



# IBOA CONNECT



All India Indian Bank Officers' Association

3, Sripuram 2nd lane, Royapettah, Chennai 600 014,

Ph No. 044-2811 3376/86

Email: [iboa.tn.pondy@gmail.com](mailto:iboa.tn.pondy@gmail.com)

Website: [www.aiiboa.in](http://www.aiiboa.in)

Vol : 6 - Issue : 12

Internal Circulation

October 2022

## Recurrence of Fraud in Jewel Loans

Dear Comrades,

You may be aware that we are coming across frauds in Jewel Loan portfolio every now and then. In recent times we hear more of such unfortunate news. In most cases, it happens with the involvement of the appraiser of the branch. Nowadays, the officials of the branches have been sanctioning more jewel loans due to excessive pressure on this front and could not follow the systems and procedures for want of time. The fraudsters use this condition to accomplish ill motives one way or the other. The modus operandi is dynamic. So, our members should be ever vigilant in this fraud-prone area.

Normally following methods are used for committing fraud.

- The fraudster tries to pledge less touchstone jewels in the branches with the help of appraisers which is difficult to find in the normal course.
- The appraiser used to redeem the jewels in impersonation to benefit from the original value of the jewels.

- Since the dual operating system is not followed, fraudsters used to steal the undelivered jewels.
- At the time of renewal, appraisers used to renew the jewels for a higher value to take advantage of the higher value of renewal without the knowledge of the customer.

The fraud can be avoided if the BM/ABM/ the loan sanctioning officers follow our Bank Jewel Loan policy procedures.

### Important guidelines to avoid the occurrence of untoward incidents at the branches:

- i. The role of a Branch Manager/ABM/Officer relating to the processing of jewel loans cannot be entrusted to the appraisers except for the purpose of assessing the purity, weight, and value of the jewels. Therefore, the Branch Manager/ABM/Officer should verify the purity randomly to the extent possible before sanctioning the loan.

**AIBOA WISHES A**

Happy Diwali



- ii. If some borrower approaches again and again for more than one loan again, the branch should be alert and satisfy itself about the purpose of the loan. Branches may restrict the number of jewel loans up to a maximum of five per customer at any point in time.
- iii. After the jewels are appraised in the presence of BM / Officer-in-charge by the appraiser, the same should be taken into the custody of BM / Officer, and on no account should they be allowed to remain with the appraiser.
- iv. Release of Jewels should be made against full repayment of the loan, and the jewels should be handed over directly to the borrower by the Branch Manager/officer against acknowledgment after ensuring the identity of the customer. In no case jewels meant for release should be routed through others.
- v. The re-appraisal should be entrusted to 3 or 4 appraisers on a rotation basis.
- vi. Re-appraisal of entire jewel loan packets is to be conducted at the time of any fraud committed by the appraiser of the branch or disengagement of his service due to various reasons. If he has done re-appraisal work at any other branches, the same exercise is to be done.
- vii. Basically, it is the prime responsibility of the Branch Manager/ABM/Officer-in-charge of the JL section to have a dialogue with the applicant and satisfy himself

about the need and end use of finance, source of cash flow for repayment and about the ownership of jewels pledged.

- viii. All staff-related accounts other than non-priority jewel loans are to be referred to the concerned Zonal Office for sanction/confirmation to be obtained from the concerned Zonal Office.

These procedures will prevent and discourage unscrupulous elements from carrying out fraudulent activities in Jewel Loan matters.

Many have the notion that handling a Jewel Loan portfolio is very simple and requires no skill. But this portfolio is more prone to fraud. Our officers land in internal Disciplinary proceedings and external agencies interrogation if fraud happens in the branches. In the pressure of sanctioning more Jewel loans, our officers fail to follow the mandatory procedures, which results in problems. We advise our members not to dilute the procedures in the prevailing pressures and carry out the sanctions and renewals to the extent of infrastructure available to you without compromising the laid down procedures.

With Greetings.

