

# BANK EMPLOYEES FEDERATION OF INDIA



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## **Press Statement issued on 22 December 2025 by the General Secretary, Bank Employees Federation of India, at Kolkata, against proposed IPO in RRBs.**

Regional Rural Banks were founded on 2nd October 1975, the birthday of the father of the nation, as instruments of inclusive growth aimed at providing affordable credit to small and marginal farmers, agricultural labourers, self-help groups, artisans and rural micro-entrepreneurs.

This year, RRBs have completed 50 years of serving the people and AIRRBEA (All India Regional Rural Bank Employees Association) celebrated the Golden Jubilee of RRBs with great enthusiasm and conducted a grand convention in New Delhi on 17.12.2025.

On the same day, as per media reports, the Ministry of Finance has directed three RRBs - Kerala Gramin Bank, Tamilnadu Gramin Bank and Haryana Gramin Bank to prepare and submit their draft Initial Public Offering (IPO) plans by the end of March 2026. BEFI strongly condemns the move of the Government to push the RRBs towards IPO which is nothing but a backdoor attempt of privatisation of a vital public institution created to serve the rural poor.

Opposing the decision, powerful demonstrations were organised in front of Kerala Gramin Bank Head Office at Malappuram on 16.12.2025 and before Tamilnadu Gramin Bank Head Office at Salem on 17.12.2025.

BEFI have been demanding formation of National Rural Bank of India (NRBI) delinking from sponsor banks for better functioning. Because of the struggle of RRB employees and officers for the last several decades, once the 196 banks have come down to 28 RRBs representing ONE STATE - ONE RRB. Presently the RRBs are having 22700 branches across the country in 700 districts catering the needs of 42 crore customers. All committees formed by GOI, RBI and NABARD and also the Parliamentary Standing Committees on Finance have appreciated and commended the role of RRBs.

The present share holding pattern of RRBs is at 50% held by Central Government, 15% by the respective State Governments and 35% by the Sponsor Banks. The RRB Amendment Bill, 2014 was passed in Parliament in 2014. The bill allows RRBs to raise their capital from sources other than the Central and State Governments and Sponsor Banks, paving way for disinvestment of shares. It stipulates that the combined share holding of the Central Government and the Sponsor Banks cannot go below 51%. There is every danger of announcing a RRB as a Private Entity as in the case of IDBI Bank. Even though the government along with LIC hold more than 90% share in IDBI Bank, the government is desperately trying to privatise the bank.

After implementing disinvestment of government share holdings in Public Sector Banks and in Insurance Sector also to meet their fiscal deficit targets succumbing to the pressures of international financial institutions and foreign finance capital, the government at the Centre is venturing to go for disinvestment in RRBs also which is the backbone of development in the rural part exposing the population to the money lenders and micro finance institutions.

Bank Employees Federation of India demands of the government to immediately withdraw the attempt of IPO in RRBs and reaffirm its commitment to strengthen public sector banking as a pillar of equitable development. BEFI appeals to bank employees, farmers' organisations, trade unions, democratic forces and common citizen to come forward to resist this move which is anti-people, anti-farmer, anti-worker. The RRB's must remain people's banks, rather than instruments of corporate profit.

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To  
The News Editor/Chief Reporter

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For favour of circulation/broadcasting/telecasting through your esteemed media.

  
**(Hari Rao. S)**  
**Secretary.**