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BANKING IN INDIA

- Banking in India originated in the last decades of the 18th century. The first Banks were **The General Bank of India**, which started in 1786, and **Bank of Hindustan**, which started in 1790; both are now defunct.
- **The oldest bank in existence in India is the State Bank of India**, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal.
- This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company.
- For many years the Presidency banks acted as quasi central banks, as did their successors. The three banks merged in 1921 to form the **Imperial Bank of India**, which, upon India's independence **became the State Bank of India in 1955**.

STRUCTURE OF INDIAN BANKING

- As per Section 5(b) of the **Banking Regulation Act 1949**: “Banking” means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawal by cheque, draft, order or otherwise.”
- All banks which are included in the Second Schedule to the **Reserve Bank of India Act, 1934** are scheduled banks. These banks comprise Scheduled Commercial Banks and Scheduled Cooperative Banks.
- Scheduled Commercial Banks in India are categorised into five different groups according to their ownership and / or nature of operation. These bank groups are:
 1. State Bank of India and its Associates,
 2. Nationalized Banks,
 3. Regional Rural Banks,
 4. Foreign Banks and
 5. Other Indian Scheduled Commercial Banks (in the private sector).
- Besides the Nationalized banks (majority equity holding is with the Government), the State Bank of India (SBI) (majority equity holding being with the Reserve Bank of India) and the associate banks of SBI (majority holding being with State Bank of India), the commercial banks comprise foreign and Indian private banks.
- While the State bank of India and its associates, nationalized banks and Regional Rural Banks are constituted under respective enactments of the Parliament, the **private sector banks are banking companies** as defined in the **Banking Regulation Act**. These banks, along with regional rural banks, constitute the public sector (state owned) banking system in India.

- The Public Sector Banks in India are back bone of the Indian financial system. The cooperative credit institutions are broadly classified into urban credit cooperatives and rural credit cooperatives. Scheduled Co-operative Banks consist of Scheduled State Co-operative Banks and Scheduled Urban Co-operative Banks.
- Regional Rural Banks (RRB's) are state sponsored, regionally based and rural oriented commercial banks. The Government of India promulgated the Regional Rural Banks Ordinance on 26th September 1975, which was later replaced by the Regional Rural Bank Act 1976.
- The preamble to the Act states the objective to develop rural economy by providing credit and facilities for the development of agriculture, trade, commerce, industry and other productive activities in the rural areas, particularly to small and marginal farmers, agricultural labourers, artisans and small entrepreneurs.

BANK NATIONALIZATION

- The Government of India issued an ordinance and nationalised the **14 largest commercial banks with effect from the midnight of July 19, 1969**. Within two weeks of the issue of the ordinance, the Parliament passed the Banking Companies (Acquisition and Transfer of Undertaking) Bill, and it received the presidential approval on 9 August 1969.
- The need for the nationalization was felt mainly because private commercial banks were not fulfilling the social and developmental goals of banking which are so essential for any industrialising country.
- Despite the enactment of the Banking Regulation Act in 1949 and the nationalizations of the largest bank, the State Bank of India, in 1955, the expansion of commercial banking had largely excluded rural areas and small-scale borrowers.
- A second dose of nationalization of **6 more commercial banks followed in 1980**. The stated reason for the nationalization was to give the government more control of credit delivery. With the second dose of nationalization, the Government of India controlled around 91% of the banking business of India.
- Later on, in the year 1993, the government merged **New Bank of India with Punjab National Bank**. It was the only merger between nationalized banks and resulted in the reduction of the number of nationalised banks from 20 to 19. After this, until the 1990s, the nationalised banks grew at a pace of around 4%, closer to the average growth rate of the Indian economy.
- List of Nationalised Banks in India in 2016:
 1. Allahabad Bank
 2. Andhra Bank
 3. Bank of Baroda
 4. Bank of India
 5. Bank of Maharashtra
 6. Bharatiya Mahila Bank
 7. Canara Bank
 8. Central Bank of India
 9. Corporation Bank
 10. Dena Bank
 11. IDBI Bank
 12. Indian Bank

