



**ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION**  
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Dear Comrades,

21st April, 2018

### News of Interest 21st APR

#### MOTIVATIONAL QUOTES

*'WE'RE ALL WORKING TOGETHER; THAT'S THE SECRET.'*

SAM WALTON

#### HIGHLIGHTS

1. CASH SUPPLY TO ATMS IMPROVED BUT CASH CRUNCH STILL PERSISTS: BANK OFFICIALS
2. AXIS BANK COMMENCES PROCESS TO SELECT CEO SHIKHA SHARMA'S SUCCESSOR
3. PNB CLAIMS EXPECTED RECOVERY OF RS 1,800 CR FROM NPAS RECOVERY MECHANISM – MISSION GANDHIGIRI
4. HOW THE HUMBLE POSTMAN WILL BRING BANKING TO YOUR DOORSTEP
5. SEBI DISPOSES OF CHARGES AGAINST KARUR VYSYA BANK

#### Business Standard

##### **1. Cash supply to ATMs improved but cash crunch still persists: Bank officials**

Punjab National Bank said cash supply to its ATMs has reached normalcy  
[Press Trust of India](#)

Currency supply to ATMs and branches has improved but cash crunch still persists in the system which would be normalised soon, bank officials said on Friday.

The officials said that banks are keeping a close vigil on money supply to ATMs on daily basis to ensure that customers do not face any problem.

Currency shortage, however, still persists in the system, a banker said on the condition of anonymity.

"With allowance of free-of-charge withdrawals from our PoS terminals across the country, the bank has given an additional option to customers to withdraw money. We hope the short supply of currency at ATMs will be normalised soon," an official of the State Bank of India said.

In poll-bound Karnataka, a Canara Bank official said the situation has improved in the state in the last two-three days.

"We are better than any other bank (in cash dispensation from ATMs), our position has been good in the last 2-3 days and there has been a very good improvement. We hope the situation to be normalised by this week itself.

"Even though the shortage is there, but the cash supplies to ATMs have improved across our network in the states as well as other affected areas," the official said.

Another Canara Bank official highlighted that even as Rs 2,000 currency notes are being supplied to the system, a major portion of that is not getting back into the banking channel through deposits.

An official of state-owned Bank of India said it is keeping a strict vigil if money intended to be dispatched to its ATMs is reaching the destination or being diverted to ATMs of private banks.

"We are keeping a track whether the handler is supplying the cash meant for our ATMs or is being routed to some other bank ATMs, specially to private lenders," the official said.

Punjab National Bank said cash supply to its ATMs has reached normalcy.

An official of a big private sector bank on the condition of anonymity said that cash shortage is there in the system, however, the bank has requested the Reserve Bank for more supplies.

The finance ministry and the RBI had swung into action this week after several states such as Telangana, Andhra Pradesh, Karnataka and Bihar had flagged currency shortage at ATMs and bank branches.

While RBI denied any cash shortage in the system except for few geographies, it asked its four mint presses to ramp up printing of notes.

SBI Chairman Rajnish Kumar yesterday expressed hope that the problem would likely to be resolved by today.

"It is not a uniform cash crunch problem. It is there in geographies like Telangana and Bihar. We are hoping that the problem will be resolved by tomorrow because cash is in transition and it is reaching these states by today evening," Kumar had said.

Besides, SBI also allowed people in smaller towns to withdraw up to Rs 2,000 and Rs 1,000 a day from its PoS machines at retail outlets free of charge to ease cash crunch from across its 4.78 lakh point of sale (PoS) machines across the country.

## **2. Axis Bank commences process to select CEO Shikha Sharma's successor**

The Board has appointed Egon Zehnder, a global leadership advisory firm, to conduct the succession process and evaluate candidates for the said post

Press Trust of India

Private sector lender Axis Bank on Friday said it has started the process to select a new Managing Director & CEO as the incumbent Shikha Sharma is scheduled to demit office in December.

