



Current Affairs - May to July 2018

Month Type



- ▶ **209** Current Affairs were found in **Last Three Months** for Type - **Banking and Economy**

(Showing **140** Important Ones)


Economy











- ▶ Commerce ministry approved 16 projects under TIES (Trade Infrastructure for Export Scheme), to develop infrastructure for promoting exports. TIES was launched in 2016, with outlay of INR 600 crores. TIES has been launched for three years to 2020.
- ▶ 28th GST Council Meeting Held in New Delhi -
 - ▶ Rates on several commodities slashed. GST Council has left just 35 items in highest tax bracket of 28 %, including automobiles, digital cameras, tyres, yachts, aircraft, aerated drinks and cigarettes. Rate reductions in 28th GST Council Meet will cost government approx 7000 crores.
 - ▶ Notable amendments -
 - ▶ Composition dealers to be allowed to supply services (other than restaurant services), for upto a value not exceeding 10% of turnover in preceding financial year, or Rs. 5 lakhs, whichever is higher. Council members have unanimously voted for bringing into effect the increased threshold limit of Rs. 1.5 crore from existing Rs 1 crore as soon as possible.
 - ▶ Threshold exemption limit for registration in the States of Assam, Arunachal Pradesh, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand to be increased to Rs. 20 Lakhs from Rs. 10 Lakhs.
 - ▶ Reverse charge mechanism deferred for a year till 30th Sept 2019.
 - ▶ Creation of GST Appellate Tribunal with National Bench at New Delhi and Regional Benches at Mumbai, Chennai and Kolkata. Amount of pre-deposit payable for filing of appeal before Appellate Authority and Appellate Tribunal to be capped at 25 Crores and 50 Crores respectively.
 - ▶ Regular taxpayers with turnover up to Rs 5 crores can opt to file GST return on a quarterly basis against earlier limit of Rs. 1.5 crores. Return can be either 'Sahaj' or 'Sugam', wherein the first one, report only B2C supplies and the other report both B2B & B2C supplies.
 - ▶ Regular taxpayers with turnover over 5 crores have to file monthly returns, THROUGH NEW SYSTEM NAMED *UPLOAD – LOCK – PAY TAX*.
 - ▶ Notable Slashed Rates -
 - ▶ 28% to 18% -
 - ▶ Refrigerators, freezers and other refrigerating or freezing equipment including water cooler, milk coolers, refrigerating equipment for leather industry, ice cream freezer etc.
 - ▶ Washing machines, Vacuum cleaners, Domestic electrical appliances
 - ▶ Televisions upto the size of 68 cm
 - ▶ Lithium-ion batteries
 - ▶ 28% to 12%
 - ▶ Fuel Cell Vehicle. Further, Compensation cess shall also be exempted on fuel cell vehicle.
 - ▶ 8% 12%/5% to Nil -
 - ▶ Supply of Multimodal Transportation (Service)
 - ▶ Stone/Marble/Wood Deities
 - ▶ Sanitary Napkins,

- ✎ Circulation and commemorative coins, sold by Security Printing and Minting Corporation of India Ltd [SPMCIL] to Ministry of Finance.
 - ✎ 18% to 5% -
 - ✎ Ethanol for sale to Oil Marketing Companies for blending with fuel
 - ✎ Solid bio fuel pellets
 - ✎ 5% GST is being extended to footwear having a retail sale price up to Rs. 1000 per pair. Footwear having a retail sale price exceeding Rs. 1000 per pair will continue to attract 18%.
 - ✎ IGST @5% on Pool Issue Price (PIP) of Urea imported on Govt. account for direct agriculture use, instead of assessable value plus custom duty.
3. ▶ 2nd tranche of Bharat-22 ETF (exchange traded fund) opened for fresh subscription, with government aiming to raise INR 6000 crores. There is also a green shoe option of Rs 2,400 crore, subject to government approval.
 - ✎ Bharat 22 index was launched in November 2017, managed by ICICI Prudential Mutual Fund. It's a part of the government's disinvestment programme.
 - ✎ Bharat 22 comprises 22 stocks including those of chosen Government enterprises, spanning six sectors - basic materials (4.4%), energy (17.5%), finance (20.3%), industrials (22.6%), FMCG (15.2%) and utilities (20%).
 - ✎ ETFs are essentially index funds that are listed and traded on stocks exchanges just like regular shares.
 4. ▶ 2nd tranche of Bharat-22 Exchange Traded Fund (ETF), comprising shares of 22 companies, received bids worth Rs. 15,436 crore, much higher than government's fund raising target. The second tranche was targeted to achieve fund mop up of Rs 6,000 crore with green-shoe option for another 2,400 crore.
 5. ▶ *Small Industries Development Bank of India (SIDBI) and TransUnion CIBIL* launched 2nd edition of MSME Pulse, a Quarterly Report on MSME Sector, providing precise data-driven insights to support policy as well as business decisions.
 - ✎ Total commercial lending exposure in India is 54.2 lakh crores, with MSME segment constituting 12.6 lakh crores, with with Y-o-Y growth of 22% and 13% respectively in Micro and SME sectors.
 - ✎ In Large corporate segment, NPA rates increased from 15.3% (in Mar'17) to 18% (in Mar'18). However, MSME NPA rates remained stable. In Micro segment, NPA rate moved from 8.9 % (in Mar'17) to 8.8 % (in Mar'18). In SME segment, NPA hovered between 11.4% (in Mar'17) to 11.2 % (in Mar'18). Recognized NPA exposure for MSME is 81000 Crores as on Mar'18.
 - ✎ Private Banks and NBFCs have further increased their market share in Micro and SME lending from 27.5% and 9.1% in March 2017 to 30.3% and 10.9% in March 2018. Share of PSBs fallen from 57% to 50.4% in same period.
 6. ▶ According to a new report by UN, Foreign Direct Investment to India decreased to 40 billion dollars last year from 44 billion dollars in 2016. Also, outflows from India have more than doubled in 2017-18.
 - ✎ However, According to Department of Industrial Policy & Promotion (DIPP)'s Recent Report - FDI in India increased to US \$61.96 billion in 2017-18, from \$60 billion Last year.
 7. ▶ After success of India's largest Merger of SBI Associate Banks with SBI, government is planning another mega merger of Bank of Baroda, IDBI Bank, Oriental Bank and Central Bank of India. These banks has combined loss of INR 21646 crores last year. It will create India's second largest bank after SBI with a combined asset of INR 16.58 trillion.
 8. ▶ As major relief to budding entrepreneurs, government allowed startups to avail tax concession only if total investment including funding from angel investors does not exceed INR Rs 10 crores. Also, An angel investor picking up stakes in a startup should have minimum net worth of 2 crore or should have an average returned income of over Rs 25 lakh in preceding 3 financial years.
 9. ▶ As per Financial Data of Public Sector Banks in FY 2017-18 -
 - ✎ Gross NPA ratio for PSBs is 14.6% in 2017-18. In the last 25 financial years, the gross NPA ratio for PSBs was highest in FY 1993-94 at 24.8%. PNB is followed y IDBI Bank with loss of 8,238 Crores.
 - ✎ All PSBs Except Indian Bank and Vijaya Bank reported net losses in FY 2017-18, with PNB posting biggest ever loss of 12,283 Crores. It is mainly due to PNB was hit by recent huge scams.
 - ✎ Vijaya Bank reported net profit of 727 Crores and Indian Bank posted Profit of 1,259 Crores.
 - ✎ IDBI Bank has most Percentage of NPAs (28 %), followed by Indian Overseas Bank (25.3 %).
 - ✎ Finance Ministry will infuse approx 11336 crores in 5 PSBs by September 2018 - PNB (2,816), Corporation Bank (2555), Indian Overseas Bank (2157), Andhra Bank (2019) and Allahabad Bank (1790).
 10. ▶ As per Mobile Banking Volume and Value share List compiled by SBI for 2017-18 -
 - ✎ Value -
 - ✎ Axis Bank (17.2%), ICICI Bank (17.1%), SBI (16.8%, down from 44.4% a year ago).
 - ✎ Paytm, the topper in Volume category, holds only .25% of total Value of Mobile Banking Transactions.

 Volume -

 Paytm (21.87%), SBI (19.5%), Axis Bank (12.76%), ICICI Bank (9.7%).

 Mobile-banking usage seen a steep jump, rising to 1871 million in FY18, from 977 million in FY17.

