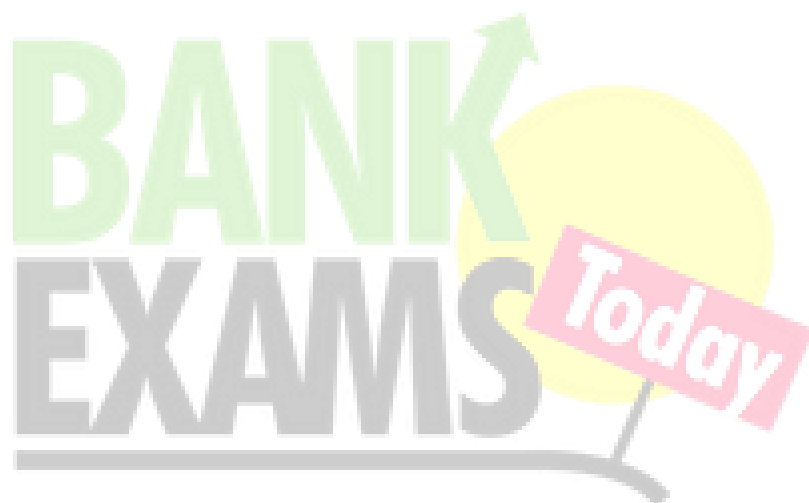


Banking and Financial Awareness Digest: October 2018

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MONTHLY BANKING AND FINANCIAL AWARENESS: OCTOBER 2018

RS. 36,000 CR TO BE INJECTED INTO SYSTEM THROUGH PURCHASE OF GOVT BONDS BY RBI

- For fulfill the festival season demand for funds.
- During the 2nd, 3rd and 4th week of October, auctions would be conducted.
- **Reserve Bank of India**
 - **Headquarters:** Mumbai
 - **Governor:** Urjit Patel

SBI CUT DAILY ATM CASH WITHDRAWAL LIMIT TO RS 20,000

- To address the growing incidence of ATM frauds and boost digital transactions, sbi halved its daily ATM withdrawal limit.
- Effective from October 31.
- Customers with a requirement for higher ATM withdrawals can switch to card variants offering the same, SBI Platinum International Debit Card allows ATM withdrawals of up to Rs 1 lakh and the Gold debit card allows Rs 50,000 per day.
- **State Bank of India**
 - **Chairperson:** Rajnish Kumar
 - **Headquarters:** Mumbai
 - **Founded:** 1 July 1955

ASIAN DEVELOPMENT BANK (ADB) AND INDIA SIGN \$150 MILLION LOAN TO IMPROVE REGIONAL CONNECTIVITY IN NORTH BENGAL AND NORTH-EAST

- to finance continued improvements to road connectivity and efficiency
- the 2nd tranche loan agreement for the \$500 million South Asia Sub Regional Economic Cooperation (SASEC) Road Connectivity Investment Program.
- It was approved in 2014, to expand about 500 kilometers (km) of roads in India's North Bengal and northeastern region.
- **second tranche will upgrade**
 - about 66 km of national highways in Manipur,
 - construct about 1.5 km of an international bridge between India and Nepal,
 - Provide additional financing for the construction of about 103 km of a state highway in Manipur.
- **Asian Development Bank**
 - **Headquarters:** Mandaluyong, Philippines
 - **Founded:** 19 December 1966

- **Membership:** 67 countries

\$100 MILLION LOAN WAS SIGNED BY GOVERNMENT OF INDIA AND THE ASIAN DEVELOPMENT BANK (ADB)

- expand Sewerage and Drainage Coverage in Kolkata
- This is the 3rd and final tranche under the \$400 million Kolkata Environmental Improvement Investment Program to expand sewerage and drainage coverage and provide sewage treatment in Kolkata.
- **Under this program**
 - Sewage and drainage system will be expanded to at least 3,000 additional households,
 - sewage treatment will be providing to at least 100,000 households,
 - construction of 43 km of additional sewer drain pipes,
 - 4 pumping stations, 13 km of pumping mains, and three sewage treatment plants will be done to improve sanitation service quality and climate resilience.