Yours Comradely,



**R SEKARAN**  
**SECRETARY GENERAL**

## Digital Lending Norms

In News: Aiming to curb rising malpractices in the digital lending ecosystem, the Reserve Bank of India (RBI) issued guidelines for entities engaged in digital lending,

- The norms state that all digital loans must be disbursed and repaid through bank accounts of regulated entities only, without pass-through of lending service providers (LSPs) or other third parties.
- The norms follow the recommendations of a working group for digital lending, whose report was made public last November.

- The concerns of digital lending primarily relates to unbridled engagement of third parties, mis-selling, breach of data privacy, unfair business conduct, charging of exorbitant interest rates, and unethical recovery practices.

The regulator classified digital lenders into three categories:

- entities regulated by the RBI and permitted to carry out lending business,

- entities authorised to carry out lending as per other statutory or regulatory provisions but not regulated by the RBI,
- and entities lending outside the purview of any statutory or regulatory provisions.
- The latest regulatory framework is focused on the digital lending ecosystem of RBI's regulated entities (REs) and the LSPs engaged by them to extend credit facilitation services.
- As for entities falling in the second category, the respective regulator may consider formulating rules on digital lending, based on the recommendations of the working group.
- For entities in the third category, the working group has suggested specific legislative and institutional interventions for consideration by the government to curb illegitimate lending.
- Apart from direct disbursements and repayments of digital loans, the norms mandate that any fees or charges payable to LSPs in the credit intermediation process shall be paid directly by the RE and not by the borrower.
- A standardised key fact statement (KFS) must be provided to the borrower before executing the loan contract.
- The all-inclusive cost of digital loans in the form of annual percentage rate (APR) will have to be disclosed to borrowers.
- Automatic increases in credit limit without the explicit consent of borrowers has been prohibited.
- The loan contract must provide for a cooling-off or look-up period during which borrowers can exit digital loans by paying the principal and the proportionate APR without any penalty.

### **Digital Lending:**

- It consists of lending through web platforms or mobile apps, by taking advantage of technology for authentication and credit assessment.
- India's digital lending market has seen a significant rise over the years.
- The digital lending value increased from USD 33 billion in FY15 to USD 150 billion in FY20 and is expected to hit the USD 350-billion mark by FY23.

- Banks have launched their own independent digital lending platforms to tap in the digital lending market by leveraging existing capabilities in traditional lending.

### **Significance of Digital Lending:**

- Financial Inclusion: It helps in meeting the huge unmet credit need, particularly in the microenterprise and low-income consumer segment in India.
- Reduce Borrowing from informal channels: It helps in reducing informal borrowings as it simplifies the process of borrowing.
- Time Saving: It decreases time spent on working loan applications in-branch. Digital lending platforms have also been known to cut overhead costs by 30-50%.

### **Issues with Digital Lending Platforms:**

- Growing number of unauthorised digital lending platforms and mobile applications as:
- They charge excessive rates of interest and additional hidden charges.
- They adopt unacceptable and high-handed recovery methods.
- They misuse agreements to access data on mobile phones of borrowers.

### **Steps Taken by RBI:**

- Non-Banking Financial Companies (NBFCs) and banks need to state the names of online platforms they are working with.
- RBI has also mandated that digital lending platforms which are used on behalf of Banks and NBFCs should disclose the name of the Bank(s) or NBFC(s) upfront to the customers.
- The central bank had also asked lending apps to issue a sanction letter to the borrower on the letter head of the bank/ NBFC concerned before the execution of the loan agreement.
- Legitimate public lending activities can be undertaken by banks, NBFCs registered with the RBI and other entities who are regulated by state governments under statutory provisions.

## Way Forward

- India is on the verge of a digital lending revolution and making sure that this lending is done responsibly can ensure the fruits of this revolution are realized.
- As several players have access to sensitive consumer data, there must be clear guidelines around, for example, the type of data that can be held, the length of time data can be held for, and restrictions on the use of data.

- Digital lenders should proactively develop and commit to a code of conduct that outlines the principles of integrity, transparency and consumer protection, with clear standards of disclosure and grievance redressal.
- Apart from establishing technological safeguards, educating and training customers to spread awareness about digital lending is also important.

## Corruption in Governance

Let us analyse corruption and its consequences in Governance.

### What is Corruption?

- Corruption is dishonest behavior by those in positions of power.
- Corruption can entail a variety of actions, including giving or accepting bribes or inappropriate gifts, double-dealing, and defrauding investors.
- India was ranked 85 among 180 countries in the corruption perception index 2021.

