



ALL INDIA BANK RETIREES' FEDERATION (Regd.)

(Regn. No:G 6601 under the Trade Union Act 1926)

D-1/1, Sector-C, Scheme-71,

Near Kasara Bazar School, Indore – 452 009.

Chairman

Sri D.A.Masdekar

President

Sri S.M.Deshpande

Vice President

Sri J.B.Dave
Sri D.P.Gupta
Sri F.Martis
Sri Anindya Basu
Sri N.Mishra
Sri C.N.Prasad
Sri A.K.Mondal
Sri H.C.Gandhi
Sri K.Vishwanath Naik
Sri O.P.Varma

General Secretary

Sri S.C.Jain

Dy. Genl. Secretary

Sri Debesh Bhattacharyya
Sri S.V.Srinivasan
Sri Ashok Patil
Sri A.K.Bansal

Organising Secretary

Sri Sunil Srivatsav
Sri V.K.M.Varma
Sri C.Gopinathan Nair
Sri M.N.Pandit
Sri Pratap Shukla
Sri S.Velayudam
Sri Kalyan Sen Gupta
Dr.G.S.Jog
Sri Kishore Gujarati
Sri K.K.Gupta
Sri Rajendra Prasad
Sri N.T.Hegde
Sri S.Radhakrishnan
Sri B.Venkat Rao
Sri Rajan Dhargalkar
Sri Suresh Sharma
Sri R.Shirambekar
Sri B.G.Raithatha
Sri Ranjit Bhattacharyya

Treasurer

Sri M.S.Chourey

Ref:2017/129

Date:18.12.2017

Shri Arun Jaitley
Honourable Finance Minister
Government of India
New Delhi

Respected Sir

Re: The Financial Resolution & Deposit Insurance Bill, 2017
Re: Provisions affecting depositor interest adversely

We find that Union Cabinet has approved the Financial Resolution & Deposit Insurance Bill,2017 and the same was introduced in the Parliament during the last session. Presently, the bill is referred to the Joint Parliamentary Committee under the Chairmanship of Honourable Member of Parliament, Shri Bupender Yadav for review of provisions of the bill and suggesting modifications based on public feedback for consideration of the Parliament.

2. While we welcome reforms in financial sector to enhance efficiency of the system for faster economic growth, we feel deeply concerned on some provisions of the bill which adversely affects interest of the depositors, common men and senior citizens and spreads message in the public that keeping savings in the form of bank deposits in banks including public sector banks is no longer safe.

3. Your Kind attention on the following points are invited which we feel need to be suitably reviewed and modified before it is passed by the parliament and becomes law.

(a) Provisions of the bill indicates that public sector banks may also face liquidation proceedings in case of adverse financial performance of these banks and may be referred to the proposed Financial Resolution Corporation for "bail in plan". This provision has sent wide spread message among the public in particular depositors that keeping deposits in public sector banks is also not safe and their saving may face serious erosion in value in case of liquidation proceedings and bail in plan considered for the public sector banks. Such message and feelings denote marked change in the confidence level and perception of the depositors who keep their 63 per cent heard earned savings in public sector banks with the time tested confidence that their savings in these banks enjoy sovereign guarantee and their money is 100 per cent safe under all circumstances. At present, no depositor irrespective of size of the deposit bother to examine balance sheet of the bank before depositing the amount. Such shake up of confidence of the public in bank deposits will seriously affect internal resources mobilisation

Regd. Office: 246, Ellis Bridge Shopping Centre, 2nd Floor, Opposite Town Hall, Ellis Bridge, Ahmedabad - 380006.

Mobile: + 91 89660 19488 E-Mail: sharbat_123@rediffmail.com Website: www.aibrf.com



ALL INDIA BANK RETIREES' FEDERATION (Regd.)

(Regn. No:G 6601 under the Trade Union Act 1926)

D-1/1, Sector-C, Scheme-71,

Near Kasara Bazar School, Indore – 452 009.

Chairman

Sri D.A.Masdekar

President

Sri S.M.Deshpande

Vice President

Sri J.B.Dave

Sri D.P.Gupta

Sri F.Martis

Sri Anindya Basu

Sri N.Mishra

Sri C.N.Prasad

Sri A.K.Mondal

Sri H.C.Gandhi

Sri K.Vishwanath Naik

Sri O.P.Varma

General Secretary

Sri S.C.Jain

Dy. Genl. Secretary

Sri Debesh Bhattacharyya

Sri S.V.Srinivasan

Sri Ashok Patil

Sri A.K.Bansal

Organising Secretary

Sri Sunil Srivatsav

Sri V.K.M.Varma

Sri C.Gopinathan Nair

Sri M.N.Pandit

Sri Pratap Shukla

Sri S.Velayoudam

Sri Kalyan Sen Gupta

Dr.G.S.Jog

Sri Kishore Gujarati

Sri K.K.Gupta

Sri Rajendra Prasad

Sri N.T.Hegde

Sri S.Radhakrishnan

Sri B.Venkat Rao

Sri Rajan Dhargalkar

Sri Suresh Sharma

Sri R.Shirambekar

Sri B.G.Raithatha

Sri Ranjit Bhattacharyya

Treasurer

Sri M.S.Chourey

Programme and thereby economic growth of the country.

