



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)

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Dear Comrades,

20 th July , 2018

NEWS OF INTEREST 20TH JUL

MOTIVATIONAL QUOTES

‘BETTER KEEP YOURSELF CLEAN AND BRIGHT; YOU ARE THE WINDOW THROUGH WHICH YOU MUST SEE THE WORLD. ‘

GEORGE BERNARD SHAW

HIGHLIGHTS

1. RBI GIVES IN-PRINCIPLE NOD TO LIC FOR ACQUIRING MAJORITY STAKE IN IDBI BANK
2. RBI TO SOON INTRODUCE LAVENDER-COLOURED RS 100 NOTE: SALIENT FEATURES
3. KOTAK MAHINDRA BANK Q1 NET UP 12 PER CENT TO RS 1,025 CRORE
4. FINMIN WANTS BANKS TO START ISSUING NEAR FIELD COMMUNICATION-ENABLED CREDIT AND DEBIT CARDS
5. RBL BANK NET PROFIT JUMPS 35% TO RS 190 CRORE

Business Standard

1. RBI gives in-principle nod to LIC for acquiring majority stake in IDBI Bank

The Cabinet nod is required because the government's stake will be diluted below 51 per cent in IDBI Bank

Somesh Jha

The Reserve Bank of India (RBI) has given an in-principle nod to Life Insurance Corporation (LIC) for acquiring a majority stake in IDBI Bank, sources said.

The government-owned insurance behemoth had sought the banking regulator's nod before it had approached the Insurance Regulatory and Development Authority (IRDAI) for seeking regulatory approvals, a senior government official said.

After the Union Cabinet approves the proposal, the RBI will examine if LIC meets the "fit and proper criteria" for being a promoter with a controlling stake in IDBI Bank.

The Cabinet nod is required because the government's stake will be diluted below 51 per cent in IDBI Bank. The government owned 85.96 per cent and LIC 7.98 per cent in IDBI Bank at the end of June.

Sources said LIC might have to pare down its stake in other banks below 10 per cent, in a bid to meet regulatory norms, before seeking further nods from the RBI. "LIC will not seek any exemptions from the RBI. It will bring down its stake below 10 per cent in other banks," a source said.

LIC has more than 10 per cent in Axis Bank (13.1 per cent), Corporation Bank (13 per cent), Punjab National Bank (12.2 per cent), State Bank of India (10.1 per cent) and Syndicate Bank (10.2 per cent) as of June 30 this year, according to the data compiled by Business Standard Research Bureau.

LIC also has promoter status in the case of Axis Bank.

"LIC bringing down its stake below 10 per cent will not have a significant impact on our bank. Other investors will buy those shares," a senior executive of one of these banks said.

While giving its nod, IRDAI had given LIC an exemption to holding more than 15 per cent in an entity. IRDAI's rules prevent any insurer from owning beyond 15 per cent in a listed financial firm.

The insurance regulator has, however, asked LIC to bring down its stake in IDBI Bank over a period of five-seven years, according to sources.

IDBI Bank will likely become a subsidiary of LIC on the lines of LIC Housing Finance, LIC Mutual Fund and LIC Pension Fund.

IDBI Bank will seek nod from its shareholders and Sebi. The bank will have to issue a postal ballot notice and hold a separate general meeting of its stakeholders on this matter.

LIC is expected to pump Rs 100-130 billion into IDBI Bank through a preferential allotment of new equity shares at a price determined by a formula under Sebi's rules.

The deal will likely trigger an open offer, which LIC will make to IDBI Bank's shareholders.

According to Sebi guidelines, an acquisition of more than 25 per cent in a listed entity is termed control and requires an open offer. The acquiring company must make an offer to existing shareholders to buy an additional stake in the company.

What's next

- Dilution of the government's stake below 51% in IDBI Bank will go to the Union Cabinet for approval
- Inter-ministerial comments from the finance ministry and the corporate affairs ministry will be sought
- LIC may have to pare down its stake in other banks below 10%
- IDBI Bank will amend its Articles of Association
- The bank will issue a postal ballot notice and hold a separate AGM of its stakeholders on this matter

2. RBI to soon introduce lavender-coloured Rs 100 note: Salient features

The new note in the Mahatma Gandhi (New) Series has a base colour of Lavender, unlike the current Rs 100 denomination note which has a green base

Anup Roy

The Reserve Bank of India (RBI) will soon release a lavender-coloured new Rs 100 note bearing the signature of governor Urjit Patel.

The dimension of the new notes, as per RBI's notification, will be 66 mm x 142 mm, which is smaller than the existing ones that have a dimension of 73 mm x 157 mm.

Both notes are part of the Mahatma Gandhi series, and will be considered as legal tenders simultaneously.

The new notes will have motif of 'Rani Ki Vav' — an intricately constructed stepwell located on the banks of Saraswati river in Gujarat's Patan and a Unesco World Heritage site.

For the visually impaired, the new notes will have intaglio or raised printing of Mahatma Gandhi portrait, Ashoka Pillar emblem, raised triangular identification mark with micro-text 100, four angular bleed lines both on the right and left sides, RBI's notification said.

"As is normal, when a new design of banknote is introduced, printing and supply of these notes for distribution to public through the banking channel will gradually increase," said the RBI.

