

## **RBI allows foreign investors to invest in T-bills**

- The Reserve Bank of India (RBI) has **allowed foreign portfolio investors to invest in treasury bills issued by the federal government, in its latest move to ease foreign investment rules.**
- The Reserve Bank of India (RBI) set the implementation date of online monitoring of the limits in treasury bills as June 1, it said in May, 2018.

## **GAIL signs Rs 2,000 crore loan agreement with SBI**

- State-owned gas utility **GAIL India** in May, 2018 said it **has borrowed Rs 2,000 crore loan from State Bank of India (SBI) to meet its general capital expenditure requirement.**
- The loan is for a 15-year tenure, the company said in a statement without saying what interest rate it would pay on the borrowing.

## **ICICI Bank Launches Next Generation Features on Its Digital PoS Application 'Eazypay'**

- **ICICI Bank**, India's largest private sector bank by consolidated assets, has added an array of industry-first features to **'Eazypay', the country's first digital point-of-sale (PoS) application.**
- It was launched by the bank during demonetisation to enable merchants/retailers & professionals to collect payments through multiple digital modes including Unified Payment Interface (UPI), credit / debit card & internet banking of any bank, Aadhaar Pay, Bharat QR Code and 'PocketsbyICICIBank' digital wallet.
- Since then, Eazypay has quickly garnered over 1.70 lakh customers, enhancing the Bank's nation-wide network of physical and digital PoS to over 7 lakh.

## **PSBs will report frauds to CBI with new monetary limits set by RBI**

- **The monetary threshold for public sector banks to report frauds to different departments of the CBI for a probe has been revised**, according to the Central Vigilance Commission (CVC).
- **Frauds of minimum Rs 30 million and to Rs 250 million, up from Rs 150 million, have to be reported to either the CBI's Anti-Corruption Branch (in case staff involvement is prima facie evident) or to the Economic Offences Wing (if employees involvement is prima facie not evident) respectively**, the CVC said in its latest directive to all the state-owned banks.
- The CVC has cited a circular from the Reserve Bank of India (RBI) and asked the banks to comply with it.
- According to the RBI's circular, cases of frauds involving more than Rs 250 million and up to Rs 500 million should be given to the CBI's Banking Security and Fraud Cell (BSFC), irrespective of the involvement of a public servant.
- The BSFC is a specialised unit of the Central Bureau of Investigation (CBI) to probe big-ticket bank fraud cases.
- The cases of more than Rs 500 million should be lodged with the Joint Director (Policy), CBI, the central bank order said.

## **YES Bank launches Agenda 25x25 to for budding women entrepreneurs**

- **YES Bank and YES Global Institute have announced the launch of Agenda 25x25 which pledges to create a synergetic startup environment for budding women entrepreneurs in India**, ensuring that by 2025 at least 25 per cent of all Entrepreneurs in India are Women.
- The announcement was made in May, 2018 at the YES BANK – YES Global Institute 'Annual Startup Conclave' hosted in partnership with NITI Aayog, Invest India, Startup India and Atal Innovation Mission.
- The inaugural edition centering on the theme 'Empowering Women for Entrepreneurship', featured two highly engaging panels which deliberated on the need for creating an enabling ecosystem for accelerating Women Entrepreneurship in India.

### **RBI puts Dena Bank under prompt corrective action**

- Reserve Bank has initiated prompt corrective action against public sector lender Dena Bank in view of high non-performing loans, restricting the bank from giving fresh credit and new hiring.
- The public sector lender yesterday reported widening of its net loss to Rs 1,225.42 crore in the March quarter on mounting bad loans and higher provisioning to cover them.
- The net loss stood at Rs 575.26 crore in the January-March quarter of 2016-17.

### **Chinese state-run bank ICBC launches India-dedicated investment fund**

- Chinese state-run bank Industrial and Commercial Bank of China (ICBC) on May 14, 2018 launched the country's first India-dedicated publicly offered investment fund, named as the 'ICBC Credit Suisse India Market Fund'.
- This significant move came just after the first ever informal summit between Prime Minister Narendra Modi and Chinese President Xi Jinping which was held in April 2018 at Wuhan.
- It is the China's first publicly offered fund for investing in India and it will invest in exchange-traded funds listed on more than 20 exchanges in Europe and in the United States that are based on the Indian market.
- It will invest in the future of the Indian economy and track the distribution of the industrial structure across the Indian market.
- The fund will focus on various sectors such as the financial industry, information technology, alternative consumption, energy, essential consumption, raw materials, medicine, healthcare and other industries.

