

BHARAT SCHOOL OF BANKING

MARCH MONTH ECONOMY

- ▶ Airline Jet Airways announced partnership with cab aggregator Uber to book airport cabs through Jet Airways app.
- ▶ Airtel acquired 4G business of Tikona Networks including Broadband Wireless Access (BWA) business for 1600 crores. Now Airtel will be second company after Reliance Jio to have pan-India presence in 2300 Mhz band.
- ▶ Asian Development Bank (ADB) signed \$350 million loan with India for improving 1,500 kilometers of major district roads in Madhya Pradesh.
- ▶ Bandhan Bank signed agreement with payment solution provider Avenues India Pvt Ltd, to improve customer service.
- ▶ Bengaluru based Vijaya Bank opened it's 2000th Branch in Tirupati (Andhra Pradesh).
- ▶ Cabinet Committee on Economic Affairs (CCEA) approved Indian Oil Corporation Limited (IndianOil) to sell its 24 % equity in Lubrizol India Private Limited (LIPL) to Lubrizol Corporation, USA.
- ▶ Cabinet Committee on Economic Affairs (CCEA) approved Policy for Early Monetization of Coal Bed Methane (*Methane obtained from Coal Mines*) Gas Marketing and Pricing Freedom for CBM Gas. It provides marketing and pricing freedom to CBM Contractors to sell CBM at Arm's Length Price in domestic market.
- ▶ Cabinet approved 4 GST Bills, to step up towards implementing GST from July 1, 2017. Bills are -
- Central GST - It provides for levy and collection of tax on **intra**-state supply of goods / services by Central Government.
- iGST - It makes provisions for levy and collection of tax on **inter**-state supply of goods / services by Central Government.
- UTGST - Similar to States Goods and Services Tax (SGST) which shall be levied and collected by States/Union Territories on intra-state supply of goods / services.
- Compensation Bill -It provides for compensation to the states for loss of revenue arising due to implementation of goods and services tax for 5 years as per section 18 of Constitution (One Hundred and First Amendment) Act 2016.
- Additionally, central government has been empowered to impose additional tax of up to 1 % on inter-state supply of goods for 2 years.
- ▶ Canara, HSBC and Oriental Bank of Commerce Life Insurance launched *iSelect* term plan to expand its online product suit with family protection, providing enhanced protection cover for family at an affordable premium.
- ▶ Commerce and Industry Minister Nirmala Sitharaman launched TIES (Trade Infrastructure for Export Scheme), for developing export linked infrastructure in states to promote exports.
- A Committee for sanctioning and monitoring of the project will be set up, to be headed by commerce secretary (Rita Teotia currently).
- Beneficiaries - All central and state agencies including Commodities Boards, Export Promotion Councils, SEZ authorities and Apex Trade Bodies recognised under EXIM policy of Central Government are eligible for financial support.

