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HIGHLIGHTS

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RBI GUIDELINES: NOV 13

INTEREST RATES ON FCNR (B) DEPOSITS

RBI, vide circular dated August 14, 2013 had advised following interest rate ceilings on FCNR (B) deposits:
Maturity of 1 year to less than 3 years: LIBOR/Swap plus 200 basis points; Maturity of 3 - 5 years: LIBOR/ SWAP plus 400 basis points. These instructions were valid up to November 30, 2013. RBI has now advised that the interest rate ceiling prescribed above will remain unchanged till January 31, 2014.

DEREGULATION OF INTT RATES ON NRE DEPOSITS

RBI, vide circular dated Dec 16, 2011 decided to deregulate interest rates on Non-Resident (External) Rupee (NRE) Deposits. The banks were given freedom to determine their interest rates on both savings deposits and term deposits of maturity of one year and above under Non-Resident (External) Rupee (NRE) Deposit accounts. However, interest rates offered by banks on NRE deposits could not be higher than those offered by them on comparable domestic rupee deposits. Thereafter, RBI, vide circular dated August 14, 2013, allowed banks to offer interest rates on incremental NRE deposits with maturity of 3 years and above without any ceiling in order to pass on the benefit of exemption provided on such deposits from CRR/ SLR requirements. These instructions were valid up to November 30, 2013. RBI has now advised that the above instructions will remain unchanged till January 31, 2014.

INVESTMENT IN CREDIT INFORMATION COS

RBI has directed that investments directly or indirectly by any person, whether resident or otherwise, shall not exceed ten per cent of the equity capital of the investee company. However, RBI may consider allowing higher FDI limits as under to entities which have an established track record of running a Credit Information Bureau in a well regulated environment:

1. up to 49% if their ownership is not well diversified (i.e., one or more shareholders each hold more than 10% of voting rights in the company)
2. up to 74% if their ownership is well diversified or if their ownership is not well diversified, at least 50% of the directors of the investee CIC in India are Indian nationals/ Non-Resident Indians/ Persons of Indian Origin subject to the condition that one third of the directors are Indian nationals resident in India.
3. The investor company should preferably be a listed company on a recognised stock exchange.

In case the investor in a Credit Information Company in India is a wholly owned subsidiary (directly or indirectly) of an investment holding company, the conditions as at (a), (b) and (c) of (2) above will be applied to the operating group company that is engaged in credit information business and has undertaken to provide technical know-how to the Credit Information Company in India.

PERIODICITY OF PAYMENT OF INTEREST ON RUPEE SAVINGS/TERM DEPOSITS

As per extant guidelines on 'Interest Rates on Rupee Deposits held in Domestic, Ordinary Non-Resident (NRO), Non-Resident Special Rupee (NRSR) and Non-Resident (External) (NRE) Accounts', banks are allowed to pay interest on savings and term deposits at quarterly or longer rests. As banks are functioning on core banking platform, RBI has now allowed banks the option to pay interest on Rupee savings and term deposits at intervals shorter than quarterly intervals. These instructions are applicable to domestic Rupee deposits including Ordinary Non-Resident (NRO) and Non-Resident (External) (NRE) savings and term deposits. However, in case of FCNR(B) deposits, interest can be paid at the interval of 180 days.

PARTICIPATION OF NBFCS IN INSURANCE SECTOR

As per extant instructions, in case more than one company (irrespective of doing financial activity or not) in the same group of the NBFC wishes to take a stake in the insurance company, the contribution by all companies in the same group shall be counted for the limit of 50 per cent equity investment in the Insurance JV company. In the operation of Insurance Company, very often, the IRDA requires an insurance company to expand its capital taking into account the stipulations of the Insurance Act and the solvency requirements of the insurance company. The restriction of a group limit of the NBFC to 50% of the equity of the insurance JV company prescribed by RBI may act as a constraint for the insurance company in meeting the requirement of IRDA. Therefore, RBI has decided that in cases where IRDA issues calls for capital infusion into the Insurance JV company, the Bank may, on a case to case basis, consider need based relaxation of the 50% group limit specified by RBI in 2011.

CAPITAL ADEQUACY NORMS FOR RRBS

The risk weighted assets ratio system as the basis of assessment of Capital Adequacy which takes into account the element of risk in the various types of assets in the Balance Sheet as well as off Balance-sheet exposures was made applicable to banks in India with a view to strengthening their capital base. Capital Adequacy norms were advised to RRBs vide RBI circular dated December 28, 2007. RRBs were required to disclose CRAR as 'Notes on Accounts' to their Balance Sheets. Consequent to the consolidation of RRBs by amalgamation and recapitalization of weak RRBs, RBI has advised all RRBs to achieve and maintain a minimum CRAR of 9% on an ongoing basis with effect from March 31, 2014.

SECURITY AND RISK MITIGATION MEASURES FOR CARD PRESENT TRANSACTIONS

RBI, vide its circular dated September 22, 2011, February 28, 2013 and June 24, 2013 had advised various timelines for accomplishment of tasks for securing card and electronic payment transactions. The " Working Group on Securing Card Present Transactions" (Chairperson: Gowri Mukherjee) set up by RBI, had recommended the evaluation of UIDAI's Aadhaar as an effective alternative for additional factor of authentication for domestic transactions. After taking into consideration the developments that have taken place in the card payment ecosystem as well as the scalability and effectiveness of Aadhaar over a period of time, RBI has advised banks that in respect of cards, not specifically mandated by the Reserve Bank to adopt EMV norms, banks may take a decision whether they should adopt Aadhaar as additional factor of authentication or move to EMV Chip and Pin technology for securing the card present payment infrastructure. However, all new card present infrastructure has to be enabled for both EMV chip and PIN and Aadhaar (biometric validation) acceptance.

PRIORITY SECTOR LENDING

The Medium enterprises are facing liquidity tightness. In order to enhance credit delivery to the medium sector, RBI has decided to include incremental bank loans to <u>medium manufacturing enterprises</u> extended <u>after November 13, 2013</u>, as priority sector advances. Further, the incremental bank loans to <u>medium service enterprises</u> extended after November 13, 2013, <u>up to the credit limit of Rs.10 crores</u>, would qualify as priority sector advances. In line with the above, similar incremental loans to micro and small service enterprises up to the credit limit of Rs.10 crores, (as against the present ceiling of Rs.5 crores), shall also be treated as priority sector advances. The above dispensation will remain in force up to March 31, 2014.

FINANCING OF INFRASTRUCTURE DEFINITION OF 'INFRASTRUCTURE LENDING'

The Government of India has updated the Harmonised Master List of Infrastructure sub-sectors on October 7, 2013 and the following new sub-sectors have been added in the Master List – (a) Hotels with project cost of more than Rs.200 crores each in any place in India and of any star rating; (b) Convention Centres with project cost of more than Rs.300 crores each. Accordingly, these new sub-sectors will get classified as 'Infrastructure' for the purpose of lending by banks and select All India Term-Lending and Refinancing Institutions.

FILING OF RECORDS OF EQUITABLE MORTGAGES WITH THE CENTRAL REGISTRY

The Central Government has notified on 31st March, 2011 the establishment of the Central Registry at New Delhi and entrusted the operations and administration of the Central Registry to the Central Registry of Securitisation Asset Reconstruction and the Security Interest of India (CERSAI). Although the institutions notified under the SARFAESI Act have to mandatorily register with CERSAI, the records of the mortgages created in their favour by deposit of title deeds, those not notified under SARFAESI Act are not debarred from filing the records with CERSAI. In the absence of the records of all the equitable mortgages obtained even by non-SARFAESI notified banks / financial institutions (including NBFCs) with the CERSAI, the details of the security interest created in favour of these banks / institutions will not be available on a public domain for search by citizens / other banks / FIs as a result of which the potential fraud / multiple financing against the same property may not be fully prevented. Therefore, RBI has advised that all NBFCs should file and register the records of all equitable mortgages created in their favour on or after 31st March 2011 with the Central Registry and they shall also register the records with the Central Registry as and when equitable mortgages are created in their favour.

FOREIGN INVESTMENT IN INDIA

As per extant guidelines, SEBI registered Foreign Institutional Investors (FIIs), Qualified Foreign Investors (QFIs) and long term investors, such as, Sovereign Wealth Funds (SWFs), Multilateral Agencies, Pension/ Insurance/ Endowment Funds, foreign Central Banks, may purchase, on repatriation basis, Government securities and non-convertible debentures (NCDs) / bonds issued by an Indian company. The present limits for investments by FIIs, QFIs and long term investors registered with SEBI in Government securities and corporate debt stands at USD 30 billion and USD 51 billion, respectively. Further, credit enhancement can be provided by eligible non-resident entities to the domestic debt raised through issue of INR bonds/ debentures by all borrowers eligible to raise ECB under the automatic route. Now, RBI has decided to allow SEBI registered Foreign Institutional Investors (FIIs), Qualified Foreign Investors (QFIs) and long term investors registered with SEBI to invest in the credit enhanced bonds, up to a limit of USD 5 billion within the overall limit of USD 51 billion earmarked for corporate debt.

IMPORT OF GOLD BY NOMINATED BANKS /AGENCIES/ENTITIES

RBI, vide circular dated August 14, 2013 had advised that any authorisation such as Advance Authorisation/Duty Free Import Authorization (DFIA) is to be utilised for import of gold meant for export purposes only and no diversion for domestic use shall be permitted. RBI has now clarified that for any AA / DFIA issued prior to 14th August 2013 the condition of sequencing the imports prior to exports shall not be insisted upon. However, entities/units in the SEZ and EoUs, Premier and Star Trading Houses (irrespective of whether they are nominated agencies or not) are permitted to import gold exclusively for the purpose of exports only. Similarly, exports towards fulfillment of obligation under AA/DFIA scheme shall not qualify as export for the purpose of the scheme of 20:80.

FOREIGN DIRECT INVESTMENT IN FINANCIAL SECTOR – TRANSFER OF SHARES

As per extant guidelines, for transfer of shares from Residents to Non-Residents where the investee company is in the financial services sector, No Objection Certificate (NoC) is required to be obtained from the respective financial sector regulator/regulators of the investee company as well as transferor and transferee entities and such NoC(s) are to be filed with the form FC-TRS to the AD bank. RBI has now decided that the requirement of NoC(s) will be waived from the perspective of Foreign Exchange Management Act, 1999 and no such NoC(s) need to be filed along with form FC-TRS. However, any 'fit and proper/ due diligence' requirement as regards the non-resident investor as stipulated by the respective financial sector regulator shall have to be complied with.

Advance Remittance for Import of Rough Diamonds

As per extant guidelines vide RBI circular dated December 29, 2009, banks are permitted to make advance remittance without any limit and without Bank Guarantee or Standby Letter of Credit, by an importer (other than Public Sector Company or Department / Undertaking of the Government of India /State Governments), for import of rough diamonds into India from nine mining companies. The names of the two mining companies listed in the above circular have been changed as indicated below: (i) De Beers UK Ltd to De Beers Global Sightholder Sales Proprietary Ltd. (ii) BHP Billiton, Belgium to Dominion Diamond Marketing.

THIRD PARTY PAYMENTS FOR EXPORT / IMPORT TRANSACTIONS

Normally payment for exports has to be received from the overseas buyer named in the Export Declaration Form (EDF) by the exporter and the payment shall be received in a currency appropriate to the place of final destination as mentioned in the EDF irrespective of the country of residence of the buyer. Similarly, the payments for the import should be made to the original overseas seller of the goods and the AD should ensure that the importer furnishes evidence of import, such as, Exchange Control copy of the Bill of Entry to satisfy itself that goods equivalent to the value of remittance have been imported. With a view to further liberalising the procedure relating to payments for exports/imports and taking into account evolving international trade practices, RBI has decided as under with immediate effect:

(i). Export Transactions: AD banks may allow payments for export of goods / software to be received from a third party (a party other than the buyer) subject to conditions as under:

(a) Firm irrevocable order backed by a tripartite agreement should be in place;

(b) Third party payment should come from a Financial Action Task Force (FATF) compliant country and through the banking channel only;

(c) The exporter should declare the third party remittance in the Export Declaration Form;

(d) It would be responsibility of the Exporter to realize and repatriate the export proceeds from such third party;

(e) Reporting of outstandings, if any, in the XOS would continue to be shown against the name of the exporter. However, instead of the name of the overseas buyer from where the proceeds have to be realised, the name of the declared third party should appear in the XOS;

(f) In case of shipments being made to a country in Group II of Restricted Cover Countries, (e.g. Sudan, Somalia, etc.), payments for the same may be received from an Open Cover Country. Restricted cover Group II country is country which experiences chronic political and economic problems as well as balance of payment difficulties.

