Current Affairs for Bankers
Till December 2019

Financial Developments

General Awareness

Compilation under guidance of

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Financial Awareness

November 2019

- **GOVT. TO ALLOW LLPs AND NRIs TO OWN SHIPS:** The Shipping Ministry is planning to allow Limited Liability Partnership (LLPs) and Non-Resident Indians (NRIs) to own and register ships under the Indian Flag under the revamped Merchant Shipping Act. Currently, ships are allowed to be registered under the Indian Flag only when they are fully owned by Indian Entities. The move is designed to make ship registration in India attractive to more participants. It will also help in the privatisation of Sipping Corporation, if a foreign entity buys the state-owned carrier.

- **SEBI TIGHTENS NORMS FOR LISTED BANKS ON BAD LOAN REPORTING:** SEBI has tightened the norms for Listed Banks in reporting of bad loans. SEBI directed that the listed banks will have to disclose any divergence in bad loan provisioning within 24 hours of receiving the RBI’s risk assessment report, rather than waiting to publish the details in their annual financial statements. The instructions will come into force with immediate effect. SEBI has issued a format in which such disclosures need to be made. The disclosures are required if a bank’s additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and if the additional gross NPAs identified by the RBI exceed 15% of the published incremental gross NPAs.

- **WCG TO GOVT. FOR LAUNCHING BULLION BANKING:** The World Gold Council (WCG) has urged the Government to introduce Bullion Banking in India, which is the World’s Second-Largest Consumer of the precious metal- in a phased manner for building an organised and transparent local gold market. Bullion Banking is a division within a universal bank which offers specialised services to participants in the bullion market. These services centre on dealing in physical bullion or bullion based contracts and are offered by banks in most large bullion markets. Introduction of bullion banking forms an important part of the country’s Gold Policy which the Government has been planning to introduce now.

- **RBI SETS UP TWO NEW DEPTS FOR BETTER SUPERVISION:** Currently, the supervision of financial sector entities is undertaken through three separate departments. Similarly, the regulatory functions related to financial sector entities are carried out through three separate departments. Now RBI, under attack for not being able to prevent scams in the banking sector, has reorganised its supervisory and regulatory functions into two departments to deal more effectively with potential systemic risks. Accordingly, RBI decided to integrate the supervision functions into a unified department of Supervision and Regulatory functions into a unified Department of Regulation with effect from November 1, 2019.

- **GOVT. PANEL MULLS REPAYMENT PERIOD FOR AGR DUES:** The Government Panel considering relief for the telecom sector is looking at a repayment period of as much as 20 years for Adjusted Gross Revenue (AGR) dues –with possibly an initial moratorium –based on the Net Present Value (NPV) method to ease the burden on heavily indebted companies. It will also consider a reduction in the total incidence of taxation to help the troubled sector and separately reach out to the regulator to consider some floor on tariffs to help with viability.

- **NEW SET OF RULES ON WAGES PROPOSED BY THE GOVT.:** The Union Government has proposed a set of rules which was adopted while setting the minimum wages for its own officials in 2016 by the Seventh Pay Commission. The rules are part of the Code on Wages Act 2019 passed by Parliament and notified in August this year which proposed to give minimum wages to all workers across the country instead of only a set of industries. For the first time, 25% of minimum wage component will include expenses of a worker’s family on education of children and medical needs. The states will be free to adopt the rules framed by the Centre for other set of industries. The minimum wage rates will now be fixed by a committee. The Government will also set a national floor for a minimum wages.

- **RBI REVISES COMPENSATION GUIDELINES FOR PVT. BANK CEOs:** RBI has told private sector banks and foreign banks operating in India that the compensation of whole-time directors, Chief Executive Officers (CEOs) and material risk takers should include deferral arrangement in the variable pay. The deferred compensation should subject to malus/clawback arrangements in the event of subdue or negative financial performance of the bank .This direction is part of the regulator’s effort to reduce incentives towards excessive risk taking that may arise from the structure of compensation schemes. A malus arrangement permits the bank to prevent vesting of all or part of the amount of a deferred remuneration. A clawback on the other hand is a contractual agreement between the employee and the bank in which the employee agrees to return previously paid or vested remuneration to the bank under certain circumstances.

- **RBI OPENS FIRST COHORT FOR RETAIL PAYMENTS:** RBI has announced the opening of the first cohort under the regulatory sandbox with retail payments as the theme. The adoption of “retail payments” as the theme is expected to spur innovation in digital payments space and help in offering payment services to the unserved and underserved segment of the population. Digital modes of payments can cut down some of the cost associated with a cash economy while giving customers a “friction-free” experience. Eligible entities can apply between November 15 and December 15 this year.

- **SEBI ISSUES NORMS FOR RATING PANELS:** SEBI has issued the norms for Rating Panels. The MD and CEO of credit rating agencies shall not be members of their rating committee. Rating committees of credit rating agencies (CRAs) shall report to a credit rating officer. As regards for composition of Board of Directors of CRA, one-third of the board shall comprise independent directors if it is chaired by a non-executive director. In case the board is chaired by an executive director, half of the board shall comprise independent directors. The Chief Rating Officer is to directly report to the ratings sub-committee of the board of CRA.

- **SEBI TIGHTENS PROCESS FOR SHARE DEMATERIALISATION:** SEBI has asked the listed companies to compile and submit data about share holders holding shares in physical form to depositories
by December 31 as part of strengthening the due diligence process. Transfer of securities held in physical form has been barred from April 1, 2019. After receiving data from the companies, depositories have to put in place systems to validate any dematerialisation request received after December 31.

- **GOVT. TO DECIDE NEW BASE YEAR FOR GDP:** The Ministry of Statistics and Programme Implementation will decide on a new Base Year for the GDP series. When new series with 2011-12 base year was being worked out the Ministry thought of revising it to 2009-10. But then the economists decided that 2009-10 was not a good year globally and domestically and finalised for 2011-12 as the Base Year for new series of GDP. The Ministry is working to bring in a new series of national accounts which would result in change in the existing Base Year of 2011-12. The Government is also considering 2017-18 as the new Base Year but no decision has been taken because some more data is required for taking the decision.

- **CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS:** The Central Board of Indirect Taxes and Customs (CBDT) will start all communications from November 8 to Taxpayers which will be executed by a computer generated “Document Identification Number” (DIN). The DIN is the Apex Policy Making Body for indirect taxes in the Central Government. It has implemented this mechanism after the central government implemented it from October this year. Though DIN is mandatory requirement, still in exceptional circumstances communications may be issued without an auto generated DIN. However, this exception is to be made only after recording the reasons in writing.

- **WORKING GROUP SUBMITS REPORT TO RBI ON CIC:** In a bid to bring in better regulation of Core Investment Companies (CIC), the Working Group set up by RBI has submitted its report. The Group has identified six main issues, including excessive leverage and corporate governance and has suggested restricting the number of layers in such firms in a group to two. As such any CIC within a group shall not make investment through more than a total of two layers of CICs including itself. For complying with this recommendation, RBI may give about two year’s time to the existing groups having CICs at multiple levels.

- **FINMIN NOTIFIES NEW RULES FOR NON-DEBT INSTRUMENTS:** Four years after the foreign exchange management act was amended to switch control on equity flows to the Government from RBI, the Finance Ministry has notified a new framework for investments via non-debt instruments. This switch over implies that the finance ministry will now be the notifying authority for any change for FDI Policy instead of RBI. The latest set of rules, notified on October 17 have provided in detail permitted sectors for foreign investment, countries allowed and also various entities and instruments covered. The Finance Ministry will consult the RBI on any changes to the rules in future.

- **GOVT. FOR USE OF “GeM” ONLINE BY PRIVATE PLAYERS:** The Centre is considering opening up the Government e-Marketplace (GeM) for private entities apart from Government contractors. However, the private players can use it only for bulk buying. It is also working on an online seller and buyer rating mechanism which will allow sellers to get working capital loans where the cost of capital is linked to the performance and rating of sellers. This will allow buying make “critical” procurements from sellers with good ratings.

- **SEBI TIGHTENS DISCLOSURE NORMS FOR MUNICIPAL DEBT:** SEBI has come out with a detailed disclosure framework for entities seeking listing of municipal debt securities issued on private placement basis. Under the new disclosure framework, SEBI said that it has widened the definition of issuers, revised timelines for submission of annual and half-yearly financial statements and a prescriptive list of information to be disclosed.

- **RBI PLANS PCA FRAMEWORK FOR NBFCs:** At present, RBI uses Prompt Corrective Action (PCA) framework as an early warning tool to maintain the financial health of commercial banks. RBI plans PCA Framework and a different supervisory system for NBFCs by 2022.
financial results and issued structure payment mechanism through escrow accounts, among others.

- **FINMIN EASED NORMS FOR Aadhar CARD:** The Finance Ministry has now amended the Prevention of Money Laundering Act (PMLA) rules, allowing the flexibility for people who use Aadhar for KYC and want to give their current address which is different from the address mentioned in Aadhar records. This will be allowed if the individual concerned provides a self-declaration for the current address. There had been lot of demand from various sectors of the economy for this flexibility. It will particularly help migrant workers who have the address of their native place in Aadhar but may want a bank account with their current address where they are living for work.

- **SEBI INTRODUCES TOOL TO MAP UCC WITH DEMAT ACCOUNT:** SEBI has put in place a mechanism for stock exchanges and depositories to map the Unique Client Code (UCC) with the Demat account of a client. Stock Exchanges and depositories shall map the existing UCCs with the Demat account of the clients latest by December 31, 2019. UCC allotted by the Trading member (TM) to the client shall be mapped with the Demat account of the client. A client may through multiple TMs in which case each such UCC shall be mapped with one or more Demat accounts. SEBI has asked the bourses to share the UCC data having PAN, Segment, TM/CM (Clearing Member) code and the allotted UCC with the depositories.

- **GOVT. ISSUES RULES ON PERSONAL GUARANTEE UNDER IBC:** The Centre has taken the next step in insolvency reforms by bringing personal guarantors to corporate debtors within the fold of the Insolvency and Bankruptcy Code (IBC) from December 1, 2019. The ministry of Corporate Affairs (MCA) has come up with a set of rules extending the scope of the IBC to personal guarantors of corporate debtors. The new regime will be prospective and invoked when there is a default. Further the Law of Limitation will apply. So far, the resolution of corporate guarantors was available under the IBC. Now even resolution of personal guarantors will be available.

- **SEBI MANDATES INDIA INC TO DISCLOSE EVERY LOAN DEFAULT:** SEBI has made it mandatory for all listed companies to make public disclosures on loan defaults. The move will help stakeholders stay better informed on the financial health of a company. The move comes two years after SEBI had abruptly withdrawn circulars directing companies to disclose all defaults within 24 hours of missing the due date, after concerns were raised by banks, companies and stakeholders. SEBI has said any default of payments of interest or principal on loans taken from financial institutions including banks, will have to be disclosed if it continues beyond 30 days.

- **RBI SUPERSEDES DHFL BOARD:** As governance and default concerns mounted, RBI superseded the board of directors of financially-stressed Dewan Housing Finance Corporation Ltd. (DHFL) and appointed an administrator. DHFL is now headed to the NCLT. This is the first time that the RBI is using power granted to it in the Union Budget for FY 19 to dismiss the management of a finance company. This will also be the first time that the recent amendment to the insolvency law allowing a finance company to face insolvency proceedings will be used.

- **RBI REVEALS LIST OF WILFUL DEFAULTERS:** Four years after the Supreme Court directed the RBI to disclose a list of India’s wilful defaulters, RBI has now released a list of 30 major wilful defaulters. While the RBI has been reluctant to release this data, individual banks and lenders have always generated information on wilful defaulters in the form of suits filed for recovery of their dues.

- **SUPREME COURT RULING ON NCLT POWER:** (Case- Municipal Corporation of Greater Mumbai VS Abhilash Lal) Supreme Court has ruled in this case that though section 238 of the Insolvency and Bankruptcy Code states that the code will override other laws, when properties of public authorities are involved, the National Company Law Tribunal (NCLT) can not ignore their objections and create fresh interest on them.

- **SUPREME COURT RULING ON CONSUMER FORUM:** (Case- Lilavati Kirtilal Mehta Medical Trust VS. Unique Shanti Developers) The Trust bought flates from the Developers to accommodate its nurses but these flates were found to be so dilapidated that they could not be repaired. The Trust complained to the National Consumer Commission which dismissed it holding that the Act excluded persons who obtained services for a commercial purpose. The Trust appealed to the Supreme Court which ruled that a Hospital Trust buying flates to accommodate its nurses could be called a “Consumer” under the Consumer protection Act.

- **SEBI ISSUES NEW PORTFOLIO MANAGEMENT NORMS:** SEBI has issued new norms for Portfolio Management which are expected to further safeguard investor’s interest and also help the industry become more competitive by weeding out non-serious players due to higher net worth requirements. Now SEBI has decided to raise the minimum investment amount of clients for portfolio management schemes to Rs.50 Lakhs from the earlier Rs.25 lakh. Besides it has decided to increase the net worth requirement of portfolio managers to Rs.5 Crore from Rs.2 Crore.

- **SEBI TO ALLOW UNLISTED Cos TO SELL DEBT SECURITIES:** SEBI will make it easier for unlisted companies looking to raise funds by selecting debt securities on the stock exchange platform. The focus is on companies that have not listed their shares but want to list only their debt instruments. Many firms have shied away from listing their debt securities as they had to comply with rules similar to equality listings on the exchanges. SEBI may consider lower disclosure requirements, exemptions from insider trading rules and statutory auditor norms along with increase in frequency of filing of results to one year from six months.

- **BSE, NSE ISSUE FRAMEWORK ON COMMERCIAL PAPERS:** The BSE and NSE have rolled out a framework for listing of commercial papers. Issuers can apply for listing of commercial papers issued on or after November 27. Companies, NBFCs and other entities with a net worth of at least Rs.100 Crore are eligible to list commercial papers (CPs), by their nature are short term money instruments and until now, have been regulated primarily by RBI. Listing of CPs will bring them under SEBI’s domain as well, leading to more transparent and better disclosure regime. CPs can be issued for maturities between a minimum of seven days and a maximum of up to one year from the date of
issue. CPs are usually issued at a discount to the face value and reflects prevailing market interest rates.

**E-INVOICING BECOMES MANDATORY FOR FIRMS:** The Finance Ministry has said that "E-Invoicing" will be mandatory for businesses having turnover of Rs.100 Crore or more from April 1. E-invoicing is a system in which B2B (Business-to-Business) invoices are authenticated electronically by GSTN (GST Network, IT Backbone for new indirect system) for further use on the common GST Portal. An identification number will be issued against every invoice by the Invoice Registration Portal (IRP) to be managed by GSTN. All invoice information will be transferred from this portal to both the GST Portal and E-Way Bill Portal in real-time.

**SUPREME COURT RULING ON ELECTRONIC EVIDENCE:** In a Landmark Decision, Supreme Court has ruled that electronic evidence in criminal cases should be classified as "Document" and the accused would be entitled to a copy of the same to prepare the defence. The contents of Memory card/Pen drive being electronic record must be regarded as a document.

October 2019

**SEBI FOR "MARKET INFRA INSTITUTION TAG" FOR RATING FIRMS:** SEBI and Ministry of Corporate Affairs (MCA) are planning to change the ownership and governance structures for Credit Rating Agencies (CRAs). SEBI is considering whether CRAs should be classified as "Market Infra Institution" (MIIs). Systematically important institutions such as Stock Exchanges, Clearing Corporations and Depositories are considered as MIIs. The Ministry has also proposed that over 50% of the board members of CRAs should be independent directors or public interest directors. There should also be a Nominee Director of the Regulator.

**GSTN TO CREATE MESSAGING PLATFORM:** The GST Network (GSTN) will create a special facility to allow buyers and sellers to converse with each other after the new simplified GST return system is rolled out on April 1. With the new return system in place, about 22.73% of GST Assesses with NIL turn-over will only need to send an SMS to GSTN to complete their compliance and then confirm it with an OTP. Prakash Kumar, CEO of GSTN also said that it could also be developed into an SMS facility that will allow businesses to settle invoice issues expeditiously.

**GOVT. NOTIFIES SPECIAL RULES FOR STARTUPS IN DEFENCE:** The Government has notified special exceptions in its defence procurement policy to promote Start-ups and will encourage them to bid for contracts valued less than Rs.150 Crore without the burden of providing financial credentials. The Defence Ministry has stipulated that for these relatively smaller contracts, Start-ups will be encouraged if they can prove technical experience. It has also made a clear distinction between Start-ups and new entrants in the field, ruling that mid to large-sized groups venturing into defence manufacturing will still need to meet financial criteria that include credit rating, revenue and net worth. The new set of guidelines has been issued for the "Make in India" purchases being planned by the armed forces.

**CBDT CLARIFICATION ON DEPRECIATION AND MAT CREDIT:** The Finance Minister had announced the lowering of the maximum corporation tax rate to 22% from the earlier 30%. An ordinance was promulgated to make this effective from the current financial year (Assessment year 2020-21). Further according to the ordinance "A domestic company shall, at its option, pay tax at 22% for any previous year relevant to the assessment year beginning on or after April 1, 2020 subject to certain conditions, including that the total income should be computed without claiming any deduction or exemption". Corporates sought clarification on two issues- Allowability of brought forward loss on account of additional depreciation and the Allowability of brought-forward MAT credit. CBDT clarified that since there is no time frame set for opting for a lower tax, a company can first set off the losses it accumulated and then go for the lower tax. The same will also be valid for accumulated MAT credit.

**BOB SIGNS MOU WITH INDIAN ARMY:** Bank of Baroda has signed a MOU with Indian Army under which the bank will offer customised services along with a host of facilities to account holders. The MOU includes free personal accident insurance cover, free air accident insurance cover of Rs.15 Lakh to Rs.50 Lakh and an overdraft facility up to three times of the monthly net salary. The features are also applicable for pensioners of Indian Army up to the age of 70 years.

**SBI, BOB SQUEEZE MICRO-ATM TRANSACTIONS OF OTHER BANKS:** Public Sector Lenders SBI and Bank of Baroda (BOB) have limited the cash withdrawals of customers using micro-ATMs of other banks to just four times a month, in what could cause transactions undertaken through the Aadhar-enabled Payment System route to fall significantly. While BOB is allowing customers to do four transactions a day, SBI has limited it to just one. SBI account holders who are not the part of the Government's direct benefit transfer scheme are allowed to do five transactions a month. These limits only apply in case the Micro-ATM terminal of another bank.

**CBDT LAUNCHES DIN SYSTEM FOR IT COMMUNICATIONS:** CBDT has launched a computer-generated Documentation Identification Number (DIN) system which provides for a transparent and recorded communication between the income tax department and the taxpayers. A DIN will be mandatory from October 1 onwards for every type of communication with the income tax department. Without it, the document and communication will be deemed invalid.

**RBI RELAXES BAN OF INDIAN COS TO BUY STAKE OF FOREIGN FIRMS:** Presently, no Indian company, partnership firm or LLP can acquire a stake in an offshore company that has investments in an Indian entity. Also, Indian companies can not set up their subsidiaries or joint ventures. RBI has clarified that there would be no "Blanket ban" on Indian companies wanting to buy stakes in overseas firms which already have investments in India under the automatic route. However, approval from RBI will be required.

**RBI INCREASE LENDING CAP FOR MICRO-FINNACE INSTITUTIONS:** RBI has raised the lending caps for Micro-finance Institutions to increase credit availability to lower income groups. The household income limit for borrowers of NBFC-MFIs in rural areas will be hiked to Rs.1.25 Lakh from the current Rs.1 Lakh, while for urban and semi-urban areas it will be increased to Rs.2Lakh from the current Rs.1.6 Lakh. RBI has also announced raising the lending limit to...
every eligible borrower to Rs.1.25 lakh from the current Rs.1 Lakh.

- **RBI GIVES LIQUIDITY SUPPORT FOR DIGITAL PAYMENTS:** In a bid to encourage digital payments, RBI came out with a series of measures for the sector, including liquidity support for 24x7 National Electronic Fund Transfer (NEFT) and the setting up of an Acceptance Development Fund (ADF) for card infrastructure. RBI will extend the collateralised liquidity support round-the-clock for NEFT to work on 24x7 basis from December. At present, the collateralised liquidity support is available till 7.45PM. This will help in better funds management by banks.

- **SUPREME COURT RULING ON LAND COMPENSATION RULE:** (Case- Union Bank of India VS. Tarsem Singh) The Supreme Court has declared unconstitutional a provision in the National Highways Act (NHA) which discriminated between those whose land was compulsorily acquired for building roads and the LAA. It ruled that it is immaterial that the land is acquired under the NHA and not the LAA, solatium can not be denied on account of that fact alone.

- **BANKS TO RECLASSIFY LOANS GIVEN TO HDIL AS FRAUD:** Lenders to HDIL will have to reclassify their loans to the developer as fraud and will need to set aside more money for these advances in their balance sheet. This is because the provisioning norm for loans where fraud is committed by the borrower is different from those governing regular advances. According to RBI's guidelines on Prudential Norms, the entire amount due to a bank (Irrespective of the quantum of security held) or for which the bank is liable is to be provided over a period not exceeding four quarters.

- **INDIA'S BANK DEPOSIT INSURANCE LOWEST GLOBALLY:** Protection of depositors in Indian Banks through insurance is the lowest globally. Insurance up to Rs.1 Lakh per bank account (About Rs1508) is well below the level in developed economies and even other BRICS nations. While the deposit insurance extended in India covers 70% of depositors in terms of number, only 7.8% of the deposit base comprises deposits below Rs.1 Lakh. It means that risk adverse people who choose bank deposits to park their life savings could lose a large chunk of their funds if there is a bank failure. Insurance coverage up to Rs.2.5 Lakh per account is available in US.

- **IRDAI ISSUES HEALTH INSURANCE RULES:** IRDAI has introduced a bunch of guidelines that is set to make health policies more comprehensive and policyholder friendly. At present insurers had been excluding lifestyle and genetic disorders from cover. Now these have to be covered. If eight years have passed by after the policy was issued, and has been periodically renewed, the insurer can not reject any claim on grounds other than fraud. To ensure that policyholders get the benefit of modern treatment methods, the regulator has listed some procedures that all insurers should cover.

- **GOVT. TO INTRODUCE TIME-BOUND E-BIDDING PROCESS FOR IBC:** The Government is considering to introduce a time bound e-Bidding process in Corporate Insolvency cases to improve transparency and reduce litigation. Currently, creditors of a company undergoing insolvency proceedings are free to negotiate with potential bidders individually which has led to offers being revised, bids coming in after the deadline and associated litigation, prolonging the process. The centre aims to quicken resolution proceedings by setting a time limit for financial bids. Once a resolution applicant submits a plan and the plan meets the basic eligibility criteria, eligible ones can be shortlisted and time limit say 48 hours may be given to him to do financial bidding on a platform.

- **SUPREME COURT RULING ON SERVICE TAX ON SUPPLIES:** The Supreme Court on October 3 ruled that the supply of food or beverages or any services by a club to its members do not form a sale transaction and thus concluded that there is no requirement to collect sales tax or service tax in such cases. Now it is to be seen whether the rationale applied by the Supreme Court as above will also apply to GST. Presently, GST Law mentions specifically that transactions of providing goods and services by a club to its members are taxable.

- **BANKS START LINKING HOME LOAN RATES TO CREDIT SCORE:** Three Public Sector Banks-Bank of Baroda, Union Bank of India and Syndicate Bank–have taken the first steps in transparently segregating retail loans into their own versions of prime and subprime risk exposure, using third party scores of potential borrowers to offer them different home financing rates. Such floating rate loans at Bank of Baroda are linked to an external benchmark and the interest rate would not depend upon either the quantum or duration of loans. All three lenders will use credit scores provided by CIBIL.

- **RULES FOR INPUT TAX CREDIT TWEAKED:** In an effort to curb the menace of fake invoices and boost cash flow, the Government has limited the input tax credit (ITC) to be availed by GST Assessees, in case the details have not been uploaded by the supplier. Based on the new notification, the input tax credit claimed in GSTR 3b in respect of vendors who have not uploaded invoice details as GST portal will not exceed 20% of the total eligible credit.

- **SEBI UNVEILS NORMS FOR LISTING OF DRs ON GIFT EXCHANGE:** SEBI has issued the detailed framework for issuance of depository receipts (DRs) through GIFT city exchanges in Gujarat. Depository receipts of listed companies on the NSE and the BSE can now be listed on exchanges in GIFT and traded there. Only foreign institutional investors and entities are allowed to trade on GIFT exchange while domestic retail players are barred. DR is originally a physical certificate of an underlying equity and allows investors to hold them and be traded on an exchange platform.

- **UCBs TO GET UMBRELLA BODY FOR LIQUIDITY SUPPORT:** Urban Co-operative Banks (UCBs) are expected to have an umbrella organisation for liquidity support and self regulation. At present, UCBs are under the dual control of state governments and the RBI, which is also a reason for uneven regulation. Top bosses in UCBs are selected through election, often
governed by political factors. This is unlike banks where professionals are handpicked. Earlier, RBI had given the option of converting UCBs into Small Finance Banks, but UCBs have turned down the proposal. RBI had also given permission for the umbrella organisation. However, the Federation requires an NBFC Licence from the RBI.

- **RBI UNIFIED REGULATION AND SUPERVISION DEPTS TO GO LIVE**: RBI has decided to operationalise the unified department for supervision and regulation with effect from November 1, 2019 in a bid to strengthen its oversight of commercial banks, UCBs and NBFCs. RBI will have a dedicated and specialised cadre of officers for ensuring a state-of-the-art supervisory framework for banks.

- **FASTag – ENABLED TOLL PLAZAS ACROSS THE COUNTRY**: The use of FASTag on national highways is set to increase exponentially from December 1, 2019 as all toll plazas in all the highways across the country will start accepting payments through the electronic mode. At present, the rule mandates at least one lane accepts FASTag, a REID-enabled device used to make electronic payments at toll plazas. From December, making toll payments by cash will become tedious for highway users. As per notification, only one lane will be allowed to accept toll in cash. Use of FASTag will lower queuing time at toll plazas. This will also be good from the security aspect.

- **UK SINHA COMMITTEE ON GROUP INSOLVENCY**: The UK Sinha-led working group on “Group Insolvency” has made a case for allowing “Subordination of claims” of other companies in exceptional situations. However, it has stipulated that subordination of claims should be done only by the adjudicating authority (Like NCLT) and that too, only in cases where there is any evidence of fraud and diversion of funds. A subordination means a claim though payable at par will be ranked lower in priority and will be paid after settlement of another claim.

- **GOVT. TO REVIVE FRDI BILL**: The Finance Ministry has started work on reviving the contentious Financial Resolution and Deposit Insurance (FRDI) Bill, a year after the proposed law for ushering insolvency of financial institutions was withdrawn by the Union Government. The Government intends to consider the issue related to the controversial “Bail-in” clause in the earlier bill, will explore hiring the deposit insurance cover of customers and also decide whether the resolution framework should apply to public sector banks. The move comes at a time when financial institutions, especially NBFCs and Co-op Banks are showing signs of distress. The Insolvency and Bankruptcy Code 2016 takes care of the resolution process for ailing non-financial arms and does not cover deposit taking financial companies.

