

# BHARAT SCHOOL OF BANKING FEB MONTH ECONOMY

## ECONOMY

- ❖ 2nd National Conference on "Economics of Competition Law organised by Competition Commission of India (CCI) in New Delhi.
- ❖ According to data by Controller General of Accounts, fiscal deficit in first nine months (April-December 2016) of FY 2016-17 touched 93.9% of Budget estimate. In earlier year during same period, fiscal deficit was 87.9% of Budget. Tax revenue so far is 71.4% of the full-year budget estimate with expenditure being 74.3% of full-year estimate.
- ❖ According to data by Department of Industrial Policy and Promotion (DIPP), India received \$46 billion foreign direct investment (FDI) in 2016. It is 18% more than \$39.32 billion in 2015. Most of FDI came from Singapore followed by Mauritius, Netherlands and Japan.
- ❖ Ahmedabad based India's first listed ecommerce startup Infibeam acquired payment aggregator company CC Avenue for 2000 Crores.
- ❖ Airtel Payments Bank and Mastercard launched India's first online debit card along with a prepaid card, accessible via Myairtel App. Online debit card will enable customers of Airtel Payments Bank to make digital payments to online merchants.
- ❖ Airtel was first to launch payment bank operations in November 2016 by launching pilot programme in Rajasthan.
- ❖ As per India's Central Statistics Office Revised Data, Indian economy expanded by 7 % in 3rd quarter of 2016-17, keeping growth projection for current fiscal at 7.1 % (compared to 7.9 % in 2015-16).
- ❖ Real GDP (Gross Domestic Product at constant (2011-12) prices) in 2016-17 is likely to be 121.65 lakh crores (compared to 113.58 lakh crore in 2015-16).
- ❖ Real GVA (Gross Value Added) will increase from 104.70 lakh crore in 2015-16 to 111.68 lakh crore in 2016-17.
- ❖ Bancassurance Tie-ups -
- ❖ Apollo Munich Health Insurance - Dena Bank.
- ❖ Chennai based general insurance provider Cholamandalam General Insurance Company - Oriental Bank of Commerce.
- ❖ Cigna TTK Health Insurance - Bank of Maharashtra.
- ❖ Religare Insurance - Corporation Bank.
- ❖ Bharti Airtel acquired telecom operator Telenor India for approx 6,500 crores.
- ❖ Canara Bank signed MoU with Ministry of Human Resource Development to operationalise Higher Education Financing Agency (HEFA), with authorised capital of INR 2000 crores. HEFA aims to push creation of high quality infrastructure in premier educational institutions (IITs/IIMs/NITs).
- ❖ Cash purchases of jewellery (Over 2 lakh) will attract 1% TCS (Tax Collected at Source) from April 1, 2017. After Finance Bill 2017 is passed, jewellery will be treated on par with general goods which attract 1% TCS on cash purchase of above Rs 2 lakh.
- ❖ Catholic Syrian Bank initiated name and shame campaign against wilful defaulters in Kerala.
- ❖ Central Board of Excise and Customs (CBEC) launched mobile application for Goods and Services Tax (GST) to inform taxpayers of latest updates on GST, under Digital India initiative.
- ❖ Citi Bank launched instant chat services for its customers named Citibank Online, First such customer support service in India by a Bank.
- ❖ Dena Bank introduced Radio Frequency Identification Card (RFID) enabled banking cards. It enables branch manager to identify a valued client entering a branch with the card. Client's Info will flash on Manager's desktop as soon as he enters the branch.