### **Exim Bank extends LoC of \$500mn to Tanzania**

- Export-Import Bank of India (Exim Bank) has, on behalf of the Government of India, extended a Line of Credit (LoC) of 500 million dollar (for Water Supply Scheme in 23 Towns in Tanzania) to the Government of the Republic of Tanzania.
- The LoC Agreement to this effect was signed in New Delhi in May, 2018, May 10, 2018, by David Rasquinha, Managing Director, on behalf of Exim Bank and Amina Kh. Shaaban, Deputy Permanent Secretary, Ministry of Finance and Planning, on behalf of the Government of the Republic of Tanzania.

### **Infosys sets up blockchain-based trade finance network with seven banks**

- Infosys in May, 2018 said it has set up India Trade Connect, a blockchain-based trade network in India, in partnership with seven lenders, including Axis Bank, ICICI Bank, IndusInd Bank and RBL Bank.
- The other partner banks include Kotak Mahindra Bank, South Indian Bank and Yes Bank.
- India's second-biggest software services exporter, whose Finacle software powers the core functions of the majority of Indian lenders, is in talks to sign up more domestic and foreign banks to the network, senior company executives told Reuters in May, 2018.

### **Union Government take action for removal of Allahabad Bank CEO Usha Ananthasubramanian**

- Union Government initiated action for removal of Allahabad Bank CEO Usha Ananthasubramanian following the release of CBI's first charge sheet in the USD 2 billion fraud case of PNB.
- The Allahabad Bank board has also been asked to divest Ananthasubramanian of all powers and initiate further action.
- Ananthasubramanian was the MD and CEO of the Punjab National Bank from 2015 to 2017.

### **RBI imposes lending, deposit curbs on Allahabad Bank**

- RBI has imposed lending and deposit restrictions on Allahabad Bank, including the expansion of risky assets and creation of non-banking assets.
- RBI also asked the bank to reduce exposure to unrated and high-risk advances.

- The RBI directive comes in the wake of the bank's common equity tier-1 breaching the minimum regulatory requirement of 7.37 percent in March 2018.

### ***ePayLater & IDFC Bank Partner to Bring India's First UPI-Based Digital Credit Card***

- **ePayLater, provider of innovative digital credit solutions, has partnered with IDFC Bank to bring instant digital credit to individuals transacting online and offline, using BHIM UPI.** ePayLater's 'Buy Now, Pay Later' credit facility works like a credit card without the hassles associated with a long application process or friction at payment checkout.
- **For the first time, digital credit is made possible using the BHIM UPI railroad, the instant real-time payment system developed by National Payments Corporation of India facilitating inter-bank transactions.** Individuals, merchants and small businesses can now opt for real-time credit, in addition to other prepaid modes of payment, for their purchases using BHIM UPI.
- ePayLater's 'Buy Now, Pay Later' facility allows users to avail credit and transact, with a 14-day interest-free period from the date of purchase, to settle outstanding bills. This is the smoothest possible checkout experience, as users no longer have to pull out their card to complete a transaction.

### ***Cabinet approves Corpus for Micro Irrigation Fund with NABARD***

- **The Cabinet Committee on Economic Affairs (CCEA) chaired by Prime Minister Narendra Modi on May 16, 2018 approved an initial corpus of Rs 5000 crore for setting up of a dedicated 'Micro Irrigation Fund' (MIF) with NABARD (National Bank for Agriculture and Rural Development) under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY).**
- The allocation of MIF under PMKSY will be made in installments of Rs 2000 crore and Rs 3000 crore in 2018-19 and 2019-20.
- NABARD will extend loans to state governments during this period.

