



**ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION**  
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)

163/4, Kutchery Road, Mylapore, Chennai - 600004

E mail i.d: [aiubparf@gmail.com](mailto:aiubparf@gmail.com)/ [ubioatnng@gmail.com](mailto:ubioatnng@gmail.com)/ [suryanarayananram@gmail.com](mailto:suryanarayananram@gmail.com)

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Com. P.B. Thomas Chairman Thiruvananthapuram M: 09447177456	Com. Nitin Desai President Ahmedabad M: 097277 60641	Com. S. Bagchi Working President Kolkata M: 0983081586	Com. N. Govindarajulu General Secretary Chennai M: 09841089111
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Dear Comrades,

4th August , 2018

### News of Interest 6th AUG

#### MOTIVATIONAL QUOTES

‘OUR GREATEST GLORY IS NOT IN NEVER FALLING, BUT IN RISING EVERY TIME WE FALL. ‘

CONFUCIUS

#### HIGHLIGHTS

1. BANK EMPLOYEES STAGE DEMO AGAINST BAD LOANS
2. UIDAI SLAMS AADHAAR 'FEAR-MONGERING', SAYS HELPLINE NUMBER CAN'T STEAL DATA
3. BANK CREDIT JUMPS 12.44 PCT, DEPOSITS UP 8.15 PCT: RBI
4. BANKS PLAN TO BACK STAFF AGAINST INQUIRY AGENCIES
5. MINIMUM BALANCE: BANKS PENALISED CUSTOMERS' □11,500 CR

#### The Hindu

##### 1. Bank employees stage demo against bad loans

###### STAFF REPORTER

Lakshmi Vilas Bank Officers' Association staged a demonstration here on Sunday against the mounting non-performing assets (NPAs) in the banking sector, including Lakshmi Vilas Bank (LVB).

Stating that the bank was a small private sector bank, founded more than 90 years back, K.V. Tulasiram, general secretary of the association, said the bad loans were affecting both the goodwill and the balance sheet of the bank. "The bank is the custodian of public money. So the bad loans will affect both the public and employees of the bank," he said.

While the bank was trying legally to recover the bad loans, the Sunday demonstration would be the beginning of a campaign by the association to name and shame the defaulters. "We want to do our bit to help the bank recover the loans," he added.

As part of the campaign, the employees named a trader in Madurai, who has defrauded the bank to the tune of Rs. 80 crore by hiding sacks of rice husks among sacks of dal that was mortgaged. The employees said that a case was registered by CBI in this regard against proprietors of the company.

## **Business Standard**

### **2. UIDAI slams Aadhaar 'fear-mongering', says helpline number can't steal data**

The UIDAI said vested interests had misused Google's "inadvertent" act that led to appearance of its old helpline number in the contact list of several users

[Press Trust of India](#) | New Delhi

The UIDAI on Sunday said vested interests misused Google's "inadvertent" act around its old helpline number to create fear and tarnish the image of Aadhaar while emphasising that a number stored in contact list cannot steal data from a mobile phone.

The Unique Identity Authority of India (UIDAI) said rumour mongers attempted to tarnish the image of Aadhaar for a Google's inadvertent act that led to the appearance of its old helpline number 1800 300 1947 in the contact list of several mobile phone users.

"UIDAI condemns the vested interests who tried to misuse Google's "inadvertent" act as an opportunity to spread rumours and go around fear-mongering against Aadhaar," the authority said in a statement.

Last week, a French security expert who goes under the pseudonym Elliot Alderson and describes himself as the "worst nightmare" of the UIDAI, in a tweet had raised alarm on the presence of a UIDAI contact number in contact list of mobile phone users without their consent.

His tweet scared many mobile phone users on the appearance of the UIDAI's old helpline number in their contacts even though they did not add it.

Google on last Friday admitted that the number 18003001947 was added by it 'inadvertently' along with police and fire number 112 in 2014 and has since been continuing through sync mechanism.

The UIDAI said it has earlier clarified and emphasised that it has not asked any agency whatsoever to include its helpline number in mobile phones and also added that merely adding a phone number cannot steal data from the phone.

"Just by a helpline number in a mobile's contact list the data stored on the mobile phone cannot be stolen. Therefore, there should be no panic to delete the number as no harm will be caused. Rather people may, if they so wish, update it with UIDAI's new helpline number 1947," the authority said.

Anderson in his another tweet had said that there was no need to freak out as it was just a contact but alarmed that it could be the tip of "an iceberg".

The UIDAI said rumours being spread on social media to delete helpline number are "totally false propaganda and is nothing but scare-mongering against Aadhaar by vested interests trying to exploit Google's act to spread misinformation about Aadhaar by scaring people."