(b) We find from provisions of the bill that DICGC cover of Rs. 1 lakh available to bank depositors on automatic basis presently will be withdrawn and the proposed corporation/bank management will decide the quantum of deposit cover to be provided for deposits for each bank. This provision will create serious doubt about safety and security of their deposits in case of liquidation proceedings.

(c) The provisions indicate the depositors' money as unsecured creditors may also be part of bail in scheme and the depositors may also be called upon to make sacrifice as a part of liquidation/ rehabilitation plan.

(d) We find that the proposed Financial Resolution Corporation will play dominate role in formulating bail out scheme/ liquidation proceedings for banks. This situation will undermine and dilute role of Reserve Bank of India as regulator and thereby undermine the confidence of bank customers.

3. We are of the strong view that the above provisions in the bill are highly prejudicial to the interest of the depositors and may destabilise time tested and powerful saving instrument of the country in the form of bank deposits. We lodge our protest against the above provisions and request you to review/ modify the above provisions before passing the bill. All India Bank Retirees' Federation (AIBRF) represent more than 1.70 lakhs bank retirees who keep large part of their savings in the form bank deposits and manage their day to day life on interest income from bank deposits.

4. We also request you to consider and accept the following suggestions to strengthen the saving instrument of bank deposits to increase saving rate of the country which needed for financing for speedy economic growth.

(a) DICGC cover of Rs. 1 lakh was fixed almost 5 decades back. It should be suitable enhanced to Rs. 10 lakhs for the depositors and Rs. 30 lakhs for senior citizens.

(b) Interest Income on bank deposits should be exempted up to Rs. 50000 for senior citizens and Rs 30000 for other depositors.

(c) Senior citizens should be given benefit of monthly compounding on term deposits instead of present system of quarterly compounding.

(d) All service charges levied by banks should be charged at 50 per cent of normal in case of senior citizens.

(e) Special deposit scheme for retirees/ senior citizens should be introduced giving annual interest of 9 per cent with monthly compounding.

Regd. Office: 246, Ellis Bridge Shopping Centre, 2nd Floor, Opposite Town Hall, Ellis Bridge, Ahmedabad - 380006.

Mobile: + 91 89660 19488 E-Mail: sharbat_123@rediffmail.com Website: www.aibrf.com



ALL INDIA BANK RETIREES' FEDERATION (Regd.)

(Regn. No:G 6601 under the Trade Union Act 1926)

D-1/1, Sector-C, Scheme-71,

Near Kasara Bazar School, Indore – 452 009.

Chairman

Sri D.A.Masdekar

President

Sri S.M.Deshpande

Vice President

Sri J.B.Dave

Sri D.P.Gupta

Sri F.Martis

Sri Anindya Basu

Sri N.Mishra

Sri C.N.Prasad

Sri A.K.Mondal

Sri H.C.Gandhi

Sri K.Vishwanath Naik

Sri O.P.Varma

General Secretary

Sri S.C.Jain

Dy. Genl. Secretary

Sri Debesh Bhattacharyya

Sri S.V.Srinivasan

Sri Ashok Patil

Sri A.K.Bansal

Organising Secretary

Sri Sunil Srivatsav

Sri V.K.M.Varma

Sri C.Gopinathan Nair

Sri M.N.Pandit

Sri Pratap Shukla

Sri S.Velayoudam

Sri Kalyan Sen Gupta

Dr.G.S.Jog

Sri Kishore Gujarati

Sri K.K.Gupta

Sri Rajendra Prasad

Sri N.T.Hegde

Sri S.Radhakrishnan

Sri B.Venkat Rao

Sri Rajan Dhargalkar

Sri Suresh Sharma

Sri R.Shirambekar

Sri B.G.Raithatha

Sri Ranjit Bhattacharyya

Treasurer

Sri M.S.Chourey

3. AIBRF also join organisations in particular bank unions who have launched agitational programmes against the controversial provisions of the bill and support their stand on this issue.

With Respectful Regards,

Yours Sincerely,

**(S.C.JAIN)
GENERAL SECRETARY**

C.C to (1) Finance Secretary (2) Banking Secretary.

Regd. Office: 246, Ellis Bridge Shopping Centre, 2nd Floor, Opposite Town Hall, Ellis Bridge, Ahmedabad - 380006.

Mobile: + 91 89660 19488 E-Mail: sharbat_123@rediffmail.com Website: www.aibrf.com