
BANKING AND FINANCIAL AWARENESS OF 4TH WEEK

AXIS BANK OPENS OFFSHORE BANKING BRANCH AT GIFT CITY:

- Axis Bank, the Private sector lender, has declared the opening of off-shore banking unit at the International Financial Services Centre (IFSC) at Gujarat International Finance Tec-City (GIFT City).
- With the opening of this unit, Axis Bank will be able to give a more extensive range of services to its clients with access to International financial markets. Axis Bank's off-shore banking branch at IFSC was inaugurated by the Union Commerce Secretary, Rita Teotia in presence of Shikha Sharma, MD & CEO, Axis Bank.
- The offshore Banking unit is able to trade in international currency in overseas markets and also with Indian Banks, raise funds in international currency in deposits & borrowings from non-residential sources and provide loans and liabilities products for customers.

IFC, PNB HOUSING PLAN \$800M PLATFORM FOR AFFORDABLE HOMES

- International Finance Corporation (IFC), a member of the World Bank Group, is set to join into a pact with PNB Housing Finance to form an \$800-million stage to support the construction of environment-friendly affordable houses across the country.
- IFC is supporting to mobilise over \$1.6 billion for affordable housing segment in less than 10 months.
- According to the agreement with PNB Housing Finance, IFC will make \$400 million readies for the new scheme, of which \$150 million will be its own money and the rest will be mobilised from other sources.

AFTER FITCH, MOODY'S PLACES PNB UNDER REVIEW FOR DOWNGRADE:

- Punjab National Bank which has the biggest scam in the country's banking sector to the tune of Rs 11,340 crore at state-run PNB), credit rating agency Moody's placed the bank under review for downgrade.

- The agency has a Baa3/P-3 rating with the Delhi-based bank now while it has a Baa3 rating on its international currency issuer rating. The bank overall has a Baa2 rating with a steady outlook now from Moody's.
- Fitch has placed the bank on 'Rating Watch Negative' (RWN). "Fitch Ratings has placed Punjab National Bank's (PNB) Viability Rating of 'bb' on Rating Watch Negative (RWN), following the big fraud reported by PNB," the US-based agency said.

CABINET APPROVES AMENDMENTS TO CHIT FUNDS ACT:

- The cabinet has passed amendments to the Chit Funds Act to promote the orderly growth of the sector and give more financial products and services to investors. The cabinet, chaired by Prime Minister Narendra Modi, has given the consent to enter the Chit Funds (Amendment) Bill, 2018 in Parliament.
- For the purpose, amendments would be made to the Chit Funds Act, 1982. One of the amendments is a use of the words "Fraternity Fund" for chit business in the Act to mean its inherent nature and distinguish its working from 'Prize Chits' which are banned under a separate legislation.

ICAI ISSUES SHOW-CAUSE NOTICES TO PUNJAB NATIONAL BANK, GITANJALI GEMS AUDITORS:

- Institute of Chartered Accountants of India, ICAI has announced show-cause notices to the auditors of Punjab National Bank and Gitanjali Gems in connection with the 11,400 crore rupees fraud.
- ICAI has said that it has asked a deputy general manager of PNB seeking details about the fraud at the public sector lender.

MALEGAM TO HEAD RBI PANEL TO REVIEW FRAUDS:

- The Rs.11, 500-crore fraud at the Punjab National Bank has urged the Reserve Bank of India (RBI) to set up a committee under former board member Y.H. Malegam to look into the causes and suggest steps to stop such incidents.

- The committee will also look into the issue of large non-performing asset differences between what banks classify and what is discovered in RBI inspection and suggest steps to address the matter.
- The other members of the committee are Bharat Doshi, S. Raman and Nandkumar Saravade. A.K. Misra, Executive Director, RBI, will be the Member-Secretary of the committee.

ASIAN DEVELOPMENT BANK (ADB) AND THE GOVERNMENT OF INDIA SIGN \$ 84 MILLION LOAN FOR IMPROVEMENT AND EXPANSION OF WATER SUPPLY IN THE STATE OF BIHAR:

- The Government of India and the Asian Development Bank (ADB) confirmed an \$84 million loan for development and expansion of water supply in Bhagalpur and Gaya towns in Bihar.
- The tranche 2 loan is part of the \$200 million Multi-Tranche Financing Facility (MFF) for the Bihar Urban Development Investment Program that was passed by ADB in 2012 to give sustainable urban infrastructure and services.

RBI LAUNCHES OMBUDSMAN SCHEME FOR NBFCs:

- The Reserve Bank of India has started Ombudsman Scheme for non-banking financial companies (NBFCs) for redressal of complaints against NBFCs.
- The scheme will give a cost-free and expeditious complaint redressal mechanism relating to deficiency in the services by NBFCs covered under the scheme.
- The scheme will cover all deposit-taking NBFCs, and based on the experience, it would lengthen to cover NBFCs having an asset size of 100 crore rupees and above with client interface.
- The offices of the NBFC ombudsmen will operate at four metro centres – New Delhi, Mumbai, Kolkata and Chennai.

THE FIRST SALE OF ELECTORAL BONDS TO START FROM 1ST MARCH:

- The first sale of Electoral Bonds will initiate from the 1st of next month for a period of ten days.
- State Bank of India has been approved to issue Electoral Bonds originally at its four authorised branches.

- Electoral Bond will be valid for 15 days from the date of issue and no payment shall be made to any payee Political Party if the Bond is deposited after the expiry of the validity period.
- The Bond deposited by any qualified political party to its account shall be credited on the same day.

ADITYA BIRLA IDEA PAYMENTS BANK BEGINS OPERATIONS:

- Aditya Birla Idea Payments Bank Ltd (ABIPBL) started operations, making it the fifth payments bank to roll out services after the central bank gave its in-principle approval to 11 candidates in August 2015.
- “Aditya Birla Idea Payments Bank Ltd has started operations as a payments bank with effect from February 22, 2018,”. The Reserve Bank has issued a licence to the bank under Section 22 (1) of the Banking Regulation Act, 1949 to carry on the business of payments bank in India.
- The roll-out comes at a time when the regulator has issued fresh know your customer norms for payments banks that are likely to increase operational costs for these banks.

CAPITAL FIRST GETS NHB NOD FOR MERGER WITH IDFC BANK.

- Capital first declared that the regulator National Housing Bank (NHB) has confirmed the merger of the company along with Capital Home Finance and Capital First Securities Limited with IDFC Bank.
- The amalgamation is subject to the receipt of support from the Reserve Bank of India and other statutory and regulatory approvals.
- The share swap ratio for the merger is fixed at 139:10, meaning IDFC Bank will issue 139 shares for every 10 shares of Capital First. The merger is likely to be built in the next two-three quarters.

NABARD LAUNCHES RS 1,918 CRORE AREA DEVELOPMENT PLAN FOR PUNJAB

- The National Bank for Agriculture and Rural Development (NABARD) declared area development plans worth Rs 1,918 crore for Punjab to improve farmers' income.
- Under this plan, the activities like dairy, vegetable cultivation, beekeeping and mushroom growing will be promoted in order to provide income to farmers at the sustainable basis.

EPFO CUTS INTEREST RATE TO 8.55% FOR 2017-18.

- Retirement fund body Employees' Provident Fund Organisation (EPFO) has reduced the interest rate on deposits to 8.55% for 2017-18 from 8.65% for 2016-17 following a general slump in interest rates.
- The move will benefit around 6 crore subscribers and leave EPFO with a surplus of Rs 586 crore against Rs 695 crore in the earlier financial year.

