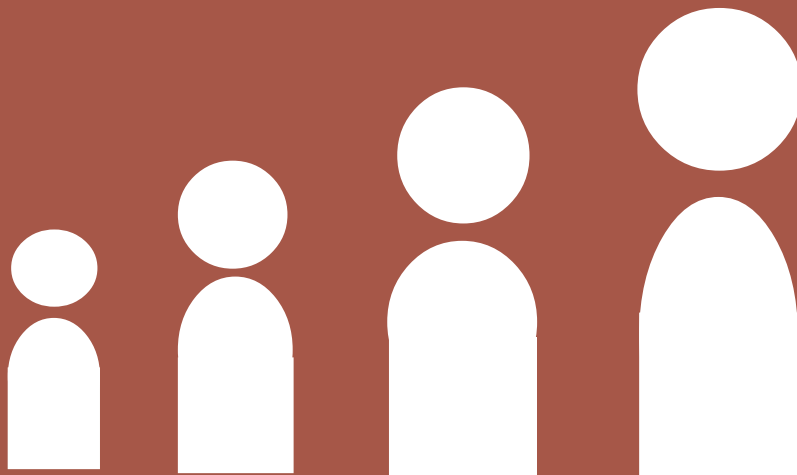


Banking events Update



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

21st years of publication

Registration RNI No.67802/98
Volume - XXI No.08 : August 2018

Contents of this Issue

BANKING POLICY : 2 & 3

- Purchaser's name in DD
- PS Loans to farmers - 3 yr average
- Interest rates on small savings
- Agency commission claims
- Prudential norms-State Dev Loans
- Forex business by Primary Dealers

BANKING FEATURES : 4-8, 20

- RBI Repo Directions - 2018
- RBI When Issued Directions-2018
- RBI Short Sale Directions-2018
- NI Act-Amendments
- National Centre for Fin Education
- RBI's 3rd Bi-monthly Monetary Policy

DIARY OF EVENTS : Jul-2018: 9

- Policy, Economy
- Banking Developments
- Capital Markets & Insurance

General Awareness : 13-14

Multi-Option questions:15-18

Data Bank : 20

Executive Editor - S. Chand Singh

Editor in Chief - Sh. N S Toor

**BANKING
POLICY****Purchaser name in Demand Draft**

In order to address the concerns, arising out of the anonymity provided by payments through demand drafts and its possible misuse for money laundering, on 12.07.2018, RBI decided that the name of the purchaser be incorporated on the face of the demand draft, pay order, banker's cheque, etc., by the issuing bank. These instructions shall take effect for such instruments issued on or after September 15, 2018.

Priority Sector Lending - Lending to non-corporate farmers – System wide average of last 3 years

The system-wide average of the last three years achievement with regard to overall direct lending to non-corporate farmers is notified by RBI, at the beginning of each year.

RBI informed (12.07.18) that the applicable system wide average figure for computing achievement under priority sector lending for the FY 2018-19 is 11.99 percent.

Interest rates for Small Savings Schemes

On 19.07.2018, RBI informed banks that the Govt. of India, on July 2, 2018 has stated that the interest rates on Small Savings Schemes for the second quarter of financial year 2018-19 starting July 01, 2018 and ending Sept 30, 2018 shall remain unchanged from those notified for the first quarter of FY 2018-19.

Period for Submission of Agency Commission Claims

As per extant RBI directions (15.06.17) banks are to submit their agency commission claims to RBI within 90 days from the end of the quarter during which the transactions have been conducted.

On July 12, 2018, RBI decided to reduce the time period allowed to agency banks to furnish their claim on agency commission to RBI from 90 days to 60 calendar days from the end of the quarter in which the transactions have been conducted. If the banks fail to lodge claims within the stipulated period mentioned above, RBI will have the discretion to reject the claims. This will be applicable for the agency commission claims for the quarter ended June 30, 2018 onwards.

RBI also observed that agency banks are not reporting all the requisite information, as per the prescribed format, while claiming agency commission from RBI resulting in gaps and inconsistency in data submission. Thus, agency banks have been advised to scrupulously follow the instructions issued by RBI while submitting the claims for agency commission in the prescribed format.

Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by banks – Valuation of State Development Loans

On 06.06.2018, RBI had announced that securities issued by each state government should be valued based on observed prices.

RBI decided on 27.07.2018, that securities issued by each state

government, i.e., State Development Loans (SDLs), shall be valued in a manner which would objectively reflect their fair value based on observed prices/yields.

Financial Benchmarks India Pvt. Ltd. (FBIL) shall make available prices for valuation of SDLs based on the above principles with effect from September 30, 2018 which should be used for valuation of SDLs from that date.

Diversification of activities of Standalone Primary Dealers (SPD)-Foreign Exchange Business

In order to facilitate SPDs to provide comprehensive services to their FPI clients, RBI decided on 27.07.2018, to permit them to offer foreign exchange products to their FPI clients, as permitted by the Bank from time to time. Such activities shall be part of their non-core activities.

The SPDs shall adhere to the following prudential regulations:

- a. SPDs, while calculating the total risk weighted assets, shall include the forex exposures for maintenance of minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 15 per cent on an ongoing basis. Details of capital charge calculation shall be as per the Master Directions on Standalone Primary Dealers (Reserve Bank) Direction, 2016, as updated from time to time.
- b. SPDs shall adhere to the guidelines for foreign exchange exposure limits as prescribed by the Bank from time to time.
- c. SPDs shall frame a Board approved policy to undertake and monitor the foreign exchange business.

SPDs desirous of offering forex products to their FPI clients may approach Foreign Exchange Department, Central Office, RBI Mumbai for the necessary AD licence.

While offering foreign exchange derivative contracts to their FPI clients, SPDs shall comply with the provisions of the Foreign Exchange Management Act 1999, and all rules, regulations and directions issued thereunder. In particular, they shall adhere to the provisions of the following instructions to the extent of foreign exchange products allowed to the SPDs.

Ways and Means Advances (WMA)

RBI enhanced the WMA limit for the second quarter of FY 2018-19 (Jul-Sept) to Rs.70,000 crore (Rs.60000 cr for 1st quarter).

RBI may trigger fresh floatation of market loans when Govt. utilises 75% limit. The interest rate on WMA will be Repo Rate and on overdraft - Repo Rate + 2%.

Third Bi-monthly Monetary Policy Statement, 2018-19 Resolution of the Monetary Policy Committee (MPC) RBI

On the basis of an assessment of the current and evolving macroeconomic situation at its meeting on 1st August 2018, the Monetary Policy Committee (MPC) decided to:

- 1) increase the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.5 per cent.
- 2) Consequently, the reverse repo rate under the LAF stands adjusted to 6.25 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 6.75 per cent.

The decision of the MPC is consistent with the neutral stance of monetary policy with the objective of achieving the medium-term target for consumer price index inflation of 4% within a band of +/- 2%. The main considerations underlying the decision are set out in the statement below.

1. Global growth has become uneven and risks have increased with rising trade tensions. Among advanced economies (AEs), US economy rebounded strongly in Q2, after modest growth in Q1. In the Euro Area, weak growth in Q1 continued in Q2. In Japan, recent data on retail sales, consumer confidence and business sentiment point to moderation in growth.
2. Economic activity in major emerging market economies (EMEs) has slowed somewhat on volatile and elevated oil prices, mounting trade tensions and tightening of financial conditions. The Chinese economy lost some pace in Q2. The Russian economy picked up in Q1. South Africa's economy contracted in Q1. In Brazil, economic activity suffered a setback in Q1 on nation-wide strikes.
3. Global trade lost some traction due to intensification of trade wars and uncertainty stemming from Brexit negotiations. Crude oil prices eased modestly in the second half of July. Base metal prices have fallen on the general risk-off sentiment triggered by fears of an intensification of trade wars. Gold prices have softened on a stronger dollar.
4. In India, industrial growth, measured by the index of industrial production (IIP), strengthened in April-May 2018 on a y-o-y basis.
5. Retail inflation, measured by the year-on-year change in the CPI, rose from 4.9% in May to 5% in June, driven by an uptick in inflation in fuel and in items other than food and fuel even as food inflation remained muted due to lower than usual seasonal uptick in prices of fruits and vegetables in summer months.

Outlook : GDP growth projection for 2018-19 is retained, as in the June statement, at 7.4 per cent, ranging 7.5-7.6 per cent in H1 and 7.3-7.4 per cent in H2, with risks evenly balanced; GDP growth for Q1:2019-20 is projected at 7.5 per cent

The next meeting of the MPC is scheduled from Oct 3 to 5, 2018. ●

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).

CAIB/ JAIIB

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

Repurchase Transactions (Repo) Reserve Bank Directions 2018

On Jul 24, 2018, RBI issued the Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018, which came into force with immediate effect.

These shall be applicable to repurchase transactions (Repo), undertaken on recognized stock exchanges, electronic trading platforms (ETP) and Over-the-Counter (OTC) to the extent stated herein and not to repo/ reverse repo transactions under the Liquidity Adjustment Facility and the Marginal Standing Facility.

Eligible securities for repo

The securities eligible for repo shall include:

- (a) Government securities issued by Central/State Govt.
- (b) Listed corporate bonds and debentures (no participant shall borrow against the collateral of its own securities, or securities issued by a related entity).
- (c) Commercial Papers and Certificate of Deposits.

