

CIRCULAR No. 20/2010

Date: 21.05.2010

TO ALL MEMBERS



Dear friends,

- 1. The Payment of Gratuity (Amendment) Act 2010 notified in the Official Gazette**
- 2. AIBOC opposes proposed take over of Bank of Rajasthan by ICICI Bank**

- 1. The Payment of Gratuity Act:** We have been informed by AIBOC vide its Circular No. 71 dated 20-05-2010 that Ministry of Law and Justice has issued notification in Official Gazette on 18<sup>th</sup> May 2010, amending the Payment of Gratuity Act with revision in maximum ceiling from Rs. 3.5 lac to Rs.10.00 lacs. The date of effect of the revised ceiling may be decided by the Central Government through a notification in the Official Gazette. AIBOC has once again requested the Ministry of Labour to give effect to the amendments from 1<sup>st</sup> January 2006 as in the case of Central Government employees.
- 2. AIBOC opposes proposed take over of Bank of Rajasthan by ICICI Bank:** You might have come across media report regarding proposed take over of Bank of Rajasthan by ICICI Bank. AIBOC has protested against the move and requested the Finance Minister and Governor, RBI to merge the Bank with Public Sector Bank. We reproduce below the text of AIBOC letter No.1410/157/10 dated 19.05.2010 addressed to the Finance Minister / Governor, RBI.

With greetings,

Yours sincerely,

A handwritten signature in black ink, appearing to be 'D. N. Prakash', written over a horizontal line.

[ D. N. PRAKASH ]  
PRESIDENT

[Text Letter No.1410/157/10 dt. 19.05.2010 addressed to **Shri. Pranab Kumar Mukherjee**, Hon'ble Finance Minister and **Shri. D.Subba Rao**, Hon'ble RBI Governor ]

Dear Sir,

### **FUTURE OF BANK OF RAJASTHAN PROMOTERS DEAL WITH ICICI BANK**

1. We are disturbed by the reports appearing in both press as well as electronic media, as regards to the so-called decision of the Boards of the Bank of Rajasthan and also the ICICI Bank on the take over of Bank of Rajasthan by ICICI Bank, through buying the entire share holdings of Mr.Tayal and his group in a private treaty. This is yet another blow to the Old Generation Private Sector Bank, if this transactions are allowed to take place, since the Bank of Rajasthan which has made tremendous

contributions for the economic growth of the State of Rajasthan and the surrounding northern States through a network of 434 branches in ensuring that the credit facilities reach the interior parts of most backward places of these States. The Bank of Rajasthan is one of the oldest Private Sector Banks functioning as per the policies and guidelines laid down by the Reserve Bank of India and the Central Government from time to time in particular the lending to the priority sector so that the State of Rajasthan as well as other backward States are able to ensure their economic growth on par with other states. The Bank has also established a number of branches in the interior parts of Rajasthan while several other banks had their own reservation in serving these parts of the country. The Employees and Officers of the banks have been rendering a yeomen service to the common people of the country.

2. We have seen in the recent past that the aggressive take over which had taken place in respect of Bank of Madura by ICICI, only led to frustration amongst the employees and Officers in the Bank and the ICICI Bank utilised the Bank of Madura to add to the number of branches but the yeomen service that was being rendered by the bank earlier was given a go by. Same is the case of Lord Krishna Bank, which was taken over by the Centurian Bank and subsequently by the HDFC Bank, thereby pushing these banks into the fold of the Banks, now controlled by multinationals.
3. The Confederation and its affiliates have been opposing any attempt by the new generation private Banks to take over the old Generation Private Banks with their traditional bond with the local people which are akin to the Nationalized Banks in their style of functioning as well as in discharging of their duties to the cause of the common man in this country. The events which led to the so called in principle decision of the Boards of both the banks has an organised attempt by the Promoter to hand over the Bank of Rajasthan on a platter to the ICICI bank knowing very well that there is a total opposition by the employees and officers working in this bank as well as the local public. We were hoping that with the intervention of the RBI in the matter of ensuring that the Bank of Rajasthan is functioning on a proper line by strengthening the Bank as an independent private bank restoring its past glory. But the developments are contrary to our expectations.
4. We therefore request you to kindly intervene and provide alternative proposal for the Bank of Rajasthan to overcome the current aggressive take over by the ICICI Bank in order to ensure that the faith and trust of the general public, employees and officers in the regulator is not shattered. We are also against this so called merger. There is scope for the alternatives for helping the Bank of Rajasthan to come out of the present difficulties and the promoters should not be allowed to push the bank to the lap of the ICICI Bank and to make huge profits for himself and his associates in the process leaving the employees and officers who were the people who built the bank over the last several years in the lurch. We demand nationalisation of the Bank or merger with a Public Sector Bank instead of merging the Bank with a foreign bank.
5. Please look into the matter and take necessary steps without further delay.
6. Please treat the matter as urgent.

Thanking you,

Yours faithfully,  
Sd/-  
**(G.D.NADAF)**  
**GENERAL SECRETARY**

| Phone | DNP         | KKG         | KS          | EB          | RK          | DNK         | GR          | SSS         |
|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| (O)   | 2410 657    | 2426 416    | 2232142     | 2484677     | 2423166     | 2450 051    | 2423 166    | 2442 942    |
| (R)   | 2454 145    | 2494 878    | 2455 971    | 32 07 217   | 2453 924    | 2453 069    | ----        | 2451 154    |
| (Mob) | 92433 13313 | 94490 40234 | 94490 55971 | 92433 17217 | 92433 23291 | 92433 03242 | 99458 97426 | 94800 54454 |

**CBOO Central Office : 0824 - 2422 712, 2422 501**

**Fax: 0824 - 2422 129**

**CBOO CENTRE: 2493 698**

**E-mail : cbooco@gmail.com**

**website: www.cboo.org**