- | | |
|------------------------------------|------------------------------|
| 13. Indian Overseas Bank | 21. State Bank of Patiala |
| 14. Oriental Bank of Commerce | 22. State Bank of Travancore |
| 15. Punjab and Sind Bank | 23. Syndicate Bank |
| 16. Punjab National Bank | 24. UCO Bank |
| 17. State Bank of Bikaner & Jaipur | 25. Union Bank of India |
| 18. State Bank of Hyderabad | 26. United Bank of India |
| 19. State Bank of India (SBI) | 27. Vijaya Bank |
| 20. State Bank of Mysore | |

RESERVE BANK OF INDIA (RBI):

- The Reserve Bank of India is **the Central bank of the country**. Central banks are a relatively recent innovation and most central banks, as we know them today, were established around the early twentieth century.
- The Reserve Bank of India was set up on the basis of the recommendations of **the Hilton Young Commission**. The **Reserve Bank of India Act, 1934 (II of 1934)** provides the statutory basis of the functioning of the Bank, which come into force on April 1, 1935.
- The Bank was constituted to
 1. Regulate the issue of banknotes
 2. Maintain reserves with a view to securing monetary stability and
 3. To operate the credit and currency system of the country to its advantage.
- The Bank began its operations by taking over from the Government the functions so far being performed by the Controller of Currency and from the Imperial Bank of India, the management of Government accounts and public debt.
- The existing currency offices at Calcutta, Bombay, Madras, Rangoon, Karachi, Lahore and Cawnpore (Kanpur) became branches of the Issue Department. Offices of the Banking Department were established in Calcutta, Bombay, Madras, Delhi and Rangoon.
- The Bank, which was originally set up as a Shareholder's bank, was nationalized in 1949. The Reserve Bank of India was nationalised with effect from 1st January, 1949 on the basis of the Reserve Bank of India (Transfer to Public Ownership) Act, 1948. All shares in the capital of the Bank were deemed transferred to the Central Government on payment of a suitable compensation.
- An interesting feature of the Reserve Bank of India was that at its very inception, the Bank was seen as playing a special role in the context of development, especially Agriculture.
- When India commenced its plan endeavors, the development role of the Bank came into focus, especially in the sixties when the Reserve Bank, in many ways, pioneered the concept and practice of using finance to catalyse development.
- The Bank was also instrumental in institutional development and helped set up institutions like the Deposit Insurance and Credit Guarantee Corporation of India, the Unit Trust of India, the

Industrial Development Bank of India, the National Bank of Agriculture and Rural Development, the Discount and Finance House of India etc. to build the financial infrastructure of the country.

- With liberalization, the Bank's focus shifted back to core central banking functions like Monetary Policy, Bank Supervision and Regulation, and Overseeing the Payments System and onto developing the financial markets.

Regulation of Banks by RBI

- The Reserve Bank of India has been empowered under the Banking Regulation Act, 1949 to regulate and supervise banks' activities in India and their branches abroad.
- While the regulatory provisions of this Act prescribe the policy framework to be followed by banks, the supervisory framework provides the mechanism to ensure banks' compliance with the policy prescription.
- The Department of Banking Operations and Development exercises regulatory powers in respect of commercial banks and Local Area Banks (LABs), Regional Rural Banks/District and State Co-operative Banks and Urban Cooperative Banks are regulated by Rural Planning and Credit Department and Urban Banks Department, respectively.

DEPARTMENT OF BANKING OPERATIONS AND DEVELOPMENT:

The Department of Banking Operations and Development is entrusted with the responsibility of regulation of commercial banks and LABs under the regulatory provisions contained in the Banking Regulation Act, 1949

Its functions broadly relate to prescription of regulations for compliance with various provisions of Banking Regulation Act on establishment of banks such as licensing and branch expansion, maintenance of statutory liquidity reserves, management and operations, amalgamation, reconstruction and liquidation of banking companies.

The other important activities of the Department include approval for setting up of subsidiaries and undertaking of new activities by commercial banks.