Eligible participants

- (a) Any regulated entity (regulated by any one of the financial regulators in India viz., RBI, SEBI, IRDAI, PFRDA, NHB and NABARD).
- (b) Any listed corporate.
- (c) Any unlisted company, which has been issued special securities by Govt. of India, using only such special securities as collateral.
- (d) Any All India Financial Institution (FIs) viz. Exim Bank, NABARD, NHB and Small Industries Development Bank of India (SIDBI) and
- (e) Any other entity approved by RBI.

Tenor

Repos shall be undertaken for a minimum period of one day and a maximum period of one year.

Tri-Party Agent

They should fulfill the eligibility criteria and roles & functions obligation as per RBI directions

Trading venues

Repo transactions may be traded on any recognized stock exchanges, or an electronic trading platform (ETP) duly authorised by RBI or in the over-the-counter (OTC) market. However, prior approval of RBI is required for trading repos on any trading platform, including on recognized stock exchanges.

Trading process

Repo transactions, including tri-party repo transactions, may use any mutually agreed trading process, including

but not limited to, bilateral or multilateral, quote driven or order driven processes, anonymous or otherwise.

Reporting of trades

(1) All repo transactions, other than those on recognized stock exchanges or on approved electronic trading platforms, that disseminate trade information on the platforms, shall be reported within 15 minutes of the trade - repo in corporate securities to the reporting platform F-TRAC and repo in Govt. securities to Clearcorp Repo Order Matching System (CROMS), respectively.

(2) All trading and reporting platforms, including recognized stock exchanges, for repo transactions shall provide any data or other information to RBI or to any entity as may be required by the Reserve Bank.

(3) The participants to repo transactions acting under these Directions shall furnish any information or data sought by the Reserve Bank within the period stipulated in the letter/mail issued to the participant to furnish such information or data.

Settlement of trades

(1) Settlement of trades shall be-

(a) The first leg of all repo transactions shall settle either on a T+0 or T+1 basis.

(b) All repo transactions shall settle on a Delivery vs Payments (DvP) basis.

(c) All repos in government securities shall settle through CCIL or any other clearing agency approved by RBI.

(d) All repos in corporate bonds and debentures shall settle through the clearing house of exchanges or any other entity which has been approved by RBI.

Sale and substitution of repoed security

(1) Securities purchased under repo may be-

(a) On-sold either as an outright transaction or as part of another repo transaction. Outright sale of securities acquired under repo shall be undertaken only by such entities that are eligible to undertake short sale transactions in terms of the relevant directions of RBI and in such securities that are permitted to be short sold.

(b) Substituted by another security in terms of the rules of any approved clearing agency.

Pricing of collateral, haircut and margining

(1) In case of repo transactions -

(a) Collaterals shall be priced transparently at prevailing market prices, in the first leg of a repo.

(b) The price for second leg will be the price for first leg

plus interest.

(c) Haircut/ margins will be decided either by the clearing house or may be bilaterally agreed upon, in terms of the documentation governing repo transactions, subject to the following stipulations:

i. Listed corporate bonds and debentures shall carry a minimum haircut of 2% of market value. Additional haircut may be charged based on tenor and illiquidity of the security.

ii. CPs and CDs shall carry a minimum haircut of 1.5% of market value.

iii. Securities issued by a local authority shall carry a minimum haircut of 2% of market value. Additional haircut may be charged based on tenor and illiquidity of the security.

Accounting, presentation, valuation and disclosure

(1) Repos shall be accounted by entities regulated by the Reserve Bank as per RBI guidelines.

(2) Other eligible participants may account for repo transactions as per applicable accounting standards.

Computation of Cash Reserve Ratio (CRR) /Statutory Liquidity Ratio (SLR) and borrowing limit

(1) Funds borrowed under repo including tri-party repo in government securities shall be exempted from CRR/SLR computation and the security acquired under repo shall be eligible for SLR provided the security is primarily eligible for SLR as per the provisions of the Act under which it is required to be maintained.

(2) Borrowings by a bank through repo in corporate bonds and debentures shall be reckoned as liabilities for CRR/SLR requirement and, to the extent these liabilities are to the banking system, they shall be netted as per section 42(1) of the RBI Act, 1934.

Documentation

(1) Participants shall enter into standard bilateral master repo agreements as per the documentation finalized by FIMMDA,

(2) Repo transactions traded on a multilateral trading platform shall be governed by the rules and regulations of the platform where it is traded.

(3) In case of tri-party repos, separate agreements between a participant and a tri-party agent shall be executed as per the documentation prescribed by the tri-party agent.

Important Definitions

Delivery versus Payment (DvP) is a settlement mechanism where transfer of funds from buyer of securities is made simultaneously with the transfer of securities by seller of securities.

Haircut is the difference between the market value of the collateral and the amount borrowed/lent against that collateral.

Tri-party repo means a repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

Tri-Party Agents for Repo Transactions other than under LAF and MSF

Eligible Tri-Party Agents

A. They need prior RBI authorisation.

B. Scheduled commercial banks, recognized stock exchanges and clearing corporations of stock exchanges or clearing corporations authorised under PSS Act., are eligible.

C. Other entities regulated by RBI or SEBI are eligible, subject to following criteria:

(a) Regulatory Approval

(i) Applicant to have approval from regulator concerned to conduct such business.

(ii) Applicant, within last 5 years, has not faced adverse regulatory action or other punitive action that RBI considers material.

(b) Financial Criteria : Should have minimum paid up equity share capital of Rs. 25 crore.

(c) Experience : The applicant should have past experience of at least 5 years in financial sector, in India or abroad, preferably in custody, clearing or settlement services.

(d) Infrastructure : Tri-party agents should put in place adequate system infrastructure to carry out their functions.

Roles and Obligations:

(i) The agent shall provide equitable access for trading to all its members.

(ii) The trading process should be transparently specified.

(iii) All trades to be reported.

(iv) In case the agent undertakes settlement of trades itself, it would seek approval under the PSS Act 2007. Agents not settling trades themselves will be responsible for routing the trades for settlement.

(v) The agent shall be responsible for revaluation of the collateral, margining, income payments on the collateral and substitution of any collateral as per terms and conditions in the member agreement.

(vi) The agent shall be required to put in place transparent and reliable collateral valuation norms.

(vii) The agent shall be required to maintain records of trades in easily retrievable media for at least 8 years.

When Issued Transaction (Reserve Bank) Direction 2018

On Jul 24, 2018, RBI issued the directions, which came into force with immediate effect.

"When, as and if issued" (or 'When Issued') security refers to a security that has been authorized for issuance but not yet actually issued. When Issued trading takes place between the time a Govt. Security is announced for issuance and the time it is actually issued. All such transactions are on an 'if' basis, to be settled if and when the actual security is issued.

Eligible securities

- (1) Both new and reissued Central Govt. securities.
- (2) Eligibility of an issue for 'When Issue' trades would be indicated in auction notification.

Eligible participants

- (a) All entities which are eligible to participate in the primary auction of Central Govt. securities can have net long and short positions.
- (b) Resident individuals, Hindu Undivided Families (HUF), Non-Resident Indians (NRI) and Overseas Citizens of India (OCI) are eligible to undertake only long position in 'When Issued' securities.
- (c) Entities other than scheduled commercial banks and Primary Dealers (PDs), shall close their short positions, if any, by the close of trading on the date of auction of the underlying Central Government security.

Operational instructions

Transactions in a security on a 'When Issued' basis shall be undertaken in terms of the following directions:

- (a) When Issued transactions would commence after the issue of a security is notified by Central Govt. and it would cease at the close of trading on the date of auction.
- (b) All 'When Issued' transactions for all trade dates shall be contracted for settlement on the date of issue.
- (c) In case of reissued securities, 'When Issued' securities shall form a part of the settlement of the secondary market transaction on the date of issue. At the time of settlement of secondary market transactions on the date of issue, trades in the 'When Issued' security will be netted off with trades in the existing security.
- (d) In case an entity is unable to deliver securities sold on a 'When Issued' basis to the buyer on the date of issue, transaction will be settled as per default settlement mechanism of Clearing Corporation of India Limited.
- (e) Members of the Securities Settlement Segment of CCIL shall be responsible for settlements and reporting of trades of their constituent entities, viz., entities

maintaining gilt accounts or demat accounts. Accordingly, eligible constituent entities shall undertake 'When Issued' transactions to the extent permitted by the members through whom they settle their securities transactions, within the prescribed limits.

(f) At the cessation of 'When Issued' trading on the date of auction, no entity shall run a short 'net position' in a security in excess of the limits prescribed for short sale positions in Central Government securities.

(g) In the event of cancellation of the auction for whatever reason, all 'When Issued' trades will be deemed null and void ab-initio on grounds of force-majeure.

Limits

PDs and scheduled commercial banks: Not exceeding 25% of the notified amount in the auction.

Other eligible entities: Long position : Max 25% of the notified amount in the auction. *Short position :* Max 10% of the notified amount in the auction (Individuals, HUFs, NRIs and OCIs are not allowed to take short positions)

Trading venues

'When Issued' transactions shall be undertaken only on the Negotiated Dealing System-Order Matching (NDS-OM) platform. However, an existing position in a 'When Issued' security may be closed either on the NDS-OM platform or through Over-the-Counter (OTC) market.

