



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/ ubioatnng@gmail.com/ suryanarayananram@gmail.com

Com. P.B. Thomas Chairman Thiruvananthapuram M: 09447177456	Com. B.B. Yadav Vice Chairman Sangli M: :098811 91110	Com. Nitin Desai President Ahmedabad M: 097277 60641	Com. S. Bagchi Working President Kolkata M: 0983081586	Com. N. Govindarajulu General Secretary Chennai M: 09841089111
----------------------------------------------------------------------	----------------------------------------------------------------	---------------------------------------------------------------	-----------------------------------------------------------------	-------------------------------------------------------------------------

Dear Comrades,

28 th March , 2019

News of Interest 28th MAR

QUOTE OF THE DAY

“WHATEVER THE MIND CAN CONCEIVE AND BELIEVE, IT CAN ACHIEVE”. □
NAPOLEON HILL

HIGHLIGHTS

1. BANK CREDIT CLIPS AT 14.5%; DEPOSITS GROW IN DOUBLE-DIGITS AT 10%: RBI DATA
2. RBI LIKELY TO CUT REPO RATE BY 25 BPS IN APRIL POLICY: GOLDMAN SACHS REPORT
3. HOW SMART CFOS CAN SCALE UP AND SAVE BUSINESSES: DEEPAK PAREKH SPELLS 2-L FORMULA
4. UN SECURITY COUNCIL PANEL FINDS COSMOS BANK CYBER ATTACK MOTIVATED BY N KOREA
5. AFTER AADHAAR ORDINANCE, BANKS AIMING TO REWORK DIGITAL ACCOUNT-OPENING PROCESS

Business Standard

1. Bank credit clips at 14.5%; deposits grow in double-digits at 10%: RBI data

In the year-ago fortnight, advances were at Rs 83.46 trillion and deposits at Rs 111.11 trillion

Press Trust of India

Bank credit grew 14.46 percent to Rs 95.53 trillion, while deposits growth touched double- digits at 10.03 percent to Rs 122.26 trillion in the fortnight to March 15, show the RBI data.

In the year-ago fortnight, advances were at Rs 83.46 trillion and deposits at Rs 111.11 trillion.

In the previous fortnight ending March 1, deposits grew 9.81 percent to Rs 122.30 trillion and credit rose 14.55 percent to Rs 95.29 trillion.

Non-food credit rose 13.1 percent in January 2019 compared to a 9.5 percent growth in the same month last year.

Credit to agriculture and allied sectors grew 7.6 percent in January as against a growth of 9.4 percent in the year-ago month.

Loans to the services sector expanded at a healthy 23.9 percent, much higher than 13.2 percent registered in January 2018, while personal loans lost the momentum with a 16.9 percent growth in January as against a healthy 20 percent spike in demand in the same month last year.

Industrial credit jumped six-fold to 5.2 percent in January from 1.1 percent in the year-ago period.

Credit growth to infrastructure, chemicals and chemical products, engineering, food processing and petroleum, coal and nuclear fuels accelerated but, credit to basic metals & metal products, textiles, beverages & tobacco and gems & jewellery contracted, as per the RBI data.

2. RBI likely to cut repo rate by 25 bps in April policy: Goldman Sachs report

The brokerage had earlier expected no change in the policy rate in the April meeting

[Press Trust of India](#) |

Reserve Bank of India is likely to cut repo rate by 25 basis points in the April policy due to weak economic activity, benign inflation and soft global growth, says a report.

The monetary policy committee is scheduled to meet from April 2 to 4.

"We now think a 25 basis points cut is likely in the April meeting. Our thinking is driven by three factors- continued weakness in economic activity, still benign inflation and soft global growth, and a dovish Fed," Goldman Sachs said in a report.

It expects inflation to remain below the RBI's medium-term target until the end of 2019.

The brokerage expects some pick-up in growth over the course of this year, and forecast real GDP growth to increase from 7.1 per cent in FY19 to 7.5 per cent in FY20.

Headline CPI inflation rose to 2.6 per cent in February, reversing a declining trend since July 2018.

