



Vijay Mallya extradition case: CBI files 2000-page dossier as evidence, next hearing on Sept 14

Vijay Mallya extradition case: The Central Bureau of Investigation (CBI) filed a 2000-page dossier as evidence against Mallya on Thursday. CBI in a statement said, "We will file a strong case against Mallya in Court"

By: Express Web Desk | New Delhi | Updated: July 6, 2017

Despite being granted exemption from personal appearance, a defiant Vijay Mallya was at the Westminster Magistrate's Court on Thursday for the hearing in his extradition case. The court also rejected Mallya's request to shift the final hearing date in his extradition case to next year and fixed it for December 4.

"I do as my lawyers advise. This is a court. Let them present what evidence they have and we will present our case" the former Kingfisher airlines chief told reporters outside the court house before the start of his hearing.

With the Central Bureau of Investigation (CBI) filing a 2000-page dossier as evidence against Mallya, the court has set the next date for hearing at September 14 at 2 pm. "We will file a strong case against Mallya in Court," news channel NDTV reported the CBI as saying.

After his court appearance, when asked why did he flee India, Mallya told news agency ANI: "I have been living in England since 1992."

The Enforcement Directorate (ED) had chargesheeted Mallya for defaulting on several bank loans amounting to nearly Rs 9,000 crore. The fugitive liquor baron had been granted bail by Chief Magistrate Emma Louise Arbuthnot until December 4 in the first hearing being held on June

13. The second hearing had been scheduled for July 6 which was being held on Thursday.

Mallya was arrested in Scotyand Yard on fraud allegations in April and released on bail after a few hours on conditional bail after paying 650,000 pounds until December 4, the date which was tentatively fixed as the final hearing in the case.

Earlier on Wednesday, a fresh non-bailable arrest warrant was issued against the liquor baron in connection with a money laundering case being probed by the ED for alleged bank loan fraud. "The court has taken cognisance of the ED chargesheet filed on June 14, 2017 and issued a NBW against Mallya", Special ED counsel Hiten Venegoankar had said.

PTI quoted official sources, "All documents and witness statements have been presented from the Indian side and the CPS is very happy with it. They are confident that all the evidence is in good order. So we are in good situation and all we hope is that the other side stop delaying."

Mallya had been exempted from attending today's hearing after his defence team claimed he was "swarmed by media cameras" on his entry to the court last month.

Barrister Ben Watson had urged the judge to impose barriers for the media outside the court for future hearings, to which the judge responded by excusing Mallya from the next court appearance while she looked into her authority to impose such barriers.

CPS, represented by Aaron Watkins, had presented the case in court on behalf of the Indian authorities. Mallya's defence wanted a final hearing date in March or April 2018, claiming they are yet to receive the "final evidence" from the Indian authorities and also believe a second extradition request is coming. The second request is believed to relate to the Enforcement Directorate's (ED) case against Mallya.

RBI calls for public credit registry to curb loan defaults

A public credit registry can help control loan defaults, improve credit culture, efficiency and financial inclusion, RBI Deputy Governor Viral Acharya said.

A transparent and comprehensive public credit registry (PCR) is the need of the hour in India to help control loan defaults, improve credit culture, efficiency and financial inclusion, according to Reserve Bank of India Deputy Governor Viral Acharya.

At a time when the banking sector is grappling with large non-performing assets (NPAs), the central bank is proposing to set up an extensive database of credit information accessible to all stakeholders.

"A PCR, if put in place for India, will help in a) Credit assessment and pricing by banks; b) Risk-based, dynamic and countercyclical provisioning at banks; c) Supervision and early intervention by regulators; d) Understanding if transmission of monetary policy is working, and if not, where are the bottlenecks; and, e) How to restructure stressed bank credits effectively," Acharya said at RBI's Eleventh Statistics Day conference.

Statistics Day in India is celebrated on the birth anniversary of Late Professor PC Mahalanobis, who graduated with honours in Physics in 1912.

Generally, a PCR is managed by a public authority like the central bank or the banking supervisor, and reporting of loan details to the PCR by lenders and/or borrowers is mandated by law. The idea is to capture all relevant information in one large database on the borrower, in particular, the borrower's entire set of borrowing contracts and outcomes.

According to Acharya, increasingly countries are moving towards this with a view to improving the credit culture in their jurisdictions. Such registers help in enhancing efficiency of the credit market, increase financial inclusion, improve ease of doing business, and help control delinquencies.

A survey conducted by the World Bank reported that as of 2012, out of 195 countries that were surveyed, 87 were having Public Credit Registers – the number must have increased by now.

