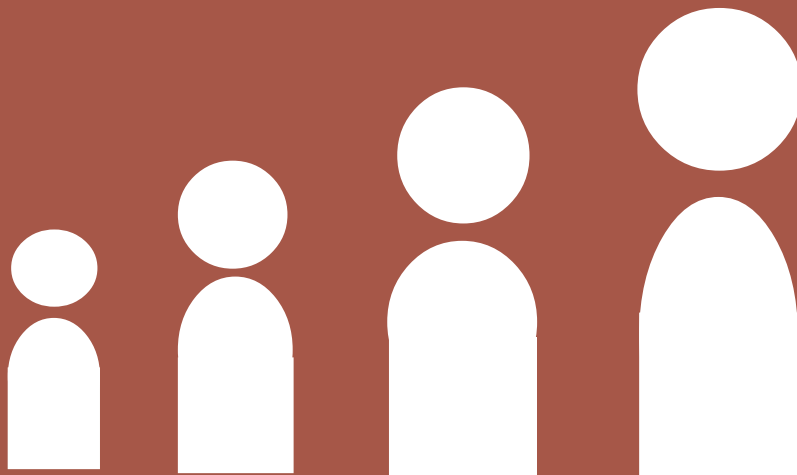


# Banking events Update



Those who win, are those, who think they can

Corporate & Distribution Office  
1008, Sector 45-B, Chandigarh  
Phone 0172 2665 623  
eMail - bankingupdate123 @ gmail.com

[www.bankingindiaupdate.com](http://www.bankingindiaupdate.com)

*We wish our readers, a very prosperous & happy new year 2018*

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## Special Edition *Emerging Issues in 2018*

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**BANKING  
POLICY****Implementation of Govt. instructions**

RBI observed that certain Agency banks are not adhering to instructions/ notifications issued by Central or State Government promptly by stating that further communications have not been received by them from RBI. On Dec 21, 2017, RBI advised all agency banks to scrupulously follow all the guidelines /instructions contained in various notifications of Government and take necessary actions immediately without waiting for any further instructions from RBI.

RBI further advised that for queries related to such guidelines / instructions agency banks may take up the issue directly with concerned Governments and if the queries are related to reporting to RBI, then it may be addressed to DGBA /CAS, Nagpur.

**Settlement of Agency transactions in certain cases (for Funds and Agency Commission) directly from RBI**

As per the existing arrangements in certain States, in certain cases, some agency banks are routing their agency transactions of State governments through another agency bank, that acts as an aggregator, that in turn settles these agency transactions with concerned RO of RBI for both receipts and payments. In such scenario, both agency bank acting as aggregator and other agency bank share the eligible agency commission on such transactions. RBI is committed to provide fast, efficient and secure banking facility to the State Governments by implementation of standardised e-receipts and e-payments with its CBS (e-Kuber), enabling RBI to act as single point of contact for settling State government funds (receipts/payment). This will also facilitate better cash management by the State Governments.

RBI has decided (Dec 07, 2017) that all agency banks should settle their agency transactions for both funds and agency commission directly with the concerned Regional Office of RBI instead of routing them through any other agency bank that acts as aggregator in certain cases. It effectively makes all agency banks to report government receipts directly to RBI instead of reporting them through any other agency bank. So also for payments made by all agency banks on behalf of state government/ s get directly settled with the concerned RO of RBI. Agency Transaction details/scrolls may be sent directly by individual agency bank to the concerned State Government/Treasury.

Agency Banks that are already settling their state government transactions with RBI directly, may continue to do so. Agency Banks that are hitherto settling their transactions with other aggregator agency bank, may stop such reporting. Such banks should settle their agency transaction hereafter with RBI directly. The new arrangement for settlement of state government funds on day to day basis directly with RBI will be with effect from January 1, 2018. Thereby, all agency commission claims beginning with the quarter ending March 31, 2018 will be settled directly with the concerned RO of RBI.

**Report on Trend and Progress of Banking in India 2016-17**

On Dec 21, 2017, RBI released the above statutory Report which presents performance and salient policy measures for banking sector during 2016-17. It also provides an analysis of the co-op banks and NBFCs. The highlights of the Report are set out below:

- The financial performance of banks, especially public sector banks (PSBs), was weighed down by high provisioning for non-performing assets. As a result, PSBs reported net losses for the 2nd year in a row. Private sector banks posted a muted increase in profits during the year.
- RBI fine-tuned its regulatory and supervisory policies to ensure a sound, resilient and inclusive banking system. The provisions of the revised prompt corrective action (PCA) framework were implemented w.e.f. April 1, 2017.
- A watershed development in India in 2016-17 has been the enactment of the Insolvency and Bankruptcy Code (IBC) in May 2016 and amendment to Banking Regulation Act, 1949 which empowered RBI to issue directions to any banking company or banking companies to initiate insolvency resolution in respect of a default under the provisions of the IBC.
- Government announced bank recapitalisation plan in October 2017 to reinvigorate PSBs struggling with high levels of stressed advances.
- Several policy measures were initiated in the payment and settlement systems to ensure robust and customer friendly payment systems.
- The operationalisation of small finance banks and payments banks may provide further impetus to the financial inclusion agenda.
- Co-operative institutions portrayed a sanguine picture. Following on-going consolidation efforts, urban co-operative banks (UCBs) exhibited expansion in balance sheet size and recorded improved profitability in 2016-17. There was a turnaround in the performance of the apex-level long-term rural credit co-operatives, while the short-term rural credit co-operatives comprising state co-operative banks and district central co-operative banks have exhibited improved performance over time. Primary agricultural credit societies, the grass-root level tier of the short-term co-operative credit structure continued to incur losses.

- The consolidated balance sheet of non-banking financial companies (NBFCs) expanded during 2016-17 due to healthy growth of loans and advances. However, their profitability declined due to deterioration in asset quality. The consolidated balance sheet of all-India financial institutions (AIFIs) increased in 2016-17 due to loans and advances, and their operating profit ratio improved with a moderation in the growth of interest outgo.
- The Report flags the main challenges that will likely shape the outlook for the financial sector in India, which include resolution of stressed assets; strengthening of bank balance sheets for reinvigorating credit growth; developing robust accounting standards for banks with the aim of closing gaps in accounting practices; promoting differentiated banking and exploring scope for its expansion to wholesale and long-term financing; promoting digitisation and managing technology-enabled financial services; and managing cyber-security risks with the aim of strengthening resilience of the financial system.

### Indian Banking Sector at a Glance

Parameter	Amount		% change			
	Mar 16	Mar 17	Mar 16	Mar 17		
Deposits (Rs. in billion)	100927	111139	9.1	7.8		
Advances (Rs. in billion)	78965	81162	6.9	2.8		
Total liabilities / assets (billion)	131293	141586	9.1	7.8		
Net profits (Rs. in billion)	341	439	-61.7	28.6		
Return on assets (%)	0.40	0.35	-	-		
Return on equity (%)	3.58	4.16	-	-		
Net interest margin (%)	2.6	2.5	-	-		
Capital to risk weighted asset (%)	13.3	13.6	-	-		
Tier1 / Total capital (%)	81.2	82.1	-	-		
CRAR (Tier1) (%)	10.8	11.2	-	-		
Gross NPAs (Rs. in billion)	6119	7918	89.3	39.4		
Net NPAs (Rs. in billion)	3498	4331	98.9	23.8		
Gross NPA ratio	7.5	9.3	-	-		
Net NPA ratio	4.4	5.3	-	-		
Provision coverage ratio	41.9	43.5	-	-		
<b>Branches</b>	<b>Rural</b>	<b>S.U</b>	<b>Urban</b>	<b>Metro</b>	<b>Total</b>	<b>ATM</b>
Public Sector Banks	29033	25647	17890	18875	91445	148555
Private Sector Bk	4822	7803	5158	6878	24661	58833

### Reporting of Transactions by agency banks to RBI

RBI observed that some agency banks are reporting government transactions after considerable delay and along with the current transactions to RBI, without taking necessary authorisation from the concerned government departments.

As per the extant instructions, State Government transactions (electronic as well as in physical mode) of previous month reported after 8th of the succeeding month and those pertaining to earlier months should be reported to RBI through a separate statement for accounting, after being confirmed by the competent authorities of concerned state government.

RBI decided (Nov 30, 2017) that, for Central Government transactions (electronic as well as in physical mode), if the transactions or any adjustments thereof are reported after a gap of 90 days from the date of transaction, agency banks have to obtain prior approval from concerned ministry/department and submit the same to RBI separately at the time of reporting such transactions for settlement.

## CORRESPONDENCE COURSE

### PROMOTION EXAM

Based on latest trends of IBPS exam. A large no. of bankers already succeeded by using the course material. If unable to attend class room program, this is the best option.

**Course Kit :** The course kit include:

- (a) subject-wise basic study material,
- (b) assignment to improve retention
- (c) objective type practice exercise
- (d) recalled questions
- (e) mock test papers.

**Fee :** May differ from bank to bank. May be checked before remittance). Fee to be paid in advance.

**How to enrol :** To enrol, advise (a) name, (b) address for correspondence (c) Email address, (d) bank name, (e) scale for which appearing, (f) phone / Cell number and (f) details of subjects for the exam (relevant course material, other than internal bank guidelines shall be sent).

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Course is based on exam pattern of IIB&F. A large no. of candidate have succeeded in all 3 papers in first attempt with our study material.

**Course Kit :** The course kit include:

- (a) subject-wise basic study material,
- (c) objective type practice exercise
- (d) mock test papers.

**Fee :** Fee differs for different papers. Fee payable in advance, for which details may be obtained by calling 01722665623 .

**How to enrol :** To enrol, advise name, address for correspondence, eMail id, mobile phone, bank name, subjects for enrolment.

