# testbook WEEKLY GENERAL KNOWLEDGE BANKING AND FINANCE CAPSULE

02ND - 08TH SEPTEMBER 2018

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# WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE (02<sup>nd</sup> to 08<sup>th</sup> September 2018)

### **Banking News**

# SBI opens a Remittance Centre for Workers in Singapore.

- State Bank of India has set up a remittance centre in the suburb Punggol district in Singapore to provide easy lifestyle to the construction workers at dormitories.
- The centre was opened by India's High Commissioner Jawed Ashraf in Singapore.
- As of now, 35% of the workers in Singapore are from India and this will make rupee remittance easy through this Centre.
- The main aim is to provide doorstep services to the Indian workers at dormitories in Singapore.

# Muthoot Home Finance announces Punarnirman Scheme for Kerala

- Muthoot Finance has announced home improvement loans to the peoples of flood hit Kerala.
- The loan amount ranges from 1 Lakh to 10 Lakh for maximum period of 20 years.
- The scheme is open till December, 31 Dec 2018.

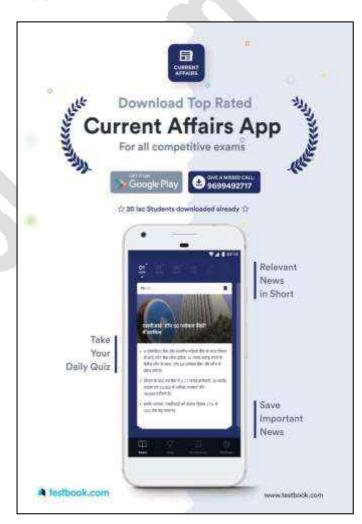
# Home Credit Campaign focuses on Easy Loans to People.

- Home Credit India Finance, a non-banking finance company (NBFC), has unveiled its new brand campaign, "Bade bano bade chalo" to encourage its customers to rise up while taking loans.
- The main focus is to provide loans to people who do not have any CIBIL scores and who need access to regulated sources of financing.
- Martin Navratil is the Chief Business Development Officer (CBDO) of Home Credit India.

# Internal Ombudsman must for Banks over 10 branches as per RBI.

- RBI is seeking to ensure tighter internal grievance redressal system at banks end so as to redress the complaints at the basic level.
- The scheme covers, inter-alia, appointment/tenure, roles and responsibilities procedural guidelines and oversight mechanism for investigating and addressing complaints of maladministration and violation of right.

- The tenure of the Internal Ombudsman cannot be more than five years and it is not open to reappointment.
- Also it cannot be removed without the consent from the RBI.



# HDFC ERGO Makes Cyber Insurance Personal with Launch of 'E@Secure'.

- The main aim is to provide comprehensive protection to individuals and their families against cyberattacks, cyber frauds and digital threats that could lead to a financial loss and or reputational loss.
- HDFC ERGO is the India's third-largest non-life insurance provider in the private sector that announced E@Secure, a Cyber Insurance Policy for individuals.

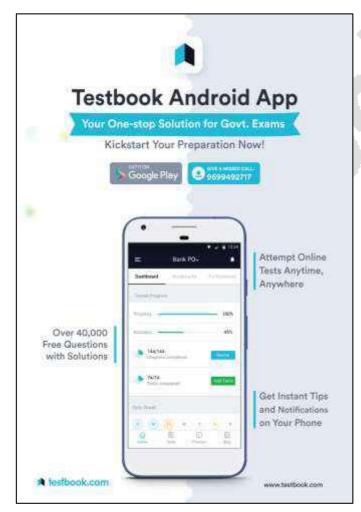
 According to the National Crime Records Bureau (NCRB) report 2016, there has been an increase in the incidence of Cyber Crimes by 6.3% in 2016.