Reporting : All OTC When Issued transactions shall be reported to NDS-OM within 15 minutes of the trade.

Internal control

(1) All NDS-OM members participating should have a written board approved policy which should lay down the internal guidelines including risk limits on 'When Issued' position, an aggregate nominal limit (in terms of Face Value) for 'When Issued' and in the case of the reissued securities, 'When Issued' plus the existing securities, the internal control arrangements to ensure adherence to regulatory and internal guidelines, reporting of 'When Issued' activity to the top management, procedure to deal with violations, etc. A system should be in place to detect violations early.

(2) Concurrent auditors should specifically verify compliance with these instructions and report violations preferably on the date of trade itself, to the appropriate internal authority. As a part of their monthly reporting, concurrent auditors may verify whether the independent back/mid office has taken cognizance of all such lapses and reported the same within the required time frame. Any violation of regulatory guidelines noticed in this regard should immediately be reported to the Public Debt Office (PDO), Mumbai and Financial Market Regulation Department (FMRD), Reserve Bank of India.

Practical Problems based on Banking Ombudsman Decisions

1) The bank had not remitted the premium to Insurance Company though the cheque issued by the complainant was debited to his account. As a result his policy had lapsed and the complainant could not get his claim of Rs. 1,61,151 being expenditure incurred towards medical treatment. The bank had informed the customer that his insurance policy cannot be renewed as he had crossed eligibility criteria for age limit for issuance of the policy.

In a conciliation meeting the bank was advised to take up the matter with Insurance Company. Subsequently, the Insurance Company as a special case issued renewed policy in favour of the complainant. Further, as regards the expenditure incurred by complainant relating to medical treatment, the bank paid an amount of Rs.1,38,400/- as against Rs.1,61,151/- claimed by the complainant. The bank clarified that this amount was paid on the basis of calculation furnished by Insurance Company and as per available documents with the complainant. The bank was also advised to pay interest as per their compensation policy for delay in settlement of claim to the complainant.

2) Complainant reported that an a/c payee cheque for Rs.399 was materially altered for Rs.4,98,000 and paid by branch in cash to a fraudster. Bank stated that the cheque passing official had verified it under UV lamp and since no alteration was observed, the payment was made in due course.

In the conciliation meeting cheque was verified under UV lamp and it was found that alterations in amount, payee's name were visible. Even the a/c payee crossing was also altered. The account profile as appeared in the account statement of the complainant showed that he had made payment to third parties by cheques only. BO observed that the bank had not made the payment diligently. The cheque being of high value, was paid in cash across the counter and the passing official had neither contacted the customer over phone to get the confirmation nor sought any identification proof. The bank was asked to make good the amount to the complainant.

3) A Complainant had taken KCC loan of Rs.20,000 in 2012. It was subsequently increased to Rs.1 lakh in 2014, for which no formal letter was issued to complainant, who alleged that a sum of Rs.79,000 was fraudulently withdrawn from loan account on various dates. He assured that he had neither signed any withdrawal slips nor done the disputed withdrawals and had learnt about this only on getting his loan account passbook updated. He further intimated that Rs.4721/- was also debited to his saving bank account as interest charges for outstanding balance based on the disputed withdrawals. The bank was initially asked to conduct investigation and submit investigation report. A conciliation meeting was called subsequently wherein relevant documents including the original withdrawal slips used to make the disputed cash withdrawals were produced by the bank for perusal. It was observed that the signature on the disputed withdrawal slips was clearly not tallying with specimen signature and SMS-alerts were also not delivered for disputed withdrawals and such withdrawals did not adhere to the normal pattern in the said account. After a considering the documents submitted and verbal submissions by the bank personnel, BO concluded that the bank failed to process the disputed transactions in good faith and failed to do proper due diligence. It was suggested that disputed withdrawal slips could be sent to forensic lab for examination of authenticity, if bank deemed it essential. BO eventually advised bank to refund the amount to the complainant. ●

eLearning Study Material

MOCK TEST - CDs Features of CDs

- Explanation for each question/answer.
- Improve understanding and retention.
- Remove confusions. .
- Improve time management. Set your own time during practice.
- Test your preparation before Exam.
- Practice on-line without use of internet.
- Questions are shuffled when used again.
- Large no. of questions based on latest guidelines and memory recalled questions.

Bank Promotion Exam - Rs.300

Bank Promotion Interview - Rs.300

Banking Ready Recknor - Rs.300

CAIIB (New Syllabus)

• Bank Financial Mgmt - Rs.300

• Advanced Bank Mgmt - Rs.300

• Retail Banking - Rs.300

• Risk Management - Rs.300

CAIIB (Case Studies)

• Advanced Bank Mgmt -Rs.300

• Bank Financial Mgmt -Rs.300

JAIIB - All three papers Rs.300 (each)

Economics Mock Test - Rs.150

Book-Keeping Mock Test - Rs.150

Online Mock Tests

Promotion,CAIIB/JAIIB, log in
nstorBankingonline.com

IBPS Bank PO / Clerk Exam

Score High with Latest Study Kits

Anywhere Anytime Learning

E-Books CDs, Videos

Contact

09814 331 661

01722665623

Short Sale (Reserve Bank) Directions 2018

On July 25, 2018, RBI revised these Directions which came into force with effect from July 26, 2018.

Short sale means sale of a security one does not own. When banks treat sale of a security held in the investment portfolio as a short sale, these are referred to as 'notional' short sales (short sale include 'notional' short sale).

Eligible entities

- (a) Scheduled commercial banks,
- (b) Primary Dealers,
- (c) Permitted Urban Cooperative Banks
- (d) Any other regulated entity having approval of regulator (SEBI, IRDA, PFRDA, NABARD, NHB).

Security level limits on short sales

The maximum amount of a security (face value) that can be short sold shall be as mentioned below:

Liquid securities: 2% of the total outstanding stock of each security, or, Rs.500 crore, whichever is higher.

Other securities: 1% of the total outstanding stock of each security, or, Rs.250 crore, whichever is higher.

Liquid security is a security recognised as liquid security by FIMMDA or Financial Benchmarks India Limited.

Operational requirements

- (a) Entities undertaking short sale transactions and the related cover transactions, shall tag those transactions in NDS-OM appropriately. Such tag in NDS-OM shall not be used for sale transactions of securities that are not in immediate possession but will be received before settlement (e.g., securities used to avail of intra-day liquidity or placed as margin with clearing houses, etc.).
- (b) Short sales shall be covered within a period of 3 months from date of transaction (inclusive of the date).
- (c) Short sales, including notional short sales by banks, shall be covered by outright purchase of an equivalent amount (face value) of same security, either in secondary market or in primary auction.
- (d) Securities short sold are to be invariably delivered on the settlement date. Entities shall meet their delivery obligations by borrowing securities in the repo market or through outright purchase. Securities acquired under RBI's Liquidity Adjustment Facility or other liquidity facility shall not be used for delivery into short sales.
- (e) Banks undertaking 'notional' short sales shall ordinarily borrow securities from the repo market to meet delivery obligations, but in exceptional situations, it may deliver securities from its own investment portfolio. If securities are delivered out of its own portfolio, it must be accounted for appropriately and reflect the

transactions as internal borrowing. It shall be ensured that the securities so borrowed are brought back to the same portfolio, without any change in book value.

(f) Members of Securities Settlement Segment of Clearing Corporation of India Ltd. shall be responsible for settlements and reporting of trades of their constituent entities viz., entities maintaining gilt or demat accounts. Accordingly, eligible constituent entities shall undertake short sale transactions to the extent permitted by members through whom they settle their securities transactions, within the prescribed limits.

(g) An entity is not required to reduce its short position in a security if security is removed from the list of liquid securities published by FIMMDA during period of short sale. It can continue to maintain short position till covered.

(h) Short sales shall be reflected in Securities Short Sold (SSS) A/c, specifically created for this purpose.

(i) Short sales & purchase transactions to cover short sales, shall be accounted in Held For Trading (HFT) category. Entities undertaking short sales shall mark to market their entire HFT portfolio, on a daily basis.

Information on outstanding stock and liquid securities is available on the RBI website. The list of liquid securities shall be disseminated by FIMMDA/FBIL.

Reporting

Short sale position executed in OTC market should be reported on NDS-OM platform within 15 minutes.

Internal control

(a) Before undertaking short sale transactions, entities shall put in place a written policy on all aspects of short sales, including, in the case of banks, notional short sales, which should be approved by their respective Boards. The policy should lay down risk limits on short position, an aggregate nominal short sale limit across all eligible securities, stop loss limits, the internal control systems to ensure adherence to regulatory and internal guidelines, procedure to deal with violations, etc.

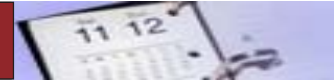
(b) All short sale transactions shall be audited on a daily basis. Any violation of regulatory guidelines noticed in this regard should immediately be reported to RBI.

(c) Entities undertaking short sales should ensure that these transactions are in conformity with fair market practices. Entities shall report to RBI any suspected cases of market abuse regardless of whether it was by their own employee, client or other market participant.

Default : Any default on a short sale transaction shall be subject to penal measures. RBI may also take additional action including temporary or permanent debarment of SGL a/c holder from the short sale market.

