



# **ALL INDIA BANK OFFICERS' CONFEDERATION**

(Registered under the Trade Unions Act 1926, Registration No.:3427/Delhi)

State Bank of India Officers' Association

04<sup>th</sup> Floor, SBI Administrative Unit, No. 86, Rajaji Salai, Chennai- 600 001

Phone: 044-25227170 Tel/Fax 044 25227170

E-Mail: aiboc.sectt@gmail.com

---

Circular No. 2017/58

Date: 19.10.2017

## **To All Affiliates/State Units/ Members**

Dear Comrades,

- 1. Workshop of financial Resolution and deposit Insurance Bill-2017**
- 2. Inauguration of PPUD at Delhi**

Comrades,

The workshop on FRDI and launch of Peoples Parliament for unity and development (Delhi Chapter) was kick started on 11<sup>th</sup> October, 2017 in Mavalankar Hall, Constitution Club, New Delhi. Comrade Sunil Bansal, State Secretary of AIBOC, Delhi & NCR welcomed the participants of the workshop. Comrade, Dilip Saha, President, AIBOC in his presidential Address spoke about the intentions behind the Bill as it would not appear so at a cursory glance. The bill propose to give enormous powers to the body and do not envisage any appellate authority. It does not augur well for the existence of public sector institutions. The body can also suggest measures to restrict the operations of a particular bank and advise to reduce the strength of the employees also. So far, we used to concentrate on wages and service conditions, now our very existence is being threatened.

Shri Gautam Mody from NTUI, in his speech has termed the Bill as a threat to the existence of Public Sector Financial Institution as the contents are draconian in nature. He further said that the bill has the power to destabilise the institutions as well as the country as a whole. He called for a united opposition by the Bank Employees, citizens and democratic organisations to fight against implementation of the Bill.

Ms Priya darshini from Centre for Financial Accountability threw light on how this bill was prepared and with what intentions. She told that the year 2008, the watershed year when the monopoly of capitalism got a beating and the financial institutions of the USA failed with two major lessons. The first one is stricter norms to be followed and second eradication of cash. In 2009, as an aftermath of the effects of financial meltdown, a financial stability board was formed. The origin of this FRDI bill lies in this background and it effectively puts the central Bank's role from supervisory to administrative function. In 2014, the recommendations for doing away with cash was mooted and all of us know the result of the suggestion in India for cashless economy which was introduced through demonetisation. The draconian nature of the bill is taking away the power of depositors in deployment of funds. The irrelevance of removal of cash in Indian context was not even thought of as it had the effect of wiping out a whole range of small business thereby affecting the common man. The Bill has the effect of affecting the lives of every common man. Hence, it is very important to make the common men understand the implications.

Mr Suyash Rai from NIPFP in his opening remarks detailed the origin and introduction of the FRDI bill. He questioned the need of FRDI when two different organisations are in existence and already taking care of the issues under consideration in the proposed Bill. The resolution bill has similarities to the foreign regulatory authorities, and it seems that India is being pressurised to fall in line. The difference in regulation and resolution is that the former simply try to make the institutions adhere to the existing rules and regulations

whereas resolution envisages drastic action. The IBC has effect of declaring an institution as sick and take necessary measures to dissolve it.

Com. Franco, acknowledged the presence of our elders. This FRDI bill has unfortunately, not been debated adequately in the media. Apparently it does not seem so simple, as we look at it differently. Indian economic system is different from the developed country's economies. Our economy is based on savings whereas it was not so with the developed countries which are based on spending. The G7 countries have thrust upon this idea on G20 to promote such a regulatory body. The bail out situation is the support provided by the government to safeguard the economy whereas the bail in put the banks health into stake and also jeopardise the interest of the depositor as the bail in would erode their savings. It already happened in Cyprus wherein in the depositors got only about 47% of their savings. Can we liquidate SBI? We have not allowed any bank to liquidate but the failed institutions were taken over by existing Banks. The bill envisages enormous powers which overrides the presence of various other regulatory bodies and would inform the government only after a failed institution is subject to resolution. Our efforts to meet the finance minister failed, so far, as they feel that it has to be implemented. We are making efforts to put forth our concern if the bill becomes a law as there are certain provision which is against constitution itself. Even, it proposes to bypass the legal remedies available. The attempt is to make realise our nation that privatisation can be done indirectly through the authority of this institution. Even LIC of India can be liquidated which provides budgetary support to the Government by providing 26% of the funds required. How can an institution which provides insurance coverage to millions of people of this Country liquidated?, questioned comrade Franco.