Earlier this month, Sharma had requested the Board that she may be relived in December. The bank had earlier given her a new three-term beginning June 1.

"This is to inform you that the Board of Directors of the Bank has commenced the succession process to appoint a new Managing Director & CEO of the Bank," Axis Bank said in a regulatory filing.

The Board has appointed Egon Zehnder, a global leadership advisory firm, to conduct the succession process and evaluate candidates for the said post.

The bank further said the Board will ensure that the process will be completed before the end of Sharma's tenure and "thus facilitate smooth transition of leadership responsibilities at the bank".

In December last year, the bank had said the Board had decided to reappoint Sharma as the Managing Director and CEO, for a period of three years with effect from June 1, 2018, subject to receipt of requisite approvals.

The Board had accepted request of Sharma to curtail her tenure amidst RBI raising questions over her re-appointment for the fourth term as MD and CEO of the third largest private sector lender in the wake of mounting non-performing assets (NPAs) or bad loans.

Sharma would be completing her third term as MD and CEO of Axis Bank on May 31.

### **Financial Express**

## **3. PNB claims expected recovery of Rs 1,800 cr from NPAs recovery mechanism – Mission Gandhigiri**

State-run lender Punjab National Bank is expected to recover around Rs 1,800 crore from its non-performing assets (NPAs) recovery mechanism -- "Mission Gandhigiri" -- which will soon complete one year of operation

By: IANS

State-run lender Punjab National Bank is expected to recover around Rs 1,800 crore from its non-performing assets (NPAs) recovery mechanism – "Mission Gandhigiri" – which will soon complete one year of operation.

A senior bank official told IANS the mission, was launched in May 2017, had consistently delivered positive results with an average recovery of Rs 150 crore from the initiative.

"The mission was born out of the need to name and shame defaulters to increase societal pressure and urge them to pay back. Mission Gandhigiri has a dedicated recovery team across all circles of the bank," the official, who did not want to be named, told IANS.

Accordingly, the passive recovery mechanism entails the team members to "visit the borrowers' office or residence and sit their silently with placards that have hard-hitting messages such as 'It is public money, please repay the loans'."

On the legal side of the operation, following the government's directions regarding wilful defaulters, the bank has declared 1,084 wilful defaulters.

"Due to PNB's aggressive stance towards wilful defaulters, 150 passports have been impounded over the past few months," the official said. Additionally, over the last 9 months, the bank has also lodged 37 FIRs against defaulters.

The bank is also leveraging data analytics for loan recovery and risk management.

"We have tied up with a leading credit agency and with the help of a third-party expert analytics, we will now be able to get access to contact information of PNB defaulters who have good credit record with other lenders," the official said.

"This partnership is a part of the larger strategy to deploy technology to strengthen internal systems. This partnership will not only help the bank with loan recovery but will also help identify and automate profitable lending strategies and minimise credit and fraud risk," the official said.

The bank has also recently started works towards "improving internal systems by incorporating analytics and Artificial Intelligence for reconciliation of accounts".

In addition, two special OTS (One-Time Settlement) schemes have helped the bank to accelerate NPA recovery.

"From an average of recovering loan amount from 70,000-80,000 NPA accounts in a year, this move has resulted in recovery in 225,000 NPA accounts over a span of 10 months," the official added.

"These schemes apply to small NPA accounts helping defaulters come out of debt."

## **Economic Times**

### **4. How the humble postman will bring banking to your doorstep**

*By Sanjay Singh*

The khaki-clad, now largely forgotten, 'dakia' is drafted in as a key player in the scheme of things to drive Prime Minister Narendra Modi's pet initiatives of Digital India and financial inclusion.

Internet illiteracy in rural India where millions still use mobile phones for only voice communication is a major impediment to take Digital India to the grassroots. That is also hampering the government's efforts towards financial inclusion and makes the direct subsidy transfer scheme more effective.

