



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

---

<b>Com. P.B. Thomas</b> Chairman Thiruvananthapuram M: 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: 09841089111
---	--	--	--

---

Dear Comrades,

4th November , 2017

News of Interest 4th NOV

### MOTIVATIONAL QUOTES

“LIFE CAN ONLY BE UNDERSTOOD BACKWARDS; BUT IT MUST BE LIVED FORWARDS.

“

SOREN KIERKEGAARD

### HIGHLIGHTS

1. INDIA POST'S PAYMENTS BANK TO OPEN 650 BRANCHES BY APRIL-MAY
2. BIG LOANS AT ANDHRA BANK TAKE BACK SEAT AS RETAIL, MSME SURGE
3. AADHAAR CARD, MOBILE NUMBER LINKING: CONSTITUTION BENCH TO TAKE FINAL CALL
4. GOOD BANKER CAN SMELL BAD LOANS: CVC TO BANKS
5. PNB BOARD GIVES NOD FOR PARTIAL STAKE SALE IN HOUSING FINANCE ARM

### Business standard

#### 1. India Post's payments bank to open 650 branches by April-May

India has 154,000 post offices, of which 139,000 are rural post offices

Kiran Rathee

The government is gearing to open 650 branches of India Post Payments Bank (IPPB) by April-May next year as it looks to facilitate financial inclusion across the country, primarily in rural areas.

As per Communications Minister Manoj Sinha, the branches are likely to be functional in all the 650 districts of the country by April-May next year and all the rural post offices will be connected to these branches.

India has 154,000 post offices, of which 139,000 are rural post offices.

The IPPB has already missed the September deadline to open branches across the country, primarily because it failed to get a system integrator (SI) on board on time, upsetting its payments bank schedule.

IPPB had launched a pilot service in Raipur and Ranchi this January. The Department of Posts was one of the 11 entities to get an in-principle nod from the Reserve Bank of India (RBI) in 2015 for payments bank.

Suresh Sethi has been recently appointed as the bank's managing director and chief executive officer. An account holder in payments bank can deposit up to Rs 1 lakh, withdraw cash from authorised centres and make payments as done in case of normal saving bank accounts.

IPPB has been incorporated as a public limited company under the Department of Posts with 100 per cent government equity.

## **2. Big loans at Andhra Bank take back seat as retail, MSME surge**

Share of retail and MSME loans stood at 42% in Sept 2017, compared with 38% share of corporate advances

B Dasarath Reddy

Even as Andhra Bank continues to battle growing NPAs in large accounts, its exposure to MSME and retail segments has surpassed corporate and mid-corporate advances for the first time in the second quarter ending September 2017.

The combined advances to MSME and retail sector reached Rs 63,357 crore while the corporate and mid-corporate segment accounted for Rs 57,417 crore loans out of the bank's gross credit of Rs 1,49,454 crore as on September 30, 2017.

In a clear contrast, corporate and mid-corporate advances stood at Rs 65,875 crore while the combined MSME-retail exposure was Rs 49,595 crore in the same period the previous year. These numbers gradually tilted in favour of small loans in the subsequent quarters till the proportion of big loans fell below that of the small loans, the bank's data shows.

Big loans fell 12.84 per cent while small loans-other than agriculture- grew by little over 27 per cent on a year-on-year basis.

The composition of total advances has undergone a clear shift away from big loans as is visible in the latest data.

The share of retail and SME loans in total advances of Andhra Bank rose from 35 per cent in September 2016 to 42 per cent in September 2017 while the share of big loans has declined from 46.54 percent in September 2016 to 38.41 percent in the same period.

The bank's reluctance over fresh exposure to corporate and mid-corporate advances was a result of growing NPAs as 25.84 per cent of all these advances became NPAs as at the end of September 2017, as compared with 18.09 percent in the same period the previous year.

Due to the steep rise in provisions for bad loans and the accounts referred to the insolvency tribunal (NCLT), the bank had to report a net loss of Rs 385 crore in the second quarter, which is the first quarter to register losses in recent years.

In contrast, the ratio of NPAs in retail credit stood at just 1.74 per cent followed by 4.49 per cent in agriculture and 10.18 per cent in MSME sector as on September 2017.

Besides the NPAs, the bank has restructured a total of Rs 6,355-crore loans, of which Rs 6,271 crore belongs to 38 accounts with a loan outstanding of Rs 25 crore and above, according to the bank.

Andhra Bank was able to register a 5.6 per cent credit growth during this quarter despite a negative growth in big corporate loans since consumer loans, and housing loans in the retail segment and micro and medium category loans in MSME segment grew in the range of 25 to 52 per cent during this period.

## **Financial Express**

### **3. Aadhaar Card, mobile number linking: Constitution bench to take final call**

Refusing to stay the linking of Aadhaar with mobile numbers and bank accounts, the Supreme Court on Friday left the issue to be decided by a Constitution bench in November

By: FE Bureau

Refusing to stay the linking of Aadhaar with mobile numbers and bank accounts, the Supreme Court on Friday left the issue to be decided by a Constitution bench in November. However, it sought response from the government on various petitions challenging the constitutional validity of the Aadhaar Act and linking of bank accounts and mobile numbers with the 12-digit unique biometric identification number. A bench led by Justice AK Sikri, while asking the public not to panic, told the government to direct mobile service providers and banks to specify the last dates for linking mobile numbers and bank accounts to Aadhaar in the SMSs and e-mails they send to their subscribers. Mobile service providers and banks have to specify that February 6, 2018 and December 31, 2017 are the last dates for linking Aadhaar to mobile numbers and banks, respectively.