The report lowered its inflation forecasts and now see average headline CPI inflation at 3.4 per cent in FY19 compared to 3.6 per cent before.

It expects some pick-up in food inflation over the course of the year as favourable base effects begin to wane and momentum builds as indicated by the recent prints on consumer and wholesale prices.

"Based on our outlook for food, partly offset by lower commodity prices, and a stable core, we forecast average headline inflation to rise from 3.4 per cent in FY19 to 4 per cent in FY20," it said.

The brokerage had earlier expected no change in the policy rate in the April meeting.

It, however, said a decision to hold rates steady at the April meeting remains a significant possibility.

"Should policymakers continue to be in a wait and watch mode to gauge the progress on the transmission of the past rate cut in February, they may choose to loosen later rather than sooner," the report said.

The brokerage expects another rate cut by the RBI by 25 bps in the third quarter of 2019.

"Going forward, in 2020, as growth accelerates, headline inflation begins to pick up, and Fed begins to increase rates, we expect pressure to build on the RBI to shift back to a tightening mode," it said.

The brokerage said RBI may increase rates next year - one hike of 25 bps each in Q1 and Q2 of 2020.

It, however, does not expect the RBI to increase rates in Q4, 2019.

Financial Express

3. How smart CFOs can scale up and save businesses: Deepak Parekh spells 2-L formula

By: [FE Online](#) |

Leverage and liquidity are the two 'Ls' that a smart CFO must guard. Both not only help scale up businesses but also lead to their downfall, said HDFC chairman Deepak Parekh. The CFO's job is to raise a red flag at the right time, he also said at the FE CFO Awards function in Mumbai.

Speaking about the need for banks to increase lending, veteran banker said that it's imperative that the risk-averse lenders get back to lending to infuse adequate liquidity in the economy as sectors including real estate are in desperate need of the same.

So as to prevent extended legal battles, the non-performing institutions must be allowed to wind up their businesses and IBC law needs to be made more robust, he noted.

Adding he said that it's the duty of the CFO's to speak up when the need arises to save the businesses. "Don't be a silent CFO, assuming things will

sort out themselves; neither be a CFO who says I have sounded a warning which nobody followed. You have to show spine; you have to speak up”.

He also said that businesses need to be extra vigilant during boom and bust times. Most bad decisions are taken during good times and vice versa, he noted, adding it becomes important for a smart CFO to take right decision during such times.

The introduction of the Insolvency and Bankruptcy Code (IBC) has prompted the promoters of the firms to settle cases after lenders have filed for insolvency proceedings at the NCLT, Deepak Parekh also said.

Economic Times

4. UN Security Council panel finds Cosmos Bank cyber attack motivated by N Korea

Its report comes nearly seven months after the malware attack on the bank.

By Rashmi Rajput, ET Bureau|

A panel of experts appointed by the UN Security Council has stated that the cyber attacks on Pune-based Cosmos Cooperative Bank, from which hackers allegedly withdrew Rs 94 crore from ATMs in 28 countries, was “motivated” by North Korea.

The panel was set up to study various UN sanctions breached by North Korea. Its report comes nearly seven months after the malware attack on the bank.

“The panel notes a trend in the Democratic People’s Republic of Korea’s evasion of financial sanctions of using cyber attacks to illegally force the transfer of funds from financial institutions and crypto currency exchanges”, the report said.

The Pune Police and the Maharashtra Cyber Cell probing the case are yet to trace the mastermind in the case. So far, 12 people have been arrested by a special investigation team of the Pune Police. Sources said the local module busted by the police could be “money mules” — people who serve as intermediaries for criminals and criminal organisations — acting on behalf of operators abroad.

We have learnt about the (UNSC) report but are yet to study it,” deputy commissioner of Pune Police Sambhaji Kadam told ET.