## DS Institute of Banking

Office:SCO No.32, Sector 33-D,  
Chandigarh 160 020  
Phone: 0172-2665623, 09988221167  
email - banking121@gmail.com

[www.bankingindiaupdate.com](http://www.bankingindiaupdate.com)

## Prompt Correction Action Framework

The existing PCA framework for banks, introduced during 2004, was revised by RBI on 13.04.2017 and became effective from 01.04.2017, based on the financials of the banks for year ended Mar 31, 2017. It would be reviewed after 3 years. This framework does not preclude RBI from taking any other action as it deems fit in addition to the actions prescribed in the framework.

**A)** Capital, asset quality and profitability shall be the key areas for monitoring in the revised framework.

**B)** Indicators to be tracked are CRAR/ CET-I ratio, Net NPA ratio and Return on Assets-respectively.

**C)** In addition, leverage would be monitored.

**D)** Breach of any risk threshold (see next page) would result in invocation of PCA.

**E)** The PCA framework would apply to all banks operating in India including small banks and foreign banks operating through branches or subsidiaries.

**F)** A bank will be placed under PCA framework based on the audited Annual Financial Results and the Supervisory Assessment made by RBI. RBI may impose PCA on a bank during a year (including migration from one threshold to another) if the circumstances so warrant.

### Mandatory actions :

**Risk Threshold 1:** (see chart on next page)

Restriction on dividend distribution/remittance of profits. Promoters/owners/parent in the case of foreign banks to bring in capital

**Risk Threshold 2:** (see chart on next page)

In addition to mandatory actions of Threshold 1,

Restriction on branch expansion

Higher provisions as part of the coverage regime

**Risk Threshold 3:** (see chart on next page)

In addition to mandatory actions of Threshold 1,

Restriction on branch expansion;

Restriction on management compensation and directors' fees, as applicable

### RBI initiated discretionary actions :

These include, Special Supervisory Interactions, Strategy related, Governance related, Capital related, Credit risk related, Market risk related, HR related, Profitability related, Operations related and any other

### Discretionary corrective actions

**1. Special Supervisory interactions :** (a) Special Supervisory Monitoring Meetings (SSMMs) at quarterly or other identified frequency (b) Special inspections/targeted scrutiny of the bank (c) Special audit of the bank

**2. Strategy related actions :** RBI to advise the banks to:

(a) Activate the Recovery Plan that has been duly approved by the supervisor (b) Undertake a detailed review of business model in terms of sustainability of the business model, profitability of business lines and activities, medium and long term viability, balance

sheet projections, etc. (c) Review short term strategy focusing on addressing immediate concerns (d) Review medium term business plans, identify achievable targets and set concrete milestones for progress and achievement (e) Review all business lines to identify scope for enhancement/ contraction (f) Undertake business process reengineering as appropriate (g) Undertake restructuring of operations as appropriate

**3. Governance related actions :** (a) RBI to actively engage with the bank's Board on various aspects as considered appropriate (b) RBI to recommend to owners (Government/ promoters/ parent of foreign bank branch) to bring in new management/ Board (c) RBI to remove managerial persons under Section 36AA of the BR Act 1949 as applicable (d) RBI to supersede the Board under Section 36ACA of the BR Act 1949/ recommend supersession of the Board as applicable (e) RBI to require bank to invoke claw back and malus clauses and other actions as available in regulatory guidelines, and impose other restrictions or conditions permissible under the BR Act, 1949 (f) Impose restrictions on directors' or management compensation, as applicable.

**4. Capital related actions :** (a) Detailed Board level review of capital planning (b) Submission of plans and proposals for raising additional capital (c) Requiring the bank to bolster reserves through retained profits (d) Restriction on investment in subsidiaries/ associates (e) Restriction in expansion of high risk-weighted assets to conserve capital (f) Reduction in exposure to high risk sectors to conserve capital (g) Restrictions on increasing stake in subsidiaries and other group companies

**5. Credit risk related actions :** (a) Preparation of time bound plan & commitment for reduction of NPAs (b) Preparation of and commitment to plan for containing generation of fresh NPAs (c) Strengthening of loan review mechanism (d) Restrictions on credit expansion for borrowers below certain rating grades (e) Reduction in risk assets (f) Restrictions on/ reduction in credit expansion to unrated borrowers (g) Reduction in unsecured exposures (h) Reduction in loan concentrations; in identified sectors, industries or borrowers (i) Sale of assets (j) Action plan for recovery of assets through identification of areas (geography wise, industry segment wise, borrower wise, etc.) and setting up of dedicated Recovery Task Forces, Adalats, etc.

**6. Market risk related actions :** (a) Restrictions on/reduction in borrowings from the inter-bank market, (b) Restrictions on accessing/ renewing wholesale deposits/ costly deposits/ certificates of deposits, (c) Restrictions on derivative activities, derivatives that permit collateral substitution, (d) Restriction on excess maintenance of collateral held that could contractually be called any time by the counterparty

**7. HR related actions :** (a) Restriction on staff expansion, (b) Review of specialized training needs of existing staff

**8. Profitability related actions :** Restrictions on capital expenditure, except in technological upgradation.

**9. Operations related actions :** (a) Restrictions on branch expansion plans; domestic or overseas, (b) Reduction in business at overseas branches/ subsidiaries/ in other entities, (c) Restrictions on entering into new lines of business, (d) Reduction in leverage through reduction in non-fund based business, (e) Reduction in risky assets, (f) Restrictions on non-credit asset creation, (g) Restrictions on undertaking businesses as specified. Any other specific action that RBI may deem fit considering specific circumstances of a bank.



<b>Capital (Breach of either CRAR or CET 1 ratio to trigger PCA)</b>		<b>Threshold-1</b>	<b>Threshold-2</b>	<b>Threshold-3</b>
CRAR- Minimum regulatory prescription for capital to risk assets ratio + applicable capital conservation buffer(CCB). Current min RBI prescription of 10.25% (9% + 1.25%* of CCB as on 31.03 2017) <b>And/OR</b> Regulatory pre-specified Common Equity Tier 1 (CET 1min) + applicable CCB. Current minimum RBI prescription of 6.75% (5.5% plus 1.25%* of CCB as on March 31, 2017) <b>Breach of either CRAR or CET 1 ratio to trigger PCA</b>		upto 250 bps below Indicator <10.25% but >=7.75%  upto 162.50 bps below Indicator	> 250 bps up to 400 bps below Indicator <7.75% to >=6.25% >162.50 bps below but up to 312.50 bps below Indicator  <5.125% BUT >=3.625%	-  In excess of 312.50 bps below Indicator  <3.625%
<b>Asset Quality</b>	Net Non-performing advances (NNPA) ratio	>=6.0% but <9.0%	>=9.0% but < 12.0%	>=12.0%
<b>Profitability</b>	Return on assets (ROA)	Negative ROA for two consecutive years	Negative ROA for three consecutive years	Negative ROA for four consecutive years
<b>Leverage</b>	Tier 1 Leverage ratio	<=4.0% but > = 3.5% (leverage is over 25 times the Tier 1 capital)	< 3.5% (leverage is over 28.6 times the Tier 1 capital)	>=12.0%

\*CCB would be 1.875% and 2.5% as on March 31, 2018 and March 31, 2019 respectively.

#### Banks placed under PCA till 31st Dec 2017:

Bank of India	Dena Bank
United Bank of India	Bank of Maharashtra
Indian Overseas Bank	IDBI Bank
Corporation Bank	UCO Bank
Central Bank of India	Oriental Bank of Commerce

#### Submission of Financial Information to Information Utilities

According to Section 215 of Insolvency and Bankruptcy Code (IBC), 2016, a financial creditor shall submit financial information and information relating to assets in relation to which any security interest has been created, to an information utility (IU) in such form and manner as may be specified by regulations. Chapter V of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, which has come into force with effect from April 1, 2017, has specified the form and manner in which financial creditors are to submit this information to IUs. Further, as per Section 238 of the IBC, 2016 the provisions of the Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.

The Insolvency and Bankruptcy Board of India (IBBI) has registered National E-Governance Services Limited (NeSL) as the first IU under the IBBI (IUs) Regulations, 2017 on September 25, 2017.

RBI advised (Dec 19, 2017) all financial creditors regulated by RBI to adhere to the relevant provisions of IBC, 2016 and IBBI (IUs) Regulations, 2017 and immediately put in place appropriate systems and procedures to ensure compliance to the provisions of the Code and Regulations.

#### Rationalization of Merchant Discount Rates (MDR) for Debit Card Transactions

RBI had specified the maximum MDR applicable to debit card transactions on 28.06.12 and 16.12.2016.

Based on consultations with stakeholders on the "Draft Circular - Rationalisation of Merchant Discount Rate (MDR) for Debit Card Transactions", as also taking into account the twin objectives of promoting debit card acceptance by a wider set of merchants, especially small merchants, and ensuring sustainability of the business for the entities involved, RBI decided (06.12.2017) to rationalise the MDR for debit cards based on the following criteria:

1. Categorisation of merchants on the basis of turnover.
2. Adoption of a differentiated MDR for QR-code based transactions.
3. Specifying a ceiling on the maximum permissible MDR for both 'card present' and 'card not present' transactions.
4. Accordingly, with effect from Jan 01, 2018, the maximum MDR (as % of transaction value) for debit card transactions shall be:

a) *Small merchants (turnover upto Rs.20 lakh during the previous financial year)*

Physical POS infrastructure including online card transactions : maximum 0.40% (MDR cap of Rs.200 per transaction)

QR code-based card acceptance infrastructure: Not exceeding 0.30% (MDR cap of Rs.200 per transaction)

b) *Other merchants (turnover above 20 lakh during the previous financial year)*

Physical POS infrastructure including online card transactions : maximum 0.90% (MDR cap of Rs. 1000 per transaction)

QR code-based card acceptance infrastructure: Not exceeding 0.80% (MDR cap of Rs. 1000 per transaction)

Banks have been advised to ensure that merchants on-boarded by them do not pass on MDR charges to customers while accepting payments through debit cards.

## Legal Entity Identifier (LEI) (Aadhaar No. for Legal Entities)

LEI is a unique 20 digit code assigned to a *legal entity*. Every eligible legal entity will be assigned unique LEI for use globally. It is not applicable for individual persons.

