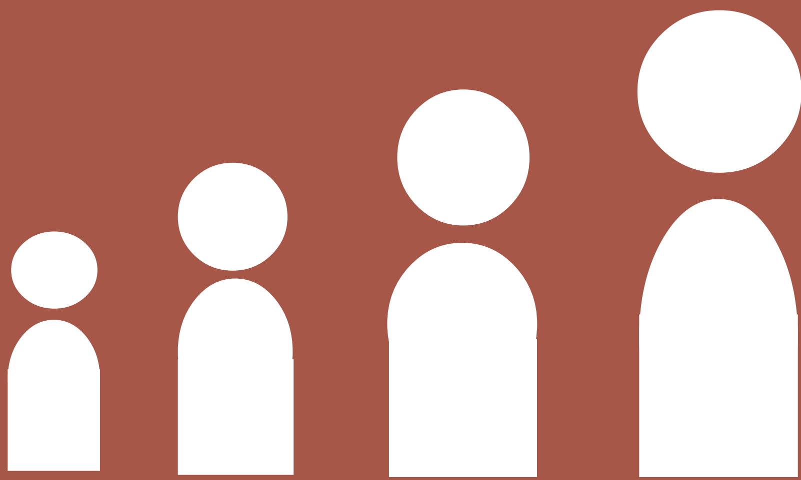
Banking events Update



Those who win, are those, who think they can

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BANKING POLICY

RBI Vision 2022 (Utkarsh 2022)

RBI released Utkarash 2022, its vision document during July 2019. It provides information about, what RBI's plans for future. A summary is provided.

Mission: To promote the economic and financial well-being of the people of India in terms of price and financial stability; fair and universal access to financial services; and a robust, dynamic and responsive financial intermediation infrastructure.

Core Purpose :

1. To foster confidence in the internal and external value of the Rupee and contribute to macro-economic stability
2. To regulate markets and institutions under its ambit, to ensure financial system stability and consumer protection
3. To promote the integrity, efficiency, inclusiveness and competitiveness of the financial and payment systems
4. To ensure efficient management of currency as well as banking services to the Government and banks
5. To support balanced, equitable and sustainable economic development of the country

Values: RBI commits itself to the following shared values that guide organisational decisions and employee actions in pursuit of the Bank's core purpose:

Public Interest : RBI in its actions and policies, seeks to promote public interest and the common good

Responsiveness and Innovation: RBI seeks to be a dynamic organisation responsive to public needs.

Integrity and Independence: To maintain highest standards of integrity through openness, trust and accountability

Introspection and pursuit of excellence: RBI is committed to self-appraisal, introspection and professional excellence

VISION 1: Excellence in performance of functions.

A: Furthering the monetary policy framework and operating procedure; enriching statutory publications; and striving for a 'state-of-the-art' data-intensive policy research framework

B : Creating a resilient financial intermediation ecosystem; refining the regulatory, supervisory and financial inclusion framework.

C : Strengthening resilience, integrity and efficiency of the financial markets infrastructure with a focus on deepening digital payments

D: Enhancing efficiency of the 'Banker to Government' function

E: Broadening and widening debt markets.

F: Revamping the currency management system through enhanced efficiency in procurement and distribution.

VISION 2: Strengthened trust of citizens and other institutions.

A : Strengthening external communication framework.

B: Creating an enabling environment to develop consumer-friendly financial services providers

C: Ensuring sound and comprehensive internal and external RBI policies

D: Adopting a 'less paper' and virtual workflow for external stakeholders

VISION 3: Enhanced relevance and significance in national and global roles

A: Intensifying presence in national forums to improve domestic financial infrastructure

B: Enhancing RBI's brand equity.

C: Amplifying international financial engagement by articulating RBI's stance and views on major global economic and regulatory policy issues.

D: Strengthening existing positions in supranational institutions.

VISION 4: Transparent, accountable and ethics-driven internal governance

A: Reinforcing governance and code of ethics

B: Upgrading internal controls through robust risk management, auditing & compliance functions through international best practices

C: Adopting 'less paper' & virtual internal workflows.

VISION 5: Best-in-class and environment-friendly digital as well as physical infrastructure

A: Automating processes, achieving integration of information and ensuring cyber security.

VISION 6: Innovative, dynamic & skilled Human Resources

A: Reviewing and reframing the organisational structure to effectively implement all strategies

B: Enhancing skills of human resources for creating a suitable training framework

C: Establishing an objective performance assessment system for efficient HRM.

D: Using technology and data analytics to promote research-based decision making by the workforce

Discontinuation of Paper to Follow requirement for State Govt. Cheques

To enhance efficiency in cheque clearing, RBI had introduced Cheque Truncation System (CTS), facilitating the presentation and payment of cheques without their physical movement. Paper to follow (P2F) was discontinued for Central Govt. cheques from Feb 2016. RBI on 20.06.19, dispensed with the requirement of forwarding paid State Govt. cheques in physical form to State Government departments/treasuries. The guidelines cover State Governments which give their consent for withdrawal of P2F arrangement. In case any SG desires to have a parallel run, it may be done for 3 months.

Conditions:

a. Presenting banks & drawee banks would continue to discharge their duties prescribed under various Acts/ Regulations/Rules with respect to payment of cheques. The government cheques would henceforth be paid in CTS clearing solely based on their electronic images. The paid paper cheques would be retained by presenting bank.

b. In case any drawee bank desires to verify the government cheque in physical form before passing it for payment, the image would be returned unpaid under the reason “present with document”. The presenting bank on such instances shall ensure that the instrument is presented again in the next applicable clearing session without any reference to the account holder (payee).

c. The presenting banks are required to preserve the physical instruments in their custody securely for a period of 10 years as required under Procedural Guidelines for CTS. In case some specific cheques are required for the purpose of any investigation, enquiry, etc., under the law, they may be preserved beyond 10 years. Drawee banks shall make necessary arrangements to preserve the images of all government cheques for a period of 10 years with themselves or through the National Archival System put in place by National Payments Corporation of India (NPCI).

d. The government cheques paid by a drawee bank across its counter by way of cash withdrawal or transfer also need to be truncated and preserved for 10 years.

e. The branch handling the State Government transactions shall continue to send the Payment Scrolls on a daily basis in the prescribed form to Sub-Treasury/Treasury to whom they are attached as hitherto. The cheques will not be attached with the payment scroll, but the electronic images of paid cheques (by way of cash, clearing and transfer), preserved by the presenting bank, shall be provided to the Office of AG/State Govt. Departments/Treasuries/Sub-Treasuries by way of secured electronic communication/ e-mail, etc., as per their requirement.

f. At any time during the preservation period of cheques, Office of AG/State Government Departments/Treasuries/ Sub-Treasuries may require any paid cheque in physical form. The dealing branch shall arrange to furnish the cheques paid by it by way of cash and transfer immediately.