### Reasons for the Prevalence of Corruption

- Politicization of the Positions: When positions are used as rewards for political support or swapped for bribes, the opportunities for high levels of corruption increase significantly.
- Lower Wages Compared to Private Sector: Lower wages for Government Officials compared to those in the private sector.
- Administrative Delays: Delays in the clearance of files are the root cause of corruption.
- Colonial Legacy of Unchallenged Authority: In a society which worships power, it is easy for public officials to deviate from ethical conduct.
- Weak Enforcement of Law: Various laws have been made to curb the evil of corruption but their weak enforcement has acted as a hindrance in curbing corruption.

### Consequences of Corruption:

- On People and Public Life: Lack of Quality in Services: In a system with corruption, there is no quality of service.

- Lack of Proper Justice: Corruption in the judiciary system leads to improper justice. And the victims of offense might suffer.
- A crime may be proved as a benefit of the doubt due to a lack of evidence or even the evidence erased.
- Due to corruption in the police system, the investigation process has been going on for decades.
- Poor Health and Hygiene: In countries with more corruption, one can notice more health problems among people. There will be no fresh drinking water, proper roads, quality food grains supply, milk adulteration, etc.
- Failure of Genuine Research: Research by individuals needs government funding and some of the funding agencies have corrupt officers.
- These people sanction the funds for research to those investigators who are ready to bribe them.

### On Society:

- Disregard for Officials: People start disregarding the official involved in corruption by talking negatively about him.
- Lack of Respect for Rulers: Rulers of the nation lose respect among the public. Respect is the main criteria in social life.
- Lack of Faith and Trust in Governments: People vote for a ruler based on their faith in him/ her, but if leaders are found to be involved in corruption, people lose faith in them and may not vote next time.

### Aversion for Joining the Posts Linked to Corruption:

- Sincere, honest, and hard working people develop an aversion for the particular posts deemed corrupt.

- Though they like those jobs, they tend not to opt for them as they believe that they also would have to be involved in corruption if they get into the post.

**On Economy:**

- A Decrease in Foreign Investment: Corruption in government bodies has led to many foreign investments going back from developing countries.
- Delay in Growth: An official who needs to pass clearances for projects or industries delays the process in order to make money and other unlawful benefits. A work which can be done in a few days may be done in a month.
- Lack of Development: Many new industries willing to get started in a particular region change their plans if the region is unsuitable.

**Indian Government Initiatives to reduce corruption:**

- The Indian Penal Code, 1860
- Prevention of Corruption Act, 1988

- The Prevention of Money Laundering Act, 2002
- The Foreign Contribution (Regulation) Act, 2010
- The Companies Act, 2013
- The Lokpal and Lokayuktas Act, 2013
- Central Vigilance Commission
- Government has launched 'Mission Karmayogi' with an aim to build a citizen-centric and future-ready civil service for the nation.

**Way Forward:**

- Simplifying Disciplinary Process: By simplifying the disciplinary process and strengthening preventive vigilance within the departments, it can be ensured that corrupt officials do not occupy sensitive positions
- Emphasize Value-based Training: It is important to emphasize value-based training to all Officials who hold public offices to ensure probity in public life.

**WEDDING BELLS**

**Selvan. Nikhil**  
 (S/o. Com. Kumaran, Deputy Zonal Manager,  
 Indian Bank)  
 Married to  
 Selvi. Srinidhisha  
 At Chennai on 05 09 22

**Com. Muruga Prabhu, B.E.,**  
 (Branch Manager, Indian Bank, Koothanallur)  
 Married to  
 Selvi. S Keerthana, B.E.,  
 At Namakkal on 31 08 22

**Selvi. Divya Dharshini**  
 (D/o Com. K S Hemkumar, Manager, Puzhal Branch)  
 Married to  
 Selvan. A Yogeshwar  
 At Tiruvannamalai on 05 09 22

**Selvan. Dr.Karthikeyan H . ,MBBS.,M.D.,**  
 (s/o. Com.M.Hariharan, Manager,  
 Avaniapuram Branch)  
 Married to  
 Selvi. Dr,R.K.Praathi,MBBS, M.S.,  
 At Tirunelveli on 07 09 22