Here is the salient features of new lavender-coloured Rs 100 note:

The obverse (Front)

1. See through register with denominational numeral 100
2. Latent image with denominational numeral 100

3. Denominational numeral 100 in Devnagari (१००)
4. Portrait of Mahatma Gandhi in the centre
5. Micro letters 'RBI', 'भारत', 'India' and '100'
6. Windowed security thread with inscriptions 'भारत' and RBI with colour shift; Colour of the thread changes from green to blue when the note is tilted
7. Guarantee Clause, Governor's signature with Promise Clause and RBI emblem towards right of Mahatma Gandhi portrait
8. Ashoka Pillar emblem on the right
9. Mahatma Gandhi portrait and electrotpe (100) watermarks
10. Number panel with numerals in ascending font on the top left side and bottom right side
11. For visually impaired intaglio or raised printing of Mahatma Gandhi portrait, Ashoka Pillar emblem, raised triangular identification mark with micro-text 100, four angular bleed lines both on the right and left sides

Reverse (Back)

12. Year of printing of the note on the left
13. Swach Bharat logo with slogan
14. Language panel
15. Motif of RANI KI VAV
16. Denominational numeral १०० in Devnagari

Financial Express

3. Kotak Mahindra Bank Q1 net up 12 per cent to Rs 1,025 crore

Kotak Mahindra Bank today reported 12.29 per cent rise in standalone net profit at Rs 1,024.94 crore for April-June, 2018-19

By: PTI

Kotak Mahindra Bank today reported 12.29 per cent rise in standalone net profit at Rs 1,024.94 crore for April-June, 2018-19. The bank's net profit stood at Rs 912.73 crore in the corresponding period of 2017-18. Total income during the quarter stood at Rs 6,644.29 crore, up 19.44 per cent from the year-ago period, Kotak Mahindra Bank said in a regulatory filing. Gross non-performing assets (NPAs) reduced to 2.17 per cent of gross advances as of June quarter 2018-19 from 2.58 per cent in the same period last year.

Net NPAs also came down to 0.86 per cent of net advances from 1.25 per cent in the year-ago period. The bank said slippages were at Rs 321 crore as against Rs 594 crore in April-June, 2017-18. Provisions for bad loans and contingencies were at Rs 469.63 crore for June quarter in comparison to Rs 203.74 crore in the same period a year ago.

Net Interest Income (NII) for the reported quarter rose to Rs 2,583 crore from Rs 2,246 crore earlier. Net Interest Margin (NIM) for the quarter under review was at 4.3 per cent. Shares of the bank were trading 1.52 per cent lower at Rs 1,380.75 apiece on BSE.

Economic Times

4. FinMin wants banks to start issuing near field communication-enabled credit and debit cards

By *Pratik Bhakta*

The finance ministry wants banks to start issuing near field communication (NFC)-enabled contactless credit and debit cards to their customers so that the government can expand the use of card payments beyond simple merchant transactions.

In a letter marked to chief executives of banks, a copy of which was seen by ET, the ministry said that NFC or contactless cards are the next generation of innovation in the cards space which can bring about added security and convenience for digital payments, hence banks should start giving out such cards to its customers.

"As and when cards need to be re-carded, then at that stage the new cards being issued can be NFC enabled/contactless and whenever new cards are being issued they could also be NFC enabled/contactless," read the note circulated by the ministry. Further the ministry said in its note that if such cards are issued then they can be used for mass transit like metro, railways and even buses where consumers can just tap their cards and the ticket price can be directly debited from their bank accounts.

Highlighting the fact that most point-of-sale (PoS) terminals are capable of reading NFC enabled cards, the ministry said that this could help push up adoption of digital transactions in the country.

The government is known to have set an ambitious target of 30-billion digital transactions to be accomplished within the current year.

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The finance ministry's notification to banks comes at a time when payment companies have been experimenting with tap and go globally and trying to promote it majorly across. Visa had showcased this technology among other places at the 2018 Winter Olympics that happened in PyeongChang, South Korea.

"From our experience at Visa, be it Australia or UK wherever it is implemented, contactless payments have taken off at the expense of cash. Contactless payments are also one of the most secure ways to pay at the

point of sale since they use the same dynamic security as contact EMV cards," said TR Ramachandran, group country manager at Visa.

NFC-enabled cards allow users to just tap the point-of-sales terminal instead of having to dip the card or swipe the card which requires physical contact. "Contactless requires a behaviour change for the cashier, unlike traditional cards where swiping happens first followed by amount and pin entry contactless requires the cashier to enter the amount and then tap the card," said Rajeev Agrawal, chief executive officer at Innoviti Payments which deploys PoS terminals for banks.

Business Line

5. RBL Bank net profit jumps 35% to Rs 190 crore

OUR BUREAU

Gross NPAs ease to 1.4% and net NPAs to 0.75%

Private sector RBL Bank has registered 34.76 per cent increase in net profit at Rs 190.04 crore for the quarter ended June 30, 2018, against Rs 141.02 crore a year ago.

Total revenues of the lender increased by 30.04 per cent to Rs 1,690.19 crore compared with Rs 1,299.7 crore in the same period a year ago.

Net interest income grew 46 per cent to Rs 552.70 crore during the quarter under review. Net interest margin stood at 4.04 per cent against 3.54 per cent in the first quarter of 2017-18.

Gross NPAs eased to 1.4 per cent in the first quarter of the current fiscal, the same level as in the fourth quarter of 2017-18, but lower than 1.46 per cent in the first quarter of last fiscal.

Net NPAs was also lower at 0.75 per cent of net advances in the first quarter of the fiscal, compared with 0.81 per cent in the April-June quarter of 2017-18 and 0.78 per cent in the fourth quarter.

RBL Bank's provisioning coverage ratio (including technical write-offs), increased to 60.41 per cent as of June 30, 2018 compared with 57.99 per cent as of June 30, 2017.

With kind regards,

Yours Comradely,



(N. GOVINDRAJULU)
GENERAL SECRETARY

