

Banking and Finance Awareness

RBI asked the banks to open banks in villages with a population of more than 5000

Reserve Bank of India (RBI) asked State Level Bankers' Committee (SLBC) banks to identify villages with population above **5,000** without a bank branch of a **scheduled commercial bank** in their state.

- Identified villages may be selected among scheduled commercial banks for opening of branches and should be completed by **March 31, 2017**.

SEBI rejects Sahara plea to restore portfolio manager licence

SEBI has rejected **Sahara Asset Management Company's** plea to reconsider an order cancelling the portfolio manager licence of the company, **Reason:** Not 'fit and proper' for this business.

New listing norms for stock exchanges :

- The exchanges would need to take steps for maintaining of **51 percentage** of shareholding of Public Category and ensuring that holding of trading members, associates or agents does not exceed 49 per cent.
- The depositories shall generate an alert when such holding **exceeds 2 per cent** and monitor the same under intimation to Sebi.
- The stock exchanges, both listed and where the securities are listed, and depositories will have to ensure that such mechanism be in place latest by **March 31, 2016**.

Punjab National Bank launches host of digital banking solutions

Punjab National Bank has launched host of digital banking solutions including green PIN and enrichment of its mobile app.

- Motive:** To enable the customer to locate PNB ATM with PNB ATM Assist
- Android app:** To use GPS and locate the nearest PNB ATM
- Green PIN facility:** Under this customer can obtain duplicate PIN for debit card instantly through SMS request. It will provide customer SMS based facility to block and unblock Internet banking and mobile banking.
- Cash acceptor cum ATM at their Sansad Marg branch:** Customers can deposit cash up to Rs.2 lakh per transaction and can avail the ATM feature.

"Jeevan Labh" initiated by LIC

Life Insurance Corporation of India (LIC) introduced a limited premium paying, non-linked with-profits Endowment Assurance plan "**Jeevan Labh**".

What is Jeevan Labh plan? Jeevan Labh is a limited premium paying endowment plan which means **premium paying shall**

be less than the policy tenure and policyholder's nominee will receive the maturity benefit together with any other benefits at the end of the policy term or on the death of the policy holder, whichever is earlier.

Key features of Jeevan Labh

Minimum Sum Assured	Rs.2 lakh
Maximum Sum Assured	No Limit
Policy Term	16 years / 21 years / 25 years
Minimum Entry Age	8 years
Maximum Entry Age	59 years for 16 years policy term 54 years for 21 years policy term 50 years for 25 years policy term
Premium Paying Term	10 years / 15 years / 16 years
Maximum Maturity Age	75 years
Premium Payment	Yearly, Half-Yearly, Quarterly or Monthly

In case of Death - If death of the life assured happens during the policy term, the death benefit "**Sum Assured on Death**" and vested **Simple Reversionary Bonuses and Final Additional bonus**, if any, shall be payable.

RBI imposes Rs 1 cr fine on State Bank of Travancore

RBI has imposed a penalty of Rs 1 crore on an SBI associate bank i.e. State Bank of Travancore violating some of its instructions including report of data to **Central Repository of Information on Large Credits (CRILC)** which was set up by to collect, store, and disseminate data on all borrowers' credit exposures.

IMPS launched by Andhra Bank

In association with the **National Payments Corporation of India (NPCI)**, Hyderabad headquartered **Andhra Bank** has launched **Immediate Payment Service (IMPS)** at all its branches.

- This multi-channel & multi-dimensional platform will makes **payments** possible within **fraction of seconds** with all the standards maintained for security.
- This facility of real time instant fund transfer system for inter-bank remittances will be available **round-the-clock**.
- The maximum cap of transaction will be **Rs. 2 lakh**. The charges will be at the rate of **Rs.5 per transaction**.

India Index Services launches Private Sector Bank Index

NSE group company, India Index Services & Products (IISL) launched the Nifty Private Sector Bank Index.

- **Objective:** To track **10 largest private sector banks** listed on the NSE.
- **Calculation of INDEX:** It is calculated using free-float market capitalisation method, and stock weights are limited at **25 per cent**. Base date of the Index- **April 1, 2005** and Base value – **1,000**. The index will be calculated on an end-of-day basis.

Bank of India allots shares worth Rs 264 crore to LIC

Mumbai headquartered Bank of India has allotted **2 crore shares** to LIC valued at Rs 264.12 crore.

- The bank has allotted **2 crore equity shares** to **Life Insurance Corporation of India (LIC)** on preferential basis at the price of **Rs 132.06 per share**.

Bajaj Allianz launches micro term insurance

Bajaj Allianz Life Insurance has launched **micro term insurance plan Bajaj Allianz Bima Dhan Suraksha Yojana** with return of **premium option**.

- It is targeted at the small income groups in rural parts of the country, **minimum premium of Bima Dhan Suraksha Yojana is capped at Rs 1,500 annually or Rs 200 monthly**.

Kotak Life launches Premier Life Plan

Kotak Life launched Premier Life Plan as company was expecting reviving business in the present fourth quarter. This is the tax savings season, about 35 to 40 per cent total business for life insurance industry normally happens during these three months. A few group insurance products will also be launched soon.

- **Kotak Premier Life Plan** offers protection up to **99 years of age**.
- Premium payments will be limited with the **two bonus options** of cash payout and paid up additions

ICICI Bank partners with FINO PayTech for payments bank space

ICICI Bank partnered with FINO PayTech to venture into the payments bank space.

RBI Regulations:

- It allows universal banks to invest up **30 per cent in payments banks** but ICICI can **increase its stake** if there is a requirement.
- Payments banks are not allowed to lend. They are also not allowed to offer fixed deposits but only savings and current account products are allowed.
- Payments banks can hold a **maximum balance of Rs.1lakh per individual**

SBT to sponsor NeFMS under MGNREGA

Union cabinet has instigated an **electronic fund management system** for direct and faster release of wages under the **Mahatma Gandhi National Rural Employment Guarantee (MNREGA) scheme**.

- Centre has introduced this scheme in the country for the first time and picked up **Kerala** for the **pilot project**.

- Thiruvananthapuram headquartered **State Bank of Travancore (SBT)** is the **sponsor bank** for this scheme.

Subscribers of New Pension System can now make payments online

Pension fund regulator **PFRDA** launched a platform for subscribers of **New Pension System**. With this they can now make their payments online through net banking, credit or debit cards.

Directions:

- A potential subscriber can register for **NPS**
- Contribute to his/her Permanent **Retirement Account**
- Subscribers who already have an NPS account can make contributions through eNPS directly.

HDFC targets fund size of Rs. 5000 crore for HCARE-1

HDFC Capital Advisors has been appointed as an investment manager for the HDFC Capital Affordable Real Estate Fund-1 (HCARE-1).

- **HCARE-1:** SEBI registered Alternative Investment Fund (AIF).
- **Objective:** To primarily make medium to long term investments towards development of mass housing where the residential units would be priced in a manner so as to cater to the residential demand of the urban middle-income households.
- **Targeted fund size:** Approximately Rs. 5,000 crore and the first close will be Rs. 2,700 crore.
- **Tenure:** 12Years

HDFC Standard Life sets up reinsurance arm at Dubai IFC

HDFC Standard Life Insurance Company set up a wholly-owned reinsurance company at the Dubai International Financial Centre (DIFC).

The subsidiary **HDFC International Life and Re Company Limited (HILRCL)** has been set up with an **initial capital of USD 12.33 million**.

- **Business:** To offer reinsurance capacity to insurers and may also venture directly into underwriting insurance contracts, subject to receipt of necessary approvals.

Indian Bank to raise Rs 1,100 crore from bonds

Chennai headquarters Indian Bank plans to raise **Rs 1,100 crore** from bonds to fund business growth.

- The bank plans to raise **Basel III compliant Tier II Bonds** for Rs 1,100 crore in one or more tranches in the current or subsequent years based on the requirement, Indian Bank said in a regulatory filing.

BOB pays Rs 95 cr as interest on Basel-III bonds

Mumbai headquartered Bank of Baroda has timely paid over **Rs 95 crore as interest** to the beneficiaries of its **additional tier-I Basel-III compliant bonds issue of Rs 1,000 crore**.

- Interest was paid at **48%**, including two days of additional interest.

- The payment was done through RTGS or NEFT to 75 beneficiaries.

BankBazaar.com launches "One Loan Two Homes" program

An online marketplace **BankBazaar.com** has launched a new "**One Loan Two Homes**" programme to help the **flood-affected citizens of Chennai**.

- Under this scheme, the company will contribute **Rs 1000 to Habitat for Humanity India** on every home loan disbursed between 1 January to 31 March.

MF exposure limits reduced by SEBI

The **Securities and Exchange Board of India (SEBI)** tightened the rules on mutual fund exposure to corporate bonds by capping the **investment limit in debt securities** issued by a single company at **10% down** from 15% of the net asset value of a scheme. The changes followed the crisis at JP Morgan Mutual Fund because of its exposure to the debt securities of Amtek Auto.

- The **sector-specific exposure limit** has also been reduced from the current 30% of the NAV to **25%**.
- In the case of **housing finance companies**, the additional exposure cap has been cut to **5%** from 10%.

Import cover increases to 9.8 months: RBI

RBI announced in its Half Yearly Report on Management of **Foreign Exchange Reserves** which were **\$350.4 billion** as on September 2015, were able to support imports for 9.8 months. Import cover was 8.1 per cent in September 2014.

- Foreign exchange reserves were at \$350.4 billion as on January 1, 2016, the same level seen on September end.
- **Aim:** Curbing volatility in the currency market ahead of the crucial US Fed meet which eventually decided to increase interest rate for the first time almost in a decade – as expected by the market participants.
- **Import cover:** Indicator of the **stability of the currency**

IndiaFirst Life enters pension space, launches retirement plan

IndiaFirst Life Insurance, a joint venture between **Bank of Baroda, Andhra Bank** and Legal and General of the UK entered into pension sector with launch of a 9% guaranteed retirement plan.

- **For:** Customers who are conscious to plan for their retirement and want to remain financially young.
- **Offers:** A customer can choose to pay one time, under the single premium mode, or pay for a limited period of **5 to 10 years** for a plan term of **10 to 35 years**, or select a payment and plan term of **10 years** to anytime between **15 or 35 years**.

The policyholder, who has option to receive the funds between 40-80 years.

SBI opens branch in Seoul, South Korea & launches dedicated branch for start-ups in Bengaluru

Country's largest lender **SBI** has opened a branch in **Seoul, South Korea** to predominantly finance growing trade and investment relations between Korean and Indian companies. SBI is second Indian bank after **Indian Overseas Bank** to have branch in South Korea.

- Meanwhile, SBI has signed a **Line of Credit** with The **Export-Import Bank of Korea (K-EXIM)** for \$ 500 million (**Rs 3,300 crore**).
- The agreement for credit line was signed by SBI Chairman **Arundhati Bhattacharya** and K-EXIM chairman and President **Duk Hoon Lee** in New Delhi.

SBI launches dedicated branch for start-ups in Bengaluru

State Bank of India launched its wealth management offering and inaugurated a dedicated branch for start-ups **Bengaluru**.

About Exclusif :

The wealth management service '**Exclusif**' is targeted at the fast-growing affluent segment in the country, '**SBI InCube**' the branch for start-ups would offer advisory services to the budding entrepreneurs under one roof.

- Initially, **SBI InCube** would **not be providing loans**, but give start-ups financial management services.

Bank of India acquires 49% stake from BSE in BOI Shareholding

Mumbai headquartered Bank of India (BOI) has acquired 49% stake from BSE Ltd in their venture **BOI Shareholding Ltd** for an undisclosed amount.

- BOI Shareholding Ltd was established in **1989** as an independent full-fledged clearing house of the exchange with the public lender having **51% stake**.

RBI raises shareholding in NHB by pumping in Rs 1,000 crore

Reserve Bank has increased its shareholding in **National Housing Bank** by contributing **Rs 1,000 crore** towards the paid capital from **Rs 450 crore to Rs 1,450 crore**.

- The move is aimed at facilitating **NHB to expand financial operations** given the demand for housing in the country under the **NHB Act, 1987**.

China's Xi Jinping launches Asian Infrastructure Investment Bank

China-backed **Asian Infrastructure Investment Bank (AIIB)** in which India and 56 countries have joined as founding members was formally opened by President **Xi Jinping**. The bank was formally established in **Beijing** on December 25, 2015.

- Chairman of the AIIB council: Chinese Finance Minister Lou Jiwei China's First
- **AIIB president:** Former Finance Minister, Jin Liqun
- **Authorised capital:** \$100 billion
- **Subscribed capital:** \$50 billion

In all **57 countries** have joined as founding members while **US and Japan stayed out**. An Indian delegation headed by **Dinesh Sharma**, additional Secretary in the Ministry of Finance attended the opening ceremony.

Banks to issue 2nd tranche of gold bond scheme

The banks will "shortly" issue the **second tranche** of **sovereign gold bonds**. Reserve Bank had launched the first tranche of gold bond scheme in November. The subscription was for 915.95 kg amounting to Rs. 246 crore.

- The Reserve Bank has fixed the public issue price at **2,600 per gram** for the sovereign gold bonds.
- The scheme is aimed at **reducing the demand for gold in physical form** by encouraging people to buy the commodity in demat or paper form.
- The Gold Bond scheme will have an annual cap of **500 grams per person** and such bonds would be issued for a period of **five to seven years**.

The gold bonds are issued in denominations of **5 grams, 10 grams, 50 grams and 100 grams** for a term of **five years to seven years** with a rate of interest to be calculated on the value of the metal at the time of investment.

World Bank to be anchor investor in Rail Development Fund

Union Minister **Suresh Prabhu** has announced that **World Bank** would be the anchor investor in the **new Railway Development Fund**, which would be used to fund **modernization of Indian railways**.

- It would be the **largest ever provided by the World Bank to the Indian Railways**.
- Globally railways get **30-40%** of their **income** from **non-railway operations**. In India it is not even 2%.

Somnath Temple to invest in Gold Monetisation Scheme

The Somnath Temple is all set to become **Gujarat's first temple** to deposit its idle gold in the Gold Monetisation Scheme as its trustees

- Prime Minister Narendra Modi, have given their **nod to invest the yellow metal reserves** in the scheme.
- The trust has around **35 kg of gold** and will deposit the gold which is not in day-to-day use of the temple.

The management will **segregate the pure gold** from the whole lot to finalise the quantum of gold which can be deposited.

BSE launches algo trading test facility

Bombay Stock Exchange has launched a new service for **algorithm trading test environment** in

partnership with **Symphony Fintech Solutions Pvt Ltd**.

- The service will enable all market participants to **test their trading algorithms in equity, equity derivatives and currency derivatives segments** free of cost.
- The members will be able to test their trading strategies with live market datafeed during market hours and historical market data.

SBT launches online platform for KSEB bill payments

SBT (**State Bank of Travancore**) has tied up with the Kerala State Electricity Board (KSEB) to provide customers of the state utility online facility for **remittance of electricity charges**.

Features of the platform:

- Immediate credit of remittance through the SBT internet banking platform **free of any additional charges**
- Enable consumers to pay their monthly bills without going to the **KSEB offices**. They will get confirmation of the remittance from the bank as well as KSEB.
- The facility will be helpful for **NRIs abroad** who need not entertain worries of disconnection due to default of bill payment.

ICICI Bank opens its first branch in South Africa

ICICI Bank inaugurated its first full service branch at **Sandton in Johannesburg**. This branch will undertake banking activities only for corporates and offer trade finance and short term funding for companies having trade links with India.

- It is the **first Indian private sector bank** to open a branch in the **African continent**.
- The branch was inaugurated by **Vijay Chandok, President, ICICI Bank**.
- The branch is an authorized financial services provider in South Africa licensed by the **South African Reserve Bank**.

RBI instructed banks to cease Rs 1,000 notes lacking Security Thread

Reserve Bank of India (RBI) decreed banks to **terminate the circulation** of notes of **Rs. 1,000 denomination** without the security thread.

- The decision in this regard was taken due to the complaint, that was received by RBI regarding bank notes in the denomination of Rs 1,000 printed by **Currency Note Press, Nashik**, on the paper (without the security thread) supplied by **Security Paper Mill (Hoshangabad)**.
- The total **value** of the **faulty notes** is around **Rs 5 lakh**.

FreeCharge teamed up with MasterCard & Yes Bank to launch Virtual Card

In collaboration with **Yes Bank** and **MasterCard**, the wallet company FreeCharge launched a **"FreeCharge**

Go, a virtual card that allows users to pay for goods and services at online shops and offline retailers.

- This new virtual card would enable users to use money in their **digital wallets** on any merchant site that accepts cards.
- Currently, FreeCharge Go can be used to transact at certain **offline stores** such as McDonald's and Shoppers Stop.

In 2015, **FreeCharge** was acquired by e-commerce giant **Snapdeal** while in Dec 2015, its rival **Paytm** launched prepaid cards in partnership with **ICICI Bank**.

Gold Monetisation Scheme gets Simplified

In a bid to help temple boards and bulk depositors, Reserve Bank of India has simplified the **Gold Monetisation Scheme (GMS)**.

- It also allowed banks to sell **Ashok Chakra embossed gold coins** manufactured by government owned MMTC under the "**India gold coin**" scheme.

Direct deposit of gold to refiner – As per the GMS, **Banks and refiners** has to sign an **agreement** for scheme. So in respect to this agreement, now banks can let the depositors to **deposit** their gold **directly** with the **refiners** and depositor will get a **deposit receipts** from a refinery.

About Choice of interest or gold during redemption

Short term – The Gold deposits made by depositors as a **short-term (1-3)** would accrue **interest in gold units**.

Medium & Long term – In the case of **medium (5-7 years)** and **long-term (12-15 years)** gold deposits (MLTGD), **principal** will be denominated in **gold**, and the **interest** will be calculated in **rupees** with reference to the value of gold at the time of the deposit.

Deposits in Jan Dhan accounts cross Rs 30,000 Crore

Pradhan Mantri Jan Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, Like Banking Savings & Deposit Accounts, Remittance, Credit, Insurance, and Pension in an affordable manner. The program PMJDY have crossed the Rs 30,000 Crore mark

- Accounts had deposits of **Rs 30,638.29 crore (about USD 4.5 billion)**.
- Nearly **38 crore bank accounts** were opened under the PMJDY.
- The accounts open starts with **zero balance**.

Govt. mobilises 900 kg of gold under monetisation scheme

The government has announced that under the monetisation scheme, so far **900 kg** of idle household and temple gold has been mobilized.

- Under the monetisation scheme, banks were authorised to collect gold for up to **15 years** to auction them off or lend to jewellers from time to time.

- Depositors will earn up to **50% interest per annum**, a rate lower than savings bank deposits.

Currently, there are **46 assaying and Hallmarking Centres** which are qualified to act as **Collection and Purity Testing Centres (CPTC)** for handling gold under the gold monetisation scheme.

RBI seeks Rs 26k cr more for capital infusion by 2018

The Reserve Bank of India (RBI) has sought an additional **Rs 26,000 crore** from the government to be injected into state-run banks by 2018 as the current capital pledges are inadequate due to **inflated stressed assets**.

- RBI has informed the government about the **additional capital** that will be needed by **state-owned banks** until **2018** as part of implementing **Basel-III standards**.

In this fiscal, government has spent **Rs 20,000 crore** on bank capitalisation and will infuse another **Rs 5,000 crore** before March. The government has pledged **Rs 70,000 crore** toward this end until FY19; **Rs 25,000 crore** of this in the next fiscal year.

RBI shortlists 5 companies for audit and risk monitoring mechanism

Reserve Bank of India has **shortlisted 5** companies for **Audit and Risk Monitoring Mechanism (AMRMS)** for **Central Bank from five "potential shortlisted"**.

- The **objective** of AMRMS is **to enable paperless office environment** in the banking sector

The five short-listed companies are:

1. Auditime Information Systems Pvt Ltd-Mumbai,
2. NCSSoft Solutions Pvt Ltd-Chennai,
3. PWC Pvt Ltd- Mumbai,
4. Quadrant 4 Software Solutions Pvt Ltd,Chennai
5. Thomson Reuters Pvt Ltd Mumbai.

Authorized Share Capital of NSFDC ↑ to Rs. 1200 crore

Government has given its stamp of approval to enhance the **authorized share capital** of the **National Scheduled Castes Finance and Development Corporation (NSFDC)** from **Rs. 1000 crore to Rs. 1200 crore**.

- **NSFDC is a** Central Public Sector Enterprise (CPSE) **working under the aegis of the** Union Ministry of Social Justice and Empowerment.

ADB \$80 Million assistance for urban reforms in Agartala & Aizwal

In a bid to improve the infrastructure of nation's two north eastern capital cities, **GOI** has signed loan concord of **\$ 80million** with Manila, Philippines headquartered **Asian Development Bank (ADB)** as a part of North Eastern Region Capital cities Development Investment Program.

- The accord was signed by **Shri Raj Kumar**, Joint Secretary (DEA) and Ms Teresa Kho, Country Director, ADB's India Resident Mission.

- This newly succored loan is a third tranche of a **\$200 million** financing facility under Eastern capital cities Development Investment Program.

3rd tranche loan term – **20 years** Completion of programme – **June 2019**

RBI Governor Raghuram Rajan joins WEF task force

RBI governor Raghuram Rajan joins World Economic Forum (WEF) task force to study the global finance system. The 46th Annual Meeting of WEF was held in held in **Davos, Switzerland**.

- WEF will work to identify, analyse and plan suggestions in response to major transformative forces influence the future of global finance.
- The main focus was the global financial system inclusion, technology-enabled improvement and the economic cost-benefit of post-crisis regulatory reforms

Japan's Central Bank adopts Negative Interest Rate policy

Tokyo headquartered **Bank of Japan** has imposed a negative **interest rate** of **-0.1%** on accounts it holds for **commercial banks**. It will start to charge them for looking after their cash.

- The decision in this regard has been taken to **increase spending** and **investment** rather than pay a fee to keep it safe. It will help to counter Japan's economic slump.
- The charge does **not directly apply** to ordinary **customers' accounts**.

SBI and BoB creating AML framework for overseas branches

On the sidelines of industry regulator's warning, PSBs including Mumbai headquartered **State Bank of India** and **Bank of Baroda** are creating **stricter norms** on **anti-money laundering (AML) framework** for their branches outside India that can **stop** or **detect cash** and **suspicious transactions**.

- **Priority areas** for creating a separate and stronger anti-money laundering (AML) framework are **Europe, United States** and high risk regions like **Dubai, South Africa, Mauritius** and **Singapore**.
- **SBI** has induced **Deloitte HK** to create an **AML framework**.

Govt revises down 2014/15 GDP growth to 7.2% y/y

The government revised down its **annual economic growth** for the fiscal year that ended in March 2015 to **7.2%** from 7.3%.

- GDP growth rate for **2013-14** has also revised downwards to **6%** from earlier estimate of 6.9%.

RBI increases WMA for states to Rs 32,225 crore

The RBI has increased the **Ways and Means Advances (WMA)** for all states to **Rs 32,225 crore** for the current and next financial years.

- RBI provides financial help to the government to cope with the financial situations like mismatches in the cash flow by the **Ways and means advances (WMA)** method.
- WMA are proposed to provide mitigate to the states to carry on their important activities and normal financial operations.

Indian "Rupee" among best of Asian currencies 2015

Among all Asian and BRICS currencies, "**Rupee**" turned out to be one of the **best performers in 2015** excluding yen.

- Indian currency's **depreciation of 5% against the dollar** was less than the losses of most of its other Asian peers. It fared better in 2014, when it weakened by only 2%.
- Its Asian counterparts like the **Indonesian rupiah weakened by 11.30 %** and the **Thai baht depreciated 9.5%** against the dollar. Only Chinese currency fared marginally better, losing only **6%**.

India to grow robust at 7.8% in 2016-17

According to the **World Bank's latest Global Economic Prospect (GEP) report**, India will continue to be the bright spot of the global economy and is projected to grow at a robust **7.8%** in fiscal **2016-17**.

- World Bank marginally reduced **India's** growth rate **2%** in **2015** and **0.1%** in both **2016** and **2017** but still continues to be the bright spot of the global economy.
- **China** is estimated to grow at **7%** in **2016** and **6.5%** each in **2017** and **2018**.
- **Russia** and **Brazil** are expected to remain in **recession** in 2016.

ADB to fund \$840-m corridor between Vizag, Chennai

The **Asian Development Bank** will extend a **\$625 million loan** to the proposed **\$840 million Visakhapatnam-Chennai Industrial Corridor**.

- Industrial corridor is meant to boost manufacturing activity and help economic growth of the hinterland, will have four nodes: **Visakhapatnam, Kakinada, Gannavaram- Kankipadu** and **Yerpedu-Srikalahasti**.

Housing and **Urban Development Corporation** would help build Andhra Pradesh's capital at **Amaravati** with an assistance of **Rs.7,500 crore**. A metro rail was under consideration for Visakhapatnam, while tenders would be invited for one in Vijayawada.

India (1945-2015): Largest recipient of loans from World Bank

As per the World Bank lending report, **India** is the **largest recipient of loans** from the **World Bank**, amounting to **\$102.1 billion**, between 1945 and 2015 (as on July 21, 2015). The World Bank has been lending funds to India **for rural and urban development**

projects related to transport, water and irrigation, health, power and agriculture.

- **International Bank for Reconstruction and Development (IBRD)**, a part of the World Bank group, has lent **\$52.7 billion**, the **International Development Association (IDA)**, a multilateral concessional lender of World Bank, has loaned **\$49.4 billion** to India over the last 70 years.
- India is followed by **Brazil (\$58.8 billion)**, **China (\$55.6 billion)**, **Mexico (\$54 billion)** and **Indonesia (\$50.5 billion)**.

GOI and WB sign agreement for Neeranchal National Watershed Project

Union Minister for Rural Development **Shri Birender Singh** signed a loan agreement with World Bank for the **Neeranchal National Watershed Project**. The Neeranchal project was approved by the cabinet in October last year with a total budget outlay of **Rs.2142 crore** with the Government share of **Rs.1071 crore** and the rest 50% by the World Bank.

- The project to be implemented by the Ministry of Rural Development over a six-year period (2016-21) will support the **Pradhan Mantri Krishi Sinchayi Yojana** in hydrology and water management, agricultural production systems, capacity building and monitoring and evaluation
- Shri Singh informed that 12% of the area which can be called as wasteland will be targeted through this project to make about 336 lakh hectares of land arable.

World Development Report 2016 dubbed "Digital Dividends" released

Washington D.C. headquartered **World Bank** released its annual **World Development Report (WDR)** titled **"Digital Dividends"** with a **focal point** on the **impact** of the **Internet, mobile phones** and **communication technologies (ICTs)** on **economic development**.

- The **350 plus page report** by a **15 member team** led by co-directors, **Deepak Mishra** and **Uwe Deichmann** took two years for completion.
- The WDR 2016 is an answer to two questions: **why should we focus on promoting digital technologies** and **how to achieve the digital dividends**.

Highlights with reference to India: Indians are using their digital IDs called Aadhaar to open bank accounts, monitor attendance of civil servants and identify recipients of government subsidies.

- **Aadhaar** has saved approximately **USD 1 billion (Rs. 650 crores)** a year by reducing corruption and leakage for the Indian government. It is a help in fiscal budgeting.
- In **public health services**, simple SMS messages have proven effective in reminding people living with HIV to take their lifesaving drugs.

- The number of **internet users** worldwide has more than **tripled** since 2005, 4 billion people still lack access to the internet.
- **China** has the **largest number of internet users**, followed by the US, with India, Japan, and Brazil filling out the top five.
- The **world's offline population** is mainly in **India and China**, but more than 120 million people are still offline in North America.
- Firms in **India, Jamaica** and **Philippines** have captured a share of global markets for services ranging from traditional back-office services to long-distance online tutoring.