**Selvi. G V Shebaani, B.E.,**  
 ( D/o Com. Gandikota Vasudevan,  
 Retd Senior Manger)  
 Married to  
 Selvan. S. Khaniishk, B.E., PGD.,  
 At Chennai on 07 09 22

**Selvi. R Sunitha, M.E.,**  
 (D/o Com. V Radhakrishnan, Retd DGM)  
 Married to  
 Selvan. S Varun Balaji, M.S.,  
 At Chennai on 07 09 22

**Com. D Dean Michael, B.E.,**  
 (Asst Manager, Indian Bank, West Bengal)  
 Married to  
 P Priya Rosy, M.Sc., B.Ed.,  
 At Chennai on 09 09 22

***AIBOA Wishes a Very Happy Married Life to the Newly Wedded Couple.***



# Retirements

Sl.No.	NAME	DESIGNATION	Branch / Office
1	COM. MUKTI NATH PATEL .	GENERAL MANAGER	CORPORATE OFFICE
2	COM. SHASHIDHAR T G .	DEPUTY GENERAL MANAGER	FGMO HYDERABAD
3	COM. AMALENDU PRAKASH .	ASST. GENERAL MANAGER	IC PATNA
4	COM. MAHENDRA KUMAR GULATI .	ASST. GENERAL MANAGER	FGMO DELHI
5	COM. BALRAM SAHU .	CHIEF MANAGER	ZO:PATNA
6	COM. BIKRAM SINGH RANA .	CHIEF MANAGER	ZO:DELHI(CENTRAL)
7	COM. AGUILANE P .	CHIEF MANAGER	ZO:CUDDALORE
8	COM. JILLA SRINIVAS .	CHIEF MANAGER	INSP. CENTRE, HYDERABAD
9	COM. RAMACHANDRAN M V .	CHIEF MANAGER	ZO:KOZHICODE
10	COM. GALI SATHYANARAYANA .	ASST. BRANCH MANAGER	VELIVENNU
11	COM. JUGENDRA KUMAR ARORA .	ASST. BRANCH MANAGER	ALIGARH MUSLIM UNIVERSITY
12	COM. PRABIR KUMAR DEY .	BRANCH MANAGER	SINGUR
13	COM. YERA PRABHAKAR RAO .	BRANCH MANAGER	BRIJ ENCLAVE VARANASI
14	COM. PRAMOD RANJAN VERMA .	BRANCH MANAGER	NAVEEN SHAHDARA
15	COM. SUGANTHI SRIDHAR CHARY .	BRANCH MANAGER	ZO:MUMBAI(SOUTH)
16	COM. SHARAT KUMAR NAYAK .	SENIOR MANAGER	DAMC BHUBANESWAR
17	COM. SARVESH NARAYAN DWIVEDI .	SENIOR MANAGER	KANPUR MAIN
18	COM. ASHOK KUMAR ROUSTRAY .	SENIOR MANAGER	SAMV MUMBAI
19	COM. SIVAKUMAAR S .	SENIOR MANAGER	T NAGAR
20	COM. PRAGATI D RATH .	ASST. BRANCH MANAGER	GOREGAON
21	COM. SARAVANAN M .	ASST. BRANCH MANAGER	NEMILI
22	COM. SONKUSARE SURESH RAMBHAV .	ASST. BRANCH MANAGER	AMRAVATHI
23	COM. SNEHA AMARNATH JOSHI .	ASST. BRANCH MANAGER	BORIVALI (W)
24	COM. DURGA PRASAD KUREEL .	MANAGER	LUCKNOW MAIN BRANCH
25	COM. ARJUN HEMBRAM .	MANAGER	BERELA
26	COM. SAMSON S PHULPAGAR .	MANAGER	SAMV MUMBAI
27	COM. RAJEEV KUMAR GAUR .	MANAGER	ZO:MEERUT
28	COM. ARUN KUMAR SOMKUWAR .	ASST. BRANCH MANAGER	CHHINDWARA
29	COM. LATA RAMESH .	ASST. BRANCH MANAGER	MANGALURU
30	COM. PATIL VILAS GANAPATRAO .	ASST. BRANCH MANAGER	SANGLI
31	COM. ULLHAS GONNADE .	ASST. MANAGER	CIVIL LINES NAGPUR
32	COM. SIKHA GOSWAMI .	ASST. MANAGER	KAUGACHI
33	COM. SUWARNA GHOSH MOULICK .	ASST. MANAGER	CAPC KOLKATA

AIIBOA Wishes the above Comrades a Very Happy, Healthy and Peaceful Retired Life.

