

IN BRIEF



Fuel demand rises in May, petrol sales surge
NEW DELHI
India's oil demand bounced back in May, surging 5.4% on the back of highest growth in petrol consumption in nine months and the fastest rise in diesel use since November. Fuel consumption in May was 17.79 million tonnes compared with 16.87 million tonnes in May 2016, according to the Oil Ministry. Diesel demand expanded 8% to 7.51 million tonnes. Petrol consumption rose 15.3% to 2.4 million tonnes. PTI

Give priority to those shifting to GST: UIDAI
NEW DELHI
Unique Identification Authority of India (UIDAI) on Monday said it advised all its enrolment agencies to give priority to taxpayers who were required to migrate to GST for updating mobile numbers. The government plans to roll out GST from July 1, 2017. Ajay Bhushan Pandey, chief executive officer, UIDAI, said taxpayers had to be present for mobile update in Aadhaar as biometric authentication would be needed.

U.S. FDA nod for Parry microalgae facility
CHENNAI
Parry Nutraceuticals received U.S. Food and Drug Administration's (U.S. FDA) approval to cultivate and process organic microalgae at its Pudukkottai facility in Tamil Nadu. Muthu Murugappan, the firm's business head, said, "We are a preferred supplier of microalgae health supplements to several leading nutraceutical brands. This approval will enhance our reputation as a leader in microalgae technology."

INTERVIEW | LONEY ANTONY

'CRMs, the true future of ATMs'

Machines that can accept, validate and dispense cash will be a better alternative

COMMENT BY A. NINAN

Hitachi Payment Services provides cash and non-cash payment solutions and services to financial institutions, merchant aggregators and new age companies driving the digital economy. In an interview, Loney Antony, managing director of the company, shares his thoughts about the future of the payment industry.



Post demonetisation, what has been the increase in digital transactions that Hitachi Payment Services has seen?

■ Post demonetisation, we witnessed almost a 100% rise in our PoS (point of sale) transactions. This is a result of banks aggressively deploying more PoS machines. Also, customers are opting for digital payments as cash (in denominations as required) is not easily available.

How many ATMs and PoS machines has the company deployed in India?

■ We have cash and non-cash platforms and manage over 53,000 ATMs and over 5.75 lakh PoS and mobile PoS devices.

The deployment of PoS machines has witnessed a rise post demonetisation as there has been a tremendous increase in demand from all strata of society, including SMEs, retail stores and small shopkeepers, among others.

Will transactions lean more towards non-cash, going ahead?

■ At least for the foreseeable future, our view is that transactions will be a mix of cash and non-cash.

The choice should be left entirely to the customer, provided the infrastructure for both cash and non-cash is available across the country.

Will non-cash

transactions accelerate the pace of financial inclusion?

■ The pace would be dependent on many factors, including penetration of non-cash infrastructure (currently penetration of ATMs are much higher as compared to POS), and how quickly customers adopt these new technologies. Availability of necessary infrastructure - whether for cash or non-cash transactions - will enable easy access to banking services. All these will determine how quickly we can get the unbanked population into the banking system.

What is the future of ATM machines in India?

■ We think that the cash recycling machines (CRMs) are the true future of ATMs in India.

The CRM has emerged as a better alternative to the traditional ATM as it can accept and validate cash as well as dispense the same cash to customers.

Is the advent of mobile transactions transforming the payment industry?

■ Increasing penetration of smartphones and use of mobile Internet in the country coupled with favourable government policies have opened up many new payment options such as mobile wallets/mobile app-based payments.

These new age payment technologies provide ease of use, speed, convenience, en-

Smartphones and mobile Internet have opened up new payment options

hanced customer experience, and are redefining the way banking is done in the country.

How can cash recycling machines become a game changer?

■ For financial institutions, the cost of handling cash represents a significant part of ATM operating costs. A CRM is an ATM designed to recycle deposited cash for use in subsequent withdrawal transactions.