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- ❖ Direct-to-home operator Dish TV signed agreement with ICICI bank for digital payments, to enable customers to recharge through unified payment interface (UPI) transactions.
- ❖ Economic Affairs Secretary Shaktikanta Das announced that Goods and Services Tax (GST) will be implemented from 1st July 2017.
- ❖ Economic Freedom 2017 released by US based Think Tank The Heritage Foundation -
- ❖ India ranked 143rd out of 186 economies with score of 52.6 points, compared to 123rd rank last year.
- ❖ Top 5 countries - Hong Kong (1st), Singapore (2nd) and New Zealand (3rd), Switzerland (4th) and Austria (5th).
- ❖ Bottom 5 - Eritrea (176), Congo (177), Cuba (178), Venezuela (179) North Korea (180)
- ❖ Neighbours - Nepal (125th), Sri Lanka (112th), Pakistan (141st), Bhutan (107th), and Bangladesh (128th).
- ❖ BRICS - Brazil (140), Russia (114), China (111th) and South Africa (81).
- ❖ Federal Bank partnered with online data and information portal Commodity Online for distribution of loans against warehouse receipts and collateral management services across country.
- ❖ Government Raised Rs 1670 Crores from 5% Disinvestment of Its 74.41 % Stake in BEL (Bharat Electronics Limited) through Offer for Sale (OFS).
- ❖ Government allocated INR 500 crores to India Post Payments Bank for 2017-18, to help it in setting up 650 branches by September 2017.
- ❖ Government approved Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) to make 6 crore rural households digitally literate by March 2019. Under This, 25 lakh candidates will be trained in 2016-17, 27.5 Crore in 2017-18 and 30 Crore in 2018-19. Outlay for this project is 2,351 crores.
- ❖ Government approved extension of tenure of loans under Credit Linked Subsidy Scheme (CLSS) of Pradhan Mantri Awas Yojana (PMAY) to 20 years from 15 years. Scheme is also renamed as CLSS for EWS/LIG (for economically weaker sections (EWS) / Lower Income Group (LIG)). A new CLSS for middle income group with a provision of Rs 1000 crores in 2017-18 is also Introduced.
- ❖ Government approved setting up Electronic Development Fund with total corpus of INR 6,831 crores to support entrepreneurship and innovation in electronics and IT.
- ❖ Government asked all banks to provide mobile banking facility to all customers by March 31, 2017. This is part of government's efforts to boost digital payments.
- ❖ Government cleared proposal to conduct single entrance test for Admission to all engineering colleges in country, from 2018 onwards. It will replace multiple tests conducted by central agencies, state governments and private institutions.
- ❖ This is similar to National Eligibility-Cum-Entrance Test launched in 2016, for admission to all medical and dental colleges.
- ❖ Students seeking admission to Indian Institutes of Technology (IITs) will have to clear JEE-Advanced after taking unified engineering entrance exam.
- ❖ Government increased Cash Credit (CC) limit for Micro, Small and Medium Enterprises (MSMEs) to 30% of turnover (from 20%), to encourage them to conduct businesses digitally.
- ❖ Government launched Bharat QR code, a quick response (QR) code to enable digital payments without card swiping machines, jointly developed by National Payments Corporation of India (NPCI), Visa, MasterCard and American Express.
- ❖ It is world's first interoperable payment acceptance solution launched by Indian Government to move towards less-cash economy.
- ❖ Bharat QR code is a common interface for MasterCard/Visa/RuPay platforms and also facilitate acceptance of Aadhaar-enabled payments and Unified Payments Interface (UPI).
- ❖ It enables person to make payments to retailers without using the merchant's ID or number and eliminates need of using card swiping machines making digital payments.