- **PSBs TO START DOORSTEP BANKING**: State-run banks are set to implement doorstep banking for millions of consumers- including the facility to deposit and withdraw cash, making life easier for senior citizens and disabled. UCO Bank has floated a “Request for Proposal” on behalf of all public sector banks seeking private players to run the facility that will come with a call centre, website and a mobile app through which service requests can be lodged. Initially, the doorstep banking facility will be available to senior citizens and the disabled who often find it tough to visit branches.

- **GOVT. DIRECTS BANKS TO TAKE NON-IBC ROUTE**: The Union Government has directed public sector banks to look for an alternative resolution mechanism outside the Insolvency and Bankruptcy Code (IBC). The Government has further told them to build “resilient credit risk control systems” for high value loans, and has set a deadline for 45 days to decide upon consortium lending. These measures are part of second round of reforms under the Enhanced Access and Service Excellence Programme, known as EASE2.0 sent by the Finance Ministry to all public sector banks. The banks will be bound to follow EASE 2.0 because the 64-point measures will be part of the annual performance appraisal of bank executives of the DGM and above level.

- **IRDAI TIGHTENS AD NORMS FOR INSURANCE COMPANIES**: IRDAI has said in a Master Circular that all insurers should ensure that communications are clear, fair and not misleading whatever is the mode of communication. All advertisements must clearly state the availability of the underlying element of life insurance coverage to clearly identify the product as an insurance product. In respect of ULIPS, the actual asset mix of various underlying funds vis-a-vis the asset composition of approved asset pattern shall be placed on the web portal of the respective life insurance companies at least on half yearly basis. The insurers should not highlight the positive financial condition of the parent (Promoting partner) without mentioning the financial condition of the insurer and/or indicate the assets of the parent company and can be banked upon when desired.

- **SEBI TIGHTENS NORMS AROUND EXIT OF AUDITORS**: SEBI has issued stricter norms for auditors including prompt disclosures about reasons for their resignation and requirement to approach the chairman of audit committee directly in case of any concerns with the management of the firm concerned. SEBI has asked all listed entities and material subsidiaries to ensure that an auditor issues the audit report if he/ she is tendering resignation within 45 days from the end of a quarter. Besides, those resigning after 45 days from the end of a quarter have to issue audit reports for the quarter concerned as well as the successive quarter. Further, the auditors who have signed the limited review or audit report for the first three quarters of a financial year before resignation need to issue the audit report for the last quarter as well as for the complete financial year.

- **EPFO MEMBERS TO GET OPTION TO DRAW PENSION**: EPFO may soon give members an option to start drawing their pension once they turn 60 instead of 58. Currently, EPFO is of the view that the pensionable age should be aligned to the Government pension scheme and the National Pension System, where the superannuation age is 60 years. The proposal to increase the superannuation age for drawing pension under the scheme is expected to help a beneficiary grow his/her pension kitty, while also aiding the pension fund in reducing its deficit. The EPFO could also offer incentives such as additional bonus to those who agree to draw their pension at 60.**

- **CENTRE TO RETAIN MEIS SCHEME**: Keeping in view the fall in exports, the Centre is considering extending the popular Merchandise Export Incentive Scheme (MEIS) till the end of this fiscal and offering it to fabrics and yarn as well as instead of withdrawing it by the end of
RBI STEPS IN TO RAISE DICGC COVER: RBI has told its subsidiary Deposit Insurance and Credit Guarantee Corporation (DICGC) to create a risk-based system for collecting premiums from banks to cover the deposit insurance of customers. RBI feels that a move to charge banks depending upon how risky they are is a pre-requisite for hiking the bank deposit insurance limit of customers from Rs.1 Lakh at present. However, the threshold can not be hiked without a higher premium based on risk classification of the insured bank because any move otherwise will be seen as a moral hazard.

CENTRE RELAXES GIFT POLICY FOR STAFF: The Central Government has increased the monetary limits for accepting gifts for all its employees, relaxing the ceiling by more than three-fold. All officials under Group A&B categories will not accept any gift without the sanction of the Government, if the value exceeds Rs.5000. The limit to accept gifts for these groups of employees was Rs.1500 earlier. Similarly, Group C employees will be able accept gifts up to Rs.2000 instead of Rs.500 without taking Government approval.

CENTRE TWEAKS GUIDELINES FOR AUTHORISATION TO SELL PETROL, DIESEL: The Government has tweaked the guidelines for granting authorisation to sell petrol and diesel in the country. The Cabinet Committee on Economic Affairs has revised the norms that now allow companies with a net worth of Rs.250 Crore and more to get into this business. The earlier policy for marketing transportation fuels mandated a minimum prior investment of Rs.2000 Crore in the domestic oil and gas sector. The authorised entities will be required to install facilities for marketing at least one new generation alternate fuel like CNG, LNG among others at these retail outlets within three years of commencing operations. It will also be mandatory to set up at least 5% of the total retail outlets in notified remote areas within five years of grant of authorisation.

IOB TO LINK PAYOUT OF ADDITIONAL BENEFITS TO STAFF WITH PERFORMANCE: Indian Overseas Bank (IOB) has decided to link payout of a list of additional benefits to staff members with performance against a series of parameters at the end of every month through the remainder of 2019-20. This is being initiated with a view to improving the efficiency and commitment of staff towards growth in business. The list of additional benefits listed include monthly reimbursement of (1) Conveyance Allowance (2) Telephone/mobile rental charges (3) Cost of newspapers(4) Entertainment charges. Now it has been decided by the bank to withhold the above mentioned benefits to staff members attached to branches if there is non-performance/underperformance.

CENTRE ANNOUNCES BAILOUT PACKAGE FOR PSU TELCOS: The Union Cabinet has announced a Bailout Package that includes merger of BSNL and MTNL, strengthening the finances through sovereign bonds, giving out VRS and providing 4G spectrum at administrative rates. The entire package would cost Rs.70, 000 Crore. The package includes raising of Rs.15000 Crore sovereign bonds to meet the immediate capital requirement of both the companies, 4G spectrum allocation worth Rs.20, 140 Crore, Rs.29, 937 Crore for VRS and Rs.3674 Crore for GST that will be levied on allocation of radio waves. The Government has said that BSNL and MTNL are strategic assets of India. They will be neither closed nor disinvested. They want to make them competitive and bring professionalism.

GOVT. FINALISING DEFINITION OF MSMEs: The Government is finalising a new definition for micro, small and medium enterprises which will be linked to turnover and do away with the current system of classifying units based on the capital deployed in plant and machinery. The MSME Ministry, which is finalising the proposal, is seeking to end the difference between the manufacturing and services sector that the current investment-based definition makes. According to the proposal, any unit with a turnover of up to Rs.5 Crore will be classified as a micro enterprise while those with up to Rs.75 Crore annual revenue will be the small unit category. Similarly, enterprises with turnover of up to Rs.250 Crore will be classified as a medium-scale enterprise.

September 2019

IBBI SPEEDS PROCESS OF DEBTOR DEFAULT AUTHENTICATION: Insolvency Regulator IBBI has taken a crucial step to hasten the process of authentication and verification of information of default by borrowers for bankruptcy cases. It has now strengthened the role of an information utility (IU) by allowing it to access the data of MCA-21 database and CERSAI portals to speed up the process of debtor default authentication.

CBDT NOTIFIES NORMS FOR FACELESS IT ASSESSMENT: In a big relief to taxpayers, the Government has set the ball rolling on faceless and paperless income tax proceedings with the notification of the income tax e-assessment scheme. Under the scheme, the national centre will send notices to Assessee explaining the issues for selection of their case for assessment and the assessee will have 15 days to respond. The centre will then allocate the case to an assessing officer using an automated system. All communication will be conducted electronically and an assessee or his representative will not have to be physically present. A personal hearing will be allowed in case a modification is proposed in the draft assessment order and an opportunity is provided to the assessee. Assessee would be allowed to make their submissions or present their case in any unit and the hearings will be conducted exclusively through video links or any other such facility.

NPCI RATIONALISES MDR FOR RUPAY DEBIT CARD DEALS: To boost the use of debit cards, the National Payments Corporation of India (NCPI) has rationalised the Merchant Discount Rate (MDR) for RuPay debit card transactions across Point-of-sale (POS), eCom, and Bharat QR code-based merchant transactions. The MDR has been revised to 0.60% for transactions above Rs.2000 with a maximum cap of Rs.150. This is, at present, capped at 0.90% for transactions above Rs.2000 with a higher cap of Rs.1000 per transaction. Additionally, for card-based QR transactions (Bharat QR) the MDR has also been reduced to 0.50% with a maximum cap of Rs.150 per transaction.
• **15TH FINNACE COMMISSION TO MAKE OWN JUDGEMENT ON GF:** NK Sing, Chairman of the 15th Finance Commission has said that the Commission is not obliged to go by the Government’s “Growth Forecasts” (GF) and will arrive at its own independent judgement while finalising formula for devolution of funds to states by the Centre for 5 years commencing April 2020. The Commission is to submit its report to the Government by November 30. The Country’s GDP growth fell to an over six-year low of 5% in the first quarter of the fiscal. The Commission is not bound to accept the numbers on the nominal GDP as submitted to the Commission. The Commission is duty-bound under the Constitution to arrive at its own independent judgement.

• **SUPREME COURT RULING ON LIMITATION PERIOD:** (Case- Vashdeo Bhojwani VS. Abhyudaya Co-operative Bank Ltd.) In this case the Supreme Court has ruled that a claim for payment under the Insolvency and Bankruptcy Code (IBC) should be made within 3 years of it becoming due. It set aside the rulings of the National Company Law Tribunal (NCLT) and the appellate tribunal in which the Tribunal maintained that debt is a continuing liability and it could not be time-barred.

• **ECGC SCHEME UNDER EXPANDED SCHEME:** The expansion of the scheme offering higher insurance cover for export credit was announced by the Finance Minister. Cost of credit for exporters will go down significantly with foreign and rupee export credit interest rates likely to be below 4% and 8% respectively under the ECGC expanded export Credit Insurance Scheme. To facilitate banks, the Ministry has enhanced insurance cover for banks up to 90% for the working capital loans for both principal and interest and modernisation in premium incidence for the MSME Sector. For accounts with limits below Rs.80 Crore the premium rates will be moderated to 0.60% per annum and for those exceeding Rs.80 Crore it will be 0.72% p.a. for the same enhanced cover.

• **MICRO FINANCE INDUSTRY GETS CRL:** Microfinance Institutions Network (MFIN) and Sadhan, the RBI-recognised self-regulatory organisation and industry association for the microfinance industry alongwith FIDC have jointly released the “Code for Responsible Lending” (CRL) for the micro credit industry. The CRL is sector-specific and entity-agnostic. In addition to the CRL, a revised Industry Code of Conduct (COC) was also released for Microfinance Institutions (MFIs) that will act as a binding and compulsory set of principles with respect to lending practices. This is a significant self-regulatory step across all RBI-regulated entities and others that aims at safeguarding the interests of low-income customers through enhancing transparency and compliance.

• **GOVT. TO START ISSUING UIN FOR LAND HOLDINGS:** The Government will soon start issuing Unique Identity Number (UIN) for Landholdings as part of an exercise that is expected to bring transparency and end the issue of dubious land ownerships. Work has already been started on assigning a standardised unique land parcel number to each surveyed plot. The unique identity number will have details of state, district or zila, tehsil or taluka, block level and street information, wherever applicable and all relevant information about the plot including its size and ownership details. The unique identification number could subsequently be linked to the Aadhar and revenue court system.

• **NFRA ON AUDITORS OF PUBLIC SECTOR BANKS:** The National Financial Reporting Authority (NFRA) has made it clear that it has oversight powers on the auditors of public sector banks. There was a contention that PSBs do not fall within the definition of banking companies under the NFRA rules and therefore auditors of PSBs can not be subjected to regulatory oversight by NFRA. However, NFRA has now amended the rules to include even “new corresponding banks” (Basically all PSBs) within its scope. This would mean that NFRA has been empowered to monitor and enforce compliance with accounting standards and auditing standards; oversee the quality of service rendered by auditors in public sector banks and even undertake investigation of the auditors of the PSBs. NFRA will have sweeping powers to act against erring auditors and auditing firms.

• **CONTROL OF EPFO CORPUS TO BE WITH CENTRAL BODY:** The Labour Ministry has proposed to hand over control of the over Rs.10 Lakh Crore corpus of provident fund, pension and insurance schemes under the Employees Provident Fund Organisation (EPFO) to a Central body which will be headed by a Central Government-appointed Chairman. The Labour Minister will no longer be the Chairman of the Board, unlike the Central Board of Trustees of the EPFO. The Ministry has also proposed that the Government will create dedicated funds for all 3 schemes that will be administered by Central Board, thus undermining autonomy of these institutions.

• **FM ANNOUNCES TAX RELAXATION FOR INDIA INC:** The Union Finance Minister has announced tax relaxations for India INC. Corporate tax rate has been slashed at 22% if the corporate forgo all exemptions. Effective tax rate will be 25.17% inclusive of cess and surcharge and there will be no minimum alternate tax. Businesses enjoying tax holidays currently are to continue paying tax at the old rate. They can opt for the new rate of 22% when the tax holidays expire. Further, local firms incorporated on or after October 1, are to pay tax at 15% if they forego exemptions. These companies are required to begin production by March 31, 2023. Their effective tax rate will be17.01% inclusive of cess and surcharge. FM also said that the enhanced surcharge on sale of securities including derivatives by FPIs stands scrapped. Moreover tax on buybacks of shares announced prior to July 5, 2019 also stands scrapped.

• **SUPREME COURT RULING ON SECURED ASSET:** (Case- Bajrang VS. Central Bank of India) In this case, there was a residential flat in Mumbai which was a secured asset. When the bank tried to take possession of it, invoking the SARFAESI Act, the tenant obtained a stay against the landlord who sought its eviction. The bank alleged that the landlord and tenant were in collusion to defeat its rights. The Bombay High Court gave judgement in favour of the bank. When the tenant appealed to the Supreme Court, the apex Court ruled that the tenant was overstaying and the right of possession goes to the bank. The judgement while finalising formula for devolution of funds to states by the Centre for 5 years commencing April 2020. The Commission is to submit its report to the Government by November 30.

• **SEBI EASES NORMS FOR REGISTRATION OF FPIs:** SEBI has issued a notification for easing the process for on-boarding overseas investors. The notification states that the foreign portfolio investors (FPIs) are no longer required to meet the broad-
Going under guidance of NS TOOR

CURRENT AFFAIRS

SBI TO LEND NHAI WHICH OFFERS HIGHWAYS

Compiled under guidance of NS TOOR

The National Highway Authority of India (NHAI) is to raise money by keeping its assets as collateral. According to the terms of agreement, SBI will lend the NHAI 80% of the project cost and the rest of the money will be arranged by the Highways Authority itself. The loan would be repaid over at least 15 years. The money to repay the loan will be earned through toll revenue from securitised highways. The new method has been named as “Securitisation Model”. Only SBI has agreed-in-principle for securitisation model. More banks are expected to adopt it in future.

PSB FRAUD DETECTION EXCHANGE TO BE FORMED: The idea to create the Exchange is the brainchild of three public sector banks- Bank of India, Bank of Baroda and Allahabad Bank-which were entrusted by the Government to look into the rising of the number of frauds in the banking system. The banks have recommended to the Government forming a “Fraud Detection Exchange” with a 74% private partnership for sharing the data on a real-time basis. Banks would soon be able to seamlessly share data on frauds through a dedicated exchange just like credit reports if the proposal to form a specialised exchange gets the Government’s nod. According to RBI report, the banking sector reported 6801 frauds involving 71,542.93 Cr in FY 2019 as against 5916 cases involving 41,167.04 Cr in FY 2018.

GOVT. TOLD PSB CHIEFS TO REFORM BOARDS: The Department of Financial Services has asked the heads of public sector banks to initiate the process of reforming their boards in line with the governance changes announced by the Union Finance Minister as part of the mega banking reform package. The banks may give the risk committee of its board a mandate to periodically review adherence to the risk appetite framework of the bank and to fix accountability in the event of breach of approved risk appetite. Banks have also been asked to form a risk management committee and to combine the nomination and remuneration committees. The management will be accountable towards the board of the PSBs by way of the board appraising the general manager and above ranks including the managing director.

SEBI GUIDELINES ON UNPAID SHARES: Small and mid-cap stocks worth thousands of Crores of rupees which are lying with the brokers because clients have not fully paid to purchase them, could come for sale in the market due to recent SEBI’s circular. As per guidelines, with effect from October 1, brokers will not be able to keep unpaid shares in various accounts or even pledge them. Data collected by brokers show that the value of pledged shares stand at around Rs.1 Lakh Crore and these are part of the non-promoter and retail segment. Brokers have made representation to the SEBI for deadline extension by a few months since the circular may otherwise will lead to heavy selling.

FINMIN ALLOWS PSBs TO CREATE POST OF CGM: The Finance Ministry has allowed the Public Sector Banks (PSBs) to create posts of Chief General Managers (CGM) as per their business needs. CGM posts can be created in banks that have a total business of Rs.10 Lakh Crore or higher. Such CGMs will act as an administrative and functional layer between the existing levels of General Manager and Executive Director. The number of CGM posts created should not exceed the ratio of 1:4 between the total number of posts of CGM and GM. For the posts of CGM, the qualifying PSBs have been allowed to consider GMs with a minimum of two years of experience. However this norm may be relaxed up to 50% with the approval of the Bank’s Board.

BSE STARTUPS PLATFORM TO RAISE CAPITAL: The BSE has launched its start-up listing platform in December 2018 to facilitate funding for deserving start-ups by enabling them to raise capital from the market. For listing on the BSE start-up platform, the start-up should be registered with MSME/DIPP or have a minimum paid up capital of Rs.1 Crore. The company should have been operational for a minimum of two years before the date of filing; it should have a positive net worth among other financial criteria. The post-issue paid up capital of the company (Face value) shall not be more than Rs.25 Crore. The BSE had become the first stock exchange to get the approval from SEBI and launch its start-ups platform in December 2018. Now Alphalogic Techsys and Transpac Enterprises have become the First Companies to get listed.

GOVT. LAUNCHES DATED TECH SCHEME FOR MSMEs: Govt has launched the updated Credit Linked Capital Subsidy Scheme (CLCSS) to allow MSME access to capital. The Scheme provides an upfront subsidy of 15% on institutional credit up to Rs.1 Crore for MSMEs in the specified 51 sub-sectors. In the re-launched scheme, there is an additional 10% subsidy for SC/ST entrepreneurs while special provisions have been made for 117 aspirational districts, hill states and the northern region.

SEBI MOOTS COMPLIANCE REPORTING SYSTEM ON CYBER THREATS: SEBI has envisaged a three-tier structure to bolster cyber security in the Securities market. SEBI plans to set up a Cyber Security and Compliance Reporting System for the regulated entities. Besides, a Cyber Capability Index will be developed to assess the cyber security preparedness.
and resilience of the market infrastructure institutions which include stock exchanges, Clearing corporations and depositories. Further, SEBI plans to ask stock exchanges to enhance their analytical capabilities so as to improve the analysis of filings done by listed companies in the XBRL format.

- CHINA'S NEW DIGITAL CURRENCY: China’s Central Bank set up a research team in 2014 to explore launching its own digital currency to cut the costs of circulating traditional paper money and boost policy makers’ control of money supply. China’s proposed new digital currency would bear some similarities to Facebook’s Libra coin and would be able to be used across major payment platforms such as WeChat and Alipay. China appears to have accelerated the push to digital currency after US social media giant Facebook announced plans in June to launch digital coin Libra.

- MOSPI TO START ECONOMIC CENSUS EVERY THREE YEARS: To assess the country’s economic performance, economists and statisticians had to depend on data which was dated. But now, the Ministry of Statistics and Programme Implementation (MOSPI) has taken upon itself to make available the latest data and come out with the Economic censuses every three years. They are pursuing a strategy to move all data-capturing activities on a digital model/platform. This facilitates faster collection and capturing information and improved quality with inbuilt validation checks. The move has been initiated with the work on the seventh economic census.

- NEW SYSTEM TO MONITOR STEEL IMPORTS: The Government has put in place a new mechanism to monitor steel imports even as the DGTR reviews the demand for protection from cheap imports. Both commerce department and the steel ministry are backing the imposition of duty. The industry is complaining of an adverse impact from Indonesia, Vietnam, and China where India has free trade agreements. The Government has now put in place a new Steel Import Monitoring System for more transparent tracking of shipments. Now, instead of “Free” imports, steel consignments will be allowed “free subject to compulsory registration”. For shipments from November, importers are required to submit information in advance which could be 15-60 days before the arrival of the consignment and obtain an online registration number. This will be valid for 75 days.

- RBI PANEL FOR HOUSING FINANCE SECURITISATION MARKET: RBI Committee headed by Harsh Wardhan, Senior Advisor, Bain & Co. has recommended the setting up of an intermediary to specifically promote mortgage securitisation, reducing the minimum holding period and a separate investment limit of 5% in provident fund and insurance investment guidelines. For mortgage-backed securitisation (MBS) the minimum holding period (MHP) should be reduced to six months/ six monthly instalments. MHP is the minimum length of time that a loan must stay on the books of an originator before it can become part of a pool that will be securitised. The Committee has recommended reducing the minimum retention requirement (MRR) to 5% of the pool from 10% now.

- RBI TO BANKS ON UNAUTHORISED OD FACILITY: Amid a rise in frauds, RBI has alerted all lenders of instances where “Intermediary” or transitory accounts in banks have been misused to hide bad loans or mask money laundering. RBI has directed banks to carry out internal review of such unauthorised transactions and submit their findings by October. Funds often lie for a day or two in intermediary or office accounts opened in bank branches before the money is credited to the actual beneficiary. A branch manager may dip into such an account to give unauthorised overdraft facility to enable a borrower regularise a loan and avoid default before the close of quarter or due date for servicing the loan or just before the loan account is about to be classified as NPA.

- LIFE INSURERS REQUEST IRDAI FOR NOD TO SELL "IHI": Life Insurers have approached IRDAI for permitting them to sell Indemnity-based Health Insurance (IHI) once again. The IRDAI had, in 1976, issued new health insurance regulations under which it had barred life insurers from selling indemnity-based health insurance products either as an individual or a group policy and also from offering single premium health insurance products under the unit-linked platform. It had allowed only general insurers and health insurers to offer individual health products with a minimum tenure of one year and maximum of three years, provided the premium remains unchanged for the tenure. Life insurance companies can now no longer offer comprehensive protection to a customer who may be looking for term insurance as well as health insurance and have to refer them to another company. This poses a major challenge.

- SEBI FOR MARK-TO-MARKET VALUATION FOR ALL DEBT SECURITIES: SEBI may make it mandatory for debt products to assign the latest market price to all their bond investments from April 1. Currently, debt papers with a maturity of over 30 days only need to be valued on a mark-to-market basis. Most of the fund houses value the rest of the papers based on amortisation. Now valuation of debt and money market instruments based on amortisation shall be dispensed with and shall completely shift to mark-to-market valuation with effect from April 1, 2020.

- RBI PANEL FOR NEW INTERMEDIARY FOR HFCs: A five-member committee formed by RBI to improve mortgage-backed securitisation has recommended the formation of new Government-sponsored Intermediary through the National Housing Bank (NHB) specifically for Housing Finance companies (HFCs). The committee has suggested formation of an intermediary company with an initial capital of Rs.500 Crore in which the Government will hold 51% stake which will be gradually brought down to 26% over five years. The intermediary would be allowed to invest in each pool it securities to the extent of 5% of the pool or 5% of if own capital base whichever is lower. An overall aggregate limit of 50% capital of the intermediary can be set as the limit for market making activities.

- GOVT. TO CREATE FUND TO OFFER GUARANTEE FOR HOME LOANS: The Government is considering a Fund that will provide guarantee for those who would not otherwise be eligible for a housing loan allowing them to borrow funds to acquire a home. It is being envisaged as part of a package being prepared by the Government to help the housing sector which is burdened by heavy debt, stalled projects and unsold homes. This Fund would essentially support borrowers who are not rated well and not eligible for a loan from a bank. A guarantee could also help lower interest rates for those otherwise ineligible for loans.
CBDT EASES PROSECUTION NORMS: CBDT has relaxed some norms for prosecution of income tax defaulters for delay in depositing TDS, under-reporting of income in the tax return or non-filing of IT Return. The cases where non-payment of TDS is Rs.25 Lakh or below and delay in deposit is less than 60 days from the due date shall not be processed for prosecution in normal circumstances. However, irrespective of this, recourse will continue to lie against habitual defaulters with the approval of “Collegium”.

August 2019

GOVT. UNVEILED MEGA MERGER PLAN OF PSBs: The Government has unveiled a plan to merge 10 public sector banks into 4 reducing the number of state-owned banks from 18 to 12 in a bid to create “Next Generation” financial institutions with stronger balance sheets and bigger risk appetite. Union Finance Minister said that the OBC and United Bank of India would be merged with Punjab National Bank which will be the 2nd Largest Bank in the country after SBI. Further, Syndicate Bank will be merged with Canara Bank. Andhra Bank and Corporation Bank would be merged with Union Bank of India. Allahabad Bank will be merged with the Indian Bank. The timeline of completing the proposed mergers would be decided in consultation with the banks’ boards, preferably 31.03.2020.

FM ANNOUNCES REFORMS OF BANKS BOARDS: Union Finance Minister announced a host of measures aimed at making PSBs more efficient. These included allowing banks’ boards to appraise performance appraisal of the senior management —from the level of General Manager to Managing Director. Under the current practice, General Managers are appraised by the ED and the ED is appraised by the MD. But there is no formal appraisal process of the MD. The Government now proposes that the Board can appraise the MD directly. The Government also gave the freedom to banks to appoint Chief General Manager (CGM) if required. The concept of CGM is present in SBI.

SBI ROLLS OUT POLICY ON WILFUL DEFAULTERS: SBI has put together a comprehensive policy on wilful defaulters which envisages setting up 3 Wilful Default Identification Committees (WDICs). Each of these committees will be headed by a Deputy Managing Director. There will be quarterly reviews by branches for identification, declaration of wilful defaulters and taking action against them. The bank will declare borrowers with outstanding of Rs.25 Lakh and above as wilful defaulters in terms of the RBI guidelines. If the committee identifies a borrower, promoter/director and the firm as wilful defaulter, the order will be sent to the review committee. The order will become final only after it is reviewed/confirmed by the review committee. Once declared a wilful defaulter, a borrower/ guarantor will remain in that category till the closure of the loan, irrespective of the outstanding in the account.

RBI NO OBJECTION TO BANKS FOR SETTING SEPARATE CAPS FOR POWER AND RENEWABLE: The priority sector lending limits for renewable energy were said to be stunting the growth of the sector as banks were clubbing the power and renewable sectors under one umbrella. This dried up the capital availability for renewable companies. Now RBI has said that it has no objection to banks setting separate limits for renewable energy. The move to ask banks and financial institutions to categorise renewable energy as a separate sector different from the power sector is being done so that funds would flow more to renewable energy projects.

