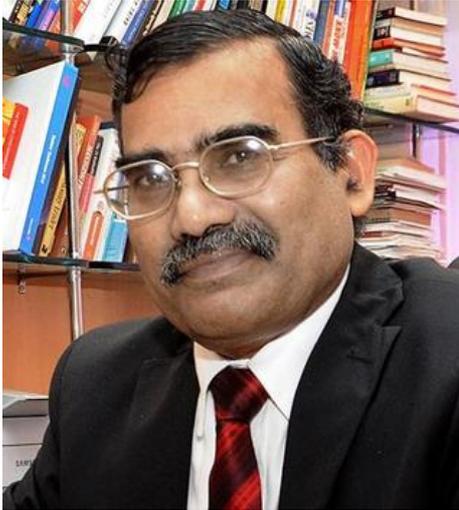


NPCI expands shareholder base adding 46 banks

Our Bureau

New shareholders have collectively infused ₹119 crore, says AP Hota



AP Hota, Managing Director and CEO, NPCI

Mumbai, September 12:

National Payments Corporation of India (NPCI), the umbrella organisation for all retail payments systems in the country, has broad-based its shareholding base to 56 banks from 10 banks earlier.

The 46 new shareholder banks in the NPCI comprise 13 public sector banks, 15 private sector banks, one foreign bank, 10 multi-state co-operative banks and seven regional rural banks.

State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Bank of India and Union Bank of India (public sector banks); ICICI Bank and HDFC Bank (private sector banks); and Citibank and HSBC (foreign banks) were the 10 initial promoters of NPCI.

AP Hota, Managing Director and CEO, NPCI, said: “Being the payments system utility for all the banks in the country, it was a natural progression and was also a requirement from the Reserve Bank of India. The expansion will make NPCI a truly community-owned institution. “The 46 new shareholders have collectively infused ₹ 119 crore into NPCI. We will utilise the proceeds to upgrade our systems, build a technology reserve (to build resilience to deal with unforeseen events), etc.”

The aim of the Corporation is to create infrastructure of large dimension and operate on high volumes resulting in payment services at a fraction of the present cost structure.

Hota said shares to the new shareholders’ were issued at a ‘fair value’ (book value) of ₹ 352 a share. NPCI’s book value currently is at ₹ 542 a share.

Following the capital infusion, NPCI’s paid-up capital has gone up to ₹ 133 crore from ₹ 100 crore. With the induction of new shareholders, the shareholding of public sector banks as a group has come down to 57 per cent from 60 per cent, while that of private sector banks has gone up to 17 per cent from 2 per cent, said the NPCI chief.

Down the line, the Corporation is also planning to induct small finance banks and payments banks as shareholders.

Sanjay Saxena, Chief Financial Officer, NPCI, said: “We are the first not-for-profit company offering equity shares at a premium through private placement and thus, creating a historical milestone. This is a strategic investment for the banks as investors will not be entitled for dividend on their investments.”

NPCI offers a range of services such as switching of inter-bank ATM transactions, cheque clearing, immediate payments service, money transfer (24x7), automated clearing house, electronic benefit transfer and a domestic card payment network named ‘RuPay’ (that provides an alternative to international card schemes).

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