Dun & Bradstreet (DNB), nearly two centuries old, has perhaps the largest commercial database in the world. Their website claims that they track over 265 million company records which they derive from 30,000 data sources and is updated 5 million times per day, Acharya said.

At present, India has private Credit Bureaus such as Credit Information Bureau (India) Limited (CIBIL), Equifax, Experian, and CRIF Highmark, regulated by RBI. Each one of these focuses on data analytics to provide credit scores, and allied reports and services. These analytics are useful for the member banks for issuing credit cards as well as for taking decisions (primarily on retail loans) as of now.

The RBI has also set up the Central Repository of Information on Large Credits (CRILC) in 2014-15, where our scheduled commercial banks quarterly report credit information of their borrowers having aggregate exposure of Rs 5 crore and above. It covers around 60 percent of the loan portfolio and around 80 percent of the NPAs.

However, CRILC captures only limited detail about the borrowers such as the industry to which they belong and their external and internal ratings. The pooled information under CRILC is shared with the reporting banks but is not shared with the Credit Bureaus, larger lender community, or researchers.

Spelling out the benefits of such a registry Acharya said, apart from a good credit culture, it would help create a level-playing field among different sizes of borrowers, reward the good borrowers, include new borrowers, tap transactional data including payments to utilities like power and telecom for retail customers and trade credit data for businesses.

Why might such data help?

“Lenders in the formal sector often hesitate to extend a line of credit to new customers due to the lack of credit scores. Regularity in making payments to utilities and trade creditors provides an indication of the credit quality of such customers. In turn, credit from the formal sector can become accessible to new borrowers, boosting financial inclusion,” he said adding that a PCR can also have a profound impact for regulatory purposes as it would give a complete picture that is necessary for supervisors and policy makers to assess credit risk of the entire system.

The challenge would be setting up a comprehensive PCR would require much team work and vision, expertise to handle large volumes and varieties of data from diverse sources.

“It will require working with several stakeholders, other regulators and international agencies with expertise in helping set up such registers. That’s a noteworthy challenge for the pool of statisticians,” Acharya said.

There are several other “information base” challenges for the long horizon for the team: Employment Statistics; Household Inflation Expectation Survey in rural and informal economy; Big-data real-time indicators of prices and consumption; Google images and mobile-phone data for economic activity indicators; to just a list few,” he concluded.

Cyber security: India ranked 23rd on a list of 165 nations, says UN agency

India is listed in maturing category, refers to developed complex commitments to cyber security

Press Trust of India | United Nations

July 6, 2017 /BUSINESS STANDARD

India is ranked a high 23rd out of 165 nations in a global index that measures the commitment of nations across the world to cybersecurity. The second Global Cybersecurity Index (GCI), released by the UN telecommunications agency International Telecommunication Union (ITU), said only about half of all countries have a cybersecurity strategy or are in the process of developing one and urged more countries to consider national policies to protect against cybercrime.

India is ranked 23rd on the index with a score of 0.683 and has been listed in the "maturing" category, which refers to 77 countries that have developed complex commitments to cybersecurity and engage in cybersecurity programmes and initiatives.

The index has been topped by Singapore with a 0.925 score.

The report said about 38 per cent of countries have a published cybersecurity strategy and an additional 12 per cent of governments are in the process of developing one.

The agency said more effort is needed in this critical area, particularly since it conveys that governments consider digital risks high priority.

"Cybersecurity is an ecosystem where laws, organisations, skills, cooperation and technical implementation need to be in harmony to be most effective," stated the report, adding that cybersecurity is "becoming more and more relevant in the minds of countries' decision makers."

The top 10 most committed countries to cybersecurity are Singapore, United States, Malaysia, Oman, Estonia, Mauritius, Australia, Georgia, France and Canada. Russia is ranked 11th.

In addition to showing the overall cybersecurity commitment of ITU's 193 member-states, the Index also shows the improvement and strengthening of the five pillars of the ITU Global Cybersecurity Agenda: legal, technical, organisational, capacity building and international cooperation.

The threat is particularly worrying as in 2016, according to ITU, nearly one per cent of all emails sent were essentially malicious attacks, the highest rate in recent years.

Last month, a cyberattack crippled tens of thousands of machines around the world. It is unclear who was behind the attack. "While the impact generated by cyberattacks, such as those carried out as recently as 27 June 2017, may not be eliminated completely, prevention and mitigation measures to reduce the risks posed by cyber-related threats can and should always be put in place," said ITU Secretary-General Houlin Zhao.

The findings show that there is "space for further improvement in cooperation" at all levels, according to the report, which advocates for encouraging governments to consider national policies that take into account cybersecurity and encourage private citizens to make smart decisions online.