(ii). Import Transactions: AD banks are allowed to make payments to a third party for import of goods, subject to conditions as under:

(a) Firm irrevocable purchase order / tripartite agreement should be in place;

(b) Third party payment should be made to a Financial Action Task Force (FATF) compliant country and through the banking channel only;

(c) The Invoice should contain a narration that the related payment has to be made to the (named) third party;

(d) Bill of Entry should mention the name of the shipper as also the narration that the related payment has to be made to the (named) third party;

(e) The amount of an import transaction eligible for third party payment should not exceed USD 100,000.

TIMELY ISSUE OF TDS CERTIFICATE TO CUSTOMERS

RBI has advised banks to provide TDS Certificate in Form 16A to their customers from whose income, tax has been deducted at source. Banks should put in place systems that will enable them to provide Form 16A to the customers within the time-frame prescribed under the Income Tax Rules.

CHARGES LEVIED BY BANKS FOR SMS ALERTS

As per RBI circular dated February 18, 2009 and March 29, 2011, banks are required to put in place a system of online alerts for all types of transactions irrespective of the amounts involving usage of cards at various channels. Banks have accordingly put in place a system of SMS alerts so as to help customers in fraud mitigation and have been levying uniform service charges to various categories of customers. With a view to ensuring reasonableness and equity in the charges levied by banks for sending SMS alerts to customers, RBI has advised banks to leverage the technology available with them and the telecom service providers to ensure that such charges are levied on all customers on actual usage basis.

TRADE CREDIT FOR IMPORTS INTO INDIA

As per extant guidelines, banks are required to report data relating to the Trade Credits for imports into India and submission of data on issuance of guarantees/ LoUs / LoCs by AD banks at quarterly intervals to RBI manually. RBI has advised that such data will now be submitted on Extensible Business Reporting Language (XBRL) platform from quarter ended September 30, 2013.

ENTRY OF BANKS INTO INSURANCE BUSINESS
INSURANCE BROKING BUSINESS - DRAFT GUIDELINES

In order to enable banks to leverage their branch network for increasing insurance penetration, RBI has decided to permit banks to undertake insurance broking business departmentally, subject to the following requirements. Banks desirous of offering insurance broking services should seek specific prior approval of RBI. Approvals would factor in the regulatory and supervisory comfort on various aspects of banks' functioning such as corporate governance, risk management and the arrangements proposed for undertaking insurance brokerage etc. Validity period for the approval granted for insurance broking will be three years subject to review thereafter.

Requirements for undertaking insurance broking business by banks

1. A comprehensive Board approved policy regarding insurance broking should be formulated and services should be offered to customers in accordance with this policy.
2. The eligibility criteria as per published accounts as on March 31 of the previous year will be as under:
(a) The net worth of the bank should not be less than Rs 500 crores;
(b) The CRAR of the bank should not be less than 10%;
(c) The level of net non-performing assets should not be more than 3%;
(d) The bank should have made profits for the last three consecutive years;
(e) The track record of the performance of the subsidiaries/JVs, if any, of the bank should be satisfactory.
3. In order to avoid any conflict of interest, banks undertaking insurance broking business cannot enter into agreements either for corporate agency or for referral arrangements for insurance either departmentally or through subsidiaries/group companies.
4. The IRDA (Licensing of Banks as Insurance Brokers) Regulations, 2013 and the code of conduct prescribed by IRDA, should be complied with.
5. It should be ensured that all employees dealing with insurance broking business possess the requisite qualification prescribed by IRDA as insurance broking is a knowledge intensive activity involving specialized skills. The persons involved in insurance broking services should not be entrusted with any other approval/transactional process at bank branches.
6. KYC guidelines issued by RBI from time to time, may be adhered to, in respect of customers (both existing and walk-in) to whom the services of insurance broking are being provided.
7. There should be a standardized system of assessing the needs of the customer across all branches offering insurance broking services.
8. There should be no violation of Section 10(1)(ii) of the BR Act, 1949 in payment of commissions/ brokerage/ incentives as well as the guidelines issued by IRDA. Further, no incentive (cash or non-cash) linked directly or indirectly to the income received from broking business should be paid to the staff engaged in insurance broking services. The staff of the bank is also not permitted to receive any incentive (Cash or non-cash) directly from the insurance company.
9. As the participation by a bank's customer in insurance products is purely on a voluntary basis, it should be stated in all publicity material distributed by the bank in a prominent way.
10. In order to ensure transparency, banks should disclose to the customers, details of remuneration (in any form) received from various insurance companies for the broking business. The details of fees/ brokerage received in respect of insurance broking business undertaken by them should also be disclosed in the 'Notes to Accounts' to their Balance Sheet.
11. The deposit to be maintained by an insurance broker as per the IRDA (Licensing of Banks as Insurance Brokers) Regulations, 2013, should be maintained with a scheduled commercial bank other than itself.

OVERSEAS FOREIGN CURRENCY BORROWINGS BY AUTHORISED DEALER BANKS

As per extant RBI guidelines, banks were permitted to borrow from international/multilateral financial institutions up to 100 percent of their Tier-I capital and also swap the borrowed amount with the Reserve Bank at a concessional rate. This facility was available up to November 30, 2013. However, some banks may be in the process of negotiation of loans from international/multilateral financial institutions and may not be in a position to draw the loan and deliver the same to RBI as a part of the concessional swap within November 30, 2013. Accordingly, RBI has decided that if any bank is being sanctioned any loan from any international/multilateral financial institutions and is receiving a firm commitment in this regard on or before November 30, 2013, it will be allowed to enter into a forward-forward swap under the first leg of which the bank will sell forward the contracted amount of foreign currency corresponding to the loan amount for delivery up to December 31, 2013. However, if the bank is not in a position to deliver the contracted amount of foreign currency on the contracted date, it would have to pay the difference between concessional swap rate contracted and the market swap rate plus one hundred basis points.

WHITE LABEL ATMS (WLAS) IN INDIA

RBI has issued guidelines for non-bank entities to set up, own and operate White Label ATMs in the country. As per these guidelines, at no point of time, the WLAO or his agents shall have access to the cash at the WLAs. The rationale behind the instruction was to ensure that the cash sourced from the sponsor bank only is loaded into WLAs, thus ensuring quality / genuineness of the notes. However, taking into consideration the difficulties expressed by stakeholders in operationalizing the WLAs, these instructions have been withdrawn by RBI.

NATIONAL RURAL LIVELIHOODS MISSION (NRLM) AAJEEVIKA- INTEREST SUBVENTION SCHEME

RBI, vide circular dated June 27, 2013, had advised on restructuring of Swarnajayanti Gram Swarozgar Yojana (SGSY) as National Rural Livelihoods Mission (NRLM). As per NRLM, there is a provision for interest subvention to eligible beneficiaries. Detailed guidelines in respect of the interest subvention claims for the year 2013-14 are given below:

1. All women Self Help Groups (SHGs) will be eligible for interest subvention to avail the credit upto Rs. 3 lakhs at 7% per annum. SHGs which have availed capital subsidy under S.G.S.Y in their existing loans, will not be eligible for benefit for their subsisting loan under this scheme.

2. Public Sector Banks (PSBs) and Regional Rural Banks (RRBs) will lend to all the women SHGs at the rate of 7% in the 150 districts.

3. PSBs will be subvented to the extent of difference between the Weighted Average Interest charged (WAIC as specified by Ministry of Finance, Department of Financial Services) and 7% subject to the maximum limit of 5.5%, for the FY - 2013-14. This subvention will be available to all the Public Sector Banks on the condition that they make SHG credit available at 7% p.a. in the 150 districts. The limit of subvention for the next financial year will be communicated separately.

4. RRBs will be subvented to the extent of difference between the lending rates (as specified NABARD) and 7% for the FY - 2013-14. RRBs will also get concessional refinance from NABARD. This subvention will be available to the RRBs on the condition that they make SHG credit available at 7% p.a. in the 150 districts.

5. Further, the SHGs will be provided with an additional 3% subvention on prompt repayment of loan. For the purpose of the Interest Subvention of additional 3% on prompt repayment, an SHG account will be considered as prompt payee if it satisfies the following criterion as specified by RBI:

a. <u>For Cash Credit Limit</u>: (i) Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days; (ii) There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during a month; (iii) Customer induced credit should be sufficient to cover the interest debited during the month.

b. <u>For the Term loans</u>: A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment. All prompt payee SHG accounts as on the end of the reporting quarter will be eligible for the additional interest subvention of 3%. The banks should credit the amount of 3% interest subvention to the eligible SHG loan accounts and thereafter seek the reimbursement.

6. The Interest Subvention scheme shall be implemented through a Nodal Bank selected by the Ministry of Rural Development. The Nodal Bank will operationalize the scheme in a manner similar to that of (Ministry of Human Resource Development) MHRD's education loan interest subsidy scheme for all the Public Sector Banks.

7. For the RRBs the scheme will be operationalized by NABARD in a manner similar to the short term crop loan scheme.

8. For all the loans upto Rs. 3 lakhs, sanctioned to women SHGs on or after December 1st , 2013, banks must charge an interest rate of 7%. For the loans extended between April 1, 2013 and November 30th, 2013, banks should convert the rate of interest to 7% for all the existing loan accounts of the SHGs with effect from April 1st, 2013

9. For the loan outstanding between April 1st, 2013 and November 30th, 2013, the Banks need to reimburse the excess interest already being charged, for the difference between 7% and the Weighted Average Interest charged (WAIC as specified by Ministry of Finance, Department of Financial Services), to the Loan accounts of the SHGs.

10. For the loan outstanding for the period April 1st 2013 to November 30th, 2013, the banks should pay the additional 3% subvention to the eligible SHGs and submit the claims to the Nodal Bank. Till such time the Nodal bank is appointed, all the PSBs may submit the claims to Ministry of Rural Development.

11. For the loans closed between the period April 1st, 2013 to November 30th, 2013, the interest subvention amount, both for the difference between 7% and Lending rates and the additional 3% subvention to the eligible SHGs, should be reimbursed to the S/B Account of the eligible SHGs.

12. In order to avail the Interest Subvention on credit extended to the SHGs @ 7%, banks are required to submit their claims on a half - yearly basis as at September 30, 2013 and March 31, 2014, of which, the latter needs to be accompanied by a Statutory Auditor's certificate certifying the claims for subvention for the entire year ended March 31, 2014 as true and correct.

13. In respect of the 3% additional subvention, banks may submit their one - time consolidated claims pertaining to the disbursements made during the entire year 2013 – 14 latest by April 30, 2014, duly audited by Statutory Auditors certifying the correctness.

14. Banks should furnish the consolidated claims duly certified by the Statutory Auditor's certificate for subvention for the entire year ending March 31, 2014 as true and correct. Any remaining claim pertaining to the disbursements made during the year 2013-14 and not included in the claim for March 31, 2014, may be consolidated separately and marked as an 'Additional Claim' and submitted latest by June 30, 2014, duly audited by Statutory Auditors certifying the correctness. Adjustments shall be made from later claims based on the auditor's certificate

15. RRBs will submit the claims to NABARD, as specified by NABARD.

<u>Interest Subvention Scheme for the Category II Districts (other than 150 districts):</u> For the II category of districts, comprising of districts other than the above 150 districts, all women S.H.Gs under N.R.L.M will continue to be eligible for interest subvention to avail the loan facility at an interest rate of 7%. The funding for this subvention will be provided to the State Rural Livelihoods Missions (S.R.L.Ms). The State -wise distribution of the provision under this budget head would be determined each year. In the Category II districts, Banks will charge the SHGs as per their respective lending norms to the SHGs and the difference between the lending rates and 7% will be subvented in the loan accounts of the SHGs by the SRLM.

<u>Role of the Banks</u>: All the banks will furnish the details of the Credit disbursement and Credit outstanding of the SHGs in the desired format as given by the MoRD, directly from the CBS platform, to the Ministry of Rural Development (through FTP) and to the SRLMs. The information should be provided on a monthly basis to facilitate the calculation of the Interest Subvention.

RTGS SYSTEM REGULATIONS 2013

RBI operationalised the new RTGS system on October 19, 2013. A summary of regulations framed in this regard is given below:

Management of the RTGS System: The RTGS System will be operated by RBI and will be managed by a Standing Committee consisting of representatives of RBI, SBI, nationalized banks, foreign bank, private banks and other stake holders. The tenure of members from distinct bank group, other than RBI shall be for 1 year and shall be substituted by another member of that distinct group each year. The Standing Committee shall meet at least once every year.

