meeting of the UFBU to be held on 10th May, 2012 at Bangalore or earlier, depending upon the developments in the matter.

3. All our constituents/members are therefore requested to be in readiness to jump into action at a short notice.

With revolutionary greetings,

Sd/-
(G.D.NADAF)
CONVENOR

No. 1367/09/12

Date: 28.04.2012

Shri.Pranab Kumar Mukherjee,
Hon'ble Minister of Finance,
Government of India,
NEW DELHI.

Respected Sir,

**BANKING LAW (AMENDMENT) BILL
CLEARANCE BY THE UNION CABINET**

We are surprised to note that, the Union Cabinet is reported to have cleared the amendments proposed to the Banking Law Bill, which contains several adverse features in the name of the reforms in the financial sector, with a view to pave the way for the handing over the control of the Banking Industry to the Private Sector in the days to come. We have glaring examples before us as to how the new Generation Private Sector Banks have been affecting the economic development of the country at the grass root level, by ignoring the efforts of the Government for the amelioration of the millions and millions of masses living below the poverty line. The dilution of the Government control on the Banks will adversely affect the social banking in our country.

2. The constituents of UFBU, all along have been opposing these initiatives and have protested when the Government appointed the

Standing Committee to examine the draft amendment and has strongly advocated that the ownership of the Government and control over the Banking Industry should be with the Government and that the RBI should have strong regulatory mechanism, so that the Banks are able to function freely in the interest of the common man. However, we now understand that the proposed amendments are for:-

- An increase in the voting rights of an entity in a Private Bank to 26% from 10%, at present.
- An increase in the voting rights of an entity in a Nationalised Bank to 10% from the existing one per cent.
- Power to the RBI to supersede the board of a bank for up to a year if it is deemed not working in the depositors' interests.
- Power to the RBI to ask for information from banks' associate companies.
- Taking bank mergers and acquisitions out of the ambit of the CCI etc.

3. We oppose to each and every provisions proposed for the amendment of the Banking Laws (Amendment) Bill and Bank Nationalisation Bill, which will go against the interest of the country. The performance of the Public Sector Banks is demonstrated to the entire world and it withstood the impact of the US economic recession due to its intrinsic strength and strong fundamentals that allowed the economy to sustain all ill effects of the worldwide economic recession. Now the attempt of the Government to create an environment for easy take over of Public Sector Banks by Private Sector, the free for all provisions enabling merger without any control by CCI and RBI etc., are bound to affect the interest of the Banking Industry which has served the nation in a remarkable way for over 40 years ever since the Nationalisation of the Banks by the Government and supported by the SBI group as a whole.

4. We therefore urge upon you to kindly ensure that the amendments proposed by the Government are not pushed through in the Parliament in the interest of the nation. We are confident that the issue will be taken up seriously, to avert any agitation by the constituents of the United Forum of Bank Unions, that represents the entire banking industry having solid support of over one million

employees, in the country.

5. Please treat the matter as urgent.

Thanking you sir,

Yours faithfully,

Sd/-

(G.D.NADAF)
CONVENOR