

Banking & Finance Awareness January 2016

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 joint 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 data feed 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 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

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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

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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.

Mahindra AMC gets SEBI nod to enter MF business

Mahindra Asset Management Company has received a stamp of approval from **SEBI** to initiate its **mutual fund business**. This newly formed MF business will focus on investors in **semi-urban** and **rural markets**.

- With the entry of Mahindra MF, the number of **fund houses operating in India** will rise to **43**.

- Mahindra AMC also designated **Ashutosh Bishnoi** as its **CEO** and **MD**.

Mahindra AMC, a wholly-owned subsidiary of **Mahindra & Mahindra Financial Services (MMFS)**.

CAMS launches Aadhaar-based eKYC for setting up MF account instantly

CAMS had launched **Aadhar based eKYC** (know your customer) for setting up an **instant (MF) mutual fund account**. The system had been launched to make mutual fund account opening and transactions a paperless and presence less process.

- Investors can voluntarily submit Aadhaar and mobile numbers for validation with Aadhaar or UIDAI (Unique Identification Authority of India)
- The **authentication** is done using **OTP (one-time password)** through CAMS at **camsonline.com**

Bandhan Bank initiated Visa Debit Card & NRI Services

Started with an offering of only RuPay card, now Kolkata headquartered **Bandhan Bank** has instigated an **international debit card** in association with **Visa**. It has also kicked off **NRI banking services**.

- The debit card service will be available worldwide but bank would offer NRI services only at select branches.

About Newly Launched Debit Card

This new debit card will be accepted globally at more than 30 million Visa merchants. The card will have two variants - **Visa Classic** and **Visa Platinum**.

- Daily cash withdrawal limit of **Visa Classic Debit card holders** will be **Rs. 40,000** while

Visa Platinum Debit Card holders will have Rs. 1, 00,000 daily cash withdrawal.

- The point of sale (PoS) transaction limits for Visa Classic Debit card holders will be at Rs 1, 00,000 and for Visa Platinum Debit Card holders will Rs 4, 00,000.

Corp Bank inks pact for insurance cover

Corporation Bank had signed a pact with Universal Sompo General Insurance Co Ltd for insurance cover

- The bank will provide free personal accident death cover of Rs 10 lakh to its Corp Signature and Rs 5 lakh to its Corp Super account holders of Saving Bank Account holders.

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.

Centres at :-

|| MEERUT ||

|| MUZAFFARNAGAR ||

|| BIJNOR ||

Ph. No. - 0121-4003132, 9319654321

- 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 SAARC FINANCE 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 **90 Crores** 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 **June** 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.

- 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 officers** 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 Fund**

is

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

Banking & Finance Awareness March 2016

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.

Flash points

- The committee headed by **Revenue Secretary** decided to provide the details of FDI resting **with RBI to IB & RAW**

ICICI Bank launches credit-linked subsidy scheme under PMAY

India's largest private Sector Lender launched a **credit-linked subsidy scheme** for home loans under the '**Pradhan Mantri Awas Yojana**.

- This Scheme will benefit the individuals including women borrowers from the economically weaker section low income grouped people.
- They will be able to **acquire and construct the first brick-and-mortar (Pucca House) house** of the family by paying significantly lower Equated Monthly Instalments (EMIs).

HDFC Bank ties up with 5 start ups

The **HDFC bank** has chosen **five start ups** from 30 applications to work together in its field of operations.

Five companies

- **Senseforth Technologies** into AI customer response
- **Tagnpin** -a marketing and customer engagement company
- **Safe 2 Pay**-a point of sale-free payment system
- **Bugclipper**-an in-app feedback tool
- **Taptis Technology**- a biometric payment company

Crisil Estimates India's GDP Growth at 7.9%

The domestic rating agency **Crisil** has estimated the **GDP growth of India at 7.9%** for the fiscal year 2016 provided the **Monsoon remains normal** and the government **implements the announced reforms**.

- The estimated GDP growth remains to be the highest prediction so far pointing at **9% growth** as estimated by **Crisil**
- The chief economist pointed that it is possible with the **Monsoon being normal** and the implementation of the economical reforms gearing up to achieve the target

Moody maintains SBI & IDBI ratings unchanged

Moody's Investors Service have told that the local and foreign currency deposit ratings of **State Bank of India and IDBI Bank** at '**Baa3/P-3**'

Baa-3: Baa' (Global Long-Term Rating Scale) are judged to have medium-grade intrinsic, or

standalone, financial strength, and thus subject to moderate credit risk

P-3 : P-3 (Global Short-Term Rating Scale) issuers (or supporting institutions) rated Prime-3 has an acceptable ability to repay short-term obligations