Government cheques drawn on RBI / agency banks shall be presented in the grid within whose jurisdiction the accredited/ authorised branch of paying bank is located.

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Rupee Interest Rate Derivatives Directions

RBI issued the Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019 (on 26.06.19) to all entities including the non-residents, eligible to participate or transact in Rupee Interest Rate Derivatives in India.

The Directions are applicable to Rupee interest rate derivatives transactions undertaken on recognized stock exchanges and Over-the-Counter (OTC) markets, including on electronic trading platforms (ETPs).

Eligible Participants -

(1) Any person resident in India and any non-resident, is eligible to participate in IRDs. Regulated entities shall participate in IRDs with the permission of respective regulators.

(2) Indian or non-resident parent company or any group company or centralised treasury can transact in IRDs on behalf of their wholly owned subsidiaries or group companies provided they meet the criteria for non-retail users.

Conditions for IRDs on Recognized Stock Exchanges -

a. Exchanges can offer any standardized Interest Rate Derivatives product.

b. The product design, eligible participants and other details of the IRD product may be finalized by the exchanges.

c. Exchanges shall obtain prior approval of RBI before introducing any new IRD product or before carrying out modifications to an existing product.

Conditions for IRDs in the OTC Market -

(a) Scheduled Banks, Primary Dealers (PDs) and All-India Financial Institutions (AIFIs) are eligible to act as market-makers for IRD products in OTC markets.

(b) Market-makers may offer the following products to retail users:

1. Forward Rate Agreement (FRA),
2. Interest Rate Swap (IRS), and
3. European Interest Rate Options (IRO) including caps, floors, collars and reverse collars.

(c) In addition to these products, market-makers may offer swaptions and structured derivative products, excluding leveraged derivatives, only to non-retail users.

(d) For the purpose of offering IRD contracts to a user, market-makers shall classify a user either as a 'retail' user or as a 'non-retail' user:

(e) A non-resident can undertake transactions in the Rupee IRDs markets for the following purposes:

1. To hedge an exposure to Rupee interest rate risk.
2. For purposes other than hedging.

(e) Any floating interest rate or price or index used in IRDs in the OTC market shall be a benchmark published by an FBA or approved by The Fixed Income Money Market and Derivatives Association of India (FIMMDA) for this purpose. FIMMDA shall ensure that the floating rate approved by them is determined transparently, objectively and in arm's length transactions.

(f) IRD transactions shall be settled bilaterally or through RBI approved clearing arrangement.

Transactions by non-residents for purposes other than hedging interest rate risk -

(a) Non-residents, other than individuals, may undertake Overnight Indexed Swaps (OIS) transactions for purposes other than hedging interest rate risk subject to certain conditions.

OIS transactions by non-residents for purposes other than hedging interest rate risk shall be subject to an overall limit, as specified below:

I. The Price Value of a Basis Point (PVBP) of all outstanding OIS positions undertaken by all non-residents shall not exceed the amount of INR 3.50 billion (PVBP cap).

II. Non-residents shall not undertake any further OIS transactions for purposes other than hedging after the PVBP cap is reached.

III. The PVBP of all outstanding OIS positions, for the purposes other than hedging, for any non-resident (including related entities) shall not exceed 10% of the PVBP cap.

IV. Clearing Corporation of India Ltd. (CCIL) shall publish the methodology for calculation of the PVBP and monitor as well as publish utilization of the PVBP limit on a daily basis.

(b) Foreign Portfolio Investors (FPIs), collectively, may also transact in interest rate futures (IRF) up to a limit of net long position of INR 50 billion.

Remittance/Payments by non-residents -

All payments related to IRD transactions may be routed through a Rupee account of the non-resident or, through a vostro account maintained with an Authorised Dealer bank in India.

KYC for the non-resident -

Market-maker shall ensure that non-resident clients are from an FATF compliant country and that non-resident clients comply with the KYC requirements.

Regulatory reporting -

(1) Market-makers in OTC transactions shall report all transactions, including client trades, within 30 minutes

Summary edited by : Arundeep Toor - Source Ministry of Finance Govt. of India website.

of the transactions, to the Trade Repository of Clearing Corporation of India Ltd. (CCIL), clearly indicating whether the trade is for hedging or other purposes.

(3) All resident users whose gross notional outstanding amount across different benchmarks/curves for all outstanding IRD contracts taken together reaches Rs.10 billion at any point of time during a quarter shall report details of their risk positions at the end of that quarter in the prescribed format.

(4) Cross-border remittances arising out of transactions in Rupee interest rate derivatives shall be reported by banks to the Reserve Bank at monthly interval.

Financial Benchmark Administrators (Reserve Bank) Directions, 2019

RBI issued the 'Financial Benchmarks Administrators (Reserve Bank) Directions, 2019' which came into force with effect from June 26, 2019. These apply to Financial Benchmark Administrators (FBAs) administering 'Significant Benchmarks' in the markets for financial instruments regulated by RBI.

Authorization of FBA:

On RBI notifying a benchmark as a 'significant benchmark', the person administering that benchmark shall make, within a period of three months, an application for authorization to continue administering that benchmark. No FBA shall administer a 'significant benchmark' without obtaining authorization of RBI.

Eligibility criteria for FBAs: It can be a company incorporated in India and having minimum net worth of Rs.1 crore at all times.

Authorized FBAs shall adhere to the following directions for administering 'significant benchmarks':

a. Overall Responsibility of FBAs

b. 'Significant Benchmarks': Formulation, Determination and Review

c. Organizational and Process Controls (Role of Oversight Committee)

d. Internal Control

e. Outsourcing of 'significant benchmark' related work

f. Complaint Management

g. Data Preservation

Benchmark Publication:

FBAs shall make public the 'significant benchmarks', either on the day of its release or with a lag not exceeding 15 days from the release.

Reporting: FBAs shall submit to RBI such data and reports within such timelines and in such formats as advised from time to time.

Bharat Bill Payment System (BBPS)

RBI had issued guidelines on Nov 28, 2014 for implementation of BBPS to function as a tiered structure for operating the bill payment systemwith a single brand image providing convenience of 'anytime anywhere' bill payment to customers, under PSS Act, 2007.

Components : BBPS consists of 2 types of entities:

(i) Bharat Bill Payment Central Unit (BBPCU - the *single* authorized entity operating the BBPS. NPCI is discharging these functions. It has set operational, technical and business standards and also undertakes clearing and settlement activities.

(ii) Bharat Bill Payment Operating Units (BBPOUs), which are authorised operational units.

Scope of the BBPS : To implement an integrated bill payment system that offers interoperable and accessible bill payment services to customers through a network of agents, enabling multiple payment modes, and providing instant confirmation of payment.

