



**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](mailto:aiubparf@gmail.com)/ [ubioatnng@gmail.com](mailto:ubioatnng@gmail.com)/ [suryanarayananram@gmail.com](mailto:suryanarayananram@gmail.com)

---

<b>Com. P.B. Thomas</b> Chairman Thiruvananthapuram 09447177456	<b>Com. Nitin Desai</b> President Ahmedabad M: 097277 60641	<b>Com. S. Bagchi</b> Working President Kolkata M: 0983081586	<b>Com. N. Govindarajulu</b> General Secretary Chennai M: M: 09841089111
--	--	--	---

---

Dear Comrades,

10<sup>th</sup> November , 2016

### News of Interest 10th Nov

#### Quote of the day

“YOU NEED TO OVERCOME THE TUG OF PEOPLE AGAINST YOU AS YOU REACH FOR HIGH GOALS ”

GEORGE S. PATTON

1. GOVT TALKS TOUGH, TO TRACK CASH DEPOSITS CLOSELY
2. A PLAN 6 MONTHS IN THE MAKING
3. GOVERNMENT MAY REINTRODUCE NEW AND IMPROVED RS 1,000 NOTE
4. GOING TO CURRENCY EXCHANGES WITH OLD NOTES? THE TAXMEN ARE WATCHING YOU
5. THOUSANDS TAKE TO STREETS OF U.S. CITIES TO PROTEST DONALD TRUMP VICTORY
6. CASHING OUT? ATMS WILL WORK BUT PAIN FOR PUBLIC TO REMAIN FOR AT LEAST NEXT 10 DAYS
7. SBI BRANCHES WILL WORK FOR EXTENDED HOURS ON THURSDAY
8. DIGITAL WALLET PLAYERS SEE BIG SPIKE IN USAGE

Business Standard

#### 1. Govt talks tough, to track cash deposits closely

Banks to remain open this weekend

Indivjal Dhasmana

Black money holders will not get any relief from the existing provision of up to 90 per cent tax on unaccounted income for cash deposits above Rs 2.5 lakh. The finance ministry on Wednesday warned that any mismatch between the deposited sum and income declared would attract up to 30 per cent income tax and 200 per cent of tax

liability as penalty. Also, jewellers not furnishing the permanent account number (PAN) of buyers would face action, the ministry cautioned, even as there was rush to buy gold on Wednesday.

"It should be clear that it's no immunity scheme. This (deposit) does not provide any relief from taxation. The law of the land will apply (on source of fund)," Finance Minister Arun Jaitley said.

Explaining it further, Revenue Secretary Hasmukh Adhia tweeted: "We would be getting reports of all cash deposited during the period of November 10 to December 30, 2016, above a threshold of Rs 2.5 lakh in every account. The (tax) department would do matching of this with income returns filed by the depositors. And, suitable action may follow."

Any mismatch with income declared by the account holder will be treated as a case of tax evasion, he said.

"This would be treated as a case of tax evasion and the tax amount plus a penalty of 200 per cent of the tax payable would be levied as per the Section 270(A) of the Income-Tax Act," Adhia tweeted.

It should be noted that one has to furnish PAN in cash deposits of Rs 50,000 and above. This information goes to the tax department. However, following demonetisation of Rs 500 and Rs 1,000 notes, the government is giving relief up to Rs 2.5 lakh of deposits.

Meanwhile, the government tried to calm people who might have to queue up to withdraw money from banks on Thursday. A Reserve Bank of India (RBI) notification said banks would remain open on Saturday and Sunday, too, for the benefit of the public. However, a call is yet to be taken on keeping banks open on Monday, which is a holiday.

"We need two to three weeks for a complete replacement of high-denomination currency notes. We are striving to make cash available in post offices and banks via RBI currency chests," Jaitley said at a press conference. RBI will issue new Rs 500 and Rs 2,000 notes from Thursday.

"We will tweak the cash withdrawal limits on an ongoing basis. Railway stations, medicine outlets, toll gates and ASI buildings will accept old notes," he added.

Financial Services Secretary Anjuly Chib Duggal said banks had been asked to open more counters and keep refilling ATMs. She said her department was in touch with RBI and was monitoring cash availability.

Prime Minister Narendra Modi had, on Tuesday, announced existing Rs 500 and Rs 1,000 notes could be deposited by people in banks and post offices between November 10 and December 30 by showing identity proof. There is no limit on such deposits, but if old notes are exchanged for new ones, there is a cap of Rs 4,000 till November 24. There will also be a cap of Rs 10,000 a day and Rs 20,000 a week on withdrawals from banks and Rs 2,000 a day from ATMs. This limit will be increased in the coming days.

