AIBEA's Banking News

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NEWS BULLETIN FROM ALL INDIA BANK EMPLOYEES' ASSOCIATION

Banks collect Rs. 5,000 crore in FY18 as minimum balance penalty

State Bank of India (SBI) accounted for nearly half the amount collected as minimum balance penalty in 2017-18

State Bank of India re-introduced the minimum balance penalty on 1 April 2017

Aug 05 2018 | PTI

live mint

New Delhi: Twenty-one public sector banks and three major private sector lenders collected Rs. 5,000 crore from customers as minimum balance penalty in 2017-18, according to banking data. State Bank of India, which suffered a staggering net loss of Rs. 6,547 crore during 2017-18, led the pack in penalising its customers for not maintaining minimum balance. It accounted for nearly half the amount collected as minimum balance penalty.

After SBI, the largest amount of minimum balance penalty during 2017-18 was collected by HDFC Bank Ltd. It charged its customers Rs. 590.84 crore, which is lower than Rs. 619.39 crore in 2016-17, the data revealed.

Axis Bank collected Rs. 530.12 crore in the last fiscal while ICICI Bank charged Rs. 317.6 crore.

SBI was charging the penalty on failure to maintain monthly average balance requirement till 2012 and re-introduced it on 1 April 2017 and reduced the charges with effect from 1 October 2017.

According to norms set by the Reserve Bank of India (RBI), banks are permitted to levy service/miscellaneous charges. Customers opening accounts under Basic Savings Bank Deposit (BSBD) scheme as well as Pradhan Mantri Jan Dhan Yojna are not required to maintain any minimum balance.

Commonwealth card to get Choksi

Suhasini Haidar
NEW DELHI, AUGUST 06, 2018
THE HINDU

Issues notification to extend extradition rights to Antigua to pursue the case

Hopeful of using its Commonwealth membership to pursue the extradition of Mehul Choksi from Antigua, the government has issued a Gazette notification extending extradition rights to the Caribbean country as part of the Commonwealth procedure. Mr. Choksi, a jeweller and uncle of fugitive Nirav Modi, both of whom are wanted for loan defaults in India, has reportedly been residing in the islands of Antigua and Barbuda. He was granted a "Citizenship by Investment" there in November 2017.

According to the Gazette notification (F.No. T-413/35/2018 dated August 3,2018), made public on Monday, the government directed "that the provisions of the Extradition Act, 1962, shall apply with respect to Antigua and Barbuda." India has no extradition treaty with Antigua, but has discussed with officials in Antigua the possibility of using a clause in the Extradition Act (1993) of Antigua and Barbuda that extends similar procedures to all 53 countries of the Commonwealth that former colonies of the United Kingdom are part of.

"These notifications constitute an extradition arrangement between India and Antigua and Barbuda under their Extradition Act of 1993 and provide the legal basis for extraditing offenders from each other's jurisdiction," government sources said on Monday, stressing that the countries only have an "arrangement" but not an "extradition treaty."

Officials' visit

In the past week, a series of Indian officials have made a beeline for the small island of Antigua, as the controversy over how Mr. Choksi was allowed to escape charges of banking fraud and violation of capital market regulations in the Punjab National Bank case worth more than Rs. 13,500 crores, grew. On July 31, India's Ambassador to Guyana, V. Mahalingham, who is also accredited to Antigua and Barbuda, flew there to meet Antiguan Prime Minister Gaston Browne and personally make the case for Mr. Choksi's extradition to India.

According to a press release from PM Browne's office, published in the Antigua Chronicle, Mr. Browne "explained that the citizenship of Mr. Choksi could only be revoked with cause, based on whether or not Mr. Choksi had made false assertions or made omissions of facts during the citizenship application process."

Mr. Browne had also pointed to difficulties with the lack of an extradition treaty with India and the fact that India had not invoked the Commonwealth Extradition Act yet, which has now been fixed by the August 3 gazette notification. A team of External Affairs Ministry officials, led by the Additional Secretary for Consular, Passport and Visa issues Manpreet Vohra met with their Antiguan counterparts soon after Mr. Mahalingam's visit and handed over a formal request for extradition. "[Antiguan officials] assured [India of] cooperation and due process," an official told ***The Hindu***.