It said that the question related to the validity of the Aadhaar scheme is scheduled to be heard in November-end and if by any chance the hearing is delayed or does not take place, the petitioners can seek extension for such linking from the Constitution bench. Attorney-general KK Venugopal agreed that there "is anyway time till December 31... heavens are not going to fall".

Senior advocate Arvind Datar objected to how the government has threatened to close long-standing bank accounts if they are not linked to Aadhaar. He questioned how citizens can be asked to do so under money-laundering laws. Rule 2(b) of the Prevention of Money Laundering (Maintenance of Records) Second Amendment Rules of 2017 requires Aadhaar for opening new bank accounts and for verification of existing bank accounts by December 31, 2017, failing which the "bank accounts will cease to be operational". Senior advocate Shyam Divan referred to a recently-filed affidavit by the Centre arguing that the government may extend the deadline for linking Aadhaar till March 31, 2018.

"There is no doubt that these arguments need consideration. The matter is going to come up in the last week of November and the time (to link Aadhaar with bank accounts) has been extended till December 31," the bench said.

## **Economic Times**

### **4. Good banker can smell bad loans: CVC to banks**

PTI|

A good banker can smell bad loans, Vigilance Commissioner T M Bhasin said today.

His statement comes in the backdrop of soaring non-performing assets (NPAs) of various banks.

Addressing an event here, he said over 95 per cent of the fraudulent activities were reported from the financial sector, including banks, insurance companies and cooperative societies.

About 80 per cent of such fraudulent activities were reported from the public sector banks, while 15 per cent were reported from the private sector banks, Bhasin added.

Referring to an analysis of such acts of fraud, he said while the number of such cases was less as far as the public sector banks were concerned, the amount involved in these cases was higher than the private sector banks.

"We took the top 10 frauds and found out that there were early warning signals, which were overlooked by the bankers. That is why, I would say a good banker can smell a bad loan," Bhasin said, addressing a national seminar on 'Fraud Risk Management - The New Initiatives'.

He added that a good banker could understand what was right and what was wrong.

"Sometimes, it is due to lack of knowledge, sometimes it is because of appraisal skills, sometimes because of external pressure, sometimes due to connivance or complexity or putting too much trust in someone. These are the main factors which lead to frauds," Bhasin said.

Referring to the acts of fraud perpetrated by the now-defunct Kingfisher Airlines, he said it had come to light that the airline diverged money from sanctioned loans to unproductive purposes.

"Various agencies are working day and night to get that borrower back, to recover the money," Bhasin said, in an apparent reference to the owner of the airline, Vijay Mallya.

The amount involved in bad loans had risen to Rs 6,06,911 crore by December 31, 2016, Union Minister of State for Finance Santosh Gangwar had said in a written reply to the Rajya Sabha in March.

## **5. PNB board gives nod for partial stake sale in housing finance arm**

OUR BUREAU

Punjab National Bank's board has authorised the management of the public sector lender to go in for partial stake-sale in PNB Housing Finance.

It has also approved a plan to offload its entire stake in Principal PNB Asset Management Company and Principal Trustee Company Pvt Ltd to Principal Group. This decision follows exercise of the call option by Principal Group.

Sunil Mehta, Managing Director and CEO, PNB, told *Business Line* that the quantum of partial stake-sale in PNB Housing Finance would depend on market conditions.

"We don't have any ready number on how much stake reduction we want to do. We have a window of about 9 per cent. As a promoter, we have to retain 30 per cent and we will do it. PNB Housing Finance will continue to be a core associate of PNB," Mehta said. Currently, PNB has 38.80 per cent stake in PNB Housing.

Mehta also said that PNB may not even go for any stake sale in its housing finance arm if the right pricing is not available in the market.

### **PNB MetLife**

Mehta said PNB may in the next fiscal look to take PNB MetLife India Insurance public.

"We are not looking to exit. In India, insurance penetration is still very low and a big market is still available. We may look to take the insurance venture public. No final decision has been taken as yet," Mehta added.

With 30 per cent stake, PNB is currently the single largest shareholder in PNB MetLife India.

### **Q2 results**

PNB on Friday reported a 2 per cent increase in net profit for the second quarter ended September 30, 2017, at ₹560.6 crore compared with ₹549 crore in the same quarter last fiscal.

On a sequential basis, the net profit zoomed 53.5 per cent from the previous quarter's bottom line of ₹343.40 crore.

Net interest income in Q2 increased 3.5 per cent to ₹4,015.2 crore. Operating profit stood at ₹3,279 crore, a year-on-year increase of 20 per cent.

Mehta said fresh slippages in the quarter under review stood at ₹3,500 crore, much lower than the slippage of ₹6,649 crore in the previous quarter.

Net interest margin improved to 2.62 per cent from 2.56 per cent in the previous quarter.

As on September-end, the gross non-performing asset (GNPA) ratio fell to 13.31 per cent against 13.63 per cent as on September 2016.

Net NPA ratio dropped to 8.44 per cent from 9.10 per cent in September 2016.

With kind regards,

Yours Comradely,



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