NHB INFUSES LIQUIDITY IN HFCs: The National Housing Bank (NHB) is making available from August 2, a liquidity infusion facility of Rs.10000 Crore for Housing Finance Companies (HFCs) as additional liquidity for individual housing loans, for affording housing. This facility will be over and above the two existing refinancing schemes of the NHB. Further, the Government has approved the modalities for one time partial credit guarantee to public sector banks for purchase of high rated pooled assets of financially sound NBFCs. Accordingly, for the purchase of high rated pooled assets of financially sound NBFCs—which will amount to Rs.1 Lakh Crore during the current financial year, the government will provide a onetime 6 months’ partial credit guarantee to public sector banks for the first loss of up to 10%.

RBI TIGHTENS NORM FOR APPOINTING DIRECTORS OF PSU BANKS: As per the RBI (Fit and Proper Criteria for Elected Directors on Boards of PSBs) Directions 2019, all banks-SBI and nationalised banks are required to constitute a Nomination and Remuneration Committee consisting of a minimum of three non-executive directors from among the board of directors. As per the directions, the candidate who wants to become an elected director should at least be a graduate. He/she should be between 35-67 years old as on the cut off date fixed for submission of nominations for election. The candidate should have special knowledge or practical experience in areas useful for banks.

RBI'S DIRECTIONS TO BANKS ON BSBD: RBI has said that the banks should not impose any limit on number and value of deposits that can be made in a month on Basic Savings Bank Deposit (BSBD) account. These accounts are designed primarily for the poor section of the society which would offer certain minimum facilities, free of charges. Bank should not charge for deposit of cash at bank branch as well as ATMs, should not ask for receipt or credit of money through any electronic channel. The account holders should be allowed minimum of four withdrawals in a month including ATM withdrawals and should be issued ATM Card or ATM-cum-Debit Card free of charge. The BSBD Account shall be considered a normal banking service available to all.

GOVT. SEEKS SC HELP TO REDUCE DELAYS IN NCLT: The Government has sought the Supreme Court’s approval to frame rules for making judges of the National Company Law Tribunal (NCLT) accountable in ensuring corporate insolvency cases are disposed of in time. The Government has made it mandatory for all corporate insolvency procedures, including litigation to be wrapped up in 330 days. The government is concerned about the cost that the delay in the resolution process is causing.

GOVT. NOTIFICATION ON NATIONAL POPULATION REGISTER: According to a recent notification issued by the Registrar General and Census Commissioner of India, the task of National Population Register will be carried out across the entire country.
except Assam. The Central Government has decided to prepare and update the population register and field work for house to house enumeration throughout the country except Assam for collection of information relating to all persons who are usually residing within the jurisdiction of local registrar shall be undertaken between April 1, 2020 to September 30, 2020.

SEBI TO TIGHTEN NORMS IN LOAN DEFAULTS: In view of concerns over banks citing “Client Confidentiality” to resist sharing of information on delayed loan repayments and possible defaults by their borrowers, SEBI is planning to tighten its norms to make it mandatory for companies to provide these details to credit rating agencies. There have been occasions when some entities have sought to take the benefit of certain regulatory gaps as banks are regulated by RBI while rating agencies and listed companies come under SEBI’s jurisdiction. The problem becomes more acute in the case of unlisted companies. To fill this regulatory gap, SEBI is now proposing to amend its regulations for credit rating agencies to ensure that any listed or unlisted entity, before getting rated, gives an explicitly consent to obtain from lenders and other entities full details about their existing and future borrowings as also their repayments and delay or default of any nature and provide the same to the rating agencies.

AMENDED COMPANY LAW’s STRINGENT MEASURES ON CSR: Under the Company’s Act, 2013, a company has to spend 2% of its average net profit of the preceding three years on Corporate Social Responsibility (CSR) if it had in any of those years net worth of Rs.500 Crore or more, revenue of Rs.1000 Crore or more or net profit of Rs.5 Crore or more. Now under the amended Company Law, companies violating CSR norms will attract fines ranging from Rs.50, 000 to Rs.25 Lakh with officers concerned liable for imprisonment up to three years.

IIP METHODOLOGY REVIEW IN THE WORKS: The Government will review the methodology of estimating its factory output – Index of Industrial Production (IIP) and identifying gaps amid credibility of such data in recent past. The IIP provides a single representative figure to measure the general level of industrial activity in the economy on a monthly basis. The Ministry for Statistics and Programme Implementation (MOSPI) has set up a working group to revise the indicator’s base to 2017-18 from 2011-12 and monitor if global practices are followed in its estimation. The group will revise the base and relook the methodology.

SEBI ENHANCES GUIDELINES FOR SHARE PLEDGING: SEBI has asked the promoters of all listed companies to disclose the reasons for pledging of shares if their quantum is 50% or more of their total holding in the company. SEBI has also asked for similar disclosures if the total shares pledged by promoters exceed 20% of the company’s equity capital. In order to bring greater transparency regarding reasons for encumbrance, particularly when significant shareholding by promoter along with “Persons Acting in Concert” (PAC) is encumbered, it has been decided to prescribe additional disclosure requirements.

IT APPEALS MONETARY LIMIT HIRED: In order to reduce the litigations, CBDT has hiked the monetary limit for filing appeal. This will ensure better litigation management and save resources. Monetary limit for filing appeal before income tax appellate tribunal would be Rs.50 Lakh as against Rs.20 lakh. Further monetary limit for filing appeal in the High Court and Supreme Court have been revised to Rs.1 Crore and Rs. 2 Crore respectively. Earlier, these limits were Rs.50 Lakh and Rs.1 Crore.

FINMIN JOANS 16-POINT “KPI” TO PUSH PSBS: To address the continuing decline in the share of public sector banks, the Finance Ministry plans to kick-start an elaborate exercise whereby it will closely monitor their achievements on 16 key performance indicators (KPI) at the branch, state and national level. The banks will then be benchmarked against the 18 PSBs average. If found lagging, specific action will be taken after consultation at various levels to crank up their performance. The 16 KPIs that the Ministry will be tracking include credit for infrastructure, farm sector, MSMEs, Stand-up India Scheme etc. Through a consultation process at various levels, the Finance Ministry will assess the KPIs to understand whether the PSBs have performed well in terms of catering to their customers and helping the country grow.

CENTRE TO PERMIT 100% FDI IN CONTRACT MANUFACTURING: According to the existing foreign investment policy, 100% foreign direct investment (FDI) is permitted in the manufacturing sector under the automatic route. A manufacturer is also allowed to sell products manufactured in India through wholesale and retail channels, including through e-commerce, without government’s approval. The current policy does not mention about contract manufacturing and it is not clearly defined in the policy. Big technology companies across the world are going for this. Hence the Government has allowed 100% FDI in contract manufacturing with a view to attract overseas investments.

NATIONAL CONSUMER COMMISSION RULING ON BOUNCED CHEQUE: The customer Chitrodaya Babuji had received the cheque from another person and he deposited it in the bank. But the cheque was bounced. So he demanded the cheque from Bank of Baroda along-with the returning memo. However the cheque was lost in the bank. The customer could not initiate the proceedings against the person under Negotiable Instruments Act. On appeal the National Consumer Commission directed the bank to pay a sum of Rs.3.6 Lakh to the customer because it is the responsibility of the bank to compensate the loss.

CBDT GIVES EXEMPTIONS TO START-UPS ON ANGEL TAX: CBDT has given an exemption to start-ups from angel tax even on earlier assessment orders subject to certain riders. Now the CBDT has raised the threshold for availing angel tax. Consideration of shares issued or proposed by start-ups has been hiked to Rs.25 Crore from Rs.10 Crore. Also, consideration received by eligible start-ups for shares issued or proposed to be issued to a listed company having a net worth of Rs.100 Crore or turnover of at least Rs.250 Crore has been exempted. The definition of start ups was also widened to include an entity up to 10 years from its date of incorporation instead of the existing period of seven years.

RBI PRESCRIBES “FIT AND PROPER CRITERIA” ON REGULATORY SANDBOX: RBI has prescribed “fit and Proper” criteria for selection of participants for entry into the Regulatory Sandbox for live-testing of new products in a controlled/test regulatory
Compiled under guidance of NS TOOR

RBI TO RE-START EXPORT CREDIT REFINANCE FACILITY: The Export Credit Refinance (ECR) facility was given on the basis of banks’ eligible outstanding rupee export credit, both at the pre-shipment and post-shipment stages. It was stopped in February 2015. The impact of the removal of the ECR facility is evident from the fact that the period immediately after its withdrawal was accompanied by a rise in the maximum rate of rupee export credit by public sector banks, though the repo rate continued to decline during this period. According to the EXIM Bank, a possible solution to the high cost of export credit is to lower the funding cost via refinance, which addresses both cost and liquidity. Interest rates could be rationalised by the reinstatement of the RBI’s export credit refinance facility. Hence, RBI may restart the ECR facility to moderate the interest rate on rupee export credit and reverse the faltering trend in exports.

SRINIWAS PANEL FOR “GREEN CHANNEL” FOR FASTER M&A APPROVALS: The Competition Law Review Committee has recommended a “Green Channel” for faster regulatory approvals for mergers and acquisitions that may have no major implications on competition. The Panel was chaired by Injeti Srinivas, Secretary of Ministry of Corporate Affairs. It has suggested setting up of the Competition Commission of India offices at the Regional level for non-adjudicatory functions such as research and advocacy. It also recommended that a dedicated bench be introduced in the National Company Law Appellate Tribunal for hearing appeals under the Competition Act.

CENTRE RAISES CAP ON SHARES ISSUED WITH DVRs: The Centre has sweetened the deal for start-ups and other firms with regard to shares issued with differential voting rights (DVRs). The cap of DVR shares has been revised upwards to 74% of the total voting power from the existing 26%. Another key change is removal of an earlier requirement of distributable profits for 3 years for a company to be eligible to issue shares with differential voting rights. The two changes are expected to give a boost to the start-up ecosystem.

RBI MAKES CHANGES IN GOLD MONETISATION SCHEME: In an amendment to the scheme, RBI said that while all deposits have to be made at collection & purity testing centres (CTPCs), banks may accept gold at designated branches, especially from the larger depositors. Banks may also identify at least one branch in a state/union territory where they have presence to accept the deposits under the scheme. Banks may at their discretion also allow the depositors to deposit their gold directly with the refiners that have facilities to carry out final assaying and to issue the deposit receipts of the standard gold of 99% fineness. Until now, potential depositors had to submit gold to a CTPC and then to a collection centre –both named by the Government.

GOVT. FOR DEBT WAIVER FOR SMALL DISTRESSED BORROWERS: The Government plans to give debt waiver for “Small Distressed Borrowers” under the Insolvency Law Framework. The proposed waiver would be offered as part of “Fresh Start” provisions under the Insolvency Bankruptcy Code (IBC). As per the IBC, there are various thresholds for “Fresh Start” including that the gross annual income of the debtor does not exceed Rs.60,000. The aggregate value of the debtor’s assets should not be more than Rs.20,000 and that the aggregate value of the qualifying debts does not exceed Rs.35000. Among others, such a person should not be having an old dwelling unit, irrespective of whether it is encumbered or not.

SEBI TO HAVE FRAMEWORK FOR CRAs: SEBI is likely to come up with a framework for Credit Rating Agencies (CRAs) to enable them to seek information from lenders or other institutions about loan repayment or possible default by a debtor. SEBI plans to amend the regulations on CRAs by adding a clause in the agreement between an issuer and a rater to provide an explicit consent from the issuer to obtain information related to loans, repayment, delay etc. from banks or other lending institutions. At present, banks do not share with CRAs details of a company’s existing and future borrowings.

SEBI TO TIGHTEN THE SCREWS ON EQUITY BUYBACKS: SEBI is likely to impose a limit of 25% for buyback offers by listed companies of their aggregate paid up capital and free reserves. Both standalone and consolidated financial statements will have to be considered for calculating the maximum permissible buy-back size. SEBI will also mandate shareholder approval via a special resolution for share buybacks that exceed 10%. Companies with post buybacks debt to equity ratio of more than 2:1 on a consolidated basis will not be allowed to implement a buyback.

GOVT. SCRAPS DEBENTURE RESERVE NORM FOR HFCs, NBFCs: Under the Company Law, NBFCs, HFCs and Listed Companies had to create a Debenture Redemption Reserve (DRR) of 25% of the value of outstanding debentures. Now the government has scrapped the requirement of redemption reserve for issuance of debentures. In the case of unlisted companies, the DRR has been reduced from the present level of 25% to 10% of the outstanding debentures. Hitherto, listed companies had to create a DRR for both public issue as well as private placement of debentures, while NBFCs and HFCs had to create DRR only when they opted for public issue of debentures.

NSE REVISES ELIGIBILITY CRITERIA FOR STOCKS IN NIFTY: NSE has revised the eligibility criteria for inclusion of stocks in the Nifty indices. According to the amended rules, all equity shares that are traded (listed and traded and not listed but permitted to trade) at the exchange are eligible for inclusion in the Nifty indices. Earlier, only those equity shares that were listed and traded on the exchange were eligible for inclusion in the Nifty indices.

GOVT. TO RBI ON-LINE FUND TRANSFERS: The Union Government has written to RBI seeking its views on a mechanism to enable willing bank customers to have control over deposits of money in their accounts. The move is a follow-up to instances of illicit deposits –after demonetisation –in bank accounts under the PMJDY. Under the proposed mechanism, the banks will notify customers when someone tries to deposit money in their accounts. The customers will then have
the option of accepting or rejecting the money transfer request. However this service may not be open to all customers because they may be required to pay for availing this service.

- **SEBI RELAXES NORMS FOR FPI INVESTMENTS:** SEBI has relaxed the norms for Foreign Portfolio Investors (FPIs) investments. SEBI said that the FPIs would no longer be required to meet the “Broad-basing” criteria under which a minimum 20 investors were required to establish a fund. Also, central banks that are not members of the Bank for International Settlements (BIS) will be allowed to register as FPIs. Offshore funds floated by Indian Mutual Funds will be permitted to invest in the domestic markets under the FPI route.

- **GOVTS. CLARIFICATION ON “APPOINTED DATE” OF M&As:** The Corporate Affairs Ministry has said that the companies do have the flexibility to choose the “appointed date” of a merger/amalgamation based on occurrence of an event. However the event concerned should be relevant to the mergers between the companies. As per clarification, the companies concerned to function independently till such event is actually materialised. The MCA has further clarified that the term “appointed date” used in section 232 (6) will be deemed to be the “acquisition date” for the purpose of conforming to IndIs standard dealing with business combinations.

- **SEBI’s NEW NORM FOR FPIs:** Under SEBI’s new norms, foreign portfolio investors (FPIs) trading in India’s stock market will face “Zero” tax and transaction charges if they register with the International Financial Services Centre (IFSC) in Gandhi Nagar (Gujarat).

- **PSBs SHUTTER MANY BRANCHES, ATMs AS COSTS MOUNT:** Public Sector Banks are shuttering many of their ATMs and branches, cutting expenses as urban customers are increasingly taking to digital channels for their banking needs, rendering the costs for maintaining and setting up these physical infrastructures unnecessary. The top ten banks with the largest branch networks have shut nearly 5500 ATMs and 600 branches over the past one year.

- **GRAM PANCHYATS TO GO TO DIGITAL:** An agreement has been reached between a Special Purpose Vehicle of the Common Service Centre (CSC) and the Ministry of Panchayat Raj in which 250, 000 Gram Panchayats in the country will be able to switch to digital operations. CSCs will support the gram panchayats in data digitisation besides ensuring speedy delivery of all Panchayat-level services. They will also act as catalyst in promoting the government’s plan of having rural business processing outsourcing unit in every Gram Panchayat. CSCs will ensure creation of digital panchayats by integrating and updating online platform for CSCs services.

- **CVC RECONSTITUTES ADVISORY BOARD ON BANK FRAUDS:** The Central Vigilance Commission (CVC) has reconstituted the Advisory Board on Bank, Commercial and Financial Fairs as the Advisory Board for Bankings Frauds (ABBF). Former CMD of Indian Bank and former Vigilance Commissioner TM Bhaisin will be the Chairman of the Board. The Board’s jurisdiction would be confined to cases involving officers of General Manager Cadre and above in respect of an allegation of a fraud in a lending case. Individual PSBs would refer all large fraud cases above Rs.50 Crore to the Board.

- **FM ANNOUNCES RELIEF MEASURES FOR BANKS, MSMEs:** The Union Finance Minister has announced to provide up front capital infusion of Rs.70, 000 Crore into PSBs. Regarding relief to MSMEs, all pending GST refund dues will be paid within 30 days. In addition, all GST refunds will be paid within 60 days from the date of application. NHB funding has been increased to Rs.30, 000 Crore from Rs.20, 000 Crore. Further it has been announced that the Corporate Social Responsibility violations are not to be treated as a criminal offence but it should be treated as a Civil liability.

- **SEBI TO OPERATIONALISE LIBERALISED NORMS FOR DRs:** The Government had notified the liberalised norms in December 2014 for the Depository Receipts (DRs) but SEBI had opposed their implementation, citing concerns around difficulties in tracking the ultimate beneficiary and the potential for money laundering and unsolicited takeovers. Now the Union Finance Minister has announced that SEBI will operationalise the DR scheme 2014 soon. The Scheme proposes that Indian companies be allowed to issue DRs in overseas markets against any underlying security, such as bonds, debentures and mutual funds. Currently, they are allowed to issue DRs only against their underlying shares.

- **SUPREME COURT RULING ON SECURED ASSET:** (Case-Kut Energy Ltd. VS. Punjab National Bank) Supreme Court ruled in this case that the Debt Recovery Tribunal or a High Court asks a defaulting borrower to make pre-deposit with it to show its bonafides in returning the loan. But the creditor cannot claim that amount arguing that it is a secured asset. The deposit is not towards the satisfaction of the debt and is free from the claims under the SARFAESI Act.

- **RBI TO TRANSFER SURPLUS FUNDS TO GOVT.:** RBI has decided to transfer excess surpluses in major branches to cut expenses instead of paying dividends. RBI has decided to transfer Rs.1, 23,414 Crore of its surplus to the Central Government for the fiscal year 2018-19 or FY 2019 (July to June) and an additional Rs.52, 637 Crore of excess provisions as recommended by the Jalan Committee on Economic Capital Framework. The surplus transfer, commonly called as “Dividend” to the Government is almost double of the previous record of Rs.65, 896 Crore. In the previous year, RBI transferred Rs.50, 000 Crore while in 2016-17, the dividend was only Rs.30, 659 Crore. Of the total, Rs.28, 000 Crore has already been transferred to the Government as interim dividend.

- **GOVT. RELAXES FDI RULES:** The Union Cabinet has relaxed the rules for Single-brand Retail, more than seven years after the foreign investment cap was removed for the segment to attract the foreign brands in the country. While 30% local sourcing remains a mandatory condition for single brand retail the government has now agreed to make things easier for foreign retailers. With the change, foreign retailers’ India Buy for exports will be factored in to meet the 30% domestic sourcing norm. Companies in a single-brand space can also start engaging in online retailing without opening brick and mortar stores first, something that was not allowed earlier. Further for the
first time, the Government has set an FDI cap at 26% for digital news India which till now was not covered under any foreign investment rules.

July 2019

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, affecting 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-mechanism to incentivise or disincentivise 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. 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 in order to bring down 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.

- **AdDHAR-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 five to four 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 cannot 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 litigation and judicial framework has suggested transfer of funds from RBI to the Government in tranches 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 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 timelines for the NCLT.

· **SEBI RAISES THE EXIT BARRIER FOR AUDITORS:** As part of its efforts to rid corporate India of scams and frauds fuelled by financial opaque ness, 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 purposes.

· **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 to 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 its 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%.

· **GOVT. PANEL FOR BAN ON PVT. CRYPTOCURRENCIES:** A Panel tasked with examining virtual currencies, headed by Finance Secretary Subhash Garg has recommended that the Government should ban private cryptocurrency and could consider launching its digital money. It has also recommended that to deter the use of cryptocurrency, anyone doing so could be punished with imprisonment of up to 10 years. The Panel said that there is no intrinsic value of private cryptocurrency. These lack all attributes of a currency. There is no fixed nominal value. The neither act as any store of value nor they are medium of exchange. The panel said that the policy makers and regulators should have an open mind regarding the introduction of an official digital currency in India.

· **GOVT. TO OVERHAUL EXISTING LABOUR LAWS:** The Government has introduced two Labour Codes in Parliament-the code on Wages and Code on Occupational safety, Health and Working conditions. At present, many states have multiple minimum wages. The Code is envisaged to simplify and rationalise the methodology to fix the minimum wages by doing away with “Type of employment as a criterion”. Rather the minimum wage will be fixed primarily based on geography and skills.

· **BBB ROLLS OUT PROGRAMME TO GROOM LEADERS:** The Banks Board Bureau (BBB) has said that around 75 senior management personnel of state-owned banks will undergo 30 days of interventions over a period of nine months every year as part of a leadership development programme. It is aimed at supporting nationalised banks to have a leadership pipeline to take on present and emerging challenges in a competitive marketplace.

· **BANKS TO HIRE AGENCIES FOR LOAN MONITORING:** Keeping in view the corporate frauds, the banks are planning to appoint external agencies in all consortiums lending above Rs.250 Crore for continuous monitoring of frauds. The IBA has already identified 75 such firms and the list has been circulated among banks. This is a new mechanism. Established accounting firms are being identified and they will be in charge of monitoring loans on a continuous basis. They will provide reports to banks at periodic intervals. These agencies will vet the books of the company and conduct kind of forensic audit on a real-time basis.

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16
- **GOVT. FOR CONSOLIDATION OF RRBs**: There are 56 operational RRBs and the roadmap is to bring them down to 38 or below. The government had so far amalgamated 21 RRBs. Banks have been directed to explore the possibilities of buying out the stake of other sponsoring banks in RRBs, if such deals will strengthen their presence and hold financial viability. At present, the Central Government holds half the stake in RRBs. Sponsor banks own 35% and the rest is with the state governments. The sponsoring banks may also buy out the central government’s share.

- **GOVT. FOR WAIVER OF REGISTRATION FEE FOR NEW VEHICLE**: In a move that could spur the mushrooming of vehicle scrapping agencies across the country, the Government has proposed waiver of registration fees for new vehicles if the owners present a scrapping certificate. The certificate, however, has to be issued by an “authorised scrapping agency”. The draft notification says that a newly purchased vehicle shall be exempted from paying registration fees if it is presented for registration along with the scrapping certificate of a previously owned vehicle of the same category issued by an authorised scrapping centre. The scrapping certificate should not have been utilised for any such cases in the past. Fitness certificates for transport vehicles older than 15 years have to be renewed more frequently –every six months against one year under the current norms.

- **IBBI FOR CHANGES IN LIQUIDATION PROCESS**: Insolvency Regulator IBBI has specified that all the liquidation processes have to be completed within one year of its commencement. It also specifies a maximum time of 90 days from the order of liquidation for completion of compromise or arrangement, if any, proposed by shareholders under section 230 of the Companies Act. These changes will ensure that liquidation process will close at the earliest. Also, financial creditors who are financial institutions will have to contribute towards the liquidation cost where the corporate debtor does not have adequate liquid resources to complete liquidation.

- **SEBI FOR UNIFORMITY IN DELIVERY PERIOD FOR CF**: SEBI has fixed the minimum duration of the staggered delivery period at five working days for all Commodity Futures (CF) in order to bring uniformity to the timeline across exchanges. Staggered delivery period is the duration during which sellers or buyers having open positions may submit an intention to give or take delivery of the contract. At present, there is no uniformity in the length of staggered delivery period for commodity futures contracts across exchanges even for the same commodity.

- **FINANCIAL REPORTING AUTHORITY TO GET STATUTORY BACKING**: The Centre proposes to widen the scope of the National Financial Reporting Authority (NFRA) the newly set up audit profession regulator for large entities, for action against erring audit firms or its members, giving it specific debarment powers to deal with audit failures in large entities. Now the regulator action can be targeted at activities that deserved to be stopped and the NFRA will have the power to debar a member or a firm from being appointed as an auditor or internal auditor or undertaking any audit in respect of financial statements or internal audit of the functions of the company. An erring member or the firm could also be debarred from undertaking valuation related assignments for a minimum of six months and up to 10 years.

- **EMPLOYEE CONSENT MUST FOR OVERTIME WORK**: According to the proposal in the Code on Occupational Safety, Health and Working Conditions 2019, Establishments will require the written consent of the workers before asking them to work “Overtime”. The Government has removed a provision present in the existing law specifying the number of overtime hours a worker is allowed to do. The Bill has proposed that no worker shall be required to work overtime by the employer without prior consent of the worker in writing for such work.

- **GOVT. TO HAVE NEW EXPORT INCENTIVES SCHEME**: The Government is coming with new export incentives scheme that would be compliant with the World Trade Organisation (WTO) norms. The Rebate of State and Central Taxes and Levies (RoSCTL) scheme, which at present is available on export of garments and made-ups will now be extended to all exports in a phased manner. The new scheme will replace the existing Merchandise Exports from India Scheme (MEIS) which was challenged by the US in WTO. The new scheme will allow reimbursement of duties on exports inputs and indirect taxes through freely transferrable scrips. Such scrips are incentives that can be used to pay duties.

- **GOVT. NOTIFIES “NATIONAL WELFARE BOARD” FOR TRADERS**: In a bid to appease the trading community that is unhappy with the presence of foreign players in a single-brand retail and e-commerce, the Government has notified setting up of a “National Traders Welfare Board” to identify policy measures including offering social security benefits and ensuring access to funds for traders and their employees. The labour Ministry recently notified a pension scheme for retailers and traders with beneficiaries eligible for a monthly pension of Rs.3000 after the age of 60 at a small monthly contribution.

- **SEBI WANTS MFs TO TRACK EARLY SIGNS OF STRESS**: SEBI wants Mutual Funds (MFs) to build mechanisms that can give early warning signals to indicate a deteriorating credit profile of a borrower. SEBI wants sudden yield movements to be included in this system to improve MF’s ability to track build up of stress. The MFs should rely less on rating agencies as the latter have been slow to react or flag credit risks in recent cases. Rating agencies are more closely-linked to issuers and less in-tune with the daily market movements. This is also one of the reasons why rating agencies have reacted with the lag even though fundamentals of certain entities were on a slippery slope.

**June 2019**

- **GOVT. EXTENDS PM KISAN SCHEME TO ALL FARMERS**: The Union Cabinet of the new Government has decided to extend the Pradhan Mantri Kisan Samman Nidhi to all farmers in the country irrespective of their holdings. The Rs.75, 000 Crore PM Kisan Scheme, first announced in the interim budget on February 1 was meant only for small and marginal farmers. According to the scheme, poor farmers would be given a total of Rs.6000 annually, in three equal instalments. A total of 12.5 Crore farmers who constitute 86% of the total farming community in the country are eligible for the scheme.
UNION CABINET APPROVES FARMERS PENSION SCHEME: The Union Cabinet has also approved a “Farmer Pension Scheme” which is available only to small and marginal farmers. The farmers in the age group of 18-40 years will be able to enrol the pension scheme and draw a monthly pension of Rs.3000 upon attaining the age of 60 years. Depending upon their age at the time of enrolment, farmers have to put in an amount between Rs.55 to Rs.200 per month and the Government will contribute a matching amount.

