

### **KSUM, YES Bank ink Memorandum of Understanding to help startups**

- In a major fillip to the startup ecosystem in the state, the Kerala Startup Mission (KSUM) and YES Bank will join hands to provide a host of startup-focused corporate and commercial banking services.
- Under the MoU, YES Bank will provide and render the platforms/services to the startups, subject to the relevant contractual arrangements. It will offer Special Current Account Proposition to all associated startups of KSUM, including a 'no minimum balance commitment' for one year after starting a current account with the bank, a press release said.

### **NABARD sanctions Rs 735.53cr for Bengal rural infra projects**

- National Bank for Agriculture and Rural Development (NABARD) has sanctioned Rs 735.53 crore under Rural Infrastructure Development Fund (RIDF) to West Bengal during the first quarter of 2018-19, according to an official release.
- The funding would help execution of 86 projects, which included six solar power projects, works on one medium irrigation, five minor irrigation and 12 flood protection projects, besides 57 projects of widening and strengthening of roads and five rural bridges.

### **Vishwas Patel appointed Chairman of Payments Council of India**

- The Payments Council of India in July, 2018 announced the appointment of Vishwas Patel as its new Chairman.
- Patel is the Director of Infibeam Avenues and succeeds Naveen Surya, who has been elevated to the post of Chairman Emeritus, the council said in a statement.

### **Ex-PNB executive T Latha appointed new MD & CEO of Dhanlaxmi Bank**

- Dhanlaxmi Bank Limited has appointed T Latha as the Managing Director & CEO. She has taken over from G Sreeram, who has retired from the office on July 1, 2018, on completion of his tenure.
- Her appointment will be for a period of three years w.e.f July 2, 2018.

### **Arijit Basu takes charge as Managing Director of SBI**

- State Bank of India (SBI) in July, 2018 announced appointment of Arijit Basu as the Managing Director.
- A graduate in Economics and a Master of Arts in History, Basu will handle the areas of Commercial Credit and IT and will also hold additional charge of Stressed Assets Resolution Group.
- Prior to this role, Basu was designated as Deputy Managing Director (DMD) in the bank.

## Project Sashakt: Sunil Mehta Committee's 5-pronged strategy to tackle NPAs approved

Union Finance Minister Piyush Goyal on July 2, 2018 approved the Sunil Mehta Committee's suggestions of a 5-pronged strategy to tackle the Non-Performing Assets (NPA).

The committee led by Punjab National Bank Chairman Sunil Mehta has submitted its draft report titled 'Sashakt' to the Finance Ministry with a strategy to tackle stress in the banking sector. However, there is no proposal or recommendation to create a bad bank.

The recommendations now await the approval of the Reserve Bank of India (RBI).

### Recommendations of the Committee

- The 'Sashakt' Report highlights nine guiding principles aimed at the operational turnaround of the banking sector in a manner that will create jobs and enhance the value of public sector banks.
- Resolution of bad assets below Rs 50 crore within 90 days: Banks will be required to create a 'Focused Vertical' for bad assets below Rs 50 crore and set up a Steering Committee for resolution of such bad assets within 90 days.
- Resolution of consortium loans between Rs 50-500 crore within 180 days: It suggested the Bank Led Resolution Approach (BLRA) for loans between Rs 50 and Rs 500 crore. It suggested constitution of an Independent Screening Committee to examine resolution of such loans within 180 days and if there is no resolution in 180 days, then these bad assets will be moved to the National Company Law Tribunal (NCLT).
- Resolution of loans above Rs 500 crore: The loans above Rs 500 crore will be dealt via AMC/AIF-led resolution process. The panel proposed creation of a national Asset Management Company (AMC) to take over such Non-Performing Assets from banks.
- Recommendations included creating platforms where banks can trade in bunched loan assets.