- 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

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

Centres at :- **|| MEERUT ||** **|| MUZAFFARNAGAR ||** **|| BIJNOR ||**

Ph. No. - 0121-4003132, 9319654321

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 **Samriddhi 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 Samriddhi 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

Centres at :- **|| MEERUT ||** **|| MUZAFFARNAGAR ||** **|| BIJNOR ||**

Ph. No. - 0121-4003132, 9319654321

- **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%**
- This was due to the reduced global demand and a slow Chinese economy
- Earlier the growth was predicted **at 6%** for 2016 in December, 2015
- However the **weak recovery in major industrial economies** and softer growth prospects for the People's Republic of China (PRC) have acted as reasons to bring down the projections

Projections for India

- It has remarked that India will be one of the fast growing economies in the world
- Due to the stall of certain development projects, the growth may dip to **4%** but the reforms taken will increase the rate by **7.8% in 2017-18**
- The economy will expand to **7.6% in 2016-17**

CBDT signed 11 Advance Pricing Agreements

The Central Board of Direct Taxes department has signed **11 Advance Pricing Agreements** with taxpayers overseas to reduce litigations.

Flash points

- With this India has signed totally **59 unilateral and/or bilateral** agreements
- The **APA was enacted in the Income tax act, 2012** and rollback provisions were provided in 2014
- The agreements cover **corporate guarantees, royalty, software development services, IT enabled services and trading**

European Investment Bank to loan €450 million for Lucknow Metro

The European Union's official bank **European Investment Bank** will Provide loan to **Lucknow Metro Project** of **€450 million** (about Rs. 3,300 crore) towards constructing a 23-km long rail line and a purchasing a fleet of new trains.

- The metro project will be the most expensive public transport system in the state of **Uttar Pradesh costing Rs.6928 cr**
- The EU's official bank and the world's largest international public bank, and its loan will cover half of the total project costs for the Lucknow Metro.

RBI cancels recognition of 22 NBFC's

RBI has cancelled the certificate of registration of **22 NBFC's**. Earlier, in the month beginning 6 more NBFC's licenses were cancelled Due to the cancellation, the firms cannot enter into the financing business.

- RBI has cancelled the registration owing to its powers conferred under Section **45-IA (6) of the Reserve Bank of India Act, 1934**
- Kundan Leasing and Finvest, Raseera Investments, Limtex Impex, Dignity Motors

Finance, Akansha Consultancy Services, Bini Commercial Enterprises, Nirankar 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

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.

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

- The **Commerce and Industry Ministry** on Wednesday notified 49% foreign direct investment (FDI) under automatic route in insurance and pension sector as announced by **FM Arun Jaitley**
- Earlier, only up to **26% FDI** was permitted through the **automatic approval** route
- FDI into the country grew by **40%** to **\$29.44 billion** in 2015

Government permits 100% FDI in e-commerce

The government has allowed **100% FDI in e-commerce** through automatic route in marketplace model of retailing. This is not applicable to **the inventory based model of e-commerce**.

Key features

- 100 per cent FDI is permitted in **B2B (business-to-business)** transactions under the automatic route
- According to the norms, an e-commerce firm will not be permitted to sell more than **25 per cent of total sales** from one vendor or its group companies

Banking & Finance Awareness April 2016

PFRDA: Swavalamban subscribers can switch to Atal Pension Yojana

Micro-pension scheme Swavalamban, Subscribers can switch to the **Atal Pension Yojana (APY)**.

- Swavalamban scheme was launched by the UPA government in **2010-11 intended** at the unorganised sector and applicable to those who joined the National Pension Scheme.
- APY is applicable only to workers in the age **group of 18-40 years**.

NSE launches Nifty MidSmallcap 400 index

Mumbai headquartered **National Stock Exchange (NSE)** introduced a new index to its broad Aprket indices "**Nifty Mid Smallcap 400**".

- It will comprise of **400 companies** which are the constituents of **Nifty Midcap 150** and **Nifty Smallcap 250** indices across **18 sectors**.

Germany's Development Bank KfW to provide loan assistance to metro system for

Nagpur

German Government's Development Bank KfW pledged to provide a loan assistance of **EUR 500 million (about Rs.3,750 crore)** for the modern and sustainable metro system for Nagpur city being executed by Metro Rail Corporation Limited.

- Nagpur Metro will be the **first metro rail** project in India to be financed under the Indo-

German partnership for clean, socially inclusive and **climate-friendly mobility**.

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%

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

Centres at :- || MEERUT || || MUZAFFARNAGAR || || BIJNOR ||

Ph. No. - 0121-4003132, 9319654321

(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 2014. Nevertheless, the region remained the top remittance recipient amongst all geographical regions.

