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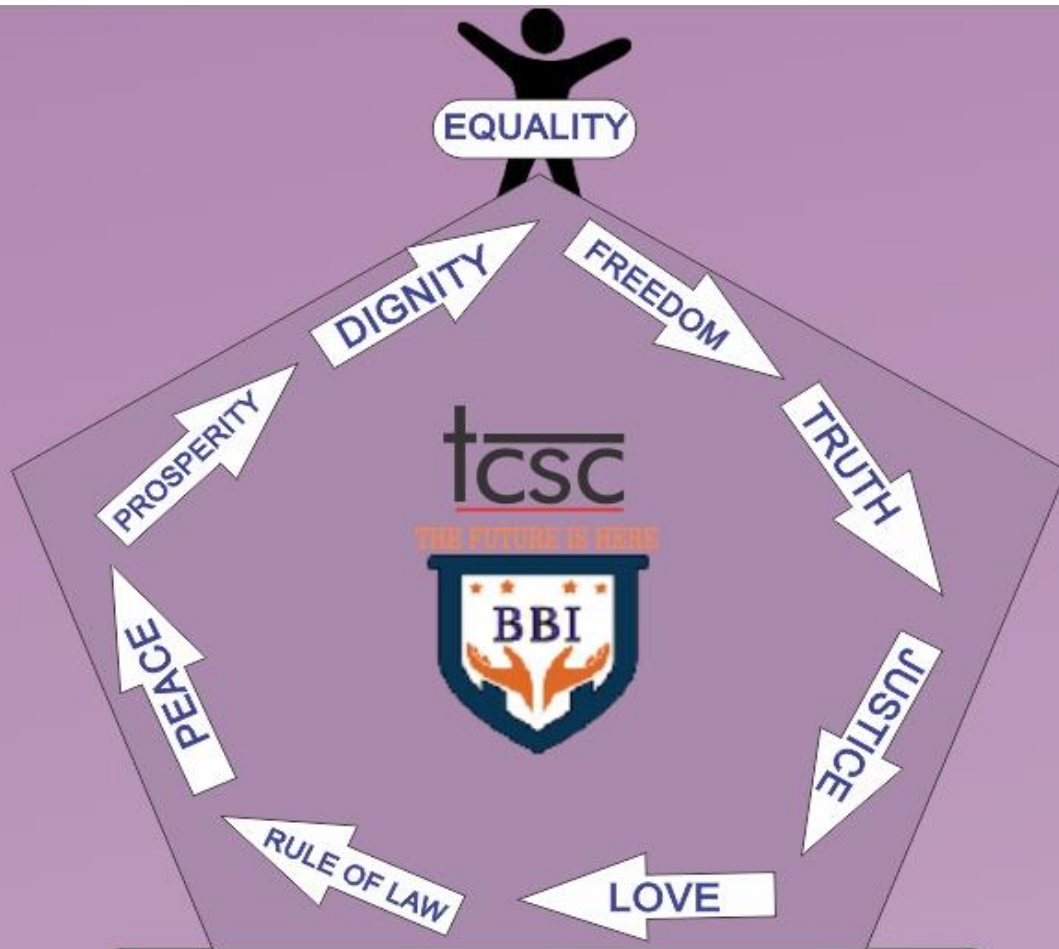
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Department of  
B.Com. (Banking & Insurance)

**"If You Can Afford  
Your Lifestyle Then  
You Can Afford  
Life Insurance"**

**"FRIENDSHIP IS LIKE  
A BANK ACCOUNT.  
YOU CAN'T CONTINUE  
TO DRAW ON IT WITHOUT  
MAKING DEPOSITS."**





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## “ARTICLES”

# “How Paytm Payment Bank, Airtel Payment Bank are different from normal banks”

-MUNIRA MAKASARWALA  
(SY.BBI)

Paytm recently launched their payments bank and currently there are four payments bank in India- Paytm Payment Bank, Airtel Payment Bank, India Post Payments Bank and FINO Payment Bank.