- UIDAI LAUNCHES VID (VIRTUAL ID) SYSTEM:** The Unique Identification Authority of India has launched virtual ID system on 1st July, which allows a person to generate a 16-digit number that can be shared with Telecom companies and several other service providers in case he/she do not wish to disclose their Aadhar number for completing Electronic Know Your Customer (e-KYC) formalities. VID Launch of 1st July is only the first stage with the new tool, meant to protect the privacy of the individual. It would be operational after August 31 when banks and other service providers will also have to roll out the VID facility.
- MEHTA PANEL SUBMITS REPORT ON RESTRUCTURING STRESSED ASSETS:** The high-level committee headed by Sunil Mehta, Non-Executive Chairman of PNB has submitted his report on restructuring stressed assets and creating more value for public sector banks. Interim Finance Minister Piyush Goel has said that the recommendations in the Report are fully compliant with RBI regulations and that there is no proposal to create a “Bad Bank”. According to the committee, the idea behind “Project Sashakt” is to ensure the operational turnaround of the banks and stressed companies so that the asset value is created. The committee has submitted five-pronged resolution route- SME resolution approach, Bank-led resolution approach, AMC/AIF-led resolution approach, NCLT/IBC approach and Asset-trading Platform.
- GOVT. FOR CHANGE IN BASE YEAR OF GDP, CPI DATA:** The Government will come out with Gross Domestic Product (GDP) and Consumer Price Index (CPI) data with the new base year during 2019-20. It also plans to bring out an Employment Survey by the end of this calendar year. At present, the base year for GDP is 2011-12 while it is 2012 for CPI. Now there is a need to change the base year for GDP to 2017-18 and for CPI to 2018. Steps have been initiated. Base year revision is normally done once in five years to accommodate and factor in changes that take place in the economic scenario of the country.
- SDF TO BECOME A DEVELOPMENT BANK:** SAARC Development Fund (SDF), the umbrella financial institution for projects in SAARC-member countries is working on a road map to strengthen its credit portfolio and tap the financial market before converting itself into a full-fledged SAARC Development Bank. Sunil Mittal, CEO of SDF said that their strategy is to convert the SDF into a regional bank in the near future. Right now, the focus is to strengthen their credit portfolio. Once they have a lender's

Financial Events

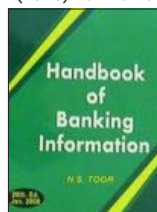


status, then they can raise funds from the capital market through various instruments such as bonds.

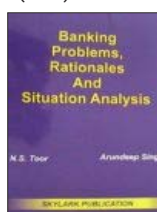
- AMC TO GET CONTROL OF STRESSED ASSETS:** Sunil Mehta, Chairman of PNB, who headed the Committee, has drawn up a detailed plan for resolution of stressed assets. He said that the Asset Management Company (AMC) proposed by state-run banks to sell their NPAs will allow promoters to retain a less than 24% “Economic Stake” in the assets which it will take over for resolution. The Government has accepted the proposals and that there could be more than one such AMCs. The initiative has been dubbed “Project Sashakt”. State-run banks are expected to take the lead in setting up the AMC for resolution of loans above Rs.500 Crore under the five-pronged plan presented by the committee.
- IBBI SPECIFIES TIMELINE FOR RESOLUTION PROCESS:** The Insolvency and Bankruptcy Board of India (IBBI) has come out with a model timeline for the corporate insolvency resolution process (CIRP). The timeline has been spelt out assuming that the Interim Resolution Professional (IRP) is appointed on the date of commencement of the process and the time available is 180 days. The committee of creditors would consider the application within seven days of its constitution or seven days of receipt of the application whichever is later. If the application is approved by the Committee of Creditors (COC) with 90% voting share, the resolution professional would

**OUR
WIDELY
READ
BANKING
PROMOTION
BOOKS**

Most-used book
by bankers 42nd
(2016) Edn Rs.400



Banking Problems
& Rationales 12th
(2015) Edn Rs.300



Practice Sets
Mock Tests 14th
Edn Rs.225



For Banking information in Hindi
11th Edn Rs.275



For all types of
bank interviews
9th Edn Rs.200






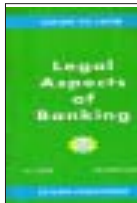

submit the application to the Adjudicating Authority on behalf of the applicant within three days of such approval.

- **NEW RBI NORMS BRING BORROWERS' LIQUIDITY UNDER PRESSURE:** According to Credit Rating Agency ICRA, the liquidity profile of borrowers, specially those that have high dependence on cash credit or overdraft facility, could come under pressure after RBI issued new norms on Loan Delivery System. As per RBI guidelines, for borrowers having aggregate fund based working capital limits of Rs.150 Crore and above from the banking system, a minimum level of "loan component of 40%" will be made effective from October 1, 2018 which will thereafter increase to 60% with effect from April 1, 2019. Under loan delivery system, loan component of 40% and then 60% to have a defined repayment schedule.
- **BANKS TO FIRM UP A MODEL "INTER-CREDITOR AGREEMENT":** Public and Private Sector Banks brainstormed to firm up a model "Inter-creditor Agreement" (ACA) that would set the ground rules under which consortium lending and multiple-banking arrangement will be managed. The Boards of Banks are likely to consider the model agreement for adoption and it is expected to go live in the banking system. Banks have also agreed that they would be guided by 66% norm which means that the inter-creditor agreement will stand if 66% of the lenders in a consortium agree to it.
- **SEBI REVIEWS MECHANISM OF DIVIDEND ADJUSTMENT:** RBI has reviewed the mechanism of dividend adjustment for stock options and allowed alteration in strike price. Adjustment in strike price will be carried out in case dividend declared by a company is above 5% of the underlying stocks. Besides, adjustment in strike price will be done in all other cases of dividend wherein the listed company has sought exemption from the timeline prescribed under the listing and disclosure regulations.
- **ICAI DEVELOPS SOFTWARE TO ALLOT CAs FOR BANK AUDIT:** The Institute of Chartered Accountants of India (ICAI) has developed software that randomly selects the auditors and allots them in banks to ensure transparency in the allotment of CAs for bank audits. The software has been developed with the consent of RBI. The software will have the entire trail of the auditing process in a bank. It will have details such as the number of people using the software, the persons using it at any point of time, the number of times the software was run and the number of auditors selected and allotted among others.
- **IBBI INSISTS OF INDEPENDENCE OF RESOLUTION PROFESSIONALS:** Insolvency Regulator, Insolvency and Bankruptcy Board of India (IBBI) have directed the Insolvency Professionals Entities (IPEs) to refrain from joining any panel of any market participant. There have been complaints that some market participants are seeking empanelment of IPEs and few IPEs are seeking empanelment with market participants.

IBBI has reiterated the position of law that an IPE can not provide any service to any person. An IPE can provide only support services to the insolvency professionals who are its partners or director.

- **STATUTORY AUDITOR CERTIFICATE MUST FOR FIRMS SEEKING PUBLIC DEPOSITS:** The Ministry of Corporate Affairs (MCA) has stipulated that the companies raising public deposits should attach a statutory certificate in the circular or circulars in the form of advertisements inviting deposits. The certificate should certify that the company has not defaulted in repayment to deposits or in the payment of interest on such deposits accepted either before or after the commencement of the New Company Law 2013. Also, where a default occurred, the auditor has to certify that the company had made good the default and a period of five years had lapsed since the date of bringing it to a close.
- **CENTRE PLANS FINANCIAL PENALTIES TO PUSH AGRI CROP INSURANCE:** More than two years after its formal launch, the Centre is planning to impose financial penalties on state governments, banks and insurance companies for violating the guidelines of the Pradhan Mantri Fasal Bima Yojana (PMFBY) including delay in claim settlement. It is also looking to incentivise the states that promptly pay their share of premium, disburse claims to farmers on time and use technology for crop cutting.
- **GOVT. FOR NATIONAL POLICY ON OFFICIAL STATISTICS:** The Government will soon come out with a National Policy on official Statistics to bring the Indian System in line with the fundamental principles for official statistics adopted by the United Nations in 2014, Statistics and Programme Implementation. The new policy will help enhance people's faith in official data and prevent the kind of recent controversies over the country's GDP figures and other data. A transparent, efficient statistics system that works with clarity is essential for democratic governance & achieving development goals.

