



ALL INDIA BANK OFFICERS' CONFEDERATION

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State Bank of India Officers' Association

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PRESS RELEASE

DO NOT FORCE BANKERS TO DO AADHAR SEEDING.

All India Bank Officers Confederation, the largest officers' organization having membership of around 325000 officers vehemently opposes the move of the Govt. for making Aadhar Card mandatory to citizens rather than being voluntary. When the matter is subjudice in the supreme court, the urgency of the Govt. in its implementation is uncalled for and against the true spirit of democracy.

Banks are already reeling under acute shortage of staff and the employees and Officers are heavily overburdened. In the implementation of the Pradhan Mantri Jan - Dhan Yojana, Public Sector Banks and Regional Rural Banks have opened 29.13 crore accounts as against 96 lac accounts by the Private banks. In Mudra loans, the former has disbursed 79687 crores against the latter's 38772 crores. More than 62.58 lac Mudra loans have been processed by the Public Sector and Regional Rural banks. Bhim, Jeevan Jyothi, Jyoti Bima, Suraksha Bima, Gold bond etc. are some of the other schemes Public Sector banks have been made to use their resources without any return.

Banks have been asked to complete Aadhaar seeding and also open Aadhaar enrollment Centres in its branches. It is understood that Government has instructed the Banks to ask its staff and Officers to work on holidays to complete the task. The responsibility for any mistake will be on the officer who authorizes and he / she is not trained for the same. Already in Airtel Payment Bank frauds have taken place. Moreover Supreme Court has given an interim order saying that Aadhaar should not be made mandatory. The Banks should not be taken to task when final judgement comes in the light of the Right to Privacy judgement. At a time when the resources of the Public Sector Banks are under severe strain and under closer public scrutiny, employing their resources on Aadhaar seeding will further constrain the PSBs in their efforts of recovery of NPAs, which eventually will further deteriorate the health of the Bank besides attracting negative opinion among the public. Banks have not been paid any reimbursement for these expenses. The Officers and staff also have not been paid compensation for working on holidays and for late sitting.

The Planning Commission constituted the Unique Identification Authority of India through a notification dated January 28, 2009. Thus, the Aadhaar scheme did not have any statutory backing when it was launched and continued to operate in exercise of the executive power of the government until 2016, when the government enacted the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (Aadhaar Act). On August 11, 2015, the Supreme Court passed an interim order stating that the Aadhaar card was to be used only for the PDS scheme and for the LPG distribution scheme, with a clear mandate that it ought not to be used by the government for any other purpose. This was later echoed by a constitution bench of the Supreme Court, which held as follows:

"We will also make it clear that the Aadhaar card scheme is purely voluntary and it cannot be made mandatory till the matter is finally decided by this court one way or the other."

The customers of the banks are in panic mode as they are being bombarded by ominous messages, emails and calls from banks about the dire consequences they could face if they fail to link their Aadhaar number to their bank accounts before the December 31

deadline. Due to the Govt Notification amending the PML Rules, 2005, under which bank accounts that were not seeded with the Aadhaar number by December 31 would cease to be operational. Since then, banks have gone into an overdrive to get their account holders to furnish the Aadhaar details - and desperate to head off a situation where their branches might end up being swamped by queues and frantic customers as the deadline nears. Even small account holders are not left and there is a panic amongst the poor population holding basic savings accounts to meet their day to day needs.

When the honourable Supreme Court is yet to decide on the concerns of the common citizens on data breach which could compromise the security of their biometric data and the potential havoc such a calamity could cause in their lives.

The Aadhaar Act of 2016 was meant to cover targeted delivery of financial and other subsidies, benefits and services that were paid out of the Consolidated Fund of India. Moreover, the Aadhaar Act prescribed that enrolment was entirely voluntary. If the act of getting an Aadhaar card is voluntary under the law, how can the government make it mandatory for continued access to banking and telecom facilities that were not covered by the Act in the first place?

The Government has issued a Gazette Notification GSR 538(E) dated 1 June 2017 regarding Prevention of Money laundering (Maintenance of Records) Second Amendment Rules, 2017, inter-alia, making furnishing of Aadhaar (for those individuals who are eligible to be enrolled for Aadhaar) and permanent number (PAN) mandatory for opening a bank account. It may be noted that Reserve Bank has not yet issued an instruction in this regard. It also revealed that the RBI has not even filed any petition with the Supreme Court on seeking explicit permission of linking the two.

It clearly shows that government and RBI are not on the same page. In its fight against tax evasion, the Centre has made it mandatory to quote the Aadhaar number for opening bank accounts and also made Aadhaar compulsory for 135 schemes (of 35 ministries) including free cooking gas (LPG) to poor women, kerosene and fertiliser subsidy, targeted public distribution system (PDS) and MGNREGA.

However, the Supreme Court has restricted usage of Aadhaar to six schemes where the government provides benefits or subsidy to individuals.

The All India Bank Officers` Confederation demands that the Aadhaar seeding is put on hold till such time the Honorable Supreme Court comes out with a clear directive and the Govt. should make it clear before the common citizens of the country that the seeding of Aadhaar is purely voluntary and not mandatory. The advisory to this effect should also be passed to all the stakeholders. We also demand before the Govt. to look for alternatives or add more workforce into Banks to implement Aadhaar related works in PSBs



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