11. ▶ As per World Bank report *South Asia's Hotspots: The Impact of Temperature and Precipitation Changes on Living Standards* -
 -  Climate change might cost India 2.8 % of GDP, as Average annual temperatures will increase by 1-2 % by 2050.
 -  60 crore Indians live in areas that could become moderate or severe hotspots of climate change by 2050.
12. ▶ As per accounts of Government of India (Provisional/Unaudited) for FY 2017-18 -
 -  Government received INR 15,51,004 crores, comprising 1242662 crores Tax Revenue, 192523 crores Non Tax Revenue and 115819 crores of Non Debt Capital Receipts (Recovery of Loans and Disinvestment of PSUs)
 -  Expenditure incurred by Government is INR 2142667 crores, out of which 1878963 crores on Revenue Account and 263704 crores on Capital Account. 529243 crores is spent on Interest Payments (approx 25% of total spends).
13. ▶ As per official data of Q4 of 2017-18, Government debt increased by 1.7 % to INR 76,94,940 crores (from 75,66,215 crore in previous quarter), which is 45.9 % of GDP.
14. ▶ Asian Development Bank approved lining project of Son canal in Shahabad – Bhojpur region of Bihar, to help agri-sector in this region. Cost of this project is USD 503 million (Rs 3272.49 crore) out of which USD 352 million is being provided by ADB.
15. ▶ Asian Infrastructure Investment Bank (AIIB) approved investment of \$200 million in India's National Investment & Infrastructure Fund (NIIF) to give greater impetus to mega infrastructure projects.
 -  AIIB is China led multilateral development bank set up in 2016. It has 83 member nations. India is second largest shareholder in AIIB (7.5 %), after China (26.06). It is headquartered in Beijing (China).
 -  NIIF was set up in December 2015 to catalyse funding into country's infrastructure sector. It has been set up as a fund of funds structure with aim to generate risk adjusted returns for its investors alongside promoting infrastructure development. It has targeted corpus of Rs 40,000 crore to be raised over the years. 49% will be funded by government.
16. ▶ Astrosat, India's first dedicated multi-wavelength space observatory, captured images of a special galaxy cluster that is more than 800 million light years away from Earth. Named Abell 2256, it is made of 3 separate clusters of galaxies that are all merging with one another to eventually form a single massive cluster in future.
17. ▶ Atal Pension Yojana (APY) Scheme's subscriber crossed 1 Crore on completion of 3 years of Its launch (May 9, 2015), With current number of subscribers standing at 1.10 Crores.
 -  APY is a guaranteed Pension Scheme that focuses on unorganised sector workers which constitute more than 85% of workforce. Under It APY, guaranteed pension of 1000 - 5000 will be given at the age of 60 years depending on contribution by subscribers.
 -  The Scheme has generated around 9.10 % CAGR (Compound Annual Growth Rate) since its inception till March 2018.
18. ▶ BSE Ltd (earlier known as Bombay Stock Exchange) became first Indian exchange to be designated as Designated Offshore Securities Market (DOSM) by US Securities and Exchange Commission (US-SEC). It will allow sale of securities to US investors through trading venue of BSE without registration of such securities with US SEC. It will ease trades by US investors in India and also enhance attractiveness of Indian Depository Receipts (IDRs) amongst US investors.
19. ▶ Banks and Financial Institutions (FIs) signed Inter-Creditor Agreement (ICA) aimed at faster resolution of stressed assets of 50 crore or more which are under consortium lending. It has been signed by 22 govt banks, 19 private banks and 32 foreign banks as part of project 'Sashakt'.
 -  Under it, lead lender (having highest exposure) will be authorised to formulate resolution plan for operation turnaround of assets which will be presented to lenders for their approval.
 -  Decision making under ICA framework will be by way of approval of majority lenders i.e. lenders with 66% share in exposure.
20. ▶ Bombay Stock Exchange (BSE) launched platform to make stock market listing attractive for startups in SME (small and medium enterprise) segment. For listing, A company needs to have a pre-issue paid up equity share capital of a minimum of Rs 1 crore and must be in existence for a minimum period of 3 years on the date of filing draft prospectus with BSE.
21. ▶ CSC SPV, a Special Purpose Vehicle under Ministry of Electronics & IT signed agreement with HDFC Bank to enable its three lakh Village Level Entrepreneurs (VLEs) managing Common Services Centers operate as Banking Correspondents of HDFC Bank. HDFC Bank will also support CSC SPV in converting 1000 identified villages into Digi Gaon (Digital Villages) this year.
22. ▶ Central Board of Indirect Taxes and Customs (CBIC) has developed mobile app 'GST Verify' to protect interest of consumers. It will allow customers to verify their bill if any GST amount mentioned is of genuinely registered person or not.
23. ▶ Central Road and Infrastructure Fund (CRIF) has been transferred from Ministry of Road Transport and Highways and brought under Finance Ministry's Department of Economic Affairs (DEA). Earlier, Budget 2018 amended Central Road Fund Act 2000, and renamed Central Road Fund as Central Road and Infrastructure Fund.

24. ▶ Central Statistics Office (CSO) of Ministry of Statistics and Programme Implementation released estimates of Gross Domestic Product (GDP) for 4th quarter (January-March) Q4 of 2017-18 for FY 2017-18 -
- ▶ GDP (at 2011-12 prices) in fourth quarter (Q4) registered growth rate of **7.7 %**, compared to 5.6, 6.3 and 7.0 % respectively in first three quarters of 2017-18. Good Growth in agriculture, manufacturing and construction sectors (11.5%) contributed to overall growth.
 - ▶ GDP at constant (2011-12) prices for 2017-18 is estimated at 130.11 lakh crores, showing growth rate of **6.7 %** over 2016-17.
 - ▶ At sectoral level, growth rate of GVA at constant (2011-12) prices in Q4 for agriculture & allied sectors, industry and services sectors are estimated at 4.5 %, 8.8 %, and 7.7 %.
 - ▶ Per capita income (at 2011-12 prices) during 2017-18 is estimated to be INR 86668, compared to INR 82229 for 2016-17 (growth of 5.4 %).
 - ▶ GDP at current prices for 2017-18 is estimated at 167.73 lakh crores, growth rate of 10.0 % over 2016-17.
25. ▶ Delhi based Sudeva Football Club acquired Spanish league's third division club C.D Olimpic Xativa, to expand its operations in Europe. Sudeva becomes First Indian football club to do so.
26. ▶ Department of Telecom (DoT) gave final approval to merger of Vodafone India and Idea Cellular, after Idea and Vodafone India jointly paid inr 7268 crores *under protest*. Both the entities will now approach Registrar of Companies (RoC) for stipulated filings for approval, completing last leg of formalities.
- ▶ Merged identity will be known as 'Vodafone Idea' that will create India's largest telecom company. Kumar Mangalam Birla will be Non-Executive Chairman of Vodafone Idea while Balesh Sharma will be CEO.
 - ▶ Vodafone will hold 45.1 percent of the combined entity and Idea promoters will hold 26.1 percent of entity.
27. ▶ Department of Telecom (DoT) raised fresh demand of around INR 4700 crores ahead of merger deal between Vodafone India and Idea Cellular. As per DOT, Vodafone India merged all its arms into one company and these dues are related to one-time spectrum charges (OTSC).
- ▶ The merger of Vodafone India and Idea Cellular will create country's largest mobile service operator with proposed name of Vodafone Idea Ltd. It will be worth over \$23 billion with a 35 % market share and a subscriber base of around 43 crores.
28. ▶ Department of Telecommunications (DoT) approved Bharti Airtel's acquisition of Norway based Telenor India. Bharti Airtel will buy Telenor India in a no-cash deal and will take over its outstanding spectrum payments of Rs 1650 crores.
29. ▶ Department of telecommunications gave conditional approval to merger of Vodafone India with Idea Cellular, seeking over 7,200 crore (3300 crore and 3900 crore from Vodafone India) from both companies on account of one-time spectrum charges and spectrum liberalisation fees.
30. ▶ Employees Provident Fund Organization (EPFO)'s approved 8.55% interest on PF for 2017-18, lowest since 2012-13. It provided 8.5% in 2016-17, 8.8% in 2015-16 and 8.75% in 2013-14 & 2014-15. This will be applied to all 120 offices of EPFO and all 5 crore subscribers.
- ▶ EPFO also decided to cut Administrative Charges by 15 Basis Points to .5% (from .65%), enabling over 5 lakh employers to save about Rs. 900 crore annually.
31. ▶ Expenditure Finance Committee (EFC) approved revised cost (3466 Crores) and Extended Time Period (June 2020) for World Bank funded Dam Rehabilitation & Improvement Project (DRIP). DRIP is a state sector scheme with central component to improve safety and operational performance of selected dams.
- ▶ Participating States / Agencies are Damodar Valley Corporation, Karnataka, Kerala, Madhya Pradesh, Odisha, Tamil Nadu, Uttarakhnad Jal Viduyut Nigam Limited and Central Water Commission.
32. ▶ Facebook will launch Whatsapp Pay, a payment service for its whatsapp platform. It will be partnering with HDFC , AXIS, ICICI and SBI banks.
33. ▶ Finance Ministry approved Sunil Mehta Committee's suggestions of a 5-pronged strategy to tackle Non-Performing Assets (NPA), in report titled *Sashakt*. 5 pronged strategy includes SME resolution approach, Bank-led resolution approach, AMC/AIF led resolution approach, NCLT/IBC approach AND Asset-trading platform.
- ▶ Highlights nine guiding principles aimed at the operational turnaround of the banking sector in a manner that will create jobs and enhance the value of public sector banks.
 - ▶ Resolution of bad assets below Rs 50 crore to be done within 90 days.
 - ▶ Resolution of consortium loans between Rs 50-500 crore to be done within 180 days, using a BLRA (Bank Led Resolution approach).
 - ▶ Loans above Rs 500 crores will be dealt via AMC/AIF-led resolution process.
 - ▶ Recommendations included creating platforms where banks can trade in bunched loan assets.
 - ▶ Committee suggested setting up of an AMC with an equity contribution from banks, foreign funds and infrastructure funds such as the National Infrastructure Investment Fund (NIIF). AMC could be set up under an existing Asset Reconstruction Company (ARC) like Arcil Ltd which is already promoted by banks.