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- Funding - Cost of projects will be equally shared by Centre and states. Centre will borne 50% of total equity in project, except in case of projects in north-eastern and Himalayan states, where Centre may bear 80% of cost.
- ▶ Competition Commission of India (CCI) approved demerger of Reliance Communications wireless division into *Aircel* and Dishnet Wireless Ltd.
- ▶ Completely Government owned Housing and Urban Development Corp (HUDCO) received Securities and Exchange Board of India's (SEBI) approval to raise funds through an IPO (Initial Public Offering).
- ▶ E-commerce firm Amazon India launched new program for sellers to get insights and help related to goods and services tax - *A-Z GST Guide*. It provides resources in the form of tutorials, blogs, and free online training sessions.
- ▶ ESAF Microfinance Company issued Commercial Papers (CP) worth Rs 330 crore, that can be subscribed by Private Sector Banks and NBFCs. ESAF Microfinance is also the first company from Kerala to open a Small Finance Bank recently.
- ▶ Facebook launched SheLeadsTech programme to mentor start-ups founded by women by giving them access to year-long program that provides tools and resources.
- ▶ Fair trade regulator Competition Commission of India (CCI) imposed penalty of 591 crores on Coal India Limited and its subsidiaries for violating Competition Act by imposing unfair conditions in Fuel Supply Agreements (FSAs) with power producers for supply of non coking coal.
- ▶ Few banks, including ICICI, Axis and HDFC will charge penalty of minimum Rs 150 on cash withdrawals and deposit at bank branches after four free monthly transactions. It is aimed at discouraging cash transactions and promoting digital payments.
- ▶ Finance Ministry approved re-organisation of field formations of Central Board of Excise & Customs (CBEC) for implementation of Goods & Services Tax (GST). CBEC will be renamed as Central Board of Indirect Taxes and Customs (CBIC) after approval.
- ▶ Finance Ministry allowed Reserve Bank of India (RBI) to conduct trials of plastic (polymer-based) currency notes of Rs 10 denominations in 5 cities.
- ▶ Finance Ministry approved public sector banks (PSBs) to offer Employee Stock Option plans (ESOPs) to their employees from FY 2017-18. It will help PSBs to motivate employees to work towards strengthening financial status of their banks so that their share value rises.
- ▶ Finance Ministry lowered interest rates on all small saving schemes by 0.1% for April-June 2017 - 18 quarter. These schemes and their updated interest rates are -
 - Public provident fund (PPF) - 7.9 %
 - National Savings Certificate (NSC) - 7.9 %
 - Kisan Vikas Patra - 7.6 %
 - Sukanya Samriddhi Account - 8.4 %
 - Senior Citizens Savings Scheme - 8.4 %
 - Term deposits of 1-5 years - 6.9 - 7.7 %
 - 5-year recurring deposit has been pegged lower at 7.2%.

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- ▶ Finance Ministry will merge Bharatiya Mahila Bank (BMB) with State Bank of India (SBI), to ensure greater banking services outreach to a larger number of women.
- ▶ Global rating agency Fitch predicted Indian economy to grow by 7.1% in 2016-2017. It will step up to 7.7% in next two years.
- ▶ Government announced that total 29 lakh debit cards were subjected to malware attack through ATMs that were connected with switch of Hitachi.
- ▶ Government approved 2% additional Dearness allowance for Central government employees and Dearness relief for pensioners.
- ▶ Government approved amendments in National Bank for Agriculture and Rural Development Act 1981 -
- Increase authorized capital of NABARD from Rs. 5,000 crore to Rs. 30,000 crore and further if needed.
- Transfer of 0.4% equity of RBI in NABARD amounting to Rs. 20 crores to Government.
- ▶ Government approved establishing Fund of Funds of Start-ups (FFS) with total corpus of Rs 10000 crore.
- ▶ Government approved special financial assistance for bifurcated Andhra Pradesh, as special dispensation in funding of Externally Aided Projects (including irrigation component of Polavaram project).
- Central Government will make up for additional central share that state might have received during 2015-16 to 2019-20 and repayment of loan and interest for the Externally Aided Projects (EAPs) signed and disbursed during 2015-2016 to 2019-20 by State.
- ▶ HDFC Bank launched electronic virtual assistant (EVA), India's first artificial intelligence-driven banking chatbot, for customer services. It can answer millions of customer queries across multiple channels instantly. HDFC Life also recently India's first life insurance chatbot *Haptik* to help users choose most suitable life insurance plans.
- ▶ HDFC Bank launched instant digital Loan Against Securities (LAS) facility in collaboration with National Securities Depository Ltd.(NSDL).
- ▶ ICICI Bank launched *Mera iMobile* as India's first one stop banking app for range of digital services for rural customers.
- ▶ IDFC Bank became first bank in India to launch biometric-based payment system Aadhaar Pay through its network to enable merchants to receive payments from customers without any physical payment instrument. To pay, customer has to select bank's name and enter Aadhaar number.
- ▶ India signed US\$ 100 Million loan agreement with World Bank for *Uttarakhand Health Systems Development Project*.
- ▶ India signed its first loan agreement with New Development Bank (BRICS Bank), as \$350 million credit for development of district roads in Madhya Pradesh.
- ▶ Indian Renewable Energy Development Agency (IREDA) approved loans of 13000 Crore Rupees for clean energy projects in FY18, that plays major role in reducing pollution.

