testbook WEEKIN **GENERAL KNOWLEDGE BANKING AND FINANCE** GAPSILE

16TH - 22ND SEPTEMBER 2018

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WEEKLY GENERAL KNOWLEDGE BANKING & FINANCE CAPSULE (16th to 22nd September 2018)

Banking & Financial News

PayU India gets approval from RBI to operate its own NBFC.

- After approval from Reserve Bank of India (RBI), PayU India likely to operate its own Non-banking financial company (NBFC).
- This approval from the Reserve bank of India is subjected to the "certain pending in RBI compliance".
- The initiative will help PayU to promote inclusive growth in the country by catering to the diverse financial needs of various segments of the society.
- PayU India is a digital payments firm owned by South Africa's Naspers Ltd.

PayU India :

- MD Jitendra Gupta
- Headquarters Delhi

NABARD Approves Rs 65,635 crore Loan For 93 Irrigation Projects.

- Under the government's flagship scheme Pradhan Mantri Krishi Sinchai Yojana (PMKSY) National Bank for Agriculture and Rural Development (NABARD) has approved Rs 65,634.93 crore loan for 93 Irrigation Projects.
- NABARD is mandated to provide Rs 70,000 crore loan to these Irrigation projects by 2019.
- Under long term irrigation fund (LTIF), NABARD is funding central and state share of 99 prioritised irrigation projects under the PMKSY.

NABARD

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

Proposal to Merge Bank of Baroda, Vijaya Bank and Dena Bank by Centre.

- The government has proposed mitigation of Bank of Baroda, Vijaya Bank, and Dena Bank to create India's 3rd largest globally competitive Bank.
- Finance Minister Arun Jaitley announced that the mitigation will increase the banking operations

resulting no employee to face any service condition adverse to the present conditions.

• As per the budget consolidation of banks was the prime agenda of the government to strengthen the economy of India.

Bank	HQ	MD/CEO	Founding Year
Bank of Baroda	Vadodara	P.S. Jayakumar	1908
Vijaya Bank	Bengaluru	R.A.Sankara Narayanan	1931
Dena Bank	Mumbai	Ashwani Kumar	1938



New KYC Norms for FPIs approved by SEBI.

- As per new proposals SEBI approves new KYC norms for foreign portfolio investors and a revised framework for the settlement of cases.
- SEBI has approved this proposal to allow foreign investors to trade in commodity derivatives market, except for sensitive commodities, as well as common application form for the registration of FPIs in the domestic market.
- Amending delisting regulations has been approved by the board.
- Further, inter-operability of clearing houses for commodities and new methodology to calculate the total expenses ratio for fund managers have been accepted.

SEBI:

- Chairman Ajay Tyagi
- Headquarters Mumbai

Yes Bank penalised With Rs 38 Crore for GST Fines.

- Yes Bank has paid Rs 38 crore in fines to the GST department for alleged violations in domestic remittances
- Rs. 32 crore has been paid to the GST department, while Rs 6 crore has been paid in service tax which has been replaced by GST.
- The issue relates to remittances by migrants from urban pockets to their homes in rural areas.
- The tax department feels that the bank has violated norms and underpaid the tax, while the bank **doesn't** feel so and has opposite views.

Yes Bank:

- CEO Rana Kapoor
- Headquarters Mumbai

India Post Payments Bank, Bajaj Allianz collaborates '**To Provide Insurance to All**'.

- India Post Payments Bank (IPPB) and Private Life Insurer Bajaj Allianz Life Insurance Co Ltd entered into a strategic partnership to provide life insurance solutions, especially at the doorstep of every household in the country.
- This partnership will leverage IPPB's last mile reach for building awareness about life insurance.
- Both the companies came together, to formally sign the Corporate Agency Agreement.
- IPPB has begun operations with 650 branches and 3,250 access points across the country.

India Post Payments Bank:

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

ICICI Bank buys 8.85% stake in Avenues Payment.

- ICICI Bank acquires stake of 8.85% in Avenues Payment India Private Limited (APIPL) to promote adoption of digital cross border remittance platforms for corporate and retail customers.
- APIPL provides a global remittance platform catering to both Business-to-Consumer (B2C) and Business-to-Business (828) market segments.
- Avenues Payment started operations in January 2012 and has turnover of 12.0 million and is present in India, United Kingdom and Australia.

RBI sets new rule for joint priority sector lending.

- Banks need to share a maximum 80% credit risk originating priority sector loans jointly with non-banking finance companies (NBFCs).
- The lenders will charge a single interest rate to borrowers.
- The benefit of low cost funds from banks and lower cost of operations of NBFCs would be passed on to the ultimate beneficiary through the blended rate/ weighted average rate,
- Now minimum 20% of the credit risk by way of direct exposure shall be on NBFC's books till maturity and the balance will be on bank's books.
- Banks are mandated to lend 40% of their net bank credit in the previous fiscal to priority areas such as agriculture, affordable housing and others.

RBI to form regulatory sandbox for fintech and setup data science lab.

- The Reserve Bank of India (RBI) is working on a regulatory sandbox for financial technology and setting up data science labs to keep pace with innovation in the digital lending space.
- RBI has set up an inter-regulatory working group to study regulatory issues relating to fintech and Digital banking in India.
- A data science lab to be opened with a mixed team of engineers, economists and statisticians studying internal data of each vertical.
- To guard against the creative vulnerabilities, the idea is to bring in a regulatory sandbox where anybody can bring in a new product and it can be first tested before going to public.

SBI to install solar panels over 10000 ATMs in 2 years.