## Supreme Court refuses to stay RBI circular against cryptocurrencies

- The Supreme Court in July, 2018 refused to stay a Reserve Bank of India circular prohibiting banks and financial institutions from providing services in relation to cryptocurrencies.
- A bench headed by Chief Justice Dipak Misra issued notices to the ministries of Finance, Law and Justice and Information Technology and the RBI and tagged the matter along with similar cases.
- According to the April 6 circular, the entities regulated by the RBI are prohibited from "providing any service in relation to virtual currencies, including those of transfer or receipt of money in accounts relating to the purchase or sale of virtual currencies".

## RBI grants licence to Bank of China to set up its first branch in India

- The Reserve Bank of India in July, 2018 issued licence to Bank of China to operate in India, according to sources.
- According to reports, the decision was based on the commitment made by Prime Minister Narendra Modi to the Chinese leadership.
- Following this, the 106-year-old Bank of China will open a branch in India.

- Last month Prime Minister Narendra Modi met Chinese President Xi Jinping ahead of the Shanghai Cooperation Organization (SCO) Summit in Qingdao, China. During the meeting, they discussed the issues of security, economic cooperation and people-to-people exchanges.
- The Bank of China (BoC) opened its first branch in South Asia in Pakistan's Karachi last year.

#### **SBI Card launches AI virtual assistant ELA**

- SBI Card, the country's second largest credit card issuer, in July, 2018 announced the launch of 'ELA' (Electronic Live Assistant), a virtual assistant for customer support and services.
- Driven by Artificial Intelligence and Machine Learning, ELA is designed to enhance customer experience by providing relevant and instant responses to customer queries, SBI Card said in a statement.

#### **Finzy receives NBFC-P2P certification from RBI**

- Peer-to-peer (P2P) platform Finzy has received its NBFC-P2P certification from the Reserve Bank of India (RBI).
- The P2P industry being regulated ensures that only players who adhere to specific standards of operations and stringent information security guidelines are allowed to function. This helps build the credibility in the industry as a whole.

#### **CSC SPV, HDFC Bank sign MoU to support financial inclusion in rural areas**

- CSC SPV and HDFC Bank in July, 2018 announced signing of an agreement to enable three lakh Village Level Entrepreneurs (VLEs) of the common services centers to operate as banking correspondents of HDFC Bank.
- The MoU signed between MD HDFC Bank, Aditya Puri and CEO, CSC SPV Dr. Dinesh Kumar Tyagi in the presence of Minister of Electronics & IT Ravi Shankar Prasad and Minister of State for Electronics & IT S.S. Ahluwalia, is expected to be a game changer as it would significantly contribute to Government's objectives of enabling Direct Benefit Transfer (DBT) of various schemes.

#### **Yes Bank gets SEBI nod to launch MF business**

- Yes Bank in July, 2018 said it has received approval from capital markets regulator SEBI to start mutual fund business.
- This approval is subsequent to the Reserve Bank of India's (RBI) approval granted to Yes Bank to sponsor a mutual fund followed by SEBI's in-principle approval received subsequently, the bank said in a statement in July, 2018.
- "Yes Asset Management (India) Limited (YAMIL) will leverage YES BANK's Knowledge Banking expertise and relationship capital across retail, corporate and institutional investors to effectively channelise their assets in equity and debt capital markets," the bank's Managing Director and Chief Executive Officer Rana Kapoor said.

### **Cabinet approves extension of scheme of recapitalisation of Regional Rural Banks up to 2019-20**

- The Union Cabinet chaired by the Prime Minister Narendra Modi has approved the extension of the scheme of recapitalization of Regional Rural Banks (RRBs) for the next three years up to 2019-20.
- The move will enable the RRBs to maintain the minimum prescribed capital to Risk Weighted Assets Ratio (CRAR) of 9 per cent.
- A strong capital structure and minimum required level of CRAR will ensure the financial stability of RRBs, which will enable them to play a greater role in financial inclusion and meeting the credit requirements of rural areas.