One-third of PSBs remain headless

Manojit Saha

MUMBAI , AUGUST 07, 2018

THE HINDU

PM-led panel yet to appoint CEOs

One-third of public sector banks remain headless as a Prime Minister-headed panel is yet to clear the CEO appointments. The chief executive officer post at three PSBs remain vacant for more than seven months.

PSBs without MD and CEO

Vacancies remain even though the Banks' Board Bureau had recommended names of 14 candidates to the government at the end of June

Bank	Post vacant since
Andhra Bank	Jan 1, 2018
Punjab & Sind Bank	Jan 1, 2018
Dena Bank	Jan 1, 2018
*Allahabad Bank	May 16, 2018
*Bank of Maharashtra	June 30, 2018
Canara Bank	Aug. 1, 2018
Central Bank of India	Aug. 1, 2018

*Divested of functional responsibilities while others superannuated

Source: Exchange filings

On July 31, two more PSB CEOs — Rakesh Sharma of Canara Bank and Rajeev Rishi of Central Bank of India — hung up their boots, taking the total number of such vacancies to seven. There are 21 public sector lenders in the country.

Dena Bank, Punjab & Sind Bank and Andhra Bank do not have a CEO since January this year.

In May, Allahabad Bank MD and CEO Usha Ananthasubramanian was divested of her responsibilities after the CBI charge-sheeted her in the Nirav Modi scam.

In June, R. Marathe, MD & CEO, Bank of Maharashtra too was divested of his portfolio after he was arrested (later obtained bail) for allegedly violating norms while extending loans to a real estate developer.

Bank of Baroda's MD & CEO P.S. Jayakumar will complete his three-year term in August, but is likely to get an extension.

Goyal's assurance

These top posts, along with several executive directors' post in public sector banks continue to remain vacant even as Finance Minister Piyush Goyal told the media on June 8 that the posts would be 'filled up in a month'.

The Banks' Board Bureau (BBB) too had recommended names of 14 candidates to the Union government by June end. These candidates were to be appointed for vacancies arising in the current financial year. The Appointment Committee of Cabinet (ACC), headed by the Prime Minister, makes the appointments.

The government is yet to appoint Anshula Kant as MD of SBI, as was recommended by the BBB. According to bankers, the decision-making process at banks gets affected in the absence of leadership, particularly when the festive season, during which credit demand picks up, is about to kick in.

RBI must resume issuing LoUs, LoCs, says parliamentary panel

T.C.A. Sharad Raghavan
NEW DELHI, AUGUST 06, 2018
THE HINDU

Discontinuation of the facility has resulted in 2-2.5% increase in cost of credit: Parliamentary panel

The Reserve Bank of India's decision to discontinue the issuance of Letters of Undertaking (LoU) and Letters of Credit (LoC) for trade credit was a "knee-jerk reaction" to the Punjab National Bank fraud case and the facility should be restored at the earliest, the Parliamentary Standing

Committee on Commerce said in a report tabled in the Rajya Sabha on Monday.

The Committee also noted that all the stakeholders it consulted, representing trade and industry, unanimously said that the discontinuation of the LoU and LoC facility had resulted in a 2-2.5% increase in the cost of credit. “The Committee is of the considered opinion that discontinuation of the practice of issuance of LoU/LoC for trade credit by the RBI was a knee-jerk reaction,” the report said. “The Committee feels that the RBI got unnerved with the PNB fraud and it hastened the decision to ban LoU/LoC without much thought and consideration.” The panel noted that all the stakeholders, including banks, were of the opinion that LoUs and LoCs were accepted globally and their efficacy as a source of cost-effective short term credit of foreign currency for importers was “unmatched”. “The Committee notes that there is also unanimity that the ban of LoU/LoC has resulted in rise in the cost of credit by 2% to 2.5%,” the report added.

“This will affect the cost competiveness of the country’s trade and industry and have a cascading effect on jobs. The loss of jobs is something the country can ill-afford.”

The Committee said that RBI should have engaged in more consultations with stakeholders on the matter before resorting to discontinuation of LoUs and LoCs.

“It [the Committee] is of the considered opinion that LoU/LoC should be restored at the earliest albeit with proper safeguards,” the report said. “Its restoration assumes more significance in the face of the fact that the content of imports is over 20% of India’s total exports.”