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- ▶ India's largest lender State Bank of India (SBI) has incorporated SBI Infra Management Solutions Pvt. Ltd (SBIIMS) to manage its premises and estate related matters.
- ▶ IndusInd Bank acquired 100% stake in IL& FS Securities Services Ltd (ISSL).
- ▶ Insurance Regulatory and Development Authority of India (IRDAI) proposed increasing insurance premium to 50 % for cars, motor cycles as well as commercial vehicles from April 1, 2017.
- ▶ Karnataka Bank launched MoneyPlant RuPay International Platinum Debit Card to provide more privileges to its premium & High net worth individual (HNI) customers.
- ▶ Karur Vysya Bank launched 3 tech-services FASTag, UPI (Unified Payment Interface) and BBPS (Bharat Bill Payment System).
- ▶ Kerala achieved maximum registrations under Goods and Services Tax (GST) regime with 60% of total 2.5 lakh traders migrating to new platform - GST.
- ▶ Lakshmi Vilas Bank tied up with Centrum Group, in which LVB will refer its High Net Worth Individuals (HNI) to Centrum for wealth management and family office services.
- ▶ McNally Bharat Engineering Company bagged 415 crore order from Andhra Pradesh Power Generation Corporation Ltd, for operation and maintenance of 500 MW grid connected solar power project.
- ▶ Ministry of Electronics and Information Technology (MEITY) issued draft Information Technology (Security of Prepaid Payment Instruments) Rules 2017 for Prepaid Payment Instruments (PPI) company / e wallet firms (Like Paytm, Freecharge, Mobikwik etc).
- Draft rules seek to ensure integrity, security and confidentiality of electronic payments made through PPIs.
- Key Features include Definition of e-PPI issuer, Information security policy, Privacy policy and terms, Risk assessment, Chief grievance officer, End-to-end encryption and Indian Computer Emergency Response Team's responsibility.
- ▶ Mobile Wallte Firm Paytm has set up a new company - *Paytm Financial Services*, to sell financial products like insurance and mutual funds to its planned payments bank account holders. As Payment banks can't give loans, selling these financial products will be core source of revenue. Paytm has recently launched Insurance of upto INR 20000 for its e-Wallet.
- ▶ ONGC acquired GSPC's (Gujarat State Petroleum Corporation) 80% stake in KG (Krishna Godavari)-basin natural gas block for \$1.2 billion.
- ▶ Paytm became first e-commerce firm to become member of self-regulatory voluntary organization Advertising Standards Council of India (ASCI).
- ▶ RBI proposed to fix upper limit for Pre-paid Payment Instruments (PPIs) at Rs 1 lakh in view of growing usage of PPIs for a purchase of goods and services.
- ▶ Reliance Communications received approvals from markets regulator SEBI and stock exchanges for merger of its wireless business with Aircel.
- ▶ Reliance General Insurance entered into bancassurance tie-up with Catholic Syrian Bank. Now, RGI will offer its general insurance products to Catholic Syrian Bank's

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1.5 million customers. Similar MOU is signed between Karnataka Bank and Bajaj Allianz General Insurance Company.