MOBIKWIK'S NEW PRODUCT 'BOOST' TO OFFER INSTANT LOAN WITHIN 90 SECONDS

- 1st wallet player to disburse loan amount in the user's mobile wallet.
- Loans of upto Rs. 60,000 are sanctioned and disbursed within 90 seconds.
- Loan sanction decision will be taken in 30 seconds, on the basis of an innovative risk scoring model called 'Mobiscore'.
- Users who avail loans via the app will have the option to transfer their loan amount to their bank account.
- **MobiKwik**
 - **CEO:** Bipin Preet Singh
 - **Founded:** April 2009
 - **Headquarters:** Gurugram

TO ATTRACT LONG-TERM INVESTMENT FROM FPIS, RBI PROPOSED VOLUNTARY RETENTION ROUTE

- RBI proposed a flexible route for FPIs to invest in debt markets with the government and the Securities and Exchange Board of India (Sebi)
- Named as voluntary retention route (VRR).
- The foreign portfolio investor will be required to invest a minimum of 67% of the committed portfolio size (CPS) within the one-month period for the specific protocol which also enable to invest in any government security, including treasury bills.
- FPIs under VRR would be eligible for participating in repo for liquidity only if their amount doesn't exceed 10% of their investment under VRR.

AS PER WORLD BANK LATEST REPORT INDIA'S GROWTH PROJECTION IS 7.3 PER CENT IN THE 2018-19 FISCAL AND 7.5 PER CENT IN 2019 & 2020

- India's GDP growth is expected to touch 7.3% in 2018-19 as per the latest update.
- India's GDP projection for 2019 & 2020 has been projected to 7.5%, its report says.
- India's Growth can be reached 6.7 per cent in fiscal year 2017-18
- **The main reasons for the growth are:**
 - GST,
 - Recapitalization of Banks,
 - Stronger private spending and
 - Export growth.
- Agriculture and manufacturing sector (8.8% in second half vs 2.7% in first half) and services growth led by 7.7 per cent, on the production side.
- For the growth a widening trade deficit is likely to lead to a current account deficit of around 2.6 per cent of the GDP in fiscal year 2018-19 and is likely to be continued with its projection.

NATIONAL HOUSING BANK INCREASED REFINANCING LIMIT TOWARDS ELIGIBLE INSTITUTIONS

- The Refinance limit increased from Rs. 24,000 to Rs. 30,000 crores by National Housing Bank on October 8, 2018.
- Total Rs.8835 crores has been sanctioned till date for the new scheme.
- **National Housing Bank (NHB):**
 - **The Headquarter** OF National housing bank is in New Delhi.
 - **Established** in 9th July, 1988.
 - **Main purpose** of the body is to Promote and regulate refinancing of Housing Finance Institutions.
 - **MD & CEO:** Smt. Dakshita Das.

AS PER WEO REPORT, IMF PREDICTED 7.3% GROWTH RATE FOR INDIA IN THIS FINANCIAL YEAR 2018-2019.

- The International Monetary Fund (IMF) predicts a growth rate of 7.3 per cent for India in the current year of 2018 and 7.4 per cent in 2019 as per its current WEO report.
- The GDP prediction has been decreased in 2019 compared to the April 2018 World Economic Outlook (WEO) report. Because of the increase in oil prices and the tightening of global financial conditions. These are some crucial reason behind that.
- **The main reasons for the growth are:**
 - Goods and Services Tax,
 - The inflation-targeting framework,
 - The Insolvency and Bankruptcy Code,
 - Liberalizing foreign investment norms in the new FDI policy.
- India will cross China by 0.7 percentage point in 2018 and 1.2 percentage point in 2019 by growth lead.

- China was the fastest growing economy in 2017 ahead of India by 0.2% but new projection has been lowered for both India and China by 0.4 per cent and 0.32 per cent respectively and that's the main reason behind the new ups and downs of the both country.

THE NEW GDPI CONTRIBUTORS FOR INSURANCE INDUSTRY IN INDIA, U.P IS AMONG THE TOPS: SBI GEN INSURANCE

- Uttar Pradesh is among the top 5 contributors to the insurance sector in terms of Gross Direct Premium Income (GDPI) as per SBI General Insurance in its latest report.
- Lucknow leads the section of retail and corporate policies as per its report.
- The other highest selling policies are: Simple Health Policy in the health category and Personal Accident Policy in the motor category
- **SBI General Insurance:**
 - **Headquarter:** Mumbai.
 - **Under the FDI norms,** SBI owns 74% of the total capital and IAG the remaining 26%.
 - **MD & CEO:** Shri. Pushan Mahapatra.

TO CUT DOWN GOLD IMPORTS AND LOWER THE CURRENT ACCOUNT DEFICIT GOVT. LAUNCH SOVEREIGN GOLD BOND SCHEME FOR 2018 -19

- The main reason is to cut down gold imports and lower the current account deficit.
- A total of Rs. 5000 crores have been expected to be collected by the government through the updated scheme.
- For the public access, the bonds will be available for sold every month of October 2018 to February 2019 through banks, Stock Holding Corporation of India Ltd etc.
- With exit option in the fifth, sixth and seventh years, the tenor of the bond will be for a period of eight years.
- Payment for the bonds will be available up to a maximum of Rs. 20,000 through cash payment only.

