

UNITED FORUM OF RESERVE BANK OFFICERS & EMPLOYEES

The Governor
Reserve Bank of India
Central Office
Mumbai

13th January 2017

Sir,

Our attention has been drawn to a recent news item that "Finance Ministry sends Joint Secretary to coordinate RBI cash ops". If true, this is most unfortunate and we take strong exception to this measure of the Government as impinging on RBI autonomy and its statutory as well as operational jurisdiction.

RBI Act 1934 stipulates that RBI has been constituted "to regulate the issue of bank notes and the keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage".....

Right from 1935, for more than eight decades, RBI has been managing the currency system of the country seamlessly and fulfilling its statutory responsibility. As in-charge of currency management of this vast country of ours with about 1.25 billion population with huge needs of currency RBI have developed, technologically perfected, expanded the system with more than 4000 currency chests now and about same number of Coin Vaults and fed them regularly by the help of its staff to cater to the country's myriad needs, its work as manager of currency system of the country has drawn admiration from vast multitudes.

Since 8th November 2016, when about 87% of the currency notes was withdrawn from the legal tender status, replacement and exchange of these notes (SBNs) all over the country has been a humongous task, perhaps no other country has ever ventured, but RBI staff have been doing the job excellently, right from exchanging notes from thousands of people over the additional exchange counters in all its offices, carrying treasures all over the country to feed the currency chests by means of round the clock remittances in all nook and corner of the country, with number of inaccessible places in distant land. Because of their efforts an insurmountable situation is gradually coming to an ease.

Meanwhile, it is **painful** to note that RBI is being criticized from many quarters, for its "operational mismanagement", by the Press and many important personalities. Its autonomy and image have been dented beyond repair. Such critics include even former RBI Governors. An image of efficiency and independence that RBI assiduously built up over decades by the strenuous efforts of its staff and judicious policy making has gone into smithereens in no time. We feel extremely pained, we reiterate.

Having put RBI in a quandary, now the Finance Ministry have placed their official, as reported, on RBI set-up to "co-ordinate", allegedly. Apart from showing RBI operations and its gigantic performance in poor light, the Government now blatantly encroaches on its jurisdiction, which, we state strongly, we cannot accept. We want to state very categorically that RBI is fully capable "to co-ordinate the central bank's currency chest operations" which RBI have been performing over decades, and we do not need any "assistance" from anywhere.

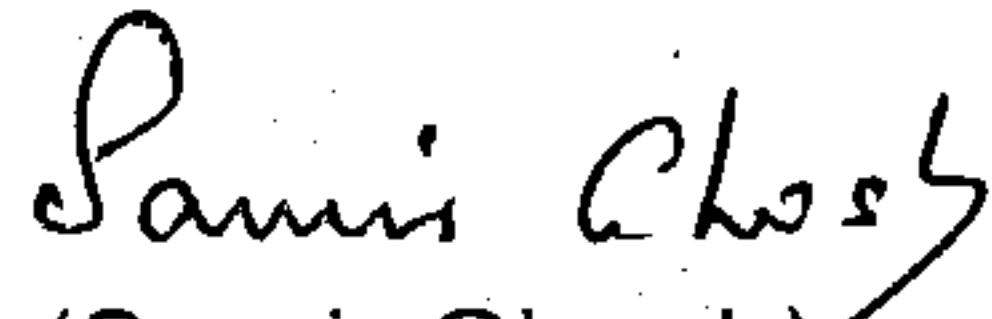
We may assume that RBI did not ask for deployment of a Joint Secretary of the Finance Ministry in its functions, rather it is the Finance Ministry which has imposed itself on RBI, which is absolutely unacceptable and deplorable.

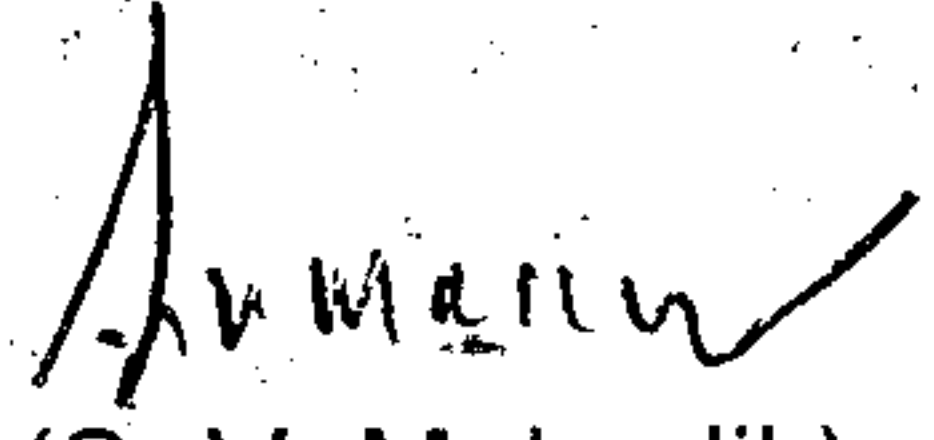
May we request you that as the Governor of RBI, its highest functionary and protector of its autonomy and prestige, you will please do the needful urgently to do away with this unwarranted interference from the Ministry of Finance, and assure the staff accordingly, as the staff feel humiliated.