South Asia

- This **grew by 2 percent** in 2015, down from **4.3 percent** in 2014, due to a contraction in flows to India, the world's largest remittance recipient, and Sri Lanka, despite a spike in remittances to Nepal in response to the earthquake.
- The region is expected to attract \$123.3 billion in remittances this year, compared to **\$117.9 billion in 2015**.

Europe and Central Asia - Here it is contracting by **20.3 percent**, due to the depreciation of the Russian ruble against the dollar and the slowdown in economic activity in Russia, a major source of remittances for the region.

Unified Payments Interface Launched by NPCI

RBI and National Payments Corporation of India (NPCI) launched the Unified Payment Interface (UPI) with the objective of proactively encouraging electronic payment systems for ushering in a cashless society in India.

- RBI Governor **Raghuram Rajan** and NPCI adviser **Nandan Nilekani** signed for this initiative that aims to provide a safe, efficient, accessible, inclusive, interoperable and authorised payment and settlement system for the country.
- It will enable anyone with a bank account to complete a transfer or make a payment without having to share bank account or **credit/debit card details**.

World Bank and AIIB Sign First Co-Financing Framework Agreement

The **World Bank** President Jim Yong Kim and the **Asian Infrastructure Investment**

Bank(AIIB) President Jin Liqun signed the first **co-financing framework agreement** .

- The AIIB expects to approve about **USD 1.2 billion** in financing, with World Bank joint projects anticipated to account for a sizable share in this year.
- Under the agreement, the World Bank will prepare and supervise the **co-financed projects** in accordance with its policies and procedures in areas like **procurement, environment and social safeguards**.

NDB sanctions \$ 250 million for India's renewable energy scheme

India gets a loan from the BRICS's China based **New Development Bank (NDB)** which gave a **\$250 million** funding to

Canara Bank for a renewable energy project.

- The Development Bank has approved four green renewable energy projects from India, China, Brazil and South Africa entailing Bank financing of \$811 million.
- The approval will result in **generation of 500 Mw of renewable energy and savings**

of about 800,000 tonnes of carbon emissions.

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.

| State | PPP % | Share | Rank |
|-----------------------|--------------|--------------|-------------|
| Uttar Pradesh | 15 | | 1 |
| Maharashtra | 11 | | 2 |
| Haryana | 8.5 | | 3 |
| Gujrat | 6 | | 4 |
| Madhya Pradesh | 4.5 | | 5 |

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 million by Asian Development Bank & \$128 million by Uttar Pradesh State

Government

Banks to share all transaction details in standard format

Intelligence Bureau and Central Bureau of Investigation Officials were felt difficulty in probing the Fraudulent and Money Laundering cases where the bank transactions details were provided with **different Formats** by different Banking Sectors

- It would cause wastage of Manpower and Time. About 11,997 were registered in relating to frauds in the name of Siphoned.

An exclusive meeting was conducted headed by Revenue Secretary Shri. Hashmukh Adhia, Officials of CBI, IB and Representative of RBI on “**Working Group on Intelligence Apparatus**” and advised that Indian Banking Association to use the standard formats for transactions such as NEFT, Intra Bank Transfer including Cheque transactions.

Govt. relaxes norms for partial PF withdrawal

Employees’ Provident Fund (EPF) members have **three more months** to withdraw the entire balance in their EPF accounts, until an employee attains the age of **58**.

- The Labour Ministry decided to keep the notification in abeyance **till April 30**. Its implementation has been again deferred till **July 31**.
- The restrictions will now apply from **August 1 instead of May 1**.

RBL becomes first private sector bank to open dedicated branch for Startups

RBL Bank launches **Bengaluru branch** exclusively for startups. The dedicated branch will assist entrepreneurs in setting up new companies and offer banking services like **foreign exchange, remittances and cash management**.

- It will also provide a range of value added services including registration, legal and tax formalities through its affiliates and partners.
- The Bank is following in the footsteps of India’s largest bank, **SBI** which started its InCube startup banking branch in Bengaluru a few months before.

Punjab CM Parkash Badal distributes health insurance cards & approves Rs 750 crore for road sector

Government of Punjab to begin the process of issuing **303074 pre-active cashless** Farmers Health Insurance Cards under **Bhagat Puran Singh Sehat BimaYojna** in the maiden phase of project.

- This Scheme enable farmers and their families to get health cover up to Rs 50,000 for their treatment and compensation of **Rs 5 Lakhs** in case of death of the head of the family or any circumstances which may cause **100% disability to that person**.
- This scheme comes from the government to safeguard farmers, there were many farmer’s suicide from Maharashtra and other parts of the country.

IFMR Capital initiates first capital Aprket transaction for MUDRA

IFMR capital has enabled the **first capital Aprket transaction for MUDRA** which emphasizes 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.

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 there is no paperwork. It will provide customer service **via a 24×7 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.