- RBI NETWORTH CRITERIA TO HIT ATM OPERATIONS:** Bank have flagged the possibility of ATM operations getting impacted, transactions cost going up and cash management business concentrated in the hands of a few players following the RBI's tightening norms for engaging service providers for cash management activities. Implementation of the net-worth criteria (Rs.100 Crore to be maintained at all times) will create a situation where there will be very few players in the market and those players will not be able to cater to the requirements of all banks affecting customer service and resulting in cost escalation. As per RBI norms, service providers have to meet NW criteria as on Mar 31, 2019.
- IFCI FRAMES TURNAROUND STRATEGY UNDER NEW BUSINESS PLAN:** IFCI, a Government Company, has devised a multi-pronged turnaround strategy to tackle the current weak asset quality issues and strengthen its balance sheet. The strategy comprises focused efforts to double cash recovery to Rs.2000 Crore this fiscal, sale of investments of certain projects and realise Rs.250 Crore by selling non-core real-estate assets across the country. In 2017-18, IFCI made cash recovery of Rs.950 Crore, just short of the targeted amount of Rs.1000 Crore. IFCI is also looking to unlock value of Rs.70 Crore this fiscal by selling its direct subsidiary IFIN to SHCIL.
- LIC TO MAKE OPEN OFFER TO IDBI BANK SHAREHOLDERS:** IRDAI has already approved LIC's Plan to buy 51% stake in IDBI Bank. At present, Government holds 80.96% equity in IDBI Bank and LIC holds 10.82% stake. The open offer will be made to the remaining stake holders with 8.22% stake, as the Government will not participate in it. This will be in line with norms set by SEBI under which an acquisition of more than 25% in a listed entity is termed a control and requires an Open Offer.
- CENTRE HIKES THRESHOLD LIMITS FOR TAX APPEALS:** In a bid to minimise litigations pertaining to the tax matters, the Centre has decided to increase the threshold monetary limits for filing departmental appeals at various levels. The threshold limit for the department to file appeal before ITAT/ CESTAT has been raised to Rs.20 Lakh from Rs.10 Lakh earlier. In the case of High Courts, the threshold monetary limit has been revised up to Rs.50 Lakh from Rs.20 Lakh. For the Supreme Court, the enhanced limit is Rs.1 Crore from existing Rs.25 Lakh. This is a step in the direction of litigation management of both direct and indirect taxes as it will effectively reduce minor litigations and help the department to focus on high value litigations .
- NET NEUTRALITY GETS NOD:** The Telecom Commission, the highest decision-making body in the Department of Telecommunications, approved the net neutrality rules implying Internet will remain open to everybody in the country. The move on net neutrality is in sync with the recommendations of TRAI Telecom Regulatory Authority of India. It is meant to ensure that no service provider can restrict or discriminate in the treatment of content by blocking, slowing down or granting preferential speeds while providing internet access.
- GOVT. DROPS INCENTIVES GIVEN FOR UPI TRANSACTIONS:** The Government has prematurely withdrawn a scheme under which shopkeepers would get an incentive of up to Rs.1000 for accepting payments using the Unified Payments Interface (UPI). Another one providing customers cash backs of up to Rs.500 has also been withdrawn and replaced with a scheme that provides rewards of up to Rs.150 but only for BHIM App Users.
- RBI LIFTS BAN ON AIRTEL PAYMENTS BANK TO ENROL NEW CUSTOMERS:** Airtel Payments Bank had come under fire seven months before for allegedly opening payments bank accounts of its mobile subscribers without their consent, with the LPG subsidy worth Rs.190 Crore deposited into accounts of around 31 Lakh customers. Although the company had denied any wrongdoing, RBI had directed the Bank not to on-board new customers. Now the Bank has received approval from RBI for enrolling new customers.

OUR CAIB & JAIB BOOKS	Bank Fin Mgmt 4th Edn Rs.200	Adv Bank Mgmt 4th Edn Rs.175	Banking/General Awareness	Accounting & Finance 8th Edn Rs.200	Legal Aspects of Banking 8th Edn Rs.200	Principles of Banking 8th Edn Rs.200
						

Further UIDAI had suspended the e-KYC licence of both Airtel and its Payment Bank. However, in March, UIDAI had restored Airtel authorisation to conduct Aadhar-based verification of its mobile-subscribers but did not lift the suspension of its Payment Bank's e-KYC Licence.

- **MONEXO FINTECH GETS RBI NOD FOR P2P OPERATIONS:** Monexo Finetech (P) Ltd. has got approval from RBI for P2P operations. The accreditation makes the company "Third P2P Platform" in the sector to get the RBI certification. Peer-to-Peer (P2P) lending platforms have been growing in India, largely driven by the increasing penetration of digital transactions, Finetech innovations and rising demand for affordable credit. The company is the First P2P Platform in India to provide investors with an Escrow Account, the option of auto-invest and an insurance cover with borrower job-less protection. Currently, Monexo Finetech platform has one Lakh registered borrowers and 4000 registered lenders.
- **SEBI TWEAKS STRESS-TEST METHOD FOR COMMODITY DERIVATIVES:** SEBI has modified the methodology for daily stress testing for commodity derivatives as part of strengthening the risk management system. Clearing corporations carry out stress tests to evaluate risks and possible impact on the settlement guarantee fund in various scenarios for commodity derivatives segment. The Regulator has asked clearing corporations to use the modified method for carrying out the daily stress tests within three months. The stress test pertains to Minimum Required Corpus (MRC) of core Settlement Guarantee Fund (SGF). SEBI has fixed minimum threshold value of MRC for commodity derivatives of any stock exchanges at Rs.10 Crore.
- **SEBI BARS BROKERS FROM ACCEPTING CASH:** SEBI has said that in view of the various modes of payment through electronic means available today, stock brokers should not accept cash from their clients either directly or by way of cash deposit to the bank account of stock broker. According to SEBI, all payments should be received or made by stock brokers from/to the clients strictly by account payee crossed cheques or demand drafts or by way of direct credit into the bank account through electronic fund transfer or any other mode permitted by RBI.
- **SEBI ON PAN VERIFICATION FOR SHARES**

TO FPIs: SEBI has said that allotment of shares to Foreign Portfolio Investors (FPI) in initial public offerings would need to be verified with PANs to check against any breach of investment limit through multiple entities. Under the rules, purchase of equity shares of each company by a single FPI or an investor group would have to be below 10% of the total issued capital of the company. At the time of finalisation of basis of allotment during primary market issuances, Registrar and Transfer Agents shall use PAN for checking compliance for a single FPI.

- **NEW MONITORING SYSTEM FOR CRYPTO-ASSETS:** Global Regulators have published a framework for vigilantly monitoring risks from crypto-assets such as Bitcoin and Ether. The Financial Stability Board (FSB) which coordinates financial regulation for the Group of 20 Economies (G-20) said that the framework focuses on how risks from crypto-asset markets could spread to other parts of the financial system.
- **ECGC TO HALVE EXPORT CREDIT COVER FOR BANKS:** In the backdrop of record claims payment of Rs.1283 Crore in FY 2018, ECGC has decided to reduce export credit cover for banks to 50% of the outstanding amount, against 65-75% earlier and revise insurance premium upwards. ECGC has also asked banks to seek its approval in cases where the working capital limits of their large exporter clients exceed Rs.600 Crore. Depending on claims experience with each bank, the ECGC will revise the export credit insurance premium.
- **RBI TO RELEASE SMALLER Rs.100 NOTES IN LAVENDER:** RBI will soon release a lavender-colored new Rs.100 Note bearing the signature of Governor Urjit Patel. The dimension of the new notes, as per RBI Notification will be 66mmX 142mm which is smaller than the existing ones and have a dimension of 73mm X 157MM. Both notes are part of the Mahatma Gandhi series and will be considered as legal tenders simultaneously. The new notes will have motif of "Rani Ki Vav" an intricately constructed stepwell located on the banks of Saraswati river in Gujarat's Patan and a Unesco World Heritage site.
- **CCI NOD MUST BEFORE LENDERS FINALISE RESOLUTION PLAN:** As per amendments to Insolvency and Bankruptcy Code which were approved by the Union Cabinet, lenders will need to seek prior approval of the Competition Commission of India (CCI) before finalising resolution plans. Currently, the winning bidder approaches CCI for clearance before formally taking over the asset. It seeks to prevent litigation that can derail the resolution process at a later stage.

GENERAL AWARENESS

- Sathyasri Sharmila joined Tamilnadu Bar Council and became- **India's First Transgender Lawyer.**
- India's two Building Clusters of Victorian Gothic and Art Deco Architectural styles in Mumbai got- **UNESCO Heritage Tag.**
- Link for which CBDT has extended the deadline till March 31 Next Year- **PAN-Aadhaar Link.**
- High Court which has delivered the Judgment Copy in "Hindi" for the First Time after Partition of India- **Punjab and Haryana High Court.**
- India climbs up to 73rd Place in "Swiss Deposits" as there has been increase of over 50% during 2017, while the country which is on the Top- **UK.**
- Cambodia's Longest Hand-woven Scarf (88cm wide and 1149.8 meter long and took five months to complete) entered in- **Guinness Book of Records.**
- Country which is India's Third-Largest Oil Supplier- **Iran after Iraq and Saudi Arabia.**
- Currencies for which the Supreme Court has refused to overturn RBI's Ban on Lenders from dealing in- **Crypto currencies.**
- Colombian National Park has been declared as- **World's Largest Tropical Rainforest.**
- Transactions which clocked 246.3 million in June against 189.4 million in May, a jump of 30%- **UPI Transactions.**
- Foreign Bank which has been issued Licence by RBI to launch operations in India- **Bank of China.**
- Globally, America's JP Morgan Chase is the Most Valuable with a Market Cap of \$353 billion followed by- **Bank of America with MC of \$282 billion.**
- Mobile App. which has been launched by CBDT to verify if the person collecting the GST is eligible to collect it or not- **GST Verify.**
- Court which allowed the Enforcement Officials to enter the properties and seize assets of Vijay Mallya (Big Defaulter of India)- **UK Court.**
- Two Largest Economies of the World which slid into an unprecedented Trade War that may take the entire world into an economic slowdown- **US and China.**
- According to SEBI, Funds which can not convert their existing open-ended schemes to closed ended and vice-versa- **Alternative Investment Funds.**
- Mass production of World's First Foldable Smartphone "Galaxy X" by- **Samsung Company.**
- The Maker of open Source Browser Firefox which is also working on new Internet Browser "Fenix" for the Android Operating System- **Mozilla.**
- Limit which RBI has set for the Central Government for July-September quarter from Rs.60,000 to Rs.70, 000 Crore- **Ways and Means Advances Limit.**
- Regulator which has notified that Vehicles without a valid "Pollution Under Control" certificate will not be insured- **IRDAI.**
- Company which has set up in