Urban Bank Department – RBI:

The Urban Banks Department of the Reserve Bank of India is vested with the responsibility of regulating and supervising primary (urban) cooperative banks, which are popularly known as Urban Cooperative Banks (UCBs). While overseeing the activities of 1926 primary (urban) cooperative banks, the Urban Banks Department performs three main functions:

(i) regulatory (ii) supervisory (iii) developmental.

The Department performs these functions through its Regional offices.

I. Regulatory Functions

- (i) Licensing of New Primary (Urban) Cooperative Banks

- (ii) Licensing of Existing Primary (Urban) Co-operative Banks
- (iii) Branch Licensing
- (iv) Statutory Provisions

The regulatory functions of Urban Banks Department relate to monitoring compliance with the provisions of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) by urban cooperative banks. These provisions include:

a. Minimum Share Capital

Under the provisions of Section 11, The Banking Regulation Act, 1949 (As Applicable to Cooperative Societies).

b. Maintenance of CRR and SLR

As in the case of commercial banks, primary (urban) cooperative banks are also required to maintain certain amount of cash reserve and liquid assets. The scheduled primary (urban) cooperative banks are required to maintain with the Reserve Bank of India an average daily balance - in terms of Section 42 of the Reserve Bank of India Act, 1934. Non-scheduled (urban) cooperative banks, -under the provision of Section 18 of Banking Regulation Act, 1949 (As Applicable to Cooperative Societies)

II. Supervisory Functions

- To ensure that the Urban Co-operative Banks conduct their affairs in the interests of the depositors and also comply with the regulatory framework prescribed by the Reserve Bank of India, the department undertakes on-site inspection of these banks with frequency ranging from one to two years depending upon the financial condition/ status of banks.
- The thrust of supervision is to ensure that banks' affairs are not conducted in a manner detrimental to the depositors' interest and also to assess the solvency of the bank vice-versa its liabilities, besides examining the banks' compliance with the existing regulatory framework.
- The department also undertakes off-site surveillance of scheduled banks and non-scheduled banks with a deposit base of Rs.100 crore and above based on a set of quarterly and annual returns.

III. Developmental Functions

- With a view to extending institutional credit support to tiny and cottage units, the Reserve Bank of India grants refinance facilities to urban cooperative banks under the provisions of Section 17 of the Reserve Bank of India Act, 1934.
- There finance is given at the Bank Rate. Training is imparted to the middle and top management of urban cooperative banks through College of Agricultural Banking, Pune.

Sections / Divisions of Urban Banks Department

I. Administration

This Section handles staff matters of the department.

II. 2. New Bank Licensing and Branch Licensing

This section frames policies for issue of bank license /allots centers for opening of branches and authorizes regional offices to take action accordingly. It also deals with conversion of cooperative credit societies into urban banks.

III. Returns

Returns section at each of the regional offices is responsible for monitoring receipt of various statutory returns under the provisions of Banking Regulation Act, 1949, (AACS) and Sec 42 of Reserve Bank of India Act 1934 in case of scheduled UCBs.

IV. Banks Supervision

This division arranges inspection of urban cooperative banks through regional offices and closely monitors the action taken by the Urban Co-operative Banks to rectify the irregularities / deficiencies pointed out in inspection reports. The division also associates itself with the RCS of respective states in rehabilitation of financially weak Urban Co-operative Banks.

V. Banking Policy

- This section frames policies on prudential norms, investment policies, monitoring priority sector targets, refinancing, issue of directives on interstates, CRR/SLR, etc. Policies relating to Para-banking activities such as merchant banking, hire purchase, leasing, insurance business, etc. are also formulated by this division.
- Besides, the section also attends to compliance with the directions of Local Board / Central Board / BFS, furnishes requisite material for Bank's publications such as Annual Report, Report on Trend and Progress of Banking in India, Currency and Finance, etc.
- Further, the section interprets the provisions of Banking Regulation Act 1949(AACS), initiates amendments, coordinates with the Government, corresponds with various State Governments on matters pertaining to amendments of State Cooperative Societies Acts, coordinates with DICGC on matters pertaining to banks under liquidation, maintains and updates the list of urban cooperative banks, monitors cooperative credit societies having paid up capital above Rs.one lakh, watches compliance to Sec 9, 29 & 31 of Banking Regulation Act, attends to cooperative banks going out of the purview of Banking Regulation Act etc.