- ▶ Reserve Bank of India (RBI) will issue new Rs 10 currency notes with enhanced security features. New notes will be in the Mahatma Gandhi Series-2005 with inset letter 'L' in both number panels.
- ▶ Reserve Bank of India announced that all branches of SBI's 5 associate banks will operate under State Bank of India from April 1, 2017.
- ▶ Reserve Bank of India ruled that Non-banking Financial Company (NBFC) cannot lend more than Rs 25,000 in cash against gold as against earlier Rs 1 lakh.
- ▶ Reserve Bank of India stated that Bank branches that refuse to exchange soiled notes from people will have to pay penalty of INR 10000.
- ▶ Rs 3-lakh limit proposed for cash payments in Budget 2017-18 will be brought down to Rs 2 lakh, from April 1, 2017. This is aimed at tightening large deals in cash.
- ▶ Rural Electric Corporation donated INR 25 crores Towards Government's Swachh Bharat Kosh (SBK).
- ▶ Russian bank VTB decided to close its only office in New Delhi, India to cut costs but will continue to work in India.
- ▶ SBI Card has launched Unnati Credit Card to spread its Credit card userbase. It targets SBI customers with balance of at least Rs 25,000 in savings account.
- ▶ Securities and Exchange Board of India (SEBI) allowed celebrities to endorse *Mutual Fund* products at industry level purpose of increasing awareness of mutual funds as a financial product category.
- ▶ State Bank of India (SBI) announced a one-time farm loan settlement scheme worth Rs 6000 crore primarily for tractors.
- Under this, loans disbursed before 2011 and falling under doubtful / loss category will be considered. SBI's total farm loan portfolio is Rs. 1.25 Lakh Crore and tractor loan book is about 6,000 crore.
- ▶ State Bank of India (SBI) launched *Work from Home* facility to enable its employees to work while at home using mobile devices, to address any urgent requirement employees may have.
- ▶ State Bank of India (SBI) will charge customers for not maintaining Monthly Account Average Balance (MAB) in savings bank accounts from April 1, 2017. Minimum monthly balance for savings bank account holders is -
 - Metropolitan - INR 5000.
 - Urban - INR 3000.
 - Semi-urban - INR 2000
 - Rural - INR 1000.
- ▶ State Bank of India and Confederation of Real Estate Developers' Associations of India (CREDAI) signed MoU to conduct various initiatives towards development of realty sector.
- ▶ State Government Budgets 2017 - 18
 - Arunachal Pradesh
 - Budget Size approx 16000 Crores, with fiscal deficit of 285 Crores predicted.

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- To provide better IT facilities, Rs.15 crore has been proposed under the Digital Arunachal scheme.
- Andhra Pradesh -
- Budget Size approx 1.57 lakh crores.
- Approx 1050 Crores allocated for developing state capital at Amravati.
- Assam -
- Budget proposes Deficit of INR 2349 Crores.
- Swami Vivekananda Assam Youth Empowerment (SVAYEM) Yojana to be launched, under which loans of Rs 1 lakh for new businesses and Rs 2 lakh for existing ones at a subsidised rate of 20% will be given.
- Self help groups (SHGs) under Kanaklata Mahila Sabalakaran Yojana will be provided with assistance of 5 lakh.
- Tejasvi Navadhitamastu Edu-Infra Funds for development of colleges and universities at approx 667 crores expenditure.
- Rs 5000 to each of 6.5 lakh tea garden workers, with allocation of 287 crores.
- Under Deen Dayal Divyang Sahajya Achari - INR 5000 will be given to 4.5 Lakh Divyang in state.
- Mission Muga launched to Increase Muga Silk Production 10 Times by 2026.
- Housing Loans to be given to Govt employees at 5.05 % Interest Rate.
- Bihar -
- Budget size approx 1.60 lakh Crores.
- 3 universities will be opened - Purnia University, Patliputra University and Munger University.
- Chhattisgarh -
- Budget size approx 76032 Crores.
- Under Suchna Kranti Yojana, Rs 200 crore has been allocated for 45 lakh smartphones to be provided to rural families.
- Under Dial 112 scheme, police assistance will arrive within 10 minutes in urban areas, and in 30 minutes in rural areas.
- Divyang college will be set up at Raipur for educational upliftment of special children.
- Delhi -
- Budget size is 48000 Crores (Tax-Free).
- 24 % of Total Budget has been allotted to education.
- Tax on air turbine fuel to be reduced to 1% from 25%
- Gujarat
- Budget Size is Approx 172000 Crores.
- State government will provide bicycles to 45,000 female students of class IX under the Vidya Sadhna Yojana (VSY).
- An independent State Food Commission (SFC) will be set up to monitor the functioning of the Food Security Act, 2013.
- A new corporation will be set up for undertaking welfare measures related to differently-abled persons (Divyangs).