The road ministry said it had suspended toll collection on national highways till Thursday midnight. A sudden rush at ticket counters forced the Railways to ask RBI to issue lower denomination notes from its regional centres to the railway zones concerned with immediate effect. The Railways generates about Rs 126 crore in ticket revenue daily.

Adhia said farmers' genuine income is not liable to tax and, hence, they need not worry about depositing scrapped currency notes in their accounts. However, the income should not be disproportionately high compared to the yield expected from land.

On people resorting to buying jewellery with cash, Adhia said: "Action will be taken against those jewellers who fail to take PAN numbers from buyers. When the cash deposits of the jewellers would be scrutinised against the sales made, whether they have taken the PAN number of the buyer or not will also be checked," he added.

Meanwhile, the Central Board of Direct Taxes is working on the role it will play once the old currency notes come up for exchange. The income tax department would work with banks and the Financial Intelligence Unit to track suspicious transactions, sources said.

On Wednesday, the first day the demonetisation, Mother Dairy booths were seen accepting Rs 500 and Rs 1,000 notes only if buyers showed identity cards and if they bought goods worth either Rs 500 or Rs 1,000.

People faced problems buying essential items and using public transport as there was a dearth of change. Fuel pumps and toll plazas saw long queues.

An acute shortage of Rs 100 currency notes brought trading in wholesale markets to a halt from Delhi's Chandni Chowk and Sadar Bazaar to Kanpur's Loha Bazaar and Sarafa Bazaar, or Nagpur's Itwari Bazar and Gandhi Putla to Mumbai's Byculla and Kalbadevi.

"I'm sure people will cooperate in dealing with the difficulties and inconvenience that they might face. Eventually, things will settle down," said Finance Secretary Ashok Lavasa.

Jaitley did not agree with the view the economy would slow down because of the move. "The Prime Minister's decision will expand the gross domestic product," he said. "The decision will increase direct and indirect tax collections in the medium- and long-term," he added.

## **2. A plan 6 months in the making**

Banks were told they would be receiving the new banknotes, but none - not even the powerful heads of the biggest state-owned and private banks - were aware of the decision to demonetise the older bank

### Arup Roychoudhury

On Tuesday, even before Prime Minister Narendra Modi's address to the nation was being telecast across television channels, the Reserve Bank of India (RBI) had already started dispatching the new series of Rs 500 and Rs 2,000 notes to banks across the country.

Banks were told they would be receiving the new banknotes, but none — not even the powerful heads of the biggest state-owned and private banks — were aware of the decision to demonetise the older banknotes of Rs 500 and Rs 1,000 denominations. Until they heard it on TV, that is.

The landmark decision by the government to put the notes out of circulation was a process six months in the making, and involved a lot of challenges, the biggest being keeping it confidential, sources involved with the exercise told *Business Standard*.

In fact, only 10 people in the system were aware of the plan in its entirety. The proposal gained traction in a meeting between officials of the Prime Minister's Office (PMO) and the finance ministry and the logistical process was set in motion after Modi gave his go-ahead in early-May. The then RBI Governor Raghuram Rajan was also on board.

The central bank, then, ramped up production of notes of smaller denominations. It also started work on producing the new Rs 500 and Rs 2,000 notes. At the same time, RBI issued a circular on May 5, asking banks to dispense more Rs 100 notes through their ATMs.

The discussions and decisions in the early days of the proposal are all said to be verbal and unofficial.

“Maintaining secrecy was of paramount importance as any leakage of this information would have rendered this proposal ineffective. For this to work, it was imperative to catch unaccounted cash holders by surprise,” said an official.

Hence, very few bureaucrats and officials in PMO, North Block, and Mint Road knew of the plan in its entirety. These were the senior-most and most-trusted, including some secretaries and deputy-governors. For others, it was on a need-to-know-basis.

However, images of the Rs 2,000 denomination notes were already leaking online. It was not a cause of concern, though, as nobody could guess the real plan.

The signs were there already that RBI was gearing up for the move, as was evident from another circular on November 2 asking banks to dispense more Rs 100 notes through ATMs within the next fortnight. The notice was carefully worded as RBI also added that it was issuing this notice after observing that very few banks had taken steps to dispense lower denomination notes after the May 5 circular.