Officials believe this problem can be addressed by leveraging the postal department, with its vast network and workforce that are increasingly unused in an era when dirt cheap telephone services have reduced letter writing into a hobby of the nostalgia-struck.

India Post Payment Bank (IPPB), the postal department's payments bank division, will utilise the services of the postman to offer doorstep — or assisted — banking in rural areas.

Armed with a smart phone, the postman will assist people to make banking transactions from their homes. They can also use his services to receive subsidy payments through Aadhaar Pay or BHIM. The trust of people that post offices and postmen enjoy, the department hopes, will help IPPB make its presence felt at the ground level and bring individuals and small business into the formal financial system.

IPPB, which currently has a branch each in Raipur and Ranchi, will later this month expand the operations to 650 post offices at district headquarters and about 3,000 access points.

Communication Minister Manoj Sinha said IPPB would be a game-changer in taking digital services to rural India. These initiatives, he told ET, "serve PM Narendra Modi's vision of Digital India".

The government is keen to take IPPB's services to every corner of the country before parliamentary elections a year from now, sources in the Department of Posts (DoP) said. IPPB's role would be politically significant in view of its direct connectivity with rural people, particularly social sector beneficiaries and migrant labourers.

"Initially, about 40,000 postmen will be available for IPPB," a source at the DoP said. Eventually, that number could increase to about 1.50 lakh postmen, including Gramin Dak Sewaks.

The DoP is currently providing smart phones to the first batch of postmen who will act as IPPB's agents.

While IPPB will help process payments from central schemes like the Mahatma Gandhi National Rural Employment Guarantee Scheme and the National Security Assistance Programme, it is in touch also with state governments to play a bigger part in the direct benefit transfer scheme for subsidies they offer.

IPPB's presence in rural areas may increase access of common people to the formal financial system, the DoP source said.

Payments banks such as IPPB are meant to take banking to rural locations where infrastructure is lacking. They aren't allowed to lend to customers, but can take deposits, convey remittances and dispense payments to recipients.

Postal department sources said while IPPB cannot provide loans, it can still facilitate third parties to offer loans to villagers.

The postman personally knows the villagers of his area, and that will be useful in evaluating their financial position, a source said.

"We can assess the financial position of villagers who require small loans for the purpose of purchasing cattle, fertiliser or opening shops. Third parties may consider them for such loans on the basis of our assessment."

If villagers get loans through formal channels, it may also put a check on unscrupulous moneylenders in rural areas, he said.

## **Business Line**

### **5. SEBI disposes of charges against Karur Vysya Bank**

#### PTI

Markets regulator SEBI today disposed of the charges against private player Karur Vysya Bank as it did not find any violation of shareholding disclosure norms.

It was alleged that the bank's shareholding had aggregated to 5.91 per cent (crossed 5 per cent ceiling) in Arvind Remedies on October 15, 2014.

Further, it was alleged that the lender had 9.29 per cent stake in the company on January 27, 2015, which is more than 5 per cent and subsequently changed by over 2 per cent.

On both the occasions, the bank allegedly did not make disclosure about this to the stock exchanges and violated SAST (Substantial Acquisition of Shares and Takeovers) and PIT (Prohibition of Insider Trading) norms.

A probe conducted by SEBI found that Karur Vysya Bank invoked 75 lakh shares between September and February 2015. The bank was invoking the pledged shares in tranches on various dates and, was immediately or shortly afterwards, selling them.

"Accordingly, I find that the shareholding of the notice (the bank) was constantly fluctuating and the same ranged between 1.51 per cent to nil during the period".

It is noted that the highest shareholding of the bank was on October 8, 2014 and October 15, 2014, when it held 2.94 per cent stake in the company, which is much below the threshold of 5 per cent specified under the SAST and PIT Regulations.

SEBI noted that the alleged violation of SAST and PIT norms could not be established against the bank and accordingly disposed of the matter.

With kind regards,

Yours Comradely,



**(N. GOVINDRAJULU)  
GENERAL SECRETARY**