The Aadhaar custodian said that it expects Google, a large digital platform provider, will look into the matter which caused confusion in the minds of people against "India's credible identity system and will exercise due care so that such things are not repeated in future."

The UIDAI said that rumours about Aadhaar database being breached are completely false and baseless and are rejected with all condemnation that it deserves.

"UIDAI assures that Aadhaar data remains fully safe and secure. Therefore, people should stay away from such rumours and malicious campaign by vested interests. They should also not waste their time and time of their near and dear ones by forwarding or circulating such false and baseless rumours on their WhatsApp, Twitter, Face book , etc" the statement said.

It further said that Aadhaar has caused tremendous benefits to our country and helped saved more Rs 900 billion by preventing leakage and siphoning of benefits and subsidies meant for poor.

"It (Aadhaar) has empowered 121 crore people of India with a credible and secure identity which can be freely used anywhere, anytime and online. People are able to get their rightful entitlement directly into their bank accounts without any middlemen," the statement said.

It has also helped curb tax evasion, money launderers, benami accounts and shell companies, it added.

## **Financial Express**

### **3. Bank credit jumps 12.44 pct, deposits up 8.15 pct: RBI**

Bank credit grew by 12.44 per cent to Rs 86,13,164 crore in the fortnight to July 20, according to the RBI data. In the year-ago period, bank credit had stood at Rs 76,59,898 crore

By: PTI | New Delhi

Bank credit grew by 12.44 per cent to Rs 86,13,164 crore in the fortnight to July 20, according to the RBI data. In the year-ago period, bank credit had stood at Rs 76,59,898 crore. Growth in advances during the reporting period was marginally lower than the increase registered in the fortnight to July 6, when loans increased by 12.78 per cent to Rs 86,60,069 crore.

During the reporting fortnight, deposits increased by 8.15 per cent to Rs 1,14,38,121 crore from Rs 1,05,75,615 crore a year ago, according to the data. Despite the growth, the pace was slower than that in the last fortnight ended July 6, 2018, when they had risen 8.33 per cent to Rs 1,14,85,768 crore. In June 2018, the non-food bank credit rose 11.1 per cent as against a rise of 4.8 per cent in the same month last year.

Loans to agriculture and allied activities slowed 6.5 per cent in June, compared to an increase of 7.5 per cent in June 2017. Personal loan

segment saw a growth of 17.9 per cent in June, up from an increase of 14.1 per cent last June.

During the reporting month, advances to the industry rose 0.9 per cent compared to a contraction of 1.1 per cent in June 2017. "Credit to major sub-sectors such as textiles, all engineering, food processing, chemical and chemical products, and cement and cement products accelerated," the apex bank said.

However, loans to basic metal and metal products, construction and gems and jewellery contracted in June 2018. The services sector witnessed a major increase in loans to the tune of 23.3 per cent compared to an increase of 4.7 per cent in June 2017.

## **Economic Times**

### **4. Banks plan to back staff against inquiry agencies**

By *Sangita Mehta*

High-street banks are coming together to lend legal and financial support to existing as well as retired employees who find themselves in the crosshairs of the Central Bureau of Investigation and other law enforcement agencies which, many fear, have unleashed a reign of terror among bankers.

The contours of the plan — types of cases to be covered, the extent and nature of assistance to be given, and measures to protect the reputation of people who feel they have been victimised after having acted in good faith — were shared with CEOs of all large Indian banks on August 1 in a communiqué by the industry body of bank managements.

In the letter to bank chiefs, the Indian Banks' Association (IBA) said that on July 27 its managing committee — comprising CEOs of commercial banks — had endorsed the move to provide legal and financial support to employees being probed by investigating agencies for decisions seemingly taken in good faith. It urged banks to seek board approval to implement a scheme to this effect.

The IBA letter said, "...It was felt that there is a need to introduce a comprehensive scheme for extending legal and financial support to employees including ex-officers and also present directors of the banks covering instances where the proscriptions have been launched by the government agencies when carrying out their normal duties." "Banks will take urgent steps to avoid arrest of staff by seeking anticipatory bail. In case of arrest, banks will take urgent steps for grant of bail," the association said in its proposal.

According to the proposal, banks will pay for all legal expenses such as court fee, advocate fee, transportation and cover other miscellaneous costs. They will also arrange for an advocate when an employee (even those who have retired) is summoned by the CBI and police for interrogation.

Significantly, depending on the facts of the case, a bank would have the liberty to hire a top-notch lawyer to defend an employee. Such expenses would be borne by a bank even if an employee resigns, retires, and is transferred to another location.