The Committee also highlighted the fact that the discontinuation of LoUs and LoCs as a response to the fraud has set off a knock-on effect of conservatism in the banking sector.

MSME sector hit

“The banks have become very stringent in their operation and credit exposures,” the report said.

"The caution has inadvertently made banks becoming inaccessible to the MSME sector. The Committee is concerned that such an approach has the dangers of making banking services elitist and subservient to a few large corporates leaving out the vast majority of MSME units," the report added.

NCLAT extends deadline to submit revised bids for Bhushan Power

OUR BUREAUS | NEW DELHI/MUMBAI, AUGUST 6

THE HINDU BusinessLine

The National Company Law Appellate Tribunal (NCLAT) on Monday extended the deadline for a resolution plan for the stressed Bhushan Power and Steel Ltd (BPSL) till August 13.

The two-member bench, headed by Justice SJ Mukhopadhyaya, had earlier set an August 6 deadline for the resolution of the debt-ridden BPSL, for which Tata Steel, Liberty House and JSW Steel are bidders. The matter will be heard again at the NCLAT on August 17. Tata Steel has moved the Supreme Court against NCLAT's decision to consider revised bids for the stressed assets of BPSL.

Moving the petition in the apex court on Friday, Tata Steel asked for an urgent hearing as the lenders will consider the revised bids by August 6.

However, the three-judge bench headed by Chief Justice Dipak Misra turned down the urgent hearing plea and posted the matter for August 10.

JSW Steel has revised its bid to about Rs.19,000 crore from Rs.11,000 crore, way higher than Tata Steel's Rs.17,000 crore, and beating Liberty House's offer ofRs.18,600 crore.

Tata Steel had written a letter to Bhushan Steel's Committee of Creditors not to consider the Rs.19,000-crore revised bid placed by JSW Steel. When the CoC informed NCLAT about the new, higher bid by JSW Steel, the Tribunal asked all the three bidders, including Liberty House, to revise their bids by August 6.

The resolution period for the company was to end on June 23.

Banks lost Rs.32,000 cr to frauds in FY2017-18

Reserve Bank of India data reveals three-fold rise in the last 5 years

G NAGA SRIDHAR | HYDERABAD, AUGUST 6

THE HINDU BusinessLine

There has been a jump in the quantum of funds involved in frauds in banks and other financial institutions during the year 2017-18.

As per data submitted by the Reserve Bank of India (RBI) to the Centre, the amount increased to Rs.32,048 crore in the last financial year against Rs.23,930 crore in the previous year.

For public sector banks, it had gone up significantly from Rs.19,529 crore toRs.29,246 crore. Nationalised banks witnessed a steep increase in this regard.

This increase is noteworthy as it could not be prevented despite a directive to public sector banks to ensue a framework for timely detection of frauds.

For SBI, there was a decrease in the amount involved, though the number of reported frauds had gone up. It came down to Rs.254,198 lakh from Rs.303,642 lakh in the previous year. The number of frauds, however, had gone up to 981 from 794.

Private sector banks had also witnessed a decrease in the amount involved in frauds.

Apparently, banks became victims of high-profile customers, as the number of frauds were 2,883 against 2,709 in the financial year 2016-17.

A look into the last five years' data reveals that there has been a three-fold increase in public money that was lost. For instance, in 2013-14, the amount involved was Rs.10,170 crore, and the number of reported frauds were only 4,306.

The RBI had, in February 2018, constituted a panel under the chairmanship of YH Malegam to look into factors that contribute to the increase in the number of frauds. It has also been asked to come up with measures to prevent frauds.

The Central Vigilance Commission (CVC) has analysed 17 large-value accounts across seven different sectors – gem and jewellery, manufacturing/industry, agro, media, aviation, service/projects and discounting of cheques.

In case of accounts classified as non-performing assets, banks have also been told to initiate staff accountability exercise within six months from the date of reporting. The outcome should be placed before the special committee of the board for monitoring and follow-up of frauds.

When contacted, an executive director of a public sector bank told ***BusinessLine*** that the increase was due to stringent investigations being undertaken by banks on corporate and other advances, and is likely to be under control over the next couple of years.