### **Karnataka Bank launches facility to withdraw cash from PoS terminals**

- Karnataka Bank Ltd has introduced 'Cash@PoS' facility through its network of 13,100-plus Point of Sale (PoS) terminals installed at various merchant establishments throughout the country.
- A press release by the bank said here in July, 2018 that it is a facility through which any bank customer can withdraw cash using his/her debit card or open system prepaid card (issued by banks in India) at PoS terminals.

### **RBI raises Centre's WMA advances to Rs 700 bn for July-September quarter**

- The Reserve Bank has set the 'ways and means advances' (WMA) limit at Rs 700 bn for the central government for the July-September quarter, up from Rs 600 bn in the previous quarter.
- 'WMA' are temporary advances given by the RBI to government to tide over any mismatch in receipts and payments.
- "It has been decided, in consultation with the Government of India, that the limits for Ways and Means Advances (WMA) for the second quarter of the financial year 2018-19 (July 2018 to September 2018) will be Rs 700 bn," the RBI said in a statement.

### **HDFC ERGO launches one of India's first title insurance policies**

- Private general insurer HDFC ERGO in July, 2018 launched a title insurance policy, making it one of the first such products launched by private insurers.
- Title insurance refers to insurance for the title of a real estate property and is mandatory according to the Real Estate (Regulation and Development) Act 2016, or RERA.

### **HDFC securities enable MF transactions through Facebook messenger**

- HDFC securities in July, 2018 announced launch of Mutual Funds transactional capabilities on Facebook Messenger through their virtual assistant, Arya.
- A subsidiary of HDFC Bank, HDFC securities rolled out a theme called "The Pace of Innovation" which is structured to innovate and provide intuitive and relevant digital solutions to customers and this effort, is in line with the vision.

## **Bank Of Baroda signs Memorandum of Understanding with Korea's KB Financial Group to set financing corridor**

- Public sector lender Bank of Baroda in July, 2018 said it has inked an agreement with South Korea's KB Financial Group to set-up financing corridor and development of digital payment ecosystem.
- The MoU was inked on July 9 during India-Korea Business Forum.

## **Money2World platform partnered by ICICI Bank eases payments to Australian universities**

- Fee payments from India to Australian universities have become a notch easier. Private sector lender ICICI Bank said in July, 2018 that it has partnered with Australia's Westpac Banking Corporation to create a platform named Money2World (M2W), which students with accounts in Indian banks can utilise to pay fee to Australian colleges.

## **Airtel Payments Bank gets RBI nod to add new customers, can use e-KYC**

- After being mired in controversy for a long time after an RBI order that prevented it from onboarding new customers, Airtel Payments Bank received requisite approvals from the central bank to start signing up new accounts, the company stated in July, 2018.
- The payments bank was at loggerheads with the authorities after it was reported that it opened savings bank account for existing customers without seeking their express permissions.

## **India becomes 69th shareholder of European development bank**

- India on July 11, 2018 formally became the 69th shareholder of the European Bank for Reconstruction and Development (EBRD), paving the way for more joint investment with Indian companies across the bank's regions of operation.
- India was selected as a member after all the existing EBRD shareholders, who also form its board of governors, voted unanimously in favour of the country's application in March 2018. The membership process was fully completed this week.

## **NTPC signs Rs 15 bn term loan with HDFC Bank for a period of 15 years**

- NTPC, India's largest electricity generating company, in July, 2018 said it has signed a term loan agreement with HDFC Bank for availing a loan of Rs 15 billion.
- The 15-year loan will bear an interest rate linked to 3-months MCLR of the bank, the company said in a statement.

### **DBS to launch commercial banking operations in India in October**

- Singapore-headquartered financial services giant DBS will begin commercial banking operations in India in October this year.
- DBS Bank India (DBS India), part of Asia's leading financial services group DBS Group Holdings, received in-principle approval from the Reserve Bank of India (RBI) in September last year to convert its existing India franchise to a locally incorporated wholly-owned subsidiary (WOS) in India.

