



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

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Dear Comrades,

8th April , 2019

News of Interest 8th APR

QUOTE OF THE DAY

“WITH THE NEW DAY COMES NEW STRENGTH AND NEW THOUGHTS. “

ELEANOR ROOSEVELT

HIGHLIGHTS

1. CATHOLIC SYRIAN BANK PLANS TO CHANGE NAME TO 'CSB BANK LTD' AHEAD OF IPO
2. LAKSHMI VILAS BANK –INDIA BULLS MERGER CAME AS SURPRISE, SAYS BANK UNION
3. RBI TO EXAMINE MERGER PROPOSAL OF INDIA BULLS AND LAKSHMI VILAS BANK
4. RBI MAY NEED TO RETHINK AGE LIMIT FOR BANK CEOS
5. LOK SABHA POLLS 2019: CONGRESS PROMISES INTEREST WAIVER FOR EDUCATION LOANS

Business Standard

1. Catholic Syrian Bank plans to change name to 'CSB Bank Ltd' ahead of IPO

The management has said the present name had been a locally known one in Kerala and nearby states for around a century, though it now has branches in many states

T E Narasimhan

Ahead of a listing on the stock exchanges, Catholic Syrian Bank plans to change its name to 'CSB Bank Limited'.

In a notice to its shareholders, the management has said the present name had been a locally known one in Kerala and nearby states for around a century, though it now has branches in many states.

"There is a misconception by the general public, of the bank being owned by a particular community and this is not true," it has explained for the proposed change.

Many customers even within India are averse to conducting any business dealings with the bank for this reason. Foreign customers, having good business connections in India, also avoid dealing with the bank for the only reason that part of the name either indicates a religious community's interference or represents a foreign country, it adds.

In addition, many foreign institutions it deals with think it has a foreign orientation. Considering the expansion plan envisaged, both within the country and abroad, a name which does not suffer from these issues is needed, it felt.

The bank has started the process to list itself, directly or through an Initial Public Offer (IPO) of equity. This was one condition given by the Reserve Bank of India (RBI) for approving Canada-based Fairfax's infusion of Rs 1,200 crore.

2. Lakshmi Vilas bank –India bulls merger came as surprise, says bank union

There are around 5,000 employees in Lakshmi Vilas Bank. The merged entity will have 14,302

Gireesh Babu

The Friday evening announcement of private sector lender Lakshmi Vilas Bank merging with non-banking finance company India bulls Housing Finance came as a surprise to the bank's employees. The employees' union is meeting the management on Monday to clarify doubts and will hold a meeting on Tuesday to come out with its stand on the merger, said top officials from the The Lakshmi Vilas Bank Employees' Union (LVBEU).

"The talks for capital infusion have been going on for some time... almost six months now. The announcement has come as shocking news for us. We have not spoken to the management and they have given us an appointment on Monday. We have to clarify some points and hear what the management is saying," said S Narasimhan, president of LVBEU.

There are around 5,000 employees in LVB, including the cost-to-company employees. The amalgamated entity will have 14,302 employees.

Employees are worried and the Union has asked them to keep calm as they have not heard from the management on the plans. There could also be issues in terms of the culture of the merging entities, since LVB has been a traditional bank, while the India bulls Housing Finance is a newer organisation. He feels since it is a rare merger where a private sector bank is getting merged with an NBFC, it is a new scenario the Union is seeing now.

In a conference call with the media on Friday, LVB managing director and CEO, Parthasarathi Mukherjee, said that there may not be a clash of cultures due to the merger, as the bank has changed immensely over the years and there are employees from various parts of the country working in branches in Tamil Nadu and other states.

It is moving into a new orbit with the new development, and there might be some fine tuning required. It is also examining the compatibility in terms of technology between the two entities during the merger.

The Union will also speak to its parent organisation, the National Confederation of Bank Employees.

Lakshmi Vilas Bank was founded in 1926 by a group of seven progressive businessmen of Karur under the leadership of Shri V.S.N. Ramalinga Chettiar. Their objective was to cater to the financial needs of the people in and around Karur who were occupied in trading businesses, industry and agriculture.

The Bank was incorporated on November 3, 1926 under the Indian Companies Act, 1913, and obtained the certificate to commence business on November 10, 1926. Subsequent to introduction of the Banking Regulations Act, 1949 and Reserve Bank of India as the regulator for the banking sector, the Bank obtained its banking license from RBI on 19, June 1958, and on 11, August 1958 it became a 'scheduled commercial bank' signifying capability to operate as a full-fledged commercial bank. During July 2014, the Corporate office was moved to Chennai.

As on 31st Dec 2018, its operations were spread over a network of 569 branches (plus six extension counters) with Pan India presence, supervised by 11 Regional Offices. It has 32 "B" Category branches and 1046 ATMs and deployed POS machines at various merchant establishments. The bank has presence in 18 States and 1 Union Territory.

Financial Express

3. RBI to examine merger proposal of India bulls and Lakshmi Vilas Bank

By: [Reuters](#) | Updated:

"It is also clarified that presence of additional directors nominated by the RBI on the Board of LVB (Lakshmi Vilas Bank) does not imply any approval of the RBI of the merger proposal", the central bank said in a statement on Saturday, adding that the directors have no view on the deal.