GOVT. APPROVES PENSION SCHEME FOR SMALL RETAILERS: The newly-induced Union Cabinet has approved a new scheme which assures minimum monthly pension of Rs.3000 per month to small shopkeepers, retail traders and the self-employed people after attaining the age of 60 years. All small shopkeepers and self-employed persons as well as the retail traders with GST turnover below Rs.1.5 Crore and aged between 18-40 years can enrol themselves for this scheme. This enrolment can be done through more than 3.25 lakh common service centres across the country. The Government will make matching contribution in the subscribers’ account.

SUPREME COURT RULING ON BOUNCED CHEQUES: (Case- Surinder Singh VS. Virender Gandhi) The Supreme Court has ruled in the case that the amended provision in the Negotiable Instruments Act tightening curbs on those accused of issuing bounced cheques shall be applicable with retrospective effect. Sec 148 states that in an appeal by the drawer of the cheque against the conviction, the Appellate Court may order him to deposit at least 20% of the fine or compensation awarded by the trial court.

GOVT. MAKES CHANGES IN PMUY SCHEME: The Pradhan Mantri Ujjwala Yojana (PMUY) Scheme was launched on May 1, 2016 with a target of 50 million women in families below the poverty line. The Scheme’s ambit was later extended to 80 million covering all poor families. The scheme for providing cooking gas connections to the poor was held as one of the key social sector schemes that helped the Government to win the General Elections. To answer the oppositional criticism that the poor in some areas are unable to afford a refill, the Govt. decided to allot only 5-KG Cylinders in areas where the rate of refill is low, instead of the regular 14.5 KG cylinder.

MFIs TO BANKS/NBFCs TO HAVE COMMON LENDING CODE: In view of the aggressive lending by banks and financial institutions in the microfinance space, these companies are seeking a level-playing field where all lenders in the segment come under a Common Code for Responsible lending. Latest RBI regulations governing over-indebtedness in micro-lending applies only to NBFCs-MFIs and Not- for -Profit MFIs. According to RBI regulations, the total loan amount to a single borrower should not exceed Rs.60, 000 in the first cycle and Rs.1 Lakh in subsequent cycles by not more than two microfinance lenders at a time. The four parameters which the code is seeking to mandate for all include restricting the number of lenders to single borrower to three, putting a cap of Rs.1 Lakh, borrowing by a single borrower not lending to borrowers whose account has turned NPA previously and lending backed by latest Credit Bureau Report.

NILEKANI PANEL PROPOSES CICO NETWORK: A High-level Nandan Nilekani-led Panel has suggested the RBI to rope in local retail stores to act as cash points in semi-urban centres. With banks already cutting down on their ATM deployment, such a model may replace teller machines as the primary source of cash in semi-urban centres. The “Cash In Cash Out” (CICO) Network proposed by the committee is a network of cash disbursement points where a customer can seamlessly convert digital money to physical cash, using interoperable mechanism such as QR code and Aadhar-enabled payment channels.

GOVT. SET TO UPGRADE CPI AND IIP SERIES: The Government is to bring out a new series for two key macroeconomic indicators- Index of Industrial Production (IIP) and the Consumer Price Index (CPI) in 2020. Both IIP and CPI are released on the 12th of every month. The new series of the IIP will have a base year of 2017-18 and for the CPI, it will be 2019. Both indices are prepared and released by the Central Statistics Office which operates under Ministry of Statistics and Programme Implementation.

RBI TO ALLOW ON-TAP LICENCING OF SFBS: RBI will allow on-tap licensing of Small Finance Banks (SFBS) to drive financial inclusion. A review of performance of SFBS reveals that they have achieved their priority sector targets and thus attained their mandate for furthering financial inclusion. Hence, there is a case for more players to be included in the field. RBI will issue draft guidelines for on-tap licensing of SFBS by the end of August. This will allow aspirants to apply for SFB licence at any time provided they fulfil specified requirements.

RBI WAIVES NEFT AND RTGS CHARGES: RBI has decided to waive all charges on RTGS and NEFT transactions-two preferred routes for instantly transferring funds digitally. RBI which levies a minimum charge on banks for transactions routed through the RTGS meant for large value, instantaneous fund transfers and the NEFT system for other fund transfers has directed all banks to pass these benefits to their customers.

GOVT. TO RE-INTRODUCE BOT MODEL FOR HIGHWAY PROJECTS: The Union Government will be back with the classic road construction model-Build-Operate-Transfer (BOT)-four years after it introduced the hybrid-annuity mode for execution of highway projects. Under Hybrid-annuity model (HAM) projects, the Central Government invests 40% equity and the remaining amount is arranged by the highway developer. Under BOT, however, a bidder is eligible to subsidy or a grant up to 40% of the project cost, though the one bidding lowest subsidy bags the project. The tolling risk or the earning from the traffic is completely borne by the project operator. HAM is a mix of engineering, procurement and construction (EPC) and BOT formats with the Government and the private companies sharing the total project cost in the ratio of 40:60 respectively.

GOVT’S SAVINGS FROM DBT GROW MANIFOLD: The Government has saved over Rs.50, 000 Crore through “Direct Benefit Transfer” (DBT) in FY 2019. This is more than half of the cumulative saving between FY 2014 and FY 2018. Under DBT, benefits or subsidies are transferred directly to the beneficiaries’ accounts, thus cutting wastage and ensuring the effective use of resources for schemes such as the LPG subsidy or wages under the rural employment guarantee programme. As on date, 439 schemes implemented by 55 ministries use DBT. Data reveals that the estimated semi-urban centres. With banks already cutting down on their ATM deployment, such a model may replace teller machines as the primary source of cash in semi-urban centres. The “Cash In Cash Out” (CICO) Network proposed by the committee is a network of cash disbursement points where a customer can seamlessly convert digital money to physical cash, using interoperable mechanism such as QR code and Aadhar-enabled payment channels.
savings from DBT in FY 2019 were Rs.51, 664.85 Crore while cumulative savings since inception of the scheme till FY 2018 were a little over Rs.90, 000 Crore.

SEBI PROPOSE MECHANISM ON INSIDER TRADING VIOLATIONS: SEBI has proposed a mechanism to formalise the process of receiving information from whistle-blowers who expose insider trading violations. It also suggested measures to protect and award such informants. The monetary reward would be considered under certain conditions. The monies disgorged should be at least Rs.5 Crore. The total amount of monetary reward shall be 10% of the monies collected but shall not exceed Rs.1 Crore or such higher amount as may be specified. An interim reward not exceeding Rs.10 Lakh may be given at the stage of issuance of the final order by SEBI against the person directed to disgorge.

RBI RELAXES NORM FOR BASIC ACCOUNT HOLDERS: RBI has eased the regulations for Basic Savings Bank Deposits (BSBD) accounts, popularly known as "No-frill" accounts. Now banks are free to provide value-added services, including issue of cheque book and banks can not ask account holders to maintain minimum balance in lieu of such facilities.

J&K BANK TO COME UNDER PURVIEW OF RTI AND CVC: With instances of loans being granted and recruitment made allegedly on the recommendations of influential politicians coming to light, J&K State Government, main promoter of the bank swung into action and removed Parvez Ahmad from the post of CMD and appointed RK Chhibber as Interim CMD for three months. It also announced a host of measures including splitting of the post of Chairman and Managing Director and bringing the bank under the purview of the Right to Information (RTI) Act and the Central Vigilance Commission (CVC).

NEW GST RETURN MECHANISM TO BE IMPLEMENTED IN PHASES: The Finance Ministry has unveiled a roadmap for the implementation of the new GST Return Mechanism. It has also put in place a transition mechanism. The new mechanism will be used on trial basis from July to September. For the large taxpayers (those whose aggregate annual turnover in the previous fiscal was more than Rs.5 Crore) Form GST ANX will replace GSTR1 from October. Small players with turnover up to Rs.5 Crore who file on a quarterly basis will have to use this in January for the October-December quarter. Form GST RET-1 will replace GSTR-3B and it will be mandatory from January for all taxpayers.

NAFCUB TO SET UP UMBRELLA ORGANISATION FOR UCBs: National Federation of Urban Cooperative Banks and Credit Societies (NAFCUB) plans to set in motion the process of establishing an Umbrella Organisation (UO) for 1551 Urban Coop Banks (UCBs) in the country. This is to cater to their technology, liquidity and capital needs and also to ensure that banks in the sector do not close down. UO will be set up as NBFC and could be converted into a bank down the line. The UO will be a shelter for all UCBs- Unit banks (with a single branch), Tier-I banks (with less than Rs.100 Crore deposits) and tier-II banks (with more than Rs.100 Crore deposits, including multi-state banks).

SEBI ON ASSET TRANSFER FOR FPIs: SEBI has not been giving permission for Foreign Portfolio Investors (FPIs) to transfer assets through a provision which was previously in common use. An FPI could earlier transfer assets between its arms, in the wake of merger of schemes or similar reorganisation through an application to the SEBI. This "free of cost" transfer was allowed if end-beneficiaries were the same in both entities. Now SEBI has stopped giving approval to such transfers due to tax fears.

GOVT. REDUCED CONTRIBUTION RATE FOR ESI SCHEME: The Government has announced reducing the total rate of contribution made by workers and employers towards the Employees’ State Insurance (ESI) scheme from 6.5% to 4% for the first time in over two decades. Nearly 4.75% of a worker’s monthly salary goes towards ESI as the employer’s contribution, 1.75% of the income is the employee’s share at present. Now 3.25% will be the employer’s share and 0.75% of the employee’s. This will be effective from July 2019.

INDIA PITCHES MODEL TO BETTER EASE OF DOING BUSINESS: India has presented to the World Bank a unique “Red, Amber and Green” Model to promote faster customs clearance, strengthening the case for improvement in case of doing business rankings for the current year as it aims to get into the top 50. With the introduction of the “nudge model” the Customs Department is able to visually track the performance of officers, jurisdictions, ports, brokers and sectors in real-time across the country through a colour dashboard, blinking red, amber and green.

SEBI TO TIGHTEN SCREWS ON RATING FIRMS: SEBI is going to put in place a rigorous disclosure regime for credit rating agencies (CRAs). In their score card relating to a particular user, the CRAs now have to specify upfront key details which they think could lead to a default. They should also provide their rationale for their rating. Public funds in India mainly invest in debt instruments based on ratings from CRAs which now have to list out sensitive factors, including financials and sectoral details that could impact the rating of a debt instrument. They should also delineate various probabilities that could constitute a default. The exercise should not look like a listing of general risk factors but stress on areas specific to the debt issuer.

SEBI TO REJIG MF NORMS TO CURB CREDIT RISK: SEBI had introduced scheme categorisation guidelines in October 2017, with an aim to declutter the fund ecosystem and distinguish schemes based on asset allocation and investment strategy. SEBI may rework the current categorisation norms to mitigate risk in medium and shorter tenure debt mutual funds that take credit risks. Currently, most debt funds categories do not have restrictions on amount of credit risk they can take. Credit risk funds and corporate bond funds are the only categories that define credit exposure- for former 65% of total assets has to be in papers rated “AA” or below and for the latter 80% of assets has to be in the highest-rated papers.

SUPREME COURT RULING ON MINIMUM WAGES: (Case-Faridaybad Industries Association VS. State of Haryana) The Supreme Court ruled in the case that while implementing the Minimum Wages Act, a government can not alter the terms of employment. It can only fix wages of employees. Other components of employment remain same. For example, Government can not define skilled and unskilled workers and put them in separate categories. Similarly, the government can not fix the period of training of apprentices. Such
contracts can not be interfered with by Govt. while exercising its powers under the Act.

**SUPREME COURT RULING ON RETRENCHMENT**

- **Benefit**: (Case: Bihar State SC/ST Cooperative Development Ltd. Vs. State of Bihar) Supreme Court has ruled in the case that termination of an employee on the ground that his initial appointment was illegal would amount to retrenchment. The consequence is that Sec 25F of Industrial Disputes Act dealing with retrenchment will be applicable to him and he will be eligible for certain labour welfare benefits. The Act does not cover "Invalid Appointment".

**SEBI TO TIGHTEN LAS NORMS**

- SEBI is likely to lay down a slew of measures to improve transparency and risk management practices for the Mutual Fund Industry's Loan against Shares (LAS) exposure. Recently, the stress in LAS exposure prompted fund houses to take divergent action in the absence of formal norms governing such investments. Now SEBI is considering mandatory listing of LAS-related debentures, so that these entities are required to disclose financials and keep investors abreast of company-specific developments. SEBI may also lay down norm as stipulated by RBI. For example, RBI requires NBFCs to ensure at least 2X equity cover for loans given against shares. MFs have given such loans for a lower share cover.

**NEW INCOME-TAX GUIDELINES TIGHTEN SCEW ON EVADERS**

- The CBDT has issued revised guidelines for "compounding of offences under Direct Tax Laws 2019 which will be executed under the IT Act 1961. The fresh guidelines state certain offences will generally not be compounded if the person has been found involved in any manner, in any anti-national or terrorist activity or is investigated by the ED or any other Central or State agency. Compounding in IT parlance means that the taxman does not file a prosecution case against the offender or tax evader in the court in lieu of payment of due taxes and surcharges.

**HR KHAN PANEL PROPOSES ON FPI REGULATIONS**

- SEBI had formed a committee under the Chairmanship of RBI Deputy Governor HR Khan to review the existing FPI regulations. Khan Panel proposes separate registration for sub-funds with segregated portfolios. Sub-funds will need to register separately as FPIs and get separate PAN. Existing FPIs will have to liquidate their Indian portfolio to transfer securities to sub-funds. Sub-funds may need additional money for share purchase and manage their risks. After implementation, sub-funds will no longer be able to set off losses against each other.

**IBA DRAFTS NEW ICA FOR STRESSED ASSETS**

- Indian Banks' Association (IBA) has drawn up an Inter-Creditor Agreement (ICA) to establish the ground rules for the resolution of stressed assets. The proposed ICA has added a provision under the resolution plan to regularise the borrower's account by payment of all overdue amounts to all lenders by the borrower. This could effectively mean a one-time settlement or actual repayment of overdues within a short time. The ICA could be adopted by the lenders for each of the cases which are required to be resolved through implementation of a resolution plan under the prudential Framework of RBI with changes or modifications.

**SEBI ALLOWS FUTURE TRADING IN COMMODITY INDICES**

- SEBI has allowed Exchanges to launch future trading in commodity indices. The move will further facilitate mutual fund and institutional participation in commodity exchanges. Bourses willing to start commodity indices future trading has to submit last three years data of the index constructed along-with data on monthly volatility, roll-over yield for the month and monthly return while seeking approval from SEBI.

**RBI PANEL RECOMMENDATIONS ON MSMEs**

- RBI's Panel headed by SEBI Chairman UK Sinha on MSMEs has suggested doubling collateral-free loans for these units. This should be applicable to Micro Units Development and Refinance Agency (MUDRA) and Self-Help Groups (SHGs) too. The Panel has suggested that the ceiling of collateral-free loans for MSME Units should be hiked to Rs.20 Lakhs from existing Rs.10 Lakhs. Mudra offers three types of loans- Shishu (Loans up to Rs.50, 000), Kishor (Loans above Rs.50, 000 and up to Rs.5 Lakh) and Tarun (Loans above Rs.5 Lakh and up to Rs.10 lakh).

**SAT REPRIMANDS SEBI FOR ITS HIGHENCEDNESS IN EX-PARTE ORDERS**

- In a rare instance, the Securities and Appellate Tribunal (SAT) has imposed costs of Rs.50, 000 on SEBI in a case wherein the Regulator had passed an ex-parte interim order restraining a trader from markets for indulging in fraudulent and manipulative trading. The Tribunal observed that despite being "no shred of evidence" to conclude that there was manipulative intent of the trader SEBI let its ex-parte order continue for a year without application of mind. SEBI pleaded with SAT for waiver of costs and contended that "such imposition of costs would send a ripple down the throat of the Regulator". But SAT, which on earlier occasions too has reprimanded SEBI for its highhandedness in ex-parte orders, rejected the plea.

**FINMIN LAUNCHES PHASE-II OF FACELESS TAX ASSESSMENT**

- After sacking senior IRS officers for corruption, the Finance Ministry has launched the second phase of faceless and jurisdiction-less income tax assessment of 1, 32, 000 Assessee. The process will bring down corruption as the Tax Assessees will not know the assessing officer. The faceless and jurisdiction-less income tax assessment was started in 2018 and already over two lakh assessments cases were handled online by the tax department.

**SBI SAVINGS ACCOUNT HOLDERS TO HAVE REPO-LINK EFFECT**

- SBI, which controls nearly a quarter of the banking system, was giving at rate of 3.5% for savings bank deposits up to Rs.1 Crore and 4% for deposits above Rs.1 Crore. Now, savings bank account holders with more than Rs.1.1 Crore will earn a quarter percentage points less interest after linking the rate to RBI's REPO or short-term lending rate. However, SBI savings bank account holders with less than Rs.1 Lakh balance will continue to get 3.5% interest on deposits.

**GOVT. NOTIFICATION ON DOCUMENTS ON DIGILOCKER**

- The Government has issued a notification that a digital copy of vehicle-related papers which are stored in Digilocker will be accepted legally as originals. DigiLocker is similar to a Demat account that holds dematerialised shares. In Digilocker, a user can get different Government departments to issue
documents in digital format. At present, there are 117 such issuers.

- NSE FOUND GUILTY IN CO-LOCATION SCAM: SEBI has declared the National Stock Exchange (NSE), India’s Largest Equity Bourse, guilty of not exercising due diligence in the co-location case. The Exchange has been asked to pay a fine of Rs.625 Crore plus 12% interest for five years. Additionally, the NSE has been barred from accessing the capital market in terms of public issue and launching new product for six months. SEBI also said that the disgorged amount has to be deposited in the Investor Protection and Education Fund within 45 days. Further SEBI found former NSE MD Ravi Narain and Chitra Ramakrishna, guilty in the case and prohibited both from associating with listed company/ market infrastructure for three years. Also, Narain has to give away 25% of his salary drawn for the period FY 2011 to 2013 and Ramakrishna 25% of FY 2014 salary to the Investor Protection Fund.

- NCLAT ALLOWS BANKS TO DECLARE IL&FS ACCOUNTS AS NPA: The Supreme Court had recently lifted the freeze on banks from declaring defaulting accounts of IL&FS and its 300 entities as NPAs. RBI had also last week asked the banks to declare details of their exposure and provisions related to IL&FS as part of their quarterly results. Now NCLAT has allowed the banks to declare defaulting IL&FS accounts as NPA. However the banks can not initiate the recovery process and debit money and must not withdraw support until a resolution is found.

- BIG 4 GLOBAL AUDIT FIRMS BANNED FROM LAW PRACTICE: Acting on charges of surrogate law practice, the Bar Council of Delhi has directed the big four global audit firms- KPMG, PWC, EY and Deloitte-to refrain from providing legal services with immediate effect and until further orders. The firms have also been asked to furnish a list of all the advocates who have been engaged by them in any capacity and in any of their offices. There is no justification for accounting and audit firms to enter legal practice and offer non-litigation services.

- AMFI’S NEW BEST PRACTICES NORM ON “HAIRCUT”: The Association of Mutual Funds in India (AMFI), the nodal industry body has advised the Assets Management Companies to be proactive in applying the standard hair-cut matrix on sub-standard and investment grade debt securities without waiting for rating agencies to downgrade them. Last December, SEBI announced a set of norms that allow mutual funds to set aside bad debts with the approval of the Trustees and investors. As per new SEBI’s circular of March 22 and AMFI’s best practices circular of April 30, all mutual funds have to apply a standard hair-cut of 50% for sub-investment-grade securities in the infrastructure sector with a current rating of “D”. The hair-cut will remain in force till the rating agencies compute the valuation of the sub-standard asset.

- RBI TO BANKS ON “HOLDING COMPANY MODEL”: The Working Group led by then RBI Deputy Governor Shyamala Gopinath had in May 2011 had suggested the Holdco model for financial conglomerates.RBI has formally started discussions with banks on the Holding Company Model, which will lead to cleaner equity holding structures within banking conglomerates. The new regime will entail banks unwinding their shareholding in their subsidiaries which will come to reside in the Holdco. Then the Holdco will decide the terms of engagement with its subsidiaries. This will act as bulwark for the bank –from the direct impact of the losses in the subsidiaries when it is upstreamed to the consolidated balance sheet (of the bank). Bank Boards too need not be burdened with the hassles of managing the subsidiaries.

- DPIIT TO HELP START-UPS RAISING FUNDS: With a view to facilitate fundraising by Start-ups, the Department for Promotion of Industry and Internal Trade (DPIIT) has proposed relaxation in the income tax laws pertaining to sale of residential properties and carrying forward of losses. It has suggested exempting proceeds on sale of residential properties from capital gains tax if it is used to fund a start-up. Budding entrepreneurs often sell their residential properties to support their business activities. It has also been proposed to reduce founders’ shareholding requirements from 50% to 20% and mandatory holding period from 3 years to 5 years as it would enhance flexibility of founders to raise capital by selling the properties.

- RBI ENHANCES HOUSING LOAN LIMIT UNDER PSL FOR RRBS: RBI has decided to enhance the housing loan limits for RRBs and Small Finance Banks (SFBs) for eligibility under Priority Sector Lending (PSL) in a bid to give them a level-playing field with other scheduled commercial banks. Henceforth, housing loans given by RRBs and SFBs to individuals up to Rs.35 Lakh in metropolitan centres with population of Rs.10 Lakh and above and Rs.25 Lakh in other centres provided the overall cost of the dwelling unit in the metropolitan and other centres does not exceed Rs.45 Lakh and Rs.35 Lakh respectively will be eligible for classification under PSL.

- IRDAI TO COMPANIES FOR VARIABLE PAY TO PERFORMANCE: IRDAI has said that the variable pay of CEOs, MDs and EDs of insurers must be based on their performance vis-a-vis that of the industry and asked them to fix an upper limit for bonuses so that boards do not hand out sweet heart deals to top executives. IRDAI has issued a fresh circular asking the companies to comply with the compensation structure and does not want them to approach the regulator after the end of the financial year.

- JALAN PANEL TO SUBMIT REPORT ON RBI CAPITAL SIZE: The six-member panel headed by former RBI Governor Bimal Jalan, appointed on December 26, 2018 will submit its report on the Economic Capital framework. The Panel will propose a suitable profit distribution policy, taking into account all the likely situations of the RBI, including the situation of holding more provisions than required. The Finance Ministry was of the view that the buffer of 28% of gross assets maintained by the RBI is well above the global norm of around 14%.

- FINMIN CLARIFIES GST FOR HOME BUYERS: The Finance Ministry has clarified that it is the builder who can exercise the option to pay tax on construction of apartments at the old rate of 12%. This can be opted for by May 10 at the latest. If the builder does not exercise his option to continue to pay tax at the old rate-the effective GST rate applicable on all instalments payable to the builder on or after April 1, 2019 shall be either 1% or 5% depending on whether the apartment is an affordable or other-than affordable residential apartment. If the builder chooses to stick to the old rates the buyer will have to pay 8% (for affordable) or
Compiled under guidance of NS TOOR

12% (for others), the builder in this case gets input tax credit (ITC) which should be passed on to the buyer.

**SEBI ALLOWS FPIs TO INVEST IN MUNICIPAL BONDS:** SEBI has said in the circular that the foreign portfolio investors (FPIs) can now invest in municipal bonds. Previously RBI had permitted FPIs to invest in municipal bonds as a measure to broaden access of non-resident investors to debt instruments in the country. As per RBI, foreign investment in municipal bonds should be within the limits set for FPI investment in State Development Loans (SDLs). The limits for FPI investment in SDLs is 2% of outstanding stock of securities.

**RBI FOR GLOBAL TRADE-FINANCE INSTRUMENTS:** RBI has said that the banks need to expand their global banking relationship and shift towards globally accepted trade finance instruments instead of indigenous instruments such as (Letter of undertakings/ Letter of Credit). Domestic banks largely depend on their own branches or branches/ subsidiaries of other domestic banks which have been accepting non-standardised trade instruments- LOUs and LOCs-for arranging trade credit. The overdependence of domestic banks on their overseas branches through less standardised trade credit instruments limits the scope of their trade credit operations.

**IBBI PROPOSES LEGAL REGIME ON WITHDRAWAL OF RA:** The Insolvency and Bankruptcy Board of India (IBBI) proposes to make the legal regime around withdrawal of resolution applications (RA) under the IBC more practical. This will give the original promoters a wider opportunity to seek resolution outside the IBC process and thereby gain back control of their companies. IBBI plans to change the norms to the effect that applications for withdrawal may be allowed in “exceptional cases” even after invocation of expression of interest. Currently, no application for withdrawal of resolution application is allowed once the expression of interest has been invited. This had proved to be a hurdle for many defaulting promoters.

**GOVT. FOR UNIVERSAL DEBT RELIEF SCHEME:** India has begun work on a universal debt relief scheme for small borrowers aimed at micro enterprises, small farmers and artisans which should be ready for implementation when the next Government is in place. Individuals below a specified income and asset threshold will be eligible for debt relief. People with annual income of Rs.60, 000 or less, outstanding loans of Rs.35, 000 or less and assets worth Rs.20, 000 or less may be eligible. This will be a well-structured loan waiver programme across sectors for small farmers, artisans, micro-enterprises or other individuals. It will be a universal debt relief scheme for the poor.

**IBBI FOR SECURED INSTITUTIONAL FINANCIAL CREDITORS:** The Insolvency and Bankruptcy Board of India (IBBI) has proposed that the secured institutional financial creditors may have to bear liquidation expenses upfront. The proposal states that the upfront expenses should be paid if the debtor company has no liquid assets available to defray the costs. Now the IBBI has rejected the suggestion of stakeholders that the cost of liquidation may be borne by all the financial creditors upfront and the same may be recovered from sale of assets. The IBBI felt this may prove to be burdensome for the retail individual creditors. It preferred that the liquidation costs be borne by the secured institutional financial creditor and recovered from sale of assets.

**TReDS PLATFORM SHOWS EXPLOSIVE GROWTH:** The Trade Receivables Discounting System (TReDS) an online bill discounting platform that helps cash-starved MSMEs raise funds by selling their trade receivables to corporates, has been witnessing explosive growth. The concept of TReDS was introduced by RBI in 2014. Accordingly, RBI issued licence in 2017 to three players- Receivables Exchange of India Ltd. (RXIL), Invoicemart and M1Exchange. All three Exchanges put together touched the business of about Rs.7000 Crore in FY 2019 against Rs.800 Crore in 2018.

**SUPREME COURT RULING ON RESERVATION:** The Supreme Court has ruled in the case hearing a plea seeking 10% quota for the economically weaker section in Central Teacher Eligibility Test (CTET) 2019 that “The issue of reservation will come up only at the time of admission. For qualifying examinations there can not be any reservation”.

