testbook WEEKLY **GENERAL KNOWLEDGE BANKING AND FINANCE** FAPSILE

10TH JULY - 16TH JULY 2018

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WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE (10th July to 16th July 2018)

Banking News

MoU on Defence Salary Package signed between Indian Army and State Bank of India (SBI)

- A Memorandum of Understanding (MoU) was signed by the Indian Army and SBI (State Bank of India) on the Defence Salary Package.
- The signing-in ceremony was chaired by the Director General (MP&PS), Lt Gen SK Saini and Senior officials of SBI headed by Ranjan Kumar Mishra, CGM (PB), Corporate Centre, State Bank Bhawan, Mumbai, were also present.
- In 2011, **the first MoU** between SBI and the Indian Army was signed. It was renewed on 23rd February 2015. **This MoU will be valid till 3rd Jan 2019.** After that, the continuation will be subject to review.
- Various **additional facilities** have been added in the revised MoU like free personal accident death cover, free permanent total disablement cover and other accidental benefits to the deceased soldier and family.

State Bank of India (SBI):

- Chairman Rajnish Kumar
- Headquarters Mumbai

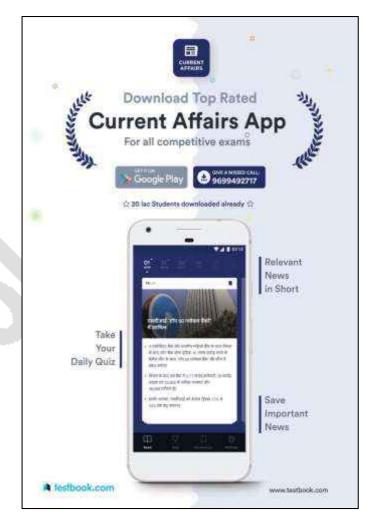
Tagline – With you all the way, Pure Banking Nothing Else, The Nation's banks on us.

IDBI Bank raises lending rates by up to 10 bps

- IDBI Bank has increased its lending rates between 5 to 10 basis points for a few tenures, effective from 12th July 2018.
- IDBI Bank has increased its **one-year marginal cost of funds** based lending rates (MCLR) by 10 basis point to 8.75% from 8.65 %.
- The six-month MCLR has been increased by 5 basis points to 8.50 % from 8.45 %.
- The three-month and three-year lending rates have been kept unchanged at 8.35 % and 8.80 %, respectively.
- It has reduced its overnight MCLR by 5 basis points to 7.95 % from 8 %. Base rate of IDBI bank has been increased to 9.60 % from 9.50 %.

IDBI Bank:

- MD and CEO Mr. B. Sriram
- Headquarters Mumbai



India named world's sixth largest economy by surpassing France: World Bank data

- India has become the world's sixth largest economy overtaking France, according to World Bank data on gross domestic product (GDP) of countries for 2017.
- India has recorded a GDP of USD 2,597,491 million, followed by USD 2,582,501 of France, while United Kingdom recorded a GDP of USD 2,622,434 million.
- India has recovered from the effects of demonetisation and the Goods and Services Tax (GST).
- World Bank has predicted the GDP of India in FY 2019 to be 7.3%.
- The International Monetary Fund (IMF) also stated that it expected India to re-emerge as one of the fastest growing major economies in the 2018 – 2019

period, projecting the country's growth rate at 7.4 percent in 2018.

• Further, the international financial organisation forecasted a rate of growth of 7.8 percent for 2019.

At least 51% stake in PNB Housing Finance sold by PNB and Carlyle Group

- Punjab National Bank (PNB) and Carlyle Group initiated the process of selling at least 51 per cent stake in the mortgage lender PNB Housing Finance.
- PNB Housing Finance is a subsidiary of PNB and the fifth largest housing finance company
- PNB owns 32.79 per cent stake and Carlyle Group and it owns 32.36 per cent of the paid up equity share capital of PNB Housing Finance.

PNB Housing Finance:

- Founded on: 11 November 1988
- Parent Organization: PNB
- Headquarters: India

Punjab National Bank:

- Tagline: The name you can bank upon.
- MD & CEO: Shri Sunil Mehta.

RBI cancels licence of Alwar Urban Co-operative Bank

- The Reserve Bank of India (RBI) announced that the licence of Alwar Urban Co-operative Bank in Alwar, Rajasthan has been cancelled **due to its bad position to pay its depositors** in full and the present financial position of the bank leaves no scope for its revival
- Registrar of Cooperative Societies, Rajasthan has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

State Bank of India (SBI) to organise a nation-wide Kisan Mela

- SBI announced that it would launch a kisan Mela outreach program for farmers on July 18, 2018.
- This would help in imparting financial literacy to the farmers. This would cover 10 lakh farmers in 14000 rural and semi urban branches
- This initiative will educate the farmer customers about their right and various banking initiatives. The bank will also issue Kisan Credit Card (KCC) with 10% of enhancement on their credit limit.
- Kisan Credit Card: It was launched in 1988 to meet comprehensive credit requirements of the agriculture sector by giving financial support to farmers
- Pradhan Mantri Fasal Bima Yojana
- Launched on: 2016
- This is a crop insurance scheme.