"It's the need of the hour...A fear psychosis has gripped the entire banking industry. Nobody wants to lend. No one wants to settle a bad loan. If the

government can't rein in its enforcement agencies, banks have to join hands to defend themselves. IBA's August 1 letter to all bank CEOs outlining the scheme is a positive and reassuring move," a retired banker told ET.

Similar support will be also given to enable employees to defend themselves against civil or criminal cases filed by defaulters.

A bank will also ensure that an arrest following criminal proceeding against a defaulter or arising out of a bona fide execution of official duties is not treated as black mark on the performance of affected employees.

"This would facilitate the bank's process of identification & and declaration of wilful defaulters," said the IBA letter to bank CEOs. "It would also instill confidence and a sense of security in the mind of employees."

### **SIMILAR SCHEME**

A decade ago, a similar scheme was approved by IBA but that did not cover instances where the complaints and prosecutions are launched by CBI, police and other law enforcement agencies.

Under this plan, all the benefits available to the employees will also be offered to their family members including parents, spouses and children.

However, no initial support will be extended where prosecution has been initiated by government agencies on a "complaint specifically filed against the employee or official by the bank." In such cases support from the bank will be considered only on acquittal by a court of law. Also, a bank will pick up the legal and other expenses in matters where no mala fide intention was discernible on the part of the employee during disciplinary proceedings initiated by the bank.

Recently, AC Mahajan and S Raman, both former CEOs of Canara Bank, were charge sheeted in the Winsome Diamond cases even though the bank had classified the account as a case of wilful default. Famously, former chairman of IDBI Bank Yogesh Agarwal and officials BK Batra and OV Bundellu were put behind bars because Kingfisher Airlines did not repay its loans.

On April 26, CBI had booked 15 former and serving senior officials for an alleged Rs 600-crore loan fraud involving C Sivasankaran of Axcel Sunshine.

In this case, the agency had filed a charge sheet against MS Raghavan, IDBI' chairman-cum-managing director Kishore Kharat and MO Rego, former deputy MD of IDBI and current MD of Syndicate Bank.

Immediate provocation for the IBA move may have been the recent arrest of Bank of Maharashtra CEO R Marathe and executive director RK Gupta by the state police. The two were arrested without obtaining consent of central government and for a default in payment to deposit holders by builder, DS Kulkarni.

### **Business Line**

**5. Minimum balance: Banks penalised customers' □ 11,500 cr**

SHISHIR SINHA

In the last four years, 24 State-owned and privately-run banks have collected over ₹11,500 crore from their customers for not maintaining a minimum balance in their accounts.

According to information provided by the Finance Ministry in the Lok Sabha on Friday, State Bank of India alone collected over ₹2,400 crore in the last fiscal (2017-18), while among the three private banks, HDFC Bank had the highest share (₹590 crore).

Interestingly, the penal sums collected by three large PSBs in 2017-18 was around 40 per cent of the total charged by 21 public sector banks. SBI had re-introduced charges after a gap of four years from April 1, 2017.

The Reserve Bank of India's Master Circular on 'Customer Services in Banks', dated July 1, 2015, provides that banks are permitted to fix services charges on various services rendered by them. These charges should be in accordance with the policy approved by the bank boards, and "not out of line with the average cost of providing these services".

Accordingly, various banks levy charges on not maintaining minimum account balance. These charges are collected primarily to recover a part of the cost incurred on servicing the accounts.

For example, SBI charges between ₹ 5 and ₹15 (plus GST) for various levels of shortfall. Its customers are required to maintain an average monthly balance of ₹3,000 for savings bank accounts in metro and urban areas, ₹2,000 in semi-urban and ₹1,000 in rural areas.

Similarly, HDFC Bank customers are required to maintain an average monthly balance of ₹10,000 in metro and urban areas, and ₹ 5,000 in semi-urban areas, while those in rural areas are required to maintain average quarterly balance of ₹ 2,500. Penal charges are between ₹150 and ₹600 (plus GST) in metro/urban and semi-urban areas, while it is between ₹270 and ₹450 (plus GST) in rural areas.

Basic savings bank accounts, including those under the Pradhan Mantri Jan Dhan Yojana are exempt from the minimum balance requirements.

Banks are also free to exempt any category of accounts from maintaining a minimum balance. The SBI, for instance, has 10 such categories, that include Jan Dhan accounts, No-frills accounts, salary accounts, Phela Kadam & Pheli Udaan accounts, and accounts of all categories of pensioners.

In the event of a default in maintaining a minimum balance/average minimum balance, the bank should notify the customer by SMS/ email/ letter etc, that penal charges would be applicable. If the customer replenishes the account within a month, the charges would be waived.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)**  
**GENERAL SECRETARY**