OUR USEFUL BOOKS FOR BANKERS

Hanbdook of Banking Information - 2018, 46th Edition by N S Toor	Rs. 400
Bank Credit Management (2017) edition by N S Toor	Rs. 300
Banking Problems / Rationals and Situation Analysis (2017) N S Toor & Arundeeep Toor	Rs. 300
Model Test Papers for Bank Promotion (2018) N S Toor	Rs. 225
Analysis of Balance Sheet (2017) N S Toor	Rs. 175
How to Face Bank Interviews? (2018) N S Toor	Rs. 200
Bhartiya Banking (Hindi) (2017) N S Toor	Rs. 275
Model Papers in Hindi N S Toor	Rs. 150
Banking Rationals and Problems (Hindi) N S Toor	Rs. 125
JAIBB Objective Type (all books by N S Toor and Arundeeep Toor):	
• Principles of Banking	Rs. 200
• Accounting and Finance for bankers	Rs. 200
• Legal Aspects of Banking	Rs. 200
CAIBB Objective Type (all books by N S Toor and Arundeeep Toor):	
• Adv Bank Management	Rs. 175
• Bank Fin Management.	Rs. 200
IBPS Bank PO/Clerk	
• Study Kits	Rs. 3000
• Banking & Financial GK	Rs. 400
• E-Books	Rs. 1500
• E-Learning through Video - DVDs covering reasoning ability, quantitative aptitude, English language, computers awareness, Banking & general awareness	Rs. 3000
To order these books, please call 0172-2665623 (10 am to 6 pm) on any working day. OR	
Call Skylark Publications, New Delhi (Ph 011 23361966)	

- Noida “World’s Largest Mobile Unit”- **Samsung Company.**
- Country which is the Largest Issuer of Green Bonds- **China.**
 - State which has Topped in the Ranking of “Ease of Doing Business”- **Andhra Pradesh followed by Telengana and Haryana.**
 - Authority which notified that Company Directors failing to file their annual e-KYC Form will have to pay Rs.5000 Fine for late filing after September 1, 2018- **Corporate Affairs Ministry.**
 - Most Followed World Leader with 52 million Followers on “Twitter”- **Existing US President Donald Trump.**
 - Country’s Largest Mutual Fund House- **ICICI Prudential Asset Management Company.**
 - While India has been ranked 57th Most Innovative Nation in the World, the Country which got the Top Ranking every year since 2011- **Switzerland.**
 - While India has overtaken France and becomes the World’s “Sixth-Biggest” Economy, Country which is Top on World Economy- **USA followed by China.**
 - While Connaught Place in New Delhi becomes World’s 9th Most Expansive Office Location, First Position goes to the Location- **Hong Kong (Central).**
 - A Leading Digital Financial Services Platform which launched Instant Loan Transfer of Rs.5000 Facility on its App, First of its kind Credit Disbursal Product- **ModiKwik.**
 - Company which has re-entered after more than a decade and joined TCS in \$100 BN Market Capitalisation Club- **Reliance Industries Ltd.**
 - Mukesh Ambani (Wealth \$44.3 Billion) is poised to overtake Alibaba Group Founder Jack Ma (Wealth \$44 billion) and becomes- **Asia’s Richest Person.**
 - Company which has reported India’s Inc’s Biggest Loss Ever at Rs.274.7 billion for the fiscal year ended March 2018 due to write-offs taken on its wireless service business- **Tata Teleservices.**
 - India has overtaken China and ranked at second Position in- **Industrial Solar Heat Installations.**
 - Bank in which RBI has given an in-principle nod to LIC for acquiring a majority stake in- **IDBI Bank.**
 - To promote Indian exports to Africa, Guarantee Corporation which will be investing \$10 billion to pick up about 5% stake in the African Trade Insurance Agency- **ECGC.**
 - Country which becomes India’s Third Largest Market for “India’s Cars”- **USA after UK and Europe.**
 - Bank which has launched “Ru Pay Credit Card” which provides 20-50 days of interest-free repayment option and also having insurance cover of up to Rs.1 Lakh- **Canara Bank.**
 - Bollywood Actors Akshay Kumar and Salman Khan have featured at ranking No.76th and 82nd respectively- **Forbes World’s Highest Paid Celebrities 2018.**
 - Country which has set up Weather Station near India’s Border- **China.**
 - Regulators which hit Google with a record \$5 billion Antitrust Fine for using its Android Mobile Operating System to squeeze out Rivals- **European Union Regulator.**
 - World’s Best Airlines- **Singapore Airlines.**
 - Software Giant which has emerged as “No.2” in the Cloud Market- **Microsoft.**
 - Index as per which Tamil Nadu continues to be 2nd Best in Governance while Kerala has topped the list- **Public Affairs Index 2018.**
 - Legislature which is moving towards Paperless and has also become “W-fi”- **Parliament House of India.**
 - Syeda Tahira Safdar has been nominated Chief Justice of Baluchistan High Court- **First Woman Chief Justice in any Conservative Muslim-majority Nation.**
 - Bill which will define MSMEs based on their “Annual Turnover Basis” and not on the “Investment Criteria”- **MSME Development (Amendment) Bill 2018.**
 - State which has overtaken Tamil Nadu to become the new National Leader in “Renewable Energy Generation”- **Karnataka.**
 - Country whose Inflation will skyrocket to “1 Million Percent” by the end of the year as the Government continues to print money to cover a growing budget hole- **Venezuela.**
 - “Blood-moon Eclipse” to last for 103 Minutes- **Longest Eclipse of 21st Century.**
 - Two Indians Bharat Watwani and Sonam Wangchuck have been honoured with- **Ramon Magsaysay Award.**
 - Bank which slips into red for the first Time Ever- **ICICI Bank.**
 - Bank which has been honoured by the Govt.with “MSME Banking Excellence Award in Micro Credit Category- **Punjab & Sindh Bank.**



MOCK-TEST PAPER

Questions on RBI Policy

- 01** Sale of a govt. security by a bank, which it does not own, to other bank is called:
- long sale
 - unauthorized sale
 - short sale
 - invalid sale
- 02** Which of the following entities are not allowed by RBI to undertake short sale?
- schedule commercial banks
 - primary dealers
 - Regional Rural Banks
 - Urban Coop Banks
- 03** What is max limit on short sale in respect of liquid securities?
- 1% of the total outstanding stock of each security, or, Rs.500 crore, whichever is higher.
 - 2% of the total outstanding stock of each security, or, Rs.500 crore, whichever is higher.
 - 1% of the total outstanding stock of each security, or, Rs.1000 crore, whichever is higher.
 - 2% of the total outstanding stock of each security, or, Rs.1000 crore, whichever is higher.
- 04** What is max limit on short sale in respect of other securities?
- 1% of the total outstanding stock of each security, or, Rs.250 crore, whichever is higher.
 - 2% of the total outstanding stock of each security, or, Rs.250 crore, whichever is higher.
 - 2% of the total outstanding stock of each security, or, Rs.500 crore, whichever is higher.
 - 1% of the total outstanding stock
- of each security, or, Rs.500 crore, whichever is higher.
- 05** Short sales transaction undertaken by the eligible entities is required to be covered within a period of _____ from the date of transaction
- 3 months
 - 2 months
 - 1 month
 - 15 days
- 06** The short sale position executed in the OTC market should be reported by a bank on the NDS-OM platform within _____ of the execution of the trade.
- 15 minutes
 - 30 minutes
 - 1 hour
 - 2 hours
- 07** A govt. security that has been authorized for issuance but not yet actually issued by issuer so far is called:
- virtual security
 - intangible security
 - when issued security
 - short security
- 08** The securities eligible for 'When Issued' transactions do not include:
- new securities issued by Central Govt.
 - reissued securities by Central Govt.
 - securities issued by State governments
 - none of the above
- 09** In case an entity is not able to deliver securities sold on a 'When Issued' basis to the buyer on the date of issue, the transaction will be settled as per the default settlement mechanism of _____
- Clearing Corporation of India Limited (CCIL)
 - Securities and Exchange Board of India
 - Reserve Bank of India
 - National Company Law Tribunal
- 10** The open position limits (long or short position) in the 'When Issued' market can be max _____ for primary dealers and scheduled commercial banks?
- max 5% of the notified amount in the auction
 - max 10% of the notified amount in the auction
 - max 15% of the notified amount in the auction
 - max 25% of the notified amount in the auction
- 11** The open position limits (short position) in the 'When Issued' market can be max _____ for Other eligible entities?
- max 5% of the notified amount in the auction
 - max 10% of the notified amount in the auction
 - max 15% of the notified amount in the auction
 - max 25% of the notified amount in the auction
- 12** All OTC When Issued transactions shall be reported to NDS-OM within _____ of the trade.
- 15 minutes
 - 30 minutes
 - 1 hour
 - 2 hours
- 13** A settlement mechanism which stipulates that transfer of funds from the buyer of securities is made simultaneously with the

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*



**SUGGESTIONS/
VIEWS**

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.