ICICI Bank masked bad loans through change in accounting policy

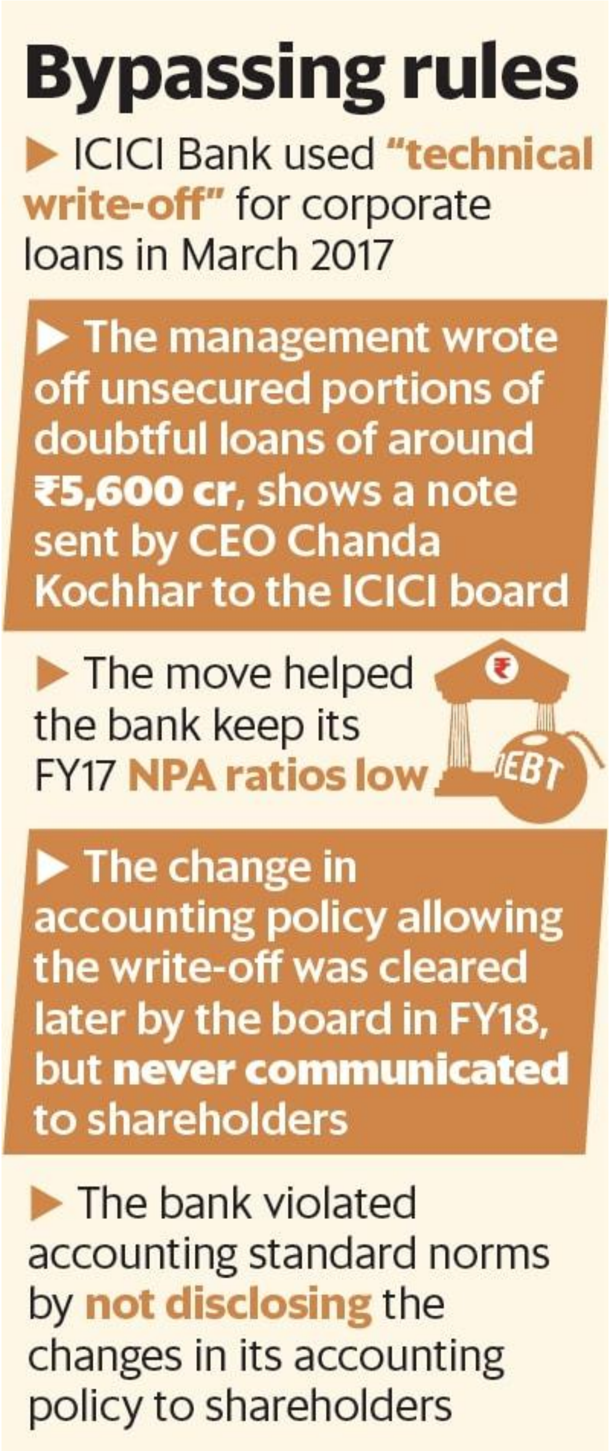
As a result of the changed accounting policy, ICICI Bank's NPA for 2016-17 was 7.89%, but had the new policy not been implemented, gross NPAs would have been higher at around 8.5%

The ICICI Bank wrote off unsecured portions of doubtful corporate loans totalling Rs.5,000-5,600 crore in 2016-17, CEO Chanda Kochhar said in a note early April

Aug 07 2018 | Anirudh Laskar

Mumbai: As a multi-agency probe into dealings by ICICI Bank Ltd and its chief executive Chanda Kochhar has gathered pace in recent weeks, more skeletons are tumbling out of the closet of the country's second-largest private bank. As financial year 2016-17 drew to a close, the ICICI Bank management wrote off unsecured portions of doubtful corporate loans totalling Rs.5,000-5,600 crore, according to a note Kochhar sent to the bank's board in early April.

The change in accounting policy that enabled these "technical write-offs" was cleared by the bank's board only in the new financial year, and never communicated to shareholders, as required by banking and market regulators. Thanks, in part, to the changed policy, ICICI Bank managed to keep its 2016-17 bad loan ratios low. *Mint* has reviewed a copy of the note.



Publicly traded entities in India have to mandatorily disclose material changes in their accounting policy to shareholders. Not doing so violates India's accounting standard (AS) norms and regulations prescribed by both the banking and markets regulators.