The meeting ended with vote of thanks by Com Prakash Karotya, Jt General Secretary of AIBOC.

The next meeting was on Delhi Launch of Peoples parliament for Unity and Development and Celebration of Birth Anniversary of Lok Nayak Jayaprakash Narayan.

Com. Ravinder Gupta in his welcome address at the inauguration of People's Parliament in which prominent leaders including Mr. Shanti Bhushan, Former Union Law Minister, Mr. M.G. Devasahayam, IAS (Retd), Chairman, PPUD, Shri Sharad Yadav MP, Com. Sitaram Yechury, General Secretary, CPI(M), Mr. Justice V. Gopal Gowda, Former Judge of the Supreme Court, Dr. Rajendra Singh, Jalprush, narrated the Trade Union struggles JP.

Shri M.G.Devasahayam, in his inaugural address shared his rich experience with J P Narayan, during his days when he was imprisoned for demanding social equality and democracy. He enlightened the gathering that during the freedom struggle he was foot soldier of the mahatma, and withdrew from any power ambitions. JP was a culmination and combination of Subash Chandra Bose and Mahatma Gandhi. JP has left a legacy . His concept was democracy from the bottom and true development. A man, however comfortable without freedom is like a man in chains. The launch of the people's parliament is to get down to the root of the problems of our country's deprived. The allegation that JP took support from fascist forces doe not have an iota of truth, remarked Shri Devashayam.

Dr.Rajinder Singh, Jal Purush, the waterman of India who got the magasayasay award for his contribution. He was named as one of the 50 persons who could save this planet. In his speech he shared his experience with JP during his college days and that JP used to put a lot of faith on people. He always tried to make people understand about his intentions. Now, the students of our country lack the kind of fire that was visible during JPs days. In every election, we hear about linking of rivers. This is against nature and would benefit only the big and corporates. Linking of rivers would only link corruption. When, no state is willing to share water with other, what kind of parliament and judicial system exist in our country. All our rivers are polluted and not protected. But, on the eve election, the government launches a bullet train project at a cost of Rs.1.5 lac crore, he said.

Former Justice Gopal Gowda, who delivered landmark judgements viz. attention to accident victims , annulling the allotment of 1000 acres of land bank in WB stated that

at this juncture, the country at this time require, to share the dais with Sitaram Yechury who proved himself as a great parliamentarian. He spoke about the special achievement and characters of the speakers on the dais. The masses are still suffering and injustice being meted out to them. He called for revolution to transform the society and change the entire system. The report of parliament where MNCs have been favoured leaving the poor in distress is paining he said. Hence, it is time to take up the fight to the people and make it a movement. Rule of law must be restored.

Shri. Shanti Bhushan in his speech told that the peasant of this country has more than 50% of votes. The actions of this government should come to an end in the ensuing elections of 2019. If only Lok Nayak was alive today, the feelings of the peasants, labour, student and youth could be rallied around to defeat this anti people Govt, he said.

Sitaram Yechury, felt happy that the launch of the initiative is being held in the context of JPs birthday anniversary. All the democratic institutions are under attack. During the last three years, 60 percent of wealth is in the hands of just 1% of our population. What happened to the promises given by them and what is happening now? Questioned Com Yechury. Whoever was employed have become unemployed now. Look at the service sectors which is predicted to lose 67000 jobs, likewise manufacturing sector is also under recession. The government's priority is now 'Moral Policing" and other anti-people issues. At this time on the birthday of JP, we need to take a resolution to save our country by defeating this government. We need to fight together, even if we march separately, we should strike together. Under our constitution, we have a duty to protect the complex multiplicity of our culture and nation.

Shri Sharad Yadav in his speech narrated about JPs major contribution to the Indian polity and that he tried to unify all socialist political parties. Now, there is a need to have such co-ordination amongst all political parties. He thanked the organisers for arranging such a gathering to remember the Lok Nayak on this auspicious day.

The meeting ended with vote of thanks by Com Franco.

On behalf of our mighty confederation, the undersigned expresses his heartfelt gratitude to the Delhi State committee for arranging the program in short notice.

Comradely yours,



(D.T. Franco)

**General Secretary**