**PAYTM JOINS HANDS WITH CITIBANK FOR CREDIT CARD:** Digital Wallet Paytm has launched a Credit Card in partnership with the Global Payments Company Citibank. Paytm first Card is the first-of-its kind Card that has been launched in India by the American Company, which are similar exclusive partnerships across sectors in the United States. It is also the First White-label credit card to offer unlimited 1% cash-back without restrictions that get auto-credited every month. The card will also be accepted internationally and is contactless-enabled. There is also a full waiver of annual fee of Rs.500 on spends of over Rs.50, 000 a year.

**IBBI TO INTRODUCE THE CONCEPT OF COP FOR IPs:** Insolvency Regulator IBBI proposes to amend the existing regulations for Insolvency Professionals (IPs). It is to introduce the concept of “Certificate of Practice” (COP) for IPs. Every registered IP needs to have a COP and get it renewed every year from its Insolvency Professional Agency (IPA). It will enable a registered IP to commence and quit practice as and when he wishes. IBBI is of the view that the arrangement of COP will improve monitoring and practising IPs and avoid unnecessary disciplinary process.

**RBI TO INCLUDE CRYPTO IN SANDBOX FRAMEWORK:** Technology industry lobby groups and founders of StartUps have asked RBI to include crypto-currency and crypto assets in its proposed Sandbox Framework for the Finetech Industry. RBI’s Draft Enabling Framework for Regulatory Sandbox put out on April 18, had excluded the crypto-currency, initial coin offerings, credit registry and other related sectors. Distributed ledger, the technology on which crypto-currency and block-chain is based, is considered the future of finance, but applications under block-chain technologies have been included for testing under the proposed framework. Since crypto coins and tokens are an important component of the block-chain technology, the draft regulations appear to exclude testing of smart contracts and other approved block-chain technology under the sandbox.

**SIDBI’s PILOT SCHEME FOR FINTECH NBFCs:** To give a fillip to digital lending, SIDBI has launched a Pilot Scheme to extend financial assistance of up to Rs.10 Crore to new-age Fintech NBFCs which are “Digital Loan Companies”. To be eligible for funding assistance RBI registered new-age Finetech NBFCs have to meet prescribed parameters including minimum capital risk-weighted assets ratio of 15%, NPA less than or equal to...
SEBI has proposed for allowing a start-up to move to the Innovators Growth Platform (IGP) for a year and have a minimum of 200 NoF of the new fine-tech NBFC subject to maximum cap of Rs.10 Crore.

RBI TELLS NBFCs TO APPOINT "CHIEF RISK OFFICER": RBI has asked the NBFCs with assets size of more than Rs.5000 Crore to appoint a Chief Risk Officer (CRO) with clearly specified role and responsibilities in view of increasing role in direct credit intermediation of these companies. The RBI directive comes in the backdrop of the IL&FS imbroglio and its ripple impact on NBFCs. RBI said that the CRO should be a senior official in the hierarchy of an NBFC. The CRO should possess adequate professional qualification/ experience in the area of risk management. The CRO can be appointed for a fixed tenure with the approval of the Board. The CRO should not have any reporting relationship with the business verticals of the NBFC and should not be given any business targets.

AMCs ALLOWED TO DIRECTLY MANAGING OFFSHORE FUNDS: The Central Board of Direct Taxes (CBDT) has removed a taxation-related constraint that prevented Indian Asset Management Companies (AMCs) from taking up direct fund management activity of offshore funds. The CBDT has clarified that SEBI-approved AMCs will be designated as "Eligible Fund Manager" and therefore entitled for benefits under section 9A of the Income Tax Law. Hence, AMCs can now graduate from being mere "Advisors" to offshore funds to becoming a direct "Full-fledged Manager" of such funds from India.

SUPREME COURT RULING ON CENTRAL ARBITRATION LAW: Some states have their own arbitration legislation. This situation has raised legal questions as there could be a conflict between the state law and the Central Arbitration and Conciliation Act. In a Madhya Pradesh case there was a difference of opinion among Supreme Court judges and it was resolved by a larger bench that the Central Law will apply.

SEBI SETS RULES FOR START-UPS TO MOVE TO MAIN BOARD: SEBI has proposed for allowing a start-up listed on the Innovators Growth Platform (IGP) to trade under the regular category of the main board. According to the proposal, a company should have had listed on the IGP for a year and have a minimum of 200 shareholders for making the shift. The company or any of its promoter or director should not have been debarred or been a wilful defaulter. Minimum promoter's contribution should be 20% of the total capital. This capital shall be locked in for three years from the date on which trading approval on the main board is granted. The lock-in would not apply for companies listed on the IGP for three years or more.

Bob for core strength of three banks from April 01: India's second-largest Public Sector Bank is set to come into existence following the merger of Vijaya Bank and Dena Bank with Bank of Baroda from April 1, 2019. It plans to build upon the strengths of the three banks, their synergies and scale up operations by deepening relations with a wider customer base. The consolidated bank will have a wider geographical reach with more than 9500 branches, 13400 ATMs, 85000 employees serving 12 Crore customers and a business mix of Rs.15 Lakh Crore.

NEW ACCOUNTING STANDARD FOR LEASES START APRIL01: The new accounting standard for leases (Ind AS 116) which sets out the principles for recognition, presentation and disclosure of leases has been notified by the Corporate Affairs Ministry and the standard has become effective from April 1, 2019. The standard will affect all industries where leases are a predominant component in their businesses and result in more transparency. In the new lease accounting model for leases majority of leases will be recognised on balance sheet by recognising a lease liability with a corresponding "right-of-use asset". The standard will have an impact on 3 components of financial statements- balance sheet, cash flow, profit & loss a/c.

RBI TWEAKS NPA DIVERGENCE DISCLOSURE NORMS: RBI has asked banks to disclose bad loan divergences in their financial statements if the additional provisioning exceeds 10% of profit before provisions and contingencies. RBI said that it has been observed that some banks, on account of low or negative net profit after tax are required to disclose divergences even where the additional provisioning assessed by RBI is small, which is contrary to the regulatory intent that only material divergences should be disclosed.

NPCI CUTS UPI USAGE FEES TO PROMOTE WIDER ADOPTION: The National Payments Corporation of India (NPCI) which runs the Unified Payments Interface (UPI) network has slashed the usage fees for small transactions to expand the system's adoption among banks and payment service providers. For UPI transactions up to Rs.1000 the charge has been cut to 10 paisa from 25 paisa. The charge for transactions above Rs.1000 has been retained at 50 paisa. Incentive payments that were charged by NPCI at the same rate as normal transactions have been brought under a fixed price regime of 10 paisa to encourage such promotions.

Supreme Court strikes down RBI's Feb. 2018 NPA ORDER: In a move that will bring significant relief to power and infrastructure companies, the Supreme Court has set aside the RBI's Circular on a revised framework for the resolution of stressed assets. Debt worth Rs.3.8 Lakh Crore across 70 large borrowers came under the Insolvency and Bankruptcy (IBC) Code for resolution after the RBI issued the circular on February 12, 2018. The impugned circular will have to be declared as ultra vires as a whole and be declared to be of no effect in law. Ruling of the Apex Court will give the promoters of stressed assets an opportunity to renegotiate their debt with lenders without going through the insolvency process.

RBI raises WMA limit for April-September 2019: RBI has raised the limits for Ways and Means Advances (WMA) for the first half of the financial year 2019-20 (April-2019 to September 2019) to Rs.75,000 Crore from Rs.60,000 Crore in the year-ago period. RBI provides WMA to Governments to meet temporary mismatches in their receipts and payments. The interest rate on WMA is the repo rate (Currently 6.25%) and on overdraft it is 2% above the repo rate. RBI may trigger a fresh float of market loans when the Government utilises 75% of WMA limit.
Compiled under guidance of NS TOOR

1. **GOVT. TO INVOKE SEC 35AA OF BR ACT TO SOFTEN SC VERDICT:** Bruised by the Supreme Court's verdict on RBI's February 12 Circular on resolving bad debt, the government is planning to authorise the RBI to refer companies to the IBC on case-by-case basis. The Supreme Court verdict does not curtail the Government's powers to give directions to the RBI to initiate recovery proceedings. Govt. will invoke Section 35AA of the Banking Regulation (BR) Act to soften the Supreme Court verdict on the February 12 circular. Section 35AA empowers the Central Government to authorise the RBI for issuing directions to banking companies to initiate insolvency resolution process.

2. **COMMITTEE ON HOUSING FINANCE SECURITISATION:** RBI has announced that it will set up a committee to assess the state of housing finance securitisation market in the country. The move is aimed at bringing in standardisation of asset securitisation practices to enable better management of credit and liquidity risks. The committee will study the best international practices and lessons learnt from the global financial crises. It will propose measures to further develop these markets in India by identifying critical steps required, such as the definition of conforming mortgages, mortgage documentation standards, digital registry for ease of due diligence and verification by investors and avenues for trading in securitised assets.

3. **RBI FOR NEW FRAMEWORK FOR RESOLUTION OF GRIEVANCES:** RBI plans to put in place norms for standardised timelines for resolving customer complaints and compensations framework across all authorised payment systems. The new framework for turnaround time will be put in place by end of June. In order to have prompt and efficient customer service in all electronic payments systems, it is necessary to harmonise the turnaround time of resolution of customer complaints and chargeback and to have a compensation framework in place for the benefit of customers. RBI has also decided to extend the coverage of the ombudsman scheme for handling grievances of customers of NBFCs.

4. **LAKSHMI VILAS BANK TO MERGE WITH INDIAIULLS:** Chennai-based Lakshmi Vilas Bank (LVB) is set to merge with Indiabulls Housing Finance (IBHF) in a sharp-swap deal. The boards of both entities have approved the merger proposal. This would be the second time that a NBFC has acquired a bank since Capital First acquired IDFC Bank to form IDFC First Bank last year. The amalgamated entity would have a net worth of Rs.19,472 Crore and loan book of Rs.2.3 trillion as of December 2018. The merged entity's capital adequacy ratio would be 20.6%. For the first time in its history, LVB will have a net worth of Rs.19,472 Crore and loan book of 91.35 Crore transactions in FY 2019 against Rs.1.09 Lakh Crore via 91.35 Crore transactions in FY 2018. The ease of transferring money is the key reason for the growth of the platform. UPI allows users to link multiple accounts via a single App. Among other advantages, it is available round the clock, facilitates small-value transactions and does not require the user to remember the IFSC code or the account number. Also, there is no need to maintain cash in digital wallets as the fund is debited directly from the bank account.

5. **CATHOLIC SYRIAN BANK FOR CHNGE OF NAME:** Catholic Syrian Bank plans to change its name to “CSB Bank Ltd.”. There is a misconception by the general public that the bank is being owned by a particular community which is not true. Many customers even within India are averse to conducting any business dealings with the bank for this reason. Foreign customers having good business connections in India also avoid dealings with the bank for the only reason that part of the name either indicates a religious community’s interference or represents a foreign country. Now considering the expansion plans envisaged, both within the country and abroad, a name which does not suffer from these issues is needed.

6. **RBI GIVES TIME TO LIC FOR REDUCING STAKE IN IDBI BANK:** RBI has given 12 years to LIC to reduce its stake in IDBI Bank, accepting the life insurer’s argument that it is a long term investor in the struggling bank which had nearly 30% of its advances as bad loans in December quarter. RBI has stipulated that after 12 years LIC has to reduce its stake by 10% to 40%. IRDA's rules stipulate that LIC can hold only up to 15% in a bank which can go up to 30% in case of board approval. But IRDA allowed LIC to invest up to 51% in IDBI Bank last year.

7. **PFRA PLAN TO FRAME GUIDELINES ON INVESTMENT NORMS:** Pension regulator PFRDA will soon frame guidelines to bring clarity on the FDI Policy in the pension sector. Currently, foreign investment regime for pensions is largely linked to the one prevailing in the insurance sector, especially with regard to FDI cap which is pegged at 49%. A pure-play foreign pension player has to look at FDI policy on insurance before firming up investment decisions in the pension sector.

8. **INSURERS TO PROVIDE CLAIM-TRACKING MECHANISM:** The new directive from the IRDA to provide claim-tracking mechanism on policies will come into effect from July 1, 2019. IRDA has directed the insurers to collect mobile numbers and e-mail IDs of the policy holders both at the point of sale and also on an ongoing basis as part of policy services. Further, to ensure fairness and transparency, all insurers shall notify about the status of the claim at various stages of its processing. Every claim will have a unique reference number which will be communicated to the policy holder who can then track the status. Further, insurers will also be expected to update customers about every stage of the claim processing and requirement for further documents.

9. **IRDA WITH DRAFT GUIDELINES FOR STAGGERED PAYOUT:** IRDA has come out with draft guidelines on allowing policy holders to receive claim settlement claim in instalments instead of only as a lumpsome payout, as was the case until now. While staggered payout were offered in life insurance, the regulator is now proposing to allow them in personal accident policies and benefit-based health insurance policies offered by General and Health Insurers as well. Once these guidelines are enforced, policy holders will
be able to choose lump-sum or instalment option or certain percentage of both.

- **Grameen Bank to Fund Agri-Tourism Projects of Farmers:** In its efforts to provide additional revenue to farmers and boost agri-tourism under its area of operation, Karnataka Vikas Grameen Bank is planning to finance agri-tourism projects taken up by farmers. The bank operates in nine districts of Karnataka. The agricultural activities and the landscape provide scope for taking up agricultural tourism in these areas. Urban tourists prefer to visit and get an experience of such places.

- **Banks Board Bureau Pushes for Reforms:** The Banks Board Bureau has reiterated some of the pending demands related to governance in public sector banks to the Central Government, including complete autonomy to their boards to decide on organisation structure. The Nayak Committee had recommended a three-phased reform in PSBs. The first stage would be formation of a BBB, which will be taken over by a holding company of PSBs in the second phase and then it will be followed up by empowering and strengthening the boards in the third phase. The Bureau has told the Government to improve the operative environment and selection process for filling up the post of directors on PSB Boards to attract the best board talent.

- **SEBI for Risk Management at Fund Houses:** SEBI has directed the Asset Management Companies (AMCs) to constitute a technology committee to review the cyber security and resilience framework of the MF industry. SEBI has said that the Tech committee should have at least one independent external expert with experience in the area of technology in MF and financial industry. Further, SEBI has also revised guidelines on system audit framework for MFs. It involves audit of fund accounting system for calculation of net asset values, financial accounting reporting system, fund flow process, system processes for meeting regulatory requirements. Fund houses have to conduct systems audit on an annual basis by an independent auditor.

- **Bank Tech Institute Sets up 5G Lab for Financial Sector:** The Institute for Development and Research in Banking Technology (IDRBT) has launched a 5G Use Cases Lab for the banking and financial sector. 5G technology along with blockchain will be progressively adopted by banks. The use of 5G will change a range of technologies and applications including point-of-sale machines in the banking sector which now use 2G. Further the 5G will have various applications in the banking, financial services and insurance sectors. The 5GLab will develop and domesticate 5G use cases and set up a research and development experience platform for banking services.

- **NCLT Ruling on Creditor’s Panel:** In a judgement of far-reaching implication in the Insolvency and Resolution Process, the National Company Law Tribunal’s (NCLT) Chennai Branch ruled that a party having a vested interest with a corporate debtor should not be a part of the Committee of Creditors (COC). It further observed that COCs decisions will impact debtor’s survival or liquidation and the debt realisation of all the creditors. Therefore the institution of COC needs to be completely independent and free from any kind of influence—either of the promoters or their close relatives who may have stakes.

- **Comprehensive Review of LLP Framework:** The Government is looking at a comprehensive review of the decade-old Limited Liability Partnership (LLP) framework including steep penalties for non-filing of returns. The review comes following representations about Rs100 per day penalty for delayed filing and difficulties faced in dissolution. The Ministry of Corporate affairs will soon set up a committee to review the structure of LLPs touted as a low compliance hybrid between companies and partnerships. The Ministry is also to ask the committee to consider that LLPs could not undertake manufacturing and stopped anyone carrying out manufacturing activity to register as LLP or convert existing corporate structure to LLP.

- **PFRA for On-Tap Licences for Pension Fund Managers:** The PFRA is considering issuing On-Tap licences to the Fund Managers against the current practice of coming out with request for proposals every five years. It is also planning to double the minimum capital requirement of pension fund managers from Rs25 Crore to Rs50 Crore. Under the on-tap licencing policy, anyone can apply for a licence at any time of the year. Once issued, it is valid forever, unless the terms are violated. Currently, there are eight pension fund managers.

- **IBA Recommendations to RBI on Stressed Assets:** IBA has urged the RBI to make only a small relaxation in the new norms for stressed assets by requiring consent of 90% of lenders for approving a resolution plan instead of 100% mandated in the last year's controversial circular which was quashed by the Supreme Court recently. IBA Chief said that 90% limit is safe as the chances of dissenting lenders moving the project to Insolvency court will reduce. The probability of proper resolution is better at 90% limit than at 66%.

- **RBI Proposes Framework on FinTech Firms:** RBI has released a draft framework for setting up a Regulatory Sandbox (RS) or live testing of products or services by FinTech firms. The concept was mooted by committee headed by RBI ED calling for a regulatory sandbox to help firms experiment with FinTech solutions. RBI has highlighted the risks and limitations attached to the RS by stating that the innovators may lose some flexibility and time in going through the RS process but running the sandbox programme in a time bound manner at each of its stages can mitigate this risk.

- **SEBI’s New Insider-Trading NORMS:** Companies and promoters will have to be more cautious in dealing with Unpublished Price-Sensitive Information (UPS) as SEBI’s new “Insider-Trading Norms” will hold them responsible if they hold on to UPSI without any legitimate purpose. The regulator has now extended the requirement for reporting trades ad seeking clearance before trading in the company’s shares, even to senior employees of material subsidiaries and promoters of listed companies. It has been clarified that if the person who has traded is in possession of an UPSI, his trades will be presumed to be motivated by the UPSI.

- **Supreme Court Version on Compensation:** (Case- Ashatai VS. Shriram City Union Finance Ltd.) In this case the person took a loan from the finance company. The loan was secured through an insurance policy issued by a sister company of the finance
company. After paying first instalment and insurance premium, the person died. The company demanded further instalments towards the loan. Wife asked the company to recover the loan through the insurance policy. The company refused to do so. So, the woman moved the consumer court. Though she succeeded in the district and state consumer forums but the National Commission rejected the plea. The woman appealed to the Supreme Court which set aside the judgement of the National Consumer Commission and asked the Finance Company to compensate a widow for “unnecessarily dragging her through legal proceedings on account of its deficiency of service”.

March 2019

- CENTRE APPROVES INTEREST SUBVENTION SCHEME FOR FARMERS: RBI has said that the Government has approved implementation of the interest subvention scheme (ISS) with modifications for the years 2018-19 and 2019-20. Under the scheme, banks will provide farmers short term crop loans up to Rs.3 Lakh at 7% and those repaying promptly will get loans at 4%. To ensure hassle-free benefits to farmers under ISS, banks are advised to make Aadhar linkage mandatory to avail of short term crop loans in 2018-19 and 2019-20. For farmers affected by natural calamities, an interest subvention of 2% per annum will be made available to banks for the first year on the restructured loan amount. Such restructured loans will attract a normal rate of interest from the second year onwards.

- GOVT. POLICY TO MERGE STATE-OWNED BANKS TO CONTINUE: Union Finance Minister said that the Government will continue to follow a policy of amalgamating public sector banks to create a few but giant state-owned lenders which are globally competitive. They have taken a number of steps to make banks financially sound and healthy. BCG-IBA Report has been released on “EASE Reforms” for public sector banks. EASE (Enhanced Access & Service Excellence) Reforms Index measures the performance of PSBs on 140 objective metrics across six themes, including customer responsiveness, credit off-take and digitisation. Based on the parameters PNB has been ranked First followed by BOB and SBI.

- SOFTWARE POLICY MOOTS NEW REGISTRY FOR COMPANIES: The National Policy on Software Products has proposed setting up a Registry for such companies that will be integrated with the Government’s e-marketplace (GeM). The Policy has proposed creating an Indian Software Product Registry through Industry ownership. This will be a common pool, creating a trusted trade environment. The registry will be integrated with the GeM and will also provide necessary handholding for marketing. The policy has also proposed a single-window platform for facilitation of the Indian software product industry. This will help fast-track legal and regulatory issues over import and export, as well as setting up and winding up enterprises.

- SEBI TIGHTENED NORMS FOR LIQUID MFs: SEBI has tightened the valuation methodology for liquid Mutual Funds (MFs) and did away with the open offer exemption given to those seeking to acquire assets undergoing insolvency resolution. To make sure liquid schemes reflect the underlying portfolio risks, SEBI has said all debt papers with maturity of 30 days or more to be marked to market. Earlier, fund houses did not have to do so for securities that had less than 60 day maturity. SEBI has also restricted open offer exemptions to only scheduled commercial banks and financial institutions in debt restructuring cases. The exemptions will not be available for acquisitions of shares by persons other than lenders in case of allotment by target company or purchase from MCA by lenders.

- SUPREME COURT RULING ON PROVIDENT FUND: The Supreme Court has ruled that that all allowances (except HRA) should be considered when calculating the Provident Fund contribution by both employers and employees. As per PF Act, both employer and employee have to mandatorily contribute 12% of the monthly pay towards provident fund, if the monthly pay do not exceed Rs.15, 000. PF contribution in cases where monthly pay is more than Rs.15, 000 is only voluntary.

- IBBI FOR GROUND RULES FOR RESOLUTION PROFESSIONALS: The Insolvency and Bankruptcy Board of India (IBBI) has suggested the ground rules for the Insolvency Resolution Professionals (IRPs) and the Committee of Creditors (COC) so that stakeholders have a complete and clear understanding of their roles and responsibilities in a Corporate Insolvency Resolution Process (CIRP). The Supreme Court has already clarified that an IRP is not required to provide his/her opinion on a resolution plan and has to bring such a resolution plan before the COC. Since the charter is only indicative and not mandatory, the Board appears to give primacy to the Code if there are differences between the two.

- IDBI GETS GOVT. NOD FOR EXIM TRANSACTIONS WITH IRAN: Iran is India’s Third-Largest Oil Supplier after Iraq and Saudi Arabia. US President had in May last year withdrawn from the 2015 nuclear accord with Iran, re-imposing economic sanctions against the Persian Gulf Nation. IDBI Bank has been identified to route the payments. UCO bank had in the previous round of sanctions handled rupee payments. India used to pay in Euros using European Banking Channel. But this channel is also blocked from November last year. Now IDBI Bank has received Government nod to handle import and export transactions with Iran, a move which would help in promoting two-way trade amid US sanctions on the Persian Gulf Nation.

- NHB FOR REGULATORY FRAMEWORK REVIEW: Housing Finance Regulator National Housing Bank (NHB) plans to roll out a set of measures for housing finance companies (HFCs) to better equip them to handle liquidity and solvency risks. Currently, India has about 95 registered HFCs of which 18 are allowed to access public deposits. NHB proposes that the Capital Adequacy requirement of HFCs is to be increased from 12% to 15% by March 2022. NHB also proposes to progressively reduce the limit on the overall borrowings of HFCs from the current permissible level of 16 times of Net Owned Funds (NOF) to 12 times by March 31, 2022. Moreover, the ceiling on public deposits for an applicable HFC is proposed to be capped at three times its NOF.

- BANKS TO APPOINT AGENCIES TO MONITOR LARGE-VALUE ACCOUNTS: In a bid to prevent frauds in large-value accounts, banks are planning to engage the services of Specialised Monitoring Agencies to closely track their activities. Banks, under the aegis of IBA have set up a committee of senior bankers to shortlist and empanel the agencies (For an initial period of three years) for accounts where the total exposure is Rs.500 Crore and above. Once the agencies are empanelled, the
Lead Bank in Consortium will select one lender and give the assignment to it of monitoring an account.

- **PM LAUNCHES PENSION PLAN FOR UNORGANISED SECTOR:** Prime Minister has launched the Pension Scheme "Pradhan Mantri- Shram Yogi Maandhan Yojana" for worker under the un-organised Sector. Under the scheme, the eligible workers between 18 and 40 years of age will have to get registered at a CSC and contribute anything between Rs.55 and Rs.200 per month. The Government will also contribute a matching amount to this pension fund. The scheme would enable the beneficiary to receive a minimum pension of Rs.3000 per month after they attain 60 years. After the beneficiary's death his/her spouse will get 50% of family pension for life.

- **GOVT. NOTIFIES RELIEF TO STARTUPS ON ANGEL TAX:** The Government has notified the new tax regime for StartUps. The new regime will be effective form February 19, 2019 to shield them from Angel Tax. As per the notification, entities can be recognised as start-ups for 10 years as against seven years earlier, if their turnover does not exceed Rs.100 Crore in any of the financial years as against Rs.25 Crore earlier. The Department for Promotion of Industry and Internal Trade (DPIIT) has also raised the aggregate consideration threshold to Rs.25 Crore from Rs.10 Crore earlier.

- **CENTRE APPROVES PROJECTS FOR REVIVAL OF POWER SECTOR:** Hydro Power has been devoid of investment for a decade. Now the Centre has approved projects and schemes totalling Rs.31, 000 Crore to boost investment in the languishing power sector. In this segment, any projects above 25MW in capacity would now come under the category of renewable energy. This would entail a hydro power purchase obligation on states and get it priority status. With this, India would achieve one of the targets it has committed to under the global climate change treaty for reducing of emissions-sourcing 40% of its total energy consumption from renewable sources.

- **RBI ALLOWS WLAOs TO SOURCE CASH:** Non-bank entities that set up, own and operate ATMs are christened "White Label ATM Operators" (WLAOs) and such ATMs are called "White Label ATMs" (WLAs). Now in a bid to enhance the viability of WLAs, RBI has allowed WLAOs to buy wholesale cash from the RBI and currency chests, source cash from any scheduled bank and display advertisements pertaining to non-financial products/services within the WLA premises, among others. RBI further said that the banks can issue co-branded ATM Cards in partnership with the authorised WLAOs and may extend the benefit of “On-Us” transactions (where the customer or cardholder and ATM are of the same bank) to their WLAs as well.

- **SUPREME COURT RULING ON SHARE CAPITAL:** The Supreme Court has ruled that the Corporates should justify the source of fund received as share capital to the Income Tax Officer and that receiving them through the bank channel is not enough to prove its genuineness.

- **SEBI PLANS TO LINK SB DEPOSITS AND CC/OD ACCOUNTS WITH REPO RATE:** In a significant move, SEBI said that it will link savings bank deposits with balances of Rs.1 Lakh and all cash credit (CC) accounts and overdrafts (OD) accounts with limits of Rs.1 Lakh to the Repo Rate with effect from May1. This move comes in the backdrop of the RBI directing banks to link all new floating rate personal or retail loans (Housing, auto) and floating rate loans to micro and small enterprises to one of the four external benchmarks: - Policy Repo Rate/ 91 Treasury Bill/ 182 Treasury Bill/ a benchmark market rate produced by Financial Benchmarks India Pvt. Ltd.- from April 1.Repo rate is the interest rate at which the RBI provides liquidity to banks to help them overcome short term liquidity mismatches.