**Objective :** LEI is designed to enable the identification and linking of parties to financial transactions, in order to manage counterparty risk. Its goal is to help improve the measuring and monitoring of systemic risk and support more cost-effective compliance with regulatory reporting needs.

### LEI Institutional Framework

1. Global Legal Entity Identifier Foundation (GLEIF): It is tasked to implement and ensure operation of Global LEI System

2. LEI Regulatory Oversight Committee (LEI-ROC): It represents public financial market authorities from all over the world.

3. LEI Operating Units (LOUs): It Assign LEIs. These are contact points for companies in different countries.

**LEI structure :** The 20 character alphanumeric code created using ISO 17442:2012 standard and has following structure:

**Characters 1-4,** a 4-character prefix assigned by the ROC Secretariat, unique to each LOU (for LEIL-3358)

**Characters 5-6,** 2 reserved characters – 00

**Characters 7-18,** 12 characters generated and assigned to an entity by the LOU according to transparent and sound allocation policies

**Characters 19-20,** 2 check digits under ISO 17442.

### Who needs to apply for LEI codes?

An entity registered in India needs to apply for LEI code. These entities can be Sole Prop, Limited Liability Partnerships, Partnership Firms, Trusts, Companies, Insurance & Housing Finance Companies, Non-Banking Finance Companies, SPV-Trusts, SPV-Co-op Societies or Multistate Co-op Societies, Banks, Stand Alone Primary Dealers, Public Financial Institutions, Government Organizations etc.

### RBI guidelines on obtaining LEI:

RBI has mandated the implementation of the LEI system for all participants in the Over-the-Counter (OTC) markets for Rupee Interest Rate derivatives, foreign currency derivatives and credit derivatives, in a phased manner. Entities without an LEI code cannot participate in the OTC derivative markets, after the date specified in the schedule.

### Time line for obtaining LEI code are as under:

*Phase I :* Entities regulated by RBI / SEBI / IRDA / PFRDA & Companies with Net Worth > Rs.10000 mn : by 01.01.2017

*Phase II :* Corporates With Net Worth between Rs 2000 mn and Rs 10000 mn by Oct 01, 2017

*Phase III :* Between Rs 700 mn and Rs 2000 mn : Dec 01, 2017  
*Phase IV :* Between Rs 700 mn and below by Mar 31, 2018.

### Bank Borrowers:

In the Oct 2017, RBI had indicated that LEI system for all borrowers of banks having total fund based and non-fund based exposure of Rs.5 crore and above will be introduced. To start with, large corporate borrowers having total exposures of Rs.50 crore and above are to obtain LEI as per the schedule given below. *Borrowers who do not obtain LEI as per the schedule are not to be granted renewal / enhancement of credit facilities.* For borrower of Rs. 5 crore and upto Rs.50 crore RBI shall issue directions later on.

### Time line for borrowers to obtain LEI code:

Borrowers with fund and non-fund based exposure of :

- 1) above Rs.1000 cr by Mar 31, 2018
- 2) between Rs.500 cr and Rs.1000 cr by Jun 30, 2018
- 3) between Rs.100 cr and Rs.500 cr by Mar 31, 2019
- 4) between Rs.50 cr and Rs.100 cr by Dec 31, 2019.

Banks should encourage large borrowers to obtain LEI for their parent entity as well as all subsidiaries and associates.

**LEI from where?** LEI can be obtained from LOUs accredited by GLEIF. In India, LEI code may be obtained from Legal Entity Identifier India Ltd (LEIIL), a subsidiary of the Clearing Corporation of India Limited (CCIL), which has been recognised by RBI as issuer of LEI under the Payment and Settlement Systems Act, 2007 and is accredited by the GLEIF as the Local Operating Unit (LOU) in India for issuance and management of LEI.

### Validity period of an LEI:

LEI shall be valid for one year after assignment or renewal. It shall be the duty of the entity to apply for renewal of LEI before expiry of the validity.

**Relationship Record:** Relationship Data means collection and reporting of data on Direct and Ultimate Accounting Parent. Data on parent entities is a part of the information that must be provided in order for LEI to be issued or renewed that have or acquire LEI.

The LEI reference data on ownership and corporate hierarchies are essential to achieve one of the key objectives of risk aggregation for the global LEI system. The aim is to have sufficient data to construct a map of the financial network and the complex entity groups which participate in it. By providing information on Parent Entities, it would be possible to construct shareholdings and voting control through the financial group.

### Charges for registering for LEI:

LEI issuance fee of Rs.8260 (including GST) is payable on issuance of LEI code. The annual fee for maintenance and renewal of LEI is Rs.4307 (including GST).

9 6 7 6 0 0 1 0 0 P A M Y B 9 Q B Q 0 2

**Example:** GS1 Germany GmbH, Germany

### Practical Problems based on Banking Ombudsman Decisions

1) The complainant submitted that he had placed FDs with bank held jointly with his brother under 'Either or Survivor' category. He stated that premature payment of his four FDRs was made to the first account holder on the basis of duplicate FDRs which were issued to the first applicant on his request on the ground that the originals were lost. However, the original FDRs remained in the possession of the second account holder (the complainant). Complainant stated that request letter for issuance of duplicate FDRs and Indemnity Bond were signed by the first account holder only. He, further, stated that when he sought a copy of the Indemnity Bond signed by the first account holder from the bank under RTI Act, bank refused to provide the same. During the conciliation meeting, bank admitted that lapses had taken place on part of the bank while issuing duplicate FDRs and making premature payment of the same.

The bank, further, submitted that legal notice to the first account holder was issued and will be followed up by filing a court case. BO observed that premature payment of the four disputed FDRs by bank to the first account holder on the basis of duplicate FDRs issued on the request of only one of the holders and on the basis of indemnity signed by only one of the account holders was not done in good faith and without proper due diligence. It was also not in consonance with banking norms & regulatory guidelines. Therefore, the bank was advised to pay 50% (his share) of the payment made on account of pre-mature redemption of FDRs by the first account holder along with compensation by way of interest for the delayed payment in terms of the existing guidelines and may recover the same from the perpetrator of the alleged fraud. The complainant was also advised to surrender the original FDRs lying in his custody.

2) A co-operative housing society maintaining savings account with a bank complained that its account was 'frozen' and an amount of Rs.15000 was also recovered from the account. The bank advised the society to convert SB account into current account. Even, though the society showed willingness to open the current account, the bank did not accede to the request.

The bank contented that as co-operative housing society cannot open savings bank account and the bank had asked them to open a current account. The bank was asked to give specific comments as to when the co-operative society had agreed to open a current account, why it was not acceded to and a hold was put on the account and Rs.15000 recovered from the account. As the bank could not give any convincing reply it was directed to 'unfreeze' the account and re-credit Rs.15000/- recovered, to its account.

3) The complainant had opened FCNR deposits with a bank along with her husband under 'Either or Survivor' clause. Complainant's husband, one of the directors of a shipping company, was also a guarantor for the various credit facilities granted by the bank. As the company had failed to fetch sufficient business to carry out its commitments, bank had decided to exercise its right of general lien on the deposits and had exercised general lien on complainant's joint FD with E or S clause.

On a scrutiny of bank's reply it was observed that the complainant had no encumbrances and was rightly entitled to the deposit in her individual capacity and hence bank's action in creating a lien was not in order. BO directed the bank to release the lien on the deposit.

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## The Insolvency & Bankruptcy Code 2016

The Insolvency and Bankruptcy Code, 2016 notified on Dec 01, 2016, offers a comprehensive insolvency legislation for companies, partnerships and individuals.

**Insolvency and bankruptcy :** *Insolvency* is failure of a company or LLP to pay due amount of Rs.1 lac or above (Central Govt. can enhance the minimum amount to Rs.1 cr). In case of individuals or partnership the amount is Rs.1000 or above (can be enhanced to Rs.1 lac). On the other hand, the *Bankruptcy* is the legal declaration of insolvency by an adjudicating body (court or tribunal).

### Who can initiate the insolvency resolution process?

The creditors can initiate an IRP at the National Company Law Tribunal (NCLT). The defaulting corporate debtor, its shareholders or employees, may also initiate voluntary insolvency proceedings. These creditors can be:

1. Financial creditors (banks/FIs etc.)
2. Operational creditors (inputs/service providers)
3. Corporate creditors

### Four Pillars under IBC-2016

#### 1) Insolvency and Bankruptcy Board of India (IBBI)

: It is a 10 members Board. It regulates the intermediaries such as Information Utilities & Insolvency Professionals.

#### 2) National Company Law Tribunal and Debt Recovery Tribunals :

These are adjudicating Authorities to take decision on cases referred to them. Civil courts do not have jurisdiction. NCLT will look into cases relating to companies & LLPs and DRT will take up the cases relating to individuals & partnerships.

**3) Information Utilities (IUs) :** These are the entities that will collect, store and disseminate information to facilitate resolution process. National E-Governance Services Limited (NeSL) is the first IU, in India

**4) Insolvency Resolution professionals :** These are professionals who fulfill eligibility criteria under IBC-2016. They prepare insolvency resolution plan and take over management of a company under insolvency resolution process, on interim basis.

### Insolvency resolution process for companies by Financial Creditors

For initiating the insolvency process, the company should have defaulted in payment of due amount. There are two independent stages for resolution: (a) *Insolvency resolution* and (b) *liquidation*.

#### 1. Insolvency resolution process (IRP)

Under IRP, a case can be referred to NCLT by a creditor. If NCLT accepts such application, it imposes moratorium (a calm period) and appoints Insolvency Professional

(IP) when Board of the company is suspended. IP explores the possibility of resolution and constitutes a Committee of Creditors. If NCLT rejects the application, the creditor can rectify the defect within 7 days.

IP collects information from IUs, relating to lenders, terms and conditions of loans, securities etc.

IP is required to prepare IRP for approval of creditors. If approved by 75% of creditors by vote (voting rights are in the ratio of debt), the NCLT passes an order binding the debtor and creditors to the repayment plan.

### Time limits for Insolvency resolution:

NCLT decides about admission of a case within 14 days.

IP is required to place insolvency resolution plan within 180 days. The NCLT can allow extension by 90 days, if 75% creditors by voting, agree. Hence, the total period can be 270 days. In case of small companies with turnover up to Rs.1 cr, the period is 90+45 (135 days).

### 2. Process of Liquidation

A corporate debtor may be put into liquidation in the following scenarios:

- (i) a 75% majority of the creditor's committee decides to liquidate the corporate debtor;
- (ii) the creditor's committee does not approve a resolution plan within 180 days (or within the extended 90 days);
- (iii) the NCLT rejects resolution plan submitted to it; or
- (iv) the debtor contravenes the agreed resolution plan and an affected person makes an application to the NCLT to liquidate the corporate debtor.

On NCLT passing the order of liquidation, a moratorium is imposed on the pending legal proceedings against the corporate debtor, and the assets of the debtor (including the proceeds of liquidation) vest in the liquidation estate.

**Appeal against order of NCLT :** A person aggrieved by order of NCLT can file appeal in Supreme Court within 45 days from date of receipt of order.

**Punishment for malicious initiation of IRP or liquidation process :** Minimum fine is Rs.1 lac and maximum fine is Rs.1 cr.

### Priority of claims

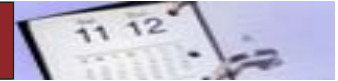
1. The costs of insolvency resolution,
2. Secured debt together with workmen dues for the preceding 24 months.
3. Central and State government dues.
4. Workmen dues, employee dues and other unsecured financial creditors.

**RBI direction on provisioning:** Banks are to make 50% provision on a loan for which IRP is admitted by NCLT. On liquidation order, the provision requirement is 100%.



- SRIKRISHNA PANEL SUGGESTIONS ON DATA PRIVACY:** The Srikrishna Panel was set up on July 31 following a Government decision to make Aadhar compulsory for all its services. The government gave the Panel three months time to suggest a Draft Bill. Now the Panel suggested in a White Paper for setting up a Data Protection Authority, Data Audit, Registration of data collectors, enacting provisions for protecting children's personal information, defining penalties and compensation in case of a data breach. Panel has also suggested that the foreign entity that offers goods or services in the country may be covered under the law. Further the proposed law may not be extended to include data relating to companies and other juristic entities.
- GOVT. TO TAX UNSOLD INVENTORY UNDER REAL ESTATE:** In a bid to curb hoarding of unsold inventory by real estate developers, CBDT is set to tax unsold flats that have been lying with developers for more than a year. Fresh tax would be applicable on such inventories from next financial year. The move would reduce developer's strategy of hoarding constructed property in anticipation of price escalation in future. Tax rate could be anywhere between 8 and 10% of the total value of the property. The tax would be levied on the property that is held under "Stock in Trade" by the developers.
- LOAN POLICY OF ADB TO INDIA:** Multi-lateral Funding Agency Asia Development Bank (ADB) has decided to provide loans up to \$4 billion on annual basis including non-sovereign debt during 2018-22 so as to accelerate inclusive transformation of India. So cumulatively, India, the Largest recipient of ADB, will get about \$20 billion over a period of five years. As part of the country strategy, 2018-22, annual sovereign funding will increase from \$2 billion to \$3 billion while private sector funding would be doubled to \$1 billion.
- SEBI FRAMING ALGO TRADING RULES FOR RETAIL INVESTORS:** SEBI plans to introduce rules on participation of retail investors in algorithmic trading, a system widely regarded as giving its sophisticated institutional practitioners an edge. SEBI is in the process of determining the extent to which individual investors should be allowed to use this automated trading system. Algo Trading uses advanced mathematical models and computer programmes to create nimble trading strategies. Decisions are made and executed in a fractions of a second at magnitudes a human being could not handle. This advantage over manual methods is a

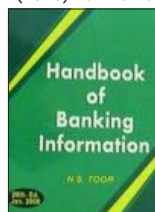
## Financial Events



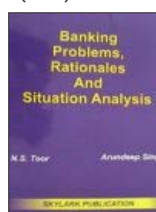
- concern for regulators around the world.
- GOVT SETS UP NATIONAL ANTI-PROFITEERING AUTHORITY:** The Government has set up the National Anti-profiteering Authority amid reports that some companies and particularly restaurants are not passing on the benefit of the GST rates cuts to the consumers. The authority is mandated to ensure that the benefits of input credit and the reduction in GST rates on specified goods or services are passed on to the consumers by way of a commensurate reduction in prices. The Screening Committee is expected to look into complaints of local nature while the Standing Committee would ordinarily enquire into cases of mass impact with All India ramifications.
- CABINET GIVES NOD FOR NATIONAL NUTRITION MISSION:** The Union Cabinet has approved the establishment of a National Nutrition Mission to address serious incidence of malnutrition and stunting among infants in the country. The Nutrition Mission of Rs.9000 Crore will be jointly launched by the Ministries concerned together with NITI Aayog. The Mission has set an ambitious goal of reducing incidence of stunting among children from 38.4% now to 25% by 2022. The Mission is to be launched in January next year and will be rolled out in 162 backward districts in six states initially and will be expanded further to 315 districts in the current financial year. The rest of the country will be covered over the next two years.
- SEBI RATCHETS UP GOVERNANCE**

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**STANDARDS FOR MUTUAL FUNDS:** SEBI has prescribed that directors and auditors of mutual fund companies should rotate every 10 years. Independent directors and independent trustees of MFs can now hold only two consecutive five-year terms. An independent director will be eligible for reappointment after a cooling-off period of three years. Further, Asset Management Company (AMC) should also adopt an auditor rotation policy. No auditor will be allowed to audit an AMC for more than two consecutive five year terms. The auditor will be allowed reappointment after a cooling-off period of five years.

- **SUPREME COURT RULED ON DRT:** (Case-Aggarwal Tracom Ltd. VS. Punjab National Bank) Supreme court has ruled that if there is a dispute between the buyer at the auction of a mortgaged property and the secured creditor, it should be resolved by the Debt Recovery Tribunal (DRT) and not by a High Court.
- **SUPREME COURT RULING ON TAX BENEFIT FOR ADVANCE DEPOSIT:** (Cases of Modipon Ltd. and Paharpur Cooling Towers Ltd) The Supreme Court has ruled that the advance deposit of central excise duty constitutes actual payment of duty within the meaning of Section 43B of the Central Excise Act and therefore the firms are entitled to the benefit of deduction of those amounts. Having regard to the object behind the enactment of Section 43B, the Legislative intent would be achieved by giving benefit of deduction to an assessee upon advance deposit of duty.
- **FBIL ROLLS OUT BENCHMARK RATE FOR MONEY MARKET:** In an Endeavour to introduce a new benchmark that will provide a risk-free reference rate for the money market, Financial Benchmarks India (FBIL) has developed the FBIL-Market Repo Overnight Rate (FBIL-MROR) which will be published on each working day beginning December 12, 2017. The Clearing Corporation of India (CCIL) will be the Calculating Agent for FBIL-MROR.
- **INDIA PLANS GOLD SOURCING STANDARDS:** India is planning its own standards for gold refiners. Guidelines are being worked out on the lines of rules set out by the Organisation for Economic Co-operation and Development (OECD). The OECD guidance is flexible and can be adapted to specific market characteristics in India, as has been done in London, Dubai and China. This flexibility includes adapting approaches to build on existing checks on imports of bullion and gold dore.
- **FINMIN TO FRAME A COMMON SET OF RULES FOR VALUATION OF STRESSED ASSETS:** The Finance Ministry is working with state-run lenders to frame a common set of rules for valuation of stressed assets for faster resolution of loans extended by a consortium of multiple lenders. In case of joint lending, banks are unable to arrive at a common valuation, which stalls the resolution process. Further individual banks also fear that if they agree to a certain haircut, it may not stand

the scrutiny of vigilance agencies.

- **HIGHER EXPORT RELIEF UNDER FTP 2015-20:** Mid-term review of the Foreign Trade Policy (FTP) 2015-20 has brought in additional relief worth Rs.8450 Crore annually for the labour intensive and micro, small and medium enterprises (MSME) sectors. Merchandise Export from India Scheme incentives increased by 2% for labour-intensive/MSME sectors. Services Export Incentive Scheme incentives also increased by 2% for select sectors. Validity of scrips under the incentive schemes increased from 18 months to 24 months. GST rates on transfer/sale of scrips reduced to zero. Further self-declaration has also been allowed for duty-free inputs for export production.
- **CANARA HSBC LIFE BEGINS VIDEO SERVICE FOR RTCE:** In a first for the life insurance industry, Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd. has come up with a video service that seeks for Real-Time Customer Engagement (RTCE). Under the video service, a customer can go to the website of the company and click on the video service icon to directly engage with the company for various service requests. This will be like Facetime and WhatsApp video. A lot of customers prefer looking at the face of a company representative than interact only via voice. This will be real-time video engagement.
- **SEBI FOR ONUS ON RATING AGENCIES TO REVEAL LOAN DEFAULTS:** In a substantial dilution of its earlier stand that listed companies should make public any loan default within 24 hours of missing the repayment obligation, SEBI is now working on a new disclosure framework which could put the onus on Credit Rating Agencies to recognise payment defaults. The move is meant to ease the concerns raised by India Inc and banks against SEBI's earlier circular which has been withdrawn.
- **RBI CAUTIONS INVESTORS ON RISKS IN CRYPTOCURRENCIES:** RBI has cautioned Bitcoin and other cryptocurrency enthusiasts that they face

potential risks, including financial, legal and those related to customer protection. RBI said that it has not given any licence or authorisation to any entity to operate schemes or deal with bitcoin or any virtual currency. The statement has been issued by RBI in the wake of a significant spurt in the valuation of virtual currencies and rapid growth in the Initial Coin Offerings.

- GOVT. PANEL FOR RELIEF TO STRESSED ASSET BUYERS:** A Government-appointed Panel is planning to recommend amendments to the Insolvency and Bankruptcy Code (IBC) by which the buyers of stressed assets may get exemption from paying the minimum alternate tax (MAT) and the need for getting approval from the Competition Commission of India. Doing away with the approval process completely might lead to one player exploiting its dominant position in the market, at the same time delay because of the approval process can be avoided.
- RBILAUNCHES HELPLINE AGAINST PRIZE FRAUDS:** Taking the fight to the arena used by fraudsters promising prize money from RBI, now the Banking Regulator itself has launched an SMS Campaign and a “Missed Call” Helpline to warn people against such scams. Typically, such fraudsters make calls or send SMSs and emails to gullible people promising lotteries and prize money from RBI-at times from the RBI Governor himself-to trap them into sharing their banking account details or paying some “fees or charges” to get the money.
- GOVT. ISSUES WIND AUCTION GUIDELINES:** The Power Ministry has issued the guidelines for the Wind Power Projects. As per guidelines, the Project secured through auctions should have a minimum size of 25MW if it supplies power to one state and 50 MW if it supplies to more than one state. Further, wind energy projects should have a minimum capacity utilisation factor (CUF) of 22% and will be penalized if they fall below that mark. If the CUF is higher than specified in the bid document, the excess power will be paid for by the buyer at 75% of the tariff decided.
- MFIN SETS UP EMPLOYEE BUREAU:** Microfinance Institutions Network (MFIN), a self-regulatory body of Microfinance Institutions (MFIs), has launched an Employee Bureau in association with Global Information Solutions Company Equifax. The bureau will help in maintaining a database containing details of staff, which would help MFIs improve the quality of hiring practices with better past-employment checks. The database is expected to be comprehensive, having information across the hierarchy of MFI

members.

- GOVT. PROPOSAL ON REPLENISHING CASH IN ATMs:** Concerned over attacks on cash carrying vans, the government has proposed that ATMs should not be replenished with cash after 9PM in cities and private cash-transportation agencies must collect money from banks in the first half of the day. The deadline for putting money in ATMs in rural areas would be 6PM and 4PM in Naxal-affected districts. Also, specially designed cash vans, fitted with CCTVs and GPS must not carry more than Rs.5 Crore per trip. Nearly 8000 private vans ferry around Rs.15, 000 Crore daily between banks, currency chests and ATMs across the country.
- GOVT. INITIATES SURVEY ON JOBS UNDER MUDRA:** Under attack from opposition on the lack of growth in employment opportunities, the Government has tasked the Labour Bureau to ascertain the number of jobs created under MUDRA Scheme. This is a rare instance when the government has commissioned a survey on its own scheme. Present surveys which have shown a declining trend in job creation recently, were not able to access the employment generated through Government schemes.
- SUPREME COURT EXTENDS AADHAR LINKING DEADLINE:** Supreme court has extended the deadline for Aadhar-bank linkage to March 31, 2018, but only for Non-Aadhar holders opening new bank accounts. The Non-Aadhar holders have time till March 31 to enrol for Aadhar and produce it before the bank authorities. During the interim,

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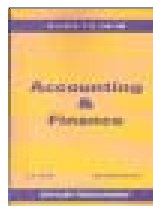
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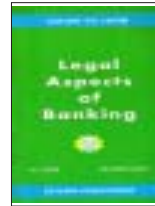
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they can furnish their Aadhar enrolment application. This is an interim arrangement. Meanwhile, the Constitution Bench extended deadline for mobile phone-Aadhar linkage from Feb 6 to Mar 31, 2018.

- **UNION CABINET APPROVES TO AMEND NEGOTIABLE INSTRUMENTS ACT:** The Union Cabinet has approved to amend the Negotiable Instruments Act. The amendment will allow a court to order interim compensation to the payee of a cheque, a part of the amount at the trial stage itself. If the drawer is acquitted, the court may direct the payee to repay the amount paid as interim compensation with interest. Similarly, appellate courts will be enabled to order the appellant to deposit a part of the compensation awarded by the trial court at the time of filing appeal.
- **GOVT. TO REIMBURSE MDR TO PROMOTE DIGITAL TRANSACTIONS:** The Union Cabinet has cleared the way for the Government to bear the transaction cost of a merchant for payments made to it on all debit cards, BHIM UPI and Aadhar-enabled Payment System (AePS) transactions, provided the transactions are up to Rs.2000. For two years starting January 1, the Government will reimburse Merchant Discount Rate (MDR)- to banks. The Centre estimates that it will reimburse MDR of about Rs.1050 Crore in 2018-19 and Rs.1462 Crore in 2019-20.
- **PARLIAMENTARY JOINT COMMITTEE ON FRDI BILL:** The Financial Resolution and Deposit Insurance (FRDI) Bill was introduced in Parliament on the last day of the previous session. This bill is now before the Joint Committee of Parliament. With the FRDI Bill indicating that depositors' monies could be used for "bail-in" of failing banks, the bill has created widespread fear, apprehension and panic amongst depositors. The apprehension is that deposits in banks would not be returned because of the "bail-in" clause in the Bill. Now the Joint Committee has sought extension of the deadline for submission of its report to the last date of the 2018 Budget Session which has been acceded to by the Lok Sabha Speaker.
- **GRATUITY AMENDMENT BILL INTRODUCED IN LOK SABHA:** The Government has introduced a Bill in the Lok Sabha that will empower it to notify a higher period of maternity leave and raise gratuity limit for employees. The gratuity limit for private sector is expected to be raised to Rs.20 Lakh from existing Rs.10 lakh in line with that in

the government sector. Further, maternity leave period for female employees is to be extended from existing 12 weeks to 26 weeks.

- **GOVT. OFFERS ONE-TIME SETTLEMENT TO COMPANIES OF DEBARRED DIRECTORS:** The Ministry of Corporate Affairs has announced a One-time Settlement Scheme for companies in which over three lakh directors were debarred/disqualified from their boards. The directors had been penalized after it was found that their companies had not filed annual returns and financial statements with the ROC for three consecutive years. The Scheme called "Condonation of Delay Scheme 2018" will open on January 1, 2018 for a period of three months. The Scheme intends to give an opportunity for non-compliant, defaulting companies to rectify the default. The scheme will allow defaulting companies to submit all documents that were due for filing till June 30, 2017. A fee of Rs.30000 will be charged for condoning the delayed filing of the documents.
- **RBI PLACED BANK OF INDIA UNDER PCA FRAMEWORK:** RBI has placed Bank of India under the "Prompt Corrective Action" (PCA) Framework following an on-site inspection under the Risk Based Supervision Model carried out for the year ended March 2017. This action is in view of high net NPA, insufficient CET-1 capital and negative ROA for two consecutive years. As of March-end, Bank of India had net NPA (NNPA) of 6.90%, Common Equity Tier-1 (CET-1) capital of 7.17%, and Return on Average Assets (ROAA) of -0.24% (in FY17) and -0.94% (in FY 16). According to the revised Framework of RBI, banks with weak balance sheets may be subject to among other things, resolution processes such as amalgamation, reconstruction, winding up or mandatory actions such as restriction on management compensation and director's fees.
- **PSBs NOT MEETING PERFORMANCE STANDARDS NOT RECEIVED GOVT. CAPITAL INFUSION:** The Centre did not release around Rs.6500 Crore to 13 Public Sector Banks (PSBs) in 2016-17 under the Indradhanush Plan as none of the banks met performance standards. The Government had allocated a sum of Rs.22,915 Crore in 13 PSBs during the financial year 2016-17 under the first tranche of capital infusion out of which a sum of Rs.16,414 Crore (75%) was infused upfront. The remaining amount of Rs.6500 Crore was supposed to be infused based on meeting the performance standards. According to the Indradhanush Plan, the performance standards included efficiency of capital use, growth of both credit and deposits and reduction in operation cost.



## GENERAL AWARENESS

- Govt announced setting up 15<sup>th</sup> Finance Commission which is to be headed by- **NK Singh, Former Revenue Secretary.**
- 95% of Telecom Revenues is controlled by only Big Three Telecom Players- **Bharti Airtel, Vodafone-Idea Cellular and Reliance Jio.**
- South Africa's Demi-Leigh Nel Peters has been crowned as- **Miss Universe 2017.**
- City where Global Entrepreneurship Summit 2017 inaugurated by PM Narendra Modi on 28<sup>th</sup> November- **Hyderabad.**
- Seventh City for which PM Modi inaugurated Metro Rail System- **Hyderabad.**
- Transfer of debt by a related party to a non-related party can not dilute voting rights of creditors during resolution process- **NCLT.**
- Jaipur-based Woman Entrepreneur Ajaita Shah with a focus on "Solar Technology" won- **Global Innovation Competition Championship.**
- Currency Note which has become 100 Years Old on 1<sup>st</sup> December- **Rs. One Note.**
- The Most Searched Personality and winning Yahoo's People's Choice Award for Personality of the Year 2017- **Prime Minister Narendra Modi.**
- India has been re-elected to the Council of- **International Maritime Organisation.**
- Bank which has successfully executed overseas transactions using Block-Chain Technology- **South Indian Bank.**
- Academy, a deemed-to-be University, which is the Highest Ranked Private University in India in the QS World Rankings- **Manipal Academy of Higher Education.**
- Centre for Excellence in Floriculture, which is to be set up in Tamilnadu by India and Israel- **First Agro-Technology Development Centre.**
- Magazine in which Indo-American Congress-woman Pramila Jayapal has been featured for having assumed the mantle of a House "Leader of the Resistance" - **Politico Magazine's "Power List for 2018".**
- Country which has been banned by the Olympics Body from 2018 Winter Games over doping- **Russia.**
- According to data released by Twitter, Prime Minister Narendra Modi has emerged after US President Trump as- **"Most Tweeted-About World Leader".**
- Bank which has launched a Digital Service to allow customers to open a PPF account Online- **ICICI Bank.**
- "Kumbh Mela" which is the Largest Peaceful Congregation of Pilgrims on Earth has got- **UNESCO's Intangible Status.**
- A Public Procurement Portal which has been launched by the govt. to monitor the implementation of the public procurement from MSMEs by CPSEs- **MSME Sambandh.**
- Railway Station which has earned the distinction of being the First Energy-Efficient "A1 Category" in the country- **Kacheguda Rly. Station(South).**
- Govt. extended the deadline by

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three months to March 31, 2018 for - **Mandatory Linking of PAN with Aadhar.**

- Index according to which India has been ranked at 109 in Mobile Internet Speed and 76<sup>th</sup> in Fixed Broadband Globally- **Ookla's Speedtest Global Index.**
- Company which has become the First to cross the date for accepting Resolution Plans from prospective bidders among 12 large corporate defaulters referred by RBI for insolvency proceedings- **Monnet Ispat & Energy.** India is the First Country where the Bank, which has committed more than \$1 billion of financing- **Asian Infrastructure Investment Bank.**
- Bank which has been placed by RBI under Prompt Corrective Action Framework in view of high NPAs- **Corporation Bank.**
- Uttar Pradesh Election ranked 4<sup>th</sup> position after French, German and UK Elections in- **Top Global Google Election Searches.**
- India's First Scorpeneclass Submarine, which has been commissioned by PM Modi describing it as a "Prime Example of Make in India"- **INS Kalvari.**
- National Vehicle Registry Website which contains data listed with all the Road Transport Authorities in the Country- **VAHAN.**
- Oxford's International Word of the Year 2017- **Youthquake.**
- Tribunal in which since the enactment of Bankruptcy Code, 2434 new cases have been filed- **National Company Law Tribunal.**
- A Guinness World Record set in France for Wedding Dress measuring over 8095 metres long- **World's Longest Wedding Dress.**
- One-time Settlement Scheme, which has been announced by the government to the companies in which over three Lakh directors were disqualified – **Condonation of Delay Scheme 2018.**
- City which ranks 7<sup>th</sup> in Most Expansive Office Locations List in the world- **Delhi.**
- Country which has pitched for India's Global Power Status as it unveiled its new National Security Strategy- **USA.**
- Nine-member Panel to be headed by Principal Chief Commissioner-rank Officer constituted by CBDT to submit report by Feb.28, 2018 on- **Faceless and Nameless E-Assessment.**
- Two more Banks which have been placed under "Prompt Corrective Action" (PCA) Framework by RBI- **Bank of India and United Bank of India.**
- To bring Indian Business Schools on par with Global Standards, FICCI has launched- **Business School Ratings.**
- A Bankruptcy Case which has become First to close post IBC Ordinance- **JEKPL Pvt. Ltd.**
- Ten Banks –IOB, Dena Bank, Corp. Bank, CBI, IDBI Bank, UCO Bank, United Bank of India, BOM, OBC and BOI have been

placed by RBI under- **PCA Framework.**

- Bollywood Actor who has once again topped the Forbes' Annual List of the Highest-earning Entertainers in the Country- **Salman Khan.**
- Aircraft AG600 which took-off in China on 24<sup>th</sup>- **World's Largest Amphibious Aircraft.**
- While India ranked 4<sup>th</sup> in newly opened Innovation Hubs during 2017 in the World, it ranked 2<sup>nd</sup> in Asia for- **Innovation Centres.**
- An Online platform which has been launched for Central Government Employees to access their service-related information- **E-HRMS.**
- Online Course Portal which is to be offered by HRD Ministry to offer nearly 300 online courses in Hindi and 10 other Indian Languages- **SWAYAM Portal.**
- Logo which Bengaluru City has got and becomes First City to have its own Identity on the Global Stage – **"Bengaluru-BeU"**
- Countries, which lured foreign workers with the promise of "Tax-Free Life-Style", plan to impose 5% Tax on goods and services to boost revenue after Oil prices collapsed- **Saudi Arabia and UAE.**
- Amazon Founder Jeff Bezos with Net-worth of \$99.6 billion replaced Microsoft Founder Bill Gates with net-worth of \$91.3 billion and ranked- **World's Wealthiest Person.**
- S&P, Moodys' and FITCH , three Rating Agencies which dominate the business are- **World's Largest Credit Rating Agencies.**
- Govt. has scrapped its previous directive to State Oil Companies to raise the price by Rs.4 every month on- **Subsidised Cooking Gas Cylinders.**
- An amount of Rs.7577 Crore pumped by Govt. in six Public Sector Banks-BOI, IDBI, CBI, BOM, Dena Bank and UCO Bank by way of- **Capital Infusion.**
- To promote Indian Engineering Goods Globally EEPC launched –**E-Catalogue.**
- Controversial Bansali's Film whose release prospects brightened with approval of Central Board of Film Certification having five modifications and Title to be changed from- **Padmavati to Padmavat.**



## MOCK-TEST PAPER

### Questions on Latest RBI Policy

- 01** According to Section 215 of Insolvency and Bankruptcy Code (IBC), 2016, a financial creditor like a bank, is required to submit financial information and information relating to assets in relation to which any security interest has been created, to :
- Reserve Bank of India
  - Information Utilities
  - Financial Intelligence Unit-India
  - Credit Information Companies
- 02** The Insolvency and Bankruptcy Board of India (IBBI) has appointed as the first Information Utility under the IBBI (IUs) Regulations, 2017.
- Legal Entity Identifier India Limited
  - CERSAI
  - National E-Governance Services Limited
  - CIBIL
- 03** Under Insolvency and Bankruptcy Code 2016, for insolvency resolution, the default amount should be minimum:
- Rs.100000
  - Rs.200000
  - Rs.500000
  - Rs.1000000
- 04** Under Insolvency and Bankruptcy Code 2016, for insolvency resolution, the case can be filed with:
- Distt. Court
  - High Court
  - Debt Recovery Tribunal
  - National Company Law Tribunal
- 05** There are 4 pillars under Insolvency and Bankruptcy Code

2016. Which of these has not been stated correctly.
- Insolvency and Bankruptcy Board of India
  - National Company Law Tribunal
  - Credit Information companies
  - Insolvency Resolution Professionals
- 06** Under Insolvency and Bankruptcy Code 2016, what is the time limit available with the financial creditor to take a decision on insolvency resolution plan, with permission from NCLT?
- 90 days
  - 180 days
  - 270 days
  - 360 days
- 07** For making a reference to NCLT under Insolvency and Bankruptcy Code 2016, what %age of creditor should give their consent:
- 50% creditor by voting right
  - 75% creditor by voting right
  - 75% creditor by value
  - 50% creditor by value
- 08** Under Insolvency and Bankruptcy Code 2016, if a case is referred to NCLT and the creditors do not take any decision on the resolution plan, what is further course of action?
- NCLT will reject the case
  - NCLT will order the liquidation
  - Case will be referred to High Court
  - Case will be referred to Supreme Court
- 09** What is the limit for investment by Foreign Portfolio Investors for the quarter January – March 2018 for investment Central

Government Securities?

- INR 64 billion
  - INR 58 billion
  - INR 55 billion
  - INR 49 billion
- 10** What is the limit for investment by Foreign Portfolio Investors for the quarter January – March 2018 for investment in State Development Loans (SDLs)?
- INR 64 billion
  - INR 58 billion
  - INR 55 billion
  - INR 49 billion
- 11** What is e-Kuber?
- digital payment system operated by Mumbai Stock Exchange
  - digital payment system operated by Stock Holding Corporation of India
  - digital payment system operated by RBI
  - payment and settlement system operated by Clearing Corporation of India
- 12** The maximum merchant discount rate (MDR) for small merchants at physical POS can be 0.40% with a maximum of:
- Rs.100
  - Rs.200
  - Rs.500
  - Rs.1000
- 13** The maximum merchant discount rate (MDR) for other merchants at physical POS can be 0.40% with a maximum of:
- Rs.100
  - Rs.200
  - Rs.500
  - Rs.1000
- Recalled Questions**
- 14** The borrower wants to appeal

**Disclaimer :** We have taken every care to provide information, we believe to be accurate and reliable and do not assume responsibility of any kind nor shall be liable for losses & consequence arising from use thereof. Since this information is based on the published reports mostly, correctness or otherwise thereof may be verified by the user with the original sources, in advance. ....*Editor*



We strongly believe that the subscribers are the best consultants, we have. Based on their feed back, we keep on redesigning and restructuring this publication. Kindly send your suggestions and views.

- against the order of Debt Recovery Tribunal under SARFAESI Act to DRAT. It can do so:
- within 30 days of date of order
  - within 45 days of date of receipt of order
  - by depositing 50% of the amount of decree issued by DRT
  - by depositing 75% of the amount of decree issued by DRT
- 15** A cheque is presented in the account of Mr. X, but meanwhile a garnishee order is received. On receipt of garnishee order, on account of a customer, what is status of liability of the bank to pay the cheque ?
- Stops operations in the account
  - Loses the right of set off.
  - Bank is discharged from the liability to honour the cheque issued by the customer
  - None of the above.
- 16** Which of the following narration to the LORO account matches:
- our account with you
  - your account with us
  - their account with them
  - their account with us
- 17** Mr. Ashok Rahi had obtained a fixed deposit from India Bank Limited for Rs.50000 for 2 years which have passed 4 months back. When Mr. Ashok Rahi demanded the payment from the bank on Sept 12, 2005 after maturity, the bank could not locate the records. What is the limitation period during which the customer can file suit to recover the amount from bank?
- there is no limitation period in case of deposits and these can be claimed any time
  - the limitation period is three years from date of expiry of the fixed deposit receipt.
  - the limitation period begins from date of the term deposit and is three years
  - the limitation period runs from date of demand of the money and is three years
  - a to c
- 18** Why banks do not issue demand drafts payable to bearer on demand?
- such instrument will become currency or bank notes and that will confuse the general public
  - circulation of such instrument may become instrumental in increasing the frauds
  - such instruments cannot become legal tender
  - in India only RBI and Central Govt. can issue bearer bill of exchange
- 19** As per KYC guidelines of RBI, the customers are categorized into \_\_\_\_\_ categories which are:
- 2, high risk, low risk
  - 2, low risk, medium risk
  - 3, high risk, medium risk, low risk
  - 4, very high risk, high risk, medium risk and low risk
- 20** Reply is required to be given under Right to information Act in maximum within \_\_\_ days:
- 10 days
  - 15 days
  - 20 days
  - 30 days
- 21** In a foreign letter of credit, the date for shipment is stated as 'on and about' 25<sup>th</sup> January 2016:
- Shipment has to be made by 25<sup>th</sup> Jan 2016 only
  - the word 'around' will be ignored
  - shipment can be made 5 working days before or after
  - shipment can be made 5 calendar days before or after
- 22** A farmer who has not raised crop loan from the bank, wants loan against agricultural produce stored in a warehouse, before its marketing. What is the maximum amount of loan that banks can allow:
- Rs.5 lac
  - Rs.10 lac
  - Rs.15 lac
  - Rs.50 lac
  - loan cannot be allowed
- 23** What is the margin % for advances against shares in demat format:
- 25% for all
  - 40% for all
  - 50% for companies
  - 40% for individuals
  - 50% for all
- 24** What is true regarding the ownership and possession of security in respect of pledge, hypothecation and mortgage.
- in all these cases, the possession is with bank and ownership with borrower
  - the ownership is with owner in all cases, but possession is with bank for pledge and with borrower for others
  - the ownership is with owner in all cases, but possession is with bank for pledge and hypothecation and with borrower for mortgage
  - the ownership is with owner in all cases, but possession is with bank for pledge and mortgage and with borrower for hypothecation
- 25** The term 'core capital or going concern capital' in the context of Basel 3 represents which of the following:
- paid up capital and reserves
  - Tier I capital funds
  - Tier II capital funds
  - Total capital funds comprising Tier 1, Tier II and Tier III
- 26** In the balance sheet of a company, the income accrued and not received is shown as:
- current liability
  - net worth



- c current asset  
d non-current asset  
e net profit
- 27 Payments Banks are restricted to hold a maximum balance of Rs. \_\_\_\_\_ per individual customer.
- a Rs.10000  
b Rs.50000  
c Rs.100000  
d Rs.200000
- 28 An FD is in A and B's name payable to either or survivor. On maturity date A comes to bank for payment with original FDR. Legal heirs of B inform that they have filed suit in court. A copy of plaint is submitted by them:
- a Bank will pay to A because it is payable to either or survivor  
b Bank will wait for court's decision  
c Bank will pay 1/2 share and the balance will be decided on court decision.  
d bank will pay to the survivor on the basis of an indemnity bond
- 29 On domestic rupee savings deposits, banks can pay differential rates of interest for any end-of-day savings bank balance \_\_\_\_:
- a of Rs.1 lac and above  
b exceeding Rs.1 lac  
c of Rs.15 lac and above  
d exceeding Rs.15 lac
- 30 A minor gives guarantee to secure a loan given to his mother (borrower). On attaining the majority he undertakes that he would continue to be liable on the guarantee. If the loan becomes, NPA, bank can recover the outstanding loan amount from:
- a borrower and guarantor any one  
b borrower only  
c guarantor only  
d bank cannot recover from any one because a non-competent person is party to the transaction.
- 31 Pre-operative expenses are shown in the balance sheet of a firm, as
- a current liabilities  
b intangible assets  
c current assets  
d non-current assets  
e part of the net-worth
- 32 What enables computers to interact with other network/computer through telephone lines:
- a internet connection  
b mouse  
c modem  
d monitor
- 33 Which among the following represents reverse repo transaction:
- a sale and purchase of govt. securities by RBI  
b Purchase of govt. securities by banks  
c sale of govt. securities by banks  
d sale of govt. securities by RBI i.e. absorption of liquidity  
e sale of govt. securities i.e. injection of liquidity
- 34 United Bank had granted a loan of Rs.12 lac under its housing finance scheme for construction of a house to Mr. Atul Ghosh, by mortgaging the house. On repayment of the loan the bank had shown its inability to release the mortgage. Under which of the following rights, Mr. Ghosh can force the bank to release the mortgaged property?
- a right of appropriation  
b right of set off  
c right of subrogation  
d right of foreclosure  
e right of redemption
- 35 Banks can include \_\_\_\_\_ as part of their Tier 1 capital at 55% discount:
- a subordinated debt  
b perpetual non-cumulative preference shares  
c revaluation reserves  
d general provisions and loss reserves
- 36 In which of the following the garnishee order is applicable:
- a overdraft shown by the SB account  
b term deposit in the joint name of A & B (F/S) while the order is in A's name  
c credit balance in cash credit account  
d balance in the account of the

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- director while the order is in company's name.
- 37 In the balance sheet of a bank, the guarantee is shown as \_\_\_\_\_ :
- contingent liability
  - Current liability
  - footnotes as notes on accounts
  - not reflected in the balance sheet
- 38 Your branch opens an account in the name of joint trustees. You receive an information that one of them has died. In such circumstances:
- Bank account will be operated upon by surviving trustees.
  - Bank will permit operations as mentioned in the trust deed
  - Surviving trustees can operate the account if bank permits.
  - surviving trustee will get all powers to operate the account
- 39 Where a suspicion of fraudulent activity is thrown up by the presence of one or more Early Warning Signals in a loan account, it is called:
- willful default account
  - red-flagged account
  - non-cooperative borrower account
  - special mention account
- 40 What is the minimum and maximum period for which a fixed deposit receipt is generally issued by banks?
- 15 days and 10 years

- 7 days and 10 years
  - 10 days and 10 years
  - 7 days and 5 years
  - discretion of the bank
- 41 A cheque crossed specially is presented for payment at the counter of the paying branch by the bank in whose favour it is crossed
- The drawee bank should make the payment because the payment is being made to the bank in whose favour special crossing has been made
  - The drawee bank should refuse the payment
  - The drawee bank should advise the collecting banker to present his cheque through clearing house
  - Being a crossed cheque, payment cannot be considered in due course.
- 42 A micro enterprise firm availing working capital limits is having a current ratio of 2.5:1 and a debt equity ratio of 0.3:1 only. What do these ratios indicate:
- liquidity position is satisfactory
  - long term solvency is unsatisfactory
  - the firm will not be able to meet its liabilities
  - the financial management needs to be improved for optimum utilisation of available resources
  - liquid assets are being used by the firm very efficiently

- 43 The capital market instruments that combine certain characteristics of equity and certain characteristics of debt, are called
- subordinated loans
  - Debentures
  - hybrid debt capital instruments
  - bonds
- 44 To calculate Net NPA, which of the following is required to be deducted from Gross NPA (a) balance in suspense accounts (b) DICGC/ECGC claims received and held pending adjustment (c) part payment received and kept in suspense account (d) Total provisions held
- a to d all
  - a, b and c only
  - b, c and d only
  - c and d only
- 45 In a firm of PQR, P and Q has the authority to operate the account. R also wants to operate this account:
- mandate from all is required
  - mandate from P and Q is required
  - no objection is required from P and Q
  - Request from R is enough
- 46 Which of the following alterations is not a material alteration:
- Converting order to bearer cheque
  - Cancelling crossing of a cheque
  - Changing payee's name
  - crossing an uncrossed cheque
- e: a to c

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Answers				
01 b	02 c	03 a	04 d	05 c
06 b	07 b	08 b	09 a	10 b
11 c	12 b	13 d	14 c	15 c
16 c	17 d	18 d	19 c	20 d
21 d	22 d	23 a	24 b	25 b
26 c	27 c	28 a	29 b	30 b
31 b	32 c	33 d	34 e	35 c
36 c	37 a	38 b	39 b	40 b
41 a	42 d	43 c	44 a	45 a
46 d				

## Bitcoin - A cryptocurrency

The currency can be a Metal currency (coins), Paper currency (bank notes), Plastic currency (debit cards) or Cryptocurrency. Bitcoin is a Cryptocurrency. Other cryptocurrencies are Ethereum, Ripple, Litecoin etc. (collectively called Altcoin).

**What is a Cryptocurrency?** It is a digital money system designed to make monetary transactions secure by use of Cryptography. *It is process of converting legible information into an almost uncrackable code, to track the transactions.* Such currencies are created and stored electronically in the *block-chain*.

### Features of cryptocurrency including Bitcoin:

- 1) It is not backed by underlying assets. Hence it has no intrinsic value.
- 2) It has no physical form and exists in network only.
- 3) It is not issued or regulated by a Monetary Authority & network is decentralized.
- 4) It can be used like a paper currency to buy goods and services.

**Why cryptocurrency :** Creation of a currency not controlled by govt. or businesses, that a user could trade globally with no cost and without having to reveal his/her identity.

**Origin of Bitcoin :** In Aug 2008, domain name "bitcoin.org" was registered. The word *bitcoin* was defined in a white paper published on 31 Oct 2008 by Satoshi Nakamoto (an anonymous person or persons). In Jan 2009, the Bitcoin network started functioning when Satoshi Nakamoto mined first block. The receiver of first Bitcoin was a Hal Finney.

### Features of Bitcoin:

**How it is used?** The bitcoin network is a peer-to-peer network and the payments and receipts happen directly without any intermediary. In case of other currencies an intermediary like a bank also participates.

**Verification of transactions:** The transactions in bitcoin are verified by the bitcoin network computers and then recorded in a public ledger, called Blockchain.

**What is blockchain?** Blockchain is a distributed database. It enables independent verification of chain of ownership of all Bitcoin transactions. Whenever a Bitcoin transaction takes place, its detail is broadcast over the Bitcoin network. Each network computer stores its own copy of the blockchain. Every peer has a record of complete history of all transactions and balance of every account, in the block chain.

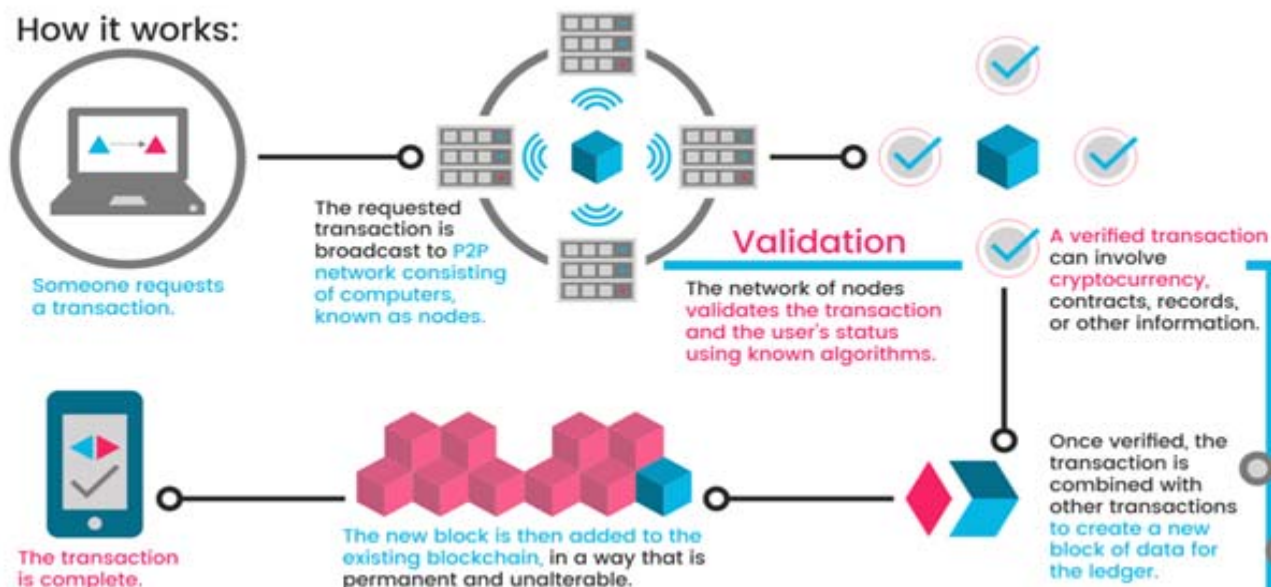
**Ownership:** Bitcoins are registered as bitcoin address in the block chain. For spending bitcoin money, owner needs corresponding private key and sign the transaction digitally.

**Volume of bitcoin :** As per Bitcoin code, there is a limit to issue only 21 million Bitcoins. According to current estimate, the bitcoin mining will last till the year 2140 AD only.

**Mining and creation of Bitcoin:** The process of creating bitcoins is called mining. Miners are members of public with skills to handle complex computers. They have a financial incentive (to earn Bitcoins) for helping to validate and timestamp, the transactions.

Image source: <https://blockgeeks.com/guides/what-is-cryptocurrency/>

### How it works:



The miners use the high-powered computer software, to solve complex mathematical algorithms (puzzle) and verify them, to make the Blockchain more secure. The level of difficulty of the puzzle is very high. It takes lot of time & effort to solve a puzzle. The miners compete to solve these problems and the first person who submits the solution, is the winner and receives a reward of a specific number of bitcoins.

**Where to get bitcoins?** Bitcoins are available from a) Bitcoin exchanges, b) Purchase from other users and c) By mining.

**Bitcoin Units:** The unit is Bitcoin represented as BTC and XBT. Small amounts of bitcoin are millibitcoin (mBTC) and satoshi. The smallest amount within bitcoin system is 0.00000001. A millibitcoin is equal to 0.001 bitcoin.

### Properties of Bitcoin transactions:

- 1) Transaction is irreversible when it is confirmed within Bitcoin network.
- 2) Bitcoins are received on an address (it is randomly seeming chain of around 30 characters). Transactions and accounts are not connected to real-world identities.
- 3) Transactions are on global basis. These are confirmed within few minutes
- 4) Funds are locked in a public key cryptography system. As a result, the transactions are secure.
- 5) Anyone can install the software and can start receiving or sending Bitcoins. No permissions are required.

**Value of Bitcoin :** The value of Bitcoin depends upon demand and supply position. During December 2017, it was quoted around \$17000.



## Emerging Issues in Indian Banking Sector in 2018

In its Report on Trend & Progress of Banking, RBI spelt out the emerging issues before banks in India. A summary of these issues, is provided.

### Stressed Assets and Strengthening of Banks' Balance Sheets

The enactment of the Insolvency and Bankruptcy Code (IBC), 2016 is likely to be effective in resolution of stress in balance sheets of banks and corporations in a time-bound and effective manner. RBI's pre-emptive approach to recognition and resolution of incipient financial distress and the revised system of prompt corrective action (PCA) triggered in April 2017 are intended to instill confidence in the system that accumulation of excessive financial imbalances in the future will be prevented.

**Consolidation of PSBs and recapitalization :** The Government's in-principle approval in August 2017 for the consolidation of PSBs through an 'Alternative Mechanism' and the massive recapitalisation plan for PSBs announced in October 2017 as part of a comprehensive strategy to address banking sector challenges should make them strong and competitive as they gear up, to meet the credit needs of a growing economy.

**Public Credit Registry (PCR) :** RBI constituted a Highlevel Task Force on PCR (Chairman : Shri Yeshwant M. Deosthalee) to address information asymmetries that create opacity in credit markets, hindering efficient credit decisions, impeding effective riskbased supervision and excluding the financially disadvantaged. It will give recommendations for developing a transparent, comprehensive and near real-time PCR for India.

**Implimentation of International Financial Reporting Standards (IFRS) :** In India, the need for uniformity in identification of non-performing assets at system level has imparted urgency to the institution of the IFRS converged Indian accounting standards (Ind AS). Banks are required to make provisions for expected credit loss from the time a loan is originated, rather than waiting for 'trigger events' to signal imminent losses. Recognising and providing for actual and potential loan losses at an early stage in the credit cycle could potentially reduce procyclicality and foster financial stability. As overall provisions are expected to increase significantly on initial application of Ind AS wef April 1, 2018, RBI introduced a transitional arrangement, consistent with the Basel Committee provisions, to give banks time to build their capital.

**Promoting Differentiated Banking :** With differentiated banks such as small finance banks and payments banks commencing operations in 2016-17, RBI has started exploring the scope of setting up wholesale and long-term finance (WLTF) banks focused primarily on lending to infrastructure sector and small, medium and corporate businesses. The envisioned heterogeneous banking structure will complement and compete with universal banking institutions and enhance financial inclusion while meeting the diverse credit needs of a growing economy.

**Strengthening and Harmonising Banking Regulation:** RBI has adopted Basel III norms for implementation in a phased manner. Apart from an improved capital framework and liquidity ratios like the liquidity coverage ratio (LCR) and the upcoming net stable funding ratio (NSFR), RBI has also been aligning the regulatory and supervisory frameworks for NBFCs, all India financial institutions (AIFIs) and co-operative banks with that of commercial banks

## DATA COLUMN

### Business of Banks

(Rs.in cr)	Mar31'17	Dec08'17
Aggregate deposits	10805150	10901610
Cash in hand/RBI	570490	502860
Investments	3043660	3368580
Bank Credit:	7881890	8026900
-Food	53930	68770
-Non-Food	7827960	7958130
Cash-Deposit Ratio	5.27	4.95
Investment-Deposit	28.14	31.09
Credit-Deposit	72.95	72.64

### Money Stock

(Rs.in cr)	Mar31'17	Dec08'17
M3 (Out of which)	12791940	13278360
(a) Currency with public	1264120	1606020
(b) Demand deposits-Banks	1396740	12333950
(c) Time Deposits - Banks	10109980	10415150
(d) Other deposits with RBI	21090	23230

### Sources of Money Supply

(a) Net Bank credit to Govt	3856610	4104530
(b) Bank credit to Comrcl sector	8411490	8598390
(c) Net Forex assets of Banks	2558230	2696680

### Important Banking Indicators

Statutory Liquidity Ratio	19.50%	(10.10.2017)
Cash Reserve Ratio	04.00%	(15.02.2013)
Overnight LAF (of NDTL)	0.25%	
14-days term Repo(of NDTL)	0.75%	
Reverse Repo Rate	05.75%	(02.08.2017)
Repo Rate	06.00%	(02.08.2017)
MSF Rate	06.25%	(02.08.2017)
Bank Rate	06.25%	(02.08.2017)

### Small Savings Interest Rates

PPF	7.6%	(01.01.2018)
NSC	7.6%	(01.01.2018)
Sukanya Smridhi	8.1%	(01.01.2018)
Senior Citizen Saving	8.3%	(01.01.2018)

### Capital & Money Market Indicators

Parameter	end-Dec16	end-Dec17
Dollar-spot TT (Rs.)	67.82	63.56
BSE - Sensex (points)	26627	33793
NSE - Nifty(S&P CNX)	8186	10443
Foreign reserves (Million \$)	359671	404922
Gold /Oz in USD)	1138	1304

## INDIAN ECONOMY-IMPORTANT PARAMETERS

RBI's growth estimate for 2017-18	: 7.6%
GDP growth-2016-17 (revised estimate)	: 7.1%
GDP@constant mkt prices (cr)	: 10656925
GVA@2011-12 basic prices (cr)	: 9857672
GDP projected by Govt. for 2017-18	: 16847455
Fiscal Deficit Target (2017-18) 3.2% of GDP	: 546532 cr
Revenue Deficit Target (2017-18) 1.9% of GDP	: 321163 cr
Wholesale Price Index	: 1.5%
Money Supply (M3) expansion	: 12.9%
Exports during 2016-17	: 274.0 bn
Imports during (2016-17)	: 379.6 Bn
Export target - 2017-18 (in \$)	: 310 bn
India's share in world merchandise export	: 1.70%
India's currency rating (S&P)	: BB Postv
India's external debt (Jun 2017) US \$	: 485.8 Bn
Tax-GDP ratio (2014-15)	: 9.93%
Apr- Nov17:Export \$ 196.5 bn\$ Imports	: 296.5 bn
Per capita Income 2015-16 (Rs.)	: 93293
Indian economy's ranking in PPP terms	: 3rd
Indian economy's ranking in world in value:	: 10th

## OUR PUBLICATIONS : REFER PAGE 9,11

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