"It is mandatory for the bank and any listed company to strictly follow the AS norms and compulsorily disclose any change in accounting policies so that the public and the shareholders are able to take an informed decision before investing or divesting in ICICI Bank stock," said a senior regulatory official, requesting anonymity.

"Non-disclosure of changes in accounting policies is (a) violation of accounting norms and rules set by the RBI and Sebi, because it misleads the investors," the official said. "NPAs are a crucial component of a bank's business. Disclosure of any change in accounting of NPAs is therefore a must, especially considering the current scenario and the regulators' seriousness regarding bad assets at banks."

A week into the new financial year, on 7 April 2017, the ICICI Bank board approved the change in accounting policy, but the accounting entries in the lender's books were made before the approval came, in the second, third and last week of the previous month, following directions from the top management. This indicates the board knew about the change in the accounting policy and had given its in-principle approval.

In a note for the board meeting dated 6-7 April 2017, managing director Kochhar said ICICI Bank was modifying the policy for writing off non-performing assets in corporate credit facilities and the same was put up for the audit committee's approval on 5 April 2017. *Mint* has reviewed a copy of the board note.

"From the quarter ending 31 March, 2017, it is proposed that in addition to credit facilities of borrowers classified as loss assets, the unsecured portion of loans of borrowers classified as doubtful would be eligible to be considered for write-off," Kochhar's note to the board said.

"The write-off would be based on a borrower specific evaluation of collectibility. The write-off of credit facilities as per the above proposal would be considered as a technical write-off for the purposes of disclosures in the financial statements and other regulatory reporting. Based on the non-performing loans outstanding at 31 December, 2016, it is estimated that the unsecured portion of non-performing loans classified as doubtful in the range of Rs.5,000 crore to 5,600 crore would be eligible to be considered for a write-off at 31 March, 2017."

An ICICI Bank spokesman declined to comment.

As a result of the changed accounting policy, ICICI Bank's gross NPA for 2016-17 was 7.89%. Had the new policy not been implemented, gross NPAs would have been higher at around 8.5%.

The proposal was approved by the audit committee on 5 April 2017 and the ICICI Bank board on 7 April 2017. The board note termed this part as "significant changes since the last review and material disclosures".

However, the bank did not disclose this change in accounting policy to its shareholders, either along with its annual results, or separately through stock exchanges filings or in its annual report, thus violating accounting rules and existing financial regulatory norms.

"If a change is made in the accounting policies, which has no material effect on the financial statements for the current period but which is reasonably expected to have a material effect in later periods, the fact of such change should be appropriately disclosed in the period in which the change is adopted," states AS norms. The Securities and Exchange Board of India (Sebi) and the Reserve Bank of India (RBI) have made it mandatory for banks to comply with AS norms.

Section 28 of AS 5 states that if there are changes in accounting policies, investors should be able to compare financial statements of an enterprise over a period of time to identify trends in its financial position, performance and cash flows.

Section 29 of AS states that a change in accounting policy should be made only if the adoption of a different accounting policy is required by statute or for compliance with an accounting standard or if it is considered that the change would result in a more appropriate presentation of the financial statements of the enterprise.

Justifying the rationale behind the change, the board note originating from the bank's impaired loans accounting group of ICICI Bank, undersigned by Kochhar and then executive director N.S. Kannan said: "The bank's ability to recover the unsecured portion of NPAs for more than a year is generally constrained by the non-availability of any tangible security. While the bank continues to pursue recovery efforts mainly through legal recourse and other steps such as exercising its right over intangible security in the form of personal or corporate guarantees, these measures are generally long drawn with uncertainty in recovery. Hence it is proposed to undertake a technical write-off of the unsecured portion of non-performing loans (NPLs) in the doubtful category."

A bank typically writes off loans when it turns into a loss asset (after becoming an NPA), the bank is sure of its inability to recover the dues and a 100% provisioning is made.

A write-off of a bad loan brings down the gross NPA percentage.

Until FY2016, ICICI Bank used to write off only loss assets.

Unsecured loans consist of contingent funding obligations, which primarily include bank guarantees and letters of credit issued on behalf of the bank's clients. The provisioning requirement for unsecured "doubtful" assets is 100%.

Unsecured exposure is defined as an exposure where the realizable value of the security, as assessed by the bank/approved valuers/RBI's inspecting officers, is not more than 10%, ab-initio, of the outstanding exposure.