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- ❖ Using, BharatQR code merchants will be required to only display one QR code instead of multiple ones. Users can make payment by scanning the code.
- ❖ BharatQR code is of static and dynamic types. Static - firstly code need to be scanned and then amount is entered to make payment. Dynamic - New QR code will be generated in real time for every transaction and no need to enter the amount.
- ❖ Government notified Specified Bank Notes (Cessation of Liabilities) Act 2017 to prohibit holding scrapped old Rs.500 and Rs. 1000 currency notes, that were demonetized earlier. This Act ends liability of Reserve Bank of India (RBI) and government on demonetised Rs.500 and Rs. 1000 currency notes.
- ❖ Government shifted responsibility of promoting digital transactions in country to Ministry of IT and Electronics (MEITY) from NITI (National Institution for Transforming India) Aayog.
- ❖ Government sold 2 % stake in ITC to Life Insurance Corporation of India (LIC) to raise Rs 6690 crores, under Specified Undertaking of the Unit Trust of India (SUUTI).
- ❖ Government will investment INR 2200 crores in start-ups working on new technologies in electronic sector under Electronics Development Fund (EDF) by 2019.
- ❖ Government will launch Misison Indradhanush 2.0 as plan for recapitalisation of public sector Banks. It will be finalised by RBI after completion of Asset Quality Review (AQR) to be completed by March 2017.
- ❖ It aims to clean up balance sheets of PSBs to ensure they remain solvent and comply with global capital adequacy norms Basel-III.
- ❖ Under 'Indradhanush' roadmap announced in 2015, Government announced infusion of 70,000 crore in Govt banks over 4 years. Banks also were allowed to raise a further Rs. 1.1 lakh crore from the markets to meet their capital requirement in line with global risk norms, Basel-III.
- ❖ In line with plan, PSBs were given Rs. 25,000 crore in 2015-16 and 2016-17. Now, 10,000 crores will be infused in 2017-18 and 2018-19.
- ❖ HDFC life launched life insurance plan Pragati for low income group families.
- ❖ IDFC Bank collaborated with fintech startup IndiaLends to enable first-time borrowers who do not have a credit history to take loans.
- ❖ India Post Payments Bank rolled out services in Raipur and Ranchi in Chhattisgarh. IPPB is 2nd payments bank to start operations after Airtel Payments Bank.
- ❖ It will offer an interest rate of 4.5% on deposits up to Rs. 25,000; 5% on deposits of Rs. 25,000 to 50,000 and 5.5% on Rs. 50,000 to 1,00,000.
- ❖ India Signed Loan agreement with World bank for USD 201.50 million for Third Technical Education Quality Improvement Programme (TEQIP III), aimed at enhancing quality and equity in participating Engineering Education Institutes.
- ❖ India and Asian Development Bank (ADB) signed \$375 million pact for loans to develop 800 km Visakhapatnam-Chennai Industrial Corridor. It is first phase of a planned 2,500-km East Coast Economic Corridor.
- ❖ India signed US\$ 63 million Loan agreement with World Bank for Tejaswini - Socio-Economic Empowerment of Adolescent Girls and Young Women Project.
- ❖ Indian Software Firm Tata Consultancy Services (TCS) rated among top 3 most-valuable brands in Information Technology (IT) sector by global brand valuation firm - Brand Finance (IBM and Accenture are top 2). Overall global position of TCS stayed 25th in 2016.
- ❖ Indian construction Firm Larsen and Toubro (L&T) and European missile major MBDA will set up joint venture to develop and manufacture missiles in India.
- ❖ Indian e-Commerce Firm Flipkart signed partnership with Microsoft, to adopt Microsoft Azure as Flipkart's public cloud computing platform.

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- ❖ International Finance Corporation (World Bank Group) has signed agreement with India's Finance Industry Development Council (FIDC) to conduct training programmes for Non Banking Finance Companies (NBFCs).
- ❖ Lakshmi Vilas Bank partnerec with Bangalore based fin-tech startup firm Fisdom to launch mobile application FINFIT, to offer customers with financial planning and personal wealth management services based on Robo advisory.
- ❖ Lok Sabha passed Payment of Wages (Amendment) Bill 2017 to enable employers to pay wages to workers through cheque or directly crediting to their accounts.
- ❖ Bill will replace Ordinance promulgated by President in December 2016 to amend Payment of Wages Act 1936.
- ❖ Earlier in parent Act, employer could only pay salaries by cheque or by crediting into bank account after obtaining employee's written authorisation. Now, employer can pay employee by cheque or by crediting into his bank account without written authorisation.
- ❖ Government issued an ordinance in Dec 2016 to amend Payment of Wages Act 1936 because after demonetisation of 500 and 1000 banknotes, employers were facing difficulties paying workers in cash.
- ❖ Ministry of Finance amended Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS) 2016, to allow declarants to make deposits in more than one Installements. Earlier, declarants were allowed to deposit in scheme in only one installment.
- ❖ Ministry of Women & Child Development clarified that Beti Bachao Beti Padhao (B3P) Scheme has no provision for individual cash transfer component and warned unauthorised websites/organisations, NGOs, individuals distributing forms in name of cash incentives under B3P Scheme.
- ❖ National Association of Software and Services Companies (NASSCOM) signed MoU with IoT Acceleration Consortium (ITAC) Japan., To address digital technology shifts and accelerate IoT (Internet of Things) adoption at a global level across industry.
- ❖ Organisation for Economic Co-operation and Development (OECD) stated India's GDP growth at 7% for current fiscal, 7.3% for next and 7.7% for 2018-19. As per IMF (International Monetary Fund), India's growth is projected to slow to 6.6% in 2016-17.
- ❖ ii. The post November 8, 2016 cash shortages and payment disruptions caused by the currency exchange initiative have undermined consumption and business activity, posing a new challenge to sustaining the growth momentum. India's economy grew at 7.6% in 2015-16.
- ❖ Oriental Bank of Commerce (OBC) Celebrated 75th Foundation Day. As part of it -
- ❖ Mobile wallet 'Oriental Batuaa' was launched.
- ❖ 2 MSME schemes - Oriental Sanjeevani for doctors for setting up new hospitals and clinics and 'Oriental Budget Hotels and Restaurants for individuals, proprietors, companies etc.
- ❖ Paytm launched Paytm Mall as a mobile app and online shopping portal, aiming to offer combination of Mall and Bazaar concepts to Indian consumers on online platform.
- ❖ Reserve Bank Of India will reimburse MDR (Merchant Discount Rate) charges to banks for payments made since January 1, 2017 through debit cards by citizens. It is in line with government's move to push digital solutions further.
- ❖ Reserve Bank of India (RBI) permitted NRIs access exchange traded currency derivatives (ETCD) market, enabling NRIs to hedge currency risk due to making investment in India. Upto now, NRIs were allowed to hedge their currency risk through Over-The-Counter (OTC) transaction with Authorized Dealer (AD) banks. Access to ETCD market will provide them additional hedging options.
- ❖ Reserve Bank of India (RBI) permitted multilateral and regional financial institutions (FIs) to invest in 'masala bonds', rupee denominated bonds issued by Indian entities. This will allow multilateral agencies like Asian Development Bank (ADB) and BRICS led New Development Bank (NDB) to invest in these bonds. It also provides more choices for investors to Indian entities issuing rupee-denominated bonds abroad.