World Bank to extend \$20 million for reconstructing Visakhapatnam's IGZP

The World Bank is extending an assistance of **USD 20 million** to help reconstruct the **Indira Gandhi Zoological Park (IGZP)**, which got devastated during cyclone **Hudhud**.

- This is part of the **USD 370 million Andhra Pradesh Disaster Recovery Project** for which the bank is extending assistance of **USD 250 million from 2015-2020**.
- This unique one-of-its-kind push by the World Bank where it is providing assistance to **an Indian zoo** will add value to the **100 "Smart City" initiatives**.

Indo – WB concord of US\$ 250 mn for "Bihar Kosi Basin Development"

"Bihar Kosi Basin Development Project" got a financial succor of **US\$ 250 million** from **World Bank** after the accordment has been endorsed by the Government of India and the World Bank.

- The **Financing consensus** was signed by the **Raj Kumar** (Joint Secretary, DEA) and **Mr. Onno Ruhl**, Country Director in India (on behalf of WB) while the **Project concord** was signed by the **Mr. Shishir Sinha**, Development Commissioner.

Objective of Project – To intensify flexibility to floods, to **expand agricultural production** and productivity in the intended districts in the Kosi River Basin and to escalate Bihar's potential with **riposte to crisis or emergency**.

- **Implementation period** – 5 years
- **Implementing agency** – Bihar

LIC to launches its e-services

Life Insurance Corporation of India (LIC) launches its **e-services**. The service will enable policy holders to have easy access to their policies, policy status, and claim information.

E-services include

- Policy image, status of policy, claim status and renewal information
- The E-service help to **access policy related information** as well as payment anytime and anywhere.

RBI gives nod to B Swaminathan's appointment as Non-Executive Chairman of Karur Vysya Bank

RBI gives nod for the appointment of Independent Director **B Swaminathan as the Non- Chairman of the Karur Vysya Bank (KVB)** for three years.

- KVB is a private sector Bank it's headquartered is in **Karur, Tamil Nadu.**
- KVB is one of the largest old generation private banks in India.

SBI launches new home loan scheme for working executives

State Bank of India (SBI) has **launched** a new **home loan scheme** for young working executives.

- The Scheme **enables the working professionals to get higher amount.**
- SBI Flexi Pay Home Loan helps the executives to purchase better and large living spaces for themselves and their families.

RBI rates unchanged in 6th bi-monthly monetary policy review

In the 6th bi-monthly monetary policy review, **Reserve Bank of India (RBI)** kept the **repo and reverse repo rate** unchanged at **6.75%** and **5.75%** respectively.

- **Cash reserve ratio (CRR)** of scheduled banks unchanged at **4.0%** of net demand and time liability (NDTL).

In the bi-monthly monetary policy review, RBI also emphasized the need for **ease of doing business**, in line with the **Government's Start-up India initiative** and plans to contribute to an ecosystem that is conducive for growth of start-ups.

HDFC Bank to sell loans to non-customers through ATMs
HDFC Bank is selling Loans to non – customers through ATMs.

HDFC bank is using its ATM network to clutch new customers by extending its branch services through ATMs.

- Nearly 15% of new personal loans are approved and distributed by the banks without human involvement these are done using online computer system.
- The payment through ATMs is a new challenge for the bank.
- HDFC is **providing every kind of loans excluding home loans only.**

Government To Infuse About Rs. 5000 Cr In PSU Banks This Quarter

Government will infuse about **Rs 5,000 crore** capitals in the **Public Sector Banks (PSB)** in the current fiscal to strengthen balance sheet.

Key Highlights

- The Funds will be infused after the approval of third Supplementary Demand for Grants in the upcoming Budget session from Parliament.

- PSU banks will now get **Rs 25,000 crore** in this fiscal year and similar will be given in the next fiscal year.
- The govt will provide about **Rs 5,000 crore** for fund infusion in the fourth quarter.
- RBI had pushing banks to clean up balance sheets and make adequate provision for bad loans.
- It is estimated that state-run banks will require **Rs 1.8 lakh crore of bonus capital** in the next four financial years, out of which **Rs 1.1 lakh crore** will be lift up from the market by the lenders.
- **Public Sector Banks (PSB)** like Bank of India, IDBI, Indian Overseas Bank, Bank of Maharashtra, UCO Bank and United Bank of India are requiring giving special focus to arrest the growth in bad loans.
- The Government had announced a refurbish plan '**Indradhanush**' to **infuse Rs70,000 crore in state-owned banks over four years**

BSE, IFC jointly develop corporate governance scorecard

BSE and the **International Finance Corporation (IFC)** have jointly developed a corporate governance scorecard. The scorecard help the companies assess their corporate governance performances against national or international-benchmarked practices.

- It will help companies in **identify areas** of further improvement and track progress over time.
- It can be used to make board processes more efficient, **improve strategy**, aid decision-making, and manage risks.
- It will help Companies for better **recognizing the way** in which governance affects their operations.
- The scorecard can be used by **stakeholders**, including regulators, promoters, and investors.

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PG Apte Report: Introduction of Interest Rate Options in India

In a bid to **safeguard interest risk rates** and to help lenders in managing their asset liability mismatch, **Reserve Bank of India** released the Report of the

Working Group on **Introduction of Interest Rate Options** in India.

- The working was headed by **PG Apte** which reconnoitered the financial entities regarding their embedded options on balance sheets.
- **Interest rate options (IROs)** give buyers the **right but not the obligation**, to pay or receive a predetermined interest rate over an agreed period.

The key recommendations of the Group are:

- Simple call and put options to be permitted.
- Complex structures may be introduced subsequently.
- Interest rate options permitted on the **currency and derivatives segment of stock exchanges** as well as in the **OTC (over the counter)**
- Banks, primary dealers and other regulated entities having sound financials and prudent risk management will act as market makers.
- **Fixed Income Money Market and Derivatives Association of India (FIMMDA)** and **Financial Benchmark India Private Limited (FBIL)** will come out with the list of eligible domestic money or debt market rates as benchmarks like G-Sec, T-Bills, MIBOR, OIS, MIFOR, IRF etc.

Minimum lot size for IROs on exchanges will be **Rs. 2 lakh**. In the case of **OTC**, the minimum lot size will be kept at **Rs. 5 crore**.

RBI changes g-sec tenures under OMO to rein in yield

With an aim to maintain liquidity and also keep rising yields in the market under check, the Reserve Bank of India (RBI) is changing the profile of the **government securities (Gsecs)**, it is buying from bond investors under its open market operations (OMOs).

- A bond issued by a government authority, with a **promise of repayment upon maturity** that is backed by government
- An open market operation refers to a **monetary policy tool** in which **central banks buy and sell bonds** to regulate the money supply in the economy.

BoB exhibited Highest Ever Loss by a PSB

Vadodara headquarter **Bank of Baroda** publicized its net loss of **Rs 3,342 crore** for the December quarter in comparison with Rs 332 crore profit last year. It is considered as the **highest-ever quarterly loss** by an Indian bank.

- The **reason** behind this huge loss is the provisions against **bad loans** which have jumped to **Rs 6,164 crore** against Rs 1,262 last year and increase in **NPA percentage** to 9.68% from 3.85%.

RBI has already instructed all lenders to treat **troubled accounts** as **non-performing** even if an actual default is yet to happen and make adequate provisions.

- BOB is followed by **IDBI** (-2,183.68 cr), **Bank of India** (-1,505.58) and **UCO Bank**(-1,497.01).

RBI announces liquidity measures for March 2016

The **Reserve Bank of India (RBI)** had **announced** the **liquidity measures for March 2016** for a combination of appropriate instruments and for adequate additional liquidity infusion.

- It will taper the cash conditions due to advance tax payments by corporate.
- Banks will provide now flexibility to the banking system in its liquidity management by March-end 2016.

SBI opens 'Japan Desk' in New Delhi

State Bank of India (SBI) launched '**Japan Desk**', a first-of-its-kind initiative to facilitate Japanese corporates looking to invest with banking and advisory services.

Aim: To be the window for inbound Japanese investments in India and vice-versa.

- This will serve as an one-point comprehensive and reliable information support source for India-bound investments of Japanese companies.

PNB declares United Breweries Holdings 'wilful defaulter'

Punjab National Bank (PNB) had declared **United Breweries Holdings, Kingfisher Airlines** and **Vijay Mallya** as **wilful defaulter**.

- State Bank of India had also declared Mallya, Kingfisher Airlines and its holding company United Breweries Holdings as wilful defaulters in November 2015.
- For recovery bank conglomerate led by SBI had decided to **auction Kingfisher House in Mumbai** on March 17 to **recover a part of Rs 6,963 crore**
- Punjab National Bank had an exposure of Rs 800 crore to the redundant carrier

Govt cuts interest rate on small post office schemes by 0.25%

Interest on short-term **post office** saving deposits was **cut by 0.25 percent** while the rate on employees' provident fund was increased marginally to 8.8 percent.

- The finance ministry has cut interest rate on post office savings of 1, 2 and 3 year terms, **Kisan Vikas Patra (KVP)** as well as 5-year Recurring Deposits, but left long-term instruments such as monthly investment scheme (MIS), PPF senior citizen and girl child plans untouched.

Key facts:

- The finance ministry said the 0.25 per cent higher interest rate that post office savings of 1, 2 and 3 year term deposits, KVP as well as 5-year Recurring Deposits earned over similar
- tenure Government securities will be withdrawn from **1 April**.
- The short deposits currently fetch **8.4 percent** interest, KVP doubles the investment in 8 years and four months (100 months).
- The ministry also announced that henceforth the rates on small savings schemes would be revised every quarter. But they are unchanged.

- Sukanya Samridhi Yojana-**0.75%**, Senior Citizen Savings Scheme-**1%** and the MIS-**0.5%** higher interest rate than G-secs.
- Currently, PPF deposits get **8.7 percent** interest rate while girl child scheme Sukanya Samridhi Yojana commands **9.2 percent**. MIS gets **8.4 percent** interest rate.

Axis Bank partners with Suvidhaa to offer loans to urban poor

Axis Bank had made **partnership with Suvidhaa** to offer loan to urban poor.

- **Aims to provide loan to the urban people** who have no formal credit score to boast and no bank guarantees to offer.
- These urban poor include Rickshaw pullers, taxi drivers, tailors, barbers etc.

Alliance Between Aditya Birla Nuvo Ltd And Idea Cellular For Payment Banks

RBI's move to deepen financial inclusion by opening payment banks have gathered an over whelming response with top private companies eager to obtain license. Now this has gained importance with the alliance formed between Aditya Birla Nuvo Ltd and Idea Cellular to obtain payment bank license.

Major contenders: RIL, UAE exchange, dewan housing finance, Airtel, Videocon, Aditya Birla, Reliance

- **Share:** Aditya Birla- 51% & Idea- 49%
- **Other ventures:** SBI and Reliance Industries Limited

All Villages to get Banking Access Zones

Our government is all set to proffer **banking services** in **every village** with the succor of technology and the network of **Common Services Centres (CSCs)**. (IT Minister – Ravi Shankar Prasad)

- The announcement has been made during the conference of women **village level entrepreneurs (VLEs)** under CSCs in **New Delhi** by IT minister.
- Through CSCs, VLEs earned commissions of **Rs. 438 crore** on **e-services** viz. pancards, passport and rail ticketing.

World Bank to help Rajasthan in energy reforms

World Bank has pledged to lend to Rajasthan government on energy reforms this decision has been taken in the aftermath of meeting between World Bank's country Director in India **Mr. Onno Ruhl** and Rajasthan Chief minister **Vasundhara Raje**.

- The director praised the state's effort on **energy development** and conveyed that Cooperation work between West Bengal government and Rajasthan government on energy reforms.
- The bank has prepared detailed report focusing energy reforms from conventional and non-conventional sources.

PIB clears India Post's Rs 800 crore proposal for payments bank

The Public Investment Board Clears **Rs. 800 Crore** proposal from India Post to set up **Payment Banks**, It

will be kept before the Cabinet for the final approval within a month.

- The PIB which runs under **Finance Ministry** stimulates the investment proposals by state run companies.
- India Post also in line to finalize the consultant for setting up India Post's payment bank and shortlisted six consultants but only three of them submitted the bids.
- RBI has granted Payment Bank License to the department which has been serving financial services through **1.55 lakhs branches** and India Post Payment Bank will start its full-fledged operation from this march.

Srei ram to invest 2000 crores for Indian Vision Fund

Srei ram will invest **2000 crores** for **India Vision Fund** which will buy the stressed assets, loans & properties of corporate, NBFC'S and companies which can be revived through proper plans.

- The fund will invest in debt cum mezzanine instruments thereby providing investors an opportunity to gain on their investments

RBI stretched out SAARC Swap Arrangement

In order to enhance economic cooperation and strengthen financial stability, RBI has extended the **currency swap arrangement** to **SAARC nations** till mid **November 2017**.

- Under the arrangement, Swap Arrangement of **US \$ 2 billion** both in foreign currency and Indian rupee to all SAARC member countries.

About RBI's SAARC Swap Arrangement On November 15, 2012, the then Governor of RBI, **Dr. D. Subbarao** announced the SAARC Swap Arrangement during the **24th SAARCFINANCE Governor's Meeting** in Pokhara, Nepal.

- SAARC member countries include – **Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka**.
- The swap has been offered in **US dollar, Euro** or **Indian Rupee** against the domestic currency or domestic currency denominated government securities of the requesting country.

HUDCO to Sanction 90 Crores for APCRDA

In a written reply to Smt. Kothapalli Geetha, the Minister of State for Housing & Urban Poverty Alleviation –**Mr. Babul Supriyo** informed in Lok Sabha that **HUDCO** (Housing and Urban Development Corporation) have sanctioned 90Crores **to APCRDA**.

- The loan was sanctioned To Andhra Pradesh Capital Region Development Authority(APCRDA) last month
- The minister also told that **64,942** houses were built for urban poor in Andhra Pradesh under **JNNURM and Rajiv Awas Yojana**.
- A total of **80,999** houses were sanctioned under **Prime minister Awas Yojana in Jun** last year

- These houses are asked to be completed before **3.17** by the ministry

SBI launches new branch for e-commerce loans

Country's largest lender launches **SBI ESmart SME** to offer E-Commerce startups, this is the first of its kind.

- The Bank has decided to cater exclusively to offer loans to E commerce startups and will have dedicated branch, also joined hands with E commerce major **Snapdeal**.

Features:

- Quick Sanction with KYC documents.
- Collateral free loan up to **Rs. 10 Lakhs** under MUDRA
- Processing fee of 0.399%
- Women Entrepreneurs will have concession of **25%**.

Birla Sunlife mutual fund launches 100% paperless eKYC

Birla Sunlife Mutual funds officially launched **100 % paperless Aadar based EKYC** facility this is the first of its kind from the company.

Paperless Aadar Based EKYC:

- That allows the First time investors can now complete their **eKYC** formality by their Aadar number using **One Time Password** method of recording investors data from Aadar Data that procured by Unique Identification Authority of India.
- This makes seamless to the first time investors considerably **reduces time** of process.
- Retail interest in Mutual funds and Contribution from beyond **top 15 cities** on forward that requires next generation customer service.

EPFO tightens norms for withdrawal of Provident Fund

EPFO has tightened norms for withdrawal of Provident Fund as well as investment in **Varishtha Pension Bima Yojana**.

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EPFO tightens norms for withdrawal of Provident Fund

EPFO has tightened norms for withdrawal of Provident Fund as well as investment in **Varishtha Pension Bima Yojana**.

- When the norms comes into force Provident Fund Subscribers will not be able to claim their withdrawal of their fund once they attain the **age of 54**, they would have to wait up to **57 Years**.
- Earlier subscribers were allowed to withdraw their fund of **90%** in their PF accounts at the age of **54** and their claims were given one year before the Retirement.

Transfer of PF to Varishtha Pension Bima Yojana:

- The retirement Body also made change that PF account holders have to wait till they attain the age of **57 years** for apply for **PF Withdrawal for transferring** that to the Varishtha Pension Bima Yojana of Life Insurance Corporation that has over **five crore subscribers**.
- The PF body also made changes in appointment of up to **Joint Secretary level officer** that allows promotion and appointment of officials because earlier EPFO had to get nod from Labour Ministry any appointment with pay scale higher than **Rs.14, 300 to Rs. 18, 300 pay band**.

Promotion of cashless transactions

Union cabinet chaired under PM **Narendra Modi** gave its approval to **promote cashless transactions**. The government has many short term and medium term measures to be taken to support this.

- It will be helpful in promoting cashless transactions which will be vital in **avoiding Tax-evasion** and a move to transform into digital cashless world from cash transactions
- To supplement this, Government has withdrawn the charges levied for using debit cards and other means of money transfer through cards and introduction of acceptance infrastructure in Government organizations
- The introduction of **Payment and settlement systems Act,2007** has resulted in penetration of modern card and digital payment systems in the country

Gold worth Rs. 3000 crores deposited under GMS

Union Government has acquired a staggering **1, 131 Kg** of gold that **3014 crore** under the **Gold**

Monetisation Scheme.71 depositors were joined in the Scheme which aims to curb the black money and to bring out the gold of over **20, 000 tonnes** neither traded nor monetized.

- The depositors will earn small interest of **2.5 % per annum**. Initially the scheme was overcast however it started gaining depositors later on.
- Collection and Purity Testing Centres were authorised to certify the physical Gold under the Scheme. A total of **46 such centres** are involved in testing of Gold.
- The two tranches scheme that were implemented with this scheme **Sovereign Gold Bond Scheme** so far **3,786 kg** of the metal amounting to **992 crore** have **3,80,617 investors**.

IDBI bank to raise 3771 crores through QIP

SEBI has given its nod to **IDBI** bank to raise capital of **3771 crores** by issuing shares through **Qualified Institutional Players**.

Flash points

- **IDBI**(Industrial Development Bank of India) sought **SEBI's** approval to raise capital by issuing equity shares
- **SEBI** approved to raise capital around **3771 crores**through **QIP model**
- This move will dilute the government shares significantly
- Currently government holds around **16%** shares in IDBI bank
- **3771 crores** account for **6%** share in IDBI bank
- **SEBI** also told that the section 82 (c), **ICDR** regulations does not apply to IDBI
- This corresponds to the regulation **113 of SEBI**

SBI to raise capital of 15000 crores

State Bank of India got approval from its shareholders to raise capital of **15000 crores** by public

issue or overseas assurance of shares.

- **SBI** will raise capital of 15000 crores by public share or overseas issuance in next 14 months before **March 2017**
- This fund will be raised by including **public issue, rights issue** or private placement such as **QIP or global depository receipt** or any other mode
- This fund will be used to meet the risk norms ahead of **Basel III in March 2019**
- Currently the 52 week high end share is 80 and low end share is **148.30**
- The market value of share is 49 per share

BRICS Bank to provide its first loan to India on Solar project

The **NDB** which is likely to begin its operations in 2 months has decided to fund for **green projects** initially, with **India** and **China** in the priority list. India is likely to receive **loan** for its **solar project in April** from the NDB.

- NDB has planned to provide loans for infrastructure projects which includes green projects initially
- The bank has proposed to lend **\$1.5-2 billion dollars** by the end of this year
- **India and China** are the first two member nations likely to get loan for **green Solar projects by April** from NDB
- The bank has planned to issue loan in local currency though the **default currency of the bank is US Dollar**

FDI two folds to 114% in December 2015

Foreign direct investment (FDI) in the Indian economy twice the usual size to \$4.5 billion in December 2015. There was **114% growth** recorded for December 2015 as compared to

December 2014, when India has received \$2.16 billion.

- **Major sectors attracted foreign inflows** – computer software and hardware, trading, services, automobile and telecommunications.
- India receives maximum FDI from **Singapore, Mauritius, Netherlands** and **Japan**.

The government has **relaxed FDI norms** in **15 sectors**, including Defence, single brand retail, construction development, civil aviation and LLPs, to boost FDI in the country.

RBI survey forecasted FY17 GVA at 7.8%

As per the recent RBI survey, the real **Gross Value Added** at basic price (GVA) is expected to increase to **7.8%** in the next fiscal (**2016-17**) from **7.4%** expected in **2015-16**.

- GVA is an internationally accepted measure to gauge economic activity in a country. Gross value added is the measure of the **value of goods and services produced** in an area, industry or sector of an economy.

India to grow at 5-year high of 7.6 per cent in 2015-16

Indian economy will be growing at a **5-year high of 7.6** per cent in fiscal year 2015-16 as per the **Central Statistics Office (CSO)**.

- Gross domestic product (GDP) will increase by **7.6 per cent** in 2015-16 which was 2 per cent a year earlier.
- The manufacturing sector is expected to grow **9.5 per cent** in 2015-16 from 5.5 per cent a year ago.
- The growth has been projected at **1 per cent in case of agriculture sector**.

Electronics Development Fund (EDF) to be launched in "Financial Capital"

Department of Electronics & IT (Deity) in a company with **Canbank Venture Capital Fundis** all set to initiate the **Electronics Development Fund (EDF) in Mumbai**.

- Domestic companies in the field of **electronics manufacturing** will get benefitted by the EDF as it will act as their financial back and encourage sectorial innovation.

In July, 2015 **Electronics Development Fund Policy** was launched by PM Modi during the inauguration of Digital India. Thereafter, in September, 2015 **CANBANK Venture Capital Fund Pvt. Ltd. (CVCFL)** was designated by GOI to house Electronics Development Fund (EDF).

MSI Report: IT, Highest Paying Sector in India

In accordance with the **Monster Salary Index (MSI)** report, Information Technology sector in India is the **highest paying sector** with a median gross hourly salary of **Rs 346.42**. On the other hand, Indian **manufacturing sector** stood at last as it pays the least at **Rs 254.04**.

- IT sector has been followed by Banking, financial services and insurance (**BFSI**) sector with a median salary of **300.23**.

Although, **IT** and **BFSI** are leading the charts but surprisingly 50% of their **employees** are **least satisfied** with their salaries.

Key Highlights of Report:

- **Manufacturing sector** pays **9% lesser** than the **median salary** for the entire Indian economy taken together (Rs 279.7/hr.) while **foreign owned manufacturing companies pay double** of what Indian manufacturing firms pay their workers.
- **BFSI sector** higher remuneration reflects the **high level education of workers** with 16-17 years of schooling.
- BFSI space, **small companies** pay an hourly salary of **197/hour** while **large firms** pay an hourly average salary of **Rs. 324/hour**.
- **Bonuses** are more common in the **IT sector** than BFSI and manufacturing.

India GDP likely to clock 7.8% growth in 2016: Nomura

Nomura had reported that the **India's GDP growth** will likely to **clock at 7.8% growth** in year 2016.

- **Nomura** is a **Japanese** financial holding company.
- The **factor** that **helps** in the growth sector includes low commodity prices, improving unrestricted demand and **expenditure boost** from the Seventh Pay Commission.
- GDP in India is reported by the World Bank Group. The Annual GDP Growth Rate is reported by the Ministry of Statistics and Programme Implementation (MOSPI).

Employee Provident Fund interest

After receiving the stamp of approval from Union Labour Minister Bandaru Dattatreya **Employees' Provident Fund Organisation (EPFO)** has marginally mounted the **PF interest rate** to **8.8%** from 7.75% for 2015-16 financial year.

- The announcement in this regard has been made during the **211th meeting** of **Central Board of Trustees** in Chennai, which was chaired by Bandaru Dattatreya.
- This will benefit over **40 million subscribers** in 8.60 lakh establishments.

As per rule, interest rates are fixed by EPFO's apex decision making body – Central Board of Trustees (CBT) because it provides rate of return from its own income without any assistance from the government.

Supreme Court seeks list of companies who have defaulted over Rs. 500 crore

The **Supreme Court** had **directed the RBI** that it **seeks the list of companies**, which **Have defaulted bank loans of over Rs. 500 crore**.

- Expressing the serious concern over the rise in bad loans the court asked the RBI to provide the list within six weeks.
- A **bad loan** is a **loan where repayments are not being made** as per the agreement between the borrower and the lender.

OECD: Indian economy sharply to grow at 7.4% next fiscal

In accordance with the Paris headquartered **Organisation for Economic Cooperation and Development (OECD)**, India will go on with durable growth at **7.4%** in the next financial year in comparison with earlier 7.3% forecasted in November 2015.

- **India** will continue to grow robustly by **4%** in 2016 and **7.3%** in **2017**.
- On global front, economy is anticipated to expand 3% and accelerate to 3.3% in 2017 showing a sharp trim from November 2015 when it estimated at 3.3%.

Growth projection about other countries:

- China's growth is projected at 6.5% in 2016 and 6.2% in 2017.
- Brazil's economy is expected to shrink by 4% this year as it is experiencing a deep recession.

- Trade and investment are weak while sluggish demand is leading to low inflation, inadequate wage and employment growth.

Macro Economic Survey 2015-16

On 26th February 2016, Finance minister **Arun Jaitley** tabled the **Macro-Economic Survey 2015-16** in Parliament. The economic survey was prepared by the Chief Economic Advisor **Arvind Subramanian**.

- In accordance with survey, Indian economy is growing at a pace of **7-7.5%** and it is expected to accelerate at 8% in the next couple of years.
- India's macro-economy is sturdy and it is likely to be the **fastest growing major economy** in the world in 2016 as it shows an expansion from 7.2% in 2014-15 to 7.6% in current fiscal.

Before heading towards the other highlights lets us take a brief view on economic survey: To showcase the ministry's view on the annual economic development of the country, every year before the Union Budget, the **economic survey** is presented by **Finance Ministry of India**.

- Economic Survey summarizes the **performance** on major development programs and highlights the policy initiatives of the government and the prospects of the economy in the short to medium term.
- This document is presented to **both houses of Parliament** during the **Budget Session**.

Following are the highlights of the report:

Fiscal Deficit

- 2015 -16 fiscal deficits seen at **3.9%** of GDP seems achievable
- 2016 – 17 expected to be challenging from fiscal point of view.
- Credibility and optimality argue for adhering to **3.5%** of GDP fiscal deficit target.

Inflation

- CPI inflation seen around **4.5 to 5%** in 2016 – 17.
- Confidence in price stability has improved and it is expected that RBI to meet 5% inflation target by **March 2017**.
- Prospect of lower oil prices over medium term likely to dampen inflationary expectations.

Current account deficit

- 2016 – 17 current account deficit seen around **1-1.5%** of GDP.

Currency

- **Rupee's fair value** can be achieved through monetary relaxation.
- India needs to prepare itself for a major currency readjustment in Asia.
- Gradual depreciation in rupee can be allowed if capital inflows are weak.

Taxes

- Proposes widening tax net from 5.5% of earning individuals to more than **20%**.

- Tax revenue expected to be **higher** than budgeted levels in FY15 – 16.
- Favours review and phasing out of tax exemptions.

Banking & Corporate Sector

- Estimated **capital requirement** for banks likely around **Rs 1.8 trillion** by 2018 – 19.
- Corporate, bank balance sheets remain stretched, affecting prospects for reviving private investments.
- Underlying **stressed assets** in corporate sector must be **sold** or rehabilitated.
- Govt could **sell off** certain **non-financial companies** to infuse capital in state-run banks.
- Govt proposes to make available **700 bn rupees via budgetary allocations** during current, succeeding years in banks.

India Ranks First in Milk Production In accordance with the economic survey 2015-16, India ranks first in milk production, accounting for **18.5%** of world production. It achieved an annual output of **146.3 million tons** during 2014-15 as compared to **137.69 million tonnes** during 2013-14 recording a growth of **6.26%**.

Abu Dhabi Bank included in the Second Schedule of RBI Act

The Reserve bank has included the **National Bank of Abu Dhabi PJSC (NBAD)** in **second schedule of RBI Act, 1934**. It was released by RBI in a notification.