COAL INDIA SIGNS MOU WITH NLC FOR 5000 MW POWER GENERATION

- The Coal India Limited (CIL) and NLC India (NLCIL), formerly known as Neyveli Lignite Corporation, signed an MOU in Kolkata for a 50-50 partnership to set up 5000 MW of power generation projects which comprised of 3000 MW of Solar powered project and 2000 MW of coal-fuelled project.
- The estimated cost for the project is at Rs 12,000 crore and would require a total of 15,000 acres of barren land.
- The joint venture company completes the project within 15 months (Solar) and 60 months (Thermal).
- The debt-equity ratio is 70:30 for CIL and NLC in the project.
- **Coal India Limited (CIL):**
 - **Headquarter:** Kolkata.
 - **Chairman & MD:** Mr Anil Kumar Jha.

- **Neyveli Lignite Corporation (NLC):**
 - **Headquarter:** Chennai, Tamil Nadu.
 - **CMD:** Shri Rakesh Kumar.

TO MANAGE LIQUIDITY RBI INJECTED RS 12,000 CRORE INTO SYSTEM

- On October 11, 2018, Reserve Bank injected of liquidity worth Rs 12,000 crore into the system through purchase of government bonds under Open Market Operations.
- The purchase of government securities maturing will bear interest rate of as per OMOs or Open market operations:
 - 8.27 per cent in 2020,
 - 8.15 per cent in 2022,
 - 7.35 per cent in 2024,
 - 8.15 per cent in 2026 and
 - 7.61 per cent in 2030.
- OMOs are used to either inject or drain liquidity from the system by the RBI.

OYO PARTNERS WITH PAYMENTS PLATFORM PHONEPE

- For the ease of OYO users to book a room through the PhonePe app.
- Enable all PhonePe users to access OYO's quality offerings across 160 cities in India while maintaining the convenience and security of their payments through PhonePe.
- PhonePe users can reserve a room at any OYO hotel in India by paying a token amount of Rs 99 upfront and paying the remaining amount later at the hotel.
- **PhonePe**
 - Parent organization: Flipkart
 - CEO: Sameer Nigam
 - Founded: 2015
 - Headquarters: Bengaluru
- **OYO Rooms**
 - Founder and CEO: Ritesh Agarwal
 - Founded: 2011
 - Headquarters: Gurugram

IRCTC LAUNCHED 'ASK DISHA' ARTIFICIAL INTELLIGENCE (AI) CHATBOT ON ITS E-TICKETING WEBSITE

- Designed for simulating conversation with users, over the internet.
- The AI chatbot is powered by CoRover, a Bengaluru-based startup.
- Chatbot is voice enabled and in the near future will support several regional languages.
- **Essential features of AskDisha**
 - ability to quickly answer to customer queries,
 - provide round-the-clock customer support,

- Ability to multitask, zero waiting time for query to get answered and overall ability to provide customer with stress-free experience and overall customer satisfaction.
- **Indian Railway Catering and Tourism Corporation (IRCTC)**
 - **Headquarters:** New Delhi
 - **Parent organization:** Indian Railways
 - **Founder:** Ministry of Railways
 - **Founded:** 27 September 1999

RBI NORMS TO FACILITATE PAYMENTS BETWEEN MOBILE WALLETS USING UPI

- For facilitating payments among prepaid instruments (PPI) such as mobile wallets, a move aimed at promoting digital transactions.
- Guidelines elaborate on requirements for achieving inter-operability for mobile wallets and cards, and norms for customer protection and grievance redresses.
- **Interoperability of all KYC-compliant Prepaid Payment Instruments (PPIs) was to be enabled in 3 phases -**
 - issued in the form of wallets through Unified Payments Interface (UPI)
 - Issued in the form of cards through card networks.
 - interoperability between wallets and bank accounts through UPI
- Interoperability allows PPI issuers, system providers and system participants in different systems not only to undertake but also to clear and settle payment transactions across systems without participating in multiple systems.

RBI EASES LIQUIDITY NORMS FOR BANKS

- For Non-Banking Financial Companies (NBFCs), increased lenders' single borrower exposure limit to 15 per cent of capital funds.
- From December 31, 2018, single borrower exposure limit has been increased from 10 per cent of capital funds.
- Banks will be permitted to reckon Government securities held by them up to an amount equal to their incremental outstanding credit to NBFCs and Housing Finance Companies (HFCs).
- **Liquidity coverage ratio:**
 - Highly liquid assets that financial institutions need to hold in order to meet short-term obligations.
- **Reserve Bank of India**
 - **Headquarters:** Mumbai
 - **Governor:** Urjit Patel

INDIA'S 1ST CRYPTOCURRENCY ATM INSTALLED IN BENGALURU

- Installed by domestic bitcoin company Unocoin at the Kemp Fort Mall in Bengaluru.
- To deposit or withdraw money, customers can use this ATM, which can then be used to buy crypto currencies from Unocoin's website or mobile app.