Digitalization has taken the center stage now more than ever. Banking and all other kind of financial services has made its presence in the digital space and it's growing every day; and the introduction of payments bank is one of them. The payments bank is like normal banks, they perform almost all banking operation but doesn't engage in any credit providing service and functions on a rather smaller business scale compared with other banks. Paytm recently launched their payments bank and currently there are four payments bank in India- Paytm Payment Bank, Airtel Payment Bank, India Post Payments Bank and FINO Payment Bank. Find out how these payments bank differ from normal banks. Interest rates:

The standard interest rate for commercial banks range from 3.5 - 6%. As of now, Airtel payments bank is giving the highest interest rate of 7.25% which is a very attractive rate compared to other commercial banks. Paytm's bank offers an interest rate of 4% on savings account and 7% on FDs whereas, India Post payments bank is

offering between 4.5 - 5.5% for savings account. Some other small scale commercial banks such as RBL bank offers interest rate of 7% and Yes bank offers interest rate of 6.25% but that too depends on the deposit amount.

As per the RBI guidelines, payments banks cannot lend they can only take deposits or accept payments. Banking experts believe by offering higher interest rates on deposits competition in this sector is expected to rise.

**Minimum Balance:** Most banks levy a charge on its customers in case one fails to hold a minimum balance in their account. Among payment banks, Paytm payments bank came up with zero balance account where no minimum balance needs to be maintained and without any charge. Few banks and digital banking system has also come up with this but most bank charges for not maintaining minimum balance.

**Charges:** Normally banks charge a certain amount of fees for online transaction, along with most payment banks. Among payment banks for online transfers, India Post payments bank charges Rs. 5 for IMPS and NEFT is free of cost. For online transfers within the bank Airtel payments bank doesn't charge anything otherwise it charges 0.5% of the transferred amount. For every online transaction Paytm payments bank is not charging anything, all fund transfer services like IMPS, NEFT and UPI online transactions are free of cost.

Different payments banks charges differently for cash withdrawals. Paytm payments bank follows the standard RBI rules of cash withdrawal charges similar to all other commercial banks in India. For the same, Airtel payments bank charges 0.65% of the withdrawal amount; India Post payments bank doesn't charge any fee for withdrawals made from their own ATM or any Punjab National Bank's ATM if not it too follows the same RBI rules.

**Process:** To open a bank account and the application process of payments bank is made very easy as compared to other banks. These bank accounts can be opened instantly through their respective mobile apps just by providing details like Aadhar number with KYC verification.

India Post payments bank offers a free debit card with annual maintenance fee of Rs. 100 from second year. Paytm payments bank is also offering digital debit card for free and an annual subscription charge of Rs.100 for the physical card. It is also providing its customers with checkbook for Rs. 100.

## **“Step-by-step guide on how to link Aadhaar with insurance policies”**

**-HARSHAL RATHOD  
(SY.BBI)**

Problems might arise with claim settlements if the insurance policies are not linked by the given deadline.

Linking of Aadhaar with insurance policies has been made mandatory. Though the government has extended the timeline to link your Aadhaar details with financial services from 31st December 2017 to 31st of March 2018, still it needs to be done. Problems might arise with claim settlements if the insurance policies are not linked by the given deadline. There are a few ways in which you can link your Aadhaar with your insurance policies.

### Documents needed

There are no specific documents required to link your Aadhaar but the policy holder must have their policy number, Aadhaar number and PAN readily available while linking.

In case the Aadhaar Number not available then the policyholder is required to provide proof of application of enrolment for Aadhaar

Further, for the KYC requirement, the policyholder is also required to provide their PAN details. In case the PAN not available then certified copy of an officially valid document needs to be submitted.

The insurance policies can be linked with Aadhaar both online and offline. There are certain companies that have started offering online Aadhaar linking but there are still companies which offer it only by visiting there branch. To link your Aadhaar online, you can login to the company's website where you will be required to provide policy details along with your personal details for verification. Once the verification is done; you will be able to update your Aadhaar number. The linkage can also be done by filling up a form by visiting the company's branch. You need to carry your Aadhaar and PAN card details to complete the process.