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- ❖ Reserve Bank of India enhanced limit on weekly withdrawal of cash from savings bank accounts to INR50000. Now, There is no limit on current account and there is a cap of 50,000 for farmers a week and 2.5 lack for marriage.
- ❖ Reserve Bank of India increased gold loan limit for RRBs (Regional Rural Banks) to Rs 2 lakh from 1 lakh, to help farmers / artisans to have access to credit who are willing to pledge gold as collateral.
- ❖ Reserve Bank of India will set up separate Enforcement Department to efficiently monitor banks in case they violate KYC and Money Laundering regulations. Department will be operational from April 1, 2017.
- ❖ RBI will also set up a Committee on cyber security to examine various threats and suggest measures to deal with it.
- ❖ Small Industries Development Bank of India (SIDBI) signed MoU with Vijaya Bank for providing concessional finance to micro and small enterprises (MSEs).
- ❖ South Indian Bank (SIB) has been awarded ISO 27001: 2013 certification for its Information Security Management System (ISMS). This certification involves extensive audit by British Standards Institution (BSI) on various domains of IT functions.
- ❖ State Bank of India (SBI) rebranded its website as bank.sbi from earlier sbi.co.in.
- ❖ New domain name bank.sbi is the highest domain protocol known as generic top level domain (gTLD).
- ❖ SBI became first banking organisation in India to use a gTLD for its online presence.
- ❖ Tamilnadu High Court ordered state government to enact law to eradicate Seemai Karuvelam (prosopis juliflora) trees within 2 months. Seemai Karuvelam is invasive species of tree harmful to environment as it sucks lot of water, affecting environment and agricultural activities.
- ❖ Tata Communications partnered with Hewlett Packard to support roll-out of Its Internet of Things platform, LoRa network.
- ❖ Tata Power Renewable Energy Ltd installed 15 MW solar plant at Bellampally in Telangana, taking Tata Power's installed capacity to 10500 MW.
- ❖ Telangana Government signed MoU with NABARD for loan of 874 crores, to be used for Horticulture Development Corporation to cover 3.15 lakh acres under Micro Irrigation scheme for 2016-17 and 2017-18.
- ❖ To push digitalisation and cashless economy, Bank of Baroda (BOB) tied up with IFFCO to provide co-branded debit cards with inbuilt overdraft facilities to farmers.
- ❖ Ujjivan Small Finance Bank started its operations with 5 pilot branches in Bengaluru.
- ❖ United Bank of India (UBI) launched railway ticket booking facility by having a direct tie-up with IRCTC.