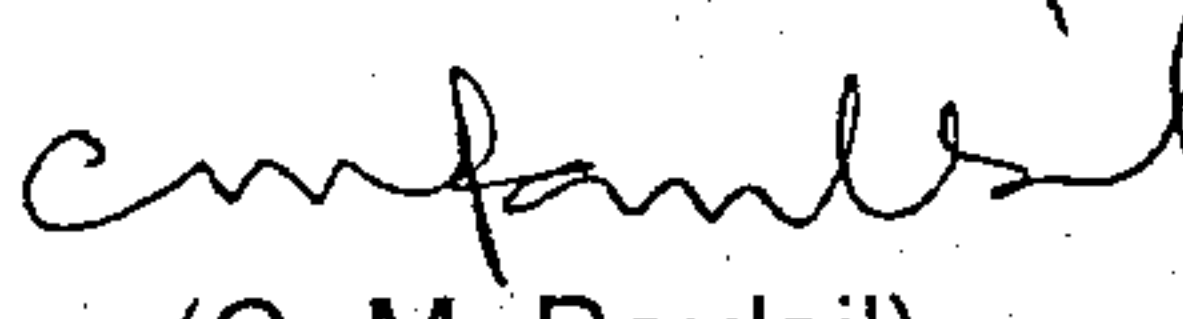
We solicit an urgent action.

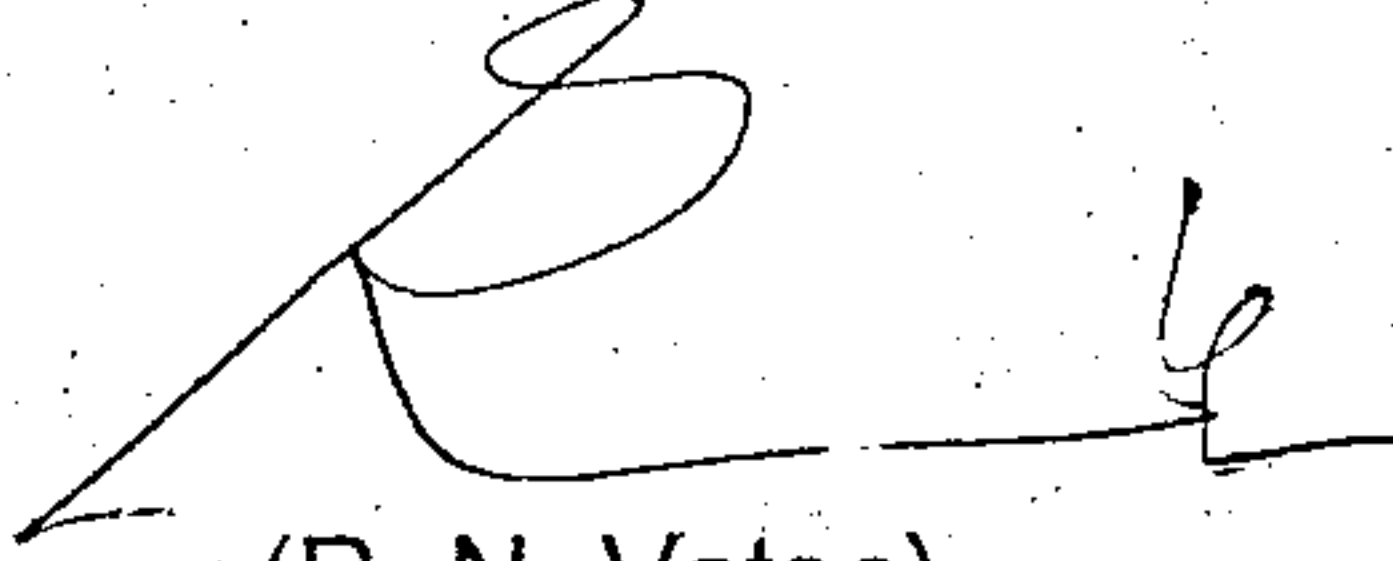
Thanking you,

Yours faithfully,


(Samir Ghosh)
General Secretary
AIRBEA


(S. V. Mahadik)
General Secretary
AIRBWF


(C. M. Paulsil)
General Secretary
AIRBOA


(R. N. Vatsa)
General Secretary
RBIOA