



**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)

**Com. P.B. Thomas**  
Chairman  
Thiruvananthapuram  
M: 09447177456

**Com. Nitin Desai**  
President  
Ahmedabad  
M: 097277 60641

**Com. S. Bagchi**  
Working President  
Kolkata  
M: 0983081586

**Com. N. Govindarajulu**  
General Secretary  
Chennai  
M: 09841089111

**Dear Comrades,**

**10th March , 2017**

**News of Interest 10th MAR**

**MOTIVATIONAL QUOTES**

**“THE KEY IS TO KEEP COMPANY ONLY WITH PEOPLE WHO UPLIFT YOU, WHOSE PRESENCE CALLS  
FORTH YOUR BEST.”**

**EPICTETUS**

- 1. PAYTM DOES A U-TURN, ROLLS BACK 2% FEE ON RECHARGE VIA CREDIT CARDS**
- 2. ARUN JAITLEY, URJIT PATEL TO DISCUSS NPAS, 'BAD BANK' TODAY**
- 3. SBI JUSTIFIES PENALTY; SAYS NEED MONEY TO BEAR JAN DHAN COSTS**
- 4. WRAP UP YOUR BANKING BEFORE HOLI WEEKEND: INDIAN BANKS ASSOCIATION**
- 5. UJJIVAN SMALL FINANCE BANK OPENS 6 NEW BRANCHES IN BENGALURU**
- 6. NBFC CASH LOAN AGAINST GOLD RESTRICTED TO RS 20,000**

**Business Standard**

**1. Paytm does a U-turn, rolls back 2% fee on recharge via credit cards**

Company says that it would put in place new mechanisms to prevent misuse of credit cards

Karan Choudhury

Paytm on Thursday rolled back the additional two per cent charge it had levied on its customers the day earlier, saying it would put in place new mechanisms to prevent misuse of credit cards. On Wednesday, the mobile wallet major had announced it would charge its customers two per cent if they added money to their mobile wallets using a credit card.

"Keeping the millions of customers and merchants' interests as utmost priority, the company has decided to remove the two per cent fees and announced that it will be use a series of features and constantly target the misuse. The company is also strengthening the team which focuses on identifying and blocking various types of misuse," it said in a statement.

Some customers had been misusing this facility by adding money to the wallet using their credit card and then transferring the amount to their bank accounts at zero per cent fee. By doing this, these users were earning credit card loyalty points and free credit period. Thus, Paytm had announced refundable fees of two per cent on adding money to the wallet using credit cards.

"Our topmost priority has always been our users and are honoured that they choose to transact on Paytm. We are steadfast in our resolve to enable millions of Indians become a part of the digital and financial inclusion revolution," Deepak Abbot, Paytm's senior vice-president, said.

MobiKwik, a vocal opponent of Paytm, in a statement on Thursday said it would continue to offer free loading of money into their wallet, including credit card users.

"In order to popularise the government's vision of a cashless society, we at MobiKwik have decided not to charge two per cent on credit card recharges so that more people can transact online without having to worry about additional charges," founder and CEO Bipin Preet Singh said.

## **2. Arun Jaitley, Urjit Patel to discuss NPAs, 'bad bank' today**

The total gross non-performing assets of banks in December 2016 was more than Rs 6 lakh crore

Arup Roychoudhury & Anup Roy

Finance Minister Arun Jaitley will hold a meeting on Friday with Reserve Bank of India (RBI) Governor Urjit Patel and other top central bank officials to discuss the burgeoning toxic asset levels in the banking system and to draw up a possible structure of a state-owned 'bad bank' or asset management company (AMC) that will take over non-performing assets (NPAs) and enable banks to clean up their balance sheets.

Also, issues such as how much of a haircut a bank must undertake in different stress account cases and the state of existing asset reconstruction companies (ARCs) will likely be discussed, *Business Standard* has learnt from finance ministry and RBI sources. The meeting will happen over video and will be attended by Patel and all RBI deputy governors.

While the 'bad bank' or AMC will be largely in line with what the RBI Deputy Governor Viral Acharya has proposed, officials in the RBI and the finance ministry's department of financial services are working on its possible structure.

Sources said two proposals were being worked upon. The first involves setting up an AMC in which the Centre holds a 49 per cent stake, with private funds and investors holding the rest. This structure is similar to the National Investment and Infrastructure Fund (NIIF). The second proposal envisages expanding the scope of the Rs 40,000 crore NIIF to take over the toxic assets.