Initially BBPS includes activities to facilitate collection of repetitive (say monthly, quarterly etc.) payments for everyday utility services. Gradually, the scope could be extended to include services facilitating the collection of other types of repetitive payments.

Participants : Authorised entities (BBPCU), their agents, payment gateways, banks, billers and service providers, and other entities, including authorized prepaid payment instrument issuers.

Eligibility criteria for non-bank entities:

1) The entity should be a company under Companies Act 1956 with a net worth of at least Rs.100 crore as per the last audited balance sheet.

2) It must have domain experience in the field of bill collection/services to the billers, and relevant experience in transaction processing for a min period of one year.

Settlement model : BBPOUs' agents may receive payments for various billers, including those who have not been on-boarded by their own BBPOUs.

The nature of transactions can be classified into ON-US (the biller and payment collecting agent belong to same BBPOU) and OFF-US (biller and the payment collecting agent belong to different BBPOUs) transactions.

BBPOUs is to take care of ON-US transactions. For OFF-US transactions, the BBPCU will handle all the OFF-US transactions reported by all BBPOUs. The BBPCU will arrange to instruct the settlement bank to make pay-outs to respective billers' banks for credit to billers' accounts.

Practical Problems based on Banking Ombudsman Decisions

1) A complainant received an e-mail from the bank informing that the monthly balance requirement for the newly opened SB account was Rs.2,500/-. As he had opened a zero balance account, he took up with the bank and was informed that his account was a regular savings bank account with a requirement of Minimum Average Balance (MAB) and Rs.3,500/- had already been deducted from the account in view of the same. BO observed that after levying MAB charges, the available balance in complainant's account become zero and subsequently when there was a credit entry in the account, the bank debited the complete amount towards outstanding MAB charges. BO advised the bank to refund complete MAB charges since in terms of RBI guidelines, the bank must ensure that the balance in the savings account does not turn negative solely on account of levy of charges for non-maintenance of MAB and as such it was not justified in levying such charges for the period when the balance was nil.

2) The complainant (one of the partners in a partnership firm) had placed a FDR with a government department as a performance guarantee and on completion of the underlying contract, the government department returned the original FDR with a discharge letter to the complainant. On submitting the FDR to the bank for credit of proceeds to complainant's account, he was informed that the same had been foreclosed and the proceeds were credited to the account of another partner of the firm from where original FD was funded. On enquiry, the bank stated that all relevant records were destroyed in a major fire at the branch and thus no records were available. The bank however was not able to provide any justification for the query as to how the FD was pre-closed when original FDR was in the custody of the government department. BO therefore directed the bank to pay maturity value of the FD to the complainant.

3) In a complaint regarding fraudulent online transfer of Rs.150,000/- through 60 transactions, the complainant stated that card credentials and OTPs had not been shared and the card was in her possession. The bank alleged that as the complainant had shared card credentials, she was negligent and as such its liability was zero for the said transactions. On verification of the SMS delivery log and account statement of the complainant, BO observed that the bank had not carried out velocity check and transaction pattern monitoring as required in terms of extant RBI instructions on security and risk mitigation measures for electronic banking transactions since the complainant had never used the card for bulk transactions in the past. BO therefore advised the bank to refund the disputed amount to the complainant.

4) The complainant alleged that the bank had, by mistake, transferred Rs.1,134,994/- instead of Rs.113,882/- to the beneficiary in a RTGS transaction. The bank submitted that the complainant was at fault as he had filled an incorrect the amount in the RTGS form even though the correct amount was indicated in the accompanying cheques and the transaction was put through as per the amount indicated in the RTGS form. BO observed that there was deficiency on the part of the bank, as it had not taken due care by following maker-checker concept while putting through the RTGS transaction and thus directed the bank to pay the difference amount to the complainant along with interest at savings bank rate.

- **NEW FORMULA PROPOSED FOR BANKS' WAGE SETTLEMENT:** The 11th Bipartite wage settlement talks between IBA and State-run banks have included a new formula under which the latter will be given the flexibility to pay their employees according to their profitability and capacity to absorb higher wage costs. The capacity to pay is an important ingredient while deciding the quantum of wage increase. A new formula has been proposed by which there will be a minimum increase in the wage up to a certain percentage; over that it will be market-driven wage, based on bank's profitability and paying capacity. The fresh approach, centred on the ability of specific state-run banks to absorb wage hike will mark a significant departure from the practice followed so far.
- **NEW ACCOUNTING NORMS TO HIT RETAIL FIRMS:** IndAs 116, the new accounting standard for leases which will be visible from the June quarter may significantly affect the financials of retail companies. This is because the firms which depend on the lease model when setting up stores will now have to account for it in their balance sheet which they were not doing as per previous account standard namely IndAs 17. While balance sheet size of retail would grow because of the new accounting standard, earnings before interest, tax, depreciation and amortisation (EBITDA) would be higher. This is because lease expenses will no longer be reported as operating expenses in the profit and loss account. It will instead appear as depreciation and interest costs within the profit-loss statement, hitting profitability.
- **GOVT. FOR WATER AUDIT TO PLUG LEAKS:** The Government is planning to create a policy to assess the per unit consumption of water resources in the country. The first step would be to ascertain the present level of consumption and thereafter fix targets for each industry. Based on the targets, they can create a mechanism to incentivise or disincentivise consumption. The Government will draw from the perform-achieve-target scheme, which exists for the energy sector to regulate energy consumption. There could be a disclosure on water by companies in their balance-sheets.
- **RBI TO GET REGULATORY POWERS OVER HFCs:** The Government is considering shifting the regulation of Housing Finance Companies (HFCs) from the National Housing Board (NHB) to the RBI. However, the NHB which has an Executive Director as its Board member will continue to supervise the HFCs.

Financial Events

There are 82 HFCs in India but more than 90% of the housing finance market is controlled by the top five companies. The Government is planning to amend the Banking Regulation (BR Act to give more teeth to the RBI. If there are conflicting regulations on the same issue, the BR Act will supersede the others.

- **GOVT. TO TIGHTEN CSR DISCLOSURES:** The Government will soon be changing the rules on the reporting of Corporate Social Responsibility (CSR) activities by companies. The Government will set three different threshold limits for CSR spending. While there will be minimum disclosure obligation for those at the bottom of the threshold, the degree of reporting would go up with the amount being spent by the company. They will ask for some amount of detail above the minimum threshold but beyond that lot of details will be required. The idea is to also increase the accountability on company directors in this area. Section 166 of the Companies Act 2013 provides for fiduciary duties such as the duty of such directors to act in good faith to its employees, shareholders, community and for protection of the environment.
- **UNION CABINET APPROVES CODE OF WAGES BILL:** The Union Cabinet has approved the re-introduction of the Code on Wages Bill. This will make minimum wages applicable for both formal and informal sectors, enable transfer of wages through the direct benefit transfer mechanism and bolster the system for redressing the grievances of labourers. The

proposed bill aims to merge four Central Laws. The proposed bill will provide for all essential elements relating to wages, equal remuneration and bonus. The provisions relating to wages will be applicable to all employments covering both organised and unorganised sectors. The power to fix minimum wages continues to be vested in the central and state governments in their respective spheres.