## IMPORTANT CIRCULARS DURING THE MONTH OF SEPTEMBER 2022

Date of Issue	Circular No.	Subject
01.09.2022	ADV-150	MODIFICATION IN RETAIL LOAN PRODUCTS: HOME LOAN & HOME LOAN PLUS
01.09.2022	ADV-151	Review of Interest Rate Benchmarks
06.09.2022	ADV-152	Modifications in number of Jewel Loans per customer
06.09.2022	ADV-153	FESTIVAL BONANZA FY 2022-23 VEHICLE LOAN
05.09.2022	HRMD-53	Reconstitution of Women Cell at Corporate Office
08.09.2022	ADV-156	IBA APPROVED LIST OF TRANSPORT OPERATOR
08.09.2022	ADV-157	Borrowers having old WO/OTS/Settled Status in their CIC reports
12.09.2022	HRMD-55	PUNCTUALITY IN MARKING BIOMETRIC ATTENDANCE
12.09.2022	ADV-159	FESTIVAL BONANZA FY 2022-23: IB HOME LOAN SCHEMES
12.09.2022	ADMIN-63	Issuance of Demand Draft (DD)/Inter-Office-Instruments(IOI)/ Remittance through IMPS/NEFT by the Walk-in-Customers
14.09.2022	ADV-161	Scheme for financing the MSMEs for purchase of Commercial Vehicles (CV) under tie up arrangements with various OEM's
15.09.2022	ADV-163	New Loan Product -IB MSME Jewel Loan
15.09.2022	ADV-166	Launching of New Product "MSME LAP"
16.09.2022	ADMIN-64	Sending of SMS to customer for providing transaction information-Procedural changes made in CBS for non-Individual customers
16.09.2022	ADV-169	SOP for Review of AGRI Loans in CBS
19.09.2022	CRA-37	Discontinuance of Cheque Book of e-Allahabad Bank
19.09.2022	DEP-31	RBI Master Directions on Interest Rate on Deposits
22.09.2022	FX-24	Procedure for credit to FCRA utilisation Accounts for credits received through SBI clearing cheques and failed NEFT/RTFGS transactions
22.09.2022	HRMD-59	Revised Guidelines for issue of Plastic Identity Cards to Staff Members
22.09.2022	ADV-173	Change in the Eligibility Criteria for joining Atal Pension Yojana (Exclusion of Income Tax payers)
22.09.2022	ADV-174	MANDATORY MENTION OF OTS AMOUNT IN THE 'NO DUE CERTIFICATE'
23.09.2022	ADMIN-66	TDS Rates & Other TDS guidelines
26.09.2022	CRA-40	Changes in process flow of e-Nomination for the benefit Government / Corporate Sector Subscribers
29.09.2022	GEN-4	CARDLESS CASH WITHDRAWAL IN ATM/BNAS THROUGH INDOASIS MOBILE APPLICATION
29.09.2022	GEN-5	IB RUPEE KEY" - RuPay On-the-go smart keychain
29.09.2022	GEN-6	LAUNCH OF NEW SERVICE-VIEWING DEBIT CARD DETAILS THROUGH IND-OASIS
29.09.2022	GEN-7	<u>REPAYMENT OF TERM LOANS THROUGH BNAs</u>

***Non Inclusion of a circular does not reflect on its importance.***

## Photo Gallery



1st Triennial Conference of IBOA, Chandigarh held at Chandigarh on 04.09.22



27th General Body Meeting of Indian Bank Officers' Association (Kerala) held at Ernakulam on 24.09.22

## Members Meet



At Krishnagiri on 21.09.22

At Tiruvannamalai on 29.09.22.

