testbook WEEKLY GENERAL KNOWLEDGE BANKING AND FINANCE CAPSULE

17TH JUNE - 23RD JUNE 2018

DOWNLOAD
THE APP







WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE (17th June to 23rd June 2018)

Banking News

RBI Changes 'Relative' Definition to Check Outward Fund Flows

- Being thoughtful about funds sent abroad under the 'maintenance of close relative' category of the Liberalised Remittance Scheme (LRS), the Reserve Bank of India (RBI) has narrowed the definition of relatives to check the flow of funds.
- Hence, funds under the 'maintenance of close relative' category can be sent only to immediate relatives such as parents, spouses, children and their spouses.
- This change has been brought about by defining 'relatives' under the Companies Act, 2013 instead of the same act of 1956.

SEBI Simplifies Buyback Regulations, Changes IPO Price Band Timeline

- According to the chairman of SEBI, Mr. Ajay
 Tyagi, the Securities and Exchange Board of
 India (SEBI) has approved amendments for
 buyback and takeover regulations and changed
 the time for announcing the price band of initial
 public offering (IPO) from 5 to 2 days.
- SEBI had made a proposal to bring changes based on suggestions made by it's Primary Market Advisory Committee (PMAC)

Buy-Back: Buy-Back is a process used in corporate sectors, in which a company buys its shares back from the existing shareholders

Take Over: A takeover takes place when a company begins to gain control of another company, often by purchasing a majority stake

RBI Changes Housing Loan Limits Under Priority Sector Lending

- RBI has changed the upwards housing loan limits under Priority Sector Lending (PSL).
- Housing loans of up to Rs 35 lakh for houses costing less than Rs 45 lakh will now be treated as Priority Sector Lending (PSL) to give a boost to the low-cost segment.

- The housing loan limits for eligibility under priority sector lending will be changed to Rs 35 lakh in metropolitan cities and to Rs 25 lakh in other cities.
- The existing family income limit of Rs 2 lakh per annum for availing of the loans for housing projects for Economically Weaker Sections (EWS) and Low Income Groups (LIG) now stands updated to Rs 3 lakh per annum and Rs 6 lakh per annum, respectively.

PM Modi To Inaugurate 3rd AIIB Meeting In Mumbai

- Prime Minister Narendra Modi will inaugurate the 3rd Annual Meeting of the Asian Infrastructure Investment Bank (AIIB) in Mumbai.
- Previously, AIIB annual meetings have been held in Beijing, China, in 2016 and in Jeju, South Korea, in 2017.

The theme for this year's meeting is "Mobilising Finance for Infrastructure: Innovation and Collaboration".

Kerala govt to launch scheme to offer loans at low interest rate

- The Kerala government will launch a microfinance programme in the co-operative sector to help people, who were being exploited by private financiers charging sky-high interest rates for loans.
- Co-operative banks will launch the proposed scheme, titled 'Muttathe Mulla', with help from women neighbourhood network – 'Kudumbashree.
- Under this initiative, loans would be provided at lower interest rates. Cooperative banks would provide micro-finance loans to 'Kudumbashree' at an interest rate of seven per cent, which will be available to its members at an interest rate of 12 per cent.

Kudumbashree is the poverty eradication and women empowerment programme founded by by the State Poverty Identification Number for all the Indian residents. Eradication Mission (SPEM) of the Government of Kerala. The name Kudumbashree in Malayalam means 'prosperity of the family'.

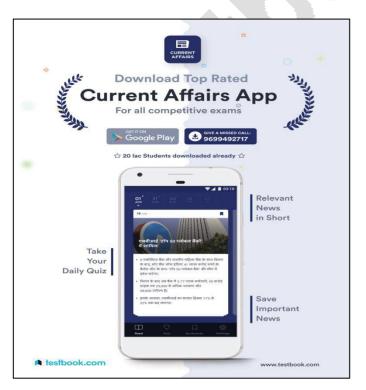
RBI Simplifies Norms For FPIs to Invest in Debt

- The Reserve Bank of India has simplified investment norms for Foreign Portfolio Investors (FPIs) in debt, especially into individual large corporates, a move that can help attract more foreign investment and thereby help in checking the recent fall in the value of rupee.
- The RBI increased the FPIs limit on investment in government security to 30% of the outstanding stock of that security, from 20% earlier.