34. ▶ Finance Ministry announced to keep interest rates on small savings schemes unchanged for July-September quarter. Interest rates are (in %)
- ▶ 5 yr Senior citizen Savings Scheme (paid quarterly) - 8.3
 - ▶ Meant for people above 60 years of age. Only one deposit, not exceeding Rs. 15 lakh, is allowed in this scheme. It is payable from date of deposit of March 31/ September 30/ December 31 in first instance and thereafter, interest is payable on March 31, June 30, September 30 and December 31.
 - ▶ Savings Deposits - 4
 - ▶ Public Provident Fund (PPF) - 7.6
 - ▶ A long-term investment option that offers benefits of EEE on income tax. EEE means that PPF returns are exempt from income tax, maturity amount is tax-free and main investment qualifies for a deduction under section 80C of Income Tax Act. Interest on PPF accounts is compounded yearly.
 - ▶ National Savings Certificate (NSC) - 7.6
 - ▶ NSC certificates can be purchased from post offices, with tenure of 5 to 10 years. NSCs offer benefits under Section 80C of Income Tax Act. Interest is compounded annually but paid on maturity.
 - ▶ Kisan Vikas Patra - 7.3
 - ▶ A Long-term savings plan that can be purchased from post offices. It can be encashed after 2.5 years. Interest is compounded annually. Amount invested doubles in 118 months.
 - ▶ Sukanya Samriddhi Account - 8.1
 - ▶ A legal guardian/ natural guardian, on behalf of a girl child, can open this account in post offices or banks. This account matures in 21 years after deposit of money for 15 years. This scheme gives a triple income tax benefit (no tax on amount invested, amount earned as interest and amount withdrawn). It is compounded and calculated on a yearly basis.
 - ▶ Term Deposit (1-5 years) - 6.6-7.4
 - ▶ 5 year Recurring Deposit - 6.9
35. ▶ Financial Firm Paytm acquired Chennai-based online ticketing platform *TicketNew*, owned by Orbgen Technologies, for approx \$40 million.
36. ▶ Financial Firm Paytm partnered with Japanese Investor SoftBank to launch a payments service in Japan, to be launched by SoftBank's joint venture company PayPal (with Yahoo Japan). It is aimed at increasing quantity of cashless payments in Japan, which are currently only 20 % of total transactions.
37. ▶ Financial Services Firm Paytm acquired Orbgen Technologies, entity that operates Chennai-based online ticketing platform TicketNew, in a bid to enhance its entertainment ticketing business.
38. ▶ Financial Services Firm Paytm acquired mobile technology startup Cube26, to help it build its consumer engagement products in areas of social and content. Cube26 works with handset manufacturers and combines its software capabilities with hardware.
39. ▶ Foreign direct investment in India grew at 5 year lowest rate of 3% in 2017-18 (total FDI USD 44.85 billion). Compared to FDI Growth of 8.67% in 2016-17, 29% in 2015-16 and 27% in 2014-15.
40. ▶ GST Council approved simplified return filing process, including measures like -
- ▶ One monthly Return.
 - ▶ Unidirectional Flow of invoices - Seller needs to upload unidirectional flow of invoices anytime during month. This would be valid document to avail input tax credit by buyer.
 - ▶ Simple Return design and easy IT interface.
 - ▶ No automatic reversal of credit - There will not be any automatic reversal of input tax credit from buyer's side on non-payment of tax by seller.
 - ▶ Due process for recovery and reversal will be carried out through a due process of issuing notice and order.
 - ▶ Transition - There will be a three stage transition in the new system.
 - ▶ Stage I will be the present system of filing of return GSTR 3B and GSTR 1. GSTR 2 and GSTR 3 shall continue to remain suspended.
 - ▶ In stage 2, new return will have facility to upload invoice-wise data and also for claiming input tax credit on self declaration basis.
 - ▶ Content of return and implementation - Return will be simplified by reducing amount of information required to be filled.
 - ▶ GST Council also approved to make GST Network (GSTN) a government body, with Govt. acquiring 51% stake, up from 49 % Currently.
41. ▶ Global ratings agency Fitch revised down its outlook on ICICI Bank and Axis Bank.