Membership: Membership of RTGS system shall be open to all the licensed banks and to any other institution at the discretion of the RBI.

Criteria for membership: The access to the RTGS System will be decided on the basis of Access Criteria guidelines issued by RBI. Apart from Access Criteria guidelines, an entity has to comply with the other specific requirements for access to the RTGS system – (i) Membership of the Indian Financial Network (INFINET) / SFMS / domestic SWIFT network; (ii) Maintain a current account with RBI; (iii) Maintain a settlement account with RBI; (iv) Maintain Subsidiary General Ledger (SGL) account with the Bank;

Type of Membership: The types of participants in the RTGS system primarily are of four types viz., (i) central bank – exclusively for RBI (ii) regular participant – all types of facilities to be provided like IDL, inter-bank, customer transactions, own account transfer (e.g. banks), (iii) restricted participant – some particular type(s) of facilities to be provided like IDL, inter-bank, own account transfer (e.g. Primary Dealers) and (iv) clearing house – permitted to submit MNSB file to RTGS system

Options for accessing RTGS System: There are three options viz., thick-client, Web-API (through INFINET or any other approved network) and PO module. The choice of options for connecting to the RTGS system is based on the volumes and business requirements of a member.

(a) Thick client interface/SFMS Member Interface: A Member has to own, install and maintain the dedicated hardware and software connecting to the Central System through the INFINET or any other approved network by RBI.

(b) Web service interface: The interface application needs to be developed by the members as per the specification provided by RBI. The Central System will have to be connected through the INFINET or any other approved network by RBI.

(c) Payment Originator (PO) module: This mode of access is purely browser based. Members can originate and receive payment transactions through INFINET / any other network approved by RBI. The participants having minimal volume of RTGS transactions (daily average volume 100 or less) are permitted to use this mode of access. A participant can access the Central System through one channel at a time, which is said to be the primary channel. Another access channel will work as a back-up channel.

RTGS Transaction Type and Message Formats: The RTGS System will process following types of transactions:

a) Inter-institutional / inter-bank transaction – Funds transfer purely between two RTGS members / participants.

b) Customer transaction – Funds transfer / receipt on behalf of the customer of a RTGS participant member.

c) Government transaction – Funds transfer/receipt on behalf of Government Accounts by a participating member.

d) Multilateral Net Settlement Batch (MNSB) – The file containing net settlement position of clearing participants of an ancillary payment system managed by a clearing house.

e) Delivery versus Payment (DvP) – A transaction involving funds in one leg against delivery of securities on the other leg. (A securities settlement mechanism that links a securities transfer and a funds transfer in such a way as to ensure that delivery occurs if and only if the corresponding payment occurs.)

f) Own Account Transfer (OAT): Transfer of funds by a member between RTGS settlement account and the current account maintained with the Bank.

g) Return Payment Transaction – Credit transfer received by a participant through RTGS that could not be credited to an account specified in the message to be returned to sending member.

Components, Communication and Settlement

a) Transaction Flow: Each member will communicate from their Member Interface to the Central System through the INFINET. The interactions between the Member Interface and the Central System will be through pre-defined message format (ISO 20022) only. Every message will be digitally signed and encrypted for ensuring security. IDRBT will be the Certifying Authority (CA) for digital certificates.

b) Unique Transaction Reference (UTR) / Transaction Identification Number: Each message has to be assigned with a unique number and provided in the field Transaction Identification. The Unique Transactions Reference (UTR) number is 22 characters length. The structure of the unique number is "XXXXRCYYYYMMDDnnnnnnnn" where XXXX is IFSC (first 4 character) of sending participant, R represents RTGS system, C represents channel of the transaction, YYYYMMDD represents year, month and date of the transaction, nnnnnnnn denotes the sequence number.

c) Message Standard: The RTGS system will handle messages based on ISO 20022 standard.

d) Transaction Type Code (TTC): RTGS system uses a Transaction Type Code (TTC) to identify the type of individual payment messages that is allowed for the particular type of payment transaction. The TTC values are in the range of "0000" to"9999". TTC value shall be part of the message content.

e) Priority: The members may assign a priority while processing a payment transaction at the Member Interface before releasing the transaction to the Central System. The available range of priority is from '01' to '99'. The lower the assigned number, the higher will be the priority. The priorities from "01" to "10" are reserved for the RBI. Participants can use the priorities from "11" to "99". The transactions of the RBI are assigned with the highest priorities followed by the MNSB transaction file and inter-bank.

f) Queuing: Payment messages received in the RTGS will be maintained in a logical payment queue, pending settlement. The queue will be ordered by priority numbers of the transactions and, within a priority number, by the time of receipt in the RTGS system. Transaction will be taken up for settlement which is at the top of the payment queue. Members may cancel or re-prioritise transactions that are awaiting settlement in the payment queue.

g) Settlement: A payment transaction is determined and settled when the Settlement Account maintained with RBI of sending participant is debited and receiving participant is credited. On settlement, the payment transaction will be treated as final and irrevocable.

h) Debit notification and Credit message: On successful settlement of any payment transaction the sending participant receives a notification and receiving participant receives the full payment message.

RTGS Business Day and Operating Sessions: The RTGS system will be operational on all days except specified holidays as decided by RBI from time to time.

a) Start of Day (SOD): This is the first event which triggers basic functions of the system viz., advancing of system's business date; loading the updated code files; accepting payment instructions from the internal systems of the Bank. Payments sent by the participants are not accepted for settlement at the time of SOD.

b) Open for Business (OFB) - – 9 AM: The system starts processing all types of messages. Intra-day liquidity (IDL) facility will be available to the eligibleparticipants after Open for Business operation in the RTGS system.

c) Initial Cut-off (ICO) – : This event triggers restriction of submission of certain type of transactions viz. customer transactions. After ICO time participants cannot submit the customer transactions for settlement. Transactions submitted before ICO time pending for settlement will not be cancelled. However, some specific types of transactions viz., inter-institutional / inter-bank, return payments, MNSB, etc. will be accepted for settlement after this cut-off. (time 16.30 hours on Monday to Friday and 14.00 hours on Saturdays)

d) Final Cut-off (FCO): This cut-off represents the end of all the normal operations conducted by a participant for the business day, with the exception of those payments that credit a participant with additional liquidity to repay the outstanding IDL loans. No further IDL requests will be accepted after this point. Any other pending transactions will be automatically cancelled by the RTGS system and the sending participants will be notified accordingly. (Time 18:30 hours on Monday to Friday and 15:00 hours on Saturdays)

e) IDL Reversal Session: This session is available only to the participants having outstanding IDL positions after Final Cut-off to receive funds from any other bank/own account transfer purpose. (Time 18:30 hours - 19:00 hours)

f) End of Day (EOD): This is the last event of every business day. There will either be positive or zero balance in the settlement accounts. The balances of settlement accounts will be swept back to the current accounts of respective banks maintained in E-Kuber. (Time 1930 hours on Monday to Friday and 15:30 hours on Saturdays).

MNSB files and MNSB Return files are permitted to be posted from the moment of Open for Business and before End of Day of the RTGS system. Participants may request the Bank for time extension of any operating session one hour prior to the closing of that operating session.

Gridlock Resolution Mechanism: : The system provides a gridlock resolution mechanism that resolves (to the extent possible) all outstanding queued transactions. This resolution process is automated and runs on a predefined time intervals for the urgent stream ofpayments in the queue.

Intraday Liquidity (IDL) Facility: RBI may, grant access to intra-day liquidity (IDL) facility to the RTGS members for the settlement of their payment transactions in the RTGS to overcome short-term requirements for funds (during the RTGS business day) for settlement of the transactions. The IDL is a repo facility and will be provided against the collateral of Government of India dated securities and treasury bills maintained in IDL-SGL account. The quantum of IDL, margin requirement and nature of collateral will be notified by RBI from time to time. The IDL facility will be invoked automatically as and when members do not have the required funds in their settlement account. The IDL facility availed by a participant shall be automatically reversed by the RTGS system on availability of sufficient funds in the settlement account of the participant above a thresh hold level. The reversal of IDL shall be treated as a high priority transaction. IDL that is outstanding on account of insufficient fund in the settlement account is required to be repaid /reversed fully before the RTGS End of Day. If there is delay, the participant will be liable to pay the Bank the interest at twice of the Repo Rate prevailing on the particular day. RBI may levy charges to a member for using IDL facility.

Other Features of RTGS System:

Hybrid feature: The RTGS system will have facility to settle transactions on a Gross and off-setting basis.

Future value dated transactions: The RTGS system will accept future value dated transactions for settlement on future RTGS working days.

Centralised Anti Money Laundering Filtering: The RTGS system will validate payment transactions with the negative list databases for AML / CFT.

Multicurrency: RTGS system will process multicurrency transactions.

Rights of Members / Participants: Members are eligible to send / receive transactions to / from the central system during the business hours as approved by RBI. A member may resign from the membership of RTGS System with 30 days prior notice to RBI.

Customer Transactions – Obligations and Rights of Members / Participants:

1. Eligible RTGS member can send / receive customer transactions on behalf of their customers. The originating member should ensure two factor authentications by adopting maker-checker principle while originating a payment transaction. The originating member should

release the payment message from their system to the RTGS central system within 30 minutes of debiting a customer's account. The originating member should have the facility of time stamping of their transactions at various stages for effective grievance redressal mechanism.

2. Credit received by the RTGS member should be credited to the account of the beneficiary on the basis of the account number in the payment message within 30 minutes of the receipt of the message at the Member Interface. The payment message receiving member may put in place a Straight Through Processing (STP) mechanism for crediting the beneficiary's account. For any delay the beneficiary's bank has to pay compensation at current repo rate plus 2% to the beneficiary customer per day. Delay in credit on the same day has to be paid compensation to the customer for one day. The compensation amount should be credited to the customer's account automatically without any request.

3. If, it is not possible to credit the funds to the beneficiary's account for any reason e.g. account does not exist, account frozen, etc., funds will be returned to the originating member within one hour of the receipt of the payment at the Member Interface or before the end of the RTGS Business day, whichever is earlier. The transaction Id should be same as that of original message. If there is delay, the recipient member will pay compensation at current repo rate plus 2% to the originating member and the same will be ultimately credited to the account of originating customer. In case of delay in returning on the same day, the compensation will be for one day.

4. The member banks have to provide name of the ordering customer and the beneficiary customer. The member banks have to furnish name of the beneficiary in the passbook / account statement of originator and name of ordering customer in the passbook / account statement of beneficiary.

Obligations and Duties of Members / Participants: All participants should fund their RTGS settlement accounts adequately so that gross and MNSB transactions are settled smoothly. In case of any failure of the system resulting in non-operation of the system at the member end, the member should report to RBI within 30 minutes of the incidence. Members should maintain RTGS transactions data for at least 10 years

Sub-Membership in RTGS System: Direct RTGS members can extend the RTGS facility to licenced banks which have the technological capabilities but not participating in the RTGS system. The direct member is a sponsor bank and the licensed bank accessing the RTGS system through a sponsor bank is a sub-member. There are no restrictions on the number of sub-members a sponsor bank could sponsor. The settlement of transactions by/on the sub-members would be in the settlement accounts of the sponsor banks maintained with RBI. No permission from RBI is required for sponsoring a sub-member/s. However, information on sub member should be sent to RBI immediately. Further, every direct member bank has to submit the Bank with a list of their sub-members of RTGS system as on March 31 every year.

Customer Grievances: The members should set up customer facilitation centre (CFCs) for handling complaints related to RTGS transactions. The details of customer facilitation centers viz., nodal person and contact numbers have to be displayed by the members in their website and branches.

Threshold Amount: For customers - Minimum Rs 2 lac; Maximum no limit.

Maximum Service Charges for Customers: Inward transactions – free; Outward transactions – (i) Rs 2 lakh to Rs 5 lakh: Rs 25 + applicable time varying tariff subject to a maximum of Rs.30; (ii) Above Rs 5 lakh: Rs 50 + applicable time varying tariff subject to a maximum of Rs.55.

Service Charges for Members: The RTGS service charges has three components viz., (a) monthly membership fee, (b) transaction fee and (c) time-varying tariff for members.

(a) Membership fees: Regular (Type A) – Banks other than co-operative banks: Rs. 4,000 and Co-operative Banks : Rs 2000; Restricted (Type B) - Primary Dealers: Rs. 2,000; Clearing House (Type C & D): Rs. 2,000.