- **SERVICE PROVIDERS TO OPT FOR COMPOSITION SCHEME:** The Tax Department has extended by three months till July 31 the deadline for service providers with turnover of up to Rs.50 Lakh to opt for the composition scheme and pay 6% GST. This is against the higher rates of 12 and 18% levied for most of the services under GST. The GST Composition scheme was so far available to traders and manufacturers of goods with annual turnover of up to Rs. 1 Crore. This threshold has been increased to Rs.1.5 Crore from April 1. Under the scheme traders and manufacturers are required to pay only 1% GST on goods and otherwise attract a higher levy of 5, 12 or 18%.
- **TOP TAXPAYERS TO BE HONOURED WITH SPECIAL PRIVILEGES:** To improve tax compliance, it has been suggested in the Economic Survey that the Government could consider giving top 10 taxpayers in each district recognition by offering "Diplomatic-type privileges" at immigration counter, express boarding at airports and even naming of roads, buildings and schools. The idea is to create exclusive membership of clubs that exude not only social status but also honour. Such steps can also help propagate the social norm that paying taxes honestly is honourable.
- **RBI OPENS BANK'S LIQUIDITY FOR NBFCs, HFCs:** RBI has announced an additional liquidity facility to banks for purchase of assets from and on-lending to NBFCs and Housing Finance Companies. This will enable banks to avail additional liquidity of Rs.1, 34, 000 Crore. This would be available within the Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) within the mandatory SLR requirement. It has been further decided that with immediate effect, banks will be permitted to reckon this increase in FALLCR of 1% of banks' NDTL as Level 1 HQLA for computing LCR to the extent of incremental outstanding credit to NBFCs and HFCs over and above the amount of credit to NBFCs/HFCs outstanding on their books as on date.
- **GOVT. TO RECEIVE DIVIDEND FROM RBI:** RBI pays a dividend every year to the government based on its profits from activities such as printing of notes and other investments. This is typically paid in August but due to fiscal considerations, the RBI has been announcing interim dividends in the last two years. In February, RBI had approved the interim dividend of Rs.28, 000 Crore to the Centre. RBI is expected to pay Rs.90, 000 Crore this fiscal.
- **RBI GETS WIDER REGULATORY POWERS:** The regulatory powers of RBI have been significantly enhanced bringing Housing Finance Companies under its ambit and deepening its governance of NBFCs. RBI can now remove the director of an NBFC and even supersede its Board in the public interest. Another proposed amendment to the RBI Act will allow it to frame schemes for amalgamating, splitting and reconstructing an NBFC if it feels it is required after looking into the NBFC's books of accounts.
- **SEBI ON PUBLIC HOLDING NORMS:** SEBI may give Listed Companies two years to increase minimum public shareholding from 25% to 35%. This compliance and time frame would be similar for all listed companies including public sector undertakings. The 35% public float norms could kick in immediately for new companies entering the market through initial public offerings. However, hereto, an M-Cap based approach could be followed. If the post listed M-cap of a company is more than Rs.3000 Crore companies could require diluting 10% and remaining 25% over next three years. For companies with post listing M-Cap between Rs.1000 Crore an dRs.3000 Crore they would require to dilute 25% while those below Rs.1000 Crore would require 35% public float on listing.
- **UNION BUDGET PAVES WAY FOR PSU INSURANCE MERGER:** Union Budget has cleared the decks for the merger of three state-run general insurers into a behemoth like LIC of India. Under the current rules, there has to be four general insurers to execute such a merger. The proposed amendment to the General Insurance Business (Nationalisation) Act 1972 will give flexibility to the Centre to bring down the number to less than four. The Finance bill 2019 has proposed to amend the Act by substituting the words "only four companies" with the words "up to four companies". Apart from Re-insurer General Insurance Corporation of India, the country has four General Insurers- New India

Assurance, Oriental insurance, National Assurance and United India Assurance. New India is listed and is the Largest amongst all General insurers.

- **CENTRE WORKING ON SOVEREIGN BENCH MARK FOR OVERSEAS BORROWINGS:** Union Finance Minister has said that the country's external debt was low and the Government would start to borrow a part of its funding requirement from overseas and in foreign currency. In order to bring down overcrowding in the debt market, the Centre will go for external sovereign bond and will finalise a (Sovereign) benchmark for external borrowing. The benchmark is likely by September.
- **INDIA'S LARGE EXPOSURE REGULATIONS COMPLIANT WITH BASEL FRAMEWORK:** The large-exposure regulations in India have been assessed as "Compliant" with the Basel large exposures framework. Based on initial findings of the assessment team, RBI has decided to incorporate economic interdependence criteria for determining a group of connected counter-parties in all cases where the sum of all exposures to each such counterparty exceeds 5% of the eligible capital base. In order to provide time to banks to adjust to the new requirement, the introduction of economic interdependence criteria in definition of connected counter-parties will be effective from April 2020.
- **NABARD TO SWITCH TO RISK-BASED SUPERVISION:** NABARD intends to switch to risk-based supervision of co-operative banks and RRBs in three years to enhance quality of oversight. NABARD undertakes statutory and voluntary inspections of state co-operative banks, RRBs and district central co-operative banks. At present, the institution is working to develop framework for risk-based supervision. It will first conduct such exercise on pilot basis and then scale up to cover 400 entities under its supervisory ambit.
- **GOVT. TO INDUCT 5 WTD ON BOARDS OF LARGE PSBs:** Following the merger of Dena Bank and Vijaya Bank with Bank of Baroda, the Government is now seeking to beef up the number of Whole Time Directors (WTD) on boards of large public sector banks into which other PSBs will get merged. The Government is intending to put in place a SBI Board-like structure in order to help the consolidated PSBs efficiently manage their businesses. SBI has five WTDs-One Chairman and four Managing Directors on its board.
- **AaDHAR-PAN LINKAGE TO BE ROLLED OUT:** Aadhar-PAN linkage, proposed in the Finance Bill 2019 will be rolled out by the government. To validate and continue using the existing PAN Cards citizens will have to link them to Aadhar. Or else, they will be permitted to use Aadhar instead for filing returns and while making other high value transactions. Those who cite an Aadhar number, which is not already linked to PAN number for tax returns and other specified transactions after September 1, will get fresh one from the Income Tax Department.
- **GOVT. TO LIST 10 PSUs THIS YEAR:** The Centre plans to list around 10 state-owned companies on the bourses this fiscal to meet the disinvestment target of Rs.1.05 trillion. The total number of the listed companies in the CPSE space is 59 and 10 more is going to be added. Union Finance Minister has said that the time is right to consider increasing minimum public shareholding in the listed companies. SEBI is considering raising the current threshold of 25% to 35%.
- **CENTRE TO HIRE PSBs' ED THROUGH LATERAL ENTRY:** The Union Government for the first time is exploring for professionals from the private sector to join as Executive Directors (ED) on the Board of Public Sector Banks. As a first step in this initiative towards governance reforms, the Government has proposed in the Finance Bill 2019 –increasing the number of full time directors from four to five for large PSBs. While there may be one ED for technology another may look after MSMEs. This will potentially reflect the priority areas the Government may assign to PSBs.