RBI allows NBFCs to offer new pension scheme

BY JOEL REBELLO ECONOMIC TIMES 6 7 2017

MUMBAI: The Reserve Bank of India has allowed systematically important non-banking finance companies to sell and market the new pension scheme (NPS).

NBFCs with asset size of ₹ 500 crore and above that have made a net profit in the preceding financial year be permitted to sell NPS to their clients after registration with the pension regulator.

"Eligible NBFCs extending such services shall ensure that the NPS subscription collected by them from the public is deposited on the day of collection itself with the trustee bank" RBI said.

Letting banned notes be deposited will defeat demonetisation goal: Govt may tell SC

The Centre is likely to tell Supreme Court that allowing people to deposit demonetised currency would defeat the purpose of radical reform like demonetisation.



Moneycontrol News

The Centre is likely to tell Supreme Court that allowing people to deposit demonetised currency would defeat the purpose of radical reform like demonetisation, after the SC asked the Centre and Reserve Bank of India (RBI) to give another opportunity to people who for some legitimate reason were unable to deposit demonetised notes of Rs 500 and Rs 1,000, reports The Economic Times.

Speaking to ET, senior officials aware of the government's view on the subject, said that opening a new window for exchanging old notes could lead to misuse of the facility.

Since India shares an open border with Bhutan and Nepal, there is a high-risk that a lot of currency stashed abroad may come back in the system via these routes and will make the process of demonetisation worthless.

Rogue elements like terrorists and Naxals whose activities had been greatly curbed may benefit if such a window is allowed to deposit banned currency.

The government is likely to say that it had provided every citizen with every opportunity to exchange notes and any further exemption would lead to dirtying the system again.

GST Rollout: Be ready to shell out more for insurance premium, banking services from July 1

Under the GST regime, for instance, financial services including insurance products are kept under the GST tax bracket of 18%.

Sanjeev Sinha

 **THE FINANCIAL EXPRESS**

From July 1, and you will be paying more for insurance policies or while doing any banking transaction which attracts service tax. For, these products and services are going to cost more under the new indirect tax regime of Goods and Services Tax (GST). "The GST law subsumes excise duties, service tax, value added tax, entry tax, facilitating free flow of credit and thereby effectively eliminating cascading effects of tax that is prevalent today. However, in respect of ubiquitously used service sectors such as banking, insurance services, telecom services, the services are to cost dearer to the common man owing to escalation of GST on supply of services from the current rate of 15% to 18% and given that there is not substantial additional credit pool build up for such service providers. Thus, come July 1, 2017, one can see the prices of these day-to-day required services going up," says Mahesh Jaising, Partner, Indirect Tax, BMR & Associates LLP.

Impact on Insurance

Under the GST regime, for instance, financial services including insurance products are kept under the GST tax bracket of 18%. This is an increase of 3% from the existing 15% service tax (including Krishi Kalyan and Swatch Bharat cess) on insurance premiums. "This increase of 3%, which will be implemented for both renewal as well as fresh insurance policies, will result in increased insurance premium to be borne out by customers. Customers will experience the same increase in taxes to be paid across financial services from 1st of July 2017. Even though in the medium to

long term, GST will bring more efficiency into the system, which will bring benefits to end customers, in the short run customers will experience a rise in prices for amenities across the financial sector,” says Rajiv Kumar, MD & CEO, Universal Sompo General Insurance.

For example, suppose a customer opts for a comprehensive motor insurance policy for a private car whose annual insurance premium is around Rs 20,000 excluding taxes. Under the existing regime, the customer has to pay Rs 3000 as service tax at 15% rate which will increase to Rs 3600 under the GST regime from 1st July 2017. There will, thus, be an excess payout of Rs 600 from the customer’s wallet.

Similarly, with the implementation of GST, the tax on unit linked charges will be 18%. It implies that every Rs 100 collected as charges, which currently attract Rs 15 as service tax, will attract Rs 18 as GST under the new tax regime. The charges will get dearer by 3% or 300 basis points. Similar will be the case with term plans.

Banking Services

Banking services also attract 15% service tax currently, which will increase to 18% under the GST regime. Thus, like insurance, banking services will also become more expensive due to increase in the tax rate. Therefore, be ready to shell out more money as taking loans is going to get expensive. Also, whether you are going to withdraw money from the ATM machine or will be using your credit card, better watch out for the enhanced charges from July 1 onwards!

Congress, NGO to hold 'tweet morcha' against unfair bank charges

Mumbai Congress chief Sanjay Nirupam and Sucheta Dalal, founder of NGO MoneyLife Foundation, recently put out a video on a social media platform calling on the affected customers to take part in the agitation

Jul 02, 2017 | PTI



The Mumbai Congress, along with a non-profit organisation, has organised a 'tweet morcha' on July 4 against the alleged unfair charges and fees being levied on customers by banks.