### ***SC refuses to stay RBI virtual currency order***

- **The Supreme Court in May, 2018 refused to stay the Reserve Bank of India's decision that mandated banks, e-wallets, and payment gateway providers to withdraw support for cryptocurrency exchanges and other businesses dealing with virtual currencies.** However, it allowed cryptocurrency exchanges, their shareholders, traders and other individuals to present their cases within two weeks to the RBI, which will look into the issue in accordance with the law.
- Various PILs, including the one filed by a group of 11 different representatives from various crypto-related businesses, have challenged the RBI's April 6 circular that declared cryptocurrency-related businesses like virtual currencies, crypto assets, etc illegal in India. The regulator has given banks a deadline of July 6 to adhere to the new rule.
- A bench led by Chief Justice Dipak Misra while transferring to itself various other similar petitions pending before the high courts of Delhi and Calcutta also stayed proceedings before the HCs. It also restrained all the HCs from entertaining any other petition against the RBI circular. It also sought the attorney general's assistance in the matter. Last week, it had sought response from the RBI and the Centre.

### ***Tata Steel subsidiary acquires 72% stake in Bhushan Steel***

- **Tata Steel, through its wholly-owned subsidiary Bannipal Steel Ltd (BNPL), has acquired 72.65 per cent controlling stake in Bhushan Steel Ltd (BSL) for around Rs 36,400 crore.**
- The announcement was made by Tata Steel in a statement on May 18, 2018. The deal is set to help the banks recover NPAs amounting to over Rs. 36,000 crore in the time to come.
- Speaking on the development Union Finance Minister Piyush Goyal said, "Liquidation value of Bhushan Steel was Rs. 14,541 crore but creditors received almost 4 times the amount (Rs. 36,400). This was possible due to the robust and transparent Insolvency & Bankruptcy Code."

- Under the deal, Tata Steel acquired 79 crore share at Rs 2 each. The deal was finalised in accordance with the approved Resolution Plan under the Corporate Insolvency Resolution Process (CIRP) of the Insolvency and Bankruptcy Code 2016 (IBC).

### ***RBI modifies norms for setting up of IFSC Banking Units***

- **The Reserve Bank of India modified norms for setting up of the International Financial Services Centres (IFSC) Banking Units (IBUs) by banks in IFSCs.**
- The modification makes mandatory for parent bank to provide and maintain at **all times minimum capital of USD 20 million or equivalent in any foreign currency to its IBU.**
- However, minimum prescribed regulatory capital, including for exposures of IBU, should be maintained on on-going basis at parent level.

### ***Faircent.com receives NBFC-P2P certification from RBI***

- **Peer to Peer (P2P) lending platform Faircent.com in May, 2018 received its NBFC-P2P certification from the Reserve Bank of India (RBI).**
- "This development further bolsters our resolve to take financial inclusion to every last Indian through technology and to address the country's credit deficit with our innovative tech-led offerings," said Rajat Gandhi, Founder and CEO - Faircent.com.
- The company, through its tech-led approach, has not only helped in enabling more seamless access to credit for Indian borrowers, but also presented a high-potential avenue of wealth creation to investors across the country.
- The platform currently has more than 40,000 registered lenders and 3.5 lakh registered borrowers, and has facilitated over 6,000 loans cumulatively till date.

### ***Bank Note Paper Mill India gets green nod to increase bank note production***

- **The government's Bank Note Paper Mill India (BNPM) has received green signal to increase the production of bank note paper at its Mysuru unit in Karnataka from 12,000 tonnes per annum (TPA) to 16,000 TPA.**
- BNPM is a joint venture of Bharatiya Reserve Bank Note Mudran (BRBNMPL) and Security Printing and Minting Corporation of India (SPMCIL).
- The company had sought environment clearance (EC) for increasing the bank note paper production from 12,000 TPA to 19,000 TPA without adding any machinery and pollution load.
- The approval is subject to compliance of certain conditions including developing greenbelt in 33 per cent of the project area.

### ***Union Finance ministry ties up with 40 companies for extending loans under Mudra scheme***

- **The Union Finance Ministry on May 21, 2018 announced that it has tied up with 40 entities including Flipkart, Swiggy, Patanjali and Amul for extending loans to small entrepreneurs under the Pradhan Mantri Mudra Yojana (PMMY).**
- In order to identify people who can be given funds under the Pradhan Mantri Mudra Yojana (PMMY), the ministry will organise an event in Mumbai on May 23, 2018 to extend loan under the scheme.
- **The CEOs of various Banks like SBI, ICICI, BOB, PNB;** senior officials in the rank of MD or CEO from Oil Companies, Railway Board would be part of the event.