- Also plans to install two more ATM machines in Mumbai and New Delhi.
- **Unocoin:**
 - **CEO:** Sathvik Vishwanath.
 - **President & Co-founder:** Sunny Ray.
 - **Headquarters:** Bengaluru.

RBI TO INJECT RS 40,000 CR INTO BANKING SYSTEM VIA OMO IN NOVEMBER 2018

- Through purchase of government securities under open market operations for an aggregate amount of Rs. 400 billion in the month of November 2018.
- The move will help ease cash shortage in the system and stabilize debt market rates.
- RBI had announced to conduct Rs 36,000 crore worth of OMO purchase in October.
- **Reserve Bank of India**
 - **Governor:** Urjit Patel
 - **Bank rate:** 6.75%
 - **Headquarters:** Mumbai

KERALA INFRASTRUCTURE INVESTMENT FUND (KIIF) BOARD TO ISSUE MASALA BONDS WORTH RS 5,000 CRORE FOR DEVELOPMENT WORKS

- for funding infrastructure projects in the state.
- for rating the masala bonds issue, KIIFB has appointed Standard & Poor's and Fitch Ratings.
- **Kerala Infrastructure Investment Fund Board**
 - **Chairperson:** Pinarayi Vijayan
 - **CEO:** K.M.Abraham, Chief Secretary of Kerala
 - **Headquarters:** Thiruvananthapuram
 - **Founded:** 1999

SIX-MEMBER OVERSEEING COMMITTEE (OC) SET UP TO RESOLVE STRESSED ASSETS

- approved resolution plans for stressed assets submitted by lead lenders, under the aegis of the Indian Banks' Association (IBA),
- Sunil Mehta Committee on restructuring stressed assets and creating more value for public sector banks had suggested the OC mechanism for all corporate borrowers that have taken loans and financial assistance for an amount of ₹50 crore or more under consortium lending/multiple banking arrangements.
- **three new members of the OC are:**
 - MBN Rao (former Chairman and Managing Director of Canara Bank),
 - YM Deosthalee (former Whole-time Director and CFO of L&T Group),
 - S Raman (former CMD of Canara Bank and current Whole-time Member at SEBI).

SBI LAUNCHES “WEALTH HUB” IN MANGALURU

- 1st bank to introduce wealth business services for its customers.
- Launched by SBI Chairman Rajnish Kumar.
- Also launched Wealth Business services for NRIs.
- **State Bank of India**
 - **Chairperson:** Rajnish Kumar
 - **Headquarters:** Mumbai
 - **Founded:** 1 July 1955

PAYTM TEAMS UP WITH SOFTBANK, YAHOO TO LAUNCH ‘PAYPAY’ SERVICE IN JAPAN

- It is the joint venture set up by Japanese conglomerate SoftBank Corp. and Yahoo Japan Corporation.
- Japanese government is taking measures for raising the cashless payment ratio from the current 20% to 40% by 2025.
- Paytm is also offering a ‘cashback’ to users of PayPay in Japan, give electronic money equivalent to ¥500 to each customer downloading the application and authenticating it with a valid Japanese mobile number.
- Yahoo Japan will terminate “Yahoo! Wallet” with the launch of payment service called “PayPay”.
- **Paytm**
 - **CEO:** Renu Satti
 - **Founder:** Vijay Shekhar Sharma
 - **Founded:** 2010
 - **Revenue:** 814 crores INR (US\$120 million, 2017)
 - **Headquarters:** Noida
 - **Parent organization:** One97 Communications

NABARD, AYURVET RESEARCH FOUNDATION (AFR) SIGN MOU FOR COLLABORATIVE INITIATIVES IN HARYANA

- for facilitating several collaborative initiatives for integrated agricultural and rural development of Haryana.
- Also enable to find practical solutions to the problems and challenges faced in integrated development of some districts of Haryana.
- Enable planning and implementation of programmers like:
 - natural resource management,
 - village development,
 - exploring and creating alternative employment generation opportunities,
 - up scaling micro-finance activities and supporting farmer producer organisations.
- **National Bank for Agriculture and Rural Development**
 - **Founded:** 12 July 1982
 - **Headquarters:** Mumbai
 - **Agency executive:** Harsh Kumar Bhanwala