Appointments and Resignations

ICICI Bank Appoints Sandeep Bakhshi As COO

- The ICICI Bank has appointed ICICI Prudential Life Insurance CEO Sandeep Bakhshi as wholetime director and chief operating officer (COO), creating a new top position at India's second largest private bank, to drive all its businesses.
- Chanda Kochhar, ICICI Bank's managing director and CEO will remain on leave until a committee investigating the allegations imposed upon her completes its work.
- Mr Bakhshi will continue as non-executive director of ICICI Prudential Life Insurance.
- Meanwhile, N.S. Kannan has been appointed as CEO of ICICI Prudential Life Insurance for five years.



B Sriram Appointed IDBI Bank's MD And CEO

- State Bank of India's (SBI) Managing Director
 B.Sriram was appointed as the IDBI Bank's CEO
 and Managing Director for a temporary period of three months.
- He has been appointed in place of Mr. Mahesh Kumar Jain who has recently been named Deputy Governor of the Reserve Bank of India (RBI).

Previous CEO and MD of IDBI Bank)	Mahesh Kumar Jain
New CEO and MD of IDBI Bank	B. Sriram

Arijit Basu: SBI's New Managing Director

- The government of India has appointed Arijit
 Basu as Managing Director of State Bank of India
 (SBI).
- He will fill the position that fell vacant following the promotion of Rajnish Kumar as the chairman.
- After this, the SBI will have four managing directors. As per the SBI Act, the bank can have four managing directors.
- Mr Basu has held many important positions in various circles of SBI including the bank's office in Tokyo, Japan.

S.N o	Current SBI Managing Directors
1	B. Sriram
2	P.K. Gupta
3	Dinesh Khara
4	Arijit Basu

Paytm appoints Ex-RBI Deputy Governor as Advisor

- Rama Subramaniam Gandhi, former deputy governor of the Reserve Bank of India (RBI), has been appointed as an advisor to Paytm.
- He has been a member of the first Monetary Policy Committee (MPC). Previously, he had also worked with SEBI for 3 years.

Chief Economic Advisor Arvind Subramanian Resigns

 The Chief Economic Advisor (CEA) of India, Arvind Subramanian has resigned from the post and will return to the US because of "pressing family commitments".

- This announcement was made by Union Finance Minister, Mr Arun Jaitley.
- Subramanian was appointed as CEA to the finance ministry in October 2014, for a period of three years.
- In 2017 his term was extended for one year.



Financial News

US Replaces ss Top Greenfield FDI Investment Destination: FDI Report

- According to the FDI Report 2018, U.S. has replaced India to become the top destination for greenfield foreign direct investment in 2017.
- Previously, in 2015 and 2016 India had maintained the top slot in greenfield FDI investment.
- In the Asia and Pacific region, China has claimed the top position.

FDI Report is made by FDI Intelligence, a unit of The Financial Times Ltd.

Muthoot Fincorp Partners with NSDC to Train 10,000 Youth Under PMKVY

 Muthoot Fincorp Limited has partnered with National Skill Development Corporation to train over 10,000 youth over the next three years and make ready for job. With the partnership, Muthoot Fincorp claims to have become the first major private sector company to partner with National Skill Development Corporation (NSDC) for launching the Pradhan Mantri Kaushal Vikas Yojana (PMKVY.2) programme.

PMKVY is a scheme of the Ministry of Skill Development & Entrepreneurship. And its objective is to help Indian youth to take up industry-relevant skill training that will help them in living a better life.

Union Government Collaborates With Google to Forecast Floods

- The Central Water Commission (CWC), India's top technical organisation in the field of Water Resources has signed a Collaboration Agreement with Google for flood forecasting.
- According to the Union Minister for Water Resources, River Development and Ganga Rejuvenation, Nitin Gadkari, this collaboration with Google will help in effective flood management in India.
- With the help of its high-resolution Digital Elevation Model (DEM), Google would help to generate flood inundation maps with the inputs of forecast provided by CWC.

Microsoft Acquires Education Start-up Flipgrid

- Microsoft has acquired Flipgrid, an education start-up with an application that allows students to record and share videos on selected topics with their classmates.
- Microsoft is making Flipgrid free of charge.