As of 31 March 2017, ICICI Bank had unsecured advances worth Rs.1.06 trillion compared with Rs.88,589.65 crore at the end of March 2016.

Interestingly, ICICI Bank's annual report for fiscal 2017 mentions other developments regarding changes in board and various committees from the board meeting held on 6-7 April 2017, but it is silent on such a significant change in accounting policy.

"In fiscal 2017, the bank recovered/upgraded non-performing assets amounting to Rs.2,538 crore and wrote-off/sold non-performing assets amounting to Rs.15,175 crore. As a result, gross NPAs (net of write-offs) of the bank increased from Rs.26,721 crore at 31 March, 2016 to Rs.42,552 crore at 31 March, 2017," said the bank's annual report.

PNB fraud case: Govt working out modalities with Antigua for extradition of Mehul Choksi

The mechanism is based on both India and Antigua being Commonwealth countries and recognizing each other as 'designated Commonwealth countries' under their respective extradition Acts

Mehul Choksi is one of two key accused in the case relating to the Rs.14,000 crore PNB fraud

Aug 06 2018 | Elizabeth Roche

live mint

New Delhi: India on Monday said it is working out an arrangement with Antigua for extraditing absconding diamantaire Mehul Choksi, who is accused in the Rs.14,000 crore Punjab National Bank (PNB) fraud, the biggest banking scam in the country, despite the two nations not having a formal extradition treaty.

The mechanism is based on both India and Antigua being Commonwealth countries and recognizing each other as "designated Commonwealth countries" under their respective extradition Acts.

India notified Antigua as a "designated Commonwealth country" on Friday under the provisions of its 1962 Act, while Antiguan authorities already recognize India similarly under the provisions of their 1993 Extradition Act.

"The government of Antigua and Barbuda notified India as a designated Commonwealth country in 2001," said a person familiar with the matter.

A government of India gazette notification dated 3 August says that "the central government hereby directs the provisions of the Extradition Act of 1962 shall apply in the case of Antigua with effect from the date of notifying India as a designated Commonwealth country."

“These notifications constitute an extradition arrangement between India and Antigua and Barbuda under their Extradition Act of 1993 and provides the legal basis for extraditing offenders from each other’s jurisdiction,” the person quoted above said.

India over the weekend handed over an extradition request to the Antiguan government to bring back Choksi, one of two key accused in the PNB fraud. Choksi is understood to be in Antigua after having obtained a citizenship last year. Choksi, who fled India in January, is wanted by the Central Bureau of Investigation and the Enforcement Directorate probing the PNB fraud.

Choksi’s application for citizenship in Antigua in May 2017 included a clearance from Indian authorities as required by norms, Antiguan newspaper *The Daily Observer* reported, citing a statement from the Citizenship by Investment Unit of Antigua and Barbuda. It said the police clearance certificate from the Regional Passport Office in Mumbai said there was no adverse information against Choksi which would make him ineligible for the grant of a visa by Antigua. When asked about the police clearance certificate to Choksi, a spokesperson for the ministry of external affairs on Friday had said it was given on the basis of a clear police verification report available with his passport.

PM Modi to launch India Post Payments Bank on August 21

PTI| Aug 05, 2018

THE ECONOMIC TIMES

Prime Minister Narendra Modi on August 21 will launch long-awaited India Post Payments Bank (IPPB) that will have at least one branch in every district and focus on financial services in rural areas, a senior official said.

"The Prime Minister has given time on August 21 to launch IPPB. Two branches of the bank are already operational. Rest of the 648 branches will be launched across country in every district," a senior official of the communications ministry told PTI.

IPPB will leverage reach of 1.55 lakh post office branches to provide banking and financial service to people in rural area.

"Government is trying to link all the 1.55 lakh post office branches with IPPB services by the end of this year," the official said.

This will create the country's largest banking network with direct presence at village level.

Last week, IPPB CEO Suresh Sethi said that IPPB will go live with 650 branches in addition to 3,250 access points co-located at post offices and around 11,000 postmen both in rural and urban area will provide doorstep banking services.

IPPB has permission to link around 17 crore postal savings bank (PSB) account with its account.