### ***HDFC Bank to offer Digital Loans against mutual funds***

- **India's most valuable lender HDFC Bank has launched Digital Loans against Mutual Funds in partnership with transfer agent CAMS.** Customers can now pledge mutual fund assets online and get overdraft limit set in their account in under 3 minutes, the bank claimed.
- Customers will be able to leverage their mutual fund portfolio to avail funds for any contingencies or emergencies without liquidating their investments or stopping their regular investment plans.
- **The bank has a tie-up with 10 mutual companies against whose policies loans will be given.** The ticket size of the loans will range from Rs 1 lakh to Rs 1 crore at an interest rate of 10.5 -11%. The bank which has a mutual fund loan portfolio of Rs 10,000 crore aims to grow the book manifold by this latest initiative.

### ***NABARD sanctions Solar street lighting system***

- **National Bank for Agriculture and Rural Development has sanctioned LED Solar Street Lighting system for Arunachal Pradesh under its Rural Infrastructure Development Fund with a grant of Rs 87.83 lakh.**
- It would be implemented in 4 districts of the state Tirap, Longding, Namsai & Tawang.
- The scheme was launched by Chief Minister Pema Khandu.

### ***Cabinet approves ordinance to change bankruptcy rules***

- **The Union Cabinet approved an ordinance that incorporates changes to the bankruptcy law.**
- However, the government declined to share details on the changes as the President's approval is still awaited.
- A 14-member Insolvency Law Committee had earlier made few suggestions to change bankruptcy rules to the Ministry of Corporate Affairs.

### ***Union Cabinet approves ordinance to amend Insolvency and Bankruptcy Code***

- **The Union Cabinet on May 23, 2018 approved the ordinance to amend the Insolvency and Bankruptcy Code, 2016 (IBC),** heaving a sigh of relief to homebuyers who have invested in housing projects of real estate companies that have gone bankrupt.
- Now, the ordinance awaits the President's nod.
- Once the ordinance gets the President's approval and the proposed changes are incorporated in the Insolvency and Bankruptcy Code, 2016, homebuyers will be treated on par with financial creditors in terms of their legal rights.
- Homebuyers will have the right to initiate a resolution process against the bankrupt real estate companies and get their money back.
- The biggest beneficiaries of this ordinance will be homebuyers as the present version of the IBC does not consider homebuyers as secured creditors; they have no right to initiate a resolution process if a real estate company goes bankrupt.
- The committee of creditors's voting rights of resolution plans will be limited to 66 percent from earlier threshold of 75 percent, a move that will help speed up the resolution process.
- The ordinance also exempts MSMEs from disqualification under Section 29 of the IBC. The Micro Small and Medium Enterprises (MSMEs) will now be exempted from all conditions. As per Section 29 of the IBC Act, a person or a company suffering disqualification, can't participate in the resolution process.
- Promoters of companies with turnover of up to Rs 250 crore will be allowed to bid. Earlier, they were barred from bidding as the government feared that they will walk away with the stressed assets at a discount.

### **HDFC ERGO brings AI chatbot to Google Assistant**

- **General insurance company HDFC ERGO launched its Artificial Intelligence (AI)-enabled chatbot "DIA" on Google Assistant in May, 2018 to enable users to access the service through Google's home device.**
- With DIA, the company aims to provide instant solutions to user queries related to general insurance through a simple voice command -- "Ok Google, Talk to HDFC ERGO", the company said in a statement.
- Even though the primary mode of interaction will be through voice, text input through the keyboard is also supported on the Assistant.

### **Sudha Balakrishnan appointed first CFO of Reserve Bank of India**

- **NSDL executive Sudha Balakrishnan has been appointed the first ever chief financial officer (CFO) of the Reserve Bank of India (RBI) effective May 15**, in what is the biggest organisational change since Urjit Patel took over as RBI governor in September 2016, three people familiar with the information said.
- Balakrishnan, a chartered accountant, was till recently vice president with the National Securities Depository Ltd (NSDL), India's first and largest depository, before joining RBI. She will be the 12th executive director of the RBI, and will have a three year term.
- At the RBI, Balakrishnan will be in charge of the central bank's balance sheet to ensure accounting policies and procedures comply with regulations.