- **SUPREME COURT RULING ON STAFF DIRECTOR IN BANK:** (Case- Federation of Bank of India Staff Unions against Bombay High Court Ruling) The Supreme Court has ruled that an employee of a nationalised bank can be chosen as a director in the Board of Directors if he/she has rendered five years' continued service in that bank and will not superannuate while holding the office of the director.

- **EPFO FOR EPF TRANSFER AUTOMATION:** The Employees Provident Fund Organisation (EPFO) has said that the subscribers of the retirement fund would not require filing Employee Provident Fund (EPF) transfer claims on changing jobs from the next fiscal as the process would be made automated. At present, the subscribers are required to file transfer of EPF claims on changing jobs despite having universal account number. The EPFO gets about eight Lakh EPF transfer claims every year. The EPFO is testing the automation of EPF transfer on changing jobs on pilot basis. The automation facility will be launched any time next year.

- **NITI Aayog TO START EXPORT INDEX FOR STATES:** NITI Aayog in collaboration with the Commerce Ministry is planning to start the Export Index that will rank states on their readiness for exports. The export index will rank states on half a dozen key parameters including their export policies, ease of doing business, infrastructure development to facilitate exports, access to finance for exports and export output, which will assess the export market and product of exports in each state. There will be 30-40 sub-parameters under the six main heads, based on international trade parameters but tweaked to Indian scenario.

- **SEBI TIGHTENS LISTED COS. WITH DIRECTORS AGED OVER75:** SEBI has said that from April 1, 2019 the listed companies may no longer be able to continue having directors aged 75 years and above unless they pass a special resolution and seek shareholder permission and even record reason for such an act. There is no law which says that companies can not have board members aged 75 years or above. Only, SEBI has mandated that a special resolution needs to be passed and shareholder permission sought. The SEBI’s rule is to ensure that people do not continue on company boards perpetually without seeking permission.

- **CABINET APPROVES FOR GLOBAL TRADEMARK SYSTEM:** The Union Cabinet has approved the proposal for India's accession to the NICE, Vienna and Locarno Agreements that would harmonise the classification systems for examination of trademark and design applications, in line with the systems followed globally. The Nice agreement deals with the international classification of goods and services for the purposes of registration of marks. The Vienna agreement deals with the international classification of the figurative elements of marks and the Locarno agreement deals with the international classification for industrial designs. The
accession is expected to instil confidence in foreign investors in relation to protection of IPs in India.

- **GST ISSUE ON PSLC TRADING BY BANKS:** Trading of priority sector lending certificates (PSLC) on the government’s e-Kuber portal by banks will attract IGST. However, if the bank has already paid central and state GST for the transaction, then it will not have to pay IGST. Last year, CBIC had clarified that there is no exemption to trading in PSLC under GST. An 18% GST is charged on PSLC which has been considered as goods, on a reverse charge basis and would be paid by the buyer bank.

- **RBI ALLOWS IMPORTERS TO RAISE TRADE CREDIT:** RBI’s amended Trade Credit Policy has allowed the importers to raise trade credits (TC) of up to $150 million or equivalent per import transaction under the automatic route. For others, trade credits can be raised up to $50 million or equivalent per import transaction. The period of TC, reckoned from the date of shipment will be up to three years for import of capital goods. For non-capital goods, this period will be up to one year or the operating cycle whichever is less.

- **MCA ISSUES GUIDELINES ON CONDUCT OF BUSINESS:** The Ministry of Corporate Affairs (MCA) has issued the national guidelines on Responsible Business Conduct, urging businesses to actualise the principles in letter and spirit. For this purpose, the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business 2011 have also been revised. There have been various national and international developments in the past decade that have nudged businesses to be sustainable and more responsible, the top most being the United Nations Guiding Principles on Businesses and Human Rights (UNGPs).

- **RBI TO HOLD MEETINGS WITH BANK AUDITORS QUARTERLY:** In a first-of-its kind and far-reaching move, RBI is set to hold formal meetings with the banks’ auditors on a quarterly basis effective from April 1, 2019. Currently, RBI holds an annual meeting with auditors and as and when needed, but there is no structured format for such interactions through the year. The new format will help RBI to get a real-time sense from auditors on what is going on in banks. It will also aid RBI’s central office to give a heads up to its on-site inspectors, and spruce up the inspection mechanism, including risk-based supervision and the off-site surveillance system. It will be departure from the current practice of engaging with auditors once they have signed off on the annual accounts of banks and the long-stand –form audit report.

- **RBI INTRODUCED SWAP FACILITY:** RBI has introduced a $5 billion Swap facility for the banks to facilitate permanent liquidity support. The three-year swap will take place through an auction on March 26. The purpose is to introduce one more liquidity management tool apart from the tried and tested open market operations (OMO) under which the RBI buys and sells bonds from the secondary market. In the auction, RBI will accept the spot dollars for a small fee (forward premium) and will commit to provide the dollars three years down in line. In doing so, RBI is taking risk that even if dollar-rupee rates weaken significantly, it will have to provide the dollars.

- **SUPREME COURT RULING ON DISSOLVED FIRM:** (Case of Gopal Shri Scrips Ltd.) Supreme Court has ruled in this case that a claim of Income Tax will not become infrutuous even if a company’s name has been struck off by the Registrar of companies.

- **SUPREME COURT RULING ON RECOVERY FROM EMPLOYEE TO EMPLOYER:** (Case- Dilip Mani vs. M/S Siel Ltd.) The employee challenged the termination before the Industrial Tribunal in UP. The tribunal ordered his reinstatement with back wages paid in 1998. During the litigation, the employer had paid dues according to the order of the tribunal. The Firm appealed to the High Court arguing that the employee had not completed one year of employment. High Court ordered that the order of the tribunal was wrong. The employee appealed to the Supreme Court. The apex Court ruled that though the tribunal order was wrong, the employer had no right now to recover the amount already paid to the “Delinquent workman”.

- **IRDAI FOR WITHDRAWAL OF “AEP” CALUSE IN POLICY:** The Insurance Regulator has directed all the insurers to withdraw the Automatic Extension Period (AEP) clause which is offered as an add-on with annual policy covers by general insurers. This clause violates the rules of All India Fire Tariff. General insurance products are normally one-year products. So, the policy holders have to renew their covers every year and the rates keep changing every year.

January and February 2019

- **SUPREME COURT RULING ON BOUNCED CHEQUE:** (Case- Sicagen India Ltd. Vs. Mahindra) Supreme Court has ruled in the case that if a cheque bounces for want of sufficient funds, the payee can present the cheque again to the bank. If it bounces again, the payee can send another notice as required under the Negotiable Instruments Act. After the first notice, the latter notices would not become invalid. This ruling came when the Madras High Court had taken a contrary view. It had quashed the prosecution of the drawer on the ground that successive notices were not valid and the law provided only for one notice. Supreme Court overruled it, stating that the law did not forbid the holder of the cheque to make successive presentation and institute criminal complaint based on the second or successive dishonour of the cheque on its presentation.

- **GOVT. EMPOWERS PSBs TO SEEK LOCs:** In a bid to prevent big economic offenders like Vijay Mallya and Nirav Modi from fleeing the country, the Government has empowered the Public Sector Banks to request “Lookout Circulars (LOCs)” against wilful defaulters and fraudsters. The Home Ministry has also authorised the Serious Fraud Investigation Office (SFIO) to request LOCs if it feels the suspect may escape from India.

- **CENTRE TO IMPLEMENT FDI RULES FOR E-COMMERCE:** The Centre has decided to go ahead with its decision to implement the Foreign Direct Investment (FDI) rules for the e-commerce sector from February 1, 2019 as scheduled, despite objections from large players. The revised FDI rules disallow e-commerce marketplace entities from selling products via firms in which they have an equity interest and also bar them from making deals with sellers to sell exclusively on their platforms. Marketplace entities also cannot take any step to influence the selling price of goods and services on their platforms. Since FDI in e-commerce is only allowed in marketplace model and not inventory model, the new rules affect large companies.
SUPREME COURT RULING ON BOARD OF BANKRUPT COS: The Supreme Court, while hearing an appeal filed by Vijay Kumar Jain of Ruchi Soya who challenged the orders of NCLT, has ruled that the erstwhile boards of bankrupt companies may have access to vital documents including proposed resolution plans of the companies they run while participating in the meetings of the lenders. The Apex Court further said that in allowing the directors of the company to participate and review critical documents, the resolution professional can take an undertaking from them in the form of non-disclosure agreement to maintain confidentiality of the resolution plans.

AADHAR OPTIONAL FOR PM-KISSAN SCHEME: The Centre has made it optional for small and marginal farmers to furnish Aadhaar numbers to avail the first instalment of Rs.2000 under the recently launched Rs.75, 000 Crore PM Kisan Scheme. However to get the subsequent instalments, it has been made compulsory to show Aadhar numbers. In the interim budget, Finance Minister announced the income support of Rs.6000 per year to 12 Crore small and marginal farmers with cultivable land up to 2 hectares. For the purpose of calculation of the benefit, the Centre has defined a small/marginal landholder family as one comprising of husband, wife and minor children up to 18 years of age who collectively own cultivable land up to two hectares.

RBI PANEL CLEARS INTERIM DIVIDEND TO BE PAID TO GOVT.: The Audit Committee of RBI has cleared payment of Interim Dividend of Rs.28, 000 Crore to the Government, while sticking to the laid down accounting principles. Now this needs to be cleared by the RBI’s Central Board. The Government was seeking up to Rs.40, 000 Crore as interim dividend. As the final payout is to be decided in July, the Audit Committee has opted for the number after being mindful of the policies and the requirements of the RBI.

RBI TO CONDUCT FIRST HALF-YEARLY AUDIT: RBI is getting its first half-yearly balance sheet audited to determine the amount of interim dividend it can give to the Central Government. Though a concurrent audit of its accounts is done on a quarterly basis, this is the first time a board-level statutory audit of RBI is conducted. The audit of RBI accounts for July-December 2018 is underway and the audit committee of its Board of Directors will meet shortly to approve it. This is departure from its practice of conducting an annual audit of accounts based on the profit numbers available for the July-June period, which is the RBI’s financial year.

SEBI ISSUES NEW RULES TO GOVERN PUBLIC INTEREST DIRECTORS: SEBI has issued the strict framework for Public Interest Directors (PIDs) serving at the stock exchanges, clearing corporations and depositories. Under the framework, PIDs will be nominated for three years, extendable by another term of three years. However, this will be subject to a performance review. Following the expiry of tenure, such director may be nominated for a further term of three years in another market infrastructure institution (MII) only after a cooling-off period of one year. The tenure of PIDs can be a maximum of three terms of three years each subject to 75 years of age.

SEBI ISSUED RULES FOR USAGE OF SECURITY DEPOSITS: SEBI came out with a new framework for utilisation of financial security deposits available with clearing corporations, warehouse development and regulatory authority in order to rationalise such deposits. At present, on the same goods, security deposits are required to be maintained with both Warehouse Development and Regulatory Authority (WDRA) and clearing corporations, putting additional financial burden on warehouse operators. The new framework will become effective from the 30th day of the Circular issued on 11th.

MSME LOANS SANCTION VIA 59-MINUTE PORTAL: The Prime Minister had launched 59-minutes sanction Portal in September 2018. The Portal enables in principle approval for loans up to Rs.1 Crore within 59 minutes from SIDBI and five Public Sector Banks. There is now less human interference in the sanctioning process. Also, since the loan documentation is done through the Portal itself, it also creates a liability on the approving authority to give reasons for delays and denials. Borrowers have to submit details such as IT returns, GST Data and bank statements to avail the credit facility through this portal. Lenders have sanctioned around Rs.30, 000 Crore loans through Portal since its launch.

GOVT. NEW RULE FOR TRANSFER OF SURPLUS RESERVES TO CENTRE: The Central Government has decided to frame a new rule that would mandate regulators and other autonomous bodies to transfer surplus funds to the exchequer. The move would make the SEBI and a dozen other regulators such as IRDAI, PFRDA to shell out a significant portion of their reserves into the consolidated Fund of India. The Centre has been eying these resources that would help it reduce fiscal deficit. However Experts say that this move could infringe on the independence of the regulatory bodies.

UNION CABINET APPROVES GST DISPUTE RESOLUTION TRIBUNAL: The Union Cabinet has approved a proposal to set up a National Bench of GST Appellate Tribunal (GSTAT) in Delhi. The Apex appellate Tribunal would deal with disputes between GST taxpayers and tax authorities predominantly arising out of the “Place of supply” issue. Place of supply issue becomes critical, especially in case of supply of services by a company having presence in two or more states, or in the case of imports and exports. Currently, disputes on place of supply, or of any other kind, between tax authorities and taxpayer are handled by the Commissioner Appeals in the respective states. The National Bench will give a platform for second appeal.

RBI TO STRENGTHEN PCR FOR 360-DEGREE VIEW OF BORROWERS: RBI plans to engage with the Government and other regulators to ensure that the Public Credit Registry (PCR) Act is comprehensive so as to bring in data not only from regulated lenders, but also from the section of lenders that do not directly fall under the RBI’s regulations. Viral Acharya, Deputy Governor of RBI, elaborated that PCR will strive to cover all regulated entities (Financiers) in phases and in this way, get a 360-degree view of borrowers. It will facilitate linkages with related ancillary information systems outside the banking system including corporate filings, tax systems including GSTN and utility payments.

SUPREME COURT UPHOLDS IBC TENETS: (Case- Bhushan Power and Steel Ltd.) The Supreme Court has upheld all the contentious provisions of the Insolvency and Bankruptcy Code (IBC) and reaffirmed the spirit of law to ban defaulting promoters from bidding for their own assets. Delivering the judgment on a petition filed...
by Bhushan Power’s Promoter Sanjay Singal on Section 29A—which bans defaulting promoters from bidding for their stressed company—and a group of operational creditors, the Apex Court said that the “Provisions of the Bankruptcy Law is legally valid”. The Court also clarified that the bar on persons related to the defaulting founders would include only those who are connected to the ailing company.

- **SUPREME COURT TO CENTRE FOR NCLAT CIRCUIT BENCHES:** The Supreme Court has directed the Centre to set up “Circuit Benches” for the National Company Law Appellate Tribunal (NCLAT) in next six months. Currently, NCLAT functions out of the National Capital. The setting up of circuit benches for NCLAT is expected to ensure additional presence of this tribunal in many cities, provide convenience for appellants, who otherwise had to travel to Delhi and expedite disposal of matters.

- **GOVT. FOR CGF SCHEME UNDER NEW NATIONAL POLICY ON ELECTRONICS:** The Government has proposed “Credit Guarantee Fund” Scheme and “Interest Subvention Scheme” to boost electronics manufacturing ecosystem in the country under new National Policy on Electronics. The proposal is to provide credit guarantee on term loans for projects up to Rs.100 Crore per borrowing unit. The cover will vary on a case to case basis depending upon investments. The Government will provide up to 50% guarantee cover of the sanctioned loan amount. Besides this, the Government is formulating Interest Subvention Scheme. Currently, the Industry pays around 11-12% interest on term loans availed in India, which are available at around 5-7% in other countries.

- **UNION CABINET APPROVES CAPITAL INFUSION IN EXIM BANK:** Established by the Government in 1982, EXIM Bank is the Apex Financial Institution for financing, facilitating and promoting the country’s international trade. Union Cabinet has approved a proposal to issue recapitalisation bond to the tune of Rs.6000 Crore for capital infusion in Exim Bank. This infusion will be done in two tranches. First, the trench of Rs.4500 Crore will be completed by end-March, while the remaining amount of Rs.1500 Crore will be infused during the next fiscal starting April 1. The Government has also decided to double the Bank’s Authorised Capital to Rs.20,000 Crore.

- **CENTRE EASES TAX EXEMPTION NORMS FOR ANGEL INVESTORS:** The Government has eased the procedure for seeking income tax exemption by Start-Ups on investments from angel funds. It has prescribed a 45 day deadline for a decision on such applications. This comes against various start-up founders claiming they have received notices to pay taxes on angel funds raised by them. Entrepreneurs have raised concerns over these notices. Now the Commerce and Industry Ministry has approved a notification to make allowances for angel investors. According to new procedure, a start-up will have to apply to the DIPP. The application of the recognised start-up shall be moved by the Department to the CBDT with the necessary documents. CBDT has been mandated to grant the exemption approval or decline to grant it within a period of 45 days from the date of receipt of application from the DIPP.

- **SEBI GIVES APPROVAL TO MFs FOR SELLING CALL OPTIONS:** SEBI has given approval to the Mutual Funds to sell call options under a covered call strategy. Covered calls are a strategy in which an investor holds a long position in an asset and sells call options on that same asset to generate an income stream. A call option is a contract where the holder has the right but no obligation to buy the underlying asset.

- **SEBI LAYS DOWN MECHANISM TO PREVENT INSIDER TRADING:** SEBI has decided to hold company promoters, irrespective of their shareholding status, responsible for violation of insider trading norms if they possess unpublished price-sensitive information (UPSI) regarding the company without any “legitimate purpose”. New rule removes ambiguity around information sharing for a legitimate purpose. Boards of Listed Companies to decide when and with whom information can be shared. Boards to approve disclosures only after assessing whether the sharing of information is in the best interest of the company. A structured digital database has to be maintained with details of persons who receive the unpublished price-sensitive information.

- **SINHA PANEL FOR SUITABLE FRAMEWORK ON SUBGROUP INSOLVENCY:** The Insolvency and Bankruptcy Board of India (IBBI) has set up a working group headed by former SEBI Chief UK Sinha to go into the concept of “Group Insolvency” and suggest a suitable framework. The working group has been tasked to submit a report within two months recommending a complete regulatory framework to facilitate insolvency resolution and liquidation of corporate debtors in a group. “Group Insolvency” framework will help prevent corporate groups from uncontrollably falling apart in insolvency and thereby thwarts the chances of their restructuring. This could be achieved through a group venue for corporate group insolvencies and by enabling coordination and co-operation support.

- **NCLAT TO NCLT ON INSOLVENCY ADMISSION:** The National Company Law Appellate Tribunal (NCLAT) has said that the National Company Law Tribunal (NCLT) should not hear any third party other than the applicant who has taken a company to the NCLT and the company which is the corporate debtor itself, at the time of the admission of a case. NCLAT further said that except the applicant (Financial Creditor) and the corporate debtor, there is no requirement of hearing a third party including the intervener at the stage of admission.

- **SUPREME COURT RULING ON NCLT MATTERS:** (Case- Shashi Prakash VS. NEPC Micon) The Supreme Court has emphasised in the case that the jurisdiction of the civil court is completely barred in matters that are now in the dominion of the National Company Law Tribunal.

- **LIC COMPLETES ACQUISITION OF STAKE IN IDBI BANK:** LIC has completed the acquisition of a 51% controlling stake in IDBI Bank, making it the majority shareholder. The deal, conceptualised in June 2018 is envisaged as a win-win situation for the bank and LIC, with an opportunity to create enormous value for shareholders, customers and employees of both entities through mutual synergies. IDBI Bank will get access to a wide network of over one lakh employees and 11 lakh agents of LIC. In addition, LIC employees and agents will get access to preferential and value-added banking services.

- **RBI NOT TO CHANGE FPI PORTFOLIO LIMITS:** RBI is reluctant to relax portfolio-level limits it introduced for foreign portfolio investors (FPIs) last year. In April 2018,
the restrictions which were introduced was to cap a FPI’s investment in a single corporate bond to 50% of the bond issue. This restricted their exposure to any single corporate group to not more than 20% of their overall corporate bond portfolio. They were allowed to invest in debt papers with less than three-year maturities, provided the total investment in debt papers maturing within a year did not exceed 20% of the portfolio. The FPIs had felt the restrictions were too onerous and difficult to monitor and wanted these to be done away with altogether. However RBI has declined the request and instead asked the investors to look at the voluntary retention route to invest in debt markets in India.

- **SEBI REGULATES NRI/OCI FUND FLOWS THROUGH FPIs:** SEBI has put in place norms for a single regime of foreign portfolio investments (FPIs) by Non-Resident Indians (NRI) / Overseas Citizens of India (OCI). This is being done to regulate fund flows from NRIs and track the source of money from Indian-origin persons. SEBI said that if single and aggregate NRI/OCI/RI (Resident Indian) holdings in assets under management of FPIs are below 25% and 50% respectively, then such persons will be allowed to be constituents of the FPI. For temporary breach of investment limits, the FPI will need to comply within 90 days and in case of non-compliance, no fresh purchase will be permitted and such FPIs will have to liquidate their existing position in the Indian securities market within 180 days.

- **CSC TO CONDUCT CENSUS, ECONOMIC SURVEY:** The Common Service Centres (CSC) under the Ministry of Electronics and IT will be conducting Census, Economic Survey and Information Dissemination. MOU has been signed in this behalf. About 12 Lakh enumerators will be involved in conducting the surveys. Mobile App has been developed which will identify Panchayats, location and submit the form automatically once the survey is done by the invigilator. These 12 Lakh persons will be part of the three Lakh CSCs across the country. The survey will start from April and this will be first time that an agency like CSC will be utilised and also filling up the details digitally.

### GENERAL AWARENESS

**NOVEMBER 2019**

- Digital Platform on which Political Advertising will be stopped Globally by- Twitter.
- Bank which has got nod from SEBI to act as 1st Commodity Derivatives Custodian - Deutsche Bank.
- First Index which is to be released by the Govt. in January 2020 to rank States and Union Territories on- Preparedness to Promote Exports.
- Payment system which surpassed a 100 Million Users three and a half years after its launch- United Payments Interface (UPI)
- Scheme under which the workers in the unorganized sector have crossed 1.9 Crore Subscriber Mark- Atal Pension Yojana.
- Trade Deal in which India will not join as it would adversely affect national interest- Regional Comprehensive Economic Partnership (RCEP) Deal.
- Bank which raised the withdrawal limit of the depositors in Bank-Scam Case by Rs.10000 to Rs.50000 in total- PMC Bank.
- Bank with which MSTC has signed an agreement to develop a dedicated e-auction platform directly linked with IBA’s Portal for sale of NPA Assets through SARFAESI- Allahabad Bank.
- Rating Agency which has raised India’s Fiscal Deficit forecast to 3.6% of the GDP for this year from 3.4% due to weak revenue and sweeping corporate tax rates cut- Fitch.
- For drafting the National Water Policy the Govt. has constituted a committee which is to be headed by- Mihir Shah, Former Member of Planning Commission.
- Insurance Company which has been barred from selling new policies as it has not maintained the required Solvency Margin – Reliance Health Insurance Company Ltd.
- Rating Agency which has downgraded India’s Outlook from “Stable” to “Negative” as the Government has been ineffective in addressing economic weaknesses- Moody’s
- India Inc’s Borrowings which surged to 53% in H1 to $25 Billion which is an all-time high borrowings for the half-yearly period- External Commercial Borrowings.
- Index which stood at 103.1 in the second quarter of 2019, falling 15.3% quarter-on-quarter – NCAER’s Business Confidence Index.
- App which being jointly developed by NPCI and Network for Electronic Transfers of Singapore, for the First Time it will go International- BHIM-UPI QR
- Forecast which has been cut by SBI Group to 5% from 6.1% for financial year 2020- India’s GDP Forecast
- Growth which has been pegged by the Economists at 4.2-4.7% for July-September 2019- India’s GDP Growth.
- Court which has ruled that the Office of the Chief Justice of India is a Public Authority and falls within the ambit of the Right to Information Act- Supreme Court.
- Court which has struck down Finance Act Rules on Tribunals and said that appointments to tribunals will be on the basis of existing laws- Supreme Court.
- Divya Karani, Chief executive officer at Dentsu X India has been awarded at The Mumbrella Asia awards 2019 as- Agency Leader of the year.
- Spending which has fallen after 4 decades- Consumer Spending.
- Chief Guest on Republic day 2020 will be – Brazilian President Jair Bolsonaro.
- Court which has ruled that the preferential right given to NRIs to evict tenants from their properties is not arbitrary or does not violate the right to equality- Supreme Court.
- India has been ranked Second after US- Govt. Requests for Facebook User Data.
- Supreme Court quashes NCLAT order and paved way for Arcelor to acquire- Essar Steel.
- Survey which has been scrapped by Govt. over Data Quality- Consumer Expenditure Survey.
- Govt. notified that firms with net worth of Rs.250 Crore and more are eligible for Auto-Fuel Retailing.
- To safeguard the interests of workers in the formal sector, Govt. plans for One Nation-One Pay Day.
- As per SBI’s Search Report, lower interest rates may see flight of bank deposits to Equity Markets.
- Court which has ruled that SEBI has powers to debar the Auditors- Supreme Court.
- President has administered the oath of office to Justice Sharad Arvind Bobde as 47th Chief Justice of India.
- Companies with over Rs.500 Crore Assets which have been brought under the purview of IBC by the Govt. - NBFCs and Housing Finance Companies.
- City in India which is the Fastest Growing Prime Residential Market in the World- Delhi.
- Scheme under which Common Service Centres can now enroll the Farmers who are eligible for PM-Kisan Scheme.
- India-born Microsoft’s CEO Satya Nadella has occupied the Top Spot in Fortune’s Business Person of the Year 2019 List.
- State which is to give 10GM Gold to Brides belonging to Poor Households- Assam.
- Equity Broker who has been banned by SEBI for making default of around Rs.2000 Crore to the Clients- Karvy Stock Broking.
- City which has emerged as India’s Highest Ranked City at 83rd Position in the World’s 113 cities in the New Prosperity Index- Bengaluru.
- India’s City which has become the World’s 20th “Most Expensive Retail Location”- Delhi’s Khan Market.
- Highest Adjudicating Body which will become Dysfunctional from December 11 for resolving Global Trade Disputes at WTO.
- Report which says that only 60% Households use LPG for cooking- National Statistical Office report.
- Companies whose over 92000 Employees have opted for VRS- BSNL & MTNL.
- India’s First Corporate Bond Exchange Traded Fund which will get cabinet approval for it’s launch- Bharat Bond ETF.
- Framework which will be revised by RBI for SAARC States- Currency Swap Arrangement.
- Commission whose term has been extended by 11 months- Fifteenth Finance Commission.
- Corporation whose authorised capital has been increased by the Union Cabinet by Rs.6500 Crore to Rs.10, 000 Crore- Food Corporation of India.
- Rankings in which no Indian Institution of Higher Education has come in the Top 30- World University Asia Rankings 2020.
- First Chairman of the Steering Committee of the Code for Responsible Lending (CRL) for Microfinance Industry will be Harun R Khan, Former RBI Deputy Governor.
- Company whose market value has surpassed 10-Trillion Mark making it Most-valued Listed Firm in the Country and 64th Globally- Mukesh-Ambani-led Reliance Industry.
- Portal which will be run by the Govt. and SBI for marketing products manufactured by micro, small and medium enterprises- MSME Portal Bharat Craft.
- Country for which India has announced $400- Million Line of Credit – Sri Lanka.
- Stock Exchange which has received Approval as “Recognised Association” for the Commodities Segment – NSE.
- Mukesh Ambani with net worth of $60 Billion has been ranked as 9th Richest Person Globally.
- Eminent Malayalam Poet Akkitham Achuthan Namboothiri has been chosen for Jnanpith Award for “Prophetic”.