### HDFC ERGO:

- Chairman Deepak Parekh
- Headquarters Mumbai

### Banks might face 60% haircut on Power Sector loans.

- Banks might face a haircut of around 60% from the close to Rs.1.8 lakh crore of loans to the power sector.
- 34 stressed thermal power plants identified by the ministry of power are based on non-availability of fuel supply agreements, absence of long-term PPAs (power purchase agreements), cost overrun, contractual disputes and weak financial strength of distribution companies (DISCOMs).
- Among 34 stressed plants, around 10 have already been referred to NCLT, and another eight are set to be taken to NCLT.



Banks urges RBI to ease ATM Cash Management Rules

- To prevent frauds, RBI had come out with some stringent measures, which includes refilling ATMs using the "cassette-swap" method.
- Under it, cash would be filled inside locked cassettes which would be inserted directly in ATMs by service providers.
- Banks are required to hire cash-logistic companies with a net worth of Rs.100 crore with special fabricated cash vans with inbuilt GPS geo-fencing and CCTV in drivers cabin.
- This will help to alert headquarters if they went off route and also RBI has prohibited the movement of cash vans at night.

### After SBI now BOB hikes MCLR by 5 bps.

- Bank of Baroda revised its MCLR to 8.55 bps from 8.50 bps.
- The rise in MCLR will make home, auto and other loans costlier for customers.
- MCLR is the minimum interest rate of a bank below which it cannot lend, except in some cases allowed by the RBI.
- It is an internal benchmark or reference rate for the bank.

# IDFC Bank sells 12 power sector loans to Edelweiss ARC at one fourth price

- IDFC bank has sold 12 power sector loans to Edelweiss Asset Reconstruction Company before its merger with financial company Capital.
- There was a Swiss challenge auction wherein Edelweiss emerged as highest bidder.
- The assets were sold at one fourth of the price in all cash deal.

# Airtel Payments Bank offers Card-less Cash Withdrawal Facility

- Using Instant Money Transfer technology Airtel
   Payments Bank customers can now make card-less
   cash withdrawals at select ATMs across the country.
- IMT is the largest interoperable card-less cash ATM network in the world, built and run by Empays Payment Systems India Pvt Ltd.
- The technology can be used for self-withdrawal or for sending money to an intended recipient for ATM cash withdrawal.
- Airtel Payments Bank has tied up with Empays to enable its savings account holders to withdraw cash using just their mobile phone through IMT (Instant Money Transfer).

# No clearance of Non-CTS compliant Cheques' from January

- As per PNB Non-CTS compliant cheques will not be processed for clearing with effect from January 1, 2019.
- The Cheque Truncation System (CTS) is a process of stopping flow of physical cheque in which an

- electronic image of the instrument is presented when it comes for clearing.
- This eliminates the cost of movement of physical cheques and reduces the time for clearance for better delivery of services to customers.
- As per RBI, banks are advised to issue only CTS-2010 standard cheques to their customers.

# Paytm is building a Tech to Check 'Credibility Score' of Borrower.

- Paytm soon will evolve a mechanism to determine the "credibility score" of a person seeking loan from a bank in Toronto.
- Paytm's team in Toronto is actively working on a reliable system that can be relied upon by banks to ascertain the credibility of a loan-seeker.
- The credibility of an individual can be ascertained from the nature of his digital transactions.

### RBI slaps Rs.1 cr fine for delay in fraud detection.

- The Reserve bank of India has imposed a penalty of Rs.1cr each on Union Bank of India, Bank of Maharashtra and Bank of India for delay in detection and reporting of fraud in some accounts.
- RBI has taken such necessary preventive measures to implement a comprehensive corrective action plan and to strengthen banks internal controls.
- This is to safeguard that such incidents doesn't occur in future.

### NABARD Sanctions Rs.335 crore to West Bengal

- NABARD has sanctioned Rs.335 crore under Rural Infrastructure Development Fund (RIDF) to West Bengal for 158 minor irrigation projects and 23 flood protection projects.
- The minor irrigation projects are expected to benefit hectares of land covering villages in 22 districts.
- Flood protection projects is aimed to address the problem of rapid bank erosion caused by rivers.