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- An exclusive university will be set up in Narmada District, to undertake studies and research related to tribal issues.
- Haryana -
- Budget size is approx 102000 Crores.
- Under Deenbandhu Gram Uday Yojana (*in name of Choudhry Chhotu Ramji*), 1,500 villages with populations between 3,000 and 10,000 will be Developed, with outlay of INR 5000 crores. Scheme is funded by NABARD, with current fiscal's expenditure being 1,200 crores.
- Mangal Nagar Vikas Yogna (*In name of Noted Harayna Leader Mangal Sein*) to be implemented with outlay of Rs 1,000 crore for maintenance of existing infrastructure.
- Discount of 5 % (up to Rs 50) on electricity and water bills paid through BHIM app for residents in Haryana.
- New scheme *Manohar Jyoti* to provide 1,00,000 solar based home systems, at cost of 230 crores.
- New scheme for farmers to meet their irrigation energy needs through solar power by providing 3050 solar water pumping systems (2 & 5 HP).
- Himachal Pradesh -
- Budget Size Approx 36000 Crores.
- 2 new Software Parks to be set up in Shimla and Kangra.
- Honorarium to Anganwadi workers and helpers will be increased from Rs 450 to Rs 1,450 and Rs 300 to Rs 600 per month respectively. Unemployment allowance increased to INR 1000.
- Jammu and Kashmir
- Budget size is 80000 Crores.
- Implementation of the 7th pay commission from 1 April 2018.
- Create a social security fund and provide a universal basic income to below the poverty line people.
- Provide specially designed micro-credit ATM cards with cash credit limit of 10000 to all registered construction workers.
- Set up an Asset Reconstruction Company (ARC) in association with J&K bank.
- Set up a Mufti Memorial Gold Cup Football League
- Jharkhand
- Budget Size is approx 75000 Crores
- Tana Bhagat Development Authority and Jharkhand Irrigation Commission would be set up.
- A new scheme to launched with name - Mukhyamantri Kitchen.
- Karnataka
- Budget size approx 186000 Crores.
- 'Namma' canteen (on lines of Amma canteen in Tamil Nadu) will provide meal at affordable price in Bengaluru. Similarly, Saviruchi Mobile Canteens in all 30 districts will be established.
- Karnataka State Road Safety Authority will be constituted, to reduce road accidents and to improve road safety

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- Free laptops to 1.5 lakh students getting into engineering, medical, polytechnic and first-grade colleges.
- LPG connections to 2 lakh BPL families of SC/ST communities.
- Ksheera Bhagya scheme of providing milk to school children to be increased from 3 days to 5 days in a week.
- Rs 1600 per beneficiary under new scheme named Anila Bhagya.
- New program Yuva Yuga will be implemented to train 1.1 lakh persons in IT, electronics, animation and other sectors
- Kerala
- Budget size is approx 119000 Crores.
- Free internet for 20 lakh economically-backward families.
- 10,000 young artists to be given Rs 10,000 per month each in the state.
- A new scheme under Carbon Neutral Program through NABARD proposed.
- Madhya Pradesh
- Budget size is approx 185000 Crores.
- To provide food at subsidized rate to poor in urban areas, Deendayal Rasoi Yojna will be launched (cost of Rs 10 crores).
- Setting up a *Vedant Peeth* at Omkareshwar, dedicated to Adiguru Shankaracharya. *Vir Bharat Nyas* will be set up to preserve memories of martyrs.
- 2017 - 18 to be named as Garib Kalyan Varsh by State Government.
- Meghalaya
- Budget Size approx 12000 Crores, with 1200 Crores fiscal deficit predicted.
- Tax slabs for transportation has been raised to raise additional revenue.
- To counter issue of shrinking revenue resources, fresh taxes will be imposed on liquor, tobacco, hotels and restaurants.
- Mizoram
- Budget Size is approx 8800 Crores, with approx 300 crore revenue surplus.
- 750 crore were allocated for New Economic Development Policy (NEDP) to boost state's agriculture-based economy.
- Odisha
- Budget Size approx 106000 Crores.
- Chief Minister Health Service Mission proposed.
- To develop Puri into a world class heritage city, new scheme called ABADHA-Augmentation of Basic Amenities & Development of Heritage & Architecture will be rolled out with sum of 100 crores.
- Drinking water scheme 'Basudha' named after Buxi Jagabandhu.
- Urban Transformation Initiative (UNNATI) proposed with outlay of Rs 294 crore in recognition of the need for improvement of urban infrastructure.
- Rajasthan
- Budget size approx 166000 Crores, with 24753 crores fiscal deficit predicted.
- 1 lakh new rural electricity connections to farmers and One lakh farmers will get soil health cards.
- 15 per cent hike of VAT on cigarettes.
- 190 Cities to get free WIFI in 2018.