- transfer of securities by the seller of securities, is called:
- Cash on delivery
 - delivery vs payment
 - delivered settlement
 - haircut delivery
- 14** The difference between the market value of the collateral security and the amount borrowed/lent against that collateral security is called:
- loan to value ratio
 - margin
 - haircut
 - gap
- 15** An instrument for borrowing funds by selling securities with an agreement to repurchase the securities on a mutually agreed future date at an agreed price which includes interest for the funds borrowed, is called:
- repo
 - reverse repo
 - marginal standing facility
 - liquidity adjustment facility
- 16** An instrument for lending funds by purchasing securities with an agreement to resell the securities on a mutually agreed future date at an agreed price which includes interest for the funds lent, is called :
- repo
 - reverse repo
 - marginal standing facility
 - liquidity adjustment facility
- 17** Under Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018, securities eligible for repo do not include which of the following:
- Govt. securities
 - Listed corporate bonds and debentures
 - commercial paper and certificate deposit
 - none of the above
- 18** Under Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018, which of the following are eligible to participate in repo transaction :
- listed companies
 - all India financial institutions
 - regulated entities
 - all the above
- 19** Under Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018, what is the minimum and max tenor of a repo transaction?
- min 1 days max one year
 - min 7 days max one year
 - min 15 days max one year
 - min 15 days max 6 months
- 20** Agency banks are required to submit their agency commission claims to the Reserve Bank of India within ____ from the end of the quarter during which the transactions have been conducted.
- 15 days
 - 30 days
 - 60 days
 - 90 days
- 21** The applicable system wide average figure for computing achievement under priority sector lending with regard to overall direct lending to non-corporate farmers, for the FY 2018-19 is __ percent.
- 13.10%
 - 11.99%
 - 12.32%
 - 11.09%
- 22** With effect from 15.09.2018, while issuing demand draft, pay order, banker's cheque, etc., the issuing bank shall include:
- name of the purchaser
 - date of expiry
 - name of the persons who sign on behalf of the bank clearly
 - mode of payment by purchaser for purchase of DD
- 23** A bill is presented on May 15, 2017 and accepted on 16.05.2017. Its due date of payment will be ... if it has to be paid within 2 months of the presentment:
- July 15, 2017
 - July 19, 2017
 - July 16, 2017
 - July 12, 2017
- 24** An exporter wants to open an EEFC account to deposit the exchange earnings. The account can be opened as a :
- saving bank account
 - current account
 - term deposit account
 - any of the accounts but without payment of interest
- 25** Which of the following statement regarding PMEGP subsidy is correct:
- it is to be kept as an interest free term deposit for 3 years
 - it will be kept as term deposit for 3 years, with appropriate interest rate
 - it will be kept in subsidy reserve fund with a lock in period according to total repayment period
 - it will be kept in subsidy reserve fund with a lock in period of 3 years
- 26** Which of the following is part of the priority sector advance of a bank:
- Only investment made in securitized assets representing eligible priority sector advances
 - Only outright purchase of priority sector advances from another bank if not disposed off within 6 months from date of purchase.

- c only investment made in inter-bank participation certificates representing priority sector advances and held for at least 180 days
- d a and b only
- e a, b and c all
- 27** An assignee is a person who:
- a Is appointed by court for administration of a will
- b Has been appointed by the court to look after property of the insolvent person
- c appointed by the will of the deceased person
- d person appointed by legal heirs as their attorney
- 28** Which of the following statement regarding liability of the drawer in a usance bill of exchange is correct: (1) before acceptance he is primarily liable (2) after acceptance by the drawee, he has no liability (3) after acceptance by drawee, he has secondary liability while drawee has primary liability (4) drawer not liable at all in case of bill of exchange, only the drawee is liable.
- a 1 and 2
- b 1 and 3
- c 2 and 3
- d 2 and 4
- 29** Any participating bank or institution may, by giving a notice of _____, withdraw from the NEFT System.
- a 10 days
- b 20 days
- c one month
- d two months
- 30** A contract that provides for performance of or discharge of the liability of the principal debtor in case of his default, is classified as:
- a contract of indemnity
- b contract of agency
- c contract of guarantee
- d contract of assignment
- e contract of mutual agency
- 31** In case of collection of local cheques, banks are required to permit usage of the shadow credit afforded to the customers' account immediately after closure of relative return clearing and in any case, withdrawal shall be allowed on _____ subject to usual safeguards.
- a next day
- b same day or next day
- c same day or within an hour of the commencement of business on the next working day.
- d same day or immediately on the commencement of business on the next working day.
- 32** Minimum no. of directors in a public limited company is:
- a 4
- b 3
- c 7
- d 10
- 33** On the nomination form, the signatures of the account holder are to be attested by:
- a one witness
- b two witness
- c no. of witnesses at bank discretion
- d no witness required
- 34** As per balance sheet of a partnership firm the current ratio works out to be 2:1 and the net working capital at Rs.50000. What will be amount of current liabilities ?
- a Rs.1 lac
- b Rs.50000
- c Rs.2 lac
- d Rs. zero
- 35** In a balance sheet of a firm, the debt equity ratio is 2:1. The amount of long term sources is Rs.12 lac. What is the amount of tangible net worth of the firm:
- a Rs.12 lac
- b Rs.8 lac
- c Rs.4 lac
- d Rs.2 lac
- 36** A business firm has earned a profit of Rs.5 lac after providing for depreciation of Rs.3 lac and interest of Rs.2 lac on long term loans. If the annual amount of repayment of term loan and other long term liabilities is Rs.3 lac, what is the debt service coverage

SUBSCRIPTION, RENEWAL AND NON-RECEIPT OF THE NEWS-MAGAZINE

SUBSCRIPTION - Rs.300 for one year & Rs.500 for two years. DD on Chandigarh favouring **BANKING & MANAGEMENT ACADEMY**. Add Rs.30 for cash deposit in bank account. Please provide your eMail-ID. If full amount is not received, subscription may be accepted on prorata basis. **PREVIOUS ISSUES** : Rs.30 per copy.

RENEWAL: Kindly renew the subscription in time, for continuous despatch of the news-magazine.

NON-RECEIPT- Hard copy magazine (for existing subscribers) is despatched on 15th of each month. In case of non-receipt of original copy, duplicate hard copy shall be provided free of charges, only once during the entire period of subscription. Next duplicate copy will be sent only in SOFT COPY form through your eMail ID.

Softy copy is sent to the eMail box between 10th to 15th of each month.

Old copies of the magazine can be downloaded from our website www.bankingindiaupdate.com free of charge.

FREE SUBSCRIPTION OFFER

Readers appearing in promotion examinations who send **adequate no. of memory recalled questions** can get free subscription of our newsmagazine.

A REWARDING ASSOCIATION WITH US

Readers are invited to associate themselves with us in our marketing effort to reach more subscribers, by introducing new readers. Introduction of each new member, entitles you to one month's extension of your existing subscription. Please advise full particulars of your subscription, while doing so to enable us to give due credit in your account.

(For assistance, please contact Sh. SP Sharma / DS Rana at 0172 2665623 (10 am to 6 pm on any working day).)

- ratio:
 a 1.5 b 1.75
 c 2 d 2.5
 e 3
- 37** The balance sheet of a proprietorship firm has total of Rs. 32 lac. Its long term sources are Rs. 20 lac. If the current ratio of the firm is 1.5:1, what the amount of long term uses of the firm:
 a Rs.18 lac
 b Rs.16 lac
 c Rs.14 lac
 d Rs.12 lac
 e Rs.10 lac
- 38** What is the normal extent of exposure ceiling as percentage of capital fund, in respect of a single borrower:
 a 30% b 25%
 c 20% d 15%
 e 10%
- 39** What is the relationship between a customer who has left articles by mistake in the bank premises:
 a lessor and lessee
 b bailee and bailor
 c agent and principal
 d trustee and beneficiary
- 40** What type of accounts can be covered under CDR I system, if other conditions are satisfied (1) standard accounts (2) sub-standard account (3) doubtful account up to 10% of total exposure of banks in the account (4) doubtful accounts (5) loss accounts
 a 1 and 2 only
 b 1, 2 and 3 only
 c 3 and 4 only
 d 3, 4 and 5 only
- 41** Suit can be filed by a bank in debt recovery tribunal under provisions of Recovery of Debt Due to Banks/Financial Institutions (RDDB) Act in case of:
 a loans with sanctioned limit of Rs.10 lac or above
 b loans with balance of Rs.10 lac and above excluding unrecovered interest if any
 c loans with recoverable amount of Rs.10 lac and above
 d loans with sanctioned limit or outstanding balance of Rs.10 lac and above, whichever is lower
- 42** What is the normal extent up to which the banks must restrict their exposure in case of infrastructure project of a single borrower:
 a 30% b 25%
 c 20% d 15%
 e 10%
- 43** Govt. has done away the _____ for its fiscal affairs management from fiscal year 2017-18.
 a Revenue and capital receipt classification
 b Plan and Non-Plan classification
 c Revenue and capital expenditure classification
 d all the above
- 44** In which of the following kinds of charges, on the assets of a company, where does the registration of charge u/s 77 of Companies Act 2013 is not required to be registered?
 a Appropriation
 b Lien
 c Pledge
 d Set off
 e none of the above
- 45** In case of finance for vehicle, the bank name is mentioned in registration with Regional Transport Authority:
 a it is requirement of Motor Vehicle Act
 b it is stipulated by RBI in its credit directives for banks
 c it facilitates easy sale of security by the bank in case of default
 d it restricts the borrower to sell the security and keeps bank secure
- 46** Banks should, classify an account as NPA only if the interest due and charged during any quarter is not serviced fully within _____ from the _____:
 a 90 days, date of debit
 b 90 days, end of the quarter
 c more than 90 days, end of the quarter
 d more than 90 days, date of debit

SUBSCRIPTION FORM

Name: _____
 Address: _____

 _____ Pin _____
 EMail Id _____ Mobile: _____
 Draft No _____ Date _____ drawn on _____ Bank, for Rs _____ fvg
 Banking & Management Academy. PERIOD from _____ to _____
 (Old Subscn No. _____)

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

THE NEGOTIABLE INSTRUMENTS (AMENDMENT) BILL, 2018

Lok Sabha passed Negotiable Instrument (Amendment) Bill, 2018 to amend the Negotiable Instruments Act, 1881 by inserting section 143A -Power to direct interim compensation and Section 148-Power of Appellate Court to order payment pending appeal against conviction.