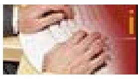
- **BOT SCHEME TO ATTRACT FOREIGN INVESTORS:** The Union Government is preparing for new norms for Build-Operate-Transfer (BOT) projects which is likely to add a few sweeteners including an exit clause after two years. The Government may allow a construction company to sell its project to another firm after completing it and operating it for two years. Such an amendment is being considered to attract international participation in the sector.
- **GOVT. TO CHANGE THE NORMS OF PMFBY:** The Government is planning to make crop insurance voluntary to all farmers, removing high premium crops, giving flexibility to states to provide customised add-on products in the PM Fasal Bima Yojana (PMFBY). The Ministry has suggested making the scheme voluntary to all farmers including loanee farmers because the compulsory enrolment of loanee farmers was leading to dissent.
- **NCLAT RULING ON DISCIPLINARY PROCEEDINGS:** In a significant ruling, the National Company Law Appellate Tribunal NCLAT) has held that the NCLT can not quash the disciplinary proceedings initiated by the Insolvency Regulator IBBI. This will be the position even if the IBBI's proceedings had been initiated at the instance and recommendation of the NCLT.
- **JALAN PANEL MOOTS TRANSFER OF RBI's SURPLUS IN TRENCHES:** The Bimal Jalan committee on Economic Capital Framework has suggested transfer of funds from RBI to the Government in trenches over three to five years. The committee will submit its report within 15 days. The Government is expecting a Rs.90, 000 Crore dividend from RBI in the current financial year as against Rs.68, 000 Crore received last year. The global norm is to maintain reserves of 14% of total assets while the RBI's reserves stand at 27%.
- **IRDAI RECOMMENDS CHANGE IN NORMS FOR LIC PRODUCTS:** IRDAI has tweaked some of the key norms pertaining to life insurance products. The minimum death benefit in non-linked policy has been decreased to seven times from 10 times. In the non-linked policy, policy holders will get a fixed amount if the policy is surrendered after two years. The revival period for this policy has been increased to five years from two years. In unit-linked policies, if it has surrender value during the first five years, it will become payable only after completion of the lock-in period. After the lock-in period, the surrender value shall be at least equal to the fund value as on date of surrender.
- **GOVT. CLEARS CHANGES IN IBC:** In a big relief to banks, the government is bringing in multiple reforms to the three-year old Insolvency and Bankruptcy Code providing clarity preference to secured lenders over operational creditors, to be applicable retrospectively, strict timeframe for the resolution and litigation process and powers of the committee of creditors (COC). The Cabinet has approved setting up of strict timeline for the corporate insolvency resolution process. From the earlier time limit of 270 days set only for COC to approve the resolution plea, the Government has extended the deadline to 330 days including the litigation and judicial process.
- **SEBI RAISES THE EXIT BARRIER FOR AUDITORS:** As part of its efforts to rid corporate India of scams and frauds fuelled by financial opaqueness, SEBI is turning up the heat on auditors by making them more accountable. Financial auditors of a company will now not be able to causally resign without finalising the audit report for the full year if they have signed previous quarterly reports. Besides, the auditors will have to provide proper reasons for resignation and would have to state if the company was not sharing proper financial numbers for audit purpose.
- **SEBI TWEAKS DISCLOSURE NORMS FOR LISTED BANKS:** SEBI has revised the disclosure requirements for listed banks regarding divergence in provisioning of assets. The changes made in the norms are in line with the revised RBI requirements. According to the circular, listed banks will have to disclose the stock exchanges divergences in the asset classification and provisioning if the additional provisioning of NPAs exceeds 10% of the reported profit before provisions and contingencies for the reference period.
- **FINMIN EXPANDS AMBIT OF INTERMEDIARY SERVICES:** The Finance Ministry has clarified on issues related to supply of IT-enabled services such as Call Centres and business process outsourcing services and intermediaries to overseas entities under the GST Law and whether they qualify as "export of services" or not. It has been clarified that a supplier of service would not be treated as intermediary, if the services are provided on his own account, despite him qualifying as an agent/broker. If these are not on his account, the service provider will come under the GST and required to pay tax @18%.

GENERAL AWARENESS

- Tribunal which, in a rare instance imposed a penalty of Rs.50, 000 on SEBI for alleged lapses in investigating proceedings- **Securities Appellate Tribunal.**
- Radio programme in which Prime Minister Modi stressed on the importance of Water Conservation and crate the awareness on it- **Mann Ki Baat.**
- In a bid to track the progress on Agenda 2030, Govt. has launched – **India's First Sustainable Development Goal Dashboard.**
- NS Vishwanathan who has got one year extension by the government- **RBI Deputy Governor.**
- Karnam Sekar, former MD&CEO of Dena Bank has been appointed as- **MD&CEO of Indian Overseas Bank.**
- Scheme which will drive the Jal Shakti Abhiyan in the rural sector pumping in Rs.15, 000 Crore in the first phase of the campaign- **MGNREG Scheme.**
- Three Indian Institutes made it to the Quacqarelli Symonds (QS) Top 150 Young Universities Globally- **IIT, Guwahati, Anna University and Jindal Global University.**
- Court which ruled that a " a person enrolled as a member of the Indian Air Force does not have an "Unqualified Right" to depart from service at will during the term of engagement- **Supreme Court.**
- Corporation which raised Rs.2120 Crore via issuance of 15 year Bonds through Book Building Process- **Indian Railway Finance Corporation.**
- Christine Lagarde, MD of IMF has been nominated as- **President of European Central Bank.**
- The Corporate Affairs Ministry has rolled out new Form "BEN2" for corporate disclosure of- **Significant Beneficial Owners**.
- To review the regulatory and supervisory framework for Core Investment Companies, RBI has set up Working Group to be headed by- **Tapan Ray, Chairman of Central Bank of India.**
- Govt. to inject Rs.70, 000 Crore to bolster capital into- **Public Sector Banks.**
- Regulator which will now have to transfer 75% of its surplus from the General Fund every year to the Consolidated Fund of India- **SEBI**.
- Act under which the Govt. will bring NRIs who were having undisclosed properties and accounts created when they were residents- **Black Money Act.**
- According to BS Research Bureau, There are 366 Executives in listed companies earning more than Rs.5 Crore in 2017-18- **Super Rich.**
- Highest Income Tax rate in India is lower than many Countries in the world and the country in which Highest rate is 50.3%- **US**.
- Out of four General Insurers in the Country, the only General insurer which is Listed and the Largest Insurer is- **New India Assurance Co.**
- The bill which has been introduced in Lok Sabha to speed up eviction of unauthorized occupants from Govt. residences- **Public Premises (Eviction of Unauthorized Occupants) Amendment Bill 2019.**
- Bank which has decided to abolish charges on IMPS