• According to this scheme uniform premium of only 2 per cent is to be paid by farmers for Kharif crops, and 1.5 per cent for Rabi crops. The premium for annual commercial and horticultural crops will be 5 per cent.

LPG Subsidy flasco: Airtel Payments Bank gets RBI, UIDAI nod to resume taking new customers

- Airtel Payments Bank gets RBI, UIDAI nod to resume taking new customers
- UIDAI (Unique Identification Authority of India) has also allowed Airtel Payments Bank to use the 12digit unique identification number (Aadhaar) based e-KYC.
- In March 2018, UIDAI restored Airtel's authorisation to conduct Aadhaar-based verification of its mobile subscribers. But it did not lift the suspension on its payments banks' e-KYC licence.

About Airtel Payments Bank:

- MD and CEO Anubrata Biswas
- Founded on 2016



LIC board approves acquisition of up to 51% stake in IDBI Bank

- LIC board approves acquisition of up to 51% stake in IDBI Bank.
- LIC will now approach SEBI (Securities and Exchange Board of India). IRDAI has already approved LIC for the stake purchase.
- If necessary LIC will make an open offer. LIC owned nearly 8 % of IDBI Bank as of end-June 2018. The federal government owned 86 %.
- As LIC acquires stake in IDBI bank, the debtridden IDBI bank will receive a capital support of Rs 100-130 billion.
- Also, through this acquisition, LIC will get nearly 2,000 branches through which it can sell its products. IDBI bank will also get huge funds of LIC.
- IDBI bank would get accounts of nearly 22 crore policyholders and related flow of fund.

Securities and Exchange Board of India (SEBI): • Chairman – Ajay Tyagi • Headquarters - Mumbai

HDFC securities launched MF transactions on Facebook messenger through Arya

- HDFC securities launched Mutual Funds transactional capabilities on Facebook Messenger through their virtual assistant, Arya.
- It is a familiar platform for investing that gives a time independent and an all-inclusive (portfolio status, research, stock quotes) window.

HDFC Securities:

- It is a **subsidiary of HDFC Bank**. It is one of the leading stock broking companies in India.
- Headquarters: Mumbai
- Founded on: 2000
- CEO: Dhiraj Relli

Times Now-ICICI Bank Awards: Prem Watsa named 'NRI of the Year'

- Prem Watsa, founder of Fairfax Financial Holdings, was presented the Special Jury 'NRI of the Year Award' at the 5th edition of Times NOW & ICICI Bank NRI of the Year Awards 2018, in Mumbai.
- The NRI of the Year Awards honours global Indians who have achieved a mark for themselves worldwide.
- Kiren Rijiju, minister of state for home affairs, was the chief guest of the event. Times Now and ICICI Bank NRI of the Year Awards was powered by Global Indian International School (GIIS).
- Ernst & Young, professional services firm, is the process adviser for the awards.

ICICI Bank:

- Tag line Hum Hai Na, Khyal Apka
- Headquarters Mumbai

India becomes 69th shareholder of European Bank for Reconstruction & Development (EBRD)

- India has become the **69th shareholder** of the European Bank for Reconstruction and Development (EBRD).
- This would enable more joint investment with Indian companies across EBRD's regions of operation.
- EBRD held its inaugural business forum in Mumbai in June 2018. The conference was co-hosted with the Federation of Indian Chambers of Commerce and Industry (FICCI) along with Export-Import (EXIM) Bank of India.
- It was held under the banner of **"Mobilising private** sector finance in the EBRD region and how Indian companies can benefit".

European Bank for Reconstruction & Development (EBRD):

- Set up on 1991
- Headquarters London

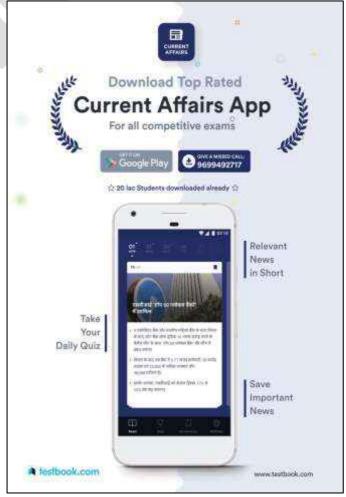
• President – Suma Chakrabarti

RBI directs to incorporate purchaser's name on Demand Draft

- To address the concerns arising out of the anonymity provided by payments through demand drafts and its possible misuse for money laundering, RBI has decided that the name of the purchaser be incorporated on the face of the demand draft, pay order, banker's cheques, etc, by the issuing bank.
- These instructions shall take effect for such instruments issued on or after September 15, 2018
- A total of 5,152 cases of fraud involving over Rs 28,459 crore were reported in various banks of the country in the past year from April 2017 to March 1, 2018.

PNB opens centralized loan processing centre

- PNB has announced opening of second centralised loan processing centre, in a Mumbai branch.
- The centre aims to strengthen the bank's internal systems and processes.
- Under this, the bank will focus on profit maximisation, improvement of asset quality & recovery, and increasing productivity among others.
- PNB's first CLPC is located at Connaught Place branch in New Delhi.