### **NABARD**

CEO: Harsh Bhanwala
Headquarters: Mumbai
Founded On: 12 July, 1982

### Financial Schemes & MoUs

# Aadhar Housing Finance making easy home loans accessible to all.

- Aadhar Housing Finance aiming to empowe the lowincome groups in India to get a home of their own.
- Along with the government scheme to provide Housing for All, Aadhar Housing is looking to reach a target of Rs 35,000 crore loan book by 2022.
- 'Ghar Banega Toh Desh Banega' is the latest campaign led by the company.

 Aadhar Housing Finance is the India's largest affordable housing finance company, in terms of reach to the people.

### Crisis-hit IL & FS seeks Rs 3k-crore loan.

- IL & FS to seek an immediate loan of around Rs.3,000 crore from key shareholders LIC and SBI.
- LIC, Orix of Japan, SBI, Abu Dhabi Investment Authority and HDFC are the main shareholders and all have agreed in principle to participate in the rights issue.
- LIC, the largest shareholder with 25.34% stake, has agreed to provide funds for the same.

# Nearly 25% premium from new life policies goes in vain.

- Insurance Regulatory and Development Authority of India
- As per Insurance Regulatory and Development Authority of India, there is a drop in one fourth of the premium as compared to last year.
- Dropout ratio is higher among low-value policies and it improves when the renewals ratio is checked as a percentage of premium rather than the number of policies sold.

### 60-day grace period for premium payment in Kerala.

- The insurance regulator IRDAI asked insurers to provide 60-days grace period for payment of health insurance premium in flood affected Kerala and parts of Karnataka.
- Insurers should comply with guidelines on standardisation in health insurance for the extended period so as to protect the continuity of benefits as specified therein.
- IRDAI asked to refund the premium if not converted into policies by 30 September 2018.
- Regulator asked Insurance companies, both life and general, to organise special camps in Kerala for faster settlement of claims.

# Government Approves Proposal to Increase Wages of Artisans By 36%

- The Union Ministry of Micro, Small and Medium Enterprises (MSME) approved a proposal by the Khadi and Village Industries Commission (KVIC) to increase the wages of artisans by over 36%.
- With this, the wages will be increased from Rs 5.50 per head previously to Rs 7.50 per head.
- This proposal for an increase in wages to Khadi spinners, along with payment of government subsidy Modified Market Development Assistance (MMDA), will be implemented.

# PM Jan Dhan Yojana with more incentives to be an open ended scheme.

• The Government has decided to make the Pradhan Mantri Jan Dhan Yojana (PMJDY) an open-ended

scheme and added more incentives to encourage people to open bank accounts.

- The Finance Minister Arun Jaitley stated that the overdraft facility has been doubled from Rs. 5,000 to Rs. 10,000 under the Yojana.
- The age limit for availing overdraft facility under it has also been revised to 18 to 65 years from the earlier 18 to 60 years.
- The accidental insurance cover for new RuPay Card holders has been raised from Rs. one lakh to Rs. two lakh.

### Appointments and Resignations

# Axis Bank announces Amitabh Chaudhry as its Managing Director & CEO.

- Amitabh Chaudhry currently is the MD & CEO of HDFC Standard Life Insurance Company.
- He will take charge on January 1, 2019 for the period of three years.
- Shikha Sharma is the present CEO and Managing director of Axis Bank.

## BSNL signed Indian Boxer Mary Kom as its Brand Ambassador.

- State-run telecom firm Bharat Sanchar Nigam Ltd (BSNL) signed in Indian boxer Mary Kom as its brand ambassador for two years.
- BSNL had planned television commercials, print advertisements and tariff plan endorsement with Mary Kom.
- Anupam Shrivastava is the present Chairman and Managing Director of BSNL.

### SBI Appoints Anshula Kant As Managing Director.

- State Bank of India has appointed Anshula Kant as Managing Director of the Bank for the period of two years.
- Earlier Anshula Kant was the bank's Deputy Managing Director.
- Along with Anshula Kant the other 3 MD of the SBI are PK Gupta, DK Khara and Arijit Basu.