Points to note

- **NBAD** is the leading bank in middle east
- It has its global presence in around **17 countries**
- It is spread over overseas territories and **five continents**
- The countries in which NBAD has its branches are China, Hong Kong, Malaysia, India, Oman, the UAE, Kuwait, Bahrain, Jordan, Lebanon, Egypt, Sudan, France, Switzerland, the UK, USA and Brazil

IFC launched its first Uridishi Masala bond mobilizing \$ 4.3 million

IFC, a member of **World Bank** group has launched its first **Uridishi masala** bond in India to mobilize **300 million rupees** from Japanese household investors to promote **private sector investment** in India.

- Masala bonds are **rupee-denominated instruments** sold only to **offshore investors**
- **Uridishi bonds** are sold to **Japanese household investors**
- The **three-year bond** builds has raised the equivalent of **\$1.7 billion** from international investors for investment in India
- **Uridishi Masala** bonds will be used to support **private sector investment** in India

Indo-WB inked Financing Agreement worth US\$300 Million for MPHEQIP

Washington D.C. headquartered **World Bank, Government of India** and **Government of Madhya Pradesh** has inked a credit concord worth of **US \$300 million** for the **Madhya Pradesh (MP) Higher Education Quality Improvement Project**.

- The credit has been given by the **International Development Association (IDA)**, the World Bank's **concessionary lending arm**.
- It is sanctioned for a period of **25 years**, including a 5 year grace period.

RBI unlocks 40000 crores to capitalize banks

RBI announced relaxation of certain norms in the balance sheet which will unlock **40,000 crores** to support the capital requirement of Indian banks.

Flash points

- Indian banks are facing a **huge loss** due to the increase in **Non Performing assets** which have eroded the Capital of these banks
- The revised RBI norms will give public sector banks (PSB) access to additional capital of **INR 35,000 crore**
- It could be about **INR 5,000 crore** for private sector banks

India's GDP growth to hike by 7.8% in 2016-17: Nomura

Nomura has told in a recent report that India's **GDP growth** will rise from **7.6% to 7.8% in the year 2016-17**. **GDP** growth would be based on high discretionary demand driven by **7th pay commission**.

Flash points

- Industrial production declined to **2 % in November**, however these are temporary and the under lying Industrial growth remains positive says Nomura
- The industrial production was slowed down due to Chennai flood and diwali holidays but in January the growth has picked up
- According to **Nikkei India PMI Index**, India's **manufacturing growth** has remained unchanged in February at **1** from January.

Government Cancels IRB Contract

Union Government has cancelled the contract for the **RS. 10, 050 crore Zojila Pass Tunnel Building Project**.

- South Asia's longest Tunnel project at **Zojila Pass in Jammu & Kashmir** to offer all weather connectivity to the **Lah – ladakh region**.
- With this cancellation of the contract, IRB's order size will decline to about **Rs. 6, 500 crore**.

RBI Released Draft Directions For Non-Banking Financial Company – Account Aggregator

The Non Banking Financial Company- Account Aggregator Directions, 2016 was released by RBI on March 3, 2016 to put in place a **regulatory framework** to allow a separate category of Non

Banking Financial Company to emerge as an **Account Aggregator**.

Key Points:

- Only Companies registered with RBI as **NBFC-AA** will be allowed to carry out the business of an account aggregator.
- The net owned fund of such companies should not be **less than Rs 2 crores**
- Initially, Financial Assets of which the records are stored electronically and are under the regulation of any Regulator namely **SEBI, PFRDA, RBI** and **IRBA** will be considered for aggregation.

Foreign Banks Get Myanmar Licence

Under the Junta rule, **Myanmar's banking system** was closed for decades for outside competition which now has been changing in the recent past since the 2011 reformist government came to power and the landmark elections in **November 2015**.

- Vietnam's Bank for Investment and Development
- Taiwan's E.SUN Commercial Bank
- South Korea's Shinhan Bank

State Bank of India

Capital Area Bank first to get small finance bank licence

Jalandhar based **Capital Local Area Bank Limited** has given small financial bank licence by the Reserve Bank of India, The Operation of the Bank will kick start from **April 13, 2016**.

- Punjab based company is the first among ten players to get final licence from the Bankers Bank. The Bank currently serving as a local area bank.

Axis bank better placed than ICICI and other PSU Banks

Nomura reports reveal that **Axis bank** is better placed than **ICICI** and other public sector bank in terms of **corporate book profitability**.

Flash points

- Global financial services firm Nomura said that the third largest private sector bank in India-Axis bank is better placed than **ICICI** and **other PSU's** in terms of corporate book profitability
- About **20-25% of Axis bank's corporate books** are stressed

Government May Merge 27 Public Sector Banks Into Just Six

Bad Loans in the Public Sector Banks have been a pressing issue for the growth of the economy and in an attempt to address the problem; the Government may look into merging **the twenty seven PSBs into just six**.

- Such a move was discussed in the recently held retreat of the chiefs of the PSBs, **Gyan Sangam**. **Global rating agency Fitch has maintained the Forecast of India's growth at 7.5**

Global rating agency **Fitch** has maintained its growth forecast for India at **7.5 per cent** this fiscal and sees **higher growth** over the **next two** financial years.

Points to note

- **Fitch** also claims for a 8% growth in short term is not possible
- Fitch has maintained its **Gross Domestic Product** (GDP) growth forecast for India for the fiscal year ending March 2016 at **5 per cent**
- Growth is expected to gradually accelerate to **7 per cent in 2016-17** and **7.9 per cent in 2017-18**
- **Higher real disposable income**, a **normal monsoon** and a substantial wage increase for central government employees will support **economic recovery**
- Structural reforms like **Land Acquisition Amendment Bill** and the **Goods and Services Tax** also likely to support the growth

SoftBank splits into two subsidiaries

Japan based Telecommunication major **Soft Bank group Corp plans to split** its domestic and overseas business given them Separate Chief executives for their entity.

- This move is to bolster Shareholder value after a staggering **\$ 4.4 billion** US share buyback plan a month ago.
- Softbank's stakes in U.S. wireless carrier Sprint and **Chinese E-commerce Company Alibaba** Group Holding to a new global operations management subsidiary. The Company president **Nikesh Arora** will now head the overseas Management Company.

CBDT sets up dedicated structure for monitoring taxpayer services

To address various issues of taxpayers the **Department of Revenue** has sets up **dedicated structure for monitoring taxpayer Services**. Revenue and Tax Payer Services member will watch over the delivery and monitoring of taxpayer services in CBDT.

- Under this initiative two separate Directorates, called **Directorate of Tax Payer Services-I&II** have been set up. These Directorates will be responsible for delivery and monitoring of taxpayers services in the field offices and e-services deliverable through various electronic platforms of the Department.

YES Bank started its All Women Branch in Bengaluru

As a part of the International Women's day celebrations various Banks announced schemes related to women. **YES Bank** also joined this list by starting its first **All women operated branch 'Yes Grace'** in **Bengaluru**.

Flash points

- The new branch, served by **eight employees currently** and with plans to raise the count to 12, will also drive for financial literacy,

family banking, safety and wellness amongst women

- Two more all-women bank branches were opened in at **Kalkaji, New Delhi** and **Vile Parle (E), Mumbai**

RBI to share FDI details with IB & RAW

The Reserve Bank of India will now share its **FDI details** with the **Intelligence Bureau and Research and Analysis Wing** to prevent the entry of **Black money** into the country.

- Modifier **3** specifies to **generic rating classification** and Baa represents lower rank

India Post selects Deloitte as consultant for payments bank

India Post Picked **Deloitte as Consultant** for Payments Bank to advise it on setting up a payments bank and an agreement between the two would be signed.

- The PIB has already approved the **Rs 800-crore proposal** of India Post and in 15 days it will be kept before the cabinet for its final approval.

ICICI Bank Ties up with Ferrari for co-branded Credit Card

India's largest private sector lender **ICICI** has signed a pact with Italian luxury sports **car manufacturer Ferrari** to issue co-branded **credit cards**.

- The Ferrari Credit Card comes on the **Visa platform** in two variants and offers customers a host of offers including an all-expenses-paid trip for top spenders to Italy and also includes a Scuderia Ferrari watch as a joining gift.

Kotak Mahindra Group ties up with Canada Pension Plan for investment in Indian stressed assets

Kotak Mahindra Bank Group has signed an agreement up with **Canadian Pension Plan Investment Board** (CPPIB) to launch a **\$525 million fund** to invest in the stressed asset market in India. The Canadian pension fund manager will have the option to invest up to \$450 million in this partnership

- Under this agreement stated **fund** will work with **Kotak Mahindra Group** and its associate firms.

RBI is likely to pay 57000 crores as dividend to the Government

The Reserve Bank of India is likely to pay the government Rs **57,000 crore** in dividends in the fiscal **year 2016-17**.

Flash points

- The amount paid is slightly lesser than the previous fiscal year but much higher than the previous years
- Last year, the government received Rs.**73,905 crores** as dividends from various state owned banks and the RBI

- This fiscal year it has estimated to receive Rs.**69,897 crores**
- However the split up of money from banks is not given and it expects **55000-60000 crores** from RBI
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SBI disburses Rs 1,465 crore OROP arrears

India's largest lender State Bank of India has released arrears worth **Rs.1, 465 crore to about 7.75 lakh** defence beneficiaries under **OROP scheme** ,the

scheme is expected to cost the government **Rs 7,500 crore per**

- Under One Rank One Pension the pensioners will get their **first instalment** (1/4th of the total arrear amount up to February, 2016) **to service pensioner**
- Family pensioners' and 'gallantry award' pensioners will be eligible to get full amount of arrears paid on **14th March**.

Pay interest on savings accounts every quarter: RBI to banks

Reserve bank of India asked banks to credit interest on savings accounts **every quarter or shorter than that of the fiscal**.

- Interest rate on savings bank account is calculated on daily basis **since April 1, 2010** and it is credited in savings bank account on half-yearly basis.
- The revised interest rate credit payment may put a burden of **500 crore** on banks but the move by the central bank which **will benefit crores of savings account holders**.

ICICI Bank launches contactless mobile pay solution 'iTap'

ICICI Bank, has now launched a new **NFC-based mobile payment** system enabling contactless transactions via its Pockets app.

- The new system enables its credit and debit users to make in-store contactless payments by simply waving their smartphones near an **NFC-enabled mobile phone running Android 4.4 and above** for making the payment at any merchant terminal.
- ICICI has become the first bank to use **Host card Emulation Technology for its payment system**.

IDBI Bank ATMs Can Be Used For Bond Purchase

The **Industrial Development Bank of India (IDBI)** is an Indian Public Sector Bank headquartered at **Mumbai** which was established in **1964**.

HIGHLIGHTS

- In order to boost retail participation in Govt bond investments, IDBI has now allowed its customers to invest in these bonds through its ATMS.
- The facility of investing in G-Sec through ATM is an extension of Bank's **Samridhi G-Sec Portal** to enable retail investors to transact in government securities.
- The retail customers of the Bank can register, one time, for this facility and invest in G-Sec through any of the Bank's ATMS

Government slashed the interest rates of PPF from 8.7% to 8.1%

The government announced that Interest rate on **Public Provident Fund (PPF)** scheme will be cut to **8.1 per**

cent for the period **April 1 to June 30**, from **8.7 per cent**.

- The rates of **Public Provident Fund** was slashed by **60 basis points**, and **Kisan Vikas Patra**, by **90 basis points**

Schemes suffering reduction

The new interest rates for 12 small savings schemes, including term deposits of one to five years' maturity, five-year recurring deposit, **five-year Senior Citizen Savings Scheme**, **five-year Monthly Income Scheme**, **Sukanya Samridhi Account Scheme**, and **National Savings Certificate**

New Rates

- Five-Year National Savings Certificates will earn an interest rate of **1 per cent as against 8.5 per cent**
- Five-year Monthly Income Account will fetch **7.8 per cent as opposed to 8.4 per cent**
- Two-year time deposit will now earn **2 per cent instead of 8.4 per cent**, three-year time deposit will earn **7.4 per cent instead of 8.4 per cent**, five-year time deposit will earn **7.9 per cent instead of 8.5 per cent**
- Five-year recurring deposit will earn **4 per cent instead of 8.4 per cent**

Chhattisgarh Disburses 1800 crores for MUDRA

The Chhattisgarh government has disbursed **Rs 1, 821-crore** loans to several beneficiaries under the **Pradhan Mantri MUDRA** (Micro Units Development and Refinance Agency) **Yojana** (PMMY)

Flash points

- The Chhattisgarh state government had designed a **grass-root level planning** to promote the Micro, Small and Medium Enterprises (MSME) for facilitating investment in the sector
- The **Department of Commerce and Industry** planned to organise workshop in each district in which public representatives were invited

HDFC Bank launches banking solution for startups

After **SBI's 'InCube'** and **RBL Bank's 'India start-up Club'**, HDFC Bank has also come up with its solution for startups, called **'SmartUp'**. SmartUp has been launched in association with **Zone Startups India** (ZSI), a Mumbai-based start-up accelerator.

- The mission of SmartUp is not only to provide basic banking transactions, but also valuable services like advisory services, **forex** and **payment solutions**. Account holders can also get recommendations of a chartered accountant for tax, regulatory and compliance issues.

IRDA approved LIC's idea to invest in PSB's

The regulatory authority of Insurance sector has given its nod to the Biggest life insurance company of India- **LIC** to invest in the **Public Sector Banks**.

Flash points

- **IRDA** after complete scrutiny of the investments of LIC in PSU's have agreed to the proposal of **increasing its investments in Public sector banks**
- RBI had expressed concern over LIC making huge investments in PSU banks, saying it can affect the **financial stability**
- But **VR Iyer**, Member, IRDA, led the team which held discussions with LIC and also found LIC's equity investment is just **6-7 per cent** and investments in banks are still a **smaller portion**

Bajaj Finance enters life care financing segment

Bajaj Finance is entering the **Rs 20,000-crore life care segment** under which it will finance expenses for stem cells storage units, cosmetics-based hair treatment, dental and eye care, IVF & maternity care, laparoscopic cure for a dozen ailments, and elective medical/paramedical care for many other issues.

- Anyone can get interest-free **loan for personal care treatment** at VLCC, Kaya Skin Clinic and Enhance Clinic, among others.
- In the next five years, the company expecting a segment **growth of Rs 1,000 crore**. The segment has the potential to grow up to **12% of the portfolio**.

World Bank to support Swachh Bharat Mission

World Bank proposed a **\$ 1.5 billion dollar** as funding to the clean India campaign popularly known as the **Swachh Bharat in rural areas**

- According to the cabinet approval, the fund will be incentivized based on the performance based indicators like **DLi's**
- The states are asked to disburse **95% of the fund** to various channels in the rural areas to implement the measures of **SBI(G)**

RBI makes it easier for banks to improve liquidity

The watchdog of the Indian Banking system, RBI has announced to soften the rules on **Liquidity measurement** there by providing a sigh of relief for the banks to be in accordance with the new **Basel III norms**.

Measures announced by RBI

- **Liquidity Coverage Ratio** need not include the **retail deposits** whose maturity value is beyond a month
- The calculation also excludes the **pledged deposits** over 30 days maturity date
- **Cash outflows** of **retail term deposit** whose residual maturity or withdrawal notice period of greater than **30 days** can be excluded from cash outflows calculation

- **Previously** bulk deposits over 1 crore where earlier withdrawals were not permitted only can be excluded from calculations
- **Corporate debt securities** which are not issued by banks, NBFC's, financial institution will be subject to 50% haircut which earlier was **20%**
- The above can also be considered as Liquidity Risk Monitoring tool

Lakshmi Vilas Bank ties up with NBHC for collateral management & warehousing

Sector lender **Lakshmi Vilas Bank** kept its alliance with National Bulk Handling Corporation Private Limited (**NBHC**), a major Agri-Infrastructure player for **collateral management** and **warehousing services**.

- The primary **objective** of these services will allow industry traders and farmers in financing their capital requirements at all stages of supply chain, ranging from pre-harvesting to the marketing and export stages.
- This would allow the bank to provide financial flexibility to farmers, **minimising the seasonal price fluctuations** and **distress sales during crop harvest season**.

South Indian Bank gets ISO 9001:2008 certification

Kerala based **South Indian Bank** has disseminated that its personnel department has achieved the **ISO 9001:2008 certification**.

- South Indian Bank came into being during the **Swadeshi movement** established in **1929** spread across more than 26 states and 3 union territories in India

Revised RBI rules for rehab of MSME's to reduce Bad loans

The biggest problem faced by the Indian banking sector in the recent days is the piling up of **Bad loans**. The RBI has been taking various measures to reform the banking sector and bring down the NPA's. As a part of its efforts, it has revised the Rules for **rehabilitation of MSME's**.

Flash points

- **FICCI** has commented on RBI's move calling it to be a **rehabilitation measure** for MSME's
- The measures include formation of special **mention account and committee at the district level** to manage stressed accounts
- The new framework is applicable to MSME's having loan limits of **upto 25 crores**
- The framework proposed will be institutionalized by MSME's before **June 30, 2016**

RuPay to launch Credit Cards in September

National Payments Corporation of India (**NPCI**) owned and developed **RuPay** will be offering the credit card segment this September. It plans to issue **100,000 such cards** in the **first year of its launch**.

- Initial focus to be on two variants – regular and platinum, there are **241 million RuPay cards** in circulation comprising 35 per cent of the total card base in India and accounting to 20 percent of all card-based transactions.

IOB Starts issuing of Gold bonds

The Union government announced three important gold schemes in the last year. One of the three schemes is the issue of **gold coins** through banks. As a part of implementation, **the Indian Overseas Bank** has started issuing the gold coins in its branch.

Flash points

- **IOB** is the **first bank** which has started the issue of gold coins
- The gold coins are available in the denomination of **5,10 and 20 gms**
- The Indian Gold Coin is of **24 carat purity, 999 fineness** and has the national emblem of **Ashok Chakra** engraved on one side and the face of **Mahatma Gandhi** on the other

World Bank approved to Jordan and Rajasthan

The long-term loan, almost interest free by **World Bank of \$100 million loan to Jordan** for job creation, comes after Lebanon was also awarded \$100 million to ensure universal school enrolment for Lebanese and Syrian refugee children by 2017.

- In an attempt by the international community to improve conditions for refugees in overburdened regional host Jordan will get a cheap \$100 million loan to **help create 100,000 jobs** for Syrian refugees and its own citizens.

World Bank approved \$250 million loan to Support Electricity Distribution Sector Reforms in Rajasthan

The World Bank Board granted **Long term Loan of \$250 million** Development Policy Loan for Rajasthan.

- The loan, from the International Bank for Reconstruction and Development (IBRD), **has a 5-year grace period, and a maturity of 18 years**.

Federal Bank to open incubation centres for startups

Federal Bank plans to set up incubation centers for startups in **Bangalore** and **Ernakulam**. These are expected to offer advice on **capital, regulatory support** and even disburse funds in the branches.

- These centres are named as Launchpad, equipped with fast internet connections, support staff from the financial world and advisory mechanisms.
- The bank has a dedicated startup fund of worth **25 crore** which will be utilized for funding or lending to promising startups. The bank also plans to integrate its mobile payments application 'Chillr'.

RBI announces private placement of securities under UDAY scheme

The Banking regulator **RBI** had announced the **private placement of securities** for **UDAY scheme** adding further boost to the scheme.

Flash points

- RBI has asked the interested market participants to subscribe for securities before **March 30**
- The special securities under UDAY are being issued by governments of **Bihar, Haryana, Jammu and Kashmir, Jharkhand, Punjab and Rajasthan**
- The scheme is expected to help discoms save around Rs **8 lakh crore** in the next three years

Bharat Bank ties up with Chillr to make payments easier

Mumbai based **Bharat Bank** customers now will be able to use **Chill app** services, a lender from the co-operative space, will be able to instantly transfer money to anyone in their phonebooks.

- **Chillr is the fastest and easiest** way to send money between bank accounts and works even on bank holidays.

RBI, Sri Lanka Central Bank Sign Currency Swap Pact

Reserve Bank of India Currency swaps agreement with the **Central Bank of Sri Lanka** the pact would allow its Sri Lankan counterpart to **draw up to \$700 million over a maximum period of three** months under a new special currency swap agreement signed by the two central banks.

- Sri Lanka is seeking a **loan of \$1.5 billion** from the International Monetary Fund (IMF) to boost foreign exchange reserves and help avert a balance of payments crisis.
- RBI has previously provided currency swaps to the Central Bank of Sri Lanka, including plans to **extend a \$1.5 billion** agreement by one year.

ADB lowers Asia's growth forecast to 5.7%

The Asian Development Bank headquartered at Manila, has brought down the forecast of growth of Asia to **5.7%** for the financial year 2016-17.

Flash points

- The Asian Development Outlook, a supplement of ADB has predicted the growth of Asian economy to be **at 5.7%**

Investments, and Surin Investments are the NBFC's whose registration has been cancelled

SEBI raises FPI investment limit

The market regulator **SEBI** has raised the **FPI (Foreign Portfolio Investors)** investment limit in government securities to **1,40,000 crore** from April,4.

Hikes in limits

- **FPI Investments in government securities** will be raised to 140000 crores in April,4 and 1,44,000 crores in July

- **FPI limits in SDL's** will be increased from 7000 crores to 10,500 crores in April and 14000 crores in July

- **Long term FPI's** will be made 50000 crores in April and 56000 crores in July

Japan commits loan worth 14251 crores

Japan has been providing support to India both financially and technically when it comes to the development of Infrastructure. It has now committed a loan worth **242.2 billion** yen for the various **infrastructure projects** in India.

- **Transmission System Strengthening** Project in Madhya Pradesh -JPY 15.45 billion
- **Odisha Integrated Sanitation Improvement** Project -JPY 25.7 billion
- **Dedicated Freight Corridor Project** (Phase 1) - JPY 103.6 billion or Rs 6,170 crore
- **North East Road Network Connectivity** Improvement Project- JPY 67.1 billion

- **Jharkhand Horticulture Intensification** by Micro Drip Irrigation Project -JPY 4.65 billion

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Govt removes proposed tax on EPF withdrawals

Union government has rolled back controversial **EPF Tax withdrawal**

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Govt removes proposed tax on EPF withdrawals

Union government has rolled back controversial **EPF Tax withdrawal**

• The proposal announced in the Budget Speech had sought to make up to **60 per cent** of savers corpus withdrawn from the EPF tax-free if invested in annuity, the period return on the annuity was to be taxable.

Employees to get incentive for 1 year from EPFO

The **Employee Provident Fund Organisation** as a part of seeding the UAN number with KYC has announced an **incentive** for the employees who register between **January** and **December 2016**.

Flash points

Incentive: Employees can claim **5 to 10% of administrative charges** for 1 year

Duration: From January to December 2016

What for? To encourage the employees to seed the **UAN with KYC** details

Details included in KYC: Permanent Account Number, Aadhar Card, Bank account details

Allotted UAN numbers: 6.38 crores

Government cancels Recognition of Delhi Stock Exchange

The Government has withdrawn its recognition to **DSE** following the cancellation of recognition of its activities by **SEBI in 2014**.

- DSE's recognition was cancelled following the **serious irregularities in its demutualization functioning**

- DSE was formed in **1947**

Under certain provisions of **Securities Contracts (Regulation) Act, 1956**, the recognition to stock exchanges can be withdrawn if it has not been **corporatized and demutualised within the specified time**

Current Account Deficit fell to 1.3% of GDP

India's current account deficit, the excess of imports over exports, fell further to **1.3% of the gross domestic product** due to benefits of lower commodity prices.

Flash points

- Reserve Bank of India data showed current account deficit (CAD) at **\$1 billion** in the third quarter ending December, lower than **\$8.7 billion or 1.7% of GDP** in the preceding quarter
- Last year the CAD was at **\$7.7 billion and at 1.5% of GDP**
- The fall in commodity prices helped lowering of **trade deficit to \$34 billion from \$37.4 billion**
- **Net outflow** for the third quarter was just about **\$0.2 billion** compared with **net outflow of \$3.5 billion** in the preceding quarter
- **Remittances by Indians** employed overseas fell to **\$15.8 billion**
- **India's foreign exchange reserves**, excluding changes in currency valuation rose **\$14.6 billion** during April-December 2015 as compared with **\$31.3 billion** in the last year

India's GDP growth projected at 7.7%

India's GDP growth has been projected at **7.7%** in a report released by Rating agency **ICRA**.

Estimation

The GDP growth for the current fiscal is estimated at **7.6% in current fiscal** and it is projected to grow to **7.75%** in 2016-17

Reasons

- Increase in domestic consumption post the implementation of the **Seventh Central Pay Commission's** recommendations and **One Rank One Pension (OROP)**
- **Rs 1.2 lakh crore in Plan expenditure** in 2016-17 will influence the pace of infrastructure augmentation and economic growth
- Hikes in excise duty has brought a revenue of **17,000 crores**

BMI projects India's growth at 7.2%

The Indian economy which is a fast growing economy in the world has been projected **at 7.2%** by the BMI research. The growth has been speculated by various rated agencies across the world.

- **Central Statistics Office** had projected **6 per cent** GDP growth rate in February
- According to Japanese financial services major **Nomura, India's GDP growth** is likely to pick up to **8 per cent** in fiscal 2016-17
- But the **BMI research** has projected the GDP growth at **2%** compared to 7.3% last year
- Indian economy is likely to face challenges in various sectors owing to the **weak economy** of the world
- It also told that schemes under Modi's governance have contributed to the **incremental growth of economy**

- The Indian government aims to reduce subsidies through the **JAM (Jan Dhan-Aadhaar-Mobile) initiative** that will avoid leakages will help reduce expenditures and aid long-term fiscal deficit consolidation plans

DIPP nods 49% FDI in Insurance and Pension Sector

The Department of Industrial Policy and Promotion (DIPP) board have approved **the liberalization in Insurance and pension sector**. It has given its nod to **49%** of FDI in the sector

DCB Bank starts India's first Aadhaar-based ATM Maharashtra based Small-sized lender **DCB Bank** has started an Aadhaar-based ATM usage facility in which a customer can transact using his biometric details instead of the PIN. This is the **first** of its kind.

- The system is a comparatively inexpensive solution and the bank, which currently has 400 ATMs, is targeting to cover its entire network under the system within a year.

- This is the first **ATM in the country** which operates using the Aadhaar data. One can do a transaction without the card as well.

SBI makes it easy with 'State Bank of India NO Queue' app

India's largest lender SBI, has launched **State Bank of India NO Queue** it is a virtual queuing mobile application that will help customers save on time.

- The application is a mobile-based virtual queuing application for customers to book an **instant** queue ticket for select services at select branches.

Based on the services selected, the list of branches with addresses providing those services within a configured radius **of 15 kms** will be populated in the application.

India's first cash giving app 'CASHe' launched

Tslc Pte Ltd, a fin-tech company announced the launch of its all new mobile-only lending platform **CASHe**, This new application is very helpful and provides users a personalized experience to borrow cash anytime, anywhere within minutes for their needs.

- CASHe Application was launched in **Mumbai** at a glittering ceremony. It is the idea lplatform for consumers to take control of their short term finances.

RBI cuts repo rate by 25 basis points

RBI has announced the first Bi-monthly Monetary Policy Statement for 2016-17. It cuts the Repo rate under the liquidity adjustment facility (LAF) by **25 basis points** to 6.5% and kept the Cash Reserve Rate (CRR) unchanged.

