



NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered Under Trade Union Act, 1926 – Registration No. B-2334)

Registered Office & Head Quarters:

Post Box No. 528, State Bank of India Buildings, Bank Street, Koti, Hyderabad-500095

CIRCULAR No.10

Date: 22.07.2011

TO ALL MEMBERS:

- **Oppose the Banking Laws (Amendment) Bill, 2011**
- **Observe the 5th August, Strike successfully**

We reproduce hereunder the full text of UFBU Circular No.2011/9 dated the 21st July 2011, issued by United Forum of Bank Unions, the contents of which are self-explanatory.

(M.V. MURALI)
GENERAL SECRETARY

UFBU CIRCULAR No. 2011/9

21st July, 2011

TO ALL UNITS & MEMBERS

Dear Comrades,

- **Oppose the Banking Laws (Amendment) Bill, 2011**
- **Observe the 5th August, Strike successfully**

“We are getting reports from many States that local UFBU meetings have taken place and preparations are afoot to implement the agitational programmes successfully and to make the Strike on 5th August a total success. The enthusiastic preparations and holding of meetings, etc. indicate that the strike is going to be a stupendous success.

We are fighting for resolution of our genuine demands like implementation of agreed scheme on compassionate appointments, adequate recruitments in Banks, revival of BSRBs, adherence to stipulated working hours of employees, defined working hours for officers, introduction of 5 Days banking, improvements in Pension Scheme on the lines of Central Government Scheme, etc.

We are fighting for our job security and against the wholesale outsourcing of normal and regular banking jobs.

We are also fighting against the attempts of the Government to speed up the banking sector reforms. The Government has introduced the Banking Laws (Amendment) Bill, 2011 in the Parliament. This Bill seeks to amend Banking Regulations Act and Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980.

The proposed amendments are:

- ☞ Competition Act, 2002 shall not apply to Banks including SBI, Associate Banks, RRBs and Co-operative Banks. This will enable merger of Banks without the scrutiny by and permission of the Competition Commission. The idea is to make merger of Banks easier.
- ☞ Definition of ‘Securities’ will be diluted. This will enable investments by Banks in all sorts of securities floated by unscrupulous private corporate and business houses.

- ☞ Under this Bill, the existing ceiling of 10% on voting rights of investors in private Banks is sought to be removed to enable unrestricted and proportionate voting rights. Today, the total capital in our Private Banks is around Rs.8,000 Crores but the total Deposits in these Banks are more than Rs.8,00,000. This amendment will make our Private Banks vulnerable for take overs.
- ☞ The Bill also seeks to empower RBI to permit more and more Foreign Capital in our Private Banks. More capital with unrestricted voting rights will endanger our Private Banks.
- ☞ The Bill provides for powers to RBI to supersede the Board of Directors of Banks and appoint Administrators.
- ☞ Similarly, the Bill also provides for raising more private capital in Public Sector Banks by issue of Bonus Shares and Right Shares. The intention is to increase private capital and reduce Government's shareholding in Public Sector Banks.
- ☞ In the Public Sector Banks, presently there is a ceiling on voting rights of shareholders upto 1% of the capital. The Bill seeks to increase the ceiling to 10%. This will enlarge the voting rights of private shareholders, particularly the corporates, institutions and Foreign Institutional Investors who will be able to bring more influence and pressure on the decisions of the Banks.

Present share-holding of FIIs / Indian Institutions and Companies in PSBs:

Allahabad Bank	:	28%	Indian Bank	:	15%
Andhra Bank	:	31%	Indian Overseas Bank	:	21%
Bank of Baroda	:	34%	Oriental Bank of Commerce	:	41%
Bank of India	:	27%	Punjab National Bank	:	37%
Canara Bank	:	21%	Syndicate Bank	:	16%
Central Bank of India	:	14%	UCO Bank	:	29%
Corporation Bank	:	37%	United Bank of India	:	7%
Dena Bank	:	8%	Vijaya Bank	:	19%

Increase in voting rights from 1% to 10% will enable these institutions - domestic and foreign, to enjoy enormous scope and powers in deciding the policies of our Banks.

Thus the Bill is a serious effort liberalise our Banks.

We will go ahead with the Bill – says Finance Minister:-

Yesterday, Finance Minister has said that he hoped that Finance Sector related Bills including the Banking Laws (Amendment Bill) would get enacted in this Session of the Parliament.

Resist and Repulse to push back the Reforms:-

Comrades, as expected, the Government is going ahead with their agenda. There is no let up in their efforts. Hence we have to fight back and intensify our struggle. The All India Bank Strike on 5th August assumes greater significance in this background.”

♣ **March forward unitedly.**

♣ **March forward militantly.**

♣ **March forward to make the Strike a massive success.**

UNITED FOURM OF BANK UNIONS:..... :ZINDABAD !
NATIONAL CONFEDERATION OF BANK EMPLOYEES:..... :ZINDABAD !
OUR SOLIDARITY:..... :ZINDABAD !
OUR UNITY:..... :ZINDABAD !