OCTOBER 2019
- Rajnish Kumar, Chairman of SBI has been elected as Chairman of Indian Banks’ Association (IBA).
- Govt. has appointed SA Bobde as Next Chief Justice of India.
- Kolkata-born Abhijit Banerjee, his wife Esther Duflo and Michael Kremer of Harvard University have won the Prize for their experimental approach to alleviating Global Poverty- Noble Economics Prize.
- Three Researchers William Kaelin and Gregg Semenza of US and Britain’s Peter Ratcliffe shared the Prize for discoveries on how cells sense and adapt to oxygen availability- Noble Medicine Prize.
- Canadian-American Cosmologist James Peebles and Swiss Astronomers Michel Mayor and Didier Queloz won the prize for research increasing our understanding of our place in the universe- Noble Physics Prize.
- Prize which Ethiopia PM Abiy Ahmed won for his efforts to achieve peace and international cooperation- Noble Peace Prize.
- Polish Novelist Olga Tokarczuk and Austrian Author Peter Handke won the prize in Literature for 2018-19- Noble Literature Prize.
- Three Researchers Johan Goodenough of US, Britain’s Stanley Whittingham and Japan’s Akira Yoshino won the Prize for the development of lithium-ion batteries, paving the way for Smartphone and a fossil fuel-free society- Noble Chemistry Prize.
- Lady of Meerut (UP) became the First-ever Indian to reach the Finals of the Woman’s Javelin in the World Athletics Championships- Annu Rani.
- Kerala State has got the Top Ranking among all states in India- School Education Quality Ranking.
- Rating Agency according to which, “Indian Banks are the Most Vulnerable in Asia-Pacific” because they have lower capital ratios and their capital will be wiped out under stress scenario- Moody’s.
- Bank which has launched Digital Fixed Deposit Product and can be opened in three minutes without opening a savings account – AXIS Bank.
• Bank which got RBI approval for raising the Authorised Capital from Rs.800 Crore to Rs.1100 Crore.- Yes Bank.
• Bank which has opened its Melbourne Office becoming the First Indian Bank to have a branch in the Australian State of Victoria- SBI.
• Eminent Economist has been appointed as Executive Director for India on the Board of International Monetary Fund (IMF)- Surjit S Bhalla.
• Banks which have also been included as members by the Credit Guarantee Fund Trust by which they may avail the guarantee cover for loans given to MSMEs-Scheduled Urban Co-operatives Banks.
• Bank Fraud case in which Sarang Wadhawan and Rakesh Wadhawan, Promoters of Housing Development Infrastructure Limited, have been arrested by the police- PMC Bank Fraud Case.
• IPO Issue of Indian Railway Catering and Tourism Corporation (IRCTC) subscribed 112 times (Rs.70, 000 Crore subscribed against Rs.640 Crore Offered)- Highest for State-owned Company.
• Growth Forecast which has been sharply reduced from earlier 7.4% to 6.1% by RBI- India's GDP Growth Forecast.
• Semi-bullet Corporate Train on Agra-Varanasi route has been flagged of by UP CM – India's First Private Train by IRCTC.
• IT System which has been inaugurated to eliminate the interface between an Assessing Officer and a Taxpayer- Faceless e-Assessment System.
• Scheme which has been amended by the Govt. for allowing Exchanges from the IFSC, set up at GIFT City to issue depository receipts- Depository Receipts Scheme.
• Pakistan's Prime Minister Imran Khan has become the 6th Most Popular World Leader while US President Donald Trump is- First Most Popular World Leader.
• India slips 10 places to 68th ranking on- Global Competitiveness Index.
• Rating Agency which has cut the GDP Growth Forecast of India to 5.8% which is the Lowest among all the forecasts after RBI trimmed its forecast to 6.1% recently- Moody’s.
• India jumped two levels to 7th Position from the 9th last year in- Brand Finance Nation Ranking 2019.
• RBI has given nod to Kerala State Government to set up its own bank by merging district cooperative banks – Kerala Bank.
• While Mumbai has been ranked at 12th Place out of 20 Richest Cities in the World, City which has topped the list- New York City.

• State whose Discoms have retained their top performance in the integrated ratings of the Country’s Discoms- Gujarat.
• Mukesh Ambani, Chairman of Reliance Industries retains top position followed by Infrastructure Tycoon Gautam Adani- Forbes’ List of Richest Indians.
• Club in which Number has increased from 81, 344 in 2017-18 to 97, 689 in 2018-19 showing income above Rs.1 Crore- India’s Crorepati Club.
• HCL Technologies Chairman Shiv Nadar has topped the list followed by Azim Premji, Chairman of Wipro and Mukesh Ambani, Chairman of Reliance Industries- List of India’s Most Generous Philanthropists.
• Act under which Maharashtra has topped in the country with 22, 455 registrations- Real Estate Registration Act (RERA).
• Cricketer Saurav Ganguli will become Second Indian Cricketer after Maharaja of Vijayanagram in 65 years to be- President of Board of Control for Cricket in India.
• India’s GDP Growth Forecast has been cut to 6.1% for the current fiscal by- IMF.
• Data which shows that the Indian stocks are the “Least Attractive” in terms of Dividend Returns in Asia- Refinitiv Data.
• Index in which India has been ranked at 102nd spot out of 117 Nations – Global Hunger Index.
• India has been ranked Third, while China has topped the- Hurun Global Unicorn List 2019.
• Sophia has been named at 28th IEEE Conference on Robot and Human Interactive Communication- World’s First Robot Citizen.
• Legislative Council which was created in 1957 following adoption of new Constitution has been abolished by- J&K Govt.
• As per Index released by NITI Aayog, Karnataka has topped the list followed by Tamilnadu and Maharashtra- First Innovation Index.
• Company which has become “India’s First Company” to hit a market capitalisation of Rs.9 Lakh Crore.- Reliance Industries Ltd.
• Country whose GDP growth came down to 6% to its Weakest Pace in almost 3 Decades- China.
• In past 10 years, DICGC has settled 427 claims of Co-operative Banks but they have settled the claim of- Only One Commercial Bank.
• Regulator which has banned the use of Direct Selling Agents (DSAs) to source retail loans and carry out physical verification of documents of borrowers- RBI.
• Public Sector Telecom Companies for which the Central Government took decision for “Their Merger”- BSNL and MTNL.
India moves up 14 ranks to 63rd Ranking in- Ease of Doing Business 2020 Survey.

Bureau which has recommended the name of Challa Sreenivasulu as MD at SBI- Banks Board Bureau.

A Joint Venture between the BSE and US-based Insurance Exchange EBIX has received In-principle Approval from IRDAI to act as- Direct Insurance Broker.

According to the Harvard Business Review List, Adobe’s Shantnu Narayen, MasterCard’s Ajay Banga and Microsoft Satya Nadella have been ranked as- Best Performing Chief Executives in the World.

Persons who will now be eligible to apply for the National Pension System at par with NRIs- Overseas Citizens of India.

SEPTEMBER 2019

Air Marshal Rakesh Kumar Singh Bhadauria has been appointed as- Chief of Air Staff.

The Indian Institute of Technology Bombay leads India representation with a 111-120 Band Ranking in - QS Graduate Employability Rankings 2020.

EPF interest has been approved by the Government at 8.65% for 2018-19 against 8.55% last approved for 2017-18.

For First Time in History, as per decision taken by Supreme Court, Single Judge is to decide- Bail and Anticipatory Bail Cases.

Madhukar Kamath, Chairman of Mudra Group and Mentor of Interbrand India has been elected as- Chairman of Audit Bureau of Circulations for 2019-20.

178-Year Old Debt-plagued Group of UK which became bankrupt and collapsed after leaving 6 Lakh holidaymakers stranded and sparked the UK’s Biggest repatriation since World war-II- Thomas Cook.

Bank which is to link all Floating Rate Loans to Repo Rate from October 1- SBI.

Amitabh Bachchan who entertained and inspired for 2 generations has been selected unanimously for - Dada Sahab Phalke Award.

Indian Company which has been rated 3rd Best Regarded Company Globally- Infosys.

List, according to which Mukesh Ambani, Chairman of Reliance Industries Ltd. has topped the list of Richest Indians with Rs.3.8 Lakh Cr Net Worth- Wealth Hurun India Rich List 2019.

Bank whose withdrawal limit has been raised by RBI from Rs.1000 to Rs.10,000- Punjab and Maharashtra Cooperative Bank (PMC Bank)

India has advanced four places to 44th position globally-Digital Competitiveness Rankings Index.

Network which unveiled an online refund process- GST Network.

Payment Bank which got in-principle approval from RBI in August 2015, to start operations shortly- NSDL Payments Bank.

CBDT clarified that "Person for Income Tax e-Assessment will not be eligible" without- e-Filing Account or PAN.

Sanjiv Mehta, MD of Hindustan Unilever has got ET Award and declared- Business Leader of the Year.

Borrowings which grew over two-fold to $4.98 billion in July over the same month a year ago- India Inc’s Foreign Borrowings.

Currently 4 Banks, which are under Prompt Corrective Action (PCA) Framework, may come out from the Framework with the induction of capital funds by the Government- IOB, CBI, UCO and United Bank of India.

As per CBDT notification, PAN to be generated automatically, if Taxpayer uses- Aadhar for filing IT Returns.

National Body of Automobile Retailers in India in which Ashish Harsharaj Kale has been re-elected as President- Federation of Automobile Dealers Associations.

Index in which India has moved up six places to rank 34th – World Travel and Tourism Competitiveness Index.

Bank which has launched a DigiSmart Credit Card that is focused on millennials- Standard Chartered Bank.

Rating Agency which has upgraded the outlook for Punjab National Bank to “Positive” from “Stable”- Moody’s.

To examine the need for an Institutional Framework for Regulation and Development Valuation Professionals, the Govt. constituted a Committee which is to be headed by- IBBI Chairman MS Sahoo.

Index in which Vienna has been named the “World’s Most Pleasant City”- Global Liveability Index.

Country to which India has extended $1 billion Line of Credit which is “Unprecedented”- Russia.

Bank which has extended Rs.6000 Crore Loan to Andhra Pradesh Government for undertaking social infrastructure projects in the state- New Development Bank formed by BRICS Nations.

Country which has injected $126 billion into its slowing Economy- China.
- There are "Eight Maharatna" and "Sixteen Navratnas" in the country- (CPSCs) Central Public Sector Enterprises.
- Small Finance Bank which has been barred by RBI from opening new branches for failing to meet the deadline for getting its shares listed- Equitas Small Finance Bank.
- Country, which for First time since 1995 has been downgraded by Fitch as Recent Political Turmoil raises doubts about its Governance- Hong Kong.
- South Mumbai’s Tardeo has been- Country’s Costliest Residential Location.
- Rating Agency which has revised its outlook for NBFCs to "Negative" from "Stable" and also cut its Growth Forecast to 10-12% from 15%- India Ratings.
- NDTV India’s Senior Executive Director "Ravish Kumar" has received- Magsaysay Award.
- Countries which have inaugurated the First-ever cross border petroleum pipeline in South Asia to help the landlocked Himalayan Nation- India and Nepal.
- Govt. holding has shot up in Public Sector Banks over the last five years from 60-70% to over 90%.
- Country which has scrapped Foreign Investment Limit in Stock and Bond Markets almost 20 years after it first allowed access- China.
- Rankings according to which "No Indian University has come in Top 300 in the World"- Times Higher Education World University Rankings 2020.
- Digital Transactions increased from 1013 Cr on 2016-17 to 3134 Cr in 2018-19.
- Bank which has been penalised with a fine of Rs.12 Lakh by SEBI for Disclosure Lapses- ICICI Bank.
- Bank which has cut its deposit rates to a record low - 0.5% from -0.4%- European Central Bank (ECB)
- Gujarat State has retained the Top Slot in the Country- Logistics Performance Index.
- Bank which will provided Rs.3000 Crore funds to finance mini and mega Food Parks across the Country- World Bank.
- India’s First Cricket World Cup Winning Skipper Kapil Dev has been made- Chancellor of Haryana Sports University, Sonipat-
- Rating Agency which has assigned “Stable to Negative” Outlook to Power Sector- India Ratings & Research.

- Maharashtra Government has decided to set up at Wardha to mark Mahatma Gandhi’s 150th Anniversary- Swachh Bharat World University.
- Ordinance has been cleared by Union Cabinet to- Ban E-Cigarettes in the Country.
- Report according to which Hyderabad International Airport Passenger Growth has been “3rd Highest Globally”- World Airport Traffic Report.
- Govt. has notified for Single-Brand Retail, Coal mining, Contract Manufacturing and Digital Media- Liberalised FDI Rules.
- London has overtaken India’s Financial Capital Mumbai to become- Top Centre for Rupee Trading.
- Bank which has been empanelled by NSE Clearing for accepting Fixed Deposit Receipts in electronic form as collateral to clearing/trading members- Federal Bank.
- States which have the Highest "Malnutrition Levels" in the Country- Assam, Bihar, Rajasthan and UP.
- At $4 Billion Biggest Video Platform in Asia-Pacific- You Tube.
- Out of 54 Countries that have similar facilities, India’s "Immediate Payment Service" (IMPS) has been rated as-World’s Best Real-Time Payment Service.
- Ramnath Singh has taken flight in the indigenously built Tejas Light Combat Aircraft (LCA) and thus he has become – First Indian Defence Minister to fly in such aircraft.

**AUGUST 2019**

- Direct Tax Panel which is now to submit its report by 16th August 2019 was headed by- Akhilesh Ranjan, Member of CBDT.
- India has become the “7th Largest Economy” Globally while the country which is on the Top is- USA followed by China.
- Sector in which the growth has collapsed to 0.2% in June- a “50-month Low” from 4.3% in May- Core Sector.
- Bank which has increased its Authorised capital by Rs.5000 Crore from Rs.10000 Crore to Rs.15, 000 Crore- Indian Overseas Bank.
· Ranking list in which Bengaluru has been placed at 81st ranking being India's Best City for Students while London has topped the list- Best Student Cities Ranking 2019.
· Political Party in India which is having more assets (Rs.1483.35 Crore FY2018) as compared to other political parties is- Bharatiya Janata Party.
· A Manned Submersible Vehicle which will be launched by India and which will empower the Nation in the field of deep ocean research- Samudrayaan.
· Renowned Telecom Service Provider which for the First Time in its 14 year history has come in “Red” and posted Rs.2866 Crore loss for June quarter- Bharti Airtel.
· Purchasing Manager’s Index (PMI) which rose to 52.5 in July against 52.1 in June- Manufacturing Sector.
· Foreign Bank which has got RBI’s permission to offer regular banking services in the country- Bank of China.
· Launched by NPCI in August 2016, Platform which emerged as a Major Mobile-only Digital Payments Platform and crossed 82 Crore transactions in July against 24 Crore only in July 2018-UPI Transactions.
· City for which the Chief Minister has announced “Free Usage of Electricity” consuming up to 200 units- Delhi.
· Award which NDTV India’s Senior Executive Editor Ravish Kumar has won for harnessing Journalism to give voice to the voiceless- Magsaysay Award.
· Area in which the expenditure by Indian Companies has declined to its Lowest level in at least five years- Research and Development (R&D)
· Bank which is First Indian Bank connected to China’s National Advance Payment System- SBI.
· Global Rating Agency which kept YES Bank’s ratings under review for a downgrade in view of Rs.10, 000 Crore of loans under Watch List and downgrade of investment in bonds- Moody’s Rating Agency.
· 11 Banks which have been penalised with fine of Rs.8.50 Crore by RBI for- Non-compliance of Frauds classification and reporting.
· Schemes which are presently working under different Ministries are to be merged- Skill Development Schemes.
· Regulator from which a Reward of up to Rs.1 Crore will be given to any Informant who gives any inside information on insider trading in the Stock Market- SEBI.
· Project which has been revised downwards by RBI to 6.9% from 7% for 2019-20- GDP Growth Projection.
· India has emerged the World’s Largest Scrap Importer- South Korea.
· Tribunal which upholds Rs.2 Crore penalty on Media Group NDTV for disclosure lapses- Securities Appellate Tribunal.
· Scheme under which 5595 Electric Buses (E-Buses) have been approved by the Centre for inter and intra-city transportation in 64 cities in the Country- FAME India Scheme Phase-II.
· Regulation violation of which will not attract “Jail Term” as specified in the Companies Act as per assurance given by the Finance Minister- Corporate Social Responsibility (CSR) Obligation.
· Pranab Mukharjee has become 5th President of India to get honour from the President Ram Nath Kovind- Bharat Ratna Award.
· Index which declined to 95.7 in July 2019 against 97.3 in May- Consumer Confidence Index.
· Bank which commenced banking operations in March 2018 has received the status of a Scheduled Bank- Jana Small Finance Bank.
· Court which has upheld the amendments to the Insolvency and Bankruptcy Code, giving the status of financial creditors to homebuyers- Supreme Court.
· Bank which has launched StartUps banking programme to become a preferred banking partner to connect with at least 1000 startups over the next two years- Bank of Baroda.
· New labour Code will scrap- Wage Board for Journalists.
· Museum which has been launched in Leicester in UK – World’s First Anglo-Sikh Virtual Museum.
· Transactions which have crossed the milestone of over 200 million during July this year- Aadhar-enabled Payment System Transactions.
· Bengaluru based Biker Aishwarya Pissay made history by becoming the First Indian to win the World Title in Motorsports – FIM World Cup.
· Japan’s JTEKT Corporation and its Indian subsidiary have been penalised with a fine of Rs.17 Crore for Cartelisation by Competition Commission of India.
· Survey which has been launched by the Centre- Rural Sanitation Survey.
· State which abolishes the provision of “Guard of Honour” to the Chief Minister, Ministers and other officers holding constitutional posts- Odisha.
· Scheme which is to go live from September 1- Sabka Viswas Tax Dispute Resolution Scheme.
· According to the CBDT, all IT Communications from October 1, 2019 shall bear- Computer-Generated Document Identification Number.
· India’s exposure rose by nearly $6 billion to $162.7 billion at the end of June, Highest Level in at least one year to US Government Securities.
· A Government-appointed Task Force to overhaul the Six-decade old Income Tax Act has submitted its Report which was headed by- Akhilesh Ranjan.
· India has replaced China as- Largest Overseas Manufacturing Operation for Hyundai Motor Company.
· Cards which will be launched in UAE and Bahrain during PM Modi’s visit on 23-25 August to strengthen India’s relationship in Digital Payments- Rupay Cards.
· BCCI Title Sponsorship Rights for 5 more years has been retained by- Paytm.
· India’s Deposit Insurance Cover is- Lowest Globally.
· Bank formed by BRICS Countries four years ago which got its First Rating “AAA” from Japan Credit Rating Agency- New Development Bank.
· Bank which has banned Chinese companies in Asia, involved in infrastructure projects due to alleged gross financial malpractices- World Bank.
· New Advisory Board for Banking Frauds has been reconstituted by CVC whose Chairman is- TM Bhasin, former CMD of Indian Bank & Vigilance Commissioner.
· Rating Agency which has lowered India’s Growth Forecast to 6.2% for 2019 and 6.7% for 2020- Moody’s.
· State which retains the Top Spot in Water Management in the Country- Gujarat.
· PV Sindhu has become First Indian to win in Basel, Switzerland- World Badminton Championship Gold -
· Bengaluru’s Central Business District has unseated Connaught Palace and Bandra Kurla Complex to become the- Costliest Prime Office Space in the Country.
· Paying honour to Late Arun Jaitly, name of Feroz Shah Kotla Stadium will be changed to - Arun Jaity Stadium.
· Bank which has been placed on Credit Watch with Negative implications by S&P Rating Agency- IDBI Bank.
· Bank which has been downgraded as the outlook is negative- YES Bank.
· India has launched a chip-based Identity-Card for its Seafarers that uses face recognition technology for identification and after launch it becomes- First Country Globally to issue such Card.
· As per Report, Bank Frauds amount jumped 73.8% to Rs.71, 543 Crore in 2018-19 against Rs.41, 167 Crore in 2017-18- RBI’s Annual Report.
· Social Media Platforms which RBI will embrace to demystify Banking and its workings to the Youth- Facebook and Twitter.
· Growth which has slipped to 5% in April-June Quarter and which is also the Lowest in six years- India’s GDP Growth.
· Growth which has slumped to a dismal rate of only 0.6% in the first quarter of 2019-20 from 3.1% in the fourth quarter of 2018-19- Manufacturing Growth.
· Deficit which has been Rs.4.32 trillion for the first quarter of 2019 or 61.4% of the full budgeted estimate of Rs.7.04 trillion- Centre’s Fiscal Deficit.

JULY 2019
· 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 create 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 Quacquarelli 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 RBA 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 amidst 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- Rajasthans 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 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- IIBI.
- 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.
- Highest Ever Inflow which India received for $64.37 Billion during the fiscal ended March 2019- Foreign Direct Investment Inflow.
- Bank which has received the Shareholders’ approval for the proposed scheme of amalgamation of Gruh Finance with the Bank Bandhan Bank.

JUNE 2019

- Rating Agency according to which the performance of India’s Banking Sector is likely to be below average for the next two years due to poor asset quality and weak core capitalisation- FITCH Agency.
- Business Line Two Journalists have bagged Awards for Excellence in Financial Journalism.
- Bank which has introduced Interoperability of six key services for SF and CA deposits including cash deposits and withdrawals of less than Rs.50, 000 w.e.f June 1- Bank of Baroda.
- India’s Top Oil and Gas Producer which has toppled Indian Oil Corporation to become India’s Most Profitable Public Sector Co- ONGC.
- An EY Network Firm which has been barred from taking up any statutory audit assignments in Commercial Banks for one year starting April 1.- SR Batliboi & Co.
- As per Study “World’s 15 Hottest Places are in India and Pakistan”- Study by Metrological Department, Churu.
- Report according to which over 6800 cases of Bank Frauds involving an unprecedented Rs.71, 500 Crore have been reported in 2018-19- RBI Report.
- Rajiv Maharishi, Comptroller and Auditor General of India has been elected as External Auditor of World Health Organisation.
- Bank promoted Trustee which became the First Trustee to start operations at Gujarat International Financial Tec-City (GIFT) - AXIS Bank-promoted Axis Trustee Services.
- Index in which India has been ranked at 95th ranking Globally out of 129 Countries- Sustainable Development Goals Gender Index.
- State Government which has decided to reduce the minimum age for becoming a Panchayat Head from the existing 35 years to 25 years- Assam Government.
- Udana which has received NBFC Licence to selectively offer credit to retailers and sellers on its platform- B2B Online Market-place.
- As per the Latest Financial Times Executive Education Rankings, the Institute which has been ranked 43rd among the Top 50 Institutes Globally- Indian Institute of Management Bangalore.
- Space Rocket which China has launched for the First Time- Sea-based Space Rocket.
- Google’s India-born CEO Sunder Pichai has been chosen for Global Leadership Awards 2019.
- Index which the Industry Body CII has introduced to assess the quality of budgets presented by the Centre and State Governments- Fiscal Performance Index.
- Policy Think-Tank, reconstitution of which has been approved by PM renaming Rajiv Kumar as its Vice-Chairman along with Amit Shah, Home Minister as its Ex-Officio Member- NITI Aayog.

- Panel set up by RBI on review of ATM Charges and Fees will be headed by- VG Kannan, CEO of IBA.

- Bank which has introduced Repo-linked Home Loan product- SBI.

- On the lines of CA Institute, Govt. is planning to set up- National Institute for Valuers.

- Auditors of IL&FS for whom the MCA has moved the NCLT to debar from business for five years- Deloitte Haskins & Sells and BSR & Associates.

- Company which has surpassed Reliance Industries to become the Most Valued Firm by market valuation- Tata Consultancy Services (TCS)

- Asif Ali Zardari who has been arrested in the Fake Bank Accounts Case by the country’s top Anti-corruption Body- Former Pakistan President.

- Bank which has closed all Regional Offices under its Mumbai Zone for adopting Vertical Structures to achieve operational synergies- Bank of Baroda.

- Bank whose ratings has been put under review for Downgrade by the Rating Agency Moody’s- Yes Bank.

- New Legislation which will be introduced after merging 44 labour laws under four categories-Wages, Social Security, Industrial safety and welfare and Industrial relations- Labour Bill.

- US Retail Giant which has dethroned Google and has become World’s Most Valuable Brand- Amazon.

- Two Women Ritu Kridhal and M Vanitha will head the Project and Mission director respectively for launching Chandrayan-2 on July 15 which will land on Moon on Sept.6/7- First-Time in History of ISRO.

- India slips 5 places to 141 ranking out of 163 Countries while Iceland has topped the List- Global Peace Index 2019.

- India’s Largest e-Pharmacy and Healthcare Platform by sales- Medlife.

- Scheme which Bihar has launched and has become the First Indian State under which Rs.400 per month will be credited in the account of persons aged 60 years and above- Universal Old-age Pension Scheme.

- According the Annual List of Top CEOs compiled by Barron’s, CEO who has emerged as Top CEO Globally with top track records of revenue growth, earnings and shareholder returns- Microsoft CEO Satya Nadella.

- Regulator which is now 10th Largest Gold Reserve Holder in the World- RBI.

- Rating Agency which has lowered the India’s Growth Forecast for FY20 to 6.6%- FITCH.

- India has emerged as the 5th Largest Country Globally in “Flexi-staffing” (Temporary jobs) after- US, China Brazil and Japan.

- Report according to which India will overtake China as World’s Most Populous Country in just eight years- UN Report.

- Rating Agency which has lowered India’s growth forecast to 6.6% from 6.8% for the current fiscal- FITCH.

- World’s Biggest Social Network which is set to unveil a bid to bring Cryptocurrency payments into the mainstream- Facebook.

- To boost employment opportunities, Govt. to do away with the requirement of minimum educational qualification (who has passed VIII Class) for getting- Driving Licence.

- Bank which has installed a 50 KWp Rooftop Solar Power Plant at its Corporate Office in Bengaluru and plans for similar set up at its properties spread across the Country as part of its “Go Green” initiative- Canara Bank.

- Centre has decided to waive the registration charges for- Electric Vehicles.

- 21st June has been celebrated all over the world as- International Yoga Day.

- Summit which PM Modi to attend in Osaka, Japan from June 28-29- G-20 Summit.

- Cell which was set up to fast-track infrastructure projects has resolved 615 of the 1038 projects that came under its review- Project Monitoring-Invest India Cell.

- UP continues to be the Worst State in terms of overall performance while Kerala has topped in the second successive time- NITI Aayog Health Index.

- Index for which the Government has set up a working group for revision of the current series of- Wholesale Price Index.

- Govt. has asked the banks to appoint GM-level officer to resolve the problems being faced by- MSMEs.

- MN Sharma, Former CMD of United India Insurance has been named as- Secretary General of General Insurance Council.

- Investment which has increased by 6% to $42 billion in 2018- Foreign Direct Investment.

**MAY 2019**

- Index in which India has moved one place to rank 43rd Position while Singapore tops the Chart- World Competitiveness Rankings.

- List from which US has removed India- Currency Watch List.

- India’s Largest Equity Bourse which has been found a fine of Rs.625 Crore plus 12% interest for five years- BSE.