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- Under Deendayal Upadhyay Varisht Naagrik Programme, Pilgrimage for 20 thousand senior citizens will be arranged.
- Slashing stamp duty from 5 to 3 %.
- Tamil Nadu
- Budget size approx 183000 Crores (Tax-Free).
- Government to replace State Planning Commission with State Development Policy Council.
- To prevent fragmentation of land holdings, new scheme called farmer producer groups will be federated into farmer producer organisations to promote collective farming for credit mobilisation, better adoption of technology.
- 10000 blind people will be provided with smart canes and Disability pension was increased to INR 2000 from 1000.
- Tripura
- Budget Sizer approx 16000 Crores (Tax-Free), with budget deficit of 198 Crores.
- MLALAD (Member of legislative assembly local area development) funds are from 30 to 35 lakh / year. Subsidy for unemployed youths under 'Swabalamban' is increased from 75,000 to 1 lakh.
- 5 pension schemes will be introduced for folk artistes, carpenters, blacksmiths, potters and harijans at rate of Rs 700 / month.
- Telangana
- Budget size approx 150000 Crores.
- Piped drinking water programme *Mission Bhagiratha* gets 3000 crores.
- West Bengal
- Budget size is approx 143000 Crores (Tax-Free).
- Slashing stamp duty from 5 to 2 %.
- As a relief for small businesses, it is proposed to increase threshold for payment of tax from Rs. 10 lakh to Rs.20 lakh.
- Combined Budget of all Northeast States is collectively around 50000 Crores this year.
- ▶ Supreme Court held that Aadhaar card cannot be made mandatory by the government for extending the benefits of its welfare schemes to people.
- ▶ Syndicate Bank inaugurated 40 transformed branches under Project Ananya, a 2 year large-scale transformation project aimed at providing customers with best in class services.
- ▶ Tamil Nadu Government launched a housing scheme for Below Poverty Line Families, estimated at INR 1580 crores.
- ▶ Tata Capital launched mobile application 'myLoan' To Offer Personal Loans upto 13 Lakh, to young and mobile savvy audience. It is like any social networking profile which will make a real-time assessment of borrower's loan application, using several digital, social and financial data.
- ▶ Telecom operator Idea Cellular will merge with Vodafone India, to create world's second largest (after China Mobile) and India's largest telecom company with 40 crore customers and 41% revenue market share in India.

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- Kumar Mangalam Birla will be chairperson of the merged entity. Vodafone will own 45.1% in combined entity, with Kumar Mangalam Birla and other promoters of Idea Group to have 26%.
- ▶ Trade Mark Rules 2017 came into effect, replacing erstwhile Trade Mark Rules 2002. In Revamped trade mark rules, number of Trade Mark (TM) forms has been brought down to 8 from existing 74 and fee for online filing has been kept at 10 % lower than that for physical filing. Fees for individuals, start-ups and small enterprises were reduced to Rs 4500 for e-filing of trade mark applications.
- ▶ Truecaller partnered with ICICI Bank to launch its new Unified Payments Interface (UPI)-based mobile payment service "Truecaller Pay".
- ▶ World Bank approved \$175 million loan (23 years maturity) for India's ambitious National Hydrology Project to improve its ability to forecast floods and reduce vulnerability to recurring floods and droughts.
- ▶ World Bank approved USD 210 million loan to strengthen gram panchayats (GPs) in West Bengal.
- ▶ World Bank offered assistance of over \$1 billion to Maharashtra State, in areas of urban transport and climate resilient agriculture.
- ▶ World Bank will provide loan to develop internal transmission arrangements for upcoming Rewa Ultra Mega Solar project in Madhya Pradesh, under its Clean Technology Fund (CTF). Loan amount will be 25% of loan amount and Interest rate will be .25 %.