“The case involves Rs 14 crore that was transferred to a Hong Kong bank by compromising the SWIFT system (of the bank) and the remaining Rs 80 crore that was withdrawn using ATMs in which malware attack was on the switch through which the payment gateways of Visa and Rupay debit cards operate,” said a senior official from the Maharashtra Police, who spoke on the condition of anonymity. “Those arrested are people who operated the ATMs and include an Indian coordinator. We are now trying to probe the malware attack, how the IPs were hacked into ... We have managed to trace the trail and received correspondence from a few countries. We are trying to trace the original server and until that is done we cannot say that this attack was carried by a certain group or a country,” he added.

The UNSC report would aid in the probe but most of the information it has quoted is through open sources, he added.

In the past, both the Maharashtra Police and cyber experts had expressed their apprehension of the involvement of Lazarus Group, a hacker group comprising unknown people linked to North Korea.

In its 378-page report published earlier this month, the committee elaborated on how the Cosmos Bank systems were hacked into. "The attack was a more advanced... and highly coordinated operation that bypassed three main layers of defence contained in International Criminal Police Organization (INTERPOL) banking/ ATM attack mitigation guidance," the report, seen by ET, reads. "Not only were the actors able to compromise the SWIFT network...to transfer the funds to other accounts, but they simultaneously compromised internal bank processes to bypass transaction verification procedures and order worldwide transfers to almost 30 countries where funds were physically withdrawn by individuals in more than 10,000 separate transactions over a weekend," it added.

Business Line

5. After Aadhaar ordinance, banks aiming to rework digital account-opening process

[Surabhi](#)

Banks are once again reworking strategies for instant opening of bank accounts using Aadhaar-based authentication and KYC, with some likely to relaunch such facilities in the coming weeks.

The move follows the promulgation of Aadhaar and other laws (Amendment) Ordinance 2019 earlier this month, which amended the Aadhaar Act 2016, Prevention of Money Laundering Act 2005, and Indian Telegraph Act 1885, and enabled private banks and telecoms to use Aadhaar for authentication of identity.

To review 811.

Private sector lender Kotak Mahindra Bank plans to review its immensely popular digital account opening platform 811 through this method.

"Now, with the recent guidelines by the government, we are reworking on offering the consent-based voluntary use of Aadhaar for bank account opening. As we speak, we are in the process of studying the changes.

"My take is very soon we will be able to offer, with least amount of friction, a journey closer to, if not exactly the way it was before the Aadhaar verdict," said Deepak Sharma, Chief Digital Officer, Kotak Mahindra Bank.

The bank had temporarily suspended the 811 account opening facility after the Supreme Court verdict on Aadhaar last year, which had prohibited the compulsory use of the 12-digit biometric identification number-based KYC for bank accounts and mobile connections.

Later, the lender had partially restarted the service, although there was a slowdown in customer acquisition.

"Aadhaar, as a service, could be used only for those customers who wanted to use it for DBT purpose and voluntary use of Aadhaar. They could proceed with the journey through OTP and full KYC as we were doing pre-Aadhaar verdict," said Sharma, adding that the second option was a wallet-based journey to customers. "Such customers came through a wallet route and then we quickly did their KYC and brought them on board," he told *BusinessLine*.

Sources said that other lenders, which had suspended such formats for opening bank accounts, are also reviewing the ordinance.

However, some are awaiting more clarity from the Unique Identification Authority of India, in terms of fresh guidelines. Many had, however, started digital account opening for direct benefit transfers (DBT)-linked accounts with voluntary Aadhaar.

"Fincare SFB is likely to relaunch its online digital account opening facility from next week. It will be linked to DBT using consent based Aadhaar verification," said Prakash Sundaram S, Chief Strategy and Digital Innovation Officer, Fincare Small Finance Bank.

The bank also offers a debit card and full suite of banking services immediately on opening the account.

The small finance bank offered 101, a digital savings account that can be opened online in five minutes using Aadhaar-based e-KYC, and had acquired close to 12,000 customers through the facility, largely in September and October last year.

Money laundering

Apart from ease of account opening, bankers believe the use of Aadhaar helps in better authentication of customers, and is more effective in preventing activities such as money laundering.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)
GENERAL SECRETARY**