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Dear Comrades,

14th November, 2016

News of Interest 14th Nov

QUOTE OF THE DAY

“LEARN FROM THE PAST, SET VIVID, DETAILED GOALS FOR THE FUTURE, AND LIVE IN THE ONLY MOMENT OF TIME OVER WHICH YOU HAVE ANY CONTROL: NOW.”

DENIS WAITLEY

- 1. AMID CHAOS AND PUBLIC ANGER, MODI HOLDS MIDNIGHT MEETING OVER DEMONETISATION**
- 2. SMALL TOWNS LEAD IN OLD NOTE DEPOSITS TO BANKS**
- 3. YOUR DOCUMENTS, ANYTIME, ANYWHERE, THROUGH DIGILOCKER**
- 4. RESERVE BANK OF INDIA MAY REVISE REPO RATES FOLLOWING CURRENCY INFUSION**
- 5. ATM WITHDRAWAL LIMIT HIKED TO RS 2,500, WITHDRAW RS 24,000 FROM BANK IN A WEEK IN ONE GO; NEW RS 500 NOTES NOW BEING ISSUED**
- 6. DEMONETISATION: AIBOC SEEKS PROTECTION TO BANK STAFF**
- 7. RBI TO PUBLIC: DON'T HOARD CASH**
- 8. BANKS DISBURSE RS 30,000 CRORE CASH, POST DEMONETISATION**

Business Standard

1. Amid chaos and public anger, Modi holds midnight meeting over demonetisation

Banks, ATMs witnessed unprecedented rush on Sunday

Press Trust of India

Prime Minister Narendra Modi held a meeting with senior ministers past midnight on Sunday to review demonetisation and its impact.

The meeting at Prime Minister's residence was attended by Home Minister Rajnath Singh, Finance Minister Arun Jaitley, Information and Broadcasting Minister Venkaiah Naidu, Power, Coal and Mines Minister Piyush Goyal and top officials of the Finance ministry.

The meeting came amid continuing chaos and growing public anger across the country over limited cash availability following the surprise demonetisation of two higher value currency notes by Modi.

There was little respite for cash-starved people queuing up outside banks and ATMs on Sunday, with branches witnessing unprecedented rush since early morning and leading to arguments and scuffles.

Earlier in the evening, after a review by Finance ministry, the limit of old and now defunct Rs 500 and Rs 1000 rupee notes that can be exchanged for freshly minted Rs 2000 and new Rs 500 notes was increased from Rs 4000 to Rs 4500 per day.

Cash withdrawal limit at ATMs was hiked to Rs 2,500 from Rs 2,000 a day.

The weekly limit of Rs 20,000 for withdrawal from bank counters has been increased to Rs 24,000. The maximum limit of Rs 10,000 per day on such withdrawals has been removed, the ministry said in a statement.

According to ANI reports, Economic Affairs Secretary Shaktikanta Das said, "PM Modi has reviewed the supply and availability of cash to various banks and post offices. He reviewed the entire position, after he was briefed about steps already taken to improve supply of cash." PM's review meeting of cash availability & supply started at 10 pm. Went on well past midnight. Several decisions taken. Briefed ANI at 1.30 am

2. Small towns lead in old note deposits to banks

Kolkata-based UCO Bank received Rs 2,500 crore as cash deposits. Of this, Rs 1,300 crore came from rural and semi-urban areas

Namrata Acharya

Household bank deposits from small towns and rural pockets exceeded expectations, even as banks struggled to replenish branches and ATMs (automated teller machine) with cash.

On Thursday alone, Kolkata-based UCO Bank received Rs 2,500 crore as cash deposits. Of this, Rs 1,300 crore, or more than half, came from rural and semi-urban areas, according to Ravi Krishan Takkar, managing director and chief executive, UCO Bank.

At another Kolkata-based lender, United Bank of India, total cash collection on Thursday was close to Rs 1,700 crore. Rural deposits, close to

Rs 1 crore per branch, were on a par with urban ones.

"On average, we received Rs 1 crore in each branch, and in one or two rural branches, deposits even touched Rs 5 crore. Now lifting this much turned out a problem due to lack of manpower," said an official on the condition of anonymity.

"The urban and rural collections were mostly spread out. There was a lot of collection from rural branches," said Takkar. This apart, huge deposits are likely to affect the loan to deposit ratio of banks.