(b) Transaction fee (per transaction): Monthly volume up to up to 25,000: Rs. 0.50; Rs 25,001 to Rs 50,000: Rs. 0.40; 50,001 to 100,000: Rs. 0.30; 100,001 and above: Rs. 0.10. First 25,000 transactions will be charged @ Rs.0.50; next 25,000 will be charged @ 0.40 and so on

(c) Time varying tariff: 09:00 hours to 12:00 hours: Nil; After 12:00 hours to 15:30 hours: Re 1.00; After 15:30 hours to 17:30 hours: Rs. 5.00; After 17:30 hours: Rs. 10.00

Statistics Relating To Scheduled Commercial Banks At A Glance

Indicators	March 2005	March 2012	March 2013
Number of Commercial Banks	288	173	155
(a) Scheduled Com Banks	284	169	151
of which : Regional Rural Banks	196	82	64
(b) Non-Scheduled Com Banks	4	4	4
Number of Bank Offices in India	70373	102377	109811
(a) Rural	30790	36503	39439
(b) Semi-Urban	15325	26144	28691
(c) Urban	12419	20650	21720
(d) Metropolitan	11839	19080	19961
Population per Office (in 000)	16	13	12
Aggregate deposits of SCBs in India (Rs. billion)	17002.0	59090.8	67504.5
(a) Demand deposits	2480.28	6253.30	6622.99
(b) Time deposits	14521.7	52837.5	60881.6
Bank credit of SCBs in India (Rs. billion)	11004.3	46118.5	52604.6
SLR investments of SCBs Banks in India (Rs. billion)	7391.5	17377.9	20061.1
Deposits of SCBs per office (Rs. million)	257	643	674
Credit of Scheduled Commercial Banks per office (Rs. million)	170	498	526
Per capita Deposit of Scheduled Commercial Banks (Rs.)	16281	50183	56380
Per capita Credit of Scheduled Commercial Banks (Rs.)	10752	38874	44028
Deposits of SCBs as percentage to Gross National Product at factor cost	62.3	78.0	79.4
SCBs Advances to Priority Sectors (Rs. billion)	3706.03	14710.5	16411.0
Priority Sector Advances as % of Total Advances of SCBs	32.2	29.5	28.8
Credit-Deposit Ratio (per cent)	62.6	78.6	79.1
Investment-Deposit Ratio (%)	47.3	34.6	35.2
Cash-Deposit Ratio (per cent)	6.4	5.8	5.1

REGISTRATION OF CHARGES

The provisions relating to registration of charges are contained in section 77 to 87 of the Companies Act, 2013. The summary of provisions relating to registration of charges is given below. However, the Ministry of Corporate Affairs, has notified only section 86 which shall come into effect from 12th September 2013. Other sections will be notified in due course of time.

Duty to register charges - Sec 77: It shall be the duty of every company creating a charge within or outside India, on its property or assets or any of its undertakings, whether tangible or otherwise, and situated in or outside India, to register the particulars of the charge signed by the company and the charge-holder together with the instruments, if any, creating such charge with the ROC.

Period for registration of charge - Sec 77: The company is required to register the particulars of the charge with the Registrar of Companies within thirty days of its creation. The Registrar may allow registration to be made within a period of three hundred days of such creation (i.e. ROC may allow extension upto 270 days) on payment of prescribed additional fees. If registration is not made within a period of three hundred days from date of creation of charge, the company shall seek extension of time from Central Government.

Effect of subsequent registration of charge – Sec 77: Any subsequent registration of a charge shall not prejudice any right acquired in respect of any property before the charge is actually registered.

Certificate of Registration – Sec 77 (2): Where a charge is registered with the ROC, he shall issue a certificate of registration of such charge to the company and, to the person in whose favour the charge is created (e.g. bank).

Effect of Non Registration – Sec 77 (3): No charge created by a company shall be taken into account by the liquidator or any other creditor unless it is duly registered with ROC and a certificate of registration of charge is given by ROC.

Application for registration of charge by creditor (bank) – Sec 78: Where a company fails to register the charge within the prescribed period, the person in whose favour the charge is created (say bank) may apply to ROC for registration of the charge within prescribed period. The Registrar may, on such application, within a period of fourteen days after giving notice to the company, allow such registration on payment of prescribed fees. In such cases, creditor shall be entitled to recover from the company the amount of any fees or additional fees paid by him to ROC for registration of charge.

Notice of Charge – Sec 80: Where any charge on any property of a company is registered, any person acquiring such property, assets, undertakings or part thereof or any share or interest therein shall be deemed to have notice of the charge from the date of such registration.

Register of Charges – Sec 81: The Registrar shall keep a register containing particulars of the charges registered in respect of every company which may inspected by any person on payment of prescribed fees.

Satisfaction of Charge: Sec 82: A company shall give intimation to the Registrar of the payment or satisfaction in full of any charge registered within a period of thirty days from the date of such payment or satisfaction. The provisions relating to extension in period by ROC or by Government shall be applicable to intimation also as in case of registration of charge. On receipt of intimation from company, ROC shall cause a notice to be sent to the holder of the charge calling upon him to show cause within such time not exceeding fourteen days, as to why payment or satisfaction in full should not be recorded as intimated to ROC, and if no cause is shown, ROC shall order that a memorandum of satisfaction shall be entered in the register of charges kept by ROC. Notice is not required to be sent, in case the intimation to ROC is signed by the holder of charge.

Power of Registrar to record satisfaction of charge on its own – Sec 83: In case evidence is given to ROC that the debt for which the charge was given has been paid or satisfied, ROC may enter in the register of charges a memorandum of satisfaction notwithstanding the fact that no intimation has been received by him from the company. The Registrar shall inform the affected parties within thirty days of making the entry in the register of charges.

Intimation of Appointment of Receiver – Sec 84: If any person obtains an order for the appointment of a receiver of property or of a person to manage the property, subject to a charge, he shall give notice of such appointment to the company and the Registrar within thirty days from the date of the passing of the order or of the making of the appointment. The ROC shall register particulars of the receiver, person or instrument in the register of charges on payment of the prescribed fees. Any person so appointed on ceasing to hold such appointment, shall give notice to that effect to the company and the ROC.

Register of Charges – Sec 85: Every company shall keep at its registered office a register of charges which shall include all charges and floating charges affecting any property or assets of the company. A copy of the instrument creating the charge shall also be kept at the registered office of the company along with the register of charges. The register of charges and instrument of charges, shall be open for inspection during business hours by any member or creditor without any payment of fees; or by any other person on payment of prescribed fees.

Punishment for Contravention – Sec 86: If any company contravenes any provision as stated above, the company shall be punishable with minimum fine of Rs one lakh rupees and maximum fine of Rs 10 lakh. Besides, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall be minimum Rs 25000 and maximum Rs one lakh or with both.

Rectification in register of charges by Central Govt – Sec 87: The Central Government on being satisfied that— (i) (a) the omission to file with the Registrar the particulars of any charge created by a company or any modification of such charge; or (b) the omission to register any charge within the prescribed time or the omission to give intimation to the Registrar of the payment or the satisfaction of a charge, within the time required; or (c) the omission or mis-statement of any particular with respect to any such charge or modification was accidental or due to inadvertence or some other sufficient cause or it is not of a nature to prejudice the position of creditors or shareholders of the co; or (ii) on any other grounds, it is just and equitable to grant relief, it may on the application of the company or any person interested direct that the time for the filing of the particulars or for the registration of the charge or for the giving of intimation of payment or satisfaction shall be extended. Where the Central Government extends the time for the registration of a charge, the order shall not prejudice any rights acquired in respect of the property concerned before the charge is actually registered.

WHOLLY OWNED SUBSIDIARIES (WOS) BY FOREIGN BANKS IN INDIA

In 2004, Government of India with a view to liberalising foreign direct investments (FDI) in private sector banks raised the FDI limit to 74 per cent in the private sector banks under the automatic route and also permitted foreign banks, regulated by a banking supervisory authority in the home country and meeting the Reserve Bank's licensing criteria to hold 100 per cent paid up capital, to set up a WOS in India. To operationalise the FDI guidelines, the Reserve Bank released the framework for setting up of Wholly Owned Subsidiaries (WOS) by foreign banks in India on 6^{th} Nov 2013. Key features of the Framework are given below:

1. Background: At present, foreign banks have presence in India only through branches. The lessons learnt during global financial crisis of 2008 lean in favour of domestic incorporation of foreign banks. In general, following are the main advantages of local incorporation: (i) protecting local retail depositors, (ii) easing the resolution process, and (iii) affording greater regulatory comfort.

2. Banking business by foreign banks: At present, foreign banks, if eligible, are allowed by RBI to set up business in India through a single mode of presence i.e. either branch mode or a wholly owned subsidiary (WOS) mode. In the revised set up also, it has been decided, allow foreign banks to operate in India either through branch presence or they can set up a wholly owned subsidiary (WOS) with near national treatment. The foreign banks have to choose one of the above two modes of presence and shall be governed by the principle of single mode of presence.

3. Branch mode or wholly owned subsidiary: (i) Foreign banks which have commenced banking business in India after August 2010 or yet to start business in India would be mandated entry into India only in the WOS mode if they have complex structures, or do not provide adequate disclosure in their home jurisdiction, or are not widely held, or are from jurisdictions having legislation giving a preferential claim to depositors of home country in a winding up proceedings.; (ii) Foreign banks in whose case the above conditions do not apply can opt for a branch or WOS form of presence; (iii) A foreign bank opting for branch form of presence shall convert into a WOS as and when the above conditions become applicable to it or it becomes systemically important on account of its balance sheet size in India; (iv) Foreign banks which commenced banking business in India before August 2010 shall have the option to continue their banking business through the branch mode. However, they will be incentivised to convert into WOS because of the attractiveness of the near national treatment afforded to WOS.

4. Eligibility for setting up a wholly owned subsidiary:
a) Setting up of WOS by a foreign bank in India should have the approval of the home country regulator/supervisor; b) The bank must satisfy RBI that it is subject to adequate prudential supervision as per internationally accepted standards; c) The factors taken into account while considering applications for setting up WOS in India would include the following: (i) Economic and political relations with the country of incorporation of the parent bank; (ii) Reciprocity with home country of the parent bank, iii) Financial soundness, iv) Ownership pattern, v) International and home country ranking of the parent bank by a reputed agency, vi) Home country/parent bank rating by a rating agency of international repute such as Moody Investors Service, Standard & Poor's and Fitch Ratings, vii) International presence of the bank, viii) Adequate risk management and internal control systems.

5. National treatment: Under the FDI policy, WOSs of the foreign banks, even though locally incorporated, being foreign owned and controlled companies, will be treated as "foreign banks". From financial stability perspective, and to prevent domination by foreign banks, restrictions would be placed on further entry of new WOSs of foreign banks, when the capital and reserves of the foreign banks (i.e. WOSs and foreign bank branches) in India exceed 20% of the capital and reserves of the banking system. As regards foreign banks in branch mode of presence, as per the WTO commitments licences for new foreign banks may be denied when the maximum share of assets in India both on and off balance sheet of foreign banks' branches to total assets both on and off balance sheet of the banking system exceeds 15 per cent.

6. Minimum capital requirement: The initial minimum paid-up voting equity capital for a WOS shall be Rs 5 billion. In the case of an existing foreign bank having branch presence in India, which desires or is required to convert into a WOS, it shall have a minimum net worth of Rs 5 billion. The WOS shall meet the Basel III requirements on a continuous basis from the time of its entry / conversion. WOS shall, however, maintain a minimum capital adequacy ratio, on a continuous basis for an initial period of 3 years from the commencement of its operations, at 10 per cent i.e. 1 per cent higher than that required under the phased implementation of Basel III. In addition, WOS shall also maintain capital conservation buffer and other buffers as applicable under extant capital adequacy framework.

7. Use of group resources: The WOS would be responsible for the core management functions which cannot be outsourced including to Group entities whether in India or abroad.

8. Corporate Governance – (i) not less than two-third of the directors should be non-executive directors; (ii) a minimum of one-third of the directors should be independent of the management of the subsidiary in India, its parent or associates; (iii) not less than fifty per cent of the directors should be Indian nationals /NRIs/PIOs subject to the condition that not less than 1/3rd of the directors are Indian nationals resident in India; iv) WOSs of foreign banks will have Part-time Chairman and full time Chief Executive Officer (CEO); v) The CEO would be appointed on full time basis and should be resident in India;

9. Raising of Non-equity capital in India: WOS of foreign banks may raise rupee resources through issue of non-equity capital instruments, as allowed to domestic banks.

