

Bank unions demand withdrawal of FRDI Bill

Our Bureau

Launch nationwide signature campaign

Ahmedabad, January 26:

Raising their protest against the Financial Resolution and Deposit Insurance (FRDI) Bill, 2017, bank employee unions have launched a nationwide signature campaign to highlight its adverse impact on the Indian banking sector.

Expressing concern over the safety of people's money deposited in banks, the All India Bank Employees' Association (AIBEA) demanded withdrawal of the FRDI Bill, which it claims is trying to remove the safety element of bank deposits.

AIBEA plans to collect one crore signatures from across the country by March 25 and submit a mass petition to Parliament and the Lok Sabha Speaker. "We will start the awareness campaign from Republic Day in Gujarat and will collect 10 lakh signatures from the people of Gujarat. Our aim is to involve banking consumers with us so that they also know what the government is planning to do with their money," said Bharat Rawal, General Secretary of Mahagujarat Bank Employees Association.

"Today, total deposits with banks are around ₹ 110 lakh crore. We need to protect this precious money of the common people of the country... The deposits in the banks should be fully protected and guaranteed," said CH Venkatachalam, General Secretary, AIBEA.

FRDI is not required in India because the banking system here is different from that in the US and other countries. In India, we have deposit-oriented banking, whereas in other countries it is investment-oriented banks. Hence, banking rules of the US should not be made applicable to India, Venkatachalam said.

Owing to the huge amount of savings of people in banks, the Banking Regulations Act has a provision for guarantee of deposits and no bank can be liquidated. The RBI will merge the banks if they fail, he added.

"The AIBEA fought and achieved this amendment to Banking Regulations Act in 1960. After that, no bank has been closed down. So, the FRDI Bill is not required," he said.



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