“Clearly, the collections have exceeded expectations. We can deploy this cash in a variety of ways. We will see some fall in loan to deposit ratio,” said Pawan Kumar Bajaj, chief executive officer and managing director, United Bank of India.

Notably, in Assam’s Dibrugarh district alone, total collections in 57 branches of a public sector bank on Thursday were close to Rs 50 crore, much more than expected. Most of the deposits were household savings; not many institutions showed up to deposit cash, said a banker.

“If banks are not able to lift cash quickly, it is going to be a losing proposition for banks,” said an official at a public sector bank.

While banks are awash with cash, ATMs ran dry and some bank branches had to be shut temporarily. The problem was more acute in northeast.

“In northeast and north Bengal, there had been some problems in cash replenishment. Hence, cash had to be sent by air to speed up the process,” said Bajaj.

Also, with ATMs requiring to be reconfigured to dispense new Rs 2,000 currency, several remained shut.

According to Bajaj, nearly 50% of ATMs at United Bank of India could be reconfigured by the end of the day.

“There is a lot of pressure on ATMs, and they are running out of cash very fast. We have sent a representation to the central bank for faster replenishment,” said Takkar.

On a positive note, banks expect the number of zero-balance accounts opened under Pradhan Mantri Jan-Dhan Yojana to come down drastically, with the flow of deposits in the form of household savings in rural areas. As on November 2, percentage of zero-balance accounts opened under the scheme was close to 23%, while the total deposits stood at Rs 45,302 crore.

Financial Express

3. Your documents, anytime, anywhere, through DigiLocker

The DigiLocker is being promoted by the department of electronics and information technology (DeiTY) under the ministry of communication and IT.

By: Siddhartha P Saikia

Manish Pandey, a 27-year-old IT executive in Gurgaon, came across an opportunity to work on a project in West Virginia. He rushed to make his passport, when he realised that his Class X certificate (an important document required as a proof for date of birth) was missing. When he contacted the Central Board of Secondary Education (CBSE) for a duplicate certificate, he was told to visit an office in Ajmer, where all data is stored, to get the certificate re-issued. It took him more than a week to travel to Ajmer and get a duplicate certificate.

This can happen to any of us. There are several documents that need to be kept carefully, and presented from time to time. The list is long—education certificates, passport, PAN card, Aadhaar card, birth certificate, marriage certificate, driving licence, papers for cooking gas connection, among others. Not having any of these documents could land anyone in trouble because the process to get a duplicate one is tedious.

The government has come out with a solution to solve the problem of keeping these documents in safe custody. DigiLocker—a key initiative under the Digital India campaign—has been designed to address the issue. Targeted at the idea of paperless governance, DigiLocker is a platform for issuance and verification of

documents and certificates in a digital way, thus eliminating the use of physical documents. Indian citizens who sign up for DigiLocker account get dedicated cloud storage facilities.

Globally, digital locker as a concept is not new. It has been in operation for more than 10 years. Microsoft in 2004 used this idea as a means for storing a copy of the software purchased by the clients. Now, there are multiple providers of this service across the world in different forms—Google Drive, Dropbox are examples of this. But an offering by the government of an ecosystem, such as digital locker, with linkage to unique ID, eSign and consent architecture will be a first in the world.

Organisations that are registered with DigiLocker can push electronic copies of documents and certificates (such as driving licence, voter ID, school certificates) directly into citizens' lockers.

Citizens can also upload scanned copies of their legacy documents in their accounts. These legacy documents can be electronically signed using the eSign facility.

Key benefits

The DigiLocker has several benefits:

Access: Citizens can access their digital documents anytime, anywhere and share it online.

Paperless: It reduces the administrative overheads of government departments by minimising the use of paper.

Authenticity: DigiLocker makes it easier to validate the authenticity of documents as they are issued directly by the registered issuers.

eSign: Self-uploaded documents can be digitally signed using the eSign facility, which is similar to the process of self-attestation.

"Citizens now have a safe storage space for documents that can be accessed from anywhere in the world. These can also be made available to relevant people in a secure fashion for limited purpose in a legally authenticated manner thus eliminating the fear of losing or misplacing critical documents," said Thampy Koshy, partner (advisory services), EY India.