First Bi-monthly Monetary Policy Statement for 2016-17

- Repo Rate : 6.50%
- Reverse Repo Rate : 6.00%
- Aprginal Standing Facility Rate : 7.00%
- Bank Rate : 7.00%
- CRR : 4%
- SLR : 21.25%

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- Bank Rate : 7.00%

- CRR : 4%
- SLR : 21.25%

Government widens export funding to Iran to Rs 3,000 crore

Union Government has tripled the funding for exports to Iran to **Rs 3,000 crore** through the Export Development Fund (EDF) of the **Exim Bank**. The move likely to improve bilateral trade and strategic ties.

- The agreement between Exim Bank of India and a consortium of Iranian banks led by Central Bank of Iran for financing the purchase of goods and services from India to **Rs 3,000 crore**, from **Rs 900 crore**

Cabinet approves recommendations of the 14th Finance Commission on Fiscal Deficit

As per the recommendations of the **Fourteenth Finance Commission (FFC)**, Union cabinet has consented the fiscal deficit target of **3%** of **gross state domestic product (GSDP)** for states for the 2015-20 period.

- It has been permitted to the states with adequate finance to borrow an **extra 0.5%** of their **GDP**, beyond the **3%** stipulated by the 14th Finance Commission, in order to help them to meet their **development needs**.

CCEA consented ATC Asia Pacific & Andrew Yule proposals

The Cabinet Committee on Economic Affairs (**CCEA**) has given its stamp of approval for the proposal of **ATC Asia Pacific Pte Ltd, Singapore** to acquire **51% shareholding** in **Viom Networks Ltd** by method of transfer from existing shareholders.

Nod to Andrew Yule proposal

- Along with ATC Asia Pacific Pte Ltd, the CCEA has also given its approval for **transformation** of **Working Capital Term Loan (WCTL)** amounting to **Rs.29. 91 crore** from **Bank of Baroda (BoB)** into equity by issuing an essential number of value shares of **Andrew Yule and Co Ltd (AYCL)**.

WTO cuts 2016 world trade growth forecast to 2.8 percent

Global Growth will come to **8 percent this year**, lower than a previous forecast of 3.9 percent, the World Trade Organization forecast.

- Genva based World trade organisation forecasts are based on economic growth of 2.4 percent in 2016 and 2.7 percent in 2017.
- Trade is likely to rise to **3.6 percent in 2017**, breaking through 3.0 percent for the first time in six years.
- However **WTO has repeatedly revised preliminary estimates** over the past five years as predictions of economic recovery prove overly optimistic.

World Bank initiated "Climate Action Plan"

Washington, D.C. Headquartered **World Bank** presented its ambitious climate action plan that will help nations to create an additional **30 gigawatts of renewable energy**, early warning frameworks and

in creating **climate smart agriculture investment plans** for at least 40 nations.

Key features of plan

- Increase sources of renewable energy
 - Decrease in high-carbon energy sources
 - Develop green transport systems
- Build sustainable, livable cities for growing urban populations

The World Bank Action Plan is centered around helping nations to shape their **national strategies** and influence **private sector investment**.

Federal Bank-Phillip Capital tie-up announced at Singapore

Kochi based **Federal Bank** has signed pact with **Phillip Capital**, for managing the NRI Portfolio Investment Scheme (PIS).

- The joint initiative will be add a significant value to the **NRI clientele of the bank**, particularly those in the non-Gulf cooperation council countries, who can now avail PIS using the wide global network of Phillip Capital and their experience and expertise in providing consistent and world-class customer service.

India offers \$20 billion investment in Iran

India has offered to invest up to **\$20 billion** in Iran announced by Oil Minister Dharmendra Pradha during his two day visit to Iran. This was the **first visit by an Indian minister** since the US and other western powers lifted sanctions against Iran in January.

Investments Fields: New petrochemicals, fertiliser and liquefied natural gas (LNG) facilities

- **New Delhi** and **Tehran** are trying to enhance their energy ties following the lifting of some sanctions this year on Iran.

RBI gives nod to Bharti Airtel's payments Bank Unit

Gopal Vittal led **Bharti Airtel's** payments bank venture Airtel M Commerce Services Ltd has become the first entity to receive final approval from the Reserve Bank of India (RBI) to start a payments bank.

- Delhi based Bharti Airtel will set up the payments bank in **partnership** with **Kotak Mahindra Bank**, which holds **9%** stake in **Airtel M Commerce**, a subsidiary of Bharti Airtel.

Government exempts housing finance cos from XBRL filings

The **Corporate Affair Ministry** has exempted housing **finance companies** from filing financial statements in XBRL format. **Banking, insurance, power sector** and **non-banking finance companies** are already exempted.

Federal Bank Launches Campus Wallet in Kerala

Kochi based Federal Bank has joined with **Chillar Payment Solutions** Ltd., to promote the start-up's technology **product – Campus Wallet**.

- Currently **16 schools** in the state have on boarded to **Campus Wallet** with around 14000 students using the Campus Wallet.

- This is an Identity Card faded Banking technology with Students can make payments in stores, canteen, library etc within the respective campuses by flashing the **Campus Wallet cards** at the special swiping machines installed at these locations.

Jaypee offers 2,200-acre land to banks for loan settlement

Jaypee group offers **2200 acre land** to banks in order to settle most of its loans.

- Banks have shown their interest to take over the land to avoid putting a non-performing asset (NPA) tag on the two Jaypee group companies namely **Jaiprakash Associates Limited (JAL) and Jaypee Infra.**

Aadhaar, net banking-based I-T e-filing appeal system activated

Income Tax department has started the **Aadhaar and net banking-based e-filing verification system** for taxpayers to file the first appeal before a tax officer, on similar lines of online ITR filing.

- This initiative is to reduce the **interface between taxman and the taxpayer**, the department has recently operationalized the maiden facility on its official e-filing portal.

India world's largest remittance recipient in 2015: World Bank

According to the **World Bank** India named as the world's largest remittance recipient in 2015 despite experiencing a **\$ 1 billion drop** from the previous year, the first decline in its remittances since 2009.

Remittance trends of India:

- India reserved its **top spot** in **2015**, attracting about **\$69 billion in remittances**, down from \$70 billion in 2014, the World Bank in its annual report '**Migration and Development Brief**'.
- Other large remittance recipients in 2015 were **China with \$64 billion**, the Philippines (\$28 billion), Mexico (\$25 billion) and Nigeria (\$21 billion).

Regional Remittance Trends

East Asia and the Pacific - The region rose **by 4.2 percent** in 2015, down from 7.4 percent in

RBI cuts maturity of masala bonds to three years

RBI has reduced the minimum tenure of Masala bonds to make it more attractive. The

Term "**Masala Bond**" is used to refer to rupee-denominated borrowings by Indian entities in overseas Aprkets.

- The minimum maturity period for the rupee-denominated bonds issued overseas reduced to **three years** from the previously stated five years.

- The International Finance Corporation (IFC), the investment arm of the World Bank issued a **1,000 crore bond** to fund infrastructure projects in India that were listed on the London Stock Exchange (LSE).

Government to allow Pakistani Hindus to buy property, open bank accounts

People belonging to minority communities of Pakistan, staying in India on Long Term Visa, will soon be allowed to buy **property, open bank accounts** and get **PAN Card** as well as **Aadhaar**.

- The government also offer reduction in fees for registration as citizens of India

Oriental Bank of Commerce to raise Rs 178 crore by issuing shares to LIC

Oriental Bank of Commerce will raise over **178 crore** by issuing shares to **Life Insurance Corporation** on a preferential basis.

- The decision comes from lender after Extra-ordinary general meeting held on 29 Aprch that to issue over 2 crore shares to LIC was taken at the bank's, it said in a regulatory filing.

Uttar Pradesh tops in PPP project investments: Study

Uttar Pradesh has claimed the **most favoured investment destination of PPP Projects**, as it took top spot with the highest share of about **15 per cent** in PPP projects across India, followed by Maharashtra and Gujarat, According to the **Assocham-SREI**

The study **named PPP Investment in Indian Infrastructure: Need for growth and development**

has suggested to the government the setting up of an independent institution for overall co-ordination and management of PPP projects in the country.

ADB clears \$300-million loan for upgradation of UP roads

Phillipines based **Multi Lateral Financing Agency** and **Uttar Pradesh** Government shared their contributions to enhance the Road Connectivity of about 400 Kms in major district in Uttar Pradesh State.

Budget: \$ 300

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IFMR Capital initiates first capital Aprket transaction for MUDRA

IFMR capital has enabled the **first capital Aprket transaction for MUDRA** which emphases on providing low cost loans to microfinance and non-banking financial institutions.

- The Joint initiative would facilitate accelerated impact on the sector by leveraging MUDRA's capital and risk appetite.
- This will be a **short term** transaction with **tenure of 1.5 years**. Which in turn will gain exposure to over 100 high quality MFIs and NBFCs in the Nation.

Railways shows record high capital expenditure

Railways have finished the financial year 2015-16 with a **record high capital expenditure of Rs 94,000 crore**, an increase of **Rs 37,000 crore** over the previous fiscal.

• Railways intends to step up capital expenditure to boost the economy by its contribution.

RBI issues master direction on merger of private sector banks

Reserve Bank of India(RBI) issued the **master direction** for merger of private sector banks and also between NBFCs and banks.

Scope: An amalgamation of two banking companies and amalgamation of an NBFC with a banking company.

- The decision of amalgamation should be approved by respective boards by **two-thirds majority**
- NBFC merging with a private sector bank, all accounts should be **KYC compliant** as they would eventually become accounts of the banks after amalgamation.

Punjab based Capital Local Area Bank – First small finance bank starts operations

Punjab headquartered **CAPITAL LOCAL AREA BANK** introduced the nation's first Small Finance bank "**Capital Small Finance Bank Limited**" and after getting the approval from Reserve bank of India.

About Capital Small Finance Bank Limited:

Branches: 10 (Currently) **Managing Director:** Sarvjit Singh Samra **Headquarter:** Punjab

HDFC Life joins hands with Indiabulls Housing Finance for corporate agency tie up

India's second largest private insurer, HDFC Standard Life Insurance has tied up with **Indiabulls Housing Finance Ltd** for a corporate agency agreement.

- Indiabulls Housing Finance will **distribute** HDFC life retail **insurance products** to its Customers

NPCIL clears insurance for reactors

India's nuclear power agency **Nuclear Power Corporation of India Limited (NPCIL)** has cleared a **insurance policy for all 21 reactors**.

- The insurance policy of **suppliers** was also finalised on April 21 and is likely to be cleared soon.

FinMin approves 8.7% interest on EPF for 2015-16

Union Finance Ministry has approved **8.7% interest** on PF deposits for over 5 crore subscribers of retirement body Employment Provident Fund Organization(EPFO),lower than **8.8%** decided by Central Board of Trustees(CBT).

- For the first time, Finance Ministry has not given concurrence to the rate of interest on EPF as decided by CBT, which is headed by the Union labour Minister, **Bandaru Dattatreya**.
- EPFO had provided **8.75%** interest in 2013-14 and 2014-15.

NABARD lent 1000 crore rupees to HSWC for wheat procurement

Mumbai based National Bank for Agriculture and Rural Development (NABARD) has sanctioned a loan of **1000 crore** rupees to **Haryana** State Warehousing Corporation (HSWC).

- The loan aimed for the purchase of wheat during the ongoing **Rabi Aprketing season**.
- The Haryana Food and Supplies Department anticipates **around 75 lakh metric tonnes** of wheat in the current season.

IT department to pay interest on TDS refund

The Income Tax Department planned to **add interest to delayed refunds** made against excess **TDS**

deductions and will also not litigate with the deductor on this issue in the future.

- Finance Ministry governed **Central Board of Direct Taxes** (CBDT) has issued a directive in this regard to the assessing officers of the Income Tax Department based on a 2014 Supreme Court order.

Experian India launches new fraud solution for banking and insurance

Information services company **Experian** has launched **Hunter Fraud Score** a new scoring mechanism that measures the probability of fraud in a credit application across the banking and insurance industries.

- Earlier the company had launched the Hunter Fraud Management Services for the Insurance sector in India in Aprch this year and **have 6 life insurance companies** going live this month.

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New Zealand's dazzling NZD \$5 bill named best Banknote of the year

Mountaineer and Explorer **Sir Edmund Hillary** is featured on face of the **\$5 bill currency note** which is best **Bank Note of the year**

Designed by: Canada Banknote Company

- Canadian Bank note Vice President of Aprketing, Michael Delich expressed that the design was made on collaboration with the Reserve Bank of New Zealand

Banks have to report foreign contribution to NGO's within 48 hours

All the Banks mandated to report to the **central government** within **two days** any information on NGOs getting foreign funds.

- The amended **Foreign Contribution (Regulation) Amendment Rules 2015** directed these rules in Gazette of India on December 2015.
- As per the rules banks have to report to the central **government within 48 hours any transaction** in respect of receipt and utilization of any foreign contribution by any person.

MoU between Insurance Regulatory and Development Authority of India and the Insurance Authority, UAE

Union government has given its ex-post facto approval for the Memorandum of Understanding (**MoU**) that links Hyderabad based Insurance Regulatory and Development Authority of India (**IRDAI**) and the **Insurance Authority of United Arab Emirates**.

- The agreement pave the way for **enhanced cooperation** between the two bodies in the field of **insurance supervision** by providing a framework for co-operation such as channels of communication.

DBS Bank launches mobile-only bank

Singapore based **DBS Development Bank** launched a **mobile-only bank** in India. The dedicated **digibank** uses technologies like biometrics and artificial intelligence for paperless, signature-less and branchless bank.

- The virtual bank will **influence biometrics-integrated ID and Aadhaar** card to ensure that that there is no paperwork. It will

provide customer service via a 24x7 artificial intelligence-driven assistant networks.

BlackBerry launches payments service in India called BBM Money

Canada based Mobilephone maker BlackBerry and Digitsecure a payments platform have jointly to bring **BBM Money** to India. It is noted that service is limited to inter-BBM transfers.

- The App named BBM Money which integrates directly with a customer's BlackBerry Messenger (BBM) account and permits users to pay for goods using **the BBM platform**.

I-T department publishes direct taxes related data for first time

Central Board of Direct Taxes has released a hard data on the total number of taxpayers in the country. This is the **first time** the board released such details.

- The data shows the income **disclosed in IT returns** by various category of taxpayers and number of PAN holders in the country for a chosen period of time.

BSE inks pact with Korea Exchange to list Sensex-based derivatives

World's fastest Bombay stock exchange has inked a memorandum of understanding (MoU) with Korea Exchange (KRX) of South Korea for **listing S&P BSE Sensex-based derivatives contracts on the latter**.

- The MoU is expected boost the **sharing of information**, and foster new opportunities for the exchanges and their respective issuers.

Mumbai Based NABARD partners Germany for Food Security initiative

National Bank for Agriculture and Rural Development (Nabard) joint venture with German government for a special programme on **'Soil Protection and Rehabilitation for Food Security'**

Delegation: Economic Cooperation and Development (BMZ) Ministry of Germany, headed by Stefan Schmitz, Commissioner

Two major Programmes

1. Soil conservation and rehabilitation of degraded land for food security in Maharashtra and Madhya Pradesh and innovation of watershed development for rehabilitation of degraded soils
2. Climate change adaptation in five states (Andhra Pradesh, Telangana, Maharashtra, Gujarat and Rajasthan).

SIDBI signs MoU with Saarc Development Fund Small Industries Development Bank of India and SAARC Development Fund (SDF) has signed a Memorandum of Understanding (MOU) for mutual cooperation and collaboration.

- Under this MoU SDF and SIDBI to work jointly in co-funding of projects in Indian MSMEs on risk sharing basis in identified sectors, development of suitable financial products for

SME financing for **MSMEs** of other Saarc states.

- This agreement seeks for technology transfer and making available software to MFIs regarding loan tracking systems in other Saarc countries and capacity development of **SDF/SIDBI and SME funding institutions**.

Credit Suisse's "Emerging Consumers scorecard 2016" topped by India

India sat again on the top of the **Credit Suisse Emerging Consumer Scorecard 2016**. In accordance with the report, **Indian consumers** stay more **optimistic** about their present and future funds and moderately low inflation expectations.

- The report by Credit Suisse covered **9 countries**.
- India has been followed by **China and Saudi Arabia** both of which shared the **second position**.

Countries Covered – Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa and Turkey.

Rank of other Countries – Indonesia (4th), Turkey (5th), Mexico (6th), Brazil (7th), South Africa (7th) and Russia (8th).

Premises of Report – It was based on the **consumer sentiment** affected by **weak currencies, political risk and commodity exposures**.

India To Notch Up To 7.5 % Growth In 2016–17 : IMF

In its Economic Outlook IMF **retained its 7.5 per cent GDP expansion forecast for India in 2016 and 2017**.

- IMF suggested the government to **size down the subsidies**, initiate labour reforms and dismantle infrastructure bottlenecks to sustain strong growth.
- In India, growth is projected to notch up to 7.5 per cent in 2016-17, as forecast in October.

EPFO to launch system for discouraging premature withdrawals

Employers Provident Fund Organisation has launched **One Employee One EPF Account** system on labours day (May1) to put off early PF withdrawals and to give fillip to state governments to join its pension system.

- The decision comes after the Central government's rollback to tighten **PF withdrawal norms** restricting subscribers to withdraw employer's share of PF contributions (3.67 per cent of basic wages) before the age of 58 years.
- All running contracts and future contracts by **municipalities** be **scrutinized** to join all eligible employees and to secure compliance under this initiative.
 - In the function labour minister launched a software named **EPFO-E-samkisha** has been launched for centralized processing that will transfer and consolidate accounts with ease

Paytm ties up with Wipro for payments bank

Mobile payments major **Paytm** has joined hands with Bengaluru based IT major **Wipro Ltd** to create the requisite technology infrastructure for its payment bank Which is said to start its operations soon.

(i) This tie up is to implement the **core banking solution** for Paytm and also programme managing the integration of other key systems like the anti-money laundering solution and the regulatory reporting solution.

(ii) The IT major Wipro will service to Paytm in interface its existing systems with the core banking solution.

NSE to launch new exchange for MSMEs

(i) Mumbai based **National Stock Exchange** to launch a trading platform for small and medium enterprises (SMEs). This is the first dedicated exchange for **micro SMEs**.

(ii) The exchange where **MSME bills against** large companies can be accepted electronically and auctioned so that these small enterprises are paid promptly.

(iii) The new platform is a joint initiative of NSE and **Small Industries Development Bank of India (SIDBI)**.

(iv) This is in line with the Central Bank's (RBI) idea to instrument such a model for the benefit of a vast section of **small businesses in India**.

The International Monetary Fund has continued growth forecast for India this year at 7.5 per cent The International Monetary Fund is forecasted constant growth for India at 7.5%

- The growth was driven Private consumption, Weak Exports and Sluggish credit growth weight on the Indian Economy.
- IMF insisted the policymakers to speed up the structural reform implementation in order to formulate the private consumption because our economy majority benefitted by Private Consumption and has benefited from lower energy prices and higher real incomes.

Regional Economic Outlook for Asia and Pacific

IMF stated that Weak Exports and Sluggish credit growth will weigh on the economy

Statement by International Monetary Fund:

- Continued growth forecast for **India** in 2016 mounted at **7.5 %** by **private consumption** the in latest economical view for Asia and the Pacific even mediocre in exports and slack credit growth will have a weigh on Indian economy
- Beneficial accounts of lower oil prices in India makes shifted economy in the world
- **GDP** increase upto **7.5 per** cent this year
- Enhancement of Indian GDP growth reaching 7.3 per cent in 2015 and it is forecasted to **7.5 percent within 2017**.
- The public infrastructure investment and government measures up-to-date the investment projects.
 - The steps to supply bottlenecks in mining and power management sectors

- To increase the labour market adaptable in formal sector which is important in future growth of India

Kotak Bank opens international unit in Gujarat's GIFT City i. Mumbai based **Kotak Mahindra Bank** has opened IFSC Banking unit at Gujarat International Finance Tec-City (GIFT) City. ii. Earlier IBUs of YES Bank, Federal Bank and ICICI Bank have put their operational at the GIFT city. With this Kotak Mahindra Bank Ltd became the fourth bank to open its IFSC Banking Unit (IBU). iii. In the past **six months over \$250 million** worth of business transactions done at IFSC GIFT city which is attracting interest from the BFSI sector in India

Wilful defaulters owe Rs 66,000 cr to govt banks

i. Minister of state for finance **Jayant Sinha** informed in **Rajya Shaba** that sickening banking sector has increased the number of wilful defaulters of PSBs **from 5,554 to 7,686** in three years to December 2015 ii. Despite the fact that the amount involved more than doubled in the period to **Rs 66,190 crore** from **Rs 27,749 crore**. iii. The top 50 defaulters of PSU's had an exposure of **Rs 1.21 lakh** crore as on December last year. iv. In the total amount in the wilful defaulter category accounts about 16 percent of the overall bad loans (**Rs 400,000 crore**) of Indian banks.

MCB Capital Markets introduces India Sovereign Bond ETF Initiator : MCB Capital Markets introduces **World's first Exchange Traded Fund** focused on India's sovereign bonds.

Purpose : To provide global investors access to the Indian government securities.

MCB India Sovereign Bond ETF, a global adaptation scheme, will invest in sovereign bonds with a typical maturity between **8 and 13 years**.

- The initial offer period of the fund will close on **May 27** . The ETF will start trading on stock exchange of Mauritius on June 6.

Effective feature:

- Investment into the Indian sovereign bond market makes easier
- Investors with regular short-term returns
- The payment of half yearly dividends in US dollars

Difficulties in olden structure:

- Accessing of foreign investors with minimum investment thresholds
- Ceilings on foreign holdings
- Other regulatory processes
- Potential for capital appreciation

ETF Chairman Gilbert Gnany said that the partnership are made with ZyFin by introducing the First ETF by the MCB Capital Market. He also noted the dwelling place is in India that are listed in the Mauritius.

Capital investment : 50 per cent of investments in India go through Mauritius.

Cabinet approves currency swap deal with UAE i.

Union Cabinet chaired by the Prime Minister Narendra Modi has approved the Memorandum of Understanding (MoU) between **Reserve Bank of India (RBI)** and Central Bank of United Arab Emirates (UAE) on co-operation concerning **currency swap agreement**. The MoU inked in February, this year. **ii.** The MoU will further strengthen the close **economic relationship** and cooperation between the sides. **iii.** Under this approval India and the UAE will be a step closer to **bilateral currency swap** on mutually agreed terms and conditions. **iv.** The agreement is to be expected to facilitate **invoicing of bilateral** business in local currencies.

NASSCOM, Facebook ink MoU to engage with India's entrepreneurs i.

Indian IT Trade body **NASSCOM** has signed a **MoU** with **Facebook** to build a product design initiative to help young entrepreneurs into becoming problem solvers and solution builders. **ii.** This initiative is likely to propel innovative thinking and approaches to build solutions in key sectors where technology can play a transformational role. **iii.** The MoU is aimed to help develop this ecosystem and bring in the design thinking. The idea is to ensure that at least **500 plus product start-ups** get enabled tools programs, more than 5,000 design thinking professionals.

IREDA may be converted into a Green Bank i.

State owned **Indian Renewable Energy Development Agency (IREDA)** may be converted into a **Green Bank** to enable it to access funding from overseas banks. **ii.** The conversion will be done without undergoing any alteration in its basic structure to enable it access funding from overseas banks that are currently not supporting the solar and wind funding. **iii.** The proposal is being well supported by the **Union Power Ministry** as this conversion would pave the way to avail of certain benefits. **iv.** A green bank could offer lower interest charges than traditional banks and tap into international capital to finance solar and wind projects to help Indian power sector.

v. The country needs as much as **USD 264 billion** in funding to reach its target of producing **160 GWs** of power from solar and wind energy **by 2022**.

ICICI Bank signs MoU with BRICS Grouping-promoted New Development Bank Situated in :

Mumbai Headquarters : Shanghai Private sector : Lender ICICI Bank BSE at 1.54 % Established: New Development Bank (NDB)

The first financial institution in the country to tie up with the BRICS Grouping.

Purpose:

- partnership in bond issuances
- cofinancing
- treasury management
- human resources

NDB's first president : ICICI Bank experienced person KV Kamath

Agreement: To create a platform for sharing knowledge and deepening network connectivity between NDB and ICICI Bank after signing the MoU along with ICICI Bank chief Chanda Kochhar.

Mutual Cooperation:

- The NDB began operations with an initial capital of **USD 100 billion** last year as a multilateral development bank.
- Promoted by **Brazil, Russia, India, China and South Africa.**

Announcements:

The First set of loans involving financial assistance of **USD 811 million.**

Purpose:

To support building of 2,370 mw of power capacity within the member countries. Out of his USD 250 million has come to state run **Canara Bank** for on lending to renewable energy projects.

Federal Bank ties up with US based Payments Company for faster international remittances i.

Kochi based Federal Bank joined with **Transfast Remittance LLC** for facilitating online inward remittance to India in Rupees for their **NRI customers based in USA.** **ii.** Both the sides has entered into arrangement with this tie-up, the US-based NRI customers can transfer money instantly to their NRI account in India from their US bank account even by using **Debit card/ Credit card.** **iii.** Transfast is a prominent **omni-channel provider** of cross-border payments solutions and operates a best-in-class network across **120+ countries in the USA,** Asia, Europe and Africa. **iv.** Customers can also send money even by creating an account on transfast platform or by downloading **Transfast App.**

ECB set to decide fate of 500-euro banknote i.

The Central Bank of Europe is mulling to **decide the fate of the 500-euro banknote,** as these denominations associated with money laundering, the black market and terrorist financing. It is the **largest denomination banknote** in the single currency by the bank. **ii.** The violet-coloured **500-euro** bills account for just three per cent of the total number of banknotes in circulation, but **28 per cent of the total value.** **iii.** The council is likely to **vote to stop issuing** them, as such notes are the preferred payment mechanism of those pursuing illicit

India has secured ninth position in the 2016 Foreign Direct Investment Confidence Index Vikas Kaushal Speech:

He said that being grown belief among global business leaders that India is finally **embarking on a growth path that will see it unlock its full potential.**

- He also noted the government has kick started reforms and has undertaken various measures **to boost**

domestic demand, employment and macroeconomic stability in the country.

• He **clarified** that the **global economic environment continued uncertainty in India** and it is **likely to fastens the growth rate.**

- He denoted that India has emerged as **the fastest growing economy in the world**, surpassing China as well as Brazil, Russia and South Africa.

The Index of a London:

- The Index of a London-based consulting firm **progresses political, economic, and regulatory changes** which **likely affect FDI.**
- The Index is constructed using primary data from a proprietary survey administered to senior executives of the world's leading corporations.

Economic Survey:

In this year's survey, **32 per cent** of the **respondents** suggested that **more optimistic** about India's economic overview **over the next three years.**

The results of the Index:

- Show that domestic market size
- Cost of labour
- Regulatory transparency
- Lack of corruption

Rank Postions of Various Countries:

- The **US and China** hold **top two positions in FDI Confidence Index**
- **Canada** ranked at **third position.**
- **Germany** secured **fourth position.**
- The **UK, Japan, Australia** and **France** secured the **fifth, sixth, seventh and eighth position**
- **Singapore** secured the **tenth position.**

FDI Definition:

A foreign direct investment is a controlling ownership in a business enterprise in one country by an entity based in another country.

Asian Development Bank raise granting India to USD 3 billion Initiator: Asian Development Bank (ADB)

Purpose: To **enhance its lending to India to USD 3 billion** this year to **support 'robust growth'** in the country.

Discussion of ADB President Takehiko Nakao :

- About increase lending to India
- More requirements of infrastructure funding to India.

His Contributions and his gratitudes:

- He **completed** a strong replenishment of **ADF 12** for the **period 2017-20.**
- He **thanked** the **32 donors** for their generous **contributions**, despite difficult fiscal situations in some of your countries.