### Steps to link you LIC policies online with Aadhaar

Go to the 'link Aadhaar and Pan to policy' in the home page of LIC's website

A form will pop-up asking for your email and mobile number along with your Aadhaar and PAN numbers

After filling up the form an OTP will be send to your mobile number registered with UIDAI. (If your mobile number is not linked with Aadhaar, you need to link that first)

After submitting the form, a message will be shown on the success of the registration for linkage.

After verification with UIDAI, SMS or mail confirmation will be sent to you. The verification may take a few days.

For general insurance companies the linkage with Aadhaar with the policies can also be done online. It is available for all type of insurance policies from health, motor to travel and home. The linking process of ICICI Lombard of your policy with Aadhaar is mentioned below.

### Steps to link your Aadhaar with HDFC life

Visit the website of HDFC life

Login to your 'My Account'. The login link - [myaccount.hdfclife.com](http://myaccount.hdfclife.com)

Under the menu 'My Policy' select the option - 'Update Aadhaar'

In the 'My Aadhaar Derails' page enter your policy number & your Aadhar number

Click submit button to finish your linkage of Aadhaar with the policy

### Steps to link your Aadhaar online for ICICI Lombard

Visit the website of ICICI Lombard, [www.icicilombard.com](http://www.icicilombard.com)

Click on the 'link Aadhaar card' option

You can choose between health, travel Motor and home

For linking motor insurance policy you need to provide your policy, engine and Chassis number

For travel, health and home you need to provide policy number and date of birth

Click submit button to finish your linkage of Aadhaar with the policy

The linkage can also be done by calling up on customer care call center of the insurer and provide the Aadhaar number. This process will also generate an OTP to the Aadhaar registered mobile number of the policyholder. Once the OTP is received, the policyholder needs to enter the same through the IVR to successfully link the Aadhaar number to the insurance policy.

Policyholders who are unable to authenticate through any one of the above mode the linkage can also be done through biometric. "Through Biometric offering, the insurer can authenticate and link policy-holders Aadhaar number using one of the biometric modalities, either iris or fingerprints scan" says, Mehmood Mansoori, Group Head - HDFC ERGO General Insurance.

#### Implications

The insurance policy is a contract, as defined under the Indian Contract Act, the policy will continue to be in effect even after the deadline.

"The PMLA (Prevention of Money Laundering Act) rules have a statutory force. It is hence important that customers do not delay the process and reach out to their respective companies to provide their details" says, Shalabh

Saxena, Chief Operating Officer - Canara HSBC OBC Life Insurance. But the company will require Aadhaar linkage, like during renewals, endorsements or during claims registrations. The insurer can also keep in abeyance the claim payments until the linkage and authentication has been completed. So it is advised policyholders to complete the process at the earliest to avoid any future hassles.

## **“BANK FRAUD”**

-NIKESH JAIN  
(SY.BBI)

Bank fraud is a criminal act that occurs when a person uses illegal means to receive money or assets from a bank or other financial institution. Bank fraud is considered to be a white-collar crime. Recently, a major scam in the banking sector sent shock-waves across the nation. It was none other than the Nirav Modi PNB Fraud Story. The major bank frauds are as described below:

- Bank Impersonation
  - one or more individuals act as a financial institution, often by setting up fake companies, or creating websites, in order to lure people into depositing funds.
- Stolen Checks
  - fraudsters may obtain jobs that provide access to mail, such as the post office, mailbox stores, a tax authority, or corporate payroll company.
- Forgery
  - forgery occurs when a person alters a check by changing the name or some other information on the face.
- Fraudulent loans
  - an individual who takes out a loan, knowing that he will immediately file bankruptcy, has committed bank fraud.
- Internet Fraud
  - as it relates to bank fraud, internet fraud occurs when someone creates a website for the purpose of posing as a bank or other financial institution, to fraudulently obtain money deposited by other people

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