The DigiLocker is being promoted by the department of electronics and information technology (DeiTY) under the ministry of communication and IT. The petroleum ministry is gradually putting the documents of LPG customers into the DigiLocker and already data of about 5 crore individuals has been transferred.

There would be three key stakeholders in the DigiLocker system—issuer, requester and resident. The issuer is the entity issuing e-documents to individuals in a standard format and making them electronically available. These would include organisations such as CBSE, registrar office and income tax department, among others. The requester would be the entity requesting secure access to a particular e-document stored within a repository. This may include any university, passport office or regional transport office. And the third is the resident— an individual who uses the digital locker service based on his/her Aadhaar number.

Once the government issues an URI to the locker, any time the original document is needed by a user, including other government users, there is no need to submit a fresh application. The citizen can make this available to the user.

“Thus the government can also promise that “what we can we won’t ask for” and also deliver this promise,” said Koshy of EY India.

What is DigiLocker?

- Provides an online account with 1 GB storage space to Aadhaar holders
- Issuer departments can push e-documents into the digital locker system
- E-documents can be shared by residents with government or other organisations registered as requestors
- Residents can upload their documents and digitally sign them using eSign facility
- Eliminates usage of physical documents and enables sharing of e-documents across government agencies
- Eliminates usage of fake documents

How to sign up for DigiLocker?

- Aadhaar based method: You can voluntarily use Aadhaar (issued by UIDAI) to sign up using mobile OTP or biometric fingerprint device
- Non-Aadhaar method: You can authenticate your mobile number and then submit your proof of address and identity documents for manual verification

4. Reserve Bank of India may revise REPO rates following currency infusion

The banking sector may be flushed with liquidity within the next two months, for which they may have to resort to aggressive lending, felt a top official of the Reserve Bank of India.

By: Indronil Roychowdhury

The banking sector may be flushed with liquidity within the next two months, for which they may have to resort to aggressive lending, felt a top official of the Reserve Bank of India. The official on the condition of anonymity said ‘with the step of demonetisation it is expected that the country’s banking system will get fresh currency infusion worth Rs 17 lakh crore, which will call for aggressive lending for circulating the money within the system.

The RBI in the coming months is expected to reduce REPO rates by at least 2%, which will make loans cheaper. There are high probabilities that home loans come down to sub 7% and demand for housing goes up, the RBI official said.

According to Getambar Anand, national president CREDAI, the real estate industry has been mainly catering to the primary market, which aggressively avail home loans. India has a documented shortage of housing and if loans become cheaper the demand will grow. Besides, demonetisation will suck excess liquidity from the system, which means inflationary pressure on real estate will come down, which down the line will bring stability on the prices. “This could be possible in as soon as the next 6-12 months and the real estate sector, which is in compliance with transparent and fair practices like RERA is bound to grow,” Anand said adding that the current real estate market was at the best possible price point with a thin margin for the developers but in the changed scenario the financial institutions could enable higher home buying.

Meanwhile, traders have started suffering with 80% of the cash transaction getting affected for shortage of currency. Citing example of the whole sale and retail markets of Kolkata, of which Posta Bazaar is eastern India’s biggest commodity market, AR Kajaria, president of the Federation of West Bengal Trade Association, said the whole sale and the retail markets of Kolkata cumulatively registers an average turnover of Rs 200 crore a day, which has come to a halt. Although there are transactions in

cheques and methods of e- transactions practiced but there are little means to avoid petty cash transactions, which are not less than Rs 10-12 crore a day.

"How can a truck driver meet his road expenses without cash? Between Kolkata and Varanasi toll taxes costs above Rs 2000. There is no mechanism in place as yet to pay toll without cash. Even the petty cash expenses are huge and there is no availability of currency to meet this expenditure." Kajaria said.

Mahesh Singhanian, chairman of the Federation of Trade Association, said it was queer of the government to expect that business person could run their activities by withdrawing Rs 20,000 from the bank per week. "How can a valid pan based account holder be restricted or denied to withdraw more than Rs 20,000 per week?" Singhanian said.

He said more than 80% of the cash transaction business in the state has been affected and corresponding VAT tax collection and other tax collection has also been affected.

5. ATM withdrawal limit hiked to Rs 2,500, withdraw Rs 24,000 from bank in a week in one go; new Rs 500 notes now being issued

In a decision that will come as a relief for people across the country, the government has decided to increase the daily withdrawal limit on ATMs to Rs 2,500 and has removed the Rs 10,000 withdrawal limit from banks.