- ✎ It downgraded ICICI Bank's 'support rating' to '3', from '2', its support rating floor to 'BB+', from 'BBB-'.
 - ✎ Axis Bank's rating degraded to negative from stable, pointing to high proportion of NPAs.
42. ▶ Government announced that Prime Minister's Research Fellows (PMRF) Scheme will be open to all potential researchers from 2019 and not limited to candidates from IISc, IITs, NITs, IIST and IISERs. It was decided after Government failed to find adequate number of candidates for PMRF this year (Only 135 fellowships offered against 1000 positions).
- ✎ PMRF will be implemented for period of seven years beginning 2018-19 at total cost of Rs. 1650 crores.
 - ✎ B. Tech/Integrated M.Tech/M.Sc students streams will be offered direct admission in PhD programme in IITs/IISc. Selected students will be offered monthly fellowship of Rs.70,000 for first two years, Rs.75,000 for 3rd year and Rs.80,000 in 4th and 5th years.
 - ✎ Each selected fellow students will be also provided research grant of Rs.2.00 lakh for period of 5 years.
43. ▶ Government imposed safeguard duty of 25% on import of solar cells from China and Malaysia, to help domestic solar cell manufacturing sector.
44. ▶ Government reduced minimum yearly deposit required under girl child savings scheme *Sukanya Samridhi Yojana*, to Rs 250 from Rs 1,000 earlier.
- ✎ It was launched as a small savings scheme under Beti Bacho Beti Padho (BBBP) in January 2015. Under it, guardian of a girl child can open an account in her name until she attains age of 10 years. Deposits can be made up to 14 years from date of opening of account. Maximum investment amount on yearly basis is Rs 1.50 lakh.
 - ✎ Girl child can withdraw 50% of money after reaching age of 18 for higher education. It will get interest rate of 9.1%. Account will remain operative until girl child reaches 21 age.
45. ▶ Government simplified process for permission of Additional Fiscal Deficit Limit over and above 3 % of Gross State Domestic Product for States (GSDP). States will be eligible for flexibility of 0.25 % over and above this for any given year for which borrowing limits are to be fixed if their debt-GSDP ratio is less than or equal to 25 % in preceding year.
- ✎ States will be further eligible for an additional borrowing limit of 0.25 % of GSDP for which borrowing limits are to be fixed if interest payments are less than or equal to 10 % of revenue receipts in preceding year. Flexibility in either of the 2 options or both will be available only if there is no revenue deficit in current and immediately preceding year.
 - ✎ During 4th Meeting of Governing Council of NITI Aayog, States pointed-out that permission accorded by Department of Expenditure to eligible States were sometimes delayed due to bunching of proposals received from different States at different intervals into one consolidated approval. Government has henceforth decided to simplify process of approval of such additional borrowing limits requested by States.
46. ▶ Government will launch INR 500 crores Credit Enhancement Fund (CEF) in July 2018 to facilitate infrastructure investments by insurance and pension funds, as announced in Budget 2016-17. It also helps borrower to raise loans at lower interest rates. Initial corpus of INR 500 crores will be sponsored by IIFCL (India Infrastructure Finance Company).
- ✎ IIFCL will hold 22.5% stake in NBFC, while Asian Infrastructure Investment Bank (AIIB) has been offered by Government to pick up 10% stake.
 - ✎ At present, only \$110 billion is being invested in infrastructure in India, against requirement of \$200 billion, classifying India as a infrastructure deficit country.
47. ▶ HDFC Bank left past Russia's Sberbank to become most valuable bank in emerging market outside China. HDFC Bank's current market capitalisation is \$78.4 billion against Sberbank's \$74.4 billion.
- ✎ Chinese banks are leading in emerging market, with Industrial & Commercial Bank of China topping with market cap of \$273.4 billion.
 - ✎ Globally, America's JPMorgan Chase is most valuable with a market cap of \$353 billion, followed by Bank of America at \$282 billion.
 - ✎ four banks from India that rank among world's 500 most valuable companies. HDFC Bank is followed by Housing Development Finance Corporation (HDFC), Kotak Mahindra Bank and State Bank of India.
48. ▶ HDFC bank launched Digital Loans against Mutual Funds, in partnership with transfer agent CAMS. It aims to reach out to customers in tier 2 and 3 markets and bring them into the digital lending fold and reducing time for availability of loan through mutual funds. Ticket size of the loans will range from Rs 1 lakh to Rs 1 crore at an interest rate of 10.5 -11%.
49. ▶ Home Minister Rajnath Singh launched an Online Analytical Tool to facilitate closer monitoring of utilisation of foreign contributions, allowing to take evidence-based decisions regarding compliance of provisions of FCRA, 2010. Its dashboard will be integrated with the bank accounts of FCRA-registered entities through the Public Financial Management System for updation of transactional data on a real-time basis.
50. ▶ ICICI Venture sold its 30% stake in hospital chain Krishna Institute of Medical Sciences (KIMS) to General Atlantic for INR 850 crores.

51. ▶ ICICI bank launched its innovation lab for digital business, headed by Rohan Angrish. It aims to create technology from scratch and help better digital business. The innovation fund for this project with partnered concerns is INR 100 crores.
52. ▶ IDFC Bank received RBI's approval for merger of Capital First, Capital First Home Finance and Capital First Securities with Itself.
53. ▶ IIM-Ahmedabad's Centre for Innovation, Incubation and Entrepreneurship (CIIE) launched *Bharat Inclusion Initiative* to build knowledge and foster innovation and entrepreneurial activity across areas such as financial inclusion, livelihood, education and health. It will aim at channelizing \$25 million over 3-4 years.
54. ▶ Income Tax Department has launched an 'instant' Aadhaar-based PAN (Permanent Account Number) allotment service for individuals, who requires unique identification number for the first time.
55. ▶ Income Tax Department launched New Benami Transactions Informants Reward Scheme, to get people's participation in Department's efforts to unearth black money and reduce tax evasion.
 - ▶ Under this, a person can get reward up to 1 crores for giving specific information in prescribed manner to Income Tax Department about benami transactions and properties, which are actionable under Benami Property Transactions Act 1988, as amended by Benami Transactions (Prohibition) Amendment Act 2016. Identity of persons giving information will not be disclosed.
 - ▶ Giving details about undisclosed black money stashed abroad could fetch the informer up to INR 5 crores.
56. ▶ India GDP Growth Forecasts (June 2018) -
 - ▶ World Bank forecasted growth rate of 7.3 % for India in 2017-18 and 7.5 % for next two years, making it fastest growing country.
 - ▶ Fitch predicted India's growth forecast to 7.3% for FY'18, 7.4% for FY'19 & 7.5% for FY'20.
57. ▶ India Post Payments Bank (IPPB) will go live with 650 branches in addition to 3,250 access points co-located at post offices in August 2018.
 - ▶ IPPB was incorporated in August 2016, with 100% Government of India equity.
 - ▶ IPPB also has been given permission to link around 170 million postal savings bank (PSB) account with its account.
 - ▶ IPPB will offer interest of 4.5% on deposits up to 25,000, 5% on deposits of 25,000-50,000 and 5.5% on 50,000-100,000
58. ▶ India became world's 6th biggest economy, pushing France into 7th place, according to updated World Bank figures for 2017.
 - ▶ India's gross domestic product (GDP) amounted to \$2.597 trillion at end of last year, against \$2.582 trillion for France.
 - ▶ Top 10 Economies are (Trillion USD) - USA (19.39), China (12.24), Japan (4.87), Germany (3.68), UK (2.62), India (2.59), France (2.58), Brazil (2.07), Italy (1.93), Canada (1.65)
 - ▶ In terms of Per Capita Income, India has \$1940 Annual Per Capita Income.
59. ▶ India signed \$500 million loan agreement with World Bank to provide additional financing for Pradhan Mantri Gram Sadak Yojana (PMGSY) Rural Roads Project. Govt. will build 7,000 km of climate resilient roads, out of which 3,500 km will be constructed using green technologies.
60. ▶ India signed a loan agreement worth \$ 200 million with World Bank for National Nutrition Mission (POSHAN Abhiyaan), to help reduce stunting in children 0-6 years of age from 38.4% to 25% by 2022. POSHAN (PM's Overarching Scheme for Holistic Nourishment) Abhiyaan was launched by PM Modi on 8th March 2018 at Jhunjhunu (Rajasthan).
61. ▶ India signed a loan agreement worth USD 21.7 Million with World Bank's IBRD (International Bank for Reconstruction and Development) for Strengthening of Public Financial Management in Rajasthan.
62. ▶ India will provide tariff concessions on 3,142 products to Asia Pacific Trade Agreement (APTA) members, from July 2018, as per results of fourth round of negotiations under APTA. With this, coverage of preferences of total tariff lines for each member will come of 10,677 tariff lines (up from 4,270 items at conclusion of 3rd Round).
 - ▶ APTA is an initiative under United Nations Economic and Social Commission for Asia and Pacific (UN ESCAP) for trade expansion through exchange of tariff concessions among developing country members of Asia Pacific Region.
63. ▶ India's National Stock Exchange signed agreement with USA's Nasdaq for a suitable platform and technology backbone to effectively tap post-trade delivery capabilities.
 - ▶ Earlier, NSE's current clearing and settlement system operated by National Securities Clearing Corporation Limited (NSCCL). Under new agreement, Nasdaq will deliver a customised real-time clearing, risk management and settlement technology to NSE.
64. ▶ Indian GDP Growth Forecasts (July 2018) -
 - ▶ International Monetary Fund (IMF) has cut India's GDP growth forecast by 10 basis points to 7.3% in 2019 and by 30 basis points to 7.5% in 2020. India still remains fastest growing country among major economies in 2018-19 and 2019-20.
 - ▶ Asian Development Bank stated that India will remain fastest growing economy, with 7.3 % growth in 2018-19 and 7.6 % in 2019-20.
 - ▶ Organisation for Economic Cooperation and Development (OECD) predicted India's economic growth will rise to 7.4% in 2018 and 7.5% in 2019. China's GDP growth is projected to moderate to 6.7% in 2018 and to 6.4% in 2019.
 - ▶ FICCI (Federation of Indian Chambers of Commerce and Industry) predicted India's economic growth at 7.5 % in FY 2018-19.