The benefit of deploying a cash recycler is enhanced efficiency - both in terms of operations as well as costs. It minimises the cash handling costs with lesser number of cash replenishments, enables 24 X 7 availability for deposits and withdrawals and better utilisation of branch teller time. Also, deployment of CRMs in areas that do not have physical bank branches will go a long way in easing transactions that would otherwise have to be conducted at the physical branches,

What is the solution for ATMs continuing to run dry in key parts of India?

Demonetisation impacts NCR's revenue growth

'Slowdown in ATM deployment more among private banks'

SPECIAL CORRESPONDENT
MUMBAI

The withdrawal of high-value banknotes announced in November impacted the business of automated teller machine manufacturer NCR Corp., according to a top company official.

Revenue growth at NCR, which accounts for 50% of the ATMs deployed in the country, slowed from 15-18% (pre-demonetisation level) to 8-9% in 2016-17.

"The slowdown in revenue growth is largely because of demonetisation," NCR's India managing director Navroze Dastur said while addressing the media. The slowdown in deployment of ATMs was more prominent among private sector banks.

The company used to deploy more than 25,000 machines every year, which



Navroze Dastur

slowed down to 16,000 in fiscal year 2016-17 as a result of the demonetisation exercise.

Out of the 2.2 lakh ATMs in the country, 1.06 lakh are deployed by NCR. More than 200 banks use NCR products and services.

However, NCR expects growth to revive in a quarter

and projects the number of ATMs to touch 4.07 lakh by 2021, representing a CAGR of 11%.

Prioritising branches
Asked about reasons behind the recent shortage of cash, Mr. Dastur indicated that this could be because banks were prioritising branches over the ATMs when it came to allocation of cash.

On Monday, NCR unveiled a line of ATMs, which can additionally perform functions such as Aadhar-based account opening and dispensing personalised debit cards instantly.

"These will do 90% of the transactions done in a bank branch at a fraction of the cost. A 2,000 square feet branch reduces to 200 square feet," Mr. Dastur said. The machines would cost ₹30 lakh - ₹50 lakh.

Centre seeks to defer GST e-way bill

PRESS TRUST OF INDIA
NEW DELHI

With just a few days left for Goods and Services Tax (GST) rollout, the Union government is in favour of postponing by a few months the implementation of the e-way bill, which requires movement of goods above ₹50,000 to be pre-registered online.

However, with states unwilling to defer the provision, the GST Council agreed to rope in the National Informatics Centre (NIC) to work along with the GST-Network to assess if an all India e-way bill system can be created in a short timeframe, an official told PTI.

IRDAI's R.K. Sharma to administer Sahara Life

Move aimed at serving policyholders

SPECIAL CORRESPONDENT
HYDERABAD

The Insurance Regulatory and Development Authority of India (IRDAI) has appointed one of its officials as administrator for managing the affairs of Sahara India Life Insurance Company Ltd. with immediate effect.

Announcing the appointment of R.K. Sharma, general manager (F&A-NL), the regulator said the administrator shall "conduct management of the business of the insurer as per applicable provisions under the Insurance Act, 1938."

The regulator has directed the administrator to file

a report on the most advantageous course of action in the interest of the holders of life insurance policies, as soon as may be possible.

IRDAI has reasons to believe that Sahara India Life "is acting in a manner [that is] likely to be prejudicial to the interests of holders of life insurance policies," it said in a statement.

The regulator reassured policyholders that the affairs of the insurer would be managed by the administrator to ensure the continued servicing of their policies and to manage the firm's affairs in as smooth a manner as feasible.

Creating New Success Stories "with Padho Pardes & Nai Udaan"

- Padho Pardes Scheme helps students seeking higher education abroad
- In the last 3 years, 'Padho Pardes' and 'Nai Udaan' Schemes have facilitated 5440 boys and girls in various academic and competitive pursuits ranging from getting higher education at foreign institutions to succeeding in Civil Services and other important competitive examinations.

"The society which undermines importance of education cannot progress. No matter which government, it must strive to make India shine in education."
- Narendra Modi



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davp 27101/130010/1718