Three days before the announcement, banks were only told they would be receiving new banknotes. At the Cabinet meeting before Modi’s announcement, ministers were told to keep their mobile phones outside the room and reports suggest that they were not allowed to leave till the PM’s decision had been broadcast.

### **3. Government may reintroduce new and improved Rs 1,000 note**

Once the issue size of Rs 2,000 has stabilised with the banking system, the Rs 1,000 currency note, too, will make a re-appearance

Subhomoy Bhattacharjee

Not just Rs 500 and Rs 2,000, the government will soon reintroduce the Rs 1,000 note back in the market, but with far more evolved security features.

Twenty four hours after Prime Minister Narendra Modi announced the demonetisation of the two high-value notes, a government source said once the issue size of Rs 2,000 has stabilised with the banking system, the Rs 1,000 currency note, too, will make a re-appearance.

The source, however, refused to discuss the details of the note, saying it would be like the new notes, slightly smaller than the original Rs 1,000 note - that is no more a legal tender.

For the time being, the decision to introduce Rs 500 and Rs 2,000 was made in view of the trend in inflation since the time Rs 1,000 was introduced in 1978. More than one committee was set up by the Reserve Bank of India to study the issue and it suggested that instead of a Rs 1,000 note, it was better to examine introduction of a higher denomination note. The decision was made accordingly.

But, the source said, the Rs 1,000 denomination will be necessary to maintain continuity in the currency series. As of now, the government is yet to decide on a timeline for the introduction of the third member in the high-value troika.

### **4. Going to currency exchanges with old notes? The taxmen are watching you**

The government has appealed to people to not indulge in such kind of money exchange

Shrimi Choudhary

The income tax department is tracking operations of money changers known to convert large amounts of unaccounted cash.

With the government banning Rs 500 and Rs 1,000 notes from Tuesday night, people with black money are trying to have their existing currency notes converted into new ones through money changers.

A tax official said these operators charged a 10-15% fee for exchanging the old notes using multiple bank accounts.

Some money changers operating just behind the Reserve Bank of India (RBI) building in Mumbai's Fort area said they would charge a 15% fee to convert Rs 1 crore by Thursday afternoon. Asked how they would receive their new currency notes, they said they had their own arrangements.

"Several currency suppliers are hand-in-glove with bullion traders while others deal with bank officials," the tax official explained. In some cases, these were chartered accountants who laundered money for their clients, he added.

The government has allowed people to exchange old notes at banks and post offices till December 30. The daily limit is Rs 4,000 between November 10 and November 24 and it will be raised thereafter.

The income tax department, on its part, has created database of individuals who were raided in the past two years. The department also has names of thousands of individuals and companies suspected to be involved in black money transactions.

"I would appeal to citizens that people holding lots of unaccounted cash may seek your help. Do not let yourself be used for exchange of such notes," Economic Affairs Secretary Shaktikanta Das had said on Tuesday.

Financial Express

### **5. Thousands take to streets of U.S. cities to protest Donald Trump victory Throng of demonstrators marched in cities across the United States on Wednesday to protest Republican Donald Trump's surprise victory in the US presidential election, blasting his controversial campaign rhetoric about immigrants, Muslims and other groups.**

By: [Reuters](#) |

In New York, thousands of protesters filled streets in midtown Manhattan as they made their way to Trump Tower, Trump's gilded home on Fifth Avenue, while hundreds of others gathered at a Manhattan park and shouted "Not my president." (Source: Reuters)

Throng of demonstrators marched in cities across the United States on Wednesday to protest Republican Donald Trump's surprise victory in the US presidential election, blasting his controversial campaign rhetoric about immigrants, Muslims and other groups.

In New York, thousands of protesters filled streets in midtown Manhattan as they made their way to Trump Tower, Trump's gilded home on Fifth Avenue, while hundreds of others gathered at a Manhattan park and shouted "Not my president."

In downtown Chicago, an estimated 1,800 people gathered outside the Trump International Hotel and Tower, chanting phrases like "No Trump! No KKK! No racist USA." Chicago police closed roads in the area, impeding the demonstrators' path. There were no immediate reports of arrests or violence.

"I'm just really terrified about what is happening in this country," said 22-year-old Adriana Rizzo in Chicago, who was holding a sign that read: "Enjoy your rights while you can."