With IPPB in place, people in rural area will be able to avail digital banking and financial services, including money transfer, to any bank account either with help of mobile app or by visiting a post office.

IPPB was the third entity to receive payments bank permit after Airtel and Paytm. Payments banks can accept deposits up to Rs 1 lakh per account from individuals and small businesses.

The postal payment bank has permit to carry RTGS, NEFT, IMPS transaction that will enable IPPB customers to transfer and receive money from any bank account.

The payment bank will be used by government to distribute NREGA wages, subsidies, pension etc.

The IPPB app which is expected to be launched on same day will enable customers to pay for services of around 100 firms including phone recharges and bill, electricity bill, DTH service, college fees etc that are present on Bharat Bill payments system of National Payments Corporation of India.

Banks to back staff on loan decisions with legal, financial aid

The move comes in the wake of bankers expressing concern at a June press meet over the arrest of top Bank of Maharashtra officials for decisions taken in the discharge of their official duties.

To adopt plan IBA is putting together

K RAM KUMAR

THE HINDU BusinessLine

To instil confidence and a sense of security among bankers and directors so that they continue to take ***bona fide*** lending and recovery decisions without fear, banks will soon adopt a comprehensive financial and legal support scheme put together by the Indian Banks' Association.

The move comes in the wake of bankers expressing concern at a June press meet over the arrest of top Bank of Maharashtra officials for decisions taken in the discharge of their official duties. Following the arrest, decisions on lending to corporates had slowed across the banking system.

As per the scheme, banks will provide full legal and financial support to defend serving/retired employees and officers, and also present/ former directors and their family members against cases arising out of ***bona fide*** execution of a bank's work during their service period .

It will also cover instances in which complaints/prosecution have been launched by the police or the CBI , and other government agencies against employees/officers/directors when carrying out their normal duties.

Family members (parents, spouse and children) who are exposed due to the action of employees/officers/directors in the course of the recovery process or the execution of a bank's work will be covered under the scheme.

Banks will provide legal support to defend employees even after their transfer or retirement, or resignation from service till the final disposal of such cases.

Also, urgent steps will be taken by banks to avoid arrest of staff by seeking anticipatory bail. They will quickly move bail application in case of arrest or imprisonment.

Arrest of employees as a consequence of initiation of criminal proceedings against defaulters or arising out of ***bona fide*** execution of a bank's work during the service period will not be treated as a black mark on performance.

Banks will give due recognition to employees who have to undergo hardship in the process of recovery of dues due to the stern action taken by them towards defaulters. They will pay all legal/miscellaneous expenses, transportation and other incidental expenses incurred by the officials even after transfer, retirement, or resignation.

Whenever officials are called by the police/CBI for interaction, banks will arrange for presence of an empanelled advocate.

Banks will provide medical, legal, and financial support in case of miscellaneous hazards — physical injury, manhandling, etc — faced by employees.

Employees will be compensated at the rate of 10 times the admissible halting allowance per day for any arrest period.

Corporate governance standards at PSBs better'

PTI
NEW DELHI, AUGUST 04, 2018
THE HINDU

Emphasising that corporate governance standards being followed by public sector banks are much better than ever before, Finance Minister Piyush Goyal said the government has stopped the "phone-call thing" coming in from Delhi to the banks.

In an apparent dig at the previous UPA regime, Mr. Goyal said that not a single phone call would go to "give a loan, to address a loan, to restructure a loan or to settle a loan."

Against the backdrop of high amounts of stressed assets in the banking system, the ruling BJP had alleged that earlier, banks used to get calls from the higher ups in the national capital to provide loans to various entities.

Mr. Goyal told the Lok Sabha that the corporate governance standards being followed by public sector banks now are much better than ever before.

"We are proud to say that in these four years of this government, we have stopped the phone call thing coming in from Delhi to the banks.

"Not a single phone call will go to give a loan, to address a loan, to restructure a loan or to settle a loan," the Finance Minister said.

"We have given autonomy to the banks," he said during Question Hour.

EVERDAY IS AIBEA DAY	AIBEA THIS DAY – 11 AUGUST
1948	First Conference of Uttar Pradesh Bank Employees' Union. Raj Ram Shastri and I C Tiwari elected as President and General Secretary.
1983	4th Bipartite Action Committee meets at Delhi.
2008	9th B P Talks-

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