India's central bank said it has not yet approved a merger proposal of private-sector lender Lakshmi Vilas Bank Ltd and India bulls Housing Finance Ltd . Responding to media speculation that the presence of two nominee directors of the Reserve Bank of India (RBI) on the board of Lakshmi Vilas Bank implies RBI's indirect approval of the deal, the central bank said the deal does not have its approval at this stage.

"It is also clarified that presence of additional directors nominated by the RBI on the Board of LVB (Lakshmi Vilas Bank) does not imply any approval of the RBI of the merger proposal", the central bank said in a statement on Saturday, adding that the directors have no view on the deal. It said it will examine the proposal upon receiving it from the parties in line with regulatory guidelines.

Economic Times

4. RBI may need to rethink age limit for bank CEOs

IndusInd Bank and HDFC have their current chiefs reaching the RBI age cap over the next year and half.

By Shilpy Sinha

The Reserve Bank of India may face legal challenges to its rule on the age limit for bank CEOs, unless it is changed.

The RBI caps the age limit for banks at 70. But under the Companies Act, banks that are also registered companies can have chief executives who are over 70 years of age by passing a special resolution. IndusInd Bank and HDFC Bank have their current chiefs reaching the RBI age cap over the next year and half, said analysts.

"We believe that an extension in age limit, if it happens, will only plug the regulatory gap between the corporate sector and banks," said Motilal Oswal analyst Nitin Agarwal. "Recent management changes in Yes Bank, ICICI Bank and Axis Bank show that the RBI exercises stricter vigilance on banks as compared to the corporate sector (regulator)," Agarwal said. The central bank will continue to retain its control over bank managements irrespective of its decision on the age limit, he added.

In 2014, RBI raised the upper age limit for bank managing directors and CEOs to 70 years from 65, in line with the Companies Act, 2013. Under the Act, a company can also appoint, or retain, people aged 70 years or older as director if shareholders approve it by passing a special resolution.

As per RBI rules, the current managing directors at IndusInd Bank and HDFC Bank are set to retire in March and October 2020, when they would attain the age of 70.

There have been changes at Axis Bank, ICICI Bank and Yes Bank, but those were not driven by the RBI's age criteria, but due to performance and disclosure reasons. Yes Bank and Axis Bank appointed external candidates to lead the bank, while ICICI Bank is headed by an internal candidate.

"In the interest of stakeholders, the RBI may take a dynamic approach and ask the current CEO to continue in an advisory role which can be constituted after the tenor ends ... (he can) step down once the new CEO settles down in a few months," said Rajesh Gupta, a lawyer at SNG Partners.

In the US, the maximum retirement age for a CEO is 72 years, with companies having the right to prescribe a lower limit. In the US banking sector, JP Morgan and Morgan Stanley, the retirement age for CEO is 72. Nearly 75% of S&P 500 firms have by-laws that require CEOs to retire at or before 65 years of age.

In March 2017, HDFC Bank elevated Paresh Sukthankar to the post of deputy MD but he resigned in August 2018, increasing the probability of an external candidate being appointed to lead the bank.

Over the past 25 years, HDFC Bank, under managing director Aditya Puri, has grown to become the largest private bank with a market share of 8.4% and market capitalisation of ₹6.3 lakh crore. Its market cap is more than the next two private sectors banks combined as well as all PSU banks put together. This has been enabled by a steady 32% compounded annual growth rate in earnings over the past two decades.

IndusInd Bank is a well-executed transformation story after Romesh Sobti took over the reins in fiscal 2008. After he took over, the bank has

transformed from being a commercial vehicle financier to having a comprehensive product portfolio across retail and corporate segments. In his tenure, the bank's earnings and market cap grew at a CAGR of 47% and 46% and return on assets and return on equity expanded to 1.8% and 16.5% in FY18 from 0.3%/6.9% in FY08, Motilal Oswal said in its report.

Business Line

5. Lok Sabha polls 2019: Congress promises interest waiver for education loans

PTI New Delhi

To introduce single-window system for education loans if voted to power, says Rahul Gandhi.

Congress President Rahul Gandhi on Sunday said if voted to power, his party will introduce a single-window system for education loans and bring a law that will "list the rights and duties of students".

In a Face book post, Gandhi asserted that a Congress government will ensure free education to all students from Class 1 to 12 in government schools in the country.

He said the Congress will restore the independence and autonomy of colleges and universities and will open new state-run varsities in backward areas of the country to ensure the expansion of the education sector.

"The Congress will restore the independence and autonomy of colleges and universities and will open new state-run varsities in backward areas of the country to ensure expansion of education.

"The Congress will also bring 'Student Rights Law' that will list the rights and duties of students," he said in a Face book post.

"We feel that education empowers a child and it should be made available to all children.

"The Congress promises to ensure free and compulsory education to all in government schools from Class 1 to 12. We will raise the budget on education to 6 per cent of GDP," he said in another post.

Interest waiver

Gandhi said a Congress government will waive outstanding interest on old education loans prior to March 31, 2019.

"We will also introduce a single-window system for grant of education loans. The banks will not charge any interest on loans till the time the student gets a job and starts earning or becomes self-employed," he added.

With kind regards,

Yours Comradely,



(**N. GOVINDRAJULU**)
GENERAL SECRETARY