### **RBI nod for Fairfax's 51% stake acquisition in Catholic Syrian Bank**

- The Reserve Bank of India has given its nod to Fairfax to acquire 51 per cent stake in Kerala-based Catholic Syrian Bank (CSB).
- This is the first stake sale of an Indian bank to a foreign non-banking entity since the Banking regulator tweaked ownership norms in May 2017.

### **LIC board approves acquisition of up to 51 per cent stake in IDBI Bank**

- The Life Insurance Corporation of India's (LIC's) board has approved acquiring up to 51 per cent stake in state-run IDBI Bank.
- The information was shared by Economic Affairs Secretary Subhash Chandra Garg on July 16, 2018. Garg, who is on the board of the state-run LIC, stated that the move of buying additional stakes would most be likely through a preferential shares issue, enabling injection of funds to IDBI Bank.

### **Jana Small Finance Bank launches commercial operations**

- Jana Small Finance Bank in July, 2018 announced the commercial launch of its banking operations, the last microfinance company to convert itself into a small finance bank (SFB), three years after the Reserve Bank of India (RBI) gave its in-principle approval.
- The Bengaluru-based small finance bank, which was earlier called Janalakshmi Financial Services and weathered huge losses on account of demonetization, said it is confident of turning profitable before the end of fiscal year 2019.

### **RBI to issue new Rs 100 denomination banknotes**

- The Reserve Bank of India (RBI) will shortly issue Rs 100 denomination banknotes in the Mahatma Gandhi (New) Series, bearing the signature of the bank's governor, Dr Urjit R. Patel.
- However, all the existing banknotes of the same denomination issued by the Reserve Bank in the earlier series will continue to be legal tender, it clarified.
- The new denomination has a motif of "RANI KI VAV" on the reverse, depicting the country's cultural heritage.
- The base colour of the note is lavender and contains other designs, geometric patterns aligning with the overall colour scheme, both at the obverse and reverse. The dimension of the banknote will be 66 mm × 142 mm.

### **Karnataka Bank launches DigiLocker facility**

- Karnataka Bank, as part of its digital initiative launched DigiLocker facility by integrating DigiLocker with its Moneyclick Internet Banking channel.
- DigiLocker is a key initiative to store the digital documents, by National E-Governance Division under Ministry of Electronics & Information Technology, Government of India, under Digital India, a flagship program aimed at transforming India into a digitally empowered Society.

### **Bank of Baroda signs MoU with ten companies to loan Rs 500 cr**

- State-run Bank of Baroda signed a Memorandum of Understanding with ten companies including Uber, Oyo, Lava and Flipkart to provide loans to members in their supply chain like drivers and retailers in its efforts to raise its exposure to small enterprises.
- The bank will finance Oyo's hotel-partners, motorcycles for delivery boys at food-delivery company Swiggy and e-commerce logistics companies, and car drivers at cab aggregators such as Uber.
- BoB said that defaults by some drivers at Uber doesn't necessarily mean that all loans are risky.

### **Federal Bank gets RBI nod to enter Bahrain, Kuwait, Singapore**

- South-based private sector lender Federal Bank has received the regulatory nod to open offices in Bahrain, Kuwait and Singapore, but is awaiting local clearances before it starts operations, a top official has said.
- The Kochi-headquartered bank, which leads diaspora remittances, already has representative offices in Abu Dhabi and Dubai, and its desire to expand comes even as a majority of its larger peers are downsizing their overseas presence following the Rs 13,500-crore Nirav Modi scam and poor asset quality back home due to toxic loans.

### **Indian banks, financial institutions sign agreement to speed up bad loan resolution**

- Indian banks and financial institutions signed an inter-creditor agreement on July 23, 2018 to fast-track the resolution of stressed assets of Rs 500 crore or above that are under consortium lending.
- The ICA was prepared in accordance to the recommendations of the Sunil Mehta Committee and under the aegis of Indian Banks' Association (IBA). It is a part of Project Sashakt, which aims to strengthen the credit capacity, credit culture and credit portfolio of public sector banks.
- The agreement has been approved by boards of respective lenders.
- The ICA has been signed by 22 public sector banks including SBI, PNB and India Post Payments Bank, 19 private sector banks and 32 foreign banks.
- The signatories also included 12 major financial institutions such as Life Insurance Corporation of India (LIC), HUDCO, PFC, and REC.



## Cash-on-delivery deals by e-commerce firms not authorised, says RBI

- Cash-on-delivery (CoD) method of payment option provided by online retailers such as Flipkart and Amazon may be a regulatory grey area as per the Reserve Bank of India's (RBI's) response to a Right to Information (RTI) query, according to a report in The Economic Times.
- The RBI, in a response to an RTI query, said a collection of payment from platforms such as Amazon and Flipkart are not authorised.

## OYO Hotels signs MoU with SBI and Bank of Baroda to offer financial support for small hotels

- OYO announced in July, 2018 that it has inked MoUs with the State Bank of India and Bank of Baroda for extending its support to budget hotels and creating jobs across levels.
- Signed under the aegis of the Pradhan Mantri Mudra Yojna, the MoUs are aimed at providing financial support to OYO's existing and potential hotel partners for standardization at their properties, OYO said.
- OYO said towards enabling convenient financing and collateral-free loans for its asset partners through banks and NBFCs, it has also established an in-house Fintech division.

## Arunachal Pradesh State Cooperative Apex Bank to launch 200 micro-ATMs

- Arunachal Pradesh State Cooperative Apex Bank Ltd will launch 200 Micro-ATM services across the state.
- Chief Minister Pema Khandu launched the Micro-ATM services of the Arunachal Pradesh State Cooperative Apex Bank Ltd. Khandu said inclusion of micro-ATM services will immensely benefit the rural and poor people availing banking services.

## Parliament passes bill for quick prosecution in cheque bounce cases

- The Parliament on July 26, 2018 passed an amended bill that will allow courts to try offences related to cheque bounce expeditiously and direct the drawee to pay a minimum of 20 per cent of the cheque amount as interim compensation.
- The Negotiable Instruments (Amendment) Bill, 2018 was passed by the upper house of the Parliament, the Rajya Sabha through a voice vote. The Lok Sabha had cleared the bill on July 23.
- The new amendment has been brought in the law to ensure that people have trust and faith on issuing cheques.
- The 1881 law on negotiable instruments has been amended from time to time.

## UK court rejects Vijay Mallya's attempt to appeal against verdict favouring Indian bank

- Fugitive businessman Vijay Mallya has lost his attempt to appeal against a UK High Court order in favour of 13 Indian banks to recover funds amounting to nearly 9,000 crore rupees.
- The UK's Court of Appeal refused permission to Mallya to appeal against the High Court order dated May 8, which gave right to Indian banks to enforce the Indian judgment against Mallya's assets in England and Wales.



### **Paytm Payments Bank CEO Renu Satti resigns, to head new retail unit**

- Paytm Payments Bank CEO Renu Satti has resigned from her position and will now head the new retail initiative.
- The company has yet not zeroed in on a new CEO. She was appointed CEO of the Payments Bank last year.

### **HSBC appoints Surendra Rosha as India CEO**

- The Hongkong and Shanghai Banking Corporation in July, 2018 announced the appointment of Surendra Rosha as Chief Executive Officer for HSBC India, subject to regulatory approvals.

### **Parliament passes Bill for merger of five subsidiary banks with SBI**

- The Indian Parliament on July 30, 2018 passed the State Banks (Repeal and Amendment) Bill, 2017 that merges the subsidiary banks with the State Bank of India (SBI).
- The Bill was introduced in Lok Sabha by then Union Minister of Finance Arun Jaitley on July 21, 2017.
- The merger of these subsidiary banks is already in effect from April 1, 2017. The merger was approved by the Union Government in February 2017.
- The Bill seeks to repeal the State Bank of India (Subsidiary Banks) Act, 1959, the State Bank of Hyderabad Act, 1956. These Acts established the State Bank of Bikaner, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore, and State Bank of Hyderabad, the subsidiaries of the SBI.