By: [FE Online](#)

In a decision that will come as a relief for people across the country, the government has decided to increase the daily withdrawal limit on ATMs to Rs 2,500 and has removed the Rs 10,000 withdrawal limit from banks. Now, you will be able to withdraw as much as Rs 24,000 in a week from your bank account. What will add to the relief is the fact that you can withdraw this Rs 24,000 in a single transaction from the bank. Also, the limit that had been imposed on exchange of old Rs 500 and Rs 1000 notes has been enhanced to Rs 4,500. The Finance Ministry has issued a fresh advisory to the banks. Incidentally, the RBI has also started issuing the new Rs 500 note, a decision that will ease the liquidity crunch that common man was facing with the Rs 2,000 note. Below is the full text of Finance Ministry's new guidelines – follow them to know better about your limits on withdrawal of money:

Today (13.11.2016) Finance Ministry has reviewed the position regarding availability and distribution of all denomination of bank notes. Some of the highlights of the review and the decisions taken are as follows:-

In the first four days (from November 10th to 13th , upto 5 pm) about Rs 3.0 lacs crores of old Rs 500/- and 1000/- bank notes have been deposited in the banking system and about Rs 50,000 crores has been dispensed to customers by either withdrawal from their accounts or withdrawal from ATM's or by exchange at the counter. Within three four days , the banking system has handled about 21 crore transactions.

Further based on the reports received from the states, banks and other sources , the following may be noted :-

1. Coordination is being continuously done by Ministry of Finance with RBI , Banks and Post Offices to make all denomination notes available at all locations.
2. Instructions have been given to the Banks and Post Offices to ensure proper distribution of all denomination notes. Banks have also been especially advised to ensure the availability and distribution of small denomination notes.

3. Chief Secretaries of the States have been requested to identify the rural pockets, if any, where availability of cash has been a problem and provide all support to the Banks and Post Offices in order to ensure the last mile distribution of small denomination of notes is done through mobile banking vans and Banking Correspondents(BCs).

4. It has been reported that certain business houses viz. Hospitals , Caterers , Tent houses etc. are not accepting Cheques/Demand Drafts and online payment transfer from customers. It is advised that in such cases customer can make a complaint to the concerned District Magistrates/District Administration for action against such establishments.

5. Government of Assam has arranged a Mobile Banking Vans with support of Banks and State Government Staff at certain Hospitals for carrying out emergency banking transactions. All Banks have now been advised to arrange mobile banking vans to the extent possible at major hospitals to carry out emergency banking transaction for patients.

6. Banks have been advised to make arrangements for separate queues for Senior citizens and Divyang persons. Separate queues will also be arranged for exchange of cash to cash and transactions against Bank accounts.

7. Government of Arunachal Pradesh has made special arrangements like cash deposits /withdrawal and opening of new bank accounts in the remotely located areas with the help of Banks and State Government staff. State Governments have been requested to facilitate opening of new Bank accounts as a part of financial inclusion programme.

8. The issuance of the Rs. 500/- notes has already commenced.

9. Banks have been advised to increase the Business Correspondents limit to Rs 2500/- for withdrawal from bank accounts.

10.Banks have been advised to increase the exchange limit over the counter from the existing Rs 4000/- to Rs 4500/-.

11.Banks have been advised to increase the Cash Withdrawal limit at ATMs from the existing Rs 2000/- to Rs 2500/- per day in the recalibrated ATMs.

12.The weekly limit of Rs.20,000/- for withdrawal from Bank accounts has been increased to Rs.24,000/-. The limit of Rs.10,000/- per day has been removed.

13.Banks have been advised to increase the issuance and use of mobile wallets and debit/credit cards as also to provide them to those customers and establishments not having access to these non-cash means of payment.

14.The last date for submission of the annual life certificate for the government pensioners which is to be submitted in November every year has been extended up to January 15, 2017.

6. Demonetisation: AIBOC seeks protection to bank staff

OUR BUREAU

The All-India Bank Officers' Confederation (AIBOC) has demanded that the government, Reserve Bank of India (RBI) and the managements of the banks to immediately arrange for protection of staff following the demonetisation move.