65. ▶ Indian GDP Growth Forecasts (May 2018) -
- ▶ According to Fitch group company BMI Research, Indian GDP Growth will be 7.3% in FY 2018-19.
 - ▶ As per Harvard University (USA), India will be fastest growing economy for coming decade and will grow at 7.9% annually, ahead of China & US.
 - ▶ Asian Development Bank Projected India's Growth Rate to be 7.3 % in 2018 & 7.6 % in next Fiscal, higher than 6.6 % in 2017.
 - ▶ International Monetary Fund (IMF)'s Asia and Pacific Regional Economic Outlook report stated that India will be fastest-growing economy in 2018 with growth rate of 7.4%. It will rise to 7.8% in 2019. Report also said that China and India contribute 45% to global growth.
 - ▶ According to UN World Economic Situation and Prospects (WESP), India's economy is projected to grow 7.6% in 2018-19.
 - ▶ Confederation of Indian Industry (CII) expects India's economy to grow at 7.3-7.7 % in 2018-19.
 - ▶ Moody's Investors Service report predicted India's GDP growth forecast for 2018-19 at 7.3% and 7.5% for 2019-20.
66. ▶ Indian IT Firm HCL Technologies acquired German IT services provider H&D International Group, one of largest IT service providers in German automotive industry.
67. ▶ Indian IT Firm Infosys acquired WongDoody Holding Company, a US-based digital creative and consumer insights agency, for \$75 million.
68. ▶ Indian Oil Corporation emerged as India's most profitable state-owned company for 2nd consecutive year, with profit of INR 21346 crores in 2017-18, followed by ONGC (19945 crore). Mukesh Ambani-led Reliance Industries is most profitable company for 3rd straight year (INR 36075 crores).
69. ▶ India's fiscal deficit in FY 2017-18 stood at 3.53% of GDP (in line with revised estimates). India revised its fiscal deficit target in February 2018 to 3.5% of GDP from 3.2% projected earlier. In FY 2018-19, aim is to trim deficit to 3.3% of GDP. Shortfall for 2017-18 was 5.9 trillion (6 Lakh Crores INR).
70. ▶ Insurance Regulatory and Development Authority of India (IRDAI) approved Life Insurance Corporation (LIC) to acquire a majority stake in IDBI bank, taking LIC's stake in IDBI bank to 51%, injecting 10,000-13,000 crores.
71. ▶ Iran overtook Saudi Arabia to be 2nd largest supplier of crude oil to Indian public sector firms during 1st Quarter of this fiscal (April-June 2018). Top 3 Crude Oil suppliers to India are -
- ▶ Iraq - 7.27 million tonnes
 - ▶ Iran - 5.67 million tonnes
 - ▶ Saudi Arabia - 5.22 million tonnes
72. ▶ Jana Small Finance Bank launched its commercial banking operations, being last microfinance company to convert itself into a small finance bank (SFB), 3 years after Reserve Bank of India (RBI) gave its approval. It was earlier called Janalakshmi Financial Services. About Small Finance Banks -
- ▶ Existing non-banking financial companies (NBFC), microfinance institutions (MFI) and local area banks (LAB) can apply to become small finance banks.
 - ▶ Minimum net worth Required is INR 100 Crores.
 - ▶ 75% of its net credits should be in priority sector lending and 50% of the loans in its portfolio must in 25 lakh (US\$38,000) range.
 - ▶ Promoters stake will be at least 40% initially but must be brought down to 26% in 12 years.
 - ▶ At net worth of INR 500 crores, listing will be mandatory within 3 years. SFBs with net worth under 500 crores could also get their shares listed voluntarily.
 - ▶ It shall be required to maintain a minimum capital adequacy ratio of 15 % of its risk weighted assets (RWA) on a continuous basis.
73. ▶ Karnataka Bank will sell 8.26 % stake (from total 14 % stake) in Universal Sampo General Insurance.
74. ▶ Karnataka Budget 2018 - 19, Presented by new CM H. D. Kumaraswamy (Janata Dal) -
- ▶ Announced a partial farm loan waiver of over 34000 crores, which will benefit those farmers whose borrowings are less than Rs 2 lakhs. Farmers who repaid loan within time will be credited the repaid loan amount or 25000 whichever is less.
 - ▶ Several Taxes have been hiked, to make up for expenses due to the loan waiver -
 - ▶ Tax on Petrol hiked from 30 to 32 %, resulting in hike of INR 1.14 per litre in Petrol Prices.
 - ▶ Tax on Diesel hiked from 19 to 21 %, resulting in hike of INR 1.12 per litre in Diesel Prices.
 - ▶ Additional INR 1000 Crores Excise revenue targeted by hiking taxes by 4% in all 18 different slabs of Liquor.
 - ▶ Tax on electricity hiked from 6 to 9 %.
75. ▶ Kerala Government launched microfinance programme in co-operative sector, named *Muttathe Mulla*, to help ordinary people being exploited by private financiers charging exorbitant interest rates for loans. It is a joint initiative of cooperative banks and women neighbourhood network *Kudumbashree*. Under this, Cooperative banks would give micro-finance loans to 'Kudumbashree' at an interest

rate of 7 %, which members of neighbourhood network can avail at an interest rate of 12 % instead of 37-72% interest that private lenders charge.

76. ▶ Kerala government decided to cut excise duty on fuel to effect a INR 1 per litre reduction in petrol and diesel prices, starting June 1. Kerala is first state to slash taxes on fuel after recent huge rally in prices.
77. ▶ Kerala is first south Indian state to be visited by 15th Finance Commission, headed by N K Singh. It will assess finances of Kerala and progress made in socio-economic field and other developmental factors.
78. ▶ Kotak Securities Limited launched *Free Intraday Trading*, to allow traders to do intra-day trading without paying any brokerage per trade. Intraday trading refers to buying and selling a security on same day.
79. ▶ Maharashtra government will provide financial grant of 1,000 rupees per quintal to farmers whose tur and gram could not be purchased by administration before May 31 deadline. State government had set up tur procurement target of 44.6 lakh quintals.
80. ▶ Manila (Philippines) based Asian Development Bank approved \$375 million loan to improve irrigation in Madhya Pradesh and help increase farmer's income. Total cost is \$535.1 million and rest \$160.71 million will be given by government. Estimated time of completion is September 2025, doubling irrigated to 2 million hectares land by 2025.
81. ▶ Ministry of Commerce and Industry created Directorate General of Trade Remedies (DGTR) in Department of Commerce, by amending Allocation of Business Rules 1961.
 - ▶ DGTR will be apex authority for administering trade remedial measures including anti-dumping, countervailing duties and safeguard measures. It will merge Directorate General of Anti-dumping and Allied duties (DGAD) AND Directorate General of Safeguards (DGS).
 - ▶ It will provide trade defence support to our domestic industry and exporters in dealing with increasing instances of trade remedy investigations instituted against them by other countries. Creation of DGTR will result in savings of 49 posts to Government on account of merging DGAD and DGS. Thus, its establishment will be in line with Government's goal of "Minimum Government Maximum Governance."
82. ▶ Ministry of Corporate Affairs released draft on cross-border insolvency in order to strengthen Insolvency and Bankruptcy Code (IBC). It will help banks access overseas assets of company undergoing resolution.
 - ▶ Existing IBC provides for two Sections related to cross border insolvency (Section 234 and 235), which are inadequate to effectively deal with default cases of domestic corporate debtor having assets and operations outside India.
 - ▶ Existing provisions only allow Central government to enter into agreement with foreign country for enforcing provisions of Code.
 - ▶ Draft norms have been issued to plug these loopholes and have any effective resolution mechanism in place for cross-border insolvency.
83. ▶ Ministry of Electronics and Information Technology (MeitY) will launch credit rating model a new system to assist banks in assessing credit risk and probability of fraud using big data analysis.
 - ▶ This will help banks, particularly rural and cooperative banks, tackle issue of rising non performing assets (NPAs). Currently, rural and cooperative banks depend on judgement of bank manager, resulting in high NPAs and frauds.
 - ▶ It will also help in predicting different types of frauds in banking sector based on RBI guidelines. Besides, a web-enabled software is also being tested to assist banks to easily adopt models for credit rating, NPAs and fraud. Validation of these models has been done using data from several banks.
84. ▶ Mobile infrastructure company Bharti Infratel got Competition Commission of India (CCI) approval for merging its operations with Indus Towers, valued at 71500 crores. It will create one of largest mobile tower entities worldwide with 1.63 lakh towers in all 22 telecom circles.
85. ▶ Mukesh Ambani-led Reliance Industries acquired Radisys Corporation, a US-based open telecom platform solutions provider for \$75 million (Rs 510 crores).
86. ▶ Mukesh Ambani-led Reliance Jio overtook Vodafone India to become 2nd largest carrier by revenue in India, with adjusted gross revenue (AGR) of 6,217 crore in March quarter compared to Vodafone's 4,937 crores. Bharti Airtel is at top with AGR INR 7087 crores.
87. ▶ Multi Commodity Exchange of India Limited (MCX) launched India's first copper options contracts, to provide physical market participants additional instrument to hedge their price risk. It has lot size of 1 tonne in three contracts expiring in June, August and November 2018.
 - ▶ Copper is third-most-consumed industrial metal, after iron and aluminium. In last few years, refined copper demand has surged in sectors like electrical, electronic products and industrial machinery.
 - ▶ Copper ore production in India was 3846 thousand tonnes in 2016-17 and demand for refined copper was 820 thousand tonnes in FY16.
 - ▶ *Options* give buyer right to buy or sell an underlined at present price on a future date. They are of two types: puts (right to sell) and calls (right to buy). Options are a better hedging instrument as compared to futures for hedgers.