(Immediate Payment service) transactions on Internet Banking/ Mobile Banking service with effect from August 1- **SBI.**

- Scheme under which Haryana is the Worst state while Gujarat has topped to complete construction of over 50% of the Houses sanctioned under- **PM Awas Yojana-Urban scheme.**
- UAE-based Indian Business Tycoon Lalo Samuel became the First Expat in Sharjah to get- **UAE's Gold Card Permanent Residency.**
- New Delhi's Connaught Place is the 9th – **Most Expensive Office Market Globally.**
- Bill which has been approved by the Union Cabinet to ban unregulated Deposit Schemes- **Banning of Unregulated Deposit Scheme Bill.**
- Scheme under which the deposits has crossed 1 trillion as on July 3- **PM Jan Dhan Yojana**.
- As per Survey, Housing affordability has worsened in four years with Mumbai being the Least Affordable- **RBI Survey.**
- Bank which has waived RTGS and NEFT charges to boost digital payments- **SBI.**
- Beijing-headquartered multilateral development lender from which L&T Infra Finance gets $100 Million for Green Energy funding- **Asian Infrastructure Investment Bank.**
- RBI to come out with an Mobile App to identify currency notes for- **Visually-Challenged Persons.**
- Court which has fined Pakistan with $6 billion –one of biggest in history- for unlawful denial of a mining lease to a company in 2011- **International Arbitration Court.**
- Country whose GDP growth slows down to 6.2% which is Weakest in 27 years- **China.**
- Finance Company promoted by REPCO Bank, which wins Award from NABARD for SHG linkage in Tamil Nadu- **Repco Micro Finance.**
- Interest rate which has been lowered to 7.9% starting July1- **General Provident Fund.**
- Bank which rolls out Digital Platform InstaBIZ for MSMEs- **ICICI Bank.**
- Regulator which said that the Audit firm partners who are in midst of any disciplinary proceedings can not sign the balance sheet of any bank or even engage in the audit process.- **RBI**.
- India's 2019-20 grows forecast has been lowered from 7.2% to 7%- **Asian Development Bank**.
- Insurance Company which has offered a Line of Credit of Rs.25, 000 Crore to the National Highway Authority for funding highway projects- **LIC of India.**
- To ensure seamless traffic and prevent congestion it has been decided by the Government that all Lanes will be "FASTags Lanes" from December1 at-**Toll Plazas.**
- India slips three ranks to 74th and 126th places respectively Globally in- **Fixed Broadband Speeds and Mobile Internet Speeds.**
- According to ruling, a Co-operative society is not liable to deduct tax at source from its vendors for supply of taxable goods and services- **Rajasthan's Authority for Advance Rulings.**
- A panel tasked with examining the Cryptocurrency which made its recommendations was headed by- **Finance Secretary Subhash Garg.**
- Regulator which said that the housing finance companies should desist from offering loan products that involve servicing of loans by builders on behalf of borrowers- **National Housing Board.**
- Agency which has scaled down India's GDP Growth rate by 0.3% for FY2020 to 7%- **IMF.**
- Indian Firm which has jumped 42 places and ranked at 106th in the "Fortune 500 List" Globally- **Reliance Industries Ltd.**
- Index in which India has climbed five notches to reach the 52nd position among 129 countries – **Global Innovation Index.**
- Insolvency Regulator which has ruled that the Resolution Professionals can not take up insolvency assignments once they have attained the age of 70 years- **IBBI.**
- Bank which has hired 83 Oversight Agencies to continuously monitor the end-use of funds which has been lent by the bank- **SBI.**
- 22 Commercial Banks collected nearly Rs.10, 000 Crore in the last three years as penalty for "Not maintaining Minimum Balance" in- **Savings Bank Accounts.**
- Bonds, for which SBI is Sole Designated Bank for issuance and redemption, fetched commission of Rs.3.2Crore and the bank has demanded from the Government- **Electoral Bonds**.
- Loss-making State-owned Telecom Carrier which will be merged with ailing BSNL as per Revival Plan approved by the Telecom Ministry- **MTNL.**
- Report which shows that GST System is vulnerable to fraudulent Input Tax Credit Claims (1620 cases detected involving amount of Rs.11, 251 Crore in 2018-19)- **Comptroller & Auditor General Report**.



MOCK-TEST PAPER

Questions on RBI Policy

01 An interest rate option contracts that can be exercised only on the expiration date.

a Forward rate agreement
b American option
c European option
d Swaption

02 Interest rate derivative contract that involves exchange of interest payments on a notional principal amount, on a future date, at agreed rates, for a defined forward period.

a Forward rate agreement
b interest rate derivative
c European option
d Swaption

03 A financial derivative contract whose value is derived from one or more interest rates, prices of interest rate instruments, or interest rate indices.

a Forward rate agreement
b interest rate derivative
c interest rate futures
d Swaption

04 A standardized interest rate derivative contracts traded on a recognized stock exchange to buy or sell a notional security or any other interest-bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract.

a Interest rate option
b interest rate derivative
c interest rate futures
d Swaption

05 An option contract whose value is based on Rupee interest rates or interest rate instruments.

a Interest rate option
b interest rate floor
c interest rate cap
d Swaption

06 A series of interest rate call options (called caplets) in which the buyer of the option receives a payment at the end of each period when the underlying interest rate is above a rate agreed in advance (strike rate)

a Interest rate option
b interest rate floor
c interest rate cap
d Swaption

07 A series of interest rate put options in which the buyer of the option receives a payment at the end of each period when the underlying interest rate is below the strike rate.

a Interest rate option
b interest rate floor
c interest rate collar
d Swaption

08 A derivative contract where a market participant simultaneously purchases an interest rate cap and sells an interest rate floor on the same interest rate for the same maturity and notional principal amount.

a Interest rate swaps
b reverse interest rate collar
c interest rate collar
d interest rate swaption

09 A derivative contract which involves simultaneous purchase of an interest rate floor and sale of an interest rate cap on the same interest rate for the same maturity and notional principal amount.