Eknath Baliga, Joint General Secretary of AIBOC and president of Corporation Bank Officers' Organisation, said that the officers and employees don't mind sacrificing their holidays for facilitating the changeover. "It should be an eye opener for the bank managements, the government and all those at the helm of affairs that banks are the pillars of Indian economy and we are the soldiers guarding these pillars.

"We have made fervent appeal to all our members to ensure smooth transition despite all odds and challenges. We demand from the government, RBI and the bank managements to immediately arrange to provide sufficient currency, other infrastructure and protection to staff so that we can serve the countrymen in a better way," he said.

The only persons with whom the common man could express the anxiety and anger were hard-pressed bank officers and employees, he added. The rush during last few days was so unmanageable that there was no place for them to even stand in the bank despite rearranged aesthetics as per the perceived requirement.

He said bank branches are facing short supply of currency notes for exchange, despite tall claims by many. ATMs could not be realigned and could not restart in time. Bank branches and employees are subjected to public wrath.

Staff was made hostage in many branches during very late evenings by the people who could not be attended by them. Officers had to face questions and abuses from common man for which there were no ready answers. Many bank branches were working from 10 am till midnight.

Baliga said in a press release here that the bank employees and officers in particular have always been under stress for time in memorial in the process of implementation of government plans and projects.

7. RBI to public: Don't hoard cash

OUR BUREAU

Urging the public not to be anxious about the availability of currency notes, the Reserve Bank of India on Sunday emphasised that they should not visit bank branches repeatedly and draw cash only to hoard it.

Cash, according to the central bank, is available when the public needs it. Also, there is enough cash in small denominations available with the RBI and banks, it assured people.

The RBI statement comes in view of the harried public queuing up in large numbers at bank branches and ATMs over the past four days to exchange and draw cash, following the Centre demonetising ₹500 and ₹1,000 notes with effect from November 9. On Saturday, the RBI said printing presses are now bringing out the currency notes at full capacity.

The Indian Banks' Association (IBA) said in a statement that banks are making all-out efforts to ensure that the currency requirements of customers and public at large are met within the limits prescribed by the RBI. Over the past three days, nearly ₹30,000 crore has been disbursed in currency notes of lower denominations and newly introduced ₹2,000 notes, said the IBA. ATMs are being recalibrated to handle the new ₹500 and ₹2,000 notes.

IBA Chairman Rajeev Rishi said the association would, nonetheless, appeal to the public to use alternatives such as debit and credit cards to make payments.

Alternatives aplenty

In addition, payments can be made through electronic channels such as Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), Immediate Payments Service, net banking and Unified Payments Interface. E-wallets provided by banks may also be used extensively.

8. Banks disburse Rs 30,000 crore cash, post demonetisation

PTI

Post withdrawal of Rs. 500 and Rs. 1,000 notes, banks have disbursed nearly Rs.30,000 crore cash in bills of lower denominations and the newly-introduced Rs. 2,000 currency over the past three days, the apex body for lenders said today.

The government on November 8 demonetised Rs. 500 and Rs. 1,000 notes in a step to curb black money. Following the move, banks were closed on November 9 to stock lower value notes and exchange the defunct ones.

"In the last three days of working, nearly Rs. 30,000 crore cash has been disbursed in currency notes of lower denominations and newly introduced Rs. 2,000 notes. The ATMs are being recalibrated to handle new Rs. 500 and Rs. 2,000 notes," Indian Banks' Association (IBA) said in a statement.

From November 10, customers are allowed to exchange Rupees up to Rs. 4,000 in cash at any bank branch with valid identity proof. They can also withdraw cash against withdrawal slip or cheque, subject to ceiling of Rs. 10,000 a day, within an overall limit of Rs. 20,000 in a week (including withdrawals from ATMs) up to November 24, after which these limits shall be reviewed.

IBA said the banks are making all-out efforts to ensure currency requirements of customers are met within the limits prescribed by the Reserve Bank of India.

It, however, appealed to the public to use alternative modes of payments like debit and credit cards.

"In addition, payments could be made through electronic channels like RTGS (real-time gross settlement systems), NEFT (national electronic funds transfer), IMPS (immediate payment service), net banking, UPI (unified payments interface).

Electronic wallets provided by banks may also be used extensively for making payments," it suggested.

With kind regards,

Yours Comradely,



(N. GOVINDRAJULU)
GENERAL SECRETARY