ANNUAL MONETARY AND CREDIT POLICY

The RBI announces the credit policy twice a year — generally in April and in October. While in April it announces new policy initiatives, the October pronouncement is a review of the April policy. RBI has now decided to have quarterly reviews of monetary policy.

Banking Legislations

Reserve bank of India (RBI) established in 1935 is the Central bank. RBI is regulator for financial and banking system, and formulates monetary policy and prescribes exchange control norms. The Banking Regulation Act, 1949 and the Reserve Bank of India Act, 1934 authorize the RBI to regulate the banking sector in India.

Important Legislations pertaining to Banking Sector are:

Core Legislations:

1. The Banking Regulation Act, 1949
2. The Reserve Bank of India Act, 1934

Acts governing specific functions:

1. Public Debt Act, 1944
2. Government Securities Act 2006
3. Securities Contract (Regulation) Act, 1956
4. Indian Coinage Act, 1906
5. Foreign Exchange Management Act, 1999
6. Payment and Settlement Systems Act, 2007

Acts governing Banking Operations:

1. Companies Act, 1956
2. Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
3. Bankers' Books Evidence Act, 1891
4. The Negotiable Instruments Act, 1881
5. The Prevention of Money Laundering Act, 2002
6. Securities and Exchange Board of India Act, 1992

Acts governing Individual Institutions:

1. The State Bank of India Act, 1954
2. The Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003
3. The Industrial Finance Corporation (Transfer of Undertaking and Repeal) Act, 1993
4. National Bank for Agriculture and Rural Development Act, 1981
5. National Housing Bank Act, 1987

6. Deposit Insurance and Credit Guarantee Corporation Act, 1961
7. Regional Rural Banks Act, 1976

Constitution of the Financial Sector Legislative Reforms Commission (FSLRC)

The FSLRC has been constituted under the Chairmanship of Justice B.N.Srikrishna by the Central Government in March 2011, with a view to rewriting, streamlining and harmonising financial sector laws, rules and regulations with the requirements of India's growing financial sector.

The Terms of Reference of the Commission inter alia include the following:

- I. Examining the architecture of the legislative and regulatory system governing the Indian financial sector
- II. Examining if public feedback for draft subordinate legislation should be made mandatory, with exception for emergency measures
- III. Examining the most appropriate means of oversight over regulators and their autonomy from the Government.

The Securities and Insurance Laws (Amendment and Validation) Act, 2010:

- The Act, effective from June 18, 2010, has amended the Reserve Bank of India Act, 1934, the Insurance Act, 1938, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992.
- As noted in the RBI Annual Report 2010- 11, a new chapter on "Joint Mechanism" has been inserted in the Reserve Bank of India Act, 1934.
- The Chapter provides for a Joint Mechanism, consisting of Union Finance Minister as its ex-officio Chairperson, Governor, Reserve Bank, as its ex-officio Vice-Chairman, Finance Secretary and Chairpersons of SEBI, IRDA and Pension Fund Regulatory and Development Authority (PFRDA), as its members to resolve any difference of opinion among the regulators.
- The Act provides for a reference being made to the Joint Committee only by the regulators and not by the Central Government. The decision of the Joint Committee would be binding on the Reserve Bank, SEBI, IRDAI and PFRDA.

The Banking Laws (Amendment) Bill, 2011:

- The Banking Laws (Amendment) Bill, 2011 seeks to strengthen the regulatory powers of the Reserve Bank of India.
- It aims to address the issue of capital raising capacity of banks in India. This Bill was first introduced in 2005 but lapsed with the dissolution of the 14th Lok Sabha.

