

THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

Regd.Office: Bank of India Bldgs., 70-80, M.G.Road, Mumbai – 400 023.



OFFICE OF THE GENERAL SECRETARY,
C/o Bank Of India, Parliament Street Br.
PTI Bldg., 4 Parliament Street,
New Delhi – 1100 001.
Phone:011-23730096, Tel/fax :011-23719431
E-mail: fboioa.sectt@yahoo.com



Circular No. 2015/06

Date: 16/01/2015

Dear Comrades,

RRB ACT AMENDMENT BILL 2014

We reproduce, hereunder, the contents of the Circular No. 2015/05 of date, on the captioned subject issued by Com. Harvinder Singh, General Secretary, AIBOC for your information, circulation and implementation.

QUOTE:

"The Regional Rural Banks (RRB) were set up in 1975 with a purpose to provide Banking Services to the people living in the hitherto uncovered areas of the country with emphasis on rural and semi-rural centres. RRB Act was passed by Parliament in 1976. Altogether 196 RRBs were set up all over the country. As per the provisions of the Act, authorized share capital of the RRB's is Rs. Five crore with paid up being only Rs. One Crore. Stake Holders are Government of India to the extent of 50%, Sponsor Banks to the extent of 35% and the respective State Government to the extent of 15%. Government of India undertook an exercise to amalgamate Regional Rural Banks over a period of five years reducing the number of RRBs to 56 as on 31st December, 2014.

The Government of India introduced Regional Rural Bank Amendment Bill 2013 in the Lok Sabha on 22nd April, 2013. The bill proposes to increase the authorized share capital of RRBs from Rs. Five Crores to Rs. Five Hundred Crores and the paid up capital from Rs. one crore to Rs. 100 crore. It also makes provision for disinvestment of the capital of the RRBs from the existing stake holders with a rider that the combined share holding of the Central Government and Sponsor Bank should not be less than 51%. It also provides for dilution of the share capital of the State Government and make disinvestment of the capital of RRBs to the extent of 49%. The other provisions of the bill are regarding the tenure of the Directors on the Board and continuation of the term of the Chairman of RRBs on deputation from Sponsor Bank from initial five years to an indefinite period.

The Officers' Associations and the Employees' Unions of the RRBs took to cudgels to fight the RRB Act Amendment Bill immediately after its introduction in April 2013. After our persuasion, the bill was referred to the Standing Committee of Finance under the Chairmanship of Sh. Yashwant Sinha for examination. Memorandum was submitted jointly by all the Associations and Unions of RRBs demanding withdrawal of the bill. During the tenure of the last Lok Sabha, the bill did not come up for further consideration.

However, the Government of India tried to get the bill passed after the Union Cabinet approved RRB Amendment Bill, 2013. The bill was placed before the Lok Sabha and was passed by a voice vote on 22nd December, 2014. Now it will go to the Rajya Sabha for passage and to the President of India for his consent before it becomes law. All the Unions and Associations in RRBs vociferously protested against the bill. Joint memorandum was placed after demonstration was held before Head Office and Regional Offices of RRBs all over the country. Memorandum was also submitted to the President of India protesting the unbending disinvestment of the RRBs which changes the objective and purpose of the establishment of the RRBs.

The RRB Amendment Bill shall in essence alter the mode of functioning of RRBs and make them replicas of the Public Sector Commercial Banks. This will negate the very purpose of their functioning. All the Unions and Associations of RRBs held a joint meeting in New Delhi and decided action programme which includes Dharna & Rally before Parliament on 10th March, 2015, preceded by submission of Memorandum to Finance Minister and Prime Minister through MPs and followed by direct action on the day the Bill is placed before Rajya Sabha.

We extend all our possible support to agitating Comrades of RRBs. We call upon all our Affiliates to be in touch with our Organisations in their respective sponsored RRBs for any help and guidance.”

UNQUOTE

With greetings,

Yours comradely,



(HARVINDER SINGH)
GENERAL SECRETARY