Mumbai Congress chief Sanjay Nirupam and Sucheta Dalal, founder of NGO MoneyLife Foundation, recently put out a video on a social media platform calling on the affected customers to take part in the agitation.

They have appealed to the aggrieved customers to tweet about their grievances to Prime Minister Narendra Modi.

"#TweetMorcha #BankSeBachao Join me & @suchetadalal on 4th July at 3 PM. Tweet to PM Modi from wherever You are," Nirupam recently tweeted.

He alleged that banks have been twisting and tweaking the existing norms to levy arbitrary charges.

Some banks have limited the monthly free use of ATM card, penalised the customers for having a balance less than Rs 5,000 in their savings accounts or restricting them from depositing money into their accounts free of cost beyond a certain number of times, the former Congress MP said.

"Since the customers are unhappy with these policies, we are tweeting and tagging (their complaints) to the prime minister as he is very active on Twitter," Nirupam said.

Dalal, a veteran financial journalist, said the objective of the tweet morcha is to unify the voice of angry and helpless bank customers who are allegedly being subjected to exploitation and unfair practices by banks.

She alleged that since the finance minister and the RBI did not pay heed to the issue, they have now decided to make their voice reach the PM.

"We would start our tweet morcha at 3 pm and people across the country or overseas can tweet with #TweetMorcha #BankSeBachao and tag the PM," said Dalal.

Vigilance commission monitoring CBI probe in top bank frauds, including Mallya

Vigilance Commissioner TM Bhasin told PTI that bankers need to "muster courage" to recover their money individually or collectively from defaulters.

Jul 03, 2017

hindustantimes

The Central Vigilance Commission (CVC) is supervising CBI's probe in 10 top bank fraud cases, including one involving fugitive businessman Vijay Mallya, and says bankers need have no fear if their decisions are bonafide.

Vigilance Commissioner TM Bhasin told PTI that bankers need to "muster courage" to recover their money individually or collectively from defaulters.

His assertion assumes significance as the Central Bureau of Investigation is looking into a large number of bank fraud cases worth crores of rupees and involving private firms and businessmen.

"CVC is examining staff accountability aspects and also supervising CBI probe in top 10 banks frauds and similar other cases," he said, without giving further details as the cases were under investigation.

Bhasin also asked bankers not to fear any of the three Cs--CVC, CBI and CAG (Comptroller and Auditor General)--and effectively use all legal means available to them for expeditious recovery of non-performing assets (NPAs).

"Banks have various legal means available to them for recovering their overdues from NPA accounts. They should scrupulously follow a fair, transparent, just and equitable board approved recovery policy and should not have any fear of CVC on this account as long as their decisions are bonafide," he said.

Some banks officials have often cited fear of the CVC and CBI as the reason preventing them from taking a decision to recover dues from the defaulters.

"Some bankers are under the wrong impression that once they have reported an account as an NPA to their controlling offices and they, in turn, have reported it to the regulator and to investigating agencies such as police, CBI, Enforcement Directorate, etc., their job is over.

"It should not be felt so by bankers. I would like to make it very clear that investigating agencies only look into the aspects of criminality or culpability involved," Bhasin said.

He added that bankers themselves have to muster courage to recover their bank's overdues individually or collectively in consortium based NPA accounts.

“It is their duty and dharma to lend and recover monies. No outsider can help them to do it... bankers will have to rise to the occasion and meet this challenge,” he said.

Bhasin, a veteran in the Indian banking industry, was chairman-cum-managing director (CMD) of Indian Bank and also chairman of the Indian Banks’ Association (IBA).

To a question on staff accountability, he said all banks have a well defined system of examination of their employees in tune with prevailing guidelines.

Whenever a loan account slips into NPA, he said, proper analysis of accountability is done. If required, regular departmental action is initiated against the staffer found responsible for the lapses observed.

“If the borrower is seen to have defrauded the bank and there is connivance, complicity or criminal angle involved, apart from stringent punishment in regular departmental action, complaints are also being preferred with law enforcing and investigating agencies, like CBI or state police,” the vigilance commissioner said

AIBEA THIS DAY – 8 JULY	
1977	AIBEA Central Committee General Council meets at Bhopal.
1982	N S Puroo, (54) former Assistant Secretary AIBEA passes away at Mumbai.
1993	Emergent CC meeting of AIBEA at Madras (Pension & Computer issues).
1995	6th Conference, SSBEA at Mysore.
1998	UFBU Rally before IBA –Wage Demands.



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