- In a step towards becoming carbon neutral, country's largest lender State Bank of India (SBI) is looking to install solar panels over 10000 ATMs in 2 years.
- Currently, nearly 1,200 of the bank's ATMs are running on solar power.
- The lender has installed rooftop solar panel on 150 of its building across the country and is in the process of identifying more such locations.
- The bank is also planning to replace all its vehicles with electric vehicles by 2030.



Salesforce acquires Time Magazine.

- Salesforce.com Inc. acquired Time magazine from Meredith Corp. for \$190 million in cash, joining Jeff Bezos among tech billionaires buying venerable print publications.
- The move thrusts the brash 53-year-old entrepreneur, who helped lead the shift of software to an on-demand model, into a new role: media baron.
- Meredith acquired Time magazine for \$1.8 billion in January 2018

IRDAI Raises Minimum Insurance Cover for Drivers to 15 Lakhs.

- IRDAI has raised minimum insurance cover for owner-driver to Rs. 15 lakh for a premium of Rs. 750 per annum, as an initiative to provide assistance in distress to road accident victims
- Currently, the capital sum insured (CSI) under this section for motorised two-wheelers and private cars/commercial vehicles is Rs. 1 lakh and Rs. 2 lakh respectively.
- The owner-drivers now have the option of a cover over and above Rs. 15 lakh on payment of additional premium.

Insurance Regulatory and Development Authority of India (IRDAI):

- Chairman Subhash Chandra Khuntia
- Headquarters Hyderabad

Financial Schemes & MoUs

Federal Bank signs MOU with Infopark Kakkanad.

- Federal Bank, which is in the process of formation of a wholly owned subsidiary company, has signed an MOU with Infopark Kakkanad for leasing space in their campus.
- The Bank has obtained its principle approval from the Reserve Bank of India for the creation of a subsidiary company.
- The role of the proposed company will be of integrating and handling all the back-end operations of the Bank.

Federal Bank :

- MD and CEO Shyam Srinivasan
- Headquarters Aluva, Kerala
- Founded on 1949

World Bank Approves Country Partnership Framework for India.

• World Bank Board has endorsed an ambitious fiveyear Country Partnership Framework (CPF) for India, which aligns with New Delhi's objectives of high, sustainable and inclusive growth.

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- The framework is expected to bring between 25 and 30 billion US Dollars in financial support to India.
- The move is aimed at supporting India's transition to a higher middle-income country by addressing some of its key development priorities such as resource efficient and inclusive growth, job creation and building its human capital.

World Bank :

- President Jim Yong Kim
- Headquarters Washington, D.C
- Founded on 1945

Atal Bimit Vyakti Kalyan Yojna to Unemployed Insured Persons for cash relief.

- The Employees' State Insurance Corporation (ESIC) has approved Atal Bimit Vyakti Kalyan Yojna for Insured Persons covered under the Employees' State Insurance Act providing them cash relief.
- The ESIC also approved the proposal for increasing the funeral expenses from existing 10 thousand rupees to 15 thousand rupees being paid on the death of Insured Person.
- This decision was taken by the Labour Minister Santosh Gangwar in New Delhi.

Penalties to be levied on States, Insurance Companies for Delay in Settlement of Claims.

- The government has incorporated provision of penalties for States and Insurance Companies for the delay in settlement of insurance claims under the Pradhan Mantri Fasal Bima Yojana (PMFBY).
- According to the new guidelines, the farmers will be paid 12% interest by insurance companies for the delay in settlement claims beyond two months of prescribed cut-off date.
- State Governments will have to pay 12% interest for the delay in the release of the State share of subsidy beyond three months of prescribed cut-off date submission of requisition by insurance companies.

No Withholding Tax on Interest Payment of Masala Bonds.

- The Central Board of Direct Taxes (CBDT) has announced that no withholding tax will apply on interest payments made by an Indian company or a business trust to a non-resident in respect of offshore rupee-denominated bonds issued between September 17, 2018 and March 31, 2019.
- The move is expected to incentivise foreign exchange inflows into India through low-cost offshore rupee-denominated bonds, popularly referred to as masala bonds.

Appointments and Resignations

SBI Appoints Prashant Kumar As CFO.

- State Bank of India appointed Prashant Kumar as the Chief Financial Officer (CFO) of the Bank.
- Before Prashant Kumar, Anshula Kant was the CFO.
- Prior to this appointment, Kumar was designated as Deputy Managing Director (HR) & Corporate Development Officer of India's largest bank.

Tajinder Mukherjee appointed as CMD of NICL.

- Tajinder Mukherjee has been appointed as the Chairman and Managing Director of National Insurance Company Limited (NICL).
- Prior to joining NIC, she was General Manager and Chief Underwriting Officer of New India Assurance.
- She has over 33 years of experience in the insurance industry having joined as a Direct Recruit Officer 1983 batch in United India Insurance Company.

Government Appoints New MD & CEOs At 10 PSBs.

Person	Banks	Appointed as
Padmaja Chundru	Indian Bank	MD and CEO
Mrutyunjay Mahapatra	Syndicate Bank	MD and CEO
Pallav Mahapatra	Central Bank of India	MD and CEO
J Packirisamy	Andhra Bank	MD and CEO
SS Mallikarjuna Rao	Allahabad Bank	MD and CEO
MD Karnam Sekar	Dena Bank	MD and CEO
AS Rajeev	Bank of Maharashtra	MD and CEO
Atul Kumar Goel	UCO Bank	MD and CEO
Ashok Kumar Pradhan	United Bank of India	MD and CEO
S Hari Shanker	Punjab and Sind Bank	MD and CEO
Rakesh Jain	RBI	Member of Southern Board
Revathy lyer	RBI	Member Northern Board
Raghevendra Narayan Dubey	RBI	Member Northern Board
Prof Sachin Chaturvedi	RBI	Member Eastern Board