### **HDFC Bank's Aditya Puri figures in Barron's top 30 global CEO list**

- **HDFC Bank's managing director Aditya Puri has figured in the top 30 global CEOs list published by Barron's.**
- The international publication has included Puri in this prestigious list for the fourth consecutive year, HDFC Bank said in a statement.
- Puri's name figured with Jeff Bezos of Amazon; Warren Buffett of Berkshire Hathaway; Jamie Dimon of JPMorgan Chase; Larry Page of Alphabet; Reed Hastings of Netflix; Satya Nadella of Microsoft and Mark Zuckerberg of Facebook, it said.
- "He turned a start-up into a banking giant and helped bring Indians into the modern financial era.
- Even after 24 years at the helm, Puri, 67, elicits effusive praise from investors, with descriptions ranging from, one of the most impressive CEOs we have come across," the statement quoting Barron's said.
- The career banker methodically built a start-up into India's second-largest private-sector bank by market value, it said.

### **Yes Bank inks MoU with SIDBI to provide loans to SMEs, MSMEs**

- **Yes Bank has entered into an agreement with SIDBI under which it will act as a preferred financial institution for giving loans to the small and medium enterprising customers of the latter.**
- Under the pact, Yes Bank would provide various banking services, including working capital, to SIDBI customers at its pan-India branches, which currently number around 1100. A memorandum of understanding (MoU) was signed between SIDBI chief general manager K I Mani and Yes Bank group president (international and institutional banking) Arun Agarwal.
- Currently, merely about 550 SIDBI customers avail of its working capital facility, which forms a miniscule part of its customer base. The Bank had earlier entered into an agreement with a public sector bank, yet the scheme could not take off as expected.

### **State Bank of India raises term deposit rates by 25 bps**

- **State Bank of India, the country's largest lender, has hiked the interest rate by up to 25 basis points (bps) in some of its term deposits.**
- Those with a tenor of two to less than three years have been raised by five bps to 6.65 per cent. The hike for those between a year to less than two years is 25 bps, also to 6.65 per cent. A senior executive said: "Money in these two buckets (tenors) has substantial share in banks' deposit base. We would like to retain the amounts when competition for resources is intensifying."

- **SBI deposits as a whole grew nearly 4.7 per cent from Rs 25.85 trillion in March 2017 to nearly Rs 27.1 trillion as on end-March 2018.** Domestic term deposits grew 1.8 per cent to around Rs 14.1 trillion.

### **PM Narendra Modi launches RuPay card, BHIM and SBI apps in Singapore**

- **Prime Minister Narendra Modi on May 31, 2018 launched three Indian digital payment systems - RuPay, BHIM app and UPI by SBI at the 'Business, Innovation and Community Event' in Singapore.**
- **With the launch, India's RuPay digital payments system was linked up with Singapore's 33-year old Network for Electronic Transfers (NETS).** The move will enable RuPay users to make payments at all of NETS acceptance points across Singapore.
- Whereas, holders of Singapore NETS will be able to make online purchase on any National Payment Corporation of India (NPCI) e-commerce merchant website in India, using 2.8 million RuPay point of sale terminals in India.
- The development is significant, as it would create multi-billion dollar transactions as some five million Indians travel to and transit through Singapore, internationalising the RuPay beginning with the first cross border usage.
- During the business event, **SBI's Singapore branch launched a new app-based rupee remittance mode - United Payment Interface (UPI).**
- **The Singapore branch of the SBI is the first to launch this new mode of remittance in collaboration with National Payment Corporation of India (NPCI).**
- The step is a major one towards the internationalisation of India's digital payment platform.
- The move would make **transfer of funds of up to Rs 100,000 very fast, easy and convenient with the help of Virtual Payment Address (VPA).**
- The service would be available to all savings account holders of SBI Singapore.
- SBI has six branches in Singapore as well as Auto Teller Machines (ATMs).