- ▶ Copper options contracts will be optimal tool for stakeholders to mitigate price risk in copper, giving copper industry greater flexibility to take on price risk.
- 88. ▶ NMDC and NLC India will invest over USD 26 million for setting up an R&D facility for developing innovative technologies in iron and steel making. Australian Securities Exchange, India's Neyveli Lignite Corporation (NLC) and NMDC will sign Master Project Agreement (MPA) with ECT to establish world's first Australian-designed Coldry and Matmor plant in Tamil Nadu.
- 89. ▶ National Bank for Agriculture and Rural Development (NABARD) launched Centre for Climate Change in Lucknow (Uttar Pradesh), as first of its kind centre in South East Asia.
- 90. ▶ National Cooperative Development Corporation (NCDC) sanctioned INR 5000 crores for Rajasthan government farm loan waiver, To help waiver loans of small and marginal farmers.
- 91. ▶ National Stock Exchange (NSE) approved Yes Bank to be empanelled as 'Settlement Bank' for National Securities Clearing Corporation (NSCC). Yes Bank is already empanelled as a 'Clearing Bank' for BSE, NCDEX, MCX. Bank now will provide different services to members, including Settlement and Clearing, electronic fund transfer and 'anywhere' banking and free of cost fund transfer across all centres of NSE's members.
- 92. ▶ Oil and Natural Gas Corporation (ONGC) exited its helicopter service provider Pawan Hans by selling its entire 49% stake. Rest 51 % is held by government, which is already on offer for sale.
- 93. ▶ Paytm Payments Bank launched a program named *AshaKiran* aimed at educating rural women about financial services.
- 94. ▶ President Ram Nath Kovind approved promulgation of Insolvency and Bankruptcy Code (Amendment) Ordinance 2018, bringing changes in Insolvency and Bankruptcy Code 2016, affecting mainly real estate and financial sectors. Notable changes are -
 - ▶ Homebuyers will be Recognized as Financial Creditors, giving them due representation in Committee of Creditors (CoC).
 - ▶ Promoters of MSMEs will be allowed to bid for their companies as long as they are not wilful defaulters. This corrects anomaly in section 29A of existing act that barred promoters of defaulting assets from bidding for their assets.
 - ▶ Withdrawal of Insolvency Application will be permitted only if it is approved by 90% vote share of CoC. CoC voting threshold has been brought down to 66 % from 75 % for all major decisions.
 - ▶ Other provisions -
 - ▶ Addresses some issues such as non-entertainment of late bids, no negotiation with the late bidders and a well laid down procedure for maximizing value of assets.
 - ▶ Exempts pure play financial entities from being disqualified on account of NPA and NPA acquired under Insolvency Code shall not disqualify an entity for the next three years.
 - ▶ Successful resolution applicants will get a minimum one-year grace period to fulfill various statutory obligations.
 - ▶ It also addresses much litigated issue of enforcement of guarantees.
- 95. ▶ Private Sector Lender ICICI Bank reported a net loss of INR 120 crores for Q1 of 2018 (Apr - June), on account of rising bad loans and treasury losses. This is the first time that ICICI bank has reported losses from its India operations. Bank's gross non-performing assets (NPAs) rose to 53,464 crores (8.81% of total advances).
- 96. ▶ Punjab National Bank reported net loss of Rs 13412 crores for Q4 quarter ending March 2018, as Biggest ever quarterly loss for any bank in Indian Banking History. It has been mainly due to provisions towards bad loans, and being badly hit by Nirav Modi led scam that has cost PNB INR 14357 crores, through unauthorised letters of undertaking and domestic loans.
 - ▶ India's Biggest Bank State Bank of India (SBI) also reported record losses of INR 7718 crores in January-March quarter, mainly due to higher provisions for bad loans. All public sector banks have posted huge losses for concerned period due to NPA issues.
- 97. ▶ RBI allowed Bank of China to operate in India, becoming 2nd Chinese bank to operate in India, after Industrial & Commercial Bank of China that began Indian Operations in Jan 2018. UK's Standard Chartered has highest, 100 branches in India as of now, among all foreign banks in India.
- 98. ▶ RBI changed eligibility conditions of priority sector lending -
 - ▶ Previous eligibility Changed eligibility From 28 lakh (for metropolitan cities) To 35 lakh AND From 20 lakh (for other centres) To 25 lakh. These changes are valid till overall cost does not exceed 45 lakh for metropolitan and 30 lakh for other centres.
 - ▶ Existing limit of family income of 2 lakh per annum has been changed to to 3 lakh per annum for economically weaker group and 6 lakh for low income groups.
- 99. ▶ RBI conducted Financial Literacy Week from June 4 on theme 'Customer Protection'. Last year's theme of the week was, 'Know Your Customer'.
- 100. ▶ RBI eased investment norms for foreign portfolio investors (FPIs) in debt, to attract more overseas flows and arrest recent fall in rupee on one hand and also lift recent fall in demand for corporate bonds.

- ✎ Corporate bond segment - FPIs are permitted to invest in corporate bonds with minimum residual maturity of above 1 year. The short-term investments in corporate bonds by an FPI shall not exceed 20% of total investment of that FPI in corporate bonds. residual maturity up to 1 year.
 - ✎ Government securities (G-secs) - FPIs cap on investment in Government securities (G-secs) has been increased to 30% of outstanding stock of that security, from 20% earlier. FPIs were allowed to invest in government bonds with minimum residual maturity of three years.
 - ✎ FPIs are permitted to invest in G-secs, including treasury bills (T-bills), and SDLs without any minimum residual maturity requirement. However, it will be subject to condition that short-term investments (*residual maturity up to 1 year*) by FPI under either category shall not exceed 20% of total investment of that FPI in that category. Short-term investments by an FPI may exceed 20% of total investments, only if investments are entirely made on or before April 2018, and not made after it.
101. ▶ RBI imposed penalty of INR 5 crores on South Indian Bank (SIB) for non-compliance with its directions on Income Recognition and Asset Classification (IRAC) norms, Know Your Customer (KYC) norms and treasury function.
102. ▶ RBI made PAN mandatory for remitting money abroad under Liberalised Remittance Scheme (LRS). Earlier PAN was not insisted upon for putting current account transactions of up to \$25,000. Under LRS, foreign remittances of upto USD 2,50,000 annually are allowed by resident individuals.
103. ▶ RBI made changes in Gold Monetisation Scheme (GMS) to make it more attractive -
- ✎ RBI allowed customers to deposit the gold in a broken time period where short term period of 1-3 years can be broken to 1 year 3 months , 2 years 3 months 15 days etc. Medium Term Period (5-7 years) and Long Term Period (12-15 years) can be broken as well. Interest rate is calculated as per number of years and remaining days.
 - ✎ For pre-mature retrieval of Medium and Long term the amount would be in INR while 0.2% in INR would be deducted as administrative charges upon redemption in gold form.
 - ✎ Interest for Medium and Long term can be calculated as per amount of gold in terms of rupees during at time of deposit.
 - ✎ Interest rate vary from 2.25% to 2.5%.
104. ▶ RBI made it compulsory to incorporate purchaser's name on face of payment instrumens like demand draft, pay order, banker's cheques and other instruments to prevent money laundering. This directive will come into effect from 15th of September 2018.
105. ▶ RBI modified norms (that were set up in 2015) for setting up International Financial Services Centres (IFSC) Banking Units (IBUs) by banks in IFSCs, applicable to IBUs set up in Gujarat International Finance Tec-City (GIFT) and other IFSCs to be set up in India.
- ✎ It has been mandated for parent bank to maintain at all times minimum capital of US \$ 20 million to its IBU.
 - ✎ Parent bank will be also required to provide Letter of Comfort for extending financial assistance, in form of capital support to IBU.
106. ▶ RBI narrowed definition of relatives under the 'maintenance of close relative' category of Liberalised Remittance Scheme (LRS) to check outflow of funds and prevent misuse of facility. Henceforth, funds under LRS can be sent only to immediate relatives such as parents, spouses, children and their spouses.
- ✎ Earlier in June 2018, RBI had made PAN mandatory for anyone using LRS for remitting money outside the country. Earlier PAN was not insisted upon for putting current account transactions of up to \$25,000.
 - ✎ Under LRS, foreign remittances of upto USD 2,50,000 annually are allowed by resident individuals.
107. ▶ RBI released draft guidelines to make rules stricter for larger borrowers to borrow working capital from banks. It specifies a minimum level of loan component in fund based working capital finance and a mandatory Credit Conversion Factor (CCF) for undrawn portion of cash credit availed by large borrowers.
- ✎ Cash Credit is a facility by banks in which, a company can withdraw an amount more than what it holds to its credit against security. It posses regulatory challenges such as rollovers, diffusion of liquidity management from borrowers to banks, and hindering of smooth transmission of monetary policy.
 - ✎ Minimum level of 'loan component' - Borrowers having aggregate fund based working capital limit of 150 crore and above, need to withdraw a minimum of 40 % of limit as loan component and remaining as cash credit, from October 1, 2018.
 - ✎ Ground rules for sharing of cash credit and loan components will be laid down by consortium, subject to guidelines on bifurcation.
 - ✎ Amount of Working Capital Demand Loan (WCDL) will be fixed by banks, and tenure of shall not be less than seven days.
 - ✎ Banks will have discretion to demand repayment of 'loan component' in instalments or by way of a 'bullet' repayment.
 - ✎ Undrawn portion of cash credit / overdraft limits sanctioned will attract a credit conversion factor of 20 % from April 1, 2019.
 - ✎ Current 40 % loan component will be revised to 60 % from April 1, 2019.
108. ▶ RBI released final guidelines prescribing 100 % net stable funding ratio (NSFR) for banks aimed at maintaining adequate liquidity for more resilience.