a Interest rate option
b reverse interest rate collar
c interest rate collar
d Swaption

10 A derivative contract that involves exchange of a stream of agreed interest payments on a 'notional principal' amount during a specified period.

a Interest rate swaps
b reverse interest rate collar
c interest rate collar
d interest rate swap

11 An option on interest rate swaps. A swaption gives the buyer the right, but not the obligation, to enter into an interest rate swap.

a Interest rate swaps
b leveraged derivative
c interest rate collar
d interest rate swaption

12 A financial derivative contract whose value, in absolute terms, changes more than proportionately to the change in the underlying risk

a Interest rate swaps
b leveraged derivative
c interest rate collar
d interest rate swaption

13 Interest rate futures based on any Rupee denominated money market interest rate or money market instrument.

a Money market futures
b forward
c futures
d Option

14 A financial derivative contract that gives the buyer the right, but not the obligation, to either buy (call option) or sell (put option) an asset at a pre-determined price (known as the strike price) by a specified date (known as the expiration date).

a Money market futures
b forward
c futures
d Option

15 An interest rate swap based on the Overnight Mumbai Interbank Outright Rate (MIBOR) benchmark published by Financial Benchmarks India Pvt. Ltd (FBIL).

a Interest rate swaps
b overnight indexed swaps
c interest rate collar
d structured derivative

16 A financial derivative contract which is a combination of cash and/or generic derivative instrument.

a Interest rate swaps
b overnight indexed swaps
c interest rate collar
d structured derivative

Recalled Questions

17 For Term loan the period of limitation to file suit, is three years from:

a Date of documents
b Date of default
c Date of sanction
d Due date of each instalment
e date of default of each instalment

18 Any person resident outside India, having a business interest in India, may open an ___ account in Indian Rupee with Authorized Dealers for the purpose of putting through bona fide transactions in rupees:

a Foreign currency non-resident account
b special non-resident rupee account
c non-resident ordinary account
d non-resident external rupee account

19 If the value of sale and transfer of securities to/from HTM category exceeds ___% of the book value of the investments held in HTM category in the beginning of the year, bank is to disclose the market value of the investment held in HTM category.

a 10% b 5%
c 2% d 1%

20 Which of the following is a condition relevant for considering a small unit as micro enterprise:

a it is located in places having population up to 50000
b it is not located in metro cities
c investment in fixed assets is up to Rs.25 lac
d investment in plant and machinery is up to Rs.25 lac
e investment in plant and machinery is up to Rs.10 lac

21 A firm of brokers purchases certain shares at Bombay Stock Exchange and sells similar no. of shares of the same company at National Stock Exchange to take benefit of small price differential prevailing at the time of the transaction. This is known as:

a swap transaction
b forward trading
c option trading
d arbitrage transaction
e dematerialisation

22 A firm has been sanctioned a cash credit limit of Rs.4 lac. It submits stock statement for stock value of Rs.6 lac. The margin on the security is 25%. What is the amount of notional drawing power in the account?

a Rs.6 lac
b Rs.4.50 lac
c Rs. 4 lac
d Rs. 3 lac
e Rs.3.50 lac

23 Your branch receives a cheque of Rs.500 for payment across the counter on June 30, 2017. The cheque is dated June 31, 2017:

a the cheque bears an impossible date due to which it cannot be paid
b the cheque being a post dated cheque will be returned
c the cheque will be returned
d the date of the cheque being the last day of the month, the cheque can be paid on the last day. Hence it would be paid
e the cheque would be paid as the amount of the cheque is small.

24 If the operating instruction in a fixed deposit is 'Either or Survivor' and one of the depositors expires before the maturity, pre-payment of the fixed/term deposit can be allowed with the consent of :

a survivor only
b survivor and nominee only
c survivor and legal heirs only
d survivor, nominee and legal heirs

25 Under Atal Pension Yojna, what is the co-contribution of govt?

a 20% of total contribution
b 25% of total contribution
c 35% of total contribution
d 50% of total contribution

26 A firm has stocks of 40, debtors 60, creditors 30, prepaid expenses 10 bank overdraft 30. What is the quick ratio:

a 0.75:1 b 0.90:1
c 1:1 d 1.2:1

27 Which among the following is not correct statement in the context of provision on sub-standard account:

a if account is secured, provision at 15% and if unsecured, provision at 25%

b for unsecured portion, provision is 100% and for secured portion 15%

c if no security was taken at the time of sanction of loan, provision is 25%

d if security was taken at the time of sanction of loan and is still intact, provision of 15% to be made.

28 In the context of a computer, the key board is:

a storage device

b input device

c output device

d memory device

e processing device

29 It is mandatory for securitization /reconstruction companies to invest an amount _____ of each class of security receipts (SRs) issued under a particular scheme and continue to hold the investments till the time all the SRs issued under that class are redeemed completely.

a not less than 15%

b not more than 5%

c not less than 10%

d not more than 10%

30 Model Bank sanctioned a term loan and working capital amounting to Rs.15 lac (during February 2016 and the loan was fully disbursed during April 2016), to an MSE unit. Bank obtained guarantee from Credit Guarantee Fund for Small Industry. However, the account became sub-standard during May 2017:

a bank is not eligible for the claim as it has become sub-standard very quickly

b bank can lodge the claim immediately after the date of account becoming sub-standard

c bank can lodge the claim after 18 months of date of sanction

d bank can lodge claim only after 24 months from date of sanction

e bank can lodge the claim after 18 months from date of last disbursement or payment of guarantee fee, whichever is later.

31 An account with balance of Rs.10 lac is secured by CGTMSE guarantee cover of 75%. Value of security is Rs.2.00 lac. Account is in more than 3 years' doubtful category before 31.03.17. Provision as on Mar 31, 2017 would be:

a Rs.4.00 lac

b Rs.6.00 lac

c Rs.8.00 lac

d No provision as CGTMSE guarantee is available.

32 Refund of amount paid to the depositor is to be claimed by the banks Under Depositor Education and Awareness Fund Scheme, 2014, on ______ basis by last working day of the subsequent month.

a monthly

b bi-monthly

c quarterly

d half-yearly

33 If a sole rural branch is to be shifted by a bank within the same block, the permission of which of the following is required

a Distt Administration

b Distt. Consultative committee

c State Level Bankers' Committee

d State govt. concerned

34 As per RBI policy, the loan accounts can be taken over by banks from other banks:

a after obtaining market report about the borrower

b after obtaining credit information from the transferor bank

c after obtaining undertaking from the borrower about conduct of account with the transferor bank

d all the above

35 In order to ensure that the banks are not held liable to afford credit on the basis of number of account alone by the beneficiaries, which of the following actions is required to be taken by the banks:

a to write to all customers about this

b to put notifications in the websites

c to put suitable disclaimer on the funds transfer screen

d all the above

36 A trust maintaining an FD account makes a request to the bank for not deducting tax at source on interest on FD. It will be required to submit:

a Form 15-G

b Form 15-H

c no such concession can be allowed

d a letter from Income Tax Deptt.