"A presentation is being prepared on these proposals for the finance minister and the RBI governor. Only after they have taken some decisions will the proposals go the Prime Minister's Office," a government official said.

The total gross NPAs of banks in December 2016 was more than Rs 6 lakh crore. Estimates suggest the total stressed assets put in various baskets of technicalities are at least 12.5 per cent of banks' total loans, or about Rs 9.5 lakh crore. More than half of the present stress came to the fore after the RBI's asset quality review last year.

Acharya had proposed two AMCs, a private one to handle cases that could be turned around quickly and a quasi-government AMC for projects that needed nurturing for a long time.

According to an official at the central bank, Jaitley wants serious discussions on the issue. "The government for long has been trying to float a 'bad bank'. The deputy governor's ideas are worth considering in that respect," said the official.

The minister was also expected to discuss the state of ARCs and might re-examine their capital requirements, said the source. Besides, banks' reluctance to sell assets to these companies at a fair price would likely be discouraged.

"If banks are not able to recover dues in a time-bound manner, then there is no point in holding on to the assets. This eats up precious capital," said the official.

However, all will boil down to how much of a haircut a bank should take in case of stressed asset restructuring. Acharya had suggested if a bank was not able to dispose assets quickly, a time correction should be allowed. This could be one of the main discussion points in the meeting.

In the 2016-17 Economic Survey, Chief Economic Advisor Arvind Subramanian had proposed the setting up of a Public Sector Asset Rehabilitation Agency, to take over toxic assets not only of banks but also directly from companies.

Economic Times

### **3. SBI justifies penalty; says need money to bear Jan Dhan costs**

By PTI

Facing a backlash for levying penalty on non-maintenance of minimum balance in accounts, SBI today justified its move saying the bank needs to impose some charges to balance the "burden" of managing a large number of no-frills Jan Dhan accounts.

The bank also said it has not received any "formal communication" from the government for re-considering the penalty and it will take a call "if something comes". It also clarified the penalty would not apply to Jan Dhan accounts.

Last week, the country's largest lender decided to re-introduce penalty on non-maintenance of minimum balance in accounts and also revised charges on other banking services. The new charges would be applicable from April 1. The move by the state-run banking major has faced a lot of criticism, including from the opposition parties.

"Today, we have lot of burden such as we have 11 crore financial or Jan Dhan accounts. To manage such a large number of Jan Dhan accounts, we need some charges. We have considered many factors and after analysing carefully, we have taken this step," SBI Chairperson Arundhati Bhattacharya told reporters here on the sidelines of a women entrepreneurs' national convention.

As per the list of revised charges of SBI, failure to maintain Monthly Average Balance (MAB) in accounts will attract penalty of up to Rs 100 plus service tax. In metropolitan areas, there will be a charge of Rs 100 plus service tax, if the balance falls below 75 per cent of the MAB of Rs 5,000. If the shortfall is 50 per cent or less of the MAB, then the bank will charge Rs 50 plus service tax.

The charges and MAB varies according to the location of bank. It is minimum in case of rural branches.

Bhattacharya said all the banks have minimum balance requirement for account holders and SBI as such has the lowest minimum balance requirement.

She said the penalty was there earlier also and SBI was the only bank to withdraw it in 2012.

"Our analysis have shown that most of the account holders maintain more than Rs 5,000 on a monthly basis and so they do not have to worry about any penalty," Bhattacharya said.

She clarified that the penalty on non-maintenance of minimum balance will not be applicable on Jan Dhan accounts.

Asked about the government's direction to the bank to reconsider the decision, SBI's Managing Director Rajnish Kumar (National Banking) said the bank has not received any communication on this issue.

"There is no formal communication. We will see if something comes," Kumar said. Under the revised charges, withdrawal of cash from ATMs will attract a charge of up to Rs 20 if the number of transactions exceeds three from other bank's ATMs in a month and Rs 10 for more than five withdrawals from SBI ATMs.

However, SBI will not levy any charge on withdrawals from its own ATMs if the balance exceeds Rs 25,000. In case of withdrawal by its customers from ATMs of other banks, there will be no charge if the balance exceeds Rs 1 lakh.

"We are charging as people go to ATMs, withdraw cash and give it to somebody who in turns deposit it into the bank. This type of transaction involves a cost which is not known to public as bankers do not levy any charge on the customers.

"There is some cost involved in printing cash, in transportation, counting and providing security to cash. The cost is borne by the tax payers. There is a cost in installing an ATM and so we feel the charges are very reasonable," Bhattacharya said. ..

She said the customers must use alternate channels like mobile, internet to do their transactions.