Protesters railed against Trump's campaign pledge to build a wall along the border with Mexico to keep immigrants from entering the country illegally. Hundreds also gathered in Philadelphia, Boston, Seattle and Portland, Oregon, on Wednesday evening, and organizers planned rallies in San Francisco, Los Angeles and Oakland, California.

In Austin, the Texas capital, about 400 people marched through the streets, police said.

A representative of the Trump campaign did not immediately respond to requests for comment on the protests. In his victory speech, Trump said he would be president for all Americans, saying: "It is time for us to come together as one united people." Earlier this month, his campaign rejected the support of a Ku Klux Klan newspaper and said that "Mr. Trump and his campaign denounces hate in any form."

#### "DREAMERS" FEAR DEPORTATION

Earlier on Wednesday, some 1,500 students and teachers rallied in the courtyard of Berkeley High School, in Berkeley, a San Francisco Bay Area city known for its liberal politics, before marching toward the campus of the University of California, Berkeley. Hundreds of high school and college students also walked out in protest in Seattle, Phoenix, Los Angeles and three other Bay Area cities, Oakland, Richmond and El Cerrito.

A predominantly Latino group of about 300 high school students walked out of classes on Wednesday morning in Los Angeles and marched to the steps of City Hall, where they held a brief but boisterous rally. Chanting in Spanish: "The people united will never be defeated," the group held signs with slogans such as "Not Supporting Racism, Not My President" and "Immigrants Make America Great."

Many of those students were members of the "Dreamers" generation, children whose parents entered the United States with them illegally, school officials said, and who fear deportation under a Trump administration. "A child should not live in fear that they will be deported," said Stephanie Hipolito, one of the student organizers of the walkout. She said her parents were U.S. citizens. There were no immediate reports of arrests or violence.

Wednesday's demonstrations followed a night of protests in the San Francisco area and elsewhere in the country in response to Trump's victory against heavily favored Democratic rival Hillary Clinton.

Demonstrators smashed storefront windows and set garbage and tires ablaze late on Tuesday in downtown Oakland. A few miles away, students at the University of California, Berkeley protested on campus.

Economic Times

#### **6. Cashing out? ATMs will work but pain for public to remain for at least next 10 days**

By [Pratik Bhakta](#),

Some of India's 202,000 cash machines will start working again on Thursday after having gone offline Wednesday following PM Narendra Modi's shock announcement that Rs 500 and Rs 1000 notes would cease to be legal tender. But expect glitches for a while, said banks and companies that make and manage automated teller machines (ATMs), given that the Rs100 note is the next highest denomination.

"We expect the pain for the public to remain for at least the next 10 days as putting that many Rs 100 denomination notes in such a short period of time is going to be a

huge logistical nightmare for the entire banking industry,” said Navroze Dastur, managing director for India and South Asia at NCR Corporation, which manufactures automated teller machines.

The enormity of the exercise was not lost on the central bank. On Wednesday, the Reserve Bank of India (RBI) went into a huddle with the National Payments Corporation of India, Cash Logistics Association of India and Confederation of ATM Industries to figure out how the mammoth task of replenishing around Rs 16 lakh crore of currency notes could be executed.

During the two-hour meeting on Wednesday, the stakeholders tried to find out a standard operating procedure for taking out Rs 500 and Rs 1,000 denomination notes from the ATM network and replacing them with the new and lower denomination notes.

To be sure, RBI is launching new Rs 500 and Rs 2,000 notes but the government has also drastically curtailed the amount of money that can be withdrawn from ATMs when they reopen. “In the first few days, there will be a limit of Rs 2,000 per day per card. This will be raised to Rs 4,000 later,” Modi had said.

That’s against a daily cap of as much as Rs 1 lakh per debit card, although this varies by bank. This will mean more frequent visits to the cash dispenser, at least until electronic methods of payment become more of a habit particularly for the poor and the elderly.

Modi’s late-evening announcement on Tuesday led to serpentine queues at ATMs as panic-stricken bank customers scurried to withdraw cash. Though late in coming to India, ATMs have proliferated over the years with many account holders preferring the machines because of convenience, leaving them with little reason to ever visit a bank branch.

## **LOGISTICS COSTS MAY RISE**

That dependence promises to make life much more difficult for them as banks and ATM network managers grapple with the logistics of disbursing adequate cash across the country. Logistics costs are also likely to rise as cash replenishments will need to be speeded up, said bankers.