37 A company has to sell its land and building having book value of Rs.200 lac, for Rs.180 lac. It also incurs net loss of Rs.10 lac at the end of the year. What is net profit earned from its operations ?

a Rs.20 lac

b Rs.10 lac

c Rs.5 lac

d Rs.1 lac

e Rs.0.10 lac

Answers

01	c	02	a	03	b	04	c	05	a
06	c	07	b	08	c	09	b	10	d
11	d	12	b	13	a	14	d	15	b
16	d	17	d	18	b	19	b	20	d
21	d	22	b	23	d	24	c	25	d
26	c	27	b	28	b	29	a	30	c
31	a	32	a	33	b	34	b	35	c
36	d	37	b						

Derivative Instruments and Terms

European Interest Rate Options are interest rate option contracts that can be exercised *only* on the expiration date.

Forward Rate Agreement is an interest rate derivative contract involving exchange of interest payments on a notional principal amount, on a future date, at agreed rates, for a defined forward period.

Hedging is the activity of undertaking a derivative transaction to reduce an identifiable and measurable risk. Hedging can be either at balance sheet level or at portfolio level or at individual asset or liability level.

Interest Rate Derivative is a financial derivative contract whose value is derived from one or more interest rates, prices of interest rate instruments, or interest rate indices.

Interest Rate Futures are standardized interest rate derivative contracts traded on a stock exchange to buy or sell a notional security or any other interest-bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of contract.

Interest Rate Option is an option contract whose value is based on Rupee interest rates or interest rate instruments.

An **Interest Rate Cap** is a series of interest rate *call* options (caplets) in which buyer receives a payment at the end of each period when the underlying interest rate is *above* a rate agreed in advance (strike rate).

An **Interest Rate Floor** is a series of interest rate *put* options in which the buyer receives a payment at the end of each period when the underlying interest rate is *below* the strike rate.

An **Interest Rate Collar** is a derivative contract where a market participant *simultaneously purchases an interest rate cap* and sells an interest rate floor on same interest rate for same maturity and notional principal amount.

A **Reverse Interest Rate Collar** is a derivative contract which involves *simultaneous purchases an interest rate floor* and sells an interest rate cap on same interest rate for same maturity and notional principal amount.

An **Interest Rate Swap** is a derivative contract that involves exchange of a stream of agreed interest payments on a 'notional principal' amount during a specified period.

Interest Rate Swaption is an option on interest rate swaps. It gives buyer the right, but not obligation, to enter into an interest rate swap.

A **Leveraged Derivative** is a financial derivative contract whose value, in absolute terms, changes more than proportionately to the change in the underlying risk (i.e., " (delta) lies beyond the range of ±1).

Money Market Futures are interest rate futures based on any Rupee denominated money market interest rate or money market instrument.

Option is a financial derivative contract that gives buyer the right, but not obligation, to either buy (call option) or sell (put option) an asset at a pre-determined price (the strike price) by specified date (expiration date).

Overnight Indexed Swap (OIS) is an interest rate swap based on the Overnight Mumbai Interbank Outright Rate (MIBOR) benchmark published by Financial Benchmarks India Pvt. Ltd (FBIL).

A **structured derivative** is a financial derivative contract which is a combination of cash and/or generic derivative instrument.

(Source - RBI)

DATA COLUMN

Business of Banks

(Rs.in cr)	Mar31'18	Jul05-19
Aggregate deposits	10805150	12674680
Cash in hand/RBI	570490	587860
Investments	3043660	3545820
Bank Credit:	7881890	9697510
-Food	53930	70770
-Non-Food	7827960	9626750
Cash-Deposit Ratio	5.27	4.63
Investment-Deposit	28.14	28.03
Credit-Deposit	72.95	76.91

Money Stock

(Rs.in cr)	Mar31'19	Jul05-19
M3 (Out of which)	15430870	15602360
(a) Currency with public	2052230	2109950
(b) Demand deposits-Banks	1626310	1428200
(c) Time Deposits - Banks	11720590	12027580
(d) Other deposits with RBI	31740	36630

Sources of Money Supply

(a) Net Bank credit to Govt	4387790	4809890
(b) Bank credit to Comrcl sectr	10380180	10307410
(c) Net Forex assets of Banks	2977860	3156760

Important Banking Indicators

Statutory Liquidity Ratio	18.75%	(06.07.2019)
Cash Reserve Ratio	04.00%	(15.02.2013)
Overnight LAF (of NDTL)	0.25%	
14days term Repo(of NDTL)	0.75%	
Reverse Repo Rate	05.50%	(06.06.2019)
Repo Rate	05.75%	(06.06.2019)
MSF Rate	06.00%	(06.06.2019)
Bank Rate	06.00%	(06.06.2019)

Small Savings Interest Rates

PPF	7.9%	(01.07.2019)
5-year NSC	7.9%	(01.07.2019)
Sukanya Smridhi	8.4%	(01.07.2019)
Senior Citizen Saving	8.6%	(01.07.2019)

Capital & Money Market Indicators

Parameter	end-Jul18	end-Jul19
Dollar-spot TT (Rs.)	68.61	69.95
BSE - Sensex (points)	37556	37018
NSE - Nifty(S&P CNX)	11361	10980
Foreign reserves (Million $)	404193	430376
Gold /Oz in USD)	1299	1424

INDIAN ECONOMY-IMPORTANT PARAMETERS

RBI's growth estimate for FY 2019-20	: 7.2%
GDP@constant mkt prices (cr) 2018-19	: 14077586
GVA@2011-12 basic prices (cr) 2018-19	: 12906936
GDP projected by Govt. for 2019-20	: 21007439
Fiscal Deficit Target (2019-20) 3.4% of GDP	: 703999 cr
Revenue Deficit Target (2019-20) 2.2% of GDP	: 470214 cr
Wholesale Price Index	: 3.2%
Money Supply (M3) expansion - YoY	: 10.3%
Exports during 2018-19	: 331.0 bn
Imports during (2018-19)	: 507.06 Bn
Export target - 2017-18 (in $)	: 310 bn
India's share in world merchandise export	: 1.70%
India's currency rating (S&P)	: BB Postv
India's external debt (Mar 2019) US $	: 543.0 Bn
Tax-GDP ratio (2018-19)	: 12.1%
Apr- Jun19:Export $ 80.8 bn Imports	: 127.3 bn
Per capita Income 2018-19 (Rs.)	: 126406
Indian economy's ranking in PPP terms	: 3rd
Indian economy's ranking in world in value:	7th

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