- PM Narendra Modi approved by PM renaming Rajiv Kumar as its Vice-Chairman along with Amit Shah, Home Minister as its Ex-Officio Member- NITI Aayog.

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- Index for which the Government has set up a working group for revision of the current series of- Wholesale Price Index.

- Govt. has asked the banks to appoint GM-level officer to resolve the problems being faced by- MSMEs.

- MN Sharma, Former CMD of United India Insurance has been named as- Secretary General of General Insurance Council.

- Investment which has increased by 6% to $42 billion in 2018- Foreign Direct Investment.

**MAY 2019**

- Index in which India has moved one place to rank 43rd Position while Singapore tops the Chart- World Competitiveness Rankings.

- List from which US has removed India- Currency Watch List.

- India’s Largest Equity Bourse which has been found a fine of Rs.625 Crore plus 12% interest for five years- BSE.

- PM Narendra Modi approved by PM renaming Rajiv Kumar as its Vice-Chairman along with Amit Shah, Home Minister as its Ex-Officio Member- NITI Aayog.

- Rating Agency which has lowered the India’s Growth Forecast for FY20 to 6.6%- FITCH.

- India has emerged as the 5th Largest Country Globally in “Flexi-staffing” (Temporary jobs) after- US, China Brazil and Japan.

- Report according to which India will overtake China as World’s Most Populous Country in just eight years- UN Report.

- Rating Agency which has lowered India’s growth forecast to 6.6% from 6.8% for the current fiscal- FITCH.
· Survey according to which the performance of Govt. with regard to three top priorities-Traffic Congestion, Pollution and better employment opportunities has been “Below Average”- Survey By ADR.
· Rakesh Singh has assumed the charge as- Vice Chief of Air Staff.
· State-run Steel Maker Company which has introduced Pension Scheme for present and former employees-SAIL.
· As per Top 50 of the Latest Times Higher Education Asia University Rankings, Indian University which leads and ranked 29th- Indian Institute of Science Bangalore.
· Five Issuers on whom RBI has imposed penalty of Rs.6.10 Crore for compounding of the contraventions under Payment and Settlement Systems Act 2007- Prepaid Payment Instrument Issuers.
· In a first in recent history of tax filings, the same have dropped by more than 6.6 Lakh- Income tax e-filings.
· FPI investment in Unlisted companies to be allowed as per SEBI Panel headed by- HR Khan, Deputy Governor of RBI.
· Tribunal which ruled that “Loss-making company can sell its stake at a valuation higher than the fair market value if valuation is computed through Discounted Cash Flow Method”- Income Tax Appellate Tribunal.
· Invoices which will have to generated by September on Centralised Govt. Portal- B2B (Business to Business) invoices.
· Canada has become the First Country to celebrate April month as- Sikh Heritage Month.
· Borrowings which touched a historic high in 2018-19 by having $41 billion against $26 billion registering 58% increase- External Commercial Borrowings.
· Bank for which RBI issued fresh directives that depositors will be allowed to withdraw a sum not exceeding Rs.1000 in total balance in the accounts- Shivajirao Bhisale Bank
· Jagjit Pavadia who has held several senior positions in the Indian Revenue Service for 35 years, has been re-elected as- Member of International Narcotics Control Board.
· The Statistics Ministry is embarking on the 7th Economic Census for all economic establishments and also to form- National Business Register.
· Bank which has donated Rs.10 Crore to Odisha State for “Cyclone Fani relief”- ICICI Bank.
· Report according to which debit cards continues to be the Most Preferred Payment Instrument for shoppers on ecommerce websites- Report by Financial Software and Systems.
· Bank whose long term ratings has been downgraded with "Negative Outlook" by India Ratings- YES Bank.
· As per Survey by Max Life Insurance, the City whose population owns life insurance making it one of the Least insured Cities in the Country- Pune.
· Watchdog which has ordered an investigation into Google for allegedly abusing the dominant position of its popular Android mobile operating system to block rivals- Competition Commission of India.
· Bank which has sold Electoral Bonds worth Rs.3622 Crore in March and April this year- SBI.
· PS Reddy, MD&CEO of CDSL has taken over charge of- MD&CEO of Multi Commodity Exchange.

To help check evasion through cash transactions, Mechanism which the Govt. may opt at all shops and establishments- QR Code-based Payment Option.
· Bank which joins hands with Travel Portal Goibibo to launch Multi-currency card which is accepted across 200 countries and 4.6 Crore merchants globally and can be loaded with up to 15 currencies- ICICI Bank.
· RBI issued Licence only to 3 Players in the Country for acting on Trade Receivables Discounting System ( TReDS)- RXIL, Invoicemart and M1Exchange.
· Venture Capital Fund of Rs.700 Crore has been announced for equity investments in Agriculture and Rural-focused Startups by- NABARD.
· Cyclone disaster for which the Odisha government has pegged the loss of Rs.12, 000 Crore – FANI Cyclone.
· Bank whose elevated credit costs and provisions of bad loans will continue to weigh on its earnings profile, adversely impacting capital position as per report of Rating Agency Standard & Poor’s- Union Bank of India.
· Report has been submitted to RBI Governor by the Committee on Digital Payments which was headed by- Nandan Nilekani, Former Chairman of UIDAI.
· To reconcile the contradictory orders on similar issues passed by Authority for Advance Rulings (AARs) in different states, GST Council has proposed to set up- National Bench of AAR.
· Bank whose MD&CEO Chanda Kochhar has served legal notice to the Bank objecting to the way her Resignation was treated as Termination- ICICI Bank.
· There is the Biggest One-day Gain in 10 years in point terms and the Most since September 2013 in percentage terms after Exit Polls in- Benchmark Sensex and NIFTY.
· En Aromatic & Petro Chemicals who has indulged in illegal fund raising and failing to comply with public issue norms has been fined by SEBI with- Monetary Penalty of Rs.1 Crore.
· The Biggest Company by revenue which has emerged topping state-owned Indian Oil corporation- Reliance Industries Ltd.
· OECD cuts its forecast from 3.3% to 3.2% this year for- World Economy.
· Bank whose Long-term Rating has been downgraded by Rating Agency ICRA- IDFC First Bank.
· Tribunal which has ruled that in the matter of collective investment schemes the overriding nature of Indian Bankruptcy Code (IBC) may prevail over the SEBI Act- National Company Law Tribunal.
· Bonds for which the Govt.-appointed Panel has suggested that these may used by persons for investing half of undisclosed income- Elephant Bonds.
· ADB has agreed to provide long-term loan of $750 million to IRFC to fund its track electrification project- Largest Single Non-sovereign Loan ever committed.
· Out of Social Media Platforms, Bank, which is already present on YouTube and Twitter has also entered on Facebook and Instagram- Canara Bank.
· Private Life Insurer which has been conferred with the FICCI Claims Excellence Award- Bharti AXA Life insurance.
· Jokha Alharthi has become the First Arabic Author for her Novel "Celestial Bodies" to win- Man Booker Prize.
· Citizens with a taxable income of up to Rs.5 Lakh can now submit Form-H to claim exemption from TDS on interest income on deposits as per notification of CBDT- Senior Citizens.
• Bank which has launched “SMESUVIDHA” Scheme to provide loans to GST-registered MSMEs at affordable interest rates- Corporation Bank.

• Media Group which has bagged Two Honours at the prestigious International News Media Association “Global Media Awards 2019”- Hindu Group.

• Network which has started offering free accounting and billing software to MSMEs with annual turnover of up to Rs.1.5 Crore- GST Network.

• International Finance Corporation will invest $35 million in Manappuram Finance Ltd. for Gold Loan(NBFC)- First Investment in Indian Gold-loan NBFC.

APRIL 2019

• As per Business Standard Annual Awards for 2018, Hindustan Unilever has been awarded as- Company of the Year.

• According to the BS Annual Awards for 2018, Romesh Sobti, MD&CEO of IndusInd Bank has been awarded as- Banker of the Year.

• As per BS Annual Awards for 2018, Adi Godrej, Chairman of Godrej Group has got- Lifetime Achievement Award.

• Zuzana Caputova, a Pro-European Union Anti-corruption Lawyer, has been elected as President of Slovakia- Ist Woman President.

• Space Organisation which has placed 29 Satellites in three Orbits with one Rocket- ISRO.

• India’s Largest Payments Bank- Paytm Payments Bank.

• Country which has launched World’s First National 5G Network- South Korea.

• Global Rating Agency which has maintained India’s Sovereign Rating at “BBB” which is the Lowest Investment Grade- FITCH.

• Country which awarded its “Top Civilian Honour” to Narendra Modi, PM for giving boost to ties- Ukraine.

• Vikram Kirloskar, MD of Kirloskar Systems has been elected as- President of Confederation of Indian Industry (CII).

• David Malpass has been selected as 13th- President of World Bank.

• India has emerged as Third Largest Solar PV Market in the World- Mercom Capital’s Latest Report.

• India retained its position as the World’s Top Recipient of Remittances with $79 billion back home in 2018- World Bank Report.

• Bank for which Global Rating Agency Fitch affirmed long-term rating at “BBB-with Stable Outlook” citing Govt. support to it- EXIM Bank.

• University in which the Govt. has appointed Najma Akhtar, First-woman in its 4-decade history as Vice-Chancellor- Jamia Millia Islamia University.

• Prime Minister Narendra Modi has been honoured with the “Order of St Andrew the Apostle” -Russia’s Highest State Decoration.

• Institution which is accepted by all the Financial Sector Regulators has crossed a major milestone by registering 10 Crore Customers- Central KYC Registry.

• Platform via which the Govt. is targeting Rs.50, 000 Crore worth of transactions to be carried out- Online Marketplace GeM.

• India has become Third largest Solar Market after- China and US.

• Bank which has launched “NRI-Insta-Online” for NRIs who can open accounts without furnishing physical documents as well as KYC proof- IDBI Bank.

• Bank which has got approval from Competition Commission of India for the proposed amalgamation of Gruh Finance- Bandhan Bank.

• Asian Development Bank which has committed to provide $3 billion in Sovereign Loans to India in 2018- Highest Sovereign Loan since Sovereign operations in 1986.

• Ravinder Kumar Passi has been elevated to the post of -President of Export Promotion Council for Handicrafts.

• BM Khaitan’s McLeod Russel India has lost its Crown to Camaellia Plc, Holding Co. of Goodricke Group as- World’s Largest Private Tea Producer.

• Britain’s Queen Elizabeth celebrated her 93rd Birthday on 21st April- World’s Oldest and Longest Reigning Living Monarch.

• There is 60% jump to Rs.3 Lakh Crore in 2018-19 from Rs.1.91 Crore in 2017-18- Direct Benefit Transfer of Subsidies.

• Court which ruled that the businesses will have to pay interest on entire tax liability including the part to be paid through Input Tax Credit- Telangana High Court.

• Bank whose Authorised Capital has been increased from Rs.3000 Crore to Rs.8000 Crore by RBI- Allahabad Bank.

• Report according to which Indians have the Highest Trust in their Financial Institutions despite facing maximum number of e-frauds in the Asia-Pacific Region- Report by Experian India.

• Bank which has reduced the number of Loss-incurring Branches to 157 as on March 2019 from 742 recorded in March 2015- Indian Overseas Bank.

• Scheme under which the complaints shot up by 25% for non-observance of fair practices code and issues related to ATM and Debit Cards- Banking Ombudsman Scheme.

• Bank which has celebrated its 155th Foundation Day on 24th April 2019- Allahabad Bank.

• Country which continues to be the Most Preferred “Foreign Study Destination” for Indians- US.

• National Payments Corporation of India (NPCI) has got nod from RBI regarding full-fledged implementation of Electronic Mandates.

• Scheme under which the total balance has reached to the extent of Rs.1 Lakh Crore five years after its launch- Pradhan Mantri Jan Dhan Yojana.

• CSR Foundation with which PNB Housing Finance has signed Letter of Intent to upgrade the skills of 13000 construction workers on-site and off-site across India- CREDAI.

• RBI to issue shortly new “Greenish-Yellow Bank Note”- Rs.20 Denomination.
**World’s Largest circulated English daily News Paper-Times of India.**

- Bank which is to issue 12 million shares to its employees under Employees Share Purchase Scheme-Indian Bank.
- Bank which has celebrated its 125th Foundation Day on April 12, 2019- Punjab National Bank.
- Stock Exchange which has appointed its First Independent Woman Director M.Jayshree Vyas- BSE, formerly known as Bombay Stock Exchange.
- Vipin Anand, having charge of LIC’s Western Zone, has taken charge as- MD of LIC of India.
- Small Finance Bank which raises Rs.248 Crore through Private Placement- Suryoday Small Finance Bank.
- India’s growth is expected to rebound to 7.2% in 2019 and 7.3% in 2020- Asian Development Bank.
- Court which has directed the Election Commission to raise random matching of VVPAT slips to 5 booths- Supreme Court.
- India’s GDP growth is expected to accelerate moderately to 7.5% in 2019-20- World Bank Report.
- Bank which plans to raise funds up to Rs.50, 000 Crore through issuing Perpetual Debt Instruments and long term bonds- HDFC Bank.
- India’s Growth Forecast for 2019-20 has been reduced by 20 basis points to 7.3% for 2019-20- IMF Report.
- State which continues to post the Highest Unemployment Rate at 11.4% in 2017-18against National Average of 6.1%- Kerala.
- Bank which after merger is appointing an Advisory Firm for “Review of Board Evaluation”- Bank of Baroda.
- United Nations owes India $38 million for the peacekeeping operations as of March 2019-
- Corporation with which LIC Housing Finance has tied up for “Review of Board Evaluation”- Asian Development Bank.
- The Platform which within three months of its launch has become the “Largest Online Lending Platform” in the country- PSB Loans in 59 Minutes.com.
- Bank which has got the “Enhanced Access and Service Excellence (EASE) Award from Arun Jaitley, Union Finance Minister- Bank of Maharashtra.
- Corporation which has allowed Housing Finance has tied up to offer enhanced loan eligibility finance to Home Buyers- India Mortgaging Guarantee Corporation.
- Seven of the World’s 10 “Most Polluted Cities” are in India and the Indian City which is on the Top is- Gurugram.
- Four Banks which have been penalised by RBI with total fine of Rs.11 Crore for non-compliance of directions on SWIFT Messaging Software- Karnataka Bank, UBI, IOB and Vyas Bank.
- RBI has penalised Bank of Baroda (Rs.4 Crore), Bank of Maharashtra (Rs.2 Crore) ICICI Bank and Yes Bank (Rs.1 Crore each) for Non-compliance of – SWIFT-related Operational Controls.
- City which has been adjudged India’s Cleanest City for the third straight year- Indore followed by Amravati in Chhattisgarh and Mysores.
- Exemption Limit which has been doubled on Gratuity from Rs.10 Lakhs to Rs.20 Lakhs- IT Exemption.
- Entities which using Aadhar services to pay Rs.20 for authentication of each transaction carried out by them- Business Organisations.
- Tribunal which has slapped a penalty of Rs.500 Crore on German Auto Major Volkswagen for damaging the environment through the use of a “Cheat Device” in its diesel cars in India- Green Tribunal.
- Former RBI Governor who has been chosen for the “Yashwantrao Chavan National Award 2018” for his contribution to economic development- Raghuram Rajan.
- RBI has penalised 36 Banks with a fine of Rs.71 Crore for- Not upgrading their Systems under SWIFT Platform.
- Central Board which has gone “Paperless on Entry/Shipping Bills”- Central Board of Indirect Taxes Customs (CBIC).
- Banks which are among the weakest rated state-run banks, Rating Agency Moody’s has upgraded their ratings from Ba3 to Ba2 in view of their improved solvency- CBI and IOB.
- President Ram Nath Kovind conferred “Padma Shree Award” to Chess Player- Harika Dronavalli.

**March 2019**

- India’s growth which slowed to six quarter low of 6.6% in third quarter of 2018-19- GDP.
- Bank which has been ranked “First” among Public Sector Lenders in the implementation of “Reform Agenda”- PNB followed by BOB and SBI.
- State for which the Centre has approved the proposal to amend the constitution through which all Indian Laws will be applicable to it and its residents will get the benefits of Reservation Policies- J&K.
- To recommend measures to ensure “Stability of External value of Rupee”, RBI has constituted a Task Force to be headed by- Usha Thorat, Former RBI Dy. Governor.
- Hasmukh Adhia, Former Finance Secretary has been appointed as- Chairman of Bank of Baroda.

**Bank which is to provide Infra Loan of Rs.6500 Crore for Mumbai Metro- Asian Development Bank.**

- Entities which have been allowed by SEBI to enter the Commodities Derivatives Market to align it with practices in developed markets around the World- Mutual Funds and Portfolio Managers.
- Project under which Six Cities (Rajkot, Ranchi, Indore, Chennai, Agartala and Lucknow) have been selected across the country- Innovative and Affordable Housing Project.
- G Satheesh, Aerospace Scientist and the Chief of DRDO has been conferred with- Missile Systems Award 2019.
- City which has overtaken Maharashtra as India’s Top FDI Destination- (NCR) National Capital Region covering Delhi, parts of UP and Haryana).
- The Platform which within three months of its launch has become the “Largest Online Lending Platform” in the country- PSB Loans in 59 Minutes.com.
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- President Ram Nath Kovind conferred “Padma Shree Award” to Chess Player- Harika Dronavalli.
While India is set to become 10th Largest Holder (607 Tonnes) in Gold Globally, the country which has topped “Gold Holder List” (8133.5 Tonnes)- USA.

Bank which raised Rs.660.80 Crore under Employee Share Purchase Scheme- Bank of India.

Bank which has launched Crèche- Child Daycare Facility within the premises of its Corporate Office in Mumbai to create conducive working environment to working women and parents- Bank of Baroda.

Committee which has warned that Crypto assets pose risks to Global Banks- BASEL Committee.

India's Most Generous Billionaire who is among Five World's Top Philanthropists including Bill Gates, George Soros and Warren Buffet- Azim Premji, WIPRO Chairman.

Bank which has become the Third Listed Entity to achieve a Market Cap of Rs.6 Lakh Crore after Reliance Industries and TCS-HDFC Bank.

Bank which has been categorised as a Private Sector Bank for Regulatory Purposes with effect from January 21, 2019 by RBI- IDBI Bank.

Geeta Dharmarajan, Founder President, Katha and Ved Arya, Founder Srijan have been conferred Business Standard Corporate Social Responsibility Awards 2019 and named as- Social Entrepreneur of the Year.

Naz Foundation (India) Trust of Anjali Gopalani, Founder has been conferred BS Corporate Social Responsibility Awards 2019 and named as- Social Entrepreneur of the Year.

Medal which Bipin Rawat, Chief of Army Staff has received from the President Ramnath Kobind for his distinguished services- Param Vishisht Sewa Medal.

Regulator which has granted recognition of the clearing corporation of Metropolitan Stock Exchange of India (MSEI) for routing trades from the UK to India's Stock Exchanges- Bank of England.

Bank which has launched Yono App to do away with the need for plastic cards in payments and withdrawals and allow cashless withdrawal- SBI.

Anti-corruption Watchdog in which Retired Supreme Court Judge Pinaki Chandra Ghose has been appointed as- India's First Lokpal.

Under the Economic Times Innovation Awards list, Reliance Jio has been awarded as- Most Innovative Large Company.

Among World's 10 "Cheapest Cities to live in" Rankings, three cities in India are- Bengaluru, Chennai and New Delhi.

SpiceJet has joined Global Airlines’ Grouping LATA as a member and becomes- First Indian Low-cost Carrier.

Ratio in which India holds the dubious distinction among the World’s Major Economies – Worst NPA Ratio.

Muthoot Capital Services in the Automobile Financing has been presented as – India’s Best Company of the year Award 2018.

Country which has topped the Global Happiness Ranking Chart- Finland.

Bill Gates joins Jeff Bezos as only the 2nd Member of- $100-Billion Club in the World.

Ex-US President who is now the Longest Living US President who has celebrated his 94th birthday- Jimmy Carter.

Yoga as new subject will be introduced from the upcoming academic session by- CBSE.

According to the List compiled by World Economic Forum (WEF) India has moved up two places to 76th Ranking in- Energy Transition Index.

e-Waste Recycling Hub has been opened in Dubai- World's Largest Hub.

By launching the Anti-satellite Missile, India has become 4th Nation after US, Russia and China and joined the Elite Space Club with- Mission Shakti.

First Transgender who has been appointed by the Election Commission of India as one of the Goodwill Ambassador of the Election Commission in Maharashtra- Shreegaari Sawant.

Scheme under which Rs.5940 Crore has been transferred in the accounts of Small and Marginal farmers as the first instalment of Rs.2000 each- PM Kissan Samman Nidhi Yojana.

Pallavan Grama Bank (Sponsored by Indian Bank) and Pandyan Grama Bank (Sponsored by IOB) have been amalgamated into single RRB called- Tamilnadu Grama Bank.

Chinese District which has become the World's First District using both 5G coverage and broadband gigabit network- Shanghai.

JANUARY & FEBRUARY 2019

Conclave in which for the First Time India has been invited and Sushma Swaraj External Affairs Minister to get “Guest of Honour”- Organisation of Islamic Cooperation.

Standardized Test of English Proficiency (STEP), an initiative of "Hindu Group" has won the Award- Digital Learning Company of the Year 2019.

Petter Farrelly’s Biographical Comedy-Drama-“Green Book” received Best Picture Honour at 91st Academy Awards- Oscars-2019 Award.

While Amazon Chief Jeff Bezos has topped the Rich list, Mukesh Ambani Chairman of Reliance Industries has been ranked at 10th with net worth of Rs.3.83 Lakh Crore- Hurun Global Rich List 2019.

Country’s oil for which the Govt. has exempted Rupee Payments from hefty taxes- Iran Oil.

Scheme under which the Govt. had set the target for achievement of complete household electrification throughout the country by 31Dec.2018 but target has been missed- Saubhagya Scheme.

State which has emerged as the "Best Performer" in the country in developing Startup Ecosystem for budding entrepreneurs – Gujarat.

India’s Flagship Payment Platform in which transactions crossed a value of Rs.1 Trillion- Unified Payments Interface.

Sudhir Bhargava, Senior-most Information Commissioner took oath as- Chief Information Commissioner of Central Information Commission.

Commodity Exchange whose recognition has been withdrawn by SEBI not being able to formulate any credible revival plan for its trading operations- ACE Derivatives and Commodity Exchange.
Act in which amendment has been approved by the Govt. for giving "Statutory Backing to Central and State-level Trade Unions"- Trade Union Act 1926.

Implementation which has been deferred by the Customs Department for the fourth time for deposit and removal of goods from Customs Warehouses- Mandatory Electronic Sealing.

Two Finetech Companies which have received NBFC Licence from RBI to operate as "Peer-to-Peer Lending Platforms"- Rupee Circle and IndiaMoneyMart.

Regulator which brings new rule which requires filing of fresh offer documents in case there is change in issue size of fund-raising- SEBI.

Country which will be overtaken by India to become 5th Largest Economy this year- UK.

Govt. to change the concept of affirmative action to include "Economically Backward" among the Forward Casts as a criteria in- Government and Private Institutions.

Private sector lender with which HDFC-led Gruh Finance is set to merge- Bandhan Bank.

NBFC which becomes First to get Partial Credit Enhancement Facility of Rs.400 Crore from SBI- PTC India Financial Services.

Foreign University 400 Students who have been offered fully paid scholarships to study at various universities across the country in- Syrian University Students.

Bank which is to set up Co. to provide Venture Capital to Agriculture and Rural Enterprises – NABARD.

Nandan Nilekani has been appointed as Chairman of Digital Payments Committee.

Prominent Indian-American Economist Gita Gopinath has become the First Woman to join as- Chief Economist of International Monetary Fund.

Foreign Bank which has been allowed by the Government to open its Branch at Mumbai- Iranian Bank.

Appellate Authority which ruled that the Charitable Institutions for advancement of Religion, Spirituality, Yoga will fall under purview of GST and sale of spiritual products will attract GST- Appellate Authority for Advance Ruling for GST.

Appellate Tribunal which ruled that long-term leases ranging from 60 to 99 years having hefty one-time "Lease Premium" will not attract any TDS- Income Tax Appellate Tribunal (Mumbai).

Corporation which in a bid to attract more airline bookings through its Portal, offers free insurance of up to Rs.50 Lakh for air passengers- Indian Railway Catering and Tourism Corporation.

Foreign Central Bank to which RBI has agreed to provide $40 million under a Swap Arrangement to boost Island Nation’s Reserves- Central Bank of Sri Lanka.

Tribunal which ruled that "a financial creditor can seek to first initiate the insolvency process against a corporate guarantor of accompany instead of the company itself, in case guarantee fails"- NCLAT.

Cricketer Virat Kohli has retained the Top Spot for the second consecutive year in- Celebrity Brand Valuation Rankings.

State which will be the First State to impose "Calamity Cess" up to 1% over and above the GST- Kerala.

Centre’s Scheme from which West Bengal has pulled out itself- Ayushman Scheme.

Romesh Sobti, MD&CEO of IndusInd Bank has become- BS Banker of the Year for 2017-18.

First-ever Award which Prime Minister Narendra Modi has got- Philip Kotler Presidential Award.

City which has emerged on the Top Ranking Globally in the Country relating to technology and innovation ecosystem- Bengaluru.

Indian Institute of Science, Bengaluru has secured 14th Ranking – Times’ Emerging Economies University Rankings 2019.

Public Sector Bank which is "First" to launch a "Platform" for Loan Approval within 15 Minutes relating to proposals up to Rs.5 Crore- Syndicate Bank.

Company which becomes First Indian Corporate to cross Quarterly Net Profit of Rs.10, 000 Crore- Reliance Industries Ltd.

Bank which raises $1.25 Billion via Bond Issuance – SBI.

Rio Olympic Games grappler Vinesh Phogat has created History when she has been nominated for the Prestigious Laureus World Sports Awards and has become- First Indian Woman.

Non-filers of GST Returns for six consecutive months to be debarred soon from- Generating e-way Bill.

Country whose GDP Growth may slip to 28-year Low to less than 6.5% in 2018- China.

Banking Regulator which has banned the use of Indian Currency notes of Rs.2000, Rs.500 and Rs.200 – Nepal Central Bank.

Court which is devising a mechanism to ensure automatic listing of a fresh case for hearing within four days of the filing- Supreme Court.

Index in which India has been ranked 80th, – Global Talent Competitive Index.

President who was the “Guest of Honour” at the Republic Day Ceremony on 26th January- South Africa’s President Cyril Ramaphosa.

Former President Pranab Mukharjee, BJP Leader Nanaji Deshmukh and Singer Bhupen Hazarika have been conferred – Country’s Highest Civilian Award “Bharat Ratna”.

Court which holds the Constitutional Validity of the Insolvency and Bankruptcy Code (IBC) in its entirety and upheld the ban on promoters bidding for defaulting companies- Supreme Court.

Brand which has entered in the List of Top 100 Most Valuable Global Brands in the 2019 Report of Brand Finance Global 500- Tata Brand.

India has replaced Japan to become- Second Largest Steel Producer.

The Post Graduate Programme in Management of the Indian School of Business has been ranked 24th Worldwide in- Financial Times Global MBA Rankings 2019.

Compiled under guidance of NS TOOR