10. Branches: The branch expansion of both the existing foreign banks and the new entrants present in the branch mode would be subject to India's WTO commitments. The branch expansion guidelines as applicable to domestic scheduled commercial banks would generally be applicable to WOSs of foreign banks except that they will require prior approval of RBI for opening branches at certain locations that are sensitive from the perspective of national security.

11. PS targets: Priority Sector lending requirement would be 40 per cent for WOS like domestic scheduled commercial banks with adequate transition period (5years) for existing foreign bank branches converting into WOS.

12. Use of credit rating and parent / head office support: (a) The parent of the WOS would be required to issue a letter of comfort (LOC) to the Reserve Bank for meeting the liabilities of the WOS. b) On arm's length basis, WOSs

would be permitted to use parental guarantees/credit rating only for the purpose of providing custodial services and for international operations. However, WOS should not provide counter guarantee to its parent for such support.

13. Declaration of dividends: The WOS of a foreign bank, being a company incorporated in India, may declare dividend like domestic banks subject to criteria laid down by RBI which may be repatriated as per the provisions of FEMA 1999.

14. Investment by the WOS in subsidiaries and other companies: The investment in subsidiaries and other companies by WOS would be guided by the extant instructions on para-banking activities by banks. The investment by a WOS bank in a subsidiary company, financial services company, financial institution, stock and other exchanges and non-financial service companies should not exceed 10 per cent of the bank's paid-up share capital and reserves and the investments in all such companies, financial institutions, stock and other exchanges put together should not exceed 20 per cent of the bank's paid-up share capital and reserves.

15. Dilution of WOS to 74 per cent: WOS of foreign banks may, at their option dilute their stake to 74 per cent or less in accordance with the extant FDI policy on foreign investment in banking sector. In the event of dilution, they will have to list themselves.

16. Mergers / Acquisitions: The issue of permitting WOS to enter into M&A transactions with any private sector bank in India subject to the overall investment limit of 74% would be considered after a review is made with regard to the extent of penetration of foreign investment in Indian banks and functioning of foreign banks (branch mode and WOS).

17. Business model: An applicant for a new WOS bank licence will be required to forward a business plan, including a branch expansion plan for one year, along with its application. The business model will address how the bank proposes to achieve financial inclusion and retail banking.

18. Other conditions: (a) Preference will be given to applicant banks for a WOS mode of presence in India which have experience in commercial and retail banking; b) The WOS, from inception, would be required to operate on Core Banking Solution (CBS) platform; c) WOS would have a high powered Customer Grievances Cell to handle customer complaints; d) The WOS would be covered by the provisions of the Banking Ombudsman Scheme, 2006.

Marginal Standing Facility – Scheme

Marginal Standing Facility is meant for providing liquidity support to banks. Under the facility, all Scheduled Commercial Banks having Current Account and SGL Account with RBI can avail overnight, up to two per cent of their respective Net Demand and Time Liabilities (NDTL) outstanding at the end of the second preceding fortnight. But for the intervening holidays, the MSF facility will be for one day except on Fridays when the facility will be for three days or more, maturing on the following working day. In the event, the banks' SLR holdings fall below the statutory requirement up to two per cent of their NDTL, banks will not have the obligation to seek a specific waiver for default in SLR compliance arising out of use of this facility. The rate of interest on amount availed under this facility will be 100 basis points above the LAF repo rate. Minimum transaction amount will be Rs. One crore and in multiples of Rs. One crore. A margin of five per cent will be applied in respect of GoI dated securities and Treasury Bills. In respect of SDLs, a margin of 10 per cent will be applied.

EXPORT AND IMPORT OF CURRENCY

Export or Import of Indian Currency

1. Any person resident in India, may take outside India (other than to Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes upto an amount not exceeding Rs.10,000/- per person;

2. Any person resident in India may take or send outside India (other than to Nepal and Bhutan) commemorative coins not exceeding two coins each. 'Commemorative Coin' includes coin issued by Government of India Mint to commemorate any specific occasion or event and expressed in Indian currency.

3. Any person resident in India who had gone out of India on a temporary visit, may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of Govt of India and RBI notes upto an amount not exceeding Rs.10,000/- per person.

Export and import of foreign currency : No person shall, without the general or special permission of the Reserve Bank, export or send out of India, or import or bring into India, any foreign currency except as permitted below:

Import of foreign exchange into India:

1. A person may send into India without limit foreign exchange in any form other than currency notes, bank notes and travellers cheques ;

2. A person may bring into India from any place outside India without limit foreign exchange (other than unissued notes), provided that bringing of foreign exchange into India shall be subject to the condition that on arrival in India such person makes a declaration to the Custom authorities in Currency Declaration Form (CDF). However, such declaration will not be necessary where the aggregate value of the foreign exchange in the form of currency notes, bank notes or traveller's cheques brought in by such person at any one time does not exceed US$10,000 or its equivalent and/or the aggregate value of foreign currency notes brought in by such person at any one time does not exceed US$ 5,000 or its equivalent.

Export of foreign exchange and currency notes:

1. An authorised person may send out of India foreign currency acquired in normal course of business,

2. Any person may take or send out of India, cheques drawn on foreign currency account maintained by a person resident in India or foreign exchange obtained by him by drawal from an authorised person or currency in the safes of vessels or aircrafts which has been brought into India or which has been taken on board a vessel or aircraft with the permission of the Reserve Bank;

3. Any person may take out of India, forex possessed by him as permitted under rules or unspent foreign exchange brought back by him to India while returning from travel abroad and retained as permitted under rules. Any person resident outside India may take out of India unspent foreign exchange not exceeding the amount brought in by him and declared on his arrival in India.

Export and import of currency to or from Nepal and Bhutan: A person may take or send out of India to Nepal or Bhutan, currency notes of Govt of India and RBI notes (other than notes of denominations of above Rs.100 in either case); may bring into India from Nepal or Bhutan, currency notes of Govt of India and RBI notes (other than notes of denominations of above Rs.100 in either case) ; take out of India to Nepal or Bhutan, or bring into India from Nepal or Bhutan, currency notes being the currency of Nepal or Bhutan.

FINANCIAL AWARENESS

Rich get poorer in India, other emerging nations: According to World Ultra Wealth Report 2013 from UBS AG and Wealth-X, India's billionaire club shrinks by 5% losing six members to become 103 last year; their combined wealth also declined by the same percentage. Mumbai is home to 30 billionaires, of which, one in three is associated with industrial conglomerates or the pharmaceuticals industry.

WTO Bali meet: The Right to Food Campaign, an umbrella of about a 100 non-profit organizations have appealed to the Government to reject the peace clause proposed by developed countries and safeguard India's food sovereignty while negotiating at the World Trade Organisation's (WTO) Bali Ministerial meet to be held from December 3 to 6. The four-year Peace Clause has been proposed by the developed countries as a compromise formula to provide protection to developing countries against penalties for breaching the farm subsidy limit.

Bank unions demand 5-day week: Trade unions in the banking sector have demanded 5 days week as part of their bipartite wage negotiations as there are alternative channels such as ATMs, Internet and mobile banking for banking operations.

Reliance Life ties up with five insurance repositories: Reliance Life Insurance Company (RLIC) has tied with all five insurance repositories to provide life insurance policies in electronic form across all its products. The Insurance Regulatory and Development Authority (IRDA) has approved five companies — Database Management Ltd, Central Insurance Repository Ltd, SHCIL Projects Ltd, CAMS Repository Services Ltd and Karvy Insurance Ltd — as insurance repositories (IRs).

M. V. Tanksale is IBA's new chief executive: M.V. Tanksale, former Chairman and Managing Director of Central Bank of India, has taken over as Chief Executive of the Indian Banks' Association. Tanksale succeeds K. Ramakrishnan, who was at the helm of the Association for five years up to November 30, 2013.

SEBI extends ESOP deadline: SEBI has extended the timeline for employee welfare trusts for aligning their schemes with the SEBI ESOP/ESPS guidelines to June 30 next year. In January 2013, SEBI had prohibited employee welfare trusts from purchasing shares of the company from the secondary market.

FMC nod for S. Mishra as MCX Chairman: The commodity market regulator Forward Markets Commission has approved the appointment of Satyananda Mishra (IAS Retd) as the Chairman of Multi Commodity Exchange.

India seeks Australia's help in skills training: As per HRD Minister M. M. Pallam Raju, the availability of good quality trainers is a significant challenge as India raises its efforts to meet the national goal of skilling 500 million people by 2022. The Ministry of HRD has launched an ambitious programme under the national vocation education qualification framework of the AICTE to provide for skill development in schools in classes 9 to 12.

Fiscal deficit touches 84% of Budget target: According to data released by the Controller General of Account (CGA), the deficit in the first seven months of the current fiscal touched Rs 4.58 lakh crore against the target of Rs 5.42 lakh crore for full year. This is 84.4 per cent of the target. This increase is due to low tax collections, while both Plan and non-Plan expenditure has gone up. Fiscal deficit is mainly the difference between income and expenditure of the Government. Higher deficit means, Government will borrow more from the market. This can drain the liquidity from the market leading to increase in interest rates.

Sahoo panel submits review report on GDRs, FCCBs: The M.S. Sahoo Panel that was set up to undertake a comprehensive review of the global depository receipts (GDR) scheme has submitted its report. The committee is understood to have reviewed the GDR scheme of 1993 in the light of legislative changes in the financial sector and macroeconomic developments besides the enactment of a new company law.

Threshold limit for e-payment of excise, service tax lowered: The Centre has lowered the threshold limit for mandatory e-payment of excise duty and service tax to Rs 1 lakh from Rs 10 lakhs earlier. With effect from January 1, a manufacturer or a service taxpayer who has paid duty or tax of more than Rs 1 lakh in the previous financial year will be required pay duty or tax through internet banking.

Don't bank on incentives, tax sops: According to Financial Services Secretary Rajiv Takru, Pension funds should look to maximise returns and improve their reach rather than seek incentives and tax breaks.

Monitoring MFIs - Self-regulatory organisations get RBI recognition: To ensure effective functioning of Non-Bank Finance Company-Microfinance Institutions (NBFC-MFIs), the RBI has decided to recognise self-regulatory organisations for monitoring such institutions. At present, there are two SROs — Micro Finance Institutions Network (MFIN) and Sa-dhan — monitoring the functioning of NBFC-MFIs in the country. However, SRO as a body was not recognised by the RBI.

Foreign banks taking subsidiary route to get capital gains tax exemption: As per RBI, foreign banks that wish to convert their branch holding operations in India into wholly-owned subsidiaries will be exempt from capital gains tax and stamp duty.

RBI nod for NHB's $200-million overseas loan: National Housing Bank has received RBI approval for raising $ 200 million external commercial borrowing under the affordable housing window.

Police orders closure of over 1,000 ATMs in Bangalore: Bangalore Police has ordered the shutdown of 1,037 ATM centres in Bangalore. The State Government had ordered banks to post security personnel and install CCTV cameras (both inside and outside) all ATM sites.

IRDA plans unique identity code for hospitals: In a major step to bring down frauds in health insurance, the Insurance Regulatory and Development Authority and the Insurance Information Bureau (IIB) have started an initiative to provide a unique identity code for hospitals. The step will help the health insurance industry streamline and identify the charges for different treatments by different hospitals.

Bank frauds rising: Double to Rs 6,212 cr in 2012-13: Bank loan frauds almost doubled in 2012-13 adding up to Rs 6,212 crore against Rs 3,183 crore in the previous year. In terms of numbers, 349 cases of fraud of over Rs 1 crore were reported in 2012-13 up 28 per cent over the previous year's 273 cases.

Sarfaesi Act most effective tool to recover bad loans: According to the RBI's Report on Trend and Progress of Banking in India, 2012-13, banks have recovered Rs 18,500 crore through the Sarfaesi route. Also, in terms of efficiency, the Act has proved to be more effective than the debt recovery tribunals (DRTs) or mediation by Lok Adalats.

RBI troubled by loan quality of banks: In its report, Trend and Progress of Banking in India, 2012-13, the RBI observed that the banking system's loan quality, primarily in the industrial and infrastructure sectors, has deteriorated significantly during the year and there was an increase in total stressed assets. The banking system's total stressed assets (bad loans plus restructured standard loans) rose to 9.2 per cent of total advances as on March-end 2013 against 7.6 per cent as on March-end 2012. While the primary driver of the deteriorating loan quality was the domestic economic slowdown, other factors such as delays in obtaining statutory and other approvals as well as lax credit appraisal/monitoring by banks were also significant. Further, higher credit concentration in certain sectors and higher leverage among corporates also increased the stress on loan quality.

RBI for diluting Govt stake in public sector banks: As per RBI, the current level of Government shareholding in public sector banks gives it sufficient headroom for diluting its stake in many of these banks. The Government's shareholding in the 21 public sector banks ranges from 55 per cent to 82 per cent.

Private banks racing ahead of public sector ones in setting up ATMs: The total number of ATMs in the country rose to 1.14 lakh in 2012-13, with the growth primarily driven by private sector banks. Their share in the total increased 38 per cent as of March 2013. Although urban and metropolitan centres accounted for over 65 per cent of the total ATMs, there has been a rising trend in those located in the rural and semi-urban centres in the recent years. India's largest lender State Bank of India topped in the number of ATMs at 32,777 as on September 30. Among the private sector banks, Axis Bank had the highest number at 11,796.

Weak rupee has no significant impact on creditworthiness: According to Fitch Ratings, the spillover effects of a weaker rupee have not significantly hurt India's creditworthiness, and hence would not trigger any rating action at this point.

Complaints against foreign, private banks on the rise: A per RBI Report on Trend & Progress of Banking 2012-13, despite the common perception of dissatisfaction from services of public sector banks, the per bank branch/account number of complaints in the last fiscal was higher for foreign and private sector banks. In 2012-13, there were 1,543 complaints per 100 bank branches of foreign banks, highest among all bank groups. Complaints in Tier-I cities — New Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad — account for more than half the total complaints received by 15 Banking Ombudsman offices.

Banks' investment in G-Secs must come down gradually: As per RBI, it is necessary to reduce banks' requirements of investing in government securities in a calibrated way, to what is strictly needed from a prudential perspective. The scope for such reduction will increase as government finances improve.

First bank for women: Bhartiya Mahila Bank has started operations. Usha Ananthasubramanian, is the bank's first Chairperson and Managing Director. BMB, has been set up with a capital base of Rs 1,000 crore.

29 developers get more time to complete SEZ projects: Twenty-nine developers of Special Economic Zones (SEZ), including Tata Consultancy Services, Navi Mumbai SEZ and Parsvnath have been given more time by the Government to execute their projects. Global slowdown and fluctuating market conditions were among the top factors cited by the developers for the delay in their projects.

Banking on low-cost outsourcing model: Bharatiya Mahila Bank (BMB) is the only bank to be built completely on a low-cost outsourcing model. While the bank will focus on acquiring and servicing customers and speeding up the process of financial inclusion through the low-cost outsourcing model, back-end services such as debit and credit card management, digital and mobile banking, asset-liability management and ATM management will be taken care of by US-based banking technology company FIS.

Moody's maintains negative outlook on banking sector: UBS downgraded India to 'neutral' from 'overweight' even as it upgraded China to 'overweight'. Global ratings agency Moody's Investors Service maintained its negative outlook on India's banking system, reflecting the negative effects of currency volatility, persistent inflation and slowing economic growth.

Process of deregulating diesel prices will continue: As per Veerappa Moily, Minister of Petroleum & Natural Gas, had it not been for the steep fall in the rupee recently, he would have completed the process of diesel deregulation.

Bharat Ratna for Sachin, C.N.R. Rao: The Union Govt has announced conferring the Bharat Ratna on Sachin Tendulkar who becomes the first sportsperson to receive the nation's highest civilian honour. Eminent scientist C. N. R. Rao has also been conferred the award.

Bancon 2013: Bankcon held in Mumbai was hosted by Bank of India. The theme of the conference was 'Banks of the future: Gearing up to meet the emerging environment'.

Withdrawal of application for New Bank: RBI had, on July 1, 2013 placed on its website a list of 26 applicants for new bank licences in the private sector. The following applicants have withdrawn their applications for establishment of New Banks as per RBI policy – (a) Tata Sons Limited; (b) Value Industries Limited, Aurangabad. Application of K. C. Land & Finance Ltd., Chandigarh has been included in the list.

RBI extends Liquidity Support to Micro, Small and Medium Enterprises: RBI has decided to provide refinance of an amount of Rs 5,000 crore to the Small Industries Development Bank of India (SIDBI). The refinance will be available for direct liquidity support to finance receivables, including export receivable, to MSEs by SIDBI or for liquidity support to MSEs through selected intermediaries, that is, banks, Non-Banking Financial Companies (NBFCs) and State Finance Corporations (SFCs). The refinance will be available against receivables, including export receivables, outstanding as on November 14, 2013 onwards. The facility will be available at the prevailing 14-day term repo rate for a period of 90 days. During this 90-day period, the amount can be flexibly drawn and repaid. At the end of the 90-day period, the drawal can also be rolled over. The refinance facility will be available for a period of one year up to November 13, 2014.

Chakrabarty blames public sector banks for sitting on bad loans: As per RBI Deputy Governor K.C. Chakrabarty, public sector banks sat on NPAs far longer than their private sector counterparts. According to him, (a) NPAs had started rising from 2007, before the financial crisis; (b) Private sector banks and even foreign banks have been able to deal with the NPA menace better and these banks identified the problem earlier; (c) when regulations are tightened, asset quality improves; (d) Prudential norms (like higher provisioning) are in the interest of the banks;

(e) for government companies, the project appraisal has to be more stringent. The more powerful the borrower, the appraisal has to be more stringent.

Onion, food items push wholesale inflation to 8-month high of 7%: The Wholesale Price Index (WPI) for October rose to 7 per cent from 6.46 per cent in September. The retail inflation, represented by the Consumer Price Index (CPI), rose 10.09 per cent in October from 9.84 per cent in September.The core inflation (reflecting mainly prices of manufacturing goods) also rose to 2.6 per cent in October from 2.1 per cent in September. Costlier vegetables, especially onion, and food articles are to blame for the wholesale price and retail inflation.

Bad loans of 40 listed banks rise 38% in H1: The net NPAs of 40 listed banks as on March 31, 2013, were Rs 93,109 crore, which rose to Rs 1,28,533 crore as on September 30, 2013. Of the 40 listed banks, 14 have reported more than 50 per cent jump in net NPAs. period.

Power sector fuels modest recovery in factory output: Industrial production recorded a growth of 2 per cent in September against a contraction of 0.7 per cent in the same month last year. Industrial production in August was up 0.4 per cent. The IIP growth came mainly from the power and mining sectors, while manufacturing was only marginally better. The consumer durables segment contracted 10.8 per cent in September.

Exports surge in Oct: Rising demand from the US and the EU helped India's merchandise exports grow for the fourth month. Exports posted a robust 13.47 per cent growth to $27.27 billion in October 2013. Imports continued to decline bringing down the trade deficit to $10.5 billion during the month. This is almost half the $20.21 billion registered in October 2012. Exports during the April-October period grew 6.32 per cent to $179.37 billion. Imports at $270 billion were lower by 3.8 per cent.

IRDA to set up insurance clearing house: IRDA will set up an Insurance Clearing House to ensure timely and effective reconciliation of inter-company reinsurance and coinsurance balances and efficient settlement of these balances. The clearing house will be registered as a public limited company under the Companies Act, 1956. It will have a minimum paid-up share capital of Rs 100 crore.

Posco gets more time to complete Odisha SEZ: South Korean steel major Posco has got time till next year to acquire land and disburse compensation for its proposed multi-product Special Economic Zone in Odisha. Posco proposes to invest $12 billion in the SEZ, one of the largest foreign direct investments to be brought into the country.

The SEZ project proposes to produce 63,48,000 tonnes of finished steel products per year and provide direct employment to about 18,000 people and indirect employment to 30,000 more.

Oxford arm to set up university in Sanand with Whistling Group: The university, which opened its portals in 1096, is planning a higher-education campus through its wholly-owned subsidiary, Isis Innovation Ltd. Isis will be partnered by the Whistling Group. This independent, industry-focused university will offer courses in alternative energy and environmental studies.

CSIR set to open TechVills in rural areas: The Council for Scientific Industrial & Research (CSIR) is gearing up to establish a chain of 28 TechVills in rural areas. These TechVills, to be spread across the country, will showcase technologies suitable for application in specific areas.

Govt plans survey-based data collection for services sector: The Central Statistics Office (CSO) and the Directorate General of Commercial Intelligence & Statistics (DGCIS) are conducting domestic pilot surveys on services data collection in areas such as tourism and health. India, like many other developing countries, has inadequate data on services. It is a big handicap while negotiating Free Trade Agreements with other countries and also framing domestic policies for the sector.

Competition panel okays Jet-Etihad deal: The Competition Commission of India has given clearance to sale of stake by Jet Airways to Etihad Airways. The Commission is of the opinion that the proposed combination is not likely to have appreciable adverse effect on competition in India.

Vegetables push retail inflation over 10%: The Consumer Price Index (CPI) touched 10.09 per cent in October, up from 9.84 per cent in September. Prices of vegetables shot up a 45.67 per cent against 10.74 per cent in October 2012.

Retailers seek fixed 20% margin on drugs: According to retailers, due to drastic cut in prices of about 350 drugs following the Drug Price Control Order, their gross average margins fell to 14-16 per cent and that of stockists to 8.5 per cent.

Capital infusion by Govt is key to PSU banks' ratings: As per India Ratings & Research, public sector banks would depend more on capital infusion from the Government, as their capital ratios could be impacted by falling internal accruals along with pressure on loan portfolio. The Government and Life Insurance Corporation of India (LIC) injected about 95 per cent of equity into banks between FY10 and FY13. Any dilution in the Government's stance due to fiscal pressures could have an immediate impact on the ratings of weak banks. The Prime Minister's Economic Advisory Council, has suggested that the Government to dilute its stake in its banks to raise Rs 55,000 crore for equity injections.

SEBI panel for hiking mutual funds net worth to Rs 25 cr: Market regulator SEBI's mutual fund advisory committee has recommended that fund houses with assets under management (AUM) of over Rs 1,000 crore should have a net worth of Rs 25 crore. The current net worth requirement for an asset management company (AMC) is Rs 10 crore. The committee has also suggested Rs 25 crore as the minimum net worth for new applicants.

Inclusion of labour norms in free trade pacts on the rise: According to a report by ILO, more countries are now ensuring that Free Trade Agreements lead to better working conditions. It found that 58 trade agreements included labour provisions in June 2013, up from 21 in 2005 and four in 1995.

Company Secretaries may soon be called governance professionals: As per Corporate Affairs Minister Sachin Pilot, the Government would move amendments in Parliament for a new nomenclature for company secretaries – governance professionals. The Govt is sharpening supervision of compliance procedures by corporates through the proposed National Financial Regulatory Authority.

Indian billionaires only half as wealthy as Chinese counterparts: According to the report on ultra high net worth individuals published by Wealth-X and UBS, India is home to 103 billionaires with a combined wealth of $180 billion, six fewer individuals than the year before. By contrast, China's billionaire population grew by 10 to 157, with a total wealth of $384 billion. The US has the largest number of billionaires, 515, representing nearly a quarter of the total global billionaire population, with a combined wealth of $2,064 billion. Mumbai is home to 2,135 of India's richest individuals, followed by New Delhi (1,980), Bangalore (1,980), Kolkata (635), Hyderabad (540) and Chennai (385).

Life insurers back on growth path after 3 years: According to IRDA, after three years of decline, life insurance business is back on the growth path. The industry witnessed a steep fall in business after the introduction of new guidelines in September 2010 for unit-linked insurance plans, stipulating, among others, lower commission for agents and higher lock-in periods . Unit-linked plans, at that time, accounted for over 80 per cent of business of private life insurers.

Commerce Ministry allays fears on free trade pacts: The Commerce & Industry Ministry has clarified that India's Free Trade Agreements (FTAs) with most trading partners have resulted in an increase in exports and not caused any adverse impact on the manufacturing sector. Most regional and bilateral FTAs signed by India either related to SAARC countries or to South East Asia and North East Asia. In case of SAFTA, India has a trade surplus of about $12 billion. With Asean, exports have more than doubled after signing of the Indo-Asean Trade in Goods Agreement in 2009, though imports have also grown. A significant part of India's imports from this region were in essential items such as edible oils from Malaysia and Indonesia and petroleum products and coke from Indonesia.

India, US launch agri training programme with Africa: The US and India have launched the third India-US-Africa triangular agricultural training programme at the National Institute of Agricultural Extension Management (MANAGE) Hyderabad. This partnership, supported by the US Government's global hunger and food security initiative 'Feed the Future', aims to improve agricultural productivity and support market institutions in Kenya, Liberia, and Malawi.

S&P affirms BBB-minus rating and negative outlook: Global rating agency Standard & Poor's has affirmed its 'BBB minus' sovereign rating for India, but the outlook remained negative. 'BBB minus' is the last investment grade. A notch lower will not only hurt foreign investment flows, but Indian companies will also have to pay more to borrow abroad. Giving reasons for affirming the rating, the agency listed strengths such as low external debt, ample foreign exchange reserves and an increasingly credible monetary policy. But these strengths, were counter-balanced by the onerous burden of its public finance, lack of progress on structural reforms and shortfalls in basic services.

Service tax noose to tighten on specific sectors: The Finance Department will closely monitor service tax compliance in sectors identified as 'chronic tax evasion'. These sectors include renting of immovable property, construction and real estate, information technology, mining, advertisement and storage and warehousing.

Direct plans of mutual funds not a hit with retail investors: From January 1, 2013, all mutual funds were asked to offer a new Direct Plan with their schemes so that investors could bypass the services of a distributor, save on costs and thus earn higher returns from their funds. But 10 months on, while a good number of institutions and affluent investors have moved their money into direct plans, very few retail investors have made the shift.

CAG becomes member of UN audit panel: The Comptroller and Auditor General of India Shashi Kant Sharma has been elected to the coveted United Nations Board of Auditors for a six-year term. India will replace China beginning July 1, 2014. The CAG of India will now get access for audit of the UN organisations, including the UN Headquarters. India was earlier in the Board for six years from 1993.

US pushes India again for early phase-out of textile sops: India will have to start phasing out its textile subsidies soon to conform with the Subsidies Agreement of the World Trade Organisation. While export subsidies are prohibited under WTO rules, the multilateral trade body allows countries with per capita income below $1,000 to give such incentives till exports are lower than 3.25 per cent of world trade in that particular commodity. India's share in the global market for textiles crossed the limit in 2007, according to WTO records, and is almost four per cent at the moment. However, since countries are given eight years to remove the subsidies, India has time till 2015 to do so.

Oil Ministry wants FinMin to cut taxes on branded petrol, diesel: The Ministry of Petroleum & Natural Gas has requested the Finance Ministry to review the duties levied on branded auto fuels (petrol/diesel) to bring down the price differential with non-branded or regular fuels. This, will attract consumers to branded fuels, which will help improve fuel efficiency by about two per cent, resulting in reduction in overall demand.

PM's panel will drive execution of infra projects: The Prime Minister's Project Monitoring Group will start supervising the implementation of 99 infrastructure projects, with investments worth Rs 3.6-lakh crore, already cleared by it. The projects, cleared by the PMG and the Cabinet Committee on Investments, include Sterlite Energy Ltd's project worth Rs 12,000 crore, Adani Mundra's thermal power plant worth Rs 9,900 crore, Lanco's Rs 6,000-crore facility, Mumbai Airport's new terminal worth Rs 12,000 crore and Jhajjar Power Ltd's project worth Rs 6,600 crore. Bank funds worth about Rs 7-lakh crore are locked in these projects that were stuck due to various reasons, including environment clearance.

UK's decision to scrap visa bond: The British government has decided to scrap a controversial £3,000 visa bond scheme for six Commonwealth nations, including India.

Top 200 firms have fewer than 10% woman staff: According to a survey by CII, women employees account for less than a tenth of the workforce in more than half of the top 200 companies by market capitalization. Such companies mainly operated in sectors such as mining, manufacturing, oil exploration, construction and engineering. About 20 per cent of the companies had women employees accounting for 10-20 per cent of their staff strength. Another 12 per cent of the companies – mainly in the service sector had female staff ranging between 20 and 40 per cent of their workforce. Also, half of the companies surveyed had at least one woman on their board of directors. The Companies Act stipulates appointment of at least one woman on the board of a company.

Mars Orbiter lifts off successfully, begins 400-million-km journey: India's maiden mission to Mars blasted off on 5th Nov from launch pad at the Satish Dhawan Space Centre at Sriharikota in Andhra Pradesh.

Jignesh Shah quits MCX: Jignesh Shah, promoter of troubled National Spot Exchange Ltd (NSEL), has stepped down as Non-Executive Vice-Chairman of MCX. Shah, who recently quit from the board of MCX Stock Exchange, also heads Financial Technologies as Chairman and Group CEO.

New Chairman for National Payments Corp: M. Balachandran has been appointed chairman of National Payments Corporation of India (NPCI), taking over the reins from Infosys' N. R. Narayana Murthy.

CAD will be below $70 b this fiscal: According to C Rangarajan, Chairman of the Prime Minister's Economic Advisory Council, India may contain the current account deficit for 2013-14 below $70 billion, lower than 2011-12 level.

Manufacturing shrinks for third straight month: HSBC's manufacturing purchasing managers' index for India remained unchanged in October, staying below 50 for the third consecutive month. The index in October was at September's level of 49.6.

G.K. Pillai appointed Chairman of MCX-SX: MCX Stock Exchange (MCX-SX) has appointed Gopal Krishna Pillai, IAS (Retd), as the Chairman and Thomas Mathew T, as Vice-Chairman of its board of directors.

FDI may soon be allowed in e-retail services: The Government may widen the scope of foreign investment in e-retailing by allowing FDI in services such as selling of financial products and rail-ticket booking, in addition to transacting in goods.

FIPB eases defence FDI norm: The Foreign Investment Promotion Board (FIPB) has decided not to reject proposals from a foreign company only because it or any of its group companies or their parent is under investigation in the country or abroad. Clearance will be given without prejudice to any existing or future civil or criminal proceedings against the foreign investor or its parent.

Decoding the numbers that drive food inflation: Food inflation has increased since the beginning of 2012. The rate of retail food inflation for urban households has been higher than the wholesale food inflation rate in recent months. The general increase in food inflation is being driven by protein-rich eggs, fish and meat, which have experienced volatile but high inflation; and, above all, vegetables. Other major components of spending, like fuel and light, have seen a reduction in the overall inflation in the past two years but, sufficiently high to keep the retail inflation rate close to double digits. Retail inflation remains significantly higher than wholesale inflation and is much higher than core inflation in particular, which has been sharply reduced by policy and the slowdown.

Banks send notice to Delhi Airport Metro for payment of dues: A consortium of lenders led by Axis Bank which have a total exposure of Rs 1,800 crore has sent a notice to Delhi Airport Metro Express Pvt Ltd (DAMEPL) for payment of loans which have turned into non-performing assets. The notices have been served on Reliance Infrastructure Ltd and Delhi Metro Rail Corporation (DMRC).

RBI asks banks to increase bad loan provisions: The banking system's provision coverage ratio (PCR) has dropped below 50 per cent, compared with 70 per cent two years ago. RBI expects banks to maintain a high level of overall provision, over and above the regulatory requirement for individual loan losses. Internationally, provisioning is 70-80 per cent.

NCAER report pegs fiscal deficit at 5.1%: The National Council of Applied Economic Research (NCAER) has pegged the government's fiscal deficit for this financial year at 5.1 per cent of gross domestic product (GDP), against the finance ministry's estimate of 4.8 per cent. The GDP growth is estimated at 4.8-5.3 per cent in 2013-14.

RBI to overhaul debt recovery process: Speaking at Bancon 2013, RBI Governor Raghu Ram Rajan said that RBI will announce measures to ensure fair recovery for bankers and investors, and to punish those trying to milk the system. Other observations by him included – (i) Promoters were taking undue advantage of the debt restructuring process; (ii) Bank management with limited tenure keeps on extending and evergreening a loan so that one's successor has to deal with it; (iii) the practice of transfer of top management among public sector banks (PSBs) could be reviewed; (iv) Country's industrial sector had come a long way and there was no need to enter free-trade agreements that give foreign manufacturers an undue advantage, but there is no reason to give domestic manufacturers protection.

Pakistan hints at MFN status, allowing more products from India: The negative list which became operational from March 21 last year contains 1,209 items that India cannot export to Pakistan, including pharmaceutical and agricultural products. India can export around 7,500 items there. Pharmaceutical and agricultural items are likely to be allowed to be imported.

Inflation control still RBI's main agenda: As per deputy governor of RBI, K C Chakrabarty, cost of money is high whenever inflation is high and growth is not sacrificed because of high interest rates. Growth is sacrificed because of high inflation. People will not save if the rate of return is lower than inflation. If banks have to give higher rates for mobilising deposits, then they cannot lend money at lower rates.

FM wants bank licences to go to those with innovative models: According to Finance Minister P Chidambaram, the new banking licences, expected to be given in January, would be issued to applicants with innovative and different banking models. According to FM, banks are required to cater to different sections like communities, tribal populations, Northeast, urban poor, rural poor, farmer families, women. It is, therefore, necessary to promote banks that cater to these individual segments of people.

Banks' exposure to shadow banking entities up in India: According to an international body of financial regulators, India is among the nations which have witnessed a marked increase in the exposure of its banks to 'shadow banking' entities, whose asset base globally grew to $71 trillion in 2012-end. Shadow banking system refers to credit intermediation involving entities and activities outside the purview of the regular banking system.

Yogesh Agarwal's term as pension regulator cut short: Yogesh Agarwal, chairman of the Pension Fund Regulatory and Development Authority (PFRDA), resigned about one-and-a-half years before the end of his tenure.

India's netizens set to be world's second-biggest internet user base: According to a report released by the Internet and Mobile Association of India (IAMAI) and market research firm IMRB International, by June 2014, Indians might outnumber American internet users to become the world's second-largest online community after China.

Low cost distribution channel needed for 'Bank of future': According to McKinsey report, 'Reimagining Banking in India: Gearing up to meet the new environment', banks need innovation in their distribution channels to cater to changing customer preferences, as well as improve productivity and cost-efficiency. Total loans (as percentage GDP) extended to all segments increased 103 per cent, from 0.29 per cent in 2003 to 0.59 per cent in 2013. However, despite the presence of nearly 90 scheduled commercial banks in India, the extent of access is still low, with about 35 per cent of India's population financially excluded, and only 28 per cent of total bank retail credit being channelled to rural and semi-urban areas, which constitute 87 per cent of the population. To become a "bank of the future", banking players should innovate in three aspects---customer insights and proposition, distribution and risk architecture. Banks should leverage digital banking to cater to high-value customers.

HRD ministry to set up 120 community colleges: The human resource development ministry will set up 120 community colleges, based on community colleges in the US, to provide academic and vocational training. India has a gross enrolment ratio of 19 as compared to a global average of 29.

Life insurers rush to revive lapsed policies: A policy is considered lapsed if the premium is not paid within the grace period. According to Insurance Regulatory and Development Authority (Irda) recommendations, a uniform grace period of 30 days is extended for annual, half-yearly and quarterly renewals, and 15 days for monthly renewals. Renewals not just boost renewal premiums, but also improve the overall persistency rates of the life insurers. Persistency is an indicator of the percentage of policies that an insurer is able to renew in the 13th, 25th and 37th and 49th month of the policy term.

Centre plans 4 solar UMPPs of Rs 90,000 cr: The Centre has proposed four ultra mega solar power projects (UMPPs). These would be in Rajasthan (4,000 Mw), Gujarat (4,000 Mw), Kargil (2,000 Mw) and Ladakh (5,000 Mw). These would cost Rs 90,000 crore.

Sumit Bose to become finance secretary: Ratan P Watal is set to be the expenditure secretary, while Revenue Secretary Sumit Bose would be finance secretary on the retirement of R S Gujral towards end of Nov 13.

Govt tells states to lower levy rice quota for PDS: In a move that could increase the supply of rice in the retail markets, the Centre has directed states to reduce quota for levy rice, sold for public distribution system (PDS), from the existing 30-75 per cent to 25 per cent of the total produce of millers in the current procurement season. The government gets the rice for the central pool to be distributed through PDS by two ways: Custom-milled and levy rice. In CMR, the government purchases husked rice from farmers and then allocates it to mills for processing for a fixed charge and rebuys again from them. In the levy rice policy, millers are allowed to sell a certain percentage (25–70 per cent in major rice producing states) of rice procured by them in the open market, while the remaining (called levy rice) is collected by government agencies at a minimum support price (MSP).

RBI hikes ways and means advances limit of states: The aggregate normal Ways and Means Advances (WMA) limit for the state governments has been increased by 50 per cent to Rs 15,360 crore. The current limit for state governments and the Union territory of Pondicherry is at Rs 10,240 crore for the year 2013-14.