- The Bill introduced in Lok Sabha on March 22nd, 2011 seeks to amend the Banking Regulation Act, 1949, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 to make the regulatory powers of the Reserve Bank more effective and to increase the access of the nationalised banks to capital market to raise capital required for expansion of banking business.
- The Bill seeks to inter alia:
 - a. Enable the nationalised banks to increase or decrease the authorised capital with approval from the Central Government and the Reserve Bank without being limited by the ceiling of ₹3,000 crore
 - b. Make provisions to ensure that control of banking companies is in the hands of 'fit and proper' persons
 - c. Allow nationalised banks to issue two additional instruments (bonus shares and rights issue) for accessing the capital market to raise capital required for expansion of banking business
 - d. Substantially increase the penalties and fine for some violations of the Banking Regulation Act, 1949
 - e. Confer power upon the Reserve Bank to levy penal interest in case of non-maintenance of required cash reserve ratio.

FINANCIAL INFRASTRUCTURE:

National Bank of Agriculture and Rural Development (NABARD):

- NABARD is set up as an apex Development Bank with a mandate for facilitating credit flow for promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts.
- It also has the mandate to support all other allied economic activities in rural areas, promote integrated and sustainable rural development and secure prosperity of rural areas. In discharging its role as a facilitator for rural prosperity NABARD is entrusted with
 1. Providing refinance to lending institutions in rural areas
 2. Bringing about or promoting institutional development and
 3. Evaluating, monitoring and inspecting the client banks
- Besides this pivotal role, NABARD also:
 - ✓ Acts as a coordinator in the operations of rural credit institutions
 - ✓ Extends assistance to the government, the Reserve Bank of India and other organizations in matters relating to rural development
 - ✓ Offers training and research facilities for banks, cooperatives and organizations working in the field of rural development

- ✓ Helps the state governments in reaching their targets of providing assistance to eligible institutions in agriculture and rural development
- ✓ Acts as regulator for cooperative banks and RRBs
- ✓ Extends assistance to the government, the Reserve Bank of India and other organizations in matters relating to rural development
- ✓ Offers training and research facilities for banks, cooperatives and organizations working in the field of rural development
- ✓ Helps the state governments in reaching their targets of providing assistance to eligible institutions in agriculture and rural development

DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION OF INDIA (DICGC)

- The functions of the DICGC are governed by the provisions of '**The Deposit Insurance and Credit Guarantee Corporation Act, 1961**' (DICGC Act) and "**The Deposit Insurance and Credit Guarantee Corporation General Regulations, 1961**" framed by the Reserve Bank of India in exercise of the powers conferred by subsection(3) of Section 50 of the said Act.
- The preamble of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 states that it is an Act to provide for the establishment of a Corporation for the purpose of insurance of deposits and guaranteeing of credit.
- The concept of insuring deposits kept with banks received attention for the first time in the year 1948 after the banking crises in Bengal.
- The question came up for reconsideration in the year 1949, but it was decided to hold it in abeyance till the Reserve Bank of India ensured adequate arrangements for inspection of banks.
- Subsequently, in the year 1950, the Rural Banking Enquiry Committee also supported the concept. Serious thought to the concept was, however, given by the Reserve Bank of India and the Central Government after the crash of the Palai Central Bank Ltd., and the Laxmi Bank Ltd. in 1960.
- The Deposit Insurance Corporation (DIC) Bill was introduced in the Parliament on August 21, 1961. After it was passed by the Parliament, the Bill got the assent of the President on December 7, 1961 and the Deposit Insurance Act, 1961 came into force on January 1, 1962.
- The Deposit Insurance Scheme was initially extended to functioning commercial banks only. This included the State Bank of India and its subsidiaries, other commercial banks and the branches of the foreign banks operating in India.
- Since 1968, with the enactment of the Deposit Insurance Corporation (Amendment) Act, 1968, the Corporation was required to register the 'eligible cooperative banks' as insured banks under the provisions of Section 13A of the Act.