It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Insertion of new section 143A : Power to direct interim compensation.

“143A. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the Court trying an offence under section 138 may order the drawer of the cheque to pay interim compensation to the complainant—

(a) in a summary trial or a summons case, where he pleads not guilty to the accusation made in the complaint; and

(b) in any other case, upon framing of charge.

(2) The interim compensation under sub-section (1) shall not exceed twenty per cent. of the amount of the cheque.

(3) The interim compensation shall be paid within sixty days from the date of the order under sub-section (1), or within such further period not exceeding thirty days as may be directed by the Court on sufficient cause being shown by the drawer of the cheque.

(4) If the drawer of the cheque is acquitted, the Court shall direct the complainant to repay to the drawer the amount of interim compensation, with interest at the bank rate as published by the Reserve Bank of India, prevalent at the beginning of the relevant financial year, within sixty days from the date of the order, or within such further period not exceeding thirty days as may be directed by the Court on sufficient cause being shown by the complainant.

(5) The interim compensation payable under this section may be recovered as if it were a fine under section 421 of the Code of Criminal Procedure, 1973.

(6) The amount of fine imposed under section 138 or the amount of compensation awarded under section 357 of the Code of Criminal Procedure, 1973, shall be reduced by the amount paid or recovered as interim compensation under this section.”.

3. Insertion of new section 148 - Power of Appellate Court to order payment pending appeal against conviction.

“148. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, in an appeal by the drawer against conviction under section 138, the Appellate Court may order the appellant to deposit such sum which shall be a minimum of twenty per cent of the fine or compensation awarded by the trial Court:

Provided that the amount payable under this sub-section shall be in addition to any interim compensation paid by the appellant under section 143A.

(2) The amount referred to in sub-section (1) shall be deposited within sixty days from the date of the order, or within such further period not exceeding

thirty days as may be directed by the Court on sufficient cause being shown by the appellant.

(3) The Appellate Court may direct the release of the amount deposited by the appellant to the complainant at any time during the pendency of the appeal:

Provided that if the appellant is acquitted, the Court shall direct the complainant to repay to the appellant the amount so released, with interest at the bank rate as published by the Reserve Bank of India, prevalent at the beginning of the relevant financial year, within sixty days from the date of the order, or within such further period not exceeding thirty days as may be directed by the Court on sufficient cause being shown by the complainant.”.

National Centre for Financial Education (NCFE)

NCFE has been set up by National Institute of Securities Markets (NISM) with the support of all the financial sector regulators in India, namely, Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, Pension Fund Regulatory and Development Authority and Forward Markets Commission to further the cause of financial literacy and inclusion in India in a collaborative manner.

NCFE has been set up to implement National Strategy for Financial Education (NSFE), which would cater to all sections of population in India, under the guidance of Technical Group on Financial Inclusion and Financial Literacy.

The main role of NCFE is to create financial education materials and conduct financial education campaigns across the country for all sections of the population along with awareness campaigns at different levels for existing and potential customers so as to improve their knowledge, skills & competence.

3rd Bi-monthly Monetary Policy Statement of RBI

The policy was announced on 01.08.2018 with following major points:

1. MSF & LAF to Scheduled Primary (Urban) Cooperative Banks:

RBI allowed Access to the Marginal Standing Facility (MSF) and Liquidity Adjustment Facility (LAF) to Scheduled Primary (Urban) Co-operative Banks, complying with the eligibility criteria prescribed for MSF & LAF.

2. Investment in Non-SLR Securities by Primary (Urban) Cooperative Banks :

RBI decided to permit Primary (Urban) Co-operative Banks to undertake eligible transactions for acquisition / sale of non-SLR investment in secondary market with mutual funds, pension / provident funds, and insurance companies, in addition to undertaking eligible transactions with Scheduled Commercial Banks and Primary Dealers.

3. Co-origination of loans by Banks and Non-Banking Financial Companies (NBFCs) for lending to the priority sector:

RBI decided that scheduled commercial banks (excluding RRBs and Small Finance Banks) may co-originate loans with NBFC (Non-Deposit taking-Systemically Important), for creating eligible priority sector assets. The arrangement should entail joint contribution of credit by both lenders at the facility level and sharing of risks and rewards between the banks and the NBFCs.

4. Review of Foreign Exchange Derivative facilities for Residents (Regulation FEMA-25) :

The Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations 2000, commonly known as FEMA 25, lays down the broad rules regarding foreign exchange derivative contracts that can be traded in India and access to such products by residents. RBI proposed to undertake a comprehensive review of FEMA 25, in consultation with the Government of India, to, inter alia, reduce the administrative requirements for undertaking derivative transactions, allow dynamic hedging, and allow Indian multinationals to hedge the currency risks of their global subsidiaries from India.

5. Comprehensive Review of Market Timings:

RBI decided to set up an internal group to comprehensively review timings of various markets and the necessary payment infrastructure for supporting the recommended revisions to market timings.

6. Review of SGL/ CSGL Guidelines :

In order to facilitate greater participation in the government securities (G-Secs) markets and to provide market participants further operational ease in opening and operating of Subsidiary General Ledger (SGL) and Constituent Subsidiary General Ledger (CSGL) Accounts, RBI decided to have comprehensive review.

7. Review of Internal Ombudsman Mechanism in Banks :

Select banks were advised by RBI in May 2015 to appoint Internal Ombudsman (IO) as the apex authority for redressal of customer complaints. RBI decided to enhance the independence of the IO while simultaneously strengthening the monitoring system over functioning of the IO mechanism.

DATA COLUMN

Business of Banks

(Rs.in cr)	Mar31'17	Jun08'18
Aggregate deposits	10805150	11438120
Cash in hand/RBI	570490	550780
Investments	3043660	3467350
Bank Credit:	7881890	8613170
-Food	53930	50640
-Non-Food	7827960	8562530
Cash-Deposit Ratio	5.27	4.57
Investment-Deposit	28.14	29.85
Credit-Deposit	72.95	75.06

Money Stock

(Rs.in cr)	Mar31'18	Jun08'18
M3 (Out of which)	13962590	1407385
(a) Currency with public	1759710	1858940
(b) Demand deposits-Banks	1483710	1267450
(c) Time Deposits - Banks	10695260	10924450
(d) Other deposits with RBI	23910	23000

Sources of Money Supply

(a) Net Bank credit to Govt	4001400	4331370
(b) Bank credit to Comrc'l sector	9213720	9204070
(c) Net Forex assets of Banks	2922300	2946700

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	06.25%	(02.08.2018)
Repo Rate	06.50%	(02.08.2018)
MSF Rate	06.75%	(02.08.2018)
Bank Rate	06.75%	(02.08.2018)

Small Savings Interest Rates

PPF	7.6%	(01.04.2018)
NSC	7.6%	(01.04.2018)
Sukanya Smridhi	8.1%	(01.04.2018)
Senior Citizen Saving	8.3%	(01.04.2018)

Capital & Money Market Indicators

Parameter	end-Jul17	end-Jul18
Dollar-spot TT (Rs.)	63.62	68.61
BSE - Sensex (points)	32337	37556
NSE - Nifty(S&P CNX)	10046	11361
Foreign reserves (Million \$)	391331	404193
Gold /Oz in USD)	1258	1299

INDIAN ECONOMY-IMPORTANT PARAMETERS

RBI's growth estimate for 2018-19	: 7.4%
GDP growth-2016-17 (revised estimate)	: 6.7%
GDP@constant mkt prices (cr)2017-18	: 12985363
GVA@2011-12 basic prices (cr) 2017-18	: 11871321
GDP projected by Govt. for 2018-19	: 18722302
Fiscal Deficit Target (2018-19) 3.3% of GDP	: 624276 cr
Revenue Deficit Target (2018-19) 2.2% of GDP	: 416034 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- Jun 18:Export \$ 82.5 bn\$ Imports	: 127.4 bn
Per capita Income 2017-18 (Rs.)	: 111782
Indian economy's ranking in PPP terms	: 3rd
Indian economy's ranking in world in value:	: 6th

OUR PUBLICATIONS : REFER PAGE 9,11

DATE OF DESPATCH - Aug 7 / 10, 2018