PM's council wants govt to cut stake in banks to 51%: The Prime Minister's Economic Advisory Council has recommended phased dilution of government stake in public-sector banks, from 58 per cent to 51 per cent, and introduction of on-tap licensing of new banks. The stake reduction would help raise the additional capital required to implement the Basel III norms.

Up to 10,000 killed in Philippines by super typhoon Haiyan: Super typhoon Haiyan destroyed about 70 to 80 percent of structures in its path. Nearly 480,000 people were displaced and 4.5 million "affected" by the typhoon in 36 provinces.

India to host 2 key multilateral meetings: The first would be a trilateral dialogue between the foreign ministers of Russia, India and China, or RIC, staring November 10. India would also host another key meeting, the Asia-Europe Meeting (ASEM) from November 11-12, with 36 foreign ministers and 12 deputy foreign ministers from Asia and Europe participating. ASEM represents about 60 per cent of the world's population, 52 per cent of the global gross domestic product and 68 per cent of global trade.

Forex reserves fall to $281.29 bn: India's foreign exchange reserves fell in the week ending November 1 by $1.66 billion to $281.29 billion.

India Inc sees red on voting rights for preference shares: The Companies Act, 2013, gives the same voting rights to preference shareholders as to equity capital holders. This will impact voting rights of all those companies whose preference share capital is larger than their equity capital. However, the Act is silent on whether this will be with retrospective or prospective effect.

Centre sets Rs 1-lakh-cr retail loan disbursal target for PSBs: The finance ministry expects public sector banks to disburse about Rs 1,00,000 crore of consumer loans at low rates.

RBI signs cooperation pacts with central banks of Australia & NZ: RBI has signed cooperation agreements with the central banks of Australia and New Zealand for exchange of information. With this, the apex bank had signed such MoUs with 18 supervisors. The MoUs provided for sharing of information on the health of the supervised entities, cooperation between the supervisors during on-site examinations, frequent meetings between the supervisors and preserving the confidentiality of information shared.

FinMin shortlists EDs for top job in six govt banks: The Union finance ministry has shortlisted the names of executive directors (EDs) likely to head public sector banks (PSBs) in 2014-15. The banks whose CMDs are likely to retire in 2014-15 include Bank of Baroda (BoB), Indian Overseas Bank (IOB), Canara Bank, Oriental Bank of Commerce (OBC), Vijaya Bank and United Bank of India.

Foreign bank subsidiaries get M&A, branch freedom: As per guidelines issued by RBI, Wholly Owned Subsidiaries of foreign banks could acquire domestic private-sector banks, as well as set up branches anywhere in the country. These WOSes might be permitted to enter into merger & acquisition (M&A) transactions with any private bank in India, subject to the overall foreign investment limit of 74 per cent. The current law permits foreign investors to hold up to 74 per cent stake in an Indian private bank, but it does not allow a single entity to own more than five per cent share in a local lender. Currently, foreign banks need RBI's permission to open branches in the country. According to its commitments to the World Trade Organization, the central bank is required to allow only 12 new foreign bank branches in a year. At present, 43 foreign banks have only 334 branches — mostly in cities — less than 0.5 per cent of the banking system's total branch network.

Cyprus blacklisted for not sharing tax info: The Centre has blacklisted Cyprus for not sharing information about tax evaders. This would make it difficult for Indian residents to do business with the tax haven.

RECALLLED QUESTIONS

1. Not Negotiable crossing implies that: **cheque will continue to be transferable but title of transferee will not be better than the transferor**
2. A cheque crossed to two banks is presented for payment. What will you do?: **Payment can be made if the bank is acting as agent for collection for other bank.**
3. Maximum amount of composite loan to SSI**: Rs.1Crore**
4. An advance granted for setting up Agri clinic is treated as: **Indirect Agricultural Advance**
5. An advance to a dealer in inputs for allied agricultural activities will be treated as priority sector if advance upto:**Rs. 5 Crore**
6. Loans up to Rs.........lac can be granted to Agriculture / Agri business centre without insisting on collaterals security: **Rs.5lac**
7. Life Certificate in case of pensioners is take in the month of: **November**
8. If the retained profit to Net profit ratio is 75% it indicates that company has declared a dividend of 25%.
9. An officer does not require permission of Branch Manager for : **making payment of a pay order which was issued on account of purchase of furniture by the bank.**
10. Term deposit can not be paid in cash if the principal and interest together is : **Rs 20,000 & above**
11. Tax at source is not to be deducted from interest on Term deposit if the amount of interest does not exceed : **Rs 10000.**
12. Converting a cheque from 'payable to order' to 'payable to bearer' is a : **Material alteration**
13. KYC has been introduced to : **curb money laundering and terrorism finance**
14. SLR is defined in : **Section 24 of the Banking Regulation Act,1949**
15. Minimum age of minor for self operated account : **10 years**
16. A minor of 16 years having term deposit in his independent name wants premature payment : **Yes can be done after deducting appropriate penalty.**
17. Minor wants to raise loan on the guarantee of a major person : **Both are not liable.**
18. For granting loan to Small Manufacturing enterprise: **Registration certificate is not essential.**
19. Debt Equity Ratio is : **Long Term Debt divided by Tangible Net Worth.**
20. NPA account means : **Sub standard, doubtful and loss assets (excluding standard assets)**
21. As per income recognition norms, interest on NPA accounts is to be treated as income **when it is realized**.
22. Section 45 ZA of the BR Act is related to : **Nomination in deposit accounts**
23. Nomination facility is available in the case of accounts of: **individual, joint account of individuals, sole proprietorship**
24. If a garnishee order is received in the name of an advocate then : **client's account will not be attached.**
25. An account is called as inoperative when the same has not been operated by the customer for: **2 years.**
26. In case of pledge : **ownership is with the debtor and possession is with the creditor.**
27. Vostro account : **Account of a foreign bank with an Authorised dealer in India.**
28. An inland LC issued on the strength of a foreign LC is called : **Back to Back LC**
29. If on an LC neither revocable nor irrevocable is written, it is called : **Irrevocable LC**
30. In case advance is given to a limited company for purchase of a vehicle, charge is registered with : **RTA and ROC**
31. A crossed cheque is presented by an authorized agent of the bank : **Payment can be made in cash**
32. An order cheque can be converted into bearer by : **Drawer of the Cheque**
33. A student wants to raise education loan of Rs 3 Lac. What will be the margin : **Nil (both for India & abroad)**
34. Double entry system of accounting means : **For every debit there is a corresponding credit**
35. Bank deposits up to Rs 1 lac are guaranteed by : **DICGC**
36. Profit and loss account is prepared : **for a particular period**
37. Once a bearer always a bearer is written in : **Sec 85(2) of Negotiable Instruments Act**
38. A hotel which is authorized to purchase foreign currency and traveler cheques : **Restricted Money Changer**
39. 2nd method of lending as suggested by Tandon Committee will result in a current ratio of : **1.33 or more than 1.33**
40. What will be minimum equity of Central Govt in a nationalized bank : **51%**
41. If the borrowing powers of the directors are not indicated in the Articles of Association then directors can borrow up to : **its paid up capital and free reserves beyond which permission of share holders is required**
42. If a share is to be converted from physical form to demat, the same will be given to: **the depository participant where the demat account is being maintained**
43. The process of converting a demat share to physical form is called : **Rematerialisation**
44. Of the 4 stock exchanges located at Metro towns, maximum trading is done on : **Bombay Stock Exchange**
45. In a private bank, the FDI investment can be up to : **74%**
46. IRDA is related with : **Insurance Sector**
47. The penalty for premature payment of a term deposit including NRE term deposit : **Left at the discretion of bank**
48. A party wants to raise loan against his LIC Policy and wants to assign the same to the Bank. Before assignment whose permission is required : **Nobody including nominee is to be consulted**
49. In the case of a limited company which capital is added in the total of Balance Sheet : **Paid up capital**
50. If current ratio is 0.9, the net working capital will be : **Negative**
51. Guarantees issued by the bank is a : **Contingent Liability**

BHARATIYA MAHILA BANK

Bhartiya Mahila Bank was inaugurated on 19th November 2013. In Budget 2013-14, the Finance Minister had announced setting up of all-women bank. Salient features of the bank are given below:

1. Ownership: It will be India's first ever state-owned women's bank. The bank will be wholly owned by the Government.
2. Capital: The Bank's initial paid up capital consists of Rs 1,000 crores.
3. Head Office: The Head Office of the Bank will be in Delhi.
4. Objective: It is an acknowledged fact that access to finance and banking not only helps empower women but also broadens the social base of development, thus fostering equitable growth. This is an area in which India lags far behind. The women in India have minimal access to finance and financial products. According to a study by the World Bank, in India, only 26% of women have an account with a formal financial institution, compared with 46% of men. Also, for women, per capita credit is 80 per cent lower than males. Further, the results of a study using a global dataset covering 350 Microfinance Institutions (MFIs) in 70 countries indicates that more women clients is associated with lower portfolio-at-risk, lower write-offs, and lower credit-loss provisions, ceteris paribus. Therefore, one of the key objectives of the Bank is focus on the banking needs of women and promote economic empowerment through women's growth and developments. The bank has been established for financial inclusion of women and providing them equal and easy access of financial services.
5. The bank's approach will be to inspire people with entrepreneurial skills. The bank will tie up with NGOs and will also locally mobilize women to train them in vocations. The bank will promote asset ownership amongst women customers. Studies have shown that asset ownership amongst women reduces their risk of suffering from domestic violence.
6. Customers: Even though both men and women could open accounts with the bank, for loans there will be a positive bias towards women and lending will be predominantly for women. It will lend mostly to women or to businesses which are either managed by or make products for women. One of the gender-related issues that the bank aims to address is the need for collateral when the title to property is not in the name of the woman borrower. In such cases, the owner of the property can become the co-borrower.
7. The bank will also place emphasis on funding for skills developments to help in economic activity. Moreover, the products will be designed in a manner to give a slight concession on loan rates to women. The bank will serve as a catalyst for greater gender equality and gender justice. It will particularly benefit women from the less privileged sections of our society.
8. Key Management: Initially the bank will have a board of directors consisting of eight women. Usha Ananthasubramanian will be the first chairperson of the Bharatiya Mahila Bank. The board consists of a business graduate sarpanch from Rajasthan, Chhavi Rajawat, Dalit entrepreneur Kalpana Saroj, who is CEO of Kamani Tubes Ltd; Nupur Mitra ex-CMD of Dena Bank, academic Pakiza Samad, Renuka Ramnath, ex-MD and chief executive officer (CEO) of ICICI Venture; Godrej Group executive Director Tanya Dubash and Priya Kumar, a govt nominee.
9. Staff: It will be largely run by women. However, male staff will be taken as per requirements. The fact that it will be run largely by women will serve as an example that given the opportunity, women are capable of taking on challenging tasks.
10. Initially, interest rate on saving bank will be 4.5% for deposits up to Rs.1 lakh and 5% for above Rs 1 lakh to encourage more savings.
11. Branches: First branch of the bank has been opened in Air India building at Nariman Point in Mumbai. Currently, all the seven branches of the bank are in urban centres — Kolkata, Mumbai, Lucknow, Guwahati, Chennai, Bangalore and Ahmedabad. The bank proposes to have 25 branches by March 31, 2014. The bank is expected to have a branch in every state capital by March 2014 and the bank will expand to 500 branches by the fourth year of operation. It will focus on centres where working women population is significant. The government has asked RBI to provide regulatory forbearance on opening of branches in rural areas in the first year.
12. It is a universal bank. It will provide all services that a normal bank offers. According to the bank's business plan, the bank envisages a business mix (deposits plus advances) of Rs 60,000 crore with 771 branches by 2020.
13. The bank is likely to break-even in the next "three to five years". The bank will be listed but only after it has reached a critical mass.
14. Products: The bank will launch products suited for women. It has launched education loans of up to Rs 10 lakh for girls with no processing charges. The bank introduced "kitchen loans". Women can borrow loans to redo their kitchen space, the place where most women spend most of their time. The loan can be availed for Rs 50,000-700,000 at 2.5% above the bank's base rate. Other special products include loans for setting up catering services and hygienic day-care centres for children of working women.
15. For its success, employees should be kind and supportive to young girls, show extra compassion for the poor and under-privileged who are among those that banking sector has left untouched.

VARIOUS RATES AT GLANCE		
Bank Rate	**8.75%**	29.10.2013
CRR	**4.0%**	09.02.2013
SLR	**23.0%**	11.08.2012
Repo Rate	**7.75%**	29.10.2013
Reverse Repo Rate	**6.75%**	29.10.2013
MSF Rate	**8.75%**	29.10.2013