Contributions from emerging Asian economies:

It is **increased to 11.7 per cent**, compared with **6.9 per cent** during the ADF 11 period.

Innovative features:

- Doubling of the minimum allocation for small countries

- Strengthened support for disaster risk management
- Regional health security

Future Goals

- The **bank is committed to double financing** for this to **USD 6 billion by 2020** from the current level of USD 3 billion

Strategy 2030 will help define approach to the **Sustainable Development Goals and COP21.**

IDBI Bank first state-run bank to open branch at IFSC i.

Mumbai based **IDBI Bank** has decided to open an international banking unit (IBU) at the International Financial Services Centre (IFSC) in Gandhinagar. **ii.** This is the **first state-run bank** to open for IBU centre. Yes Bank, Federal Bank and ICICI Bank have been operating branches in GIFT city. **iii.** Recently Private **player Kotak Mahindra Bank** opened its branch **at the IFSC** as these would provide full range of corporate banking services and would meet foreign currency funding needs of it scientele. **iv. Over USD 250 million** worth of business transactions were conducted at **GIFT City** in the past six months.

YES Bank gets SEBI nod to provide custodian services i.

Mumbai based Securities market regulator **SEBI has gave in-principle** approval to **YES Bank** for it to act as custodian of securities. **ii.** The licence-holder of CoS allows the entity to offer custodial services to financial market participants, including FIIs and **foreign portfolio investors** (FPIs). **iii.** Yes Bank aims to establish this business within **12 months of approval.** The bank had earlier received the **RBI's approval** to enter the CoS business. **iv.** The Private sector lender plans to invest in **developing operations, technology and human capital capabilities** before it seeks registration with **SEBI as a custodian**

India ranks ninth in crony-capitalism index India is ranked at ninth position in crony-capitalism with crony sector wealth accounting for 3.4 per cent of the gross domestic product (GDP).

- As per the **latest crony-capitalism index**, the **noncrony sector wealth amounts to 8.3 per cent of the GDP.**

Forbes published : List of the world's billionaires and their worth.

- **Germany** is the cleanest with **least number of crony capitalists.**

- **Russia fares worst in the index**, wealth from the country's **crony sectors amounts to 18 per cent of its GDP.**

- Russia tops the list followed by Malaysia, the Philippines and Singapore.

Recent Study:

- Being tumbled energy and commodity prices politically connected tycoons has been felt the squeeze in recent years.
- Among **the 22 economies in the index**, **crony wealth has fallen by USD 116 billion** since 2014.

- If commodity prices rebound, crony capitalists wealth is likely to rise again.

Saraswat Bank donates Rs 1 cr relief for drought in Maharashtra i. India's largest urban co-operative bank Saraswat has donated of Rs one crore towards relief work drought conditions in various parts of Maharashtra. ii. The bank's Vice Chairman **Gautam E Thakur** handed over a cheque of Rs 50 lakh to Maharashtra CM Devendra Fadnavis Of the 1 crore handed over another cheque of Rs 50 lakh to NAAM Foundation. iii. The NAAM Foundation, an NGO started by actors **Nana Patekar** and Makarand Anaspure, specifically aimed at alleviating the impact of drought.

Banks in Telangana to provide Rs 6000 cr loans to poor under Mudra Yojana i. The banks in Telangana state will provide **6000 crore rupees loans** to the poor under Mudra Yojana this year to benefit about 8 lakh people for their small business.

ii. Union Labour Minister **Bandaru dattatreya** informed this in the held a review meeting with bankers in Hyderabad. iii. After the review meeting that Agriculture loans to a **tune of 40 thousand crore rupees** will be disbursed during the current year. iv. The minister also requested the state government to release the third instalment of farm loan waiver programme in the state.

South Indian Bank announces tie up with National Australian Bank i. Thrissur-based **South Indian Bank** has tied-up with **National Australia Bank** (NAB) for online **inward remittance** from Australia at competitive rates. ii. The remittance fee is as **low as AUD 7** and the arrangement enables faster, **hassle-free remittance** through internet at the best exchange rates as the exchange rate is decided by the Bank. iii. NRI customers in Australia would get the best possible rates. The remitted money can be either converted into **Indian rupee** or can be kept in **Australian dollar**. iv. The Kerala based Bank is also having tie-ups with leading banks and exchange houses in the USA, **Europe, and Asia**.

RBI releases draft norms for universal bank licences on tap Initiator: The Reserve Bank of India

Released Guidelines:

Tap licensing of universal banks in the private sector.

- **Allowing individuals** with **10 years of experience** in **banking and finance** to apply for a licence successful track record for at least **10 years** are eligible to apply for a licence.
- **The initial minimum paid-up** voting equity capital required is **Rs.500 crore**, and thereafter the bank should maintain a minimum net worth of Rs.500 crore at all times.

- Applications will be screened by the RBI to assess the eligibility of applicants with regard to the criteria laid down in the guidelines.

- **RBI may apply** additional criteria to determine the suitability of applications, in addition to the **'fit and proper'** criteria.

Central Bank Announcements:

- Entities in the private sector that are owned and controlled by residents.
- To have a successful track record for at least 10 years, provided that if such entity has total assets of Rs 5,000 crore or more.

The **non-financial business** of the group does not account for **40%** or more in terms of **total assets in terms of gross income**.

Reserve Bank of India Announcements:

Minimum capital requirement:

1. The **promoters and the promoter** group shall hold a minimum of **40% of the paid-up voting equity** capital of the bank which shall be locked in **for a period of five years** from the date of commencement of business of the bank.
2. **The promoter group's shareholding** shall be brought down to **15%** within a **period of 12 years** from the date of commencement of business of the bank.

Standing External Advisory Committee (SEAC) :

1. The applications will be referred to a **Standing External Advisory Committee** (SEAC) to be set up by the RBI.
2. The SEAC will comprise eminent persons with experience in banking, financial sector and other relevant areas and will have a **tenure of three years**.
3. The SEAC will set up its own procedures for **screening applications** and will meet as and when required.
4. The committee will reserve **the right to call** for more information as well as have discussions with any applicants and seek clarification on any issue as may be required by it.
5. The committee will then submit its recommendations to the central bank for consideration
6. The validity of the in-principle **approval issued by RBI** will be **18 months from the date of granting in-principle approval** and would thereafter lapse automatically.

New Initiatives of this Process:

Eligible promoters:

1. Existing NBFCs that are **'controlled by residents'** and have a successful track record for at least **10 years**.
2. **Individuals** or professionals who are **'residents'** and have **10 years of experience in banking and finance**.

3. Entities in the **private sector** that are '**owned and controlled by residents**'.

Foreign shareholding in the bank:

The foreign shareholding in the bank would be as per the existing foreign direct investment (FDI) policy subject to the minimum promoter shareholding requirement.

Listing requirement:

- The bank shall get its shares listed on the stock exchanges within six years of the commencement of business by the bank.
- The bank shall open at least **25% of its branches** in unbanked rural centres.

RBI to issue Rs 1000 banknotes with inset letter R

i. Mumbai based Reserve Bank of India is mulling to issue **banknotes of 1000 rupees** denominations with inset **letter 'R' in both** the number panels. **ii.** The banknotes will also have on the obverse side that all the other security features, including ascending size of numerals, bleed lines and enlarged identification mark,

- PMorgan Chase CEO Jamie Dimon on the third rank
- Berkshire Hathaway head Warren Buffet fourth rank
- Goldman Sachs Chairman Lloyd Blankfein in the ninth rank
- Soros Fund Management chief George Soros in the tenth rank

RBI issues norms for prior approval of branch offices by foreign entities in India

i. The India's Central Bank- Reserve Bank of India has directed that entities from **Pakistan, China, Bangladesh** and four other regions including Sri Lanka, Afghanistan, Iran and Hong Kong or Macau will require its prior approval to establish branch office or project office in India. **ii.**

RBI's Permission is required for opening a Project/Branch Office in Jammu and Kashmir, North East region and Andaman and Nicobar Islands as well. The Banker's bank's approval would also be required if the applicant is a Non-Government Organization (NGO), a Non-Profit Organization, or a Body/ Agency/ Department of a foreign government. **iii.** In the case of proposal for opening a PO involving to defence sector, no separate reference or approval of Government shall be required if the non-resident applicant has been awarded a contract by/ entered into an agreement with Ministry of Defence.

SEBI to tighten KYC, transfer norms for Participatory Notes (P-Notes)

i. Mumbai based Securities and Exchange Board of India is likely to tighten the norms for **participatory notes (P-Notes)** to curb round-tripping and **restrict money laundering** to follow recommendations made by Special Investigation Team on black money. **ii.** The changes include requirement of increased disclosures on transfer and prior consent of issuer on transfer, bringing P-Notes under **know-your-customer and anti-money laundering norms** and reporting suspicious transactions to the financial intelligence unit. **iii.** Under these rules KYC review will be done on the basis of **risk**

classification assigned to subscriber. The Market regulator will have to take remedial action in case of any breaches.

India's GDP likely to expand by 7.7% in FY17:

NCAER i. New Delhi based non-profit Economics think tank projected India's economic growth rate to grow marginally to **7.7 percent** in 2016-17. **ii.** Sub-par monsoon have resulted on the output in the last two years of the agriculture sector that has witnessed meagre growth on account of drought in the past. **iii.** The average rate of growth in the agricultural and allied sectors' GDP for 2014-15 and 2015-16 has been a **low 0.5 percent**. **iv.** Earlier the Confederation of Indian Industry of India predicted that it is likely to register a GDP growth of around 8 percent in current fiscal. **v.** IMD has predicted monsoon for this fiscal at 106 per cent of the Long Period Average with a

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Income Declaration Scheme 2016 for domestic black money to commence from June 01 Finance Ministry announced that the **Income Declaration Scheme 2016** will remain functioning till **September 30** for filing of Declarations and Payments towards

♦ Taxes ♦ Surcharge ♦ Penalty

The following payments must be made latest by November 30.

- Declarations can be filed online or with the Principal Commissioners of Income-tax
- Assets specified in the declaration will be exempted from Wealth tax
- Non-payment of total taxes, surcharge and penalty in time or declaration by misrepresentation or suppression of facts shall render the declaration void

The four month window:

Declaration of domestic black money will start on June 1 and those opting to come clean by paying 45 per cent tax and penalty, will not be subjected to scrutiny and enquiry by tax department.

The Income Declaration Scheme 2016

- No scrutiny and enquiry under the Income-tax Act or the Wealth tax Act shall be undertaken
- Immunity from prosecution under the Income-tax Act and Wealth Tax Act is also provided along with immunity from the Benami Transactions (Prohibition) Act, 1988.
- Announced by Finance Minister Arun Jaitley during the Budget session

Aim: To fish out black money from the domestic economy

Earlier scheme by Finance Ministry:

- The government had already come out with similar scheme for Indian holding undisclosed income abroad
- The scheme is part of Finance Act, 2016
- The scheme will apply to undisclosed income whether in the form of investment in assets or otherwise, pertaining to Financial Year 2015-16 or earlier

- Declared by the eligible persons

India would be taxed at the rate of 30 per cent **Krishikalyan Cess** of 25 per cent on the taxes payable **Penalty** at the rate of 25 per cent of the taxes payable **totaling to 45 per cent of the income declared under the scheme**

RBI authorises 29 agency banks to accept payments of I-T dues **i.** Reserve Bank of India has appealed to **income tax assesseees** to remit their income tax dues sufficiently in advance of the due date **to avoid last minute rush.**

headquarters in Hyderabad. The company also plans to hire **about 1,500 people** over the next two years. **ii.** This decision from the Singapore major is to **focus on technology** and in order to grow it, the lender has launched a **mobile-only bank recently.** **iii.** This tech hub comes at a time when the lender is awaiting clearance from the RBI India to convert into a wholly-owned **subsidiary in the country.** **Appointment:** • The lender has appointed **Mohit Kapoor** as the **head of its Technology Development** Centre in Hyderabad. • Earlier he was the global delivery leader and chief technology officer at Bank of America.

RBS to close retail banking operations in India i.

Royal Bank of Scotland is to shut its banking operations in India having given up on efforts to find a buyer as the planned to reduce its international operations to **13 countries from the current 38.** **ii.** The Bank planned to shut its **10 retail branches**, as it exits the country as part of a plan to reduce its global footprint. It has less than **400 employees** in India. **iii.** The UK lender started seeking buyers **in 2015** and drew interest from local lender IDFC and Singapore based **DBS Holdings.** **iv.** Earlier the bank In India has sold the offshore loan book and private banking business.

Five associate banks to merge with SBI **i.** Country's largest lender **State Bank of India** has planned to merge its five associate banks and also to **merge Bharatiya Mahila Bank.** All six are **state-owned. ii.**

A merger would create a banking behemoth with a balance sheet size of **Rs.37 trillion** that is also set to acquire their businesses **including assets and liabilities.** **iii.** The five associate banks have a collective advances **base of Rs.3.78 trillion** and a deposit base of Rs.5.03 trillion. **iv.** While the BMB was created **in 2013 by the UPA** government, particularly to cater to women's lending needs based in Delhi. The Banks to be merged with the SBI are,

1.State Bank of Bikaner and Jaipur, 2.State Bank of Hyderabad, 3.State Bank of Mysore, 4.State Bank of Patiala, 5.State Bank of Travancore, 6.Bharatiya Mahila Bank Limited.

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Nepal SBI Bank launches payment gateway i. SBI's subsidiary **Nepal SBI Bank** has launched payment gateway to facilitate online trade and non-trade transactions between the **Himalayan nation and India. ii.** Under this payment gateway customer of Nepal SBI Bank can utilise various features of mobile banking and other value added services. **iii.** The Payment Gateway was inaugurated by SBI Managing Director B Sriram, and Indian Ambassador to Nepal Ranjit Rae **iv.** The lender also handed over a cheque **for Rs 5.21 crore** to Nepal Prime Minister K P Oli for PM Natural Disaster Relief Fund.

PNB reports Q4 loss of Rs 5,370 crore, biggest in Indian banking history i. New Delhi based Punjab National Bank has reported a **net loss of Rs 5,370 crore** in the March quarter, the biggest ever quarterly loss in India's bank history. As the bank has had reported a net **profit of Rs 307 crore** in the last year quarter. **ii.** PNB's gross nonperforming assets (NPAs) **poured to 12.9%** in the fourth quarter, as **against 8.47%** in the December **quarter. iii.** In terms of

absolute figures the gross NPAs for the quarter **stood at Rs 55,818 crore**, as against Rs **34,338 crore** in the same quarter.

Honda partners with IndusInd Bank for two wheeler financing i. Country's second-largest two wheeler maker **Honda Motors Scooter India (HMSI)** has partnered with Mumbai based IndusInd Bank to cater **retail finance to buyers.** The company aims to sell over **5 million** units in the current fiscal. **ii.** The Lender will provide Finance Assistance to the eligible players also customers of Honda buy a Honda two wheeler at an attractive rate of interest but also can earn benefits **of up to Rs 7,500. iii.** Buyers can avail loan of up **to 90% of the product value** to be repaid in up to 36 months. Other benefits include waiver of processing fee and a quick **loan approval within an hour.**

Nomura exits mutual fund JV with LIC i. Tokyo based **Nomura financial Services Company** has wholly withdrawn its mutual fund joint venture with LIC of India. In the aftermath LIC Nomura Mutual Fund has now been renamed **LIC Mutual Fund. ii.** Upon this LIC holds a **45 per cent stake** and LIC Housing Finance a **20 per cent stake** in the venture, however Japanese firm, Nomura owns **35 per cent** shares. **iii. LIC Nomura Mutual Fund** has managed assets of almost Rs. 13.156 crore as of March this year.

SEBI tightens P-Note norms to check money laundering i. Mumbai based **Securities and Exchange Board of India** has **tightened** the norms for **Participatory Notes** in order to check misuse of these instruments in **round-tripping** and **money laundering. ii.** This new directives for **Offshore Derivative Instruments** issuers need to come under the KYC ambit of Indian norms and the subscribers early nod from the ODI issuer in the event of transfer of the instruments to another **offshore investor. iii.** The Market Watchdog Board also **cleared the proposal of mandatory dividend** distribution policy for the top **500 listed firms** also ODI issuers need to prior signal to the Financial Intelligence in case of any **suspicious transaction.**

United States based World Bank announced Pandemic Insurance plan to mobilize funds The Pandemic Emergency Financing Facility will generate global and national responses to disease outbreaks that threaten large population after the 2014 Ebola Disaster in West Africa

Pandemic Insurance Plan:

- **Announced by:** The World Bank
- To **organize funds** quickly against virulent disease outbreaks

Combination of **disaster insurance and bonds**

Speeches by World Bank Head:

- Pandemics posed a serious threat to **global health and economic security**

- We were not prepared for the **disaster of the Ebola crisis in West Africa**
- **No effective international system** ready to respond quickly to a pandemic

Reaction of World Bank to Ebola

World Bank head is a medical Doctor and expert on Health and disease put the bank **response to Ebola**

- The Bank took months **to pay millions of dollars or deploying health personnel, supplies** and relief to **Sierra Leone, Guinea and Liberia**
- Kim, the head announced the creation of the **PEF** at the gathering of G7 finance ministers in Sendai, Japan with a **\$50 million contribution**

Insurance Coverage:

- Outbreaks of **several classes of infectious diseases**
- **Orthomyxoviruses:** Influenza pandemic viruses A, B and C
- **Coronaviruses:** SARS and MERS
- Filoviruses: Ebola and Marburg and other zoonotic diseases
- Zika virus not included, the deadly mosquito – borne virus
- Mostly spreads in America, whereas the bank is setting up separate emergency **"Cash Window"** and other outbreaks not covered
- Under the programme the **77 least developed countries** will be covered by the insurance

HSBC to halve branches in India as customers go digital i. London based Hong Kong & Shanghai Banking Corporation Holdings will shut half the number of branch in India to 26 from the present 50 and keeping focus on retail banking **over digital channels**, ii. The Branch Shut will lead to **over 300 employees being affected** also less than one per cent of its total workforce of **over 33,000 people**. iii. The branches that are being closed service less **than 10% of its Indian customers**, also to be noted that the bank has been present in India **since 1853**.

India signs loan agreement with World Bank for IBRD loan of US\$ 100 million for 'Karnataka Urban Water Supply Modernization project' i. The Loan and Project Agreements for World Bank (IBRD) assistance of **US\$ 100 million** for the Karnataka Urban Water Supply Modernization project were signed between Government of India/Government of Karnataka and the World Bank here today. ii. The Project is aimed to provide **city-wide access to a continuous piped water supply** in the eligible cities in Karnataka and also to reinforce the service delivery arrangements across the city. iii. Karnataka Urban Infrastructure Development & Finance Corporation is the fulfilling agency for the project. It will hold four key components such as (i) **Capital Investment Program** (ii) **Institution Building** (iii) **Technical Assistance for Sector Development** and (iv) **Project Management**. iv. The project set to be executed over a period of 6 years,

to begin with the twin cities of **Hubballi-Dharwad**, with provision for other eligible cities to join the project later. **India Post payments bank to be operational from March 2017** i. Union IT & Communications Minister **Ravi Shankar Prasad** informed that India Posts payments bank will start functioning from **March 2017**. ii. The minister stated that the proposal to start the Payments will be kept before the cabinet and postal payments bank will become operational from next march. iii. The ministry will invest about **Rs.800 crore ,Rs.400 crore** by the department and the remaining amount will be equity part which is aimed for financial inclusion. iv. The payment bank approval from the Reserve Bank is valid for 18 months and all the entities are required to submit a detailed business plan after they get final nod.

Indian economy to grow 7.7% in FY17: FICCI Survey **FICCI's Economic Outlook survey** said growth in 2016-17 is expected to be supported by improvement in agricultural due to good monsoon and industrial sectors. Forecast by Reserve Bank of India:

♦ Forecasted 7.6 growth for the current fiscal due to favourable monsoon.

♦ The **agriculture sector** is expected to witness growth of 2.8% in 2016-17, with a range of 1.6% to 3.5%

♦ **Industrial growth** is expected to grow by 7.1% in 2016-17 and services sector growth is estimated at 9.6%.

Axis Bank launches India's first certified green bond at London Stock Exchange i. Mumbai based **Axis Bank** has announce the launch of India's first internationally-listed certified **green bond to finance** climate change solutions around the world at **London Stock Exchange** (LSE). ii. The lender invest the earnings of such bonds in green energy, transportation, and infrastructure projects. iii. The Axis Bank's green bonds which are issued within its 5 billion dollars Medium Term Note (MTN) programme were certified by the **Climate Bonds Standards Board**. iv. **Green Bonds** are a debt instruments that makes issuer to get capital while the investors receive fixed income in **the form of interest**. v. The Bonds issuer gets capital from the investors only if the investment is being raised to fund green projects.

SBI, Caixa Bank ink Pact to fund Indo-Spanish Joint Ventures i. **SBI and Spain's Caixa Bank** have signed a MoU to fund **Indo-Spanish Joint Ventures** & local businesses. ii. **Signed by:** Caixa Bank's Executive Vice-President, International Banking, **Victoria Matia** and SBI's Chief General Manager **Sujit Kumar Varma**. iii. The banks will collaborate in areas of **mutual interest** such as syndicated loan business, guarantee transactions, trade finance and export credit agency finance, infrastructure finance and networking services.

ADB approves \$100 million loan for irrigation system in Tamil Nadu i. Manila based Asian Development Bank (ADB) has approved a **\$100 million (around Rs660 crore) loan** to strengthen a key irrigation system and improve water management in **the Vennar sub-basin of Cauvery Delta in Tamil Nadu.**

ii. The project will build up the embankments of six major irrigation water channels in Vennar system to make them more resilient to floods and upgrade water regulators, **sluices and pump stations.** iii. The Vennar irrigation project will support both **physical improvements and stronger water management,** giving a substantial boost to the lives of coastal district communities.

BRICS bank to issue first Yuan denominated bonds Shanghai Based New Development Bank of the **BRICS** countries is set to issue its **first Yuan denominated bonds** with plans to release more bonds in local currencies including in Indian Rupee **Delegate:** Paolu Nogueira Batista, the banks vice president for economic research, strategy and partnerships and chief risk officer. **Involving nations:** Brazil, Russia, India, China and South Africa (BRICS); **Head:** Indian banker M V Kamath **Focus:** To finance sustainable development projects in the emerging markets and developing countries.

International Monetary Fund approved USD 1.5 billion loan to Sri Lanka **The International Monetary Fund (IMF)** has accorded a **USD 1.5 billion loan to Sri Lanka** with USD 168 million is transferred as the first Instalment with immediate effect to support the country's economy. The Executive Board of the IMF accepted a 36-month extended arrangement under its Extended Fund Facility (EFF) with Sri Lanka for an amount equal to **1.1 billion under special drawing rights** **Aim:** To meet balance of payments needs arising from external environment and pressures.

RBI announced Second bi-monthly monetary policy 2016-17 Reserve Bank of India announced **Second Bi-Monthly Monetary policy** for the year financial year 2016-17 and keeping unchanged the Policy rates and Reserve ratios.

Current Rates	Rate (Remarks)
Policy Rates	
Repo Rate	6.5% (Unchanged)
Reverse Repo Rate	6% (Unchanged)
Marginal Standing Facility Rate (MSF)	7% (Unchanged)
Bank Rate	7% (Unchanged)
Reserve Ratios	
Cash Reserve Ratio (CRR)	4% (Unchanged)
Statutory Liquidity Ratio (SLR)	21.25% (Unchanged)

India Post launches logo, tagline design contest for payments bank i. The **Department of Posts**

launched a **logo and tagline design contest** on the **MyGov**

portal on June 10. The Open Contest invites participation from all Indian citizens, institutions, agencies and entities for a period of one month, until 9th July 2016. ii. The best entry will be awarded Rs 50,000/-. An expert panel will help shortlist **20 best entries** which will thereafter be put up for **voting on the MyGov platform** to choose the winner. iii. Earlier Union cabinet cleared a proposal of Rs. **800 crore** to set up India Post Payments and a plan for 650 branches operational by **September 2017.**

SEBI issues stricter KYC, disclosure norms for P-Notes i. **Markets Watchdog Securities and Exchange Board of India (SEBI)** has put in place **stricter KYC (Participatory Notes)** ii. The new norms makes difficult to use these offshore instruments without disclosing the money-trail and details of their users. iii. The norms encompasses all the users of **P-Notes to follow Indian KYC and Anti Money Laundering Regulations,** irrespective of their jurisdictions. It also mandates P-Note issuers to file suspicious transaction reports with the **Indian Financial Intelligence Unit**

Participatory Notes: offshore/overseas derivative instruments Foreign Portfolio Investors Know Your Customer norms and disclosure regime for (P-Notes). This comes after receiving recommendation from SIT on black money to ensure this route is not used for money laundering . ♦ These are also referred (ODIs) issued to overseas investors by registered foreign institutional investors (FII). ♦ These instruments will pave the easy and cost-effective route to foreign investors to invest in Indian markets without directly registering as .

SKS Microfinance renamed Bharat Financial Inclusion i. **Hyderabad based SKS Micro-finance has changed its name to Bharat Financial Inclusion Ltd** ii. The **Micro-finance Company is among the largest microfinance companies in India.** It has existence across **18 states casing 1,00,000 villages** iii. This decision from the company as it was taken as its core had experienced a transformation, equipping it to **play a major role in fulfilling the national priority of financial inclusion.** It is the only listed company on BSE in the Micro financing space in the country. , catering to its 63.65 lakh women members. .

RBI introduces a 'Scheme for Sustainable Structuring of Stressed Assets' i. The **Reserve Bank of India (RBI)** has come up with the **Scheme for Sustainable Structuring of Stressed Assets** to further strengthen the lenders' ability to deal with stressed assets and to put real assets back on track. ii. **The central bank has said the S4A scheme as an optional framework for the resolution of large stressed accounts and valid for those projects**

that have started commercial operations and have outstanding loan **cap of over 500 crore rupees.**

iii. Upon this new norms banks will have to divide the outstanding debt of a company into Sustainable that makes the share which can be serviced by the company even if cash flow remains the same during the division and unsustainable.

P K Sinha committee to shortlist the candidates for Reserve Bank of India governor post. i. The Union government had formed a selection committee headed by cabinet secretary P.K. Sinha for shortlisting candidates for RBI governorship. ii. Apart from the Cabinet secretary the panel includes Additional Principal Secretary to the PM, PK Mishra, who is a permanent government nominee, and three other experts – Rajiv Kumar of Centre for Policy Research, Manoj Panda of the Institute of Economic Growth and Bimal N Patel from Gujarat National Law University. iii. The Reserve Bank of India governor post is up to financial sector regulatory appointment search committee (FSRASC). The Committee will shortlist potential candidates and hand their recommendations over to the government.

SBI and Mastercard Partners with Centrum for distribution of its prepaid forex card i. India's largest lender State Bank of India (SBI) and American multinational financial services major MasterCard jointly to launch a distribution alliance with travel prepaid cards distributor Centrum. ii. This tie-up will help in distribution strength of the Bank for its multicurrency prepaid card and will largely target the corporate customers of the bank. iii. Presently SBI MasterCard Foreign Travel Card. This partnership between SBI, MasterCard and Centrum will make stronger outreach to an increasing number of corporates with this proposition. . . offers frequent travelers a safe and convenient way of carrying multiple currencies in a single card.

Florida bank issues first US credit card for use in Cuba i. Pompano Beach-based Stonegate Bank is set to issue the first credit card that can be used in Cuba since Washington and Havana normalized relations. ii. The card will be a limited-edition MasterCard. Stonegate will issue only 1,000 cards initially. Each card will feature artwork by celebrated Cuban painter Michel Mirabali. iii. The Cuban government will waive the usual 10 percent penalty on dollar exchanges for those using the Stonegate cards. iv. The card will allow U.S. travellers to make purchases at state-run businesses and a handful of private ones, mostly high-end private restaurants equipped with point-of-sale devices. .

Cabinet approves SBI takeover of units i. The Union cabinet chaired by Prime Minister Narendra Modi has approved the takeover by CSCs get approval from RBI for Bharat Bill Payment System i. Reserve Bank of India has granted in-principle nod to the common service centres (CSCs) as Bharat Bill Payment Operating Unit to make bill payments at centres in rural bands. ii. The System enables CSCs to operate the bill payment system with a single brand image providing convenience of anytime anywhere bill payment. iii. The scope of the system encompasses activities to facilitate collection of repetitive payments for everyday services such as electricity, water, gas, DTH, telecom services, etc.

Reserve Bank of India Simplified Registration of New Non-Banking Financial Companies

Mumbai Based Reserve Bank of India has taken steps to simplify the registration process for new Banking Financial Companies.

Revised Registration Format:

- The revised application form has been distributed to make the registration process smoother and hassle less.
- The Number of supporting documents to be attached with Application form has been reduced from **45 to 7-8 documents**

Types of Application Format for non-deposit accepting NBFCs:

- Sources of funds
- Customer interface

Registration Process:

- The Filled applications to register new NBFCs to be submitted at **Non-Banking regulation Department in RBI, Mumbai**
- RBI will **scrutinize the applications and inform to the NBFCs** if any documents required to be submitted
- The company should respond to the RBI's query **within a month.**

Type I – NBFC – Non Deposit:

- Fast track processing of applications for **Type I – NBFC – Non Deposit accepting applicants**
- These companies has **not privileged to access the public fund** and there is **no point of customer interface**

- Less rigorous scrutiny and less sensitive
- If the Companies want to avail public fund or to have customer interface, they are required to get **approval from Reserve Bank of India**
- RBI advised that the checklists mentioned are **provisional**

- The amendments in the registration process of NBFCs will be announced in the **First Bi-monthly Monetary Policy Statement, 2016-17.**

Union Government made initiative to make NRIs to join National Pension System through eNPS

The **Finance Ministry** launched the scheme that **Non Resident Indians** can open National Pension System Accounts online if they bear **Aadhaar Card or PAN Card NPS account** can be opened both on Repatriable and on Non-Repatriable basis **Repatriable Basis:** An NRI will have to remit the amount through his/her NRE/FCNR/NRO account **Non-repatriable Basis:** NRIs can join NPS through their NRE/FCNR/NRO accounts at the time of maturity or during partial withdrawal. NPS funds would be deposited only in their NRO accounts.

State Bank of India creates a dedicated Rs 200 crore fund for Fintech startups i. India's largest public sector lender **State Bank of India** has created **IT innovations and startup fund** and have **allotted Rs 200 crore** for investment in **promising startups**. ii. The fund would be **covering upto Rs 3 crore** for any **India registered entity** for their business promotion in India using information technology for banking.

Max Life, Max Fin Services to merge into HDFC Standard Life i. **HDFC Standard Life and Max Life and Max Financial Services** are entered into merger agreement that will create the **largest private player** in India's insurance sector. ii. The proposed merger between the companies will create an entity with assets worth over Rs 1 lakh crore. iii. A combination of the entities would be overtaking **ICICI Prudential Life Insurance Co.Ltd** iv. The agreement facilitates for a commonly agreed exclusivity period for due diligence and discussions between the parties in relation to a **proposed transaction**.

Two-day 'Rajswa Gyansangam', an annual conference of tax administrators held in New Delhi i. The two day conference named **Rajswa Gyansangam is Annual Conference of Tax Administrators-2016** concluded in **New Delhi** toii. **Central Board of Direct Taxes (CBDT) Central Board of Excise & Customs (CBEC) are holding the conclave at the same time**. iii. mark a new height in the generation of innovative ideas and opened new frontiers for the tax administrators This was the first time that two Revenue Boards) & The purpose of the move is to prompt the revenue officers towards achieving high standards in taxpayer friendly services.

SBI in 'Hall of Shame' of banks funding cluster bomb makers i. India's largest lender **State Bank of India** has been named in a **Hall of Shame list** of 158 banking and financial institutions worldwide that have invested billions of dollars in

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SBI in 'Hall of Shame' of banks funding cluster bomb makers i. India's largest lender **State Bank of India** has been named in a **Hall of Shame list** of 158 banking and financial institutions worldwide that have invested billions of dollars in enterprises **making cluster bombs**. ii. The list was prepared by **Dutch campaign group PAX Worldwide Investments** in Cluster Munitions report. iii. **State Bank of India (SBI)** is the only Indian company on the list that includes global giants like **JP Morgan, Barclays, Bank of America and Credit Suisse**. iv. In the list maximum number of **74 banks are from** the US, followed by **China (29) and South Korea (26)**.

I-T department to block PAN, LPG subsidy of tax defaulters i. **Income Tax Department** is set to block **Permanent Account Number (PAN)** of wilful defaulters and their **LPG subsidy** and take measures to ensure that they are not sanctioned loans. ii. A slew of such measures have been suggested by the tax

department, to be started this financial year, in order to curb the menace of **large-scale tax avoidance and evasion**. **iii.** The department has also mulling to subscribe to the **Credit Information Bureau Limited (CIBIL)** data, on a possible payment basis, to check out the financial activities of debtors and commence action against them for recovery **and freezing of assets.**

Rules for premature withdrawal of PPF announced **i.** The Finance Ministry has announced new rules allowing for **premature withdrawal** of the Public Provident Fund (PPF) account deposit scheme account **has completed five years.** **ii.** A subscriber shall be allowed premature closure of his account or account of a minor of whom he is the guardian on ground that the amount is required for treatment of serious ailments or **life-threatening diseases.** **iii.** The withdrawal will also be allowed if the amount is required **for higher education** of the account holder or the minor account holder, on production of documents and fee bills in confirmation of admission **in India or abroad.**

World Bank's India Development Update – June 2016
World Bank released India Development Update report to earmark the Indian economy and its prospects for the financial year 2016. It is twice yearly report reported by World Bank and the report explained that Indian Economy was enhanced to a higher progressive way by demand from urban households and Public investments. Health and education expenditures increased in every state especially in Rajasthan and Kerala Uttar Pradesh spent over one-third of its additional resources on health and education 7.6 per cent growth rate in 2016-17 and it will be expected that 7.7 per cent in 2017-18 and 7.8 per cent in 2018-19. India maintained

South India Bank launches Remit2India Service i. Thrissur based Kochi South Indian Bank Limited has announced the launch of its **Remit2India Service a secure online money transfer service for NRIs.** **ii.** The new Remit2India service makes arrangement facilitates faster, cost-effective remittance from the US to SIB accounts in India. Which is this facility is available for remittance from Europe, Australia, UAE and Singapore.

RBI fixes MSS ceiling at Rs 30k cr for current fiscal **i.** Reserve Bank announced the cap under **Market Stabilisation Scheme** has been fixed at Rs 30,000 crore for the current fiscal. **ii.** The fixed ceiling will be reviewed when the remaining balance reaches the threshold **limit of Rs 15,000 crore.** **iii.** The current MSS outstanding balance is zero. MSS are securities issued with the objective of provided that RBI with a stock of securities with which it can intervene in the **market for handling liquidity.** **Market Stabilization Scheme:** ♦ The scheme was **launched in 2004.** Under this scheme securities are issued with the objective of providing the RBI with a stock of securities with which it can intervene in the market for

managing liquidity. ♦ These securities are issued not to meet the **government's expenditure.**

Government amended Income Tax rules to end uncertainty over General Anti-Avoidance Rules

Union Government has decided to amend the **Income Tax Rules to end the improbability over the General Anti Avoidance rules as it is expected to start with effective from 01.04.16** **About General Anti Avoidance Rules: Introduced by: Pranab Mukherjee, then Finance Minister during 2012 Initiated during: 2012 Budget Session. During the 2015 Budget session, Finance Minister Arun Jaitley announced that its implementation will be delayed by 2017.** An Anti-Tax avoidance regulation of India Focused at transactions made particularly to avoid taxes

RBI releases framework on payments systems **i.** India's Central bank has released Payment and Settlement Systems in India: Vision-2018 document aims at building best of class payment and settlement systems for a Cash –Less India and ensuring access of mobile banking services to even basic phone users. **ii.** The Vision document focusing on the ways of developing the infrastructure and regulations in the country to reduce cash transactions and increase use of technology.

iii. The document of RBI reads that service providers will be **fortified to use technology to deliver innovative easy to use mobile grounded payment solutions in an interoperable environment without compromising on security.** **iv.** The Policy document also aims in leveraging on **5Cs – Coverage, Convenience, Confidence, Convergence, Cost** that focuses on responsive regulation, robust infrastructure, effective supervision and customer centricity.

Asian Development Bank approved \$500 million loan for bridge over Ganga River in Bihar

Asian Development Bank accorded **\$500 million to build bridge over India's longest river bridge is in Bihar having distance of 9.8 km road Purpose: Transport connection between the Northern and Southern parts of the state and the neighbour country like Nepal Benefit: It will be benefited to middle sector people to commute to the state Capital Patna and other southern parts** ♦ **State government will provide reinforcement which is equivalent to \$215 million December, 2020** ♦ The project is expected to be completed by

Finance Minister Participated in the First Annual General Meeting of AIIB to address Board of Governors

Finance Minister Arun Jaitley Participated in the First Annual General Meeting of Asian Infrastructure Investment Bank to discuss about the investment in Infrastructure and accorded the approval **to establish the Regional Office of AIIB in New Delhi. first loans for projects in Four Countries Total Loan Allocated: \$509 Million** ♦

Bangladesh – Loan Allocated: \$165 million ♦ **Indonesia – Loan Allocated: \$216.5 million (Co-financed with the World Bank)** ♦ **Pakistan – Loan Allocated: \$100 million (Co-financed with the Asian Development Bank & United Kingdom’s Department for International Development (DFID))** ♦ **Tajikistan – Loan Allocated: \$27.5 million (Co-financed with the European Bank for Reconstruction and Development (EBRD))** Asian Infrastructure Investment Bank approved such as Pakistan, Bangladesh, Indonesia and Tajikistan ♦ **World Bank approved \$201.50 million for Technical Education Quality Improvement Project in India** United States based World Bank’s Board of Executive Directors has approved \$201.50 million for **Technical Education Quality Improvement Project III in India Purpose: To improve the quality of Engineering education in selected states of India Objectives of the projects:**

the welfare of adolescent girls and young women. **iii. The project will support adolescent girls and young women between the ages of 14 and 24 to complete their secondary level education. It will also help them to acquire relevant skills for the job market.** **iv. In Jharkhand there are 56 percent of young women (ages 15-24) are neither engaged in education, nor employment or training.**

India to get \$1 bn World Bank funding for solar projects **i. The World Bank today committed USD 1 billion (about Rs 6,750 crore) to support solar energy programme in India, which is reducing dependence on conventional energy sources to reduce greenhouse gas emissions.** **ii. As per the pact signed between Power Minister Piyush Goyal and World Bank Group President Jim Yong Kim, the multilateral funding agency will provide more than USD 1 billion to support India’s ambitious solar initiatives through investments in generation.**

HDFC Ergo buys L&T General Insurance for Rs 551 crore **i. India’s fourth largest private sector general insurer HDFC ERGO General Insurance arm of mortgage lender HDFC has acquired L&T General Insurance Co. Ltd in an all-cash agreement worth of Rs.551 crore.** **ii. HDFC ERGO General Insurance Co. Ltd, the non-life insurance is 51:49 joint venture between housing finance major HDFC and global insurance major ERGO International Germany,** **iii. The ERGO is mulling significant cost synergies arising out of business, technology optimization and rationalization of offices.**

State Bank of India secured \$625 million from World Bank for Solar programme **State Bank of India has signed agreements with the World Bank for \$625 million to support grid connected rooftop solar programme in the Country**

SBI Capital Markets was keen advisor for structuring and setting up the facility

Signed by:

- **Karnam Sekar**, Deputy Managing Director, SBI
- **Onno Ruhl**, Country Director, World Bank India

Focuses:

• Enhancing the **investment for Solar Photo Voltaic Projects**

• Increase the **ease of doing rooftop business** through technical assistance

• To strengthen the **capacity of key organizations**

• Support development of the **overall solar rooftop Photovoltaic Markets**

RIL, SBI sign shareholder agreement for payments bank JV **i. Reliance Industries Limited** went into partnership with banking major **State Bank of India** have signed the shareholder for the payment Bank. **ii. Upon this Agreement that was signed by RIL as promoter with a 70 per cent equity contribution** and SBI as joint venture with a **30 per cent equity contribution.** **iii. RIL and SBI earlier this year entered into a nonbinding MoU to set out the principal terms. This would bring together the nation’s largest banking network and pan-India telecom and retail setup.**

Rs 43,000 crore undisclosed income unearthed in 2 years **i. The Income Tax Department has unearthed undisclosed income of Rs 43,000 crore from investigations during the past two fiscal years according to the Union Revenue Secretary Hasmukh Adhia.** **ii. In the total wealth Rs 21,000 crore have been found from department’s searches, the balance of Rs 22,000 crore have been disclosed from various surveys.** **iii. The statement from the IT department also made it clear that the declaration window will not be extended beyond September 30.**

RBI to study Blockchain technology to curtail paper currency **i. India’s Central Bank “Reserve Bank of India mulling to set up a committee to study the use of Blockchain technology”.** It will be used to reduce the **use of paper currency.** **ii. The Technology is made by distributed database that maintains a continuously-growing list of data records secured against tampering and revision.** **iii. The system’s database consists of blocks that hold time-stamped batches of valid transactions which is seen as the main technical innovation of bitcoin.**

State Bank of India launches ‘SBI Mingle’ – social media banking platform

i. Country’s largest lender State bank of India launched a social media banking platform for Facebook and Twitter users, called ‘SBI Mingle’ to help the customers with a host of banking services on their social media accounts, at their own convenience. **ii. It was launched by the SBI’s Chairman Arundhati Bhattacharya on the occasion of 61st State Bank Day.**

SBI Card launches premium credit card ‘Elite’ **i. India’s Largest Bank State Bank of India’s subsidiary arm SBI Card has launched a premium credit card by the name ELITE with host of facilities targeting high networth customers.** **ii. The card is launched on the Master Card World platform and is enabled with NFC (Near Field Communication) technology that**

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been issued to Nuclear Power Corporation of India Limited(NPCIL) ii. The total premium of such policy is **Rs 100 crore** for a risk cover of Rs 1,500 crore. iii. Policy complies with all the provisions of the Civil Liability for **Nuclear Damage Act (CLND)**.

SIDBI partners with Yes Bank for loan guarantee under World Bank scheme. SIDBI(Small Industries

Development Bank of India) entered into a partnership with YES Bank to guarantee **75% of loans of up to Rs 15 crore** extended to energy efficiency projects under the WORLD BANK initiative.

Aim:

To transform the energy efficiency (EE) market in India by promoting increased level of EE investments, particularly through energy service performance contracting (ESPC) delivered through Energy Service Companies (ESCOs).

- SIDBI expects to provide credit guarantee to more than 500 projects and mobilize financing of up to **\$127 million** through the tie-up.

- A memorandum of understanding was signed between Sidbi and Yes Bank under the Partial Risk Sharing Facility (PRSF) for financing energy efficiency projects programme sponsored by the World Bank.

ICICI SECURITIES tops IPO Ratings ICICI Securities has topped the **Initial Public Offering (IPO)** league table in the first half of 2016. ICICI Securities is **ICICI Bank's investment banking arm**. According to data provided by **Bloomberg**, ICICI Securities has managed five IPOs to help rise around Rs 1,216 crore for companies getting listed.

i-BANK RANKINGS FOR IPOs

Rank 2015	Rank 2016		No of deals	Amt (₹ cr)
6	1	ICICI Securities	5	1,216
1	2	Kotak Investment Banking	4	1,036
4	3	Edelweiss Financial	3	812
2	4	Axis Bank	2	765
17	5	HSBC	1	544
3	6	Citi	1	519
21	7	IIFL Securities	3	466
8	8	IDFC Bank	3	437
24	9	SBI Caps	2	362
16	10	JM Financial	2	347
TOTAL			40	7,975

i-BANK RANKINGS FOR STOCK FUNDRAISING

Rank 2015	Rank 2016		No of deals	Amt (₹ cr)
3	1	Citi	6	6,962
12	2	ICICI	9	4,053
14	3	Edelweiss Financial	6	3,137
6	4	SBI Caps	5	1,911
19	5	HSBC	2	1,451
TOTAL			60	27,471

No. of deals and amount is for 2016, till July 5.

Source: Bloomberg

- The overall equity league table for the first half of 2016 is topped by **US-based Citibank**, which has handled a total of six deals worth nearly Rs 7,000 crore.
- The overall equity league table ranks investment banks on not just IPOs, but also on other forms of fund-raising managed by them, such as rights offerings, offer for sale, and block transactions.
- In the overall equity league table, **ICICI Securities** is second, with nine deals worth Rs 4,053 crore. Last year, Citi was third, while ICICI Securities wasn't even among the top 10.
- ICICI Securities has topped the IPO league table by managing IPOs, including those of Ujjivan Financial

Services, Equitas Holdings, Thyrocare Technologies, TeamLease, and Quick Heal.

- The investment bank is also part of the L&T Infotech IPO, which will hit the market next week.
- Meanwhile, **second-ranked Kotak Investment Bank** has handled IPOs such as those of Mahanagar Gas, Parag Milk, Ujjivan Financial Services, and Healthcare Global Enterprises.

Online bidding platform for gold bond issuance by NSE i. To facilitate orderly trading in sovereign gold bonds, top stock exchange **NSE** has introduced online bid collection facility for such issuances. **ii.** The bourse has received approval from the Reserve Bank of India (RBI) to act as a receiving office for sovereign gold bond (SGB) issuances. **iii.** So far, three tranches of the bonds have been issued amounting to about Rs 1,322 crore and the fourth one is expected by July 18. **iv.** Accordingly, the exchange will collect bids from its registered stock brokers for their clients for the gold bond issuance. **v.** The bonds will carry an interest rate of **2.75 per cent (fixed rate)** per annum on the amount of initial investment. **vi.** Interest is to be paid half-yearly and the last interest will be payable on maturity, along with the principal.

Credit of \$290 million for Bihar's JEEViKA II by World Bank i. A USD **290-million credit** agreement signed by Centre, **Bihar** government and **World Bank** to help improve livelihood opportunities for poor rural households across 300 blocks and 32 districts of the eastern state. **ii.** Bihar Transformative Development Project, also known as **Jeevika II**, will mobilize rural population into self-help groups (SHG) and higher level federations and help them gain access to markets, public services and a range of financial services from formal financial institutions. **iii.** In line with the emerging priorities and JEEViKA's already significant experience, the new

- The overall equity league table for the first half of 2016 is topped by **US-based Citibank**, which has handled a total of six deals worth nearly Rs 7,000 crore.
- The overall equity league table ranks investment banks on not just IPOs, but also on other forms of fund-raising managed by them, such as rights offerings, offer for sale, and block transactions.
- In the overall equity league table, **ICICI Securities** is second, with nine deals worth Rs 4,053 crore. Last year, Citi was third, while ICICI Securities wasn't even among the top 10.
- ICICI Securities has topped the IPO league table by managing IPOs, including those of Ujjivan Financial Services, Equitas Holdings, Thyrocare Technologies, TeamLease, and Quick Heal.
- The investment bank is also part of the L&T Infotech IPO, which will hit the market next week.
- Meanwhile, **second-ranked Kotak Investment Bank** has handled IPOs such as those of Mahanagar

Gas, Parag Milk, Ujjivan Financial Services, and Healthcare Global Enterprises.

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HDFC to become first issuer of Masala Bonds to overseas investors in order to raise Rs.3,000 crore Housing Development Finance Corporation (**HDFC**) Ltd is planning to raise about **Rs.3,000** crore by issuing the first unrated **Synthetic Indian Rupee** (INR) Notes to overseas investors. It is the first Indian public issuer of the Synthetic INR Notes. Our country's **largest private sector mortgage lender HDFC**, plans to raise Rs 3,000 crore through these synthetic bonds. The company nominates to issue Rs 2,000 crore with an option to retain over-subscription of up to Rs 1,000 crore and this Corporation is the first Indian public issuer of synthetic INR notes.

Incumbency period:

These bonds will bear a fixed coupon and will have a **incumbency period of 3 years and 1 month.**

BRICS bank to issue \$448 million of yuan green bonds i. The New Development Bank (NDB) of the BRICS countries is set to issue green bonds in Chinese yuan to raise funds for **clean energy and infrastructure projects.** **ii.** The bank plans to issue 3 billion yuan worth of five-year bonds denominated in

Chinese currency on July 18 also bond proceeds will be used to finance green projects in BRICS Nations. **iii.** The green bonds will be issued with a 5-year tenor and will be the first such issuance by a bank of its type under guidelines issued by **China's central bank in December.**

'Paperless SIP' introduced by BSE for mutual fund investors **i.** 'Paperless SIP' (**systematic investment plans**) which allows mutual fund investors to make transactions through various modes of payments has been unveiled by the leading Bombay Stock Exchange (BSE). **ii.** These investment plans also allows MF distributors to register SIPs for their clients, who can pay SIP amounts through different modes. **iii.** As per this **Paperless SIP facility** once the SIP has been registered, the investors would receive an e-mail for all the payment modes, including direct pay, nodal account, one time mandate and cheque.

IDFC acquires Micro Finance Institution Grama Vidiyal to extend its Rural Banking Services. On a first of its kind of move, **IDFC Bank Ltd** is going to acquire a Tamil Nadu based microfinance institution (MFI) called **Grama Vidiyal**, A small unit financing scheme in rural villages of Tamil Nadu.

- This Acquisition offers the bank access to 1.2 million households apart from adding 319 points of presence in seven states — **Tamil Nadu, Kerala, Karnataka, Puducherry, Maharashtra, Gujarat and Madhya Pradesh.**

- The acquisition sum has not been exposed to the public yet. Hereafter, 30 years old Trichy based Grama vidyal group will act as a Wholly Owned subsidiary of IDFC bank.

- As per this acquisition the micro-finance unit is going to transfer its 3000 employees and micro finance assets worth 1502 crores to the IDFC bank.

SBI signs MoU with IIT Bombay for promoting Startups **i.** State Bank of India (SBI), one of the leading public sector banks in India has signed a memorandum of understanding (MoU) with the Indian Institute of Technology (IIT) Society for Innovation and Entrepreneurship (SINE), (IIT) Bombay's technology business incubator, in order **to promote the innovation by startups** in the financial sector. **ii. SBI and IIT** will promote fintech (financial technology) start-ups that have products or applications to cater to the financial sector. **iii.** These products can help SBI to explore opportunities to enhance the synergy for their banking services. **iv.** This MoU will definitely help in mentoring startups. SBI now has a Rs 200 crore fund for startups and what better place than SINE at IIT Bombay to reach out to startups to use those funds.

Axis Bank ties up with Vistara to introduce cobranded credit card Guragon based India's fastest developing air carrier "**VISTARA**" ties up with **AXIS** bank to release a contactless **Vistara credit card** using the VISA platform.

What is a Contactless Credit Card?

Contactless credit cards use **radio-frequency identification (RFID) or near field communication (NFC)** for making secure payments. The embedded chip and antenna enable consumers to wave their card, over a reader at the point of sale terminal.

User Bung – The cards come with a yearly fee of **Rs. 1,500, Rs. 3,000 and Rs. 10,000** for the top-end variety and are aimed towards corporate cum leisure travelers. On procuring this card, the members will get free upgrades and other loyalty benefits on buying tickets with this credit card.

Benefits of this card – The benefits from this distinct credit card will be tiered depending on travel preferences of customers and their travel frequency. The card comes in three variants:

- **Infinite Signature and Basic**

Cauvery Delta's Irrigation Facilities to be Boosted up through ADB's Loan Agreement with GOI In order to fortify and develop the important Irrigation and Drainage management system in the Cauvery Delta of Tamil nadu, **GOI AND ADB** has signed a pact on July 14 which estimates around \$100 million (**670 Crores approx.**). This system is going to revitalize the mounds and hills of the six major Irrigation systems in the Vennar system and also to renovate the existing Pumping stations.

Loan Tenure: The loan from ADB's ordinary capital resources has a **25-year term**. The Water Resources Department of the State of Tamil Nadu is responsible for implementing the project and is expected to be completed by December 2020.

Benefits:

The Cauvery river basin is an important source of water for **agriculture, for Tamil Nadu and the neighboring states**. The vast majority of the delta's population is engaged in farming and fishing. The project aims to **improve existing infrastructure and will provide flood protection and renewed access to irrigation.**

SIDBI picks eight ventures to invest Rs 428 crore in startups **i.** The **Small Industries Development Bank of India (SIDBI)** has chosen eight venture funds to invest instartups as defined under the **Startup India Action Plan** and will support them with a corpus amount of **Rs 428 crore.** **ii.** The Development Bank's **Venture Capital Investment Committee (VCIC)**, that consist of former Infosys CFO **Mohandas Pai**, former Nasscom **chief Kiran Karnik**, and others, had screened 13 proposals from VC funds. **iii.** The committee recommended **8 proposals for an aggregate corpus support of around Rs 428 crore** from the Fund of Funds for Startups as announced by PM Modi earlier this year and cleared by the cabinet last month.

IndusInd Bank opens IFSC Banking Unit at GIFT City **i.** Mumbai based Indian new generation lender **IndusInd Bank** has opened its **IFSC Banking Unit (IBU)** at the Gujarat International Finance Tec-City (GIFT City) to meet the requirements of **offshore banking.** **ii.** It became the sixth bank to **open an IBU at GIFT.** **iii.** IndusInd Bank's IBU will provide the bank access to International financial markets and will allow it

to deliver a complete range of products to its clients with foreign **currency funding requirements**. **iv.** GIFT IFSC has had a total business transactions crossing the US\$ 475-million mark, generated by 5 operational IBUs of YES Bank, Federal Bank, IDBI Bank, Kotak Mahindra Bank and ICICI Bank each.

Dewan Housing Finance Corporation Ltd launches corporate deposit scheme **i.** Dewan Housing Finance has launched a short-term **Corporate Deposit Scheme**, which offers interest rates ranging from **7.55 % to 8.40 %**, depending on the tenure. **ii.** The minimum deposit under the scheme, which is targeted to meet the short-term investment requirements of corporate customers and is available only to public and private limited companies registered under the **Companies Act, is Rs.10 lakh**. **iii.** Under this scheme Corporates can place deposits for 31 days to 364 days. CRISIL has rated these corporate deposits as **A1+** indicating very strong degree of safety regarding timely payment of financial obligations. **iv.** Upon this scheme corporate deposits are **7.55 % for 31 days; 7.65 % for 61 days; 7.90 % for 91 days; and 8.40 % each for 181 days, 271 days and 364 days.**

Ex-Google engineer, Paul Taylor launches blockchain-based system for banks **i.** A former Google engineer **Paul Taylor** launched **speech recognition software** is used in more than a billion Android smartphones, that uses **block chain technology** to build a new operating system for banks. **ii.** Blockchain technology has captured the imagination of the financial industry, with advocates saying it has the potential to shake up how markets operate.

E-filing: ATM-based validation facility enhanced

- i.** In a bid to make taxpayers hassle free the Income Tax department has widened the ATM-based validation system for filing of online Returns by taxpayers.
- ii.** The department has **included Axis Bank** to enhance the paperless regime of filing the annual Income Tax returns and the dept also launched the bank account-based validation facility in this regard for those who have not availed the **internet banking facility**.
- iii.** These measures helps to validate the e-ITR so that the **taxpayer does not** take the trouble of sending the paper-based **ITR-V by post** for final resolution and processing.