- NSFR is a long-term liquidity measurement included in Basel III liquidity standards. It is amount of available stable funding (ASF) relative to amount of required stable funding (RSF).
 - RBI's 100 % NSFR guideline requires banks to fund their activities with more stable sources of funding on an ongoing basis.
 - RBI notified that NSFR would be applicable for Indian banks at stand-alone as well as consolidated level. For foreign banks operating as branches in India, the framework would be applicable on stand-alone basis (i.e., for Indian operations only).
- 109. ▶ RBL Bank raised its stake in Swadhaar Finserve Pvt. Ltd to 100% from 60.48%, buying stake from US-based non-profit Accion.
- 110. ▶ Reliance Industries (RIL) and JM Financial Asset Reconstruction Company (JMF ARC) submitted proposal to acquire bankrupt textile company Alok Industries, for INR 5000 Crores, of which lenders will receive 4000 Crores, out of total 29500 Crores that Alok Industries owes to its creditors.
- 111. ▶ Reliance Industries Chairman Mukesh Ambani became Asia's richest person, (replacing Chinese e-commerce company Alibaba Co-founder Jack Ma). Mr. Ambani's net worth stands at \$44.3 billion.
- 112. ▶ Reliance Industries Limited (RIL) MD Mukesh Ambani launched its fiber to the home (FTTH) broadband service - *JioGigaFiber* and Jio phone 2 (Priced 2999).
 - JioGigaFiber is Reliance Industries' foray into broadband market of country. It will be rolled out from Aug 15, 2018 and will offer Minimum 100 MBPS speed. It is expected to bring competition in broadband sector which does not have many big players.
 - Reliance Industries is India's Most profitable and largest Tax Payer in private sector (Goods and Services Tax (GST), Excise and Customs Duty, and Income Tax), paying 9844 crores in FY18 as Tax.
 - Shareholders of Reliance Industries also approved Mukesh Ambani as Chairman and Managing Director for another 5 years.
- 113. ▶ Reserve Bank of India (RBI) announced changes in Monetary Policy Rates. New Rates are -
 - New Rates -
 - Repo Rate - 6.25 % (Increased from 6 %)
 - Reverse Repo - 6.00 %
 - Bank Rate - 6.50 %
 - Marginal Standing Facility (MSF) Rate - 6.50 %
 - Unchanged Rates -
 - CRR (Cash Reserve Ratio) - 4 %
 - SLR(Statutory Liquidity ratio) - 19.5 %
 - 6 member monetary policy committee (MPC) of RBI is headed by RBI Governor Urjit Patel. In this meeting, RBI also decided to allow voluntary transition of Urban Co-Operative Banks (UCB) into Small Finance Banks (SFB). It is an outcome of recommendations made by Committee on Urban Cooperative Banks in August 2015 headed by Former RBI Deputy Governor R Gandhi. Panel recommended converting UCBs with business size of 20000 crores into regular banks in a bid to propel their growth.
 - RBI proposed setting up of Board of Management (BoM) in all Urban Co-operative Banks (UCBs) having deposits of over 100 crores within one year, to strengthen governance.
- 114. ▶ Reserve Bank of India (RBI) announced to buy 10000 crores INR of government bonds via open market operation (OMO), after failing to sell all debt it had offered to bidders, yielding 7.75%. Participants should submit their offers on RBI Core Banking Solution (E-Kuber) system.
- 115. ▶ Reserve Bank of India (RBI) will set up a Public Credit Registry (PCR) as a repository of information regarding loan information of individuals and corporate borrowers, as per recommendations of Y.M. Deosthalee committee. Committee Recommendations -
 - RBI should set up a Public Credit Registry and this should be backed by a legal framework. PCR will work as a repository of all loan contracts, duly verified by reporting institutions for all / any lending in India, regardless of amount of loan.
 - PCR should also capture data such as external commercial borrowings, market borrowings and should provide an holistic picture about borrower's indebtedness. Borrowers should also be able to access their own history.
 - PCR data will be available to all stakeholders such as banks on a need-to-know basis. The database should also be linked to defaulter databases such as those maintained by Export Credit Guarantee Corp, GST network etc.
- 116. ▶ Reserve Bank of India cancelled licence of Alwar Urban Co-operative Bank in Alwar (Rajasthan), due to irregularities in functioning.
- 117. ▶ Reserve Bank of India will shortly issue INR 100 denomination banknotes with lavender as base colour in Mahatma Gandhi (New) series, with motif of 'Rani Ki Vav' (the queen's stepwell located at Patan, Gujarat). Dimension of new note will be 66 mm×142 mm.
- 118. ▶ Retirement fund body Employees' Provident Fund Organisation (EPFO) launched *View Pension Passbook* Service for pensioners on Umang App (Unified Mobile Application for New-age Governance), to allow them view their pension passbook on mobile phones.
- 119. ▶ SEBI approved merger of Bharti Airtel and Indus Towers, to create largest mobile tower operator in world outside China. It will have over 163,000 towers across 22 telecom service areas in India.

- ▶ Bharti Airtel and Vodafone will jointly control combined company, with Vodafone having 29.4 % Airtel will have 37.2 %. Indus Towers is valued at INR 71500 crores.
- 120. ▶ Securities and Exchange Board (SEBI) approved amendments to buyback and takeover regulations and changed time for announcing price band of initial public offering (IPO) from 5 to 2 days, based on suggestions made by regulator's Primary Market Advisory Committee (PMAC).
- 121. ▶ Securities and Exchange Board of India (SEBI) constituted expert Group to look into existing Institutional Trading Platform (ITP) framework and suggest measures to facilitate listing of startups. Group will look into existing ITP framework and suggest measures to facilitate listing of startups.
 - ▶ ITP framework is window on stock exchanges where e-commerce, data analytics, bio-technology and other startups can list and trade on their shares. It allows companies to list without necessarily doing an Initial Public Offer (IPO) of equity. SEBI introduced it in 2013 to facilitate listing of new age companies, but it failed to gain any traction.
 - ▶ ITP facilitates capital raising by start-up companies which are in their early stages of growth. It provides easier entry and exit options for investors like angel investors, Venture Capital Funds (VCFs) and Private Equities (PVs) etc.
 - ▶ It also provide better visibility and wider investor base.
- 122. ▶ Securities and Exchange Board of India (Sebi) constituted an expert committee to recommend suitable framework to allow direct listing of Indian companies on overseas exchanges while allowing overseas companies to list directly on Indian exchanges.
 - ▶ Currently, Indian companies can only use depository receipts route – Global Depository Receipts (GDR) or American Depository Receipts (ADR) – to list on overseas exchanges.
 - ▶ Similarly, foreign companies can access Indian capital markets only through Indian Depository Receipts (IDRP) for listing of equities.
 - ▶ Sujit Prasad is convener of the committee.
- 123. ▶ Several Indian public and private banks started new AI technologies, to improve operational efficiency.
 - ▶ SBI -
 - ▶ SBI Intelligent Assistant (SIA) - A smart chat assistant that efficiently resolves queries of NRI customers .
 - ▶ Innovation Centre - Will explore AI Robotic Process Automation (RPA) to make banking process more efficient.
 - ▶ Credit card issuer SBI Card also launched ELA' (Electronic Live Assistant), a virtual assistant for customer support and services.
 - ▶ Bank of Baroda -
 - ▶ Baroda Brainy - artificial intelligence robot.
 - ▶ Digital Lab - hi-tech digital branch equipped with advanced gadgets.
 - ▶ Allahabad Bank -
 - ▶ emPower app - App will have Chatbot and artificial intelligence based e-commerce payments.
- 124. ▶ Small Industries Development Bank of India (SIDBI) and Common Service Centres (CSC) Special Purpose Vehicle (SPV) signed MoU for providing financial support village level entrepreneurs (VLEs) in CSCs. SIDBI will extend financial support to VLEs of CSCs, with minimum one year of operation, under its Direct Financing Window.
 - ▶ CSC SPV will approve list of VLEs, within 25 km distance of SIDBI Branch Offices. Maximum project outlay must be 3.50 lakh and term loan requirement not exceeding 2 lakh per project.
- 125. ▶ Swedish caller ID service Truecaller acquired Kerala-based payments startup Chillr, marking its first acquisition in India. Founded in 2014, Chillr lets users send money directly between bank accounts using mobile numbers.
- 126. ▶ Task Force on Shell Companies was set up in February 2017 to check the menace of companies indulging in illegal activities including facilitation of tax evasion and commonly referred to as 'Shell Companies'.
 - ▶ Task Force has most notably compiled a database of shell companies by SFIO. This database comprises of 3 lists - Confirmed List (16537 entries), Derived List (16739 entries) and Suspect List (80670 entries).
 - ▶ During FY 2017-18, Registrars of Companies (ROCs) removed names of 226166 companies (under Section 248 of Companies Act 2013), which had not filed their Financial Statements for continuous 2 years. Also, 309619 directors were disqualified.
 - ▶ To help genuine corporates in regularizing their pending returns, Condonation of Delay Scheme 2018 was brought. It was effective from 1-01-2018 to 1-05-2018. Total 13,993 companies benefitted from the scheme.
 - ▶ For 2nd drive to be launched during FY 2018-19, total 225910 companies have been identified for being struck-off, along with 7191 LLPs for action under section 75 of LLP Act 2008, due to non-filing of financial statements for 2015-16 and 2016-17.
- 127. ▶ Tata Consultancy Services (TCS) became first Indian company to reach 7 lakh crores INR market capitalisation. It is followed by Reliance Industries (5.8 Lakh crores), HDFC Bank (5.2 Lakh crores), HUL (3.4 Lakh crores) and ITC (3.3 Lakh crores).

128. ▶ Tata Steel and German steel giant Thyssenkrupp will set up a 50:50 joint venture, to be called as *Thyssenkrup Tata Steel BV*. It will be second-largest steelmaker in European steel sector after Lakshmi Mittal's Arcelor Mittal.
129. ▶ Tata Steel's subsidiary Bamnival Steel Ltd (BNPL) acquired 72.65 % stake in Bhushan Steel Ltd (BSL) for Approx INR 36400 crores. It will help banks recover NPAs amounting to over 36,000s crore. Tata Steel acquired 79 crore share at Rs 2 each. It was finalised under Corporate Insolvency Resolution Process (CIRP) of Insolvency and Bankruptcy Code 2016 (IBC).
130. ▶ Tax departments, Central Board of Direct Taxes (CBDT) files appeals in ITAT (Income Tax Appellate Tribunal) while Central Board of Indirect Taxes and Customs (CBIC) files appeals in CESTAT (Customs, Excise and Service Tax Appellate Tribunal) and also in High Courts and Supreme Courts. Under new limits -
- ▶ CBDT and CBIC can file appeals in ITAT/CESTAT only if tax amount involved is Rs 20 lakh or more, up from Rs 10 lakh.
 - ▶ Appeals can be filed in High Courts if tax amount involved in litigation is Rs 50 lakh (up from Rs 20 lakh at present).
 - ▶ For appeals in Supreme Court, threshold is hiked to 1 crore (from Rs 25 lakh at present).
131. ▶ US government arm Overseas Private Investment Corporation (OPIC) has given USD 5 million loan to Grameen Impact Investments to support domestic small and medium enterprises. The financing to *Grameen Impact*, a non-banking financial company, comes through IndusInd Bank in the form of a loan guarantee agreement.
132. ▶ US retail giant Walmart acquired 77% stake in India's largest online retailer Flipkart for \$16 billion. It will be India's largest acquisition and world's biggest purchase of an ecommerce company.
- ▶ It will include \$2 billion of fresh investment, pegging value of Flipkart at \$22 billion.
 - ▶ Flipkart cofounder Sachin Bansal exits with approx INR 7000 Crores Cash, while other cofounder Binny Bansal will remain on board.
133. ▶ Western Railway (WR) has launched E-catering facility on 23 major stations, to enable passengers to pick a food item from wide range of menu from wide range of restaurants and food chains.
134. ▶ World Bank approved Ministry of Water Resources, River Development and Ganga Rejuvenation's *Atal Bhujal Yojana (ABHY)*, with INR 6000 crores Expenditure. It is to be implemented from 2018-19 to 2022-23, with World Bank assistance. It aims to address criticality of ground water resources in a major part of country. Priority areas are Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh. Scheme is expected to benefit nearly 8350 Gram Panchayats in 78 districts in these states.
- ▶ Funds will be provided to states for strengthening ground water governance and encourage community involvement for improving ground water management.
 - ▶ Scheme will have several positive outcomes like better understanding of ground water regime, focused community based approach for addressing issues related to ground water depletion, adoption of efficient water use practices to reduce ground water use for irrigation.
135. ▶ World Bank group member International Finance Corporation (IFC) invested \$100 million in Mahindra & Mahindra Financial Services Ltd. (M&M), To give financial assistance to small and medium enterprises.
136. ▶ World Bank's International Bank for Reconstruction and Development (IBRD) extended \$300 mn loan to EESL to scale up energy efficiency program (2 loans for \$220 million and \$80 million).
- ▶ India Aims to avoid lifetime greenhouse emissions of 170 million tonnes of CO₂ and 10GW of additional generation capacity. This would be over 50 percent of the National Mission for Enhanced Energy Efficiency target of 19.6 GW.
137. ▶ YES Bank will roll out a capacity building project with farmers in Haryana and Rajasthan under its 'Livelihood and Water Security' CSR initiative, aiming at sustainable agricultural practices and digital literacy.
138. ▶ Yes Bank launched *Agenda 25x25*, a framework aimed at creating a synergetic startup environment for budding women entrepreneurs in India.
- ▶ Agenda 25X25 is geared towards ensuring that by 2025, at least 25% of all entrepreneurs in India are women.
139. ▶ Yes Bank launched a new deposit scheme as first of many green retail products to be launched by bank. Bank aims to fetch INR 1000 crores through the scheme, called 'Green Future : Deposit". It supports *Green Good Deeds* campaign recently launched by Government. This would provide a peak interest of 7.5% and has a tenure of 18 months and 8 to 18 days. For senior citizens it would provide 8% interest. Bank also launched a pilot project for recycled dry waste generated at facilities.
140. ▶ Yes Bank received SEBI approval to start mutual fund business, named Yes Asset Management (India) Limited (YAMIL). It will have its Headquarters in Mumbai.