India's Largest Online Test Series

Appointments and Resignations

Amitabh Malhotra appointed HSBC India Head – Investment Banking

- The Hongkong and Shanghai Banking Corporation Ltd (HSBC) had appointed Amitabh Malhotra as the head of investment banking for HSBC India.
- He will lead the Investment Banking and Equity Capital Markets (ECM) business. Previously, he has worked at Rothschild India.

Dhanlaxmi Bank appointed T. Latha as MD and CEO

- Dhanlaxmi Bank Limited has appointed **T Latha as the Managing Director & CEO**. She will replace G Sreeram, who has retired from the office on July 1, 2018, on completion of his tenure. Her appointment will be for a period of three years w.e.f July 2, 2018.
- Earlier she was a **General Manager in Punjab National Bank**, she was in charge of credit operations dealing with large corporate credits and has handled Finance, Credit, Strategic Business Development, People Management, NPA Resolution and Audit.

Punjab National Bank:

- Tagline: The name you can bank upon. Dhanlaxmi Bank :
 - Tagline: Tann. Mann. Dhann.

Financial Schemes & MoUs

OECD predicts India to grow over 7%, China to 6.7%

- India's economic growth will rise to 7.4% in 2018 and 7.5% in 2019. This growth is due to the measures like demonetization and GST.
- China's GDP growth is projected to moderate to 6.7% in 2018 and to 6.4% in 2019.

OECD:

- Headquarters: Paris, France.
- Secretary General: Jose Angel Gurria.
- Founded on: 30 September 1961.
- Members: 36.

United Bank of India to raise equity capital of Rs 1,500 crore

- United Bank of India will raise up to Rs 1,500 crore by issuing equity shares in one or more tranches.
- United Bank of India said that this capital raise will be surplus to the capital support offered by the government.

United Bank of India :

- MD & CEO– Pawan Kumar Bajaj
- Headquarters Kolkata

Haryana tops states in per capita revenue collection under GST and 4th highest generator of e-way bills in India

- Haryana Finance Minister Abhimanyu said that, Haryana has topped other states in per capita revenue collection under GST, and is also the **4th highest generator of e-way bills in India**.
- He said that, Haryana has widened the tax base by 82.22% and logged 19 % increase in revenue collections.
- The number of tax assesses under VAT, Central Excise and Service Tax in Haryana after the introduction of GST is nearly 4.10 lakh.
- Nearly 1.12 crore e-way bills were generated in Haryana from 1st April 2018 to 30th June 2018.
 Haryana has become the 4th highest generator of e-way bills in India.

RIL's market cap breaches Rs 7 lakh crore mark

- The market valuation of Reliance Industries surged past Rs 7 lakh crore mark, making it the second company after TCS to achieve this milestone.
- RIL's market capitalisation (m-cap) rose to Rs.7,01,404 crore (over USD 102 billion) during the early trade on BSE.
- RIL crossed the USD 100 billion mark for the first time in the last 10 years.



RIL :

- Chairman: Mukesh Ambani.
- TCS :
 - Headquarters: Mumbai
 - Founded on: 1968
 - Chairman: Natarajan Chandrasekaran.

Aadhaar-enabled DBT savings estimated over Rs 90,000 crore: UIDAI

- As per UIDAI, the estimated savings and gains since the inception of Aadhaar-based Direct Benefit Transfer (DBT) stood at over Rs 90012 crore
- 121 crore residents have so far enrolled for Aadhaar card and on an average over 30 million e-transactions are done using the identification system.
- Aadhaar data is completely safe and secure and is kept in about **7,000 servers** in Bengaluru and Manesar.

UIDAI :

- Chairman (part time): Shri J. Satyanarayana.
- CEO: Dr. Ajay Bhushan Pandey

NTPC's Rs 1,500cr worth 250 MW solar plant inaugurated by Madhya Pradesh CM

- Madhya Pradesh Chief Minister Shivraj Singh Chauhan inaugurated the state-run power giant NTPC's 250 MW Solar Power Plant in Suwasra, District Mandsaur.
- This project has been set up by NTPC at an investment of about Rs. 1,500 cr.
- It has been constructed mainly on non-agricultural land and generation of electricity has been achieved without affecting the natural ecosystem with zero carbon emission.
- This is **one of the biggest solar plant** developed using domestically manufactured Solar cells and modules Under Make in India Project.

NTPC:

- Founded: 1975
- Headquarters: New Delhi

Additional 10% tariffs on \$200b of Chinese goods announced by Trump's administration

- US President Donald Trump's administration announced a package of 10% tariffs targeting Chinese exports worth USD 200 billion.
- This is in the backdrop of Trump administration urging China to stop its unfair practices and open its market which China refused to do.

ADB, Power Ministry and Finance Ministry approve lining project of the Son canal in Shahabad – Bhojpur region of Bihar

- ADB and Finance Ministry officials will fix a timeframe for the completion of the project.
- The estimated cost of this project is USD 503 million (Rs 3272.49 crore) out of which USD 352 million is being provided by ADB.
- This project will bring immense benefits to the agriculture sector of Shahabad Bhojpur region of Bihar.