Soiled Notes can be Exchanged for Free till certain Limits – RBI **i.** Reserve Bank of India advised banks to exchange up to **20 pieces of soiled Indian currency notes with a cap value of Rs 5,000** through the counter without any processing fee in order to improve the customer service. **ii.** If the notes are presented in bulk (where the number exceeds 20 pieces or Rs 5,000 in value per day), banks will accept them, against receipt, for value, which is to be credited later. **iii.** This facility of exchanging mutilated or imperfect

notes is available at all designated bank branches and also in non-chest branches. **iv.** All persons tendering mutilated notes whose **value exceeds Rs 5,000** will have to approach **nearby currency chest branch**.

Transactions above 3 Lakhs are to be Banned to curb Black Money – SIT **i.** In order to trace the Black and illegal Money, **Special Investigation Team (SIT)** has advocated for the ban of cash transactions above **3 lakh rupees** and also restrict the Money Holding Capacity to 15 Lakhs in order to curb the Black Money in the nation. **ii.** In finding ways to curb generation of black money—unaccounted, untaxed wealth—and bring back funds stashed away overseas, SIT Suggested to ban common High-value transactions in cash, especially in the real estate sector where buyers try to get away with lower stamp duty. **iii.** SIT recommended that an Act be framed to declare cash transactions above Rs.3 lakh illegal. It pointed out that a large amount of unaccounted wealth is stored and used in the form of cash.

RBI allows foreign players to hike stake in Axis, IDFC Bank **i.** Reserve Bank of India has allowed foreign investors to up their stakes in Axis Bank and IDFC Bank to up to **74 per cent and 46 per cent, respectively** under the Portfolio Investment Scheme (PIS). **ii.** With this move Foreign Institutional Investors (FIIs)/Registered Foreign Portfolios Investors (RFPIs) can now invest up to 74 per cent of **the paidup capital** of Axis Bank. **iii.** India's central Bank in a separate note said FIIs/RFPIs can now invest from the existing 24 per cent up to **46 per cent of the paidup capital** of IDFC Bank Limited under PIS. **iv.** Both the lenders agreed on enhancing the limit for the purchase of its equity shares and convertible debentures **by FIIs/RFPIs**.

International exchange to be set-up in Gift City **i.** The Mumbai based BSE is planning to trade currency, metals and energy at its upcoming international commodity exchange at the **International Finance Tec-City (Gift City)** which will power the global growth story for the Indian Banking Financial Services (BFSI) sector in Gandhinagar. **ii.** The exchange is in process will be a trading platform for globally traded things like energy, currency and metals etc.

IndiaFirst Life Insurance partners Nainital Bank **i.** **IndiaFirst Life Insurance** announced a partnership with **Nainital Bank** for distribution of its products and also to provide life insurance solutions to the customers of the bank and enhance our distribution footprint in northern India. **ii.** IndiaFirst Life Insurance is a joint venture between **Bank of Baroda, Andhra Bank and Legal and General (UK)**.

Indian PSU banks boosted up the Central Government **i.** In order to boost lending and shore up economic growth, the government has provided **Rs22,915 crore capital to 13 state-run banks**. **ii.** The capital infusion exercise for the current year is based on an assessment of need as assessed from the

CAGR of credit growth for the last five years **iii**. The move will provide liquidity support for lending operations and also enable banks to raise funds from the markets. **iv**. It is noted that RBI has lowered interest rates by 150 bps since January 2015 to 6.5 percent, transmission of policy appears to have stalled. **iv**. Money allocated to individual banks as follows:-

RBI is all set to monitor the customer rights in the commercial banks i. RBI is all set to monitor the issues related to the **customer rights in the five broad areas** of banking soon. This step is adopted by the banker's bank to enhance the banking experience of the customers. **ii**. The **five core areas** to be monitored by the RBI are:- ♦ Right to privacy, ♦ Right to fair treatment & transparency, ♦ Fair and honest dealing, ♦ Right to suitability and ♦ Right to grievance redress & compensation. **iii**. RBI had put out a charter of customer rights in public domain sometime back, asking banks to implement it after their board's approval. **iv**. June 30 has been assigned as the last date for the individual banks to get their boards approved. Now RBI will start monitoring and regulation cum supervision of the banks in all the matters related to the customer rights.

IRCTC and SBI join hands to promote UTS and E-Ticketing System to ease the Service for Passengers i. Indian Railway Catering and Tourism Corporation (**IRCTC**) and one of the World's Leading commercial Banks State Bank of India (**SBI**), have signed a Memorandum of Understanding (**MoU**) on July 20. **ii**. This pact is signed in order to thrash out a detailed plan for promotion of rail ticketing activities which includes internet ticketing and unreserved ticketing system. **iii**. This MoU is also framed to for the **joint exploration** in the areas of cooperation and draw up a detailed plan for promotion of the rail ticketing activities. **iv. Unreserved Ticketing System and Internet Based e-ticketing System** are the core areas to be concerned by the desirous combined work of both signatories.

Federal Bank partners with Reliance Jio Money i. Kochi based **Federal Bank** have announced partnership with Reliance Jio Money for One-Click payment service that will make payment ease for their customers. **ii**. The **Reliance Jio money** is a payment wallet where Federal bank will enable a direct payment option for its customers in mobile devices. **iii**. Through this service customers can complete a transaction without funding the wallet also without pre-loading their wallet.

HDFC ERGO enters into bancassurance tie-up with SVC Bank i. **HDFC ERGO General Insurance Company** and Mumbai based Shamrao Vithal Co-operative (SVC) Bank bancassurance tieup to offer wide range of non-life insurance products to the customers of the bank. **ii. Bancassurance** is an arrangement in which a bank and an insurance company form a partnership so that the insurance company can sell its

life assurance and other insurance products and services by banking institutions.

ICICI Bank organises Coin Exchange Mela during the 'Ratha Yatra' festival in Puri i. India's largest Private Sector lender ICICI bank has conducted a **coin exchange mela during Rath Yatra festival** at the **RBI financial literacy camp in Puri**. **ii**. The mela was organised upon the suggestion from RBI's S. P. Mohanty, General Manager, Issue Department of RBI. It was inaugurated by the SP.Mohanty. **iii**. The melas intended to offer free facility of exchanging acceptable soiled and mutilated currency notes with fresh currency and coins that had piled of over 52000 people, where they exchanged coins worth Rs. 6.34 lakh.

Karnataka Bank's solar initiative for rural students i. Mangalore based **Karnataka Bank** has started a programme to offer **solar lights in the non-electrified houses** of students in rural zones. **ii**. This is joint initiative of lender with the Manipal-based non-governmental organisation Bharatiya Vikas Trust (BVT) under its corporate social responsibility (**CSR**) route. **iii**. To illuminate two lights in a house total cost of a **unit is Rs. 9,500**. While the house holder pays Rs. 4,500, the bank bears the remaining cost.

RBI Fines HDFC, Bank Of Baroda and PNB for Banking Irregularities Following Rs **6,000-crore** forex related irregularities, The Reserve Bank of India (RBI) has imposed a monetary penalty on HDFC and Bank of Baroda.

Why Penalty?

In October 2015, Bank of Baroda, in a notice to the stock exchanges exhibited that during the period May 2014 to August 2015, a total of 5,853 outward foreign remittance transactions for a sum of \$546.10 million (Rs.3,500 crore) for '**advance remittance for imports**' and for other purposes were remitted through 38 current accounts to various overseas parties numbering about 400 in **Hong Kong and one of them in the UAE**.

This penalty imposition is owing to the weaknesses and failures in internal control mechanisms with respect to certain AML (anti-money laundering) provisions such as

- Monitoring of transactions,
- Timely reporting to FIU (foreign investigations unit),
- Assigning of UCIC (unique customer identification code) to customers.

RBI penalized HDFC bank for **lapses in adhering to KYC/AML** (know your customer / anti money laundering) guidelines.

ICICI & AXIS bank teams with Global Payment Giant SWIFT Payment Group Global payments leader **SWIFT**, which already has over 70 other leading banks globally now signs up with **ICICI and Axis Bank**, thereby become the first domestic leaders to enter the international payment group.

- The SWIFT international payment network is one of the largest financial messaging systems in the world. Transfer Wise can send or receive certain currencies via SWIFT payment.

• For USD transfers over the equivalent of **£24,000**, Transfer Wise sends the money to the USA via SWIFT international transfer from our foreign currency accounts in Europe. They also send out JPY and ZAR via SWIFT.

SBI To Use Indian Oil Kisan Seva Centres To Serve Farmers

i. India's biggest lender **SBI** has announced that it is going to serve as banking correspondents through Indian Oil Corporation owned **6500 Kisan Seva Kendras**. **ii.** The KSK centres that offer access to various agricultural inputs like diesel services to the farmers across the country. **iii.** In this regard the lender has inked an agreement with **IOC** for financial inclusion programme that will help the lender further its services to the unbanked rural sectors.

SBI launches new card less payment system through phone number in the IMT platform State Bank ATMs are launched with a new payment system, which will allow the account holders to transfer money using mobile phone number as a key identifier and this system is based on the instant money transfer (IMT) platform.

Card-less money transfer:-

□ The facility will enable a payment of up to **Rs 10,000** from any SBI bank account and the recipient of this payment can withdraw funds instantly from an **IMT-enabled ATM without using a debit card**.

□ This system also offers a new form of convenience payment to the emerging younger generation as SBI seeks to address them through new options.

□ From now on SBI Group will be able to offer a unique payment option to the customers and expand its reach to those sections of the population who are either unbanked or do not have access to banking.

AXIS bank ties up with TATA AIG for travel insurance for its customers **i.** **Tata AIG General Insurance** has launched an integrated travel product, for all Axis Bank

customers through the bank's one stop solution called **'Happy Holidays Package'** **ii.** The 'Happy Holidays Package' offers multiple travel benefits to globe surfers such as a **Multi-Currency Forex Card** and can be utilized up to 16 currencies. **iii.** The package allows Axis Bank customers, who are travelling abroad to buy Tata AIG travel insurance policy instantly and in a seamless manner from the **bank's mobile application**. This insurance policy offers several packages including:-

1.Travel insurance policy,

2.Tailor-made Travel Insurance plans;

3.Trip Assist Services – an emergency assistance service;

4.Free International Calling Cards, and

5.Discounts at restaurants in overseas locations.

iv. This digital advancement is a test to TATA AIG's continuous effort to conceive and to set new benchmarks for the General Insurance Space. **v.** It is noted that **Tata AIG General Insurance Company Limited** is an Indian general insurance company, and a

joint venture between the **Tata Group** and **American International Group (AIG)**. Tata Group holds 74 per cent stake in the insurance venture with AIG holding the balance 26 percent.

A new Breakthrough – Cabinet approves the changes to GST Bill Cabinet cleared changes in the GST Constitutional Amendment Bill, dropping 1 per cent manufacturing tax and providing guarantee to compensate states for any revenue loss in the first five years of roll out of the proposed indirect tax regime.

What is a GST Bill?

Goods and Services Tax is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India, to replace taxes levied by the Central and State governments.

• Goods and services tax would be levied and collected at each stage of sale or purchase of goods or services based on the input tax credit method.

• The **Goods and Services Tax Bill** or **GST Bill** officially known as **The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014**, proposes a national Value added Tax to be implemented in India from June 2016. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity.

• Taxable goods and services are not distinguished from one another and are taxed at a single rate in a supply chain till the goods or services reach the consumer. Administrative responsibility would generally rest with a single authority to levy tax on goods and services. Exports would be zero-rated and imports would be levied the same taxes as domestic goods and services adhering to the destination principle.

• The tax rate under GST may be nominal or zero rated for the time being. It has been proposed to insulate the revenues of the States from the impact of GST, with the expectation that in due course, GST will be levied on petroleum and petroleum products.

What are the GST impacts on common people?

• The GST shall have two components: one levied by the Centre and the other levied by the States.

• Rates for Central GST and State GST would be prescribed appropriately, reflecting revenue considerations and acceptability. This dual GST model would be implemented through multiple statutes

• The Central GST and the State GST would be applicable to all transactions of goods and services made for a consideration except the exempted goods and services, goods which are outside the purview of GST and the transactions which are below the prescribed threshold limits.

• To the extent feasible, uniform procedure for collection of both Central GST and State GST would be prescribed in the respective legislation for Central GST and State GST.

• The administration of the Central GST to the Centre and for State GST to the States would be given. This

would imply that the Centre and the States would have concurrent jurisdiction for the entire value chain and for all taxpayers on the basis of thresholds for goods and services prescribed for the States and the Centre.

- The taxpayer would need to submit periodical returns, in common format as far as possible, to both the Central GST authority and to the concerned State GST authorities.

- Each taxpayer would be allotted a PAN-linked taxpayer identification number with a total of 13/15 digits. This would bring the GST PAN-linked system in line with the prevailing PAN-based system for Income tax, facilitating data exchange and taxpayer compliance.

Keeping in mind the need of tax payer's convenience, functions such as assessment, enforcement, scrutiny and audit would be undertaken by the authority which is collecting the tax, with information sharing between the Centre and the States

"Pashudhan Bima Yojana", Insurance scheme for cattle breeders launched in Haryana i. An insurance Scheme for the cattle breeders has been announced by the BJP led Haryana Government named **Jokhim Prabandhan Aur Pashudhan Bima Yojana**. The Scheme is the result of recommendations made in Swaminathan Report.

ii. The scheme insurance would offer a cover encompasses cows, bulls, buffaloes and camel at a premium of Rs 100 and for sheep, goats and pigs **at Rs 25 for 3 years**. In case death of animal compensation will be provided by insurance players. **iii.** This scheme is free of cost for cattle breeders belonging to **the Scheduled Castes**. That state also targeting to cover one lakh cattle under Pashudhan Bima Yojana.

IRCTC to launch travel insurance facility at Rs 1

The Indian Railway Catering and Tourism Corporation (IRCTC) is set to launch the facility of travel insurance for passengers from September This can be availed at a premium of Re 1. The scheme offers compensation **i.** In the event of death or permanent total disability – **upto Rs 10 lakh ii.** For permanent partial disability – **Rs 7.5 lakh iii.** For hospitalisation expenses – **Rs 2 lakh iv.** For transportation of mortal remains in the event of death or injury from a train accident or other untoward incident, including terrorist attacks, dacoity, rioting, shoot-out or arson, as well as for short termination, diverted route and Vikalp trains – **Rs 10,000** Train accident and untoward incident cases will be handled according to definition under **Sections 123, 124 and 124A of the Railways Act, 1989.**

Axis Bank ties up with LIC to extend its Insurance cover across India Axis Bank has signed an agreement with **Life Insurance Corporation** to distribute policies of the country's largest life insurer. This is the largest bancassurance partnership after the

IRDAI allowed banks to sell policies of more than one company.

LIC- AXIS Bank tie up for Insurance cover Extension:-

As on June 30, 2016, Axis Bank had a **network of 3,006 domestic branches** and extension counters situated in 1,882 centres and this is one of the **largest bancassurance** partnerships after the recent **Insurance Regulatory and Development Authority of India (IRDAI)** regulations issued on open architecture framework for banks.

- The partnership with LIC would enable the bank to further expand its existing bouquet of offerings and put forth a compelling proposition for its customers. Apart from LIC, Axis Bank also has a tie-up with Max Life Insurance in the life insurance space. In the initial phase, Axis Bank branches in **West Bengal, Bengaluru and Panchkula in Haryana will start selling LIC products.**

- Banks have increased their role in Insurance distribution with 'bancassurance' being the biggest contributor. Over the last five years the Life Insurance business at Axis Bank has grown at a **CAGR of over 25%**. The partnership with LIC would enable it to further expand the existing insurance establishment.

India approves \$318 million loan for Sri Lanka Railways i. Union Cabinet has approved **\$318 million loan for Sri Lanka** Railways to upgrade the country's rail communications system and rolling stock.

ii. The financial grand from India will help to buy six power sets with AC carriages, 10 engines and 160 carriages, 30 wagons with oil tanks and 20 container wagons. **iii.** The line of credit also boosts Indian export as 75 per cent of the goods and services being sourced from India. The credit carries an interest rate of 1.75 per cent, which will have a repayment period of 20 years.

SBI donates Rs 1.15 cr to L V Prasad Eye Institute

i. State Bank of India has donated **Rs 1.15 crore** for ophthalmic equipment for non-paying patients and surgery instrument for an operation theatre to **L V Prasad Eye Institute.** **ii.** According to SBI Chairman **Arundhati Bhattacharya**, the bank spends 1 per cent of its net profit towards corporate social responsibility(CSR) activities every year. **iii.** SBI had spent Rs 143.92 crore towards CSR activities during 2015-16

Bonanza for 7th pay commission beneficiaries – SBI unveils two new cheap housing loans SBI unveiled a new **cheaper home loan scheme** for defense and other government employees. This new decision reflects to attract

the **donee of the 7th pay commission's salary hike.** SBI eyes that the surplus income of the employees can thus be utilized by government employees and defense personnel towards purchase of house.

New Housing Loan:-

State Bank of India introduced two new self customizable schemes as per the needs of the employees without any processing fee in the following terms,

- **SBI Privilege Home Loan – government employees,**
- **SBI Shaurya Home Loan – defence personnel.**

The government employees are relaxed with installment tenure extending up to **75 years of age and lower EMI burden post retirement and 0.05 percent concession over the home loan interest.**

Raghuram Rajan released the consolidated norms of On-Tap Licensing process to enact reform in the Banking Industry In order to switch over bank licensing process from once-in-a-decade affair into an ongoing process, RBI governor Raghuram Rajan has released the key features regarding the consolidated norms of the 'on tap licensing' or continuous licensing process.

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Bonanza for 7th pay commission beneficiaries – SBI unveils two new cheap housing loans SBI unveiled a new **cheaper home loan scheme** for defense and other government employees. This new decision reflects to attract the **donee of the 7th pay commission's salary hike.** SBI eyes that the surplus income of the employees can thus be utilized by government employees and defense personnel towards purchase of house.

New Housing Loan:-

State Bank of India introduced two new self customizable schemes as per the needs of the employees without any processing fee in the following terms,

- **SBI Privilege Home Loan – government employees,**
- **SBI Shaurya Home Loan – defence personnel.**

The government employees are relaxed with installment tenure extending up to **75 years of age and lower**

EMI burden post retirement and 0.05 percent concession over the home loan interest.

Raghuram Rajan released the consolidated norms of On-Tap Licensing process to enact reform in the Banking Industry In order to switch over bank licensing process from once-in-a-decade affair into an ongoing process, RBI governor Raghuram Rajan has released the key features regarding the consolidated norms of the 'on tap licensing' or continuous licensing process.

1. On-tap licensing has initiated the **biggest overhaul in India's banking structure**, after readying the structure for differentiated banking regime with the issuance of **small finance banks and payments bank licences.**

2. If one sees the monetary policy structure reforms too along with this, Rajan's governorship has witnessed an era of big reforms in India's banking industry.

As a key point to notice, Individuals who are 'residents' and have 10 years of experience in banking and finance at a senior level and existing non-banking financial companies (**NBFCs**) that are 'controlled by residents'.

- The applicant have to pass the '**Fit and Proper**' criteria, which constitutes of a promoting entity/ group should have a past record of proper and efficient financial credentials, integrity and should have a minimum **10 years of successful track record.**

- It is also to be complying by the applicants that the respective entity has total assets of **Rs 5,000** crore or more, the non-financial business of the group does not account for **40 per cent or more in terms of total assets/in terms of gross income.**

Tata Capital Housing unveils home loan scheme with 4% rate i. Tata Capita Housing Limited announced a Comprehensive Housing finance scheme called Prapti with an attractive 4% interest rate for people earning less than **Rs 6 lakh** a year. ii. The Scheme categorizes two group upon their annual income.viz 1.People with earning between **Rs 3 lakh to Rs 6 lakh** a year are recognised as **low income group**

2.People earning less than Rs 3 lakh are considered as **economically weaker segment.** iii. Also the Prapti scheme that intends sections like the lower income group (LIG), economically weaker section (EWS), scheduled caste (SC), scheduled tribe (ST) and women in the peripheries of metros, tier I cities along with those living in tier II and tier III cities. iv. The initiative is inline with the union government's vision of 'Housing for All by 2022.

ICICI lowers its Marginal Cost Lending Rate by 0.05% to 8.9% India's largest private sector bank, **ICICI Bank reduces its Marginal Cost Lending Rate by 0.05% to 8.90** from previously 8.95%. i. The Reserve Bank of India has brought a new methodology of setting lending rate by commercial banks under the name **Marginal Cost of Funds based Lending Rate (MCLR).** It has modified the existing

base rate system from **April 2016** onwards. **ii.** As per the new guidelines by the RBI, banks have to prepare Marginal Cost of Funds based Lending Rate (MCLR) which will be the internal benchmark lending rates. Based upon this MCLR, **interest rate for different types of customers should be fixed in accordance with their risk.**

SEBI's first phase of new enterprise portal goes live

i. Markets Watchdog SEBI unveiled its **first phase** of its **new enterprise portal** to offer timely dissemination of information to all its stakeholders be it internal or external. **ii.** The new portal developed by IT major **Tech Mahindra** went live on July 29 will come in place of the existing one, also the first phase provides the SEBI-employees and some of its market intermediaries. **iii.** The portal provides an e-Platform to registered and prospective intermediaries to communicate in secure, simplified, transparent and paperless process that is in line with the digital trends.

Bank of Baroda ties up with start-up Fisdom **i.** Vadodara headquartered Public Sector lender **Bank of Baroda** has entered into partnership with a fintech start-up **Fisdom** for personal wealth management services. **ii.** The lender also entered into pact with **six other fintech companies**, proficient in different areas, they are CreditMantri, FundsTiger, Probe42, Power2SME, IndiaLends and KredX.

ICICI teams up with APOLLO India for an Asset Reconstruction Company India's largest private banking lender, **ICICI banks teams up with US based Apollo** India Credit Opportunity Management LLC to launch an **asset reconstruction company (ARC)**. **i.** This tie-up is mainly emphasizing on the establishment of the ARC, which will **acquire debt from lenders** as well as equity stakes in companies. **ii.** ICICI has also entered into a memorandum of understanding with **AION Capital Management Ltd** to launch an asset reconstruction company (ARC) as third partner.

RBI imposes penalty on 2 Chhattisgarh cooperative banks **i.** Reserve Bank of India slapped penalty of **five lakh each on two cooperative banks** based in Chhattisgarh under the Banking Regulation Act, 1949. The two banks namely, 1.Zila Sahakari Kendriya Bank Maryadit, Raipur 2.Raipur Urban Mercantile Cooperative Bank Limited **ii.** These cooperative banks penalised for **violation of the directives/guidelines of the Central Bank on 'Know Your Customer' norms.**

RBI launches portal to curb illegal money pooling by firms **i.** The Reserve Bank of India has launched a website **sachet.rbi.org.in**— in a bid to curb illegal and unauthorized pooling of funds by unscrupulous firms. It was launched by RBI Governor Raghuram Rajan. **ii.** The move will help people obtain information about entities allowed to collect deposits and also would help in arriving logical conclusion by punishing **the guilty is paramount to deter entities.**

iii. The Sachet portal (Hindi for alert) will provide filing, tracking of complaints in addition it will also offer information about whether any particular unit is registered with any regulator.

RBI panel to benchmark India's household finance **i.** Reserve Bank has constituted a **panel to study the various facets of household finance** in India and to benchmark India's position visav is both in other major world markets and advanced economies. **ii.** The panel headed by Financial Economics Professor **Tarun Ramadorai** at Oxford University.

Corporation Bank unveils its Group Credit Life Insurance Scheme in Mangalore In a pilot basis, Corporation bank has launched **group credit life insurance scheme** in Mangalore on August 4. This move attributes to increase the insurance cover of the growing population and also strengthen its borrowing community.

Life-based contracts tend to fall into two major categories:

- **Protection policies** – designed to provide a benefit, typically a lump sum payment, in the event of specified event. A common form of a protection policy design is term insurance.

- **Investment policies** – where the main objective is to facilitate the growth of capital by regular or single premiums. Common forms (in the U.S.) are whole life, universal life, and variable life policies.

Corporation Bank Group Insurance:-

- The scheme is exclusively to cover the customers in the age group of **18-60 years** who have taken term loans from the bank.

- It will be payable to the person , in the **event of death** of the borrower and it is a single premium group term insurance plan offering insurance cover to the loan taken by the customer.

Government fixes an inflation target of 4 percent for five years **i.** The Union government have come with the notification that tabled in the Lok Sabha **tends 4 per cent** inflation with the **tolerance of 2 percent (±)** for the next five years till **March 31, 2021** **ii.** The move is directed to the monetary policy framework agreement with the Reserve Bank of India. **iii.** The, center's notification comes upon the **section 45ZA of RBI Act, 1934, in consultation with the bank Central Bank.**

Axis Bank ready with UPI app, to tie-up with Freecharge **i.** Mumbai based Private sector lender **Axis Bank** has announced tie up with the Mobile recharging platform **Freecharge** and also said the bank is ready with Unified Payments Interface (UPI) app.

ii. The Application powered by UPI architecture called **Axis Pay App** can be used by any other banks customer also would make the transactions easier.

Japan records biggest current account surplus since 2007 **i.** Japan has recorded the **largest current account surplus in the first half of 2016** that quantify the international trade of goods, services and investments in and out marked a surplus of 10.63 trillion yen (\$104 billion) in the duration which is up 31.3 per

cent from a year earlier. **ii.** Japan has been showing good result in tourism also in Goods trade, a key component of the current account balance, registered a **surplus of 2.35 trillion yen** compared with a deficit of 375.4 billion last year same duration.

RBI makes no changes in Repo rate and CRR in its third Bi-Monthly Monetary Policy Review As expected The Reserve of India (RBI) in its **third bi-monthly monetary policy review kept the repo rate unchanged at 6.50 per cent** citing upside risk to March 2017 inflation target.

Repo Rate and Reverse Repo Rate:-

- As the rates are high the **availability of credit and demand decreases resulting to decrease in inflation. This increase in Repo Rate and Reverse Repo Rate is a symbol of tightening of the policy.**

- In this latest Monetary Policy Review, the **repo rate was left unchanged at 6.50 per cent.**

- With retail inflation ruling above its projection of around 5 per cent for FY2017, the RBI held the rate steady and in the current financial year, the RBI last cut the repo rate in its **first bi-monthly monetary policy review, in April by 25 basis points to 6.50 per cent.**

- The RBI kept the **cash reserve ratio of scheduled banks unchanged at 4.0 per cent** of net demand and time liabilities.

HDFC, Max group merge life insurance businesses to create company worth Rs 67,000 crore

i. The boards of **HDFC and Max Financial's groups** have given their nod to merge their respective life insurance entities. This will pave the way for more consolidation in the life insurance space.

ii. The boards of **HDFC Life, Max Life, Max Financial Services and Max India** decided to amalgamate their businesses to create a **Rs 25,500-crore** entity under the label of **HDFC Life** through a **3:7 share swap** under which a Max shareholder will get three **HDFC Life shares** for every seven in an old share deal.

RGIC ties up with SVCB to foster the spread of the Insurance Policies on a Pan – India Basis i.

Reliance General Insurance Company Ltd, Non-life insurer declare a bancassurance tie-up with **Shamrao Vithal Co-operative Bank (SVCB)** on August 9. **ii.** Reliance General will distribute its insurance products to the customers of **SVCB.** SVCB is having a network of **194 branches.** **iii.** This is the fourth big partnership by Reliance in bancassurance, apart from the tie-up with **IndusInd Bank, Bank of India and Andhra Bank** and expects to boost our top line by up to 10 per cent through these tie-ups and alliances.

Ponzi schemes not under our purview: SEBI i.

Market Regulator **SEBI** has clarified that any regulatory purview over **Ponzi schemes** will come under purview of state governments. The state government is the responsible to protect investors.. **ii.** SEBI has stated that Ponzi schemes do not fall under the regulatory purview

of SEBI, such schemes were banned under the **Prize Chit and Money Circulation (Banning) Act, 1978** and the State government concerned is the enforcement agency.

Non-Performing Assets (NPA) of commercial banks increased around 4% The Union Government has declared that the **Non-Performing Assets (NPA) of commercial banks have increased by around 4%** in the from March 2015 to March 2016. **i.** This as a credit facility in respect of which the interest and/or installment of Bond finance principal has remained 'past due' for a specified period of time. NPA is used by financial institutions that refer to loans that are in jeopardy of default. Once **the borrower has failed to make interest or principle payments for 90 days the loan is considered to be a non-performing asset.** **ii.** It is noted that the NPA of banks was 5.43 percent in March 2015 which has risen to 9.32 percent in March this year.

NABARD sanctions Rs 26.06 crore to Punjab i. The National Bank of Agriculture and Rural Development (NABARD) has sanctioned Rural Infrastructure Development **fund of Rs 26.06 crore** to the state of Punjab also upon this the total grand stood at **Rs 7,826.17 crore** so far. **ii.** The financial grand will be used for tackling waterlogging by building lift schemes in low-lying areas, village ponds and other allied works in the state. **iii.** The project will benefit 5,913 hectares of **land in 87 villages of Muktsar and Fazilka districts.** The project will pave the way for farmers to cultivate crops in the previously waterlogged areas after a long gap.

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Time taken to report the fraudulent transaction from the date of receiving the communication	Customer's liability (□)
Within 3 working days	Zero liability
Within 4 – 7 working days of receiving the communication	The transaction value or Rs.5000/-, whichever is lower
Beyond 7 working days of receiving the communication	As per bank's Board approved policy

Time taken to report the fraudulent transaction from the date of receiving the communication	Customer's liability (□)
Within 3 working days	Zero liability
Within 4 – 7 working days of receiving the communication	The transaction value or Rs.5000/-, whichever is lower
Beyond 7 working days of receiving the communication	As per bank's Board approved policy

SBI and Korea Development Bank ties up for Business Development. i. India's largest public sector bank, **State bank of India (SBI) and Korea Development Bank (KDB)** have signed an MOU to

develop business synergies in the domains of **corporate finance, project finance and asset finance.** **ii.** The MOU was signed between **SBI chairman Arundhati Bhattacharya,** and **chairman and CEO of Korea Development Bank, Lee Dong Geol.**

Syndicate Bank launches Project Ananya to improve Digital Banking Services **i.** **Syndicate Bank** has adopted a large scale transformation program called "**Project Ananya**" that focuses on improved customer service and offering latest indigital banking services. **ii.** The bank plans to transform 10% of its branches to a new **format in next 6-12 months** and the bank has opened one such branch. **iii.** The bank will offer completely operational account available in less than **one day with no additional visits to the branch** and making this one of the fastest account opening processes in the industry.

BSE gets approval to establish International exchange at GIFT **i.** Mumbai based Bombay Stock Exchange has got approval from the Corporate Affairs Ministry to establish BSE International Exchange and BSE International Clearing Corporation at Gujarat International Finance Tec-city (GIFT). **ii.** In this regard BSE had signed a **MoU with GIFT SEZ** to set up the two entities at the GIFT city — India's first International Financial Services Centre (IFSC) in January last year.

Kotak Mahindra Bank integrates with Flipkart **i.** Mumbai based Private sector lender Kodak Mahindra Bank has tied up with the E- Commerce Market Place Flipkart by expanding the **Bank's in-app shop, mStore** which was used to book air tickets, hotels and bus tickets. **ii.** Now the Flipkart has been integrated with **the M store** which will pave the bank customers to **buy a wider range of things** via the application.

South Indian Bank, SBI Card to launch co-branded credit card

i. Kochi Based leading private sector Lender **South Indian Bank** and India's Largest lender **State Bank of India** has joined hands for their **co-branded credit card** for the South Indian Bank customers.

ii. Upon this tie-up it is set to launch two variants of **credit card on VISA platform,** namely **South Indian Bank Platinum SBI card** and **South Indian Bank SimplySave SBI card.** **iii.** The Platinum variant has been designed focused on premium customers and offers features in line with their lifestyle habits that comes at a joining fee of ₹2,999.

iv. While the SimplySave variant is aimed at the value conscious consumers. It offers rewards and features that take into account the spending requirements of customers which will seek a joining fee of Rs.499.

Union Bank of India launches USSD based mobile app for basic banking needs with NPCI **i.** National Payments Corporation of India (NPCI) ties up with Union Bank of India to launch an USSD based ***99# mobile application** for their customers. **ii.** USSD (Unstructured Supplementary Service Data) is a GSM based technology that is used to send text between a mobile phone and an application program in the network.

IRDAI Slaps Rs 35 Lakh Fine On Bharti AXA General Insurance Hyderabad based **Insurance Regulatory and Development Authority (IRDAI)** has imposed **Rs 35 lakh** fine on **Bharti Axa General Insurance Co Ltd** for violation related with an inspection finding during **December 2012 to March 2013.** **i.** In addition to that penalty of **Rs 5 lakh** each was imposed for violating file & use policy and protection of policy holders interest.

NASSCOM launches startup warehouse in Visakhapatnam The first **National Association of Software and Services (Nasscom)** warehouse has launched at **Rushikonda, Visakhapatnam.** It is the th9 warehouse of NASSCOM. **i.** It will provide affordable **co-working space** with **incubation for 6 months.** **ii.** It will create wonderful opportunities in emerging markets and boost entrepreneurship

Times Internet partners HDFC Bank to launch co-branded Debit Card Times of India Group's Times Internet in cooperation with Mortgage lender **HDFC** launched co-branded debit cards. It will have a daily shopping limit of **Rs 2.75 lakh** and an ATM withdrawal limit of **Rs 1 lakh.** **Co-Branded Debit Card:** ♦ The **Times Points HDFC Bank Debit Card** will offer at **least 10 per cent discount** on online shopping on retail, groceries and dining space and also offers reward them for engaging with the Times Internet sites.

NPS: PFRDA lowers minimum contribution to Rs 1,000 per year **i.** Insurance regulator PFRDA has substantially lowered the **minimum annual contribution to Rs 1,000** to keep the account active in order to encourage more people to join the National Pension System. **ii.** Priorly instead of 1000, a subscriber had to contribute **at least Rs 6,000 in a financial year** to keep the Tier-1 account running.

iii. NPS comprises of two tiers of accounts. ♦ **TIER – I** is the **non-withdraw able permanent retirement account** into which the accumulations are deposited and invested as per the option of the subscriber. ♦ **Tier-II is a savings account;** the regulator has decided to waive the requirement of annual minimum contribution of Rs 250 and minimum balance of Rs 2,000 at the end of a fiscal year.

Asia Index launches index to track performance of CBLO rate **i.** A joint-venture between **S&P Dow Jones Indices and BSE, Asia Index** launched a new index to measure the performance of **Collateralized Borrowing and Lending Obligation (CBLO)** rate – one of most liquid rates in India. **ii.** This new index would be calculated using the CBLO rate **for transactions maturing on the following business day and with settlement T+0.** **iii.** The launch of S&P BSE Liquid Rate Index, It helps in expanding fixed income indices offering in the most actively traded instrument in the money market. The **CBLO rate is**

considered one of most liquid rates in India, in the overnight segment. iv. The index is designed to measure the returns from a daily rolling deposit at the CBLO rate.

RBI imposes penalty on four cooperative banks i. Mumbai based Reserve Bank of India(RBI) has imposed penalties on four cooperative banks for violation of various norms. This 4 cooperative banks are 1.Cooperative City Bank, Guwahati – Rs 5 lakh 2.Indapur Urban Cooperative Bank, Indapur – Rs 2 lakh 3.Shri Dadasaheb Gajmal Cooperative Bank, Pachora – Rs 1 lakh 4.Model Cooperative Urban Bank, Hyderabad – Rs 1 lakh ii. RBI also modified its directions regarding Mumbai based R.S. Co-op. Bank and relaxed payment terms for deposits. iii.A sum not exceeding Rs 10,000 in every savings bank or current account or term deposit account or any other deposit account may be allowed to be withdrawn by depositor

Federal Bank joins hand with MMTC for the distribution of IGC – Indian Gold Coins i. Federal Bank ties up with MMTC for distribution of Indian Gold Coins (IGC), the first-Ever National Gold offering by the Government, which was launched by Prime Minister Narendra Modi. ii. Kerala based private sector lender, Federal Bank has tied up with MMTC for distribution of Indian Gold Coins (IGC), the first-Ever national gold offering by the government. iii. It is noted that Federal Bank has become the first private sector bank to start distributing gold coins made by government-controlled Metals and Minerals Trading Corporation of India.

Federal Bank ties up with Chillr for cashless transactions i. Federal Bank announced its partnership with Chillr, a mobile banking application, to provide cashless transactions. ii. The facility is already available to all customers of Federal Bank and the bank always believed that digital services will herald a paradigm shift in banking services. The bank has always striven to be ahead of the curve by launching a bouquet of on line services.

India Post Payments Bank Incorporated Sets to begin in 2017. i. India Post Payments Bank has come into existence after it received certificate of incorporation from the Registrar of Companies, setting the stage for the new bank to begin operations in 2017. ii. The India Post Payments Bank has received the Certificate of Incorporation from the Registrar of Companies, Ministry of Corporate Affairs yesterday under the Companies Act 2013. iii. With the incorporation, the Board of the India Post Payments Bank Limited is likely to be constituted soon. The incorporation of the IPPB Ltd is a significant step forward as this also paves the way for the bank to begin hiring of banking professionals to set up the bank and begin its operations in 2017.

SBI bank board approves the significant merger of Five associate banks and BMB with itself i. In

an attempt to create global size bank, the board of State Bank of India approved scheme of merger of five associate banks and Bharatiya Mahila Bank (BMB) with itself while protecting the interest of the existing staff. ii. SBI also approved the share swap ratio for merging three associates—State Bank of Bikaner and Jaipur (SBBJ), State Bank of Mysore (SBM) and State Bank of Travancore (SBT)—and BMB. But the Swap ratios for State Bank of Hyderabad and State Bank of Patiala were not announced.

Indian Private Banks at the Top Spots among the Global Banks on Key Return Ratios Leading Indian private banks namely HDFC Bank, Axis Bank and ICICI Bank along with their Chinese peers China Construction Bank Corp (CCB), Industrial and Commercial Bank of China (ICBC) and Agricultural Bank of China (ABC) occupy the top six slots among global banks on key return ratios, namely return on equity (RoE) and return on assets (RoA).

Indian Banking Statistics :-

The most public sector banks have struggled on this front in recent years with the exception of SBI and Union Bank that have started seeing some increase in this metric in both FY15 and FY16.

- For FY16,HDFC Bank and Axis Bank earned the highest return on assets of 1.91 per cent and 1.67 per cent, respectively, followed by CCB, which clocked return on assets of 1.3 per cent.
- ICBC and ICICI Bank completed the top five lists with RoAs of 1.29 per cent and 1.17 per cent, respectively.
- The Chinese banks follow December year-end and, hence, the data for them is at the end of calendar year 2015. HDFC Bank tops its global peers on RoE as well, which stood at 18.63 per cent in FY16.
- Axis Bank stood fifth in this table with a RoE of 16.95 per cent, after CCB, ICBC and ABC that reported RoEs of 17.18 per cent, 17.1 per cent and 17.03 per cent.

ICICI Bank goes live with banking transaction product on mobiles & ICICI Bank unveils new 'smart keys' mobile app i. India's largest Private Sector lender ICICI Bank has launched a payment service using a smartphone keyboard named iMobile SmartKeys to make mobile payments easier. ii. This solution was developed by one of the winners of the bank's app developing competition 'ICICI Appathon' which enables users to make quick and secure payments on any mobile application.

Andhra Bank teams up with Geojit for 3-in-1 online platform i. Andhra Bank government jointly with Geojit BNP Paribas Financial Services has launched a three-in-one online investment and trading platform christened AB eTrade which integrates savings and demat accounts with online trading. ii. With this secure customer-friendly product, customers can invest in equity, mutual fund and other capital market products that paves way for easy trading on the basis of net obligation.

Central Govt chooses four banks for the sale of share in HUDCO i. The government has selected four investment banks namely **Nomura, SBI Caps, ICICI Securities and IDBI Capital for the proposed share sale in HUDCO – Housing & Urban Development Corporation Limited.** ii. **Department of Investment and Public Asset Management (DIPAM)**, the nodal agency under the finance ministry that co-ordinates government disinvestment programme has selected these four investment banks for the proposed share sale in HUDCO.

Forex reserve at record high of USD 365.82 billion i. India's foreign exchange reserves surged by **USD 73.2 million** to touch a life-time high of USD 365.82 billion in the week ended. It was surged by USD 253.6 million to touch **USD 365.75 billion last week.** ii. The Gold reserves remained unchanged at USD 21.58 billion in the week. While special drawing rights held by India with the IMF gone down by **USD 3.2 million to USD 1.49 billion**, while the country's reserve position plunged by USD 5.2 million to USD 2.39 billion.

Jawaharlal Nehru Port Trust to sign agreement with bankers for External Commercial Borrowing i. Mumbai based container port, **Jawaharlal Nehru Port** has signed an agreement with State Bank of India and Development Bank of Singapore for External Commercial Borrowing to the tune of **USD 400 Million** under External Commercial Borrowings. It the first Major Port to finalize the terms of ECB. ii. The Credit seeks at a very competitive interest rate to improve the infrastructure required for doubling its existing capacity to 9.85 Million TEUs annually which is for Door-to-Door **tenor of 7.5 years.**

JNPT signs pact with SBI, DBS for \$400 million loan i. India's premier container port, Jawaharlal Nehru Port Trust has signed a pact with **State Bank of India and Singapore's DBS for a loan of Rs 2,600 crore**, to double its annual capacity. ii. **Jawaharlal Nehru Port (JNPT) in Navi Mumbai, has signed an agreement with State Bank of India (SBI) and DBS for ECB to the tune of USD 400 million at a very competitive interest rate** to improve the infrastructure required for doubling its existing capacity to 9.85 million TEUs annually.

Mahindra AMC launches Mahindra Mutual Fund Kar Bachat Yojana i. Mahindra Asset Management Company has announced the launch of open ended scheme **Mahindra Mutual Fund Kar Bachat Yojana** to generate long-term capital appreciation through a diversified portfolio of equity and equity related securities. ii. **The Kar Bachat Yojana** comes with a three **year lock-in period**. The New Fund Offer would close on October 7 and will reopen for continuous sale and repurchase from October 19, 2016. iii. This move comes after the company has got after it received approval from SEBI, the Yojana will help people who not only want to save tax but also wish to create a tax-free corpus over long term investments.

Bajaj Finance ties up with India Post to facilitate two-wheeler purchase i. Pune based motorcycle finance firm **Bajaj Finance Limited** has joined hands with **India Post** to facilitate purchase of vehicles in Karnataka. ii. The **Bajaj Finance** inked a **MoU with**

India Post and also announced special arrangement that allows potential buyers to get information on various **2-wheeler loan schemes.** iii. These post offices will also hold special loan offers to the people including the installment

collection set-up at the Post Offices. This arrangement shall initially be available at **208 E-Payment Post Offices** across the state.

Cabinet liberalises FDI norms for NBFC sector i. The Union Cabinet chaired by Prime Minister Narendra Modi has permitted foreign investment through **automatic route in other financial services**, that are comes under regulators like Reserve Bank of India (RBI) and State bank of India (SBI) and Pension Fund Regulatory and Development Authority (PFRDA) or government agencies.

ii. At present regulations on Non-Banking Finance Companies (NBFCs) stipulate that 100 per cent FDI through automatic route permitted for **only 18 specified NBFC activities** such as merchant banking, under writing, portfolio management services. iii. The amendment in the **Foreign Exchange Management (Transfer or Issue of Security by the Person Resident outside India)** regulations on NBFCs will allow inflow of FDI in "Other Financial Services" on automatic. iv. The cabinet also eliminated minimum capitalisation norms **as mandated under FDI policy** as most of the regulators have already **fixed minimum capitalisation norms** which will induce FDI and spurt economic activities throughout India. v. It also kept aside the need **for prior center's nod for up to 74 per cent FDI brownfield investment** in pharmaceuticals and eliminated the condition of access to **'state-of-the-art technology'** for defence sector in the FDI.

Central Government to ban cash transactions over 3 lakhs to curb black money i. In the next move to **clamp down on black money in the economy, the government is set to ban cash transactions over Rs 3 lakh.** ii. The Rs 3 lakh-limit is aimed to ensure that transactions are made using **credit or debit cards, cheques or drafts which can be easily tracked.** iii. The government has already initiated several steps, including banning **cash advance of more than Rs 20,000 for property transactions.**

Indian economy to grow 7.9% this fiscal: Goldman Sachs i. American multinational banking firm **Goldman Sachs** says Indian economy is likely to grow **7.9 per cent in this year 2016-17**, growth in the **current fiscal** driven by better monsoon, government pay hike, key reforms and FDI inflows. ii. Sachs report went on to say that GDP of the country is expected to improve gradually and for the April-June quarter it may slow a tad to **7.8 per cent**, in part due to unfavorable base. iii. It added that India grown at **7.9 per cent** in the previous quarter. While the forecast for

this fiscal is however higher than consensus expectations of 7.5 per cent and up **from 7.6 per cent in FY16.**

iv. The report note also praises India's efforts on reforms like passage of the GST bill, inflation targeting framework on Policy among the others.

21 banks to go live with Unified Payments Interface, says NPCI

i. Mumbai based retail payments organisation **National Payments Corporation of India (NPCI)** has announced that customers of 21 banks can use Unified Payments Interface (UPI) for sending and collecting money via a smart phone using a Virtual Payment Address (VPA) soon. **ii.** The UPI interfaced App will facilitate option for **scheduling push and pull transactions** for various purposes like Payment of cash on delivery during online shopping websites and can pay for miscellaneous expenses like paying utility bills, barcode based payments, donations. **iii.** It also comes with greater security as privacy of customer's data maintained as there is no account number mapper on the system except the customer's own bank also customer can use the mobile number for the virtual address like **1234567890@xyz** in place of short name

IndusInd Bank ties up with IBM for Cloud Commerce Solutions

i. Private sector lender **IndusInd Bank** has tied up with **IBM** to use its **Cloud commerce solutions** to transform customer engagements and enhance its cross-sell platforms. **ii.** Using **customer behavior analysis and real-time contextual marketing**, banks can ensure that customers connecting with the bank on any channel will receive relevant and timely communications and offers that address their unique needs.

RBI asks banks to extend loans to women SHGs at 7% rate

i. Reserve Bank of India (RBI) has asked to grant loans to Women Self-Help Group (SHG) **up to Rs 3 lakh at 7 per cent interest rate per annum.** The Revised Scheme comes from RBI after it got approval from Rural Development Ministry. **ii.** These loan scheme to be provided under poverty alleviation project- National Rural Livelihoods Mission (NRLM)-Aajeevika scheme for the year **2016-17 in the 250 districts.** **iii.** Upon the new guidelines an interest subvention on credit line up to Rs 3 lakhs at 7% per annum will be provided. All women SHGs will be eligible for it. However, SHG availing capital subsidy under Swarnjayanti Gram Swarojgar Yojana (SGSY) in their existing credit outstanding will not be eligible for benefit under this scheme.

Finance Ministry set up a committee for digitalize incentive payments

i. The Finance Ministry led by Arun Jaitley has set up a committee to **consider incentives such as cash back schemes and tax rebates for promoting card and digital payments** in a step towards discouraging cash transactions. **ii.** With an aim to discourage cash transactions, the Finance Ministry has set up this **high-level committee** to suggest steps to promote card payments through incentives like tax rebates and cash back schemes.

iii. The 11-member committee, **headed by former Finance Secretary Ratan P Watal**, will recommend various measures to incentivize transactions through cards and digital means, e.g., through tax rebates/incentives, introduction of cash back/lottery.

Karnataka Bank launches UPI app KBL-SMATRz

i. Mangaluru based Karnataka Bank has come up with a mobile application named **KBL-SMARTz** built on the unified payments interface (UPI) platform of the National Payments Corporation of India (NPCI). **ii.** The App was launched by the Managing Director and Chief Executive Officer **P Jayarama Bhat, Karnataka Bank.** **iii.** The App enables users to perform the transactions on-the-go through this app, which is available in the Google PlayStore.

World Bank sanctions Rs 980 cr for Brahmaputra dredging: Min

i. The **World Bank** has announced a funding of **Rs 980 crore** to dredge the Brahmaputra as an initiative to develop waterways to Bangladesh and to other South East Asian countries which is give fillip to trade and industry in the Area. **ii.** Upon **this Brahmaputra waterways** will pave the way for trade that will lead to a reduction in the cost of transportation of goods and will finally the state of Assam will become export hub for the South East Asian countries. **iii.** This Sanction also boost the Centre's **Act East Policy** that also in line to boost trade with South East Asian countries such as Thailand, Myanmar, Laos, Cambodia and other countries.

Sebi mulling relaxed norms for REITs, InvITs, startups listing

i. Market Watchdog Securities and Exchange Board of India (Sebi) has lined up wide-ranging relaxations to its norms for **REITs and InvITs and an easier set of listing rules for startups.**

SEBI will consider these regulations in its board meeting next month

ii. **Institutional Trading Platform (ITP) for startups by the SEBI.**

iii. **set of norms on REITs and InvITs**

iv. **20 per cent investment by such trusts in under-construction projects, up from a maximum of 10 per cent allowed now.**

Doha Bank opens branch in Kerala

i. **Qatar based Doha Bank** has opened a branch, the **Kerala's Chief Minister Pinarayi Vijayan**

inaugurated the branch at Lulu International Shopping Mall in Edapally.

The **InvITs (Infrastructure Investment Trusts), REITs (Real Estate Investment Trusts)** Regulations were under review for the framework for .

The Board of SEBI is likely to devise an easier which will allow them to have up to five sponsors, as against the current norm for maximum three. It would allow up to .

ii. The Bank also held an investors conference on Kerala-Qatar Investment Opportunities, which saw a participation of major investors and SMEs from the state and GCC and Doha Bank officials.

Yes Bank launches its own mobile wallet Yes Pay

i. Mumbai based private sector bank Yes Bank has launched **Yes Pay**, a digital wallet which does not require that both the transacting parties be registered on it. **ii.** As a pilot move Yes Pay is built as a **Facebook app on the Android and iOS mobile platforms in the realm of digital payments scenario.**

iii. The Wallet Yes Pay has associated with merchants like PayU, Euronet, Coupon Dunia, One Assist QuikWallet, ToneTag

and Witty Gift to enable users to make seamless bill payments.

NABARD granted Rs. 204.67 crore for Haryana under RIDF scheme i. National Bank for Agriculture and Rural Development (NABARD) has sanctioned a loan of Rs 204.67 crore under Rural Infrastructure Development Fund (RIDF) for rural infrastructure in Haryana. ii 22nd tranche of RIDF for 2016-17 for construction of three rural bridges, construction and upgradation of 26 rural roads in 10 districts namely Ambala, Faridabad, Gurgaon, Hisar, Jind, Karnal, Mahendergarh, Panchkula, Rewari and Yamunanagar. . Rs 147.18 crore has been sanctioned to the state government under the

PFS ties up with banks for clean energy project loans i. Indian non-banking financial institution PTC India Financial Services (PFS) has tied up with banks to provide loans to companies working on renewable energy (RE) Generation. iii. . Upon this collaboration these banks set to letter of credit (LC) based on the issue letter of comfort (LOC) issued by PFS, to project companies in the renewable space with diligence on certain parameters. The Banks will issue credit upon the request made by the companies involved in Clean Energy projects on various associated costs for issuance of letter of credit, which generally takes 3-5 months.

Canara Bank launches UPI app 'empower' i. Bangalore based Canara Bank has launched Unified Payment Interface [UPI] App named 'empower', at its board of directors' meet held at Bengaluru. ii. T N Manoharan, Chairman, and Rakesh Sharma The app launched by , MD & CEO, in the presence of board of directors of the Bank.

India to grow at 7.6% in FY'17: RBI i. Reserve Bank of India predicts India to clock at 7.6 per cent in 2016-17 in the wake of near-term growth outlook for India seems brighter than last fiscal. ii. The Central Bank in its annual report said that overall gross value added growth is expected at 7.6 per cent this fiscal, up from 7.2 per cent last year.

NPCI launches Bharat Bill Payment System pilot project i. Mumbai based National Payments Corporation of India (NPCI) with 26 Bharat Bill Payment Operating Units (BBPOUs) launched the pilot project for Bharat Bill Payment System (BBPS). ii. Bharat Bill Payment System will provide interoperable bill payment services to customers. Now it will cover repetitive payments such as electricity, water, gas, telephone and Direct-to-Home (DTH). iii. As of now 52 Banking entities and 10 Non-Banking entities are received in-principle approval from RBI to function as Operating Units (OU).

Reliance Life gets its new CEO – Ashish Vohra, Former CDO of Max Life Ashish Vohra, former chief distribution officer at Max Life will be joining Reliance Life following his appointment as its Chief Executive Officer. i. Earlier Ashish Vohra worked with

Fullerton India Credit and Citibank and at last he joined Max Life in 2010 and was leading the distribution channels, including bank assurance, direct selling, agency and online and he has experience of over 21 years spanning marketing, sales, product and business roles in financial services.

Bank Board Bureau Chief Vinalo Rai steps down from the IDFC bank board i. Being appointed as the chief of Banks Board Bureau (BBB), Vinod Rai has stepped down from the IDFC bank board and however he will serve continuously as the independent Chairman of the IDFC Ltd. ii. Vinod Rai is the Former Comptroller and Auditor General (CAG) of India and also a honorary member of the renowned IDFC bank board.

Union Bank of India and Bank of Maharashtra gets its new head of the boards on August 9. i. Pawan Kumar Bajaj as Managing Director of UBI and Ravindra Prabhakar Marathe as Chief Executive Officer (CEO) Bank of Maharashtra. ii. It is noted that Marathe is Executive Director in Bank of India. He will take over the charge on or after October 1, 2016 and continue for a period upto November 30, 2019. iii. Pawan Kumar Bajaj is Executive Director in Indian Overseas Bank. He has been appointed as MD and CEO "based on merit-cum-preference" and he has been appointed to the post up to September 20, 2018.

Ashok Chawla to take over as YES Bank non-executive chairman i. Former head of the Competition Commission of India (CCI) Ashok Chawla has been named as the non-executive part-time chairman of Mumbai based YES Bank. ii. Presently he is the Chairman of NSE and chairs the governing council of The Energy and Research Institute (TERI). He worked as the chairman of the Competition Commission of India (CCI) post retirement.

Yes Bank appoints Amit Sanan head Mid Corp Banking i. India fifth largest private sector bank, Yes Bank has appointed Amit Sanan as Group President and Country Head of Mid-Corporate Banking. ii. The two existing teams of Emerging Corporate Banking and Commercial Business Banking of 300 relationship managers nationally will now report to him.

Ashok Kumar Pradhan took charge as the Chief General Manager of State Bank of Travancore i. Ashok Kumar Pradhan has taken over as its Chief General Manager of State Bank of Travancore. ii. Prior to this, he served in various key assignments as Controller and Zonal Head and has functioned Zonal Head and also Deputy General Manager (Credit) at State Bank of Hyderabad.