"We do not see there is a requirement for an household person to withdraw cash through ATMs for more than four times. Daily cash requirement is more for people doing businesses and we want them to use mobile and internet banking to do transactions," she said.

While addressing the convention, Bhattacharya said the bank so far has given loan worth to Rs 1,60,000 crore to the MSME sector.

"This year alone we have done more than Rs 10,000 crore. We wish to do around Rs 16,000 crore of Mudra loans by the end of this financial year," she said.

At present, nearly 55 per cent of the bank's balance sheet comprises retail segment and balance is to large segment.

"I have no problem at all if I am able to tilt that more in favour of retail. I would love to do that. Of course large segment needs support because of that you would have the airports ... the roads you have today, for defence you are going to set up an SME and for that you need steel, cement.

"So, the large sector also needs support from the bank. But that does not mean that we (banks) are not there for you (retail segment)," she said.

#### **4. Wrap up your banking before Holi weekend: Indian Banks Association**

By Saikat Das, ET Bureau

The Indian Banks' Association, an industry body, has appealed the public to complete their branch banking needs on Friday as commercial banks will remain shut for next three days on account of Holi, a traditional festival of colours.

"Several parts of the country will be having three consecutive bank holidays from Saturday to Monday i.e 11-13 March 2017 (2nd Saturday, Sunday & Holi). In view of above The Indian Banks' Association appeals to all bank to complete the necessary banking transactions on Friday (i. e on 10th March 2017)," IBA said in a release on Thursday.

Small traders, corporates may be inconvenienced due to the extended holidays when the country will celebrate Holi in two/three days, spread across different locations.

Moreover, individuals who are not yet used to mobile or internet banking still visit branches, their primary sources for banking transactions.

For example, if you want to transfer funds, you can do anytime any day using Immediate Payment System (IMPS), which is available on mobile banking. In absence of it, you have no choice but to visit a bank branch.

Business Line

#### **5. Ujjivan Small Finance Bank opens 6 new branches in Bengaluru**

OUR BUREAU

Ujjivan Small Finance Bank (Ujjivan SFB) has strengthened its presence in Bengaluru by opening six new branches. The branches are located at Magadi Road, Chandra Layout, Chamarajpet, Uttarahalli, Devaiah Park and Nelamangala.

Ujjivan commenced its banking operations last month with five pilot branches in Bengaluru. Over the next few months, the bank is planning to open 12 more branches in the city and expand its presence across 24 States in a planned and phased manner.

Samit Ghosh, Managing Director and CEO, Ujjivan Small Finance Bank, said: "We are pleased to expand our network in Bengaluru, which has always been a strategic market for us. Currently, 11 branches of Ujjivan SFB are offering full range of banking services."

#### **Tech push**

"At Ujjivan SFB, we are striving towards making banking more seamless and accessible for our customers using the latest technology.

"In the coming months, we will maintain our momentum by increasing our footprint across Karnataka and nationally to serve our target customer segment," he added.

The bank has invested significantly on technology and digitisation. Aadhaar-enabled KYC and a simplified process will enable account opening in five to seven minutes using biometric authentication on a hand-held device.

Ujjivan SFB has also begun offering competitive and attractive rates of interest on fixed and recurring deposits.

"Ujjivan SFB's goal is to build a leading state-of-the-art mass market retail bank in five years to serve the vast un-served and under-served customers who currently are outside the formal banking system," said Ghosh.

The bank's branches have been specifically designed to be customer-friendly with the philosophy of "always assisted". "The bank will be inviting customers on a facilitated guided tour where critical aspects of banking services will be explained and demonstrated," he said.

## **6. NBFC cash loan against gold restricted to Rs 20,000**

### OUR BUREAU

The Reserve Bank of India has sharply brought down the threshold above which non-banking finance companies (NBFCs) can disburse loans against gold only by cheque.

The central bank said with immediate effect such loans amounting to Rs. 20,000 and above can be disbursed only by cheque as against the earlier threshold of Rs. 1 lakh and above. This move is in line with the rules issued under the Income Tax Act.

This move should be seen in the backdrop of the government scrapping Rs. 500 and Rs. 1000 bank notes during the demonetisation period (November 9, 2016 to December 30, 2016) and its emphasis on digital payments.

The note scrapping exercise resulted in almost 86 per cent of the currency in circulation being sucked out of the economy. Viral Acharya, Deputy Governor, RBI, recently said that complete remonetisation will take a couple of more months.

With kind regards,

Yours Comradely,



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