“Usually, an ATM is stacked with cash amounting to Rs 15-20 lakh, but in the revised scheme of things when only Rs 100 denomination notes will be dispensed, the maximum that an ATM can carry is Rs 4 lakh,” said Rupinder Anand, chief executive officer at OKI India, which manufactures and runs ATMs in the country. “In such a scenario, ATMs will run out of cash faster than usual and will need to be replenished multiple times in a day which is going to be extremely difficult.” The new higher-denomination notes should be available in a few days, said people aware of the matter.

Cash replenishment companies will need to ensure a steady supply to all the machines and are gearing up for up for the challenge.

“We will deploy our entire staff strength over the next few days to stuff ATMs with cash. The entire fleet of 8,800 cash replenishing vehicles with 35,000 staff will be on duty for the next few days to achieve the task. They will be working across shifts and all their leaves have been cancelled,” said Rituraj Sinha, president of Cash Logistics Association of India, the representative body for all cash transporting organisations in the country.

The logistics companies will also have to remove the now unusable Rs500 and Rs1,000 notes from the system.

"There is already a huge amount of cash that is stashed in the machines," said Dastur of NCR Corporation.

"That will need to be pulled out by the companies which move cash. However, as of now we are not clear as to what will happen to that cash and how will it be reconciled. There is also a possibility of cash crunch because of unavailability of Rs100 denomination notes."

Business Line

## **7. SBI branches will work for extended hours on Thursday**

OUR BUREAU

State Bank of India on Wednesday said its branches across the country will remain open tomorrow with extended business hours up to 6 pm to ensure convenience to the public for banking transactions.

This move comes in the backdrop of the Government announcing late last evening that Rs. 500 and Rs.1,000 bank notes will no longer be legal tender.

India's largest bank said customers can withdraw max upto Rs. 10,000 during the day. All the ATMs across the country will become operational from November 11 and customers can withdraw up to Rs.2,000 per card per day. These transactions are subject to an aggregate limit of Rs. 20,000 per week.

The bank said exchange counters are also being set up at branches from November 10, 2016 where Specified Bank Notes of Rs1000 and Rs. 500 denominations can be exchanged upto a maximum of Rs.4000. Identity documents and an exchange slip duly filled in will be required.

There is no ceiling on deposit of the specified bank notes of Rs. 1000 and Rs. 500 in the customer's account with the Bank.

As of now, the bank said it has sufficient notes of Rs. 100 denomination to be dispensed through ATMs & Branches.

"There is no need for any panic as Specified Bank Notes can be deposited in the account without ceiling upto 30th December, 2016 with the Bank.

"Customers are further requested to avail/make use of alternative modes of payment such as Debit/Credit Cards, Mobile Banking and Internet Banking. These modes are very convenient, safe and secure and usage of cash gets minimized," the bank said in a statement.

## **8. Digital wallet players see big spike in usage**

PRIYANKA PANI

Digital wallets such as Ola Money, Free Charge, Fino Paytech, Paytm, Oxigen and ItzCash have witnessed massive spike in terms of downloads and recharges in just 24 hours.

Vijay Shekhar Sharma, founder of Paytm, the largest digital wallet player in the country, told *BusinessLine*, "We are expecting a high uptake of Paytm wallet. We expect to achieve our aim of getting 500 million Indians on Paytm by 2018 instead of the earlier target of 2020."

Snap deal's wallet Free charge recorded over 12 times jump in deposits within hours of discontinuation of old notes.

ItzCash, another major player, saw 30-40 per cent growth in the volumes traded since Tuesday night. MobiKwik registered 40 per cent growth in app downloads and has revised its growth projections. Ola Money, meanwhile, has seen about 1,500 per cent growth in recharges.

Asked whether the reintroduction of new notes would still result in growth of digital money, Rishi Gupta, MD and CEO, Fino PayTech, said the government's decision to restrict cash withdrawals from ATMs would definitely encourage people to use digital money.

### **Cash-on-delivery paused**

Meanwhile, several e-commerce/online players, including Flipkart, Amazon, Shop Clues, Snapdeal, Big Basket, and Paytm, along with several food delivery portals like Fresh menu and Box8 have stopped cash-on-delivery (CoD) temporarily on orders above ₹1,000.

Most of these companies sent out text messages and mailers to their customers urging them to use other modes of payment, including use of digital wallet. For most players, CoD still is a big mode of payment at 65 per cent.

A Flipkart spokesperson said that in a bid to provide convenience to consumers, who are short on cash, the company has delivered CoD products on credit and would collect the amount after November 30.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)**  
**GENERAL SECRETARY**