- An eligible co-operative bank means a co-operative bank (whether it is a State co-operative bank, a Central co-operative bank or a Primary co-operative bank) in a State which has passed the enabling legislation amending its Cooperative Societies Act, requiring the State Government to vest power in the Reserve Bank to order the Registrar of Co-operative Societies of a State to windup a co-operative bank or to supersede its Committee of Management and to require the Registrar not to take any action for winding up, amalgamation or reconstruction of a co-operative bank without prior sanction in writing from the Reserve Bank of India.
- Further, the Government of India, in consultation with the Reserve Bank of India, introduced a Credit Guarantee Scheme in July 1960. The Reserve Bank of India was entrusted with the administration of the Scheme, as an agent of the Central Government, under Section 17 (11 A)(a) of the Reserve Bank of India Act, 1934 and was designated as the Credit Guarantee Organization (CGO) for guaranteeing the advances granted by banks and other Credit Institutions to small scale industries.
- The Reserve Bank of India operated the scheme up to March 31, 1981.
- The Reserve Bank of India also promoted a public limited company on January 14, 1971, named the Credit Guarantee Corporation of India Ltd (CGCI).
- The main thrust of the Credit Guarantee Schemes, introduced by the Credit Guarantee Corporation of India Ltd., was aimed at encouraging the commercial banks to cater to the credit needs of the hitherto neglected sectors, particularly the weaker sections of the society engaged in non-industrial activities, by providing guarantee cover to the loans and advances granted by the credit institutions to small and needy borrowers covered under the priority sector.
- With a view to integrating the functions of deposit insurance and credit guarantee, the above two organizations (DIC & CGCI) were merged and the present Deposit Insurance and Credit Guarantee Corporation (DICGC) came into existence on July 15, 1978.
- Consequently, the title of Deposit Insurance Act, 1961 was changed to 'The Deposit Insurance and Credit Guarantee Corporation Act, 1961'. Effective from April 1, 1981, the Corporation extended its guarantee support to credit granted to small scale industries also, after the cancellation of the Government of India's credit guarantee scheme.
- With effect from April 1, 1989, guarantee cover was extended to the entire priority sector advances, as per the definition of the Reserve Bank of India. However, effective from April 1, 1995, all housing loans have been excluded from the purview of guarantee cover by the Corporation.

Industrial Development Bank of India (IDBI)

- Industrial Development bank of India (IDBI) was constituted under Industrial Development bank of India Act, 1964 as a Development Financial Institution and came into being as on July 01, 1964 vide GOI notification dated June 22, 1964.

- It was regarded as a Public Financial Institution in terms of the provisions of Section 4A of the Companies Act, 1956. It continued to serve as a DFI for 40 year still the year 2004 when it was transformed into a Bank.
- In response to the felt need and on commercial prudence, it was decided to transform IDBI into a Bank. For the purpose, Industrial Development bank (transfer of undertaking and Repeal) Act, 2003 [Repeal Act] was passed repealing the Industrial Development Bank of India Act, 1964.
- In terms of the provisions of the Repeal Act, a new company under the name of Industrial Development Bank of India Limited (IDBI Ltd.) was incorporated as a Govt. Company under the Companies Act, 1956 on September 27, 2004. Thereafter, the undertaking of IDBI was transferred to and vested in IDBI Ltd.
- With the effect from the effective date of October 01, 2004. In terms of the provisions of the Repeal Act, IDBI Ltd has been functioning as a Bank in addition to its earlier role of a Financial Institution.
- Towards achieving the faster inorganic growth of the Bank, IDBI Bank Ltd., a wholly owned subsidiary of IDBI Ltd. was amalgamated with IDBI Ltd. in terms of the provisions of Section 44A of the Banking Regulation Act, 1949 providing for voluntary amalgamation of two banking companies. The merger became effective from April 02, 2005.
- The United Western bank Ltd. (UWB), a Satara based private sector bank was placed under moratorium by RBI. Upon IDBI Ltd. showing interest to take over the said bank towards its further inorganic growth, RBI and Govt. of India amalgamated UWB with IDBI Ltd. in terms of the provisions of Section 45 of the Banking Regulation Act, 1949. The merger came into effect on October 03, 2006.
- In order that the name of the Bank truly reflects the functