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GENERAL KNOWLEDGE  
BANKING AND FINANCE

# CAPSULE

9TH - 15TH SEPTEMBER 2018

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“आपकी सफलता हमारा संकल्प”

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# WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE (09<sup>th</sup> to 15<sup>th</sup> September 2018)

## Banking & Financial News

### HDFC Bank sends 250 summons via WhatsApp, e-mail to its customers.

- HDFC Bank is pursuing with various courts in the country to take up digital means of communication which include issuing notices, summons, through e-mails and whatsapp which will help in faster disposal of the cases.
- Over 60 lakh cheque bounce cases are pending in the country and HDFC Bank has taken a lead by requesting the courts to use digital means to issue summons.
- The summons sent digitally by the bank are mainly concentrated in Maharashtra, Gujarat, West Bengal, Odisha, Tamil Nadu and Uttar Pradesh.

### Proposal to raise limits on loans granted through OTP-based E-KYC.

- NITI Aayog chief executive Amitabh Kant pitched for increasing the limits on loans granted through OTP based electronic know your customer (KYC) verification.
- Currently lending through OTP based E-KYC is Rs 60,000, whereas the loan size through online digital mode, as per market data is approx around Rs 3.5 lakh.
- He also proposed for credit cards account opening using OTP-based E-KYC and OTP-based account opening.
- This will provide both retail consumer and SME customer more easy access to credit.

### RBI Notifies Amended Note Refund Rules.

- The Reserve Bank of India has released new guidelines through a gazette notification for all the post ban notes, or notes which were introduced as part of the Mahatma Gandhi New Series
- The Rs 2000 and Rs 200 recently issued could not be governed by the old rules due to their difference in size.
- As per the new RBI Amendment Rules, 2018, "the undivided area of the single largest piece of the note" for a damaged Rs 2000 note must be 88 square cm for a full refund, and 44 square cm for half refund. The Rs 2000 note is 109.56 square cm in dimension.

- For a damaged Rs 200 note, the criteria is 78 square cm for a full refund, and 39 square cm for half refund.

### Reserve Bank of India :

- Governor - Urjit Patel
- Headquarters – Mumbai
- Founded on - 1st April 1935

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### Bank credit rose by 13.49%; deposits by 8.9%.

- Loans to agriculture and allied activities rose by 6.6 per cent in July in comparison with an increase of 6.8 per cent in the same month last year.
- The services sector advances expanded by 23 per cent in July as compared with that of 4.9 per cent in July 2017.

- Personal Loan rose by 16.7 per cent in July 2018, up from an increase of 15 per cent in July 2017.

#### RBI to buy Govt securities in OMO worth Rs 10,000 crore.

- The Reserve Bank aiming to induce liquidity in the system will purchase government securities (G-secs) worth Rs 10,000 crore on September 19.
- The purchase of the government securities will be done through Open Market Operations (OMO).
- When the liquidity conditions are tight, RBI buy securities from the market, thereby increasing liquidity in the market

#### Yes Bank aims to grow Retail portfolio by 75 percent in two years.

- Yes Bank firstly built a strong customer franchise with a large retail customer base and later bank decided to offer retail services across product.
- Yes Bank will offer wide range of products in rural like small lending, tractor financing or farmer loans, while in urban and semi-urban markets will have entire range of products.
- Having an active hand in mortgage, Yes bank is planning to step into residential loans and auto loans.

#### IPPB Ties Up With FSS To Create Payments Network For Unorganized Retail.

- India Post Payments Bank (IPPB) has partnered with Financial Software and Systems (FSS) to create a payments acceptance network for unorganized retail including small merchants and Kirana stores where consumers can make payments.
- FSS a payments technology company ensured that the micro-merchants are able to accept payments over any channel – online, unified payments interface (UPI), quick-response (QR) codes, and Aadhaar and IPPB accounts.
- IPPB, a public sector company comes under the Department of Posts with 100% government equity and is governed by the Reserve Bank of India.

#### India Post Payments Bank:

- MD and CEO - Mr Suresh Sethi
- Headquarters - New Delhi
- Founded on - 2017

#### Aadhaar no longer mandatory for booking International Parcel.

- The Department of Posts stated that Aadhaar isn't the only document of identity proof that needs to be produced for booking an international parcel or for sending merchandise overseas for safety and security reasons.
- Along with Aadhaar other valid documents include driving licence, Passport and Voter ID.

- India Post is committed to ensuring safety and security in its operations.

#### YES Bank to raise funds by issuing Basel-III compliant bonds.

- Private sector lender Yes Bank to issue non-convertible redeemable unsecured Basel-III compliant bonds of Rs 1 million each aggregating to Rs 30.42 billion.
- The bonds have been rated AAA and AA+ with stable outlook by Care Ratings and Ind-Ra, which carries the highest degree of safety on timely servicing of financial obligations.
- These norms are being implemented to mitigate concerns on potential stresses on asset quality and consequential impact on performance and profitability of banks.
- To comply with the global Basel-III capital regulations, banks need to improve and strengthen their capital planning processes.

#### RBI Released India's Foreign Trade statics.

- India's overall exports as per RBI combining Merchandise and Services for April-August 2018-19 is estimated to be USD 221.83 Billion, exhibiting a positive growth of 20.70% over the same period last year.
- Overall imports in April-August 2018-19 are estimated to be USD 269.54 Billion, exhibiting a positive growth of 21.01% over the same period last year
- Taking Merchandise and Service together, overall trade deficit for 2018-19 compared to last year is expected high at US \$ 47.72 Billion.

#### SBI blocks 8 accounts with NPAs of Rs. 4000 Cr

- State Bank of India (SBI) has put eight non-performing loans, valued at close to ₹4,000 crore, on the block.
- These accounts are, Rohit Ferro Tech (₹1,320 crore), Indian Steel Corporation (₹929 crore), Jai Balaji Industries (₹859 crore), Mahalaxmi TMT (₹410 crore), Impex Ferro Tech (₹201 crore), Kohinoor Steel (₹110 crore), Modern India Concast (₹71 crore) and Ballarpur Industries (₹47 crore)
- Inviting bids, SBI has set the reserve price of these accounts between ₹30 crore and ₹530 crore that involve a haircut of 35% to 70%.
- These accounts will be sold on 100% cash basis.

#### ICICI Bank to offer MSMEs loans up to Rs 10 mn based on their GST returns.

- To make working capital easily available, ICICI Bank announced a new overdraft facility for medium, small and micro enterprises based on their GST returns.
- Under this new system, firms can submit their GST returns to avail overdraft up to Rs 10 million without having to furnish a whole lot of other financial statements.

- The new facility will reduce paperwork and cuts the lead time between application and sanction of a loan.
- Moreover, this is not a collateral-free facility as it requires customers to submit their residential/commercial /industrial property as collateral security.

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### NABARD setup Rs 80 bn Dairy Processing and Infra Development Fund.

- In a bid to support the modernization of the dairy sector in the country, the Centre has set up a Dairy Processing and Infrastructure Development Fund (DIDF) under the National Bank for Agriculture and Rural Development.
- The fund would be distributed to six different projects, namely, including Dakshina Kannada Milk Union (Udupi), Kolar-Chikballapur Milk Union (Kolar), Mysore Milk Union (Mysore), Karnataka Milk Federation (Ramnagar), Karnataka Milk Union (Channarayapatna) and Ropar Milk Union (Ropar).
- Milk production in India is growing around 6.5% each year and there is a need to create the infrastructure to handle the production and to process the same.

### NABARD

- CEO: Harsh Bhanwala
- Headquarters: Mumbai
- Founded on : 12 July, 1982

### Financial Schemes & MoUs

#### NITI Aayog to set up ICTAI with TIFR and Intel.

- NITI Aayog, Intel and Tata Institute of Fundamental Research (TIFR) are collaborating to set up a Model International Center for Transformative Artificial Intelligence (ICTAI).
- **The initiative is part of NITI Aayog's** National Strategy for Artificial Intelligence discussion that focuses on establishing ICTAI.
- Through private sector collaboration it aims to bring together fundamental and applied research, innovation and technology development to solve important problems.

#### 'Pradhan Mantri Annadata Aay Sanrakshan Abhiyan' scheme for farmers.

- The Union Cabinet approved new Umbrella Scheme 'Pradhan Mantri Annadata Aay Sanrakshan Abhiyan, PM-AASHA.
- This scheme aims at ensuring remunerative prices to the farmers for their produce as per Union Budget 2018 made by the Agriculture Minister Radha Mohan Singh in New Delhi.
- The new Umbrella Scheme includes the mechanism of ensuring remunerative prices to the farmers via Price Support Scheme (PSS), Price Deficiency Payment Scheme (PDPS), and Pilot of Private Procurement and Stockist Scheme (PPPS).

#### Government Announces Measures To Check Rising Current Account Deficit.

- The government has announced an array of steps to check the rising Current Account Deficit (CAD), and the fall in rupee.
- The steps to be taken by the government to attract dollar inflows into the country.
- The government has decided on a number of steps to contain CAD, which widened to 2.4% of the GDP in the first quarter.

#### Wholesale inflation drops to four-month low of 4.53% in August.

- The wholesale price index is an index that measures and tracks the changes in the price of goods in the stages before the retail level.
- Inflation based on wholesale prices eased to a four-month low of 4.53% in August on softening of prices of food articles, especially vegetables.
- As per Commerce and Industry ministry a 4.04% decline inflation in food articles is noticed in August compared to 2.16% fall in July.

### Current Account Deficit Widens To 2.4% of GDP.

- India's current account deficit (CAD) widened to 2.4% of Gross domestic product (GDP) on the back of rising crude oil prices Reserve Bank of India (RBI).
- Merchandise trade deficit expanded as crude oil prices zoomed compared to past year.
- Net services exports were lower due to low realization from IT services.

### Appointments and Resignations

#### Alibaba's Jack Ma announces retirement In 2019.

- Jack Ma, the co-founder of China's largest e-commerce firm Alibaba Group Holding Ltd, will retire as chairman in exactly one year on Sept 10, 2019.
- Current Alibaba Chief Executive Daniel Zhang will replace him as chairman.
- Jack Ma, co-founder of Alibaba in 1999, is one of China's richest people with a net worth of \$36.6 billion, according to Forbes.

#### HDFC Life Elevates Vibha Padalkar As MD and CEO.

- HDFC Life appointed Vibha Padalkar as its new managing director and CEO for a period of three years.
- The terms of appointment are subject to approval by the shareholders and the Insurance Regulatory and Development Authority of India (IRDAI).
- Prior to her elevation, Padalkar was the chief financial officer (CFO) and executive director at the insurer.

#### Axis Bank Appoints HDFC's Amitabh Chaudhry as MD & CEO.

- Axis Bank appointed Amitabh Chaudhry as its MD & CEO from January 1, 2019, for a period of three years.
- Chaudhry, the MD & CEO of HDFC Standard Life Insurance Company at present, will take the charge on 1 Jan 2019.
- Chaudhry, has been associated with HDFC Life since January 2010.
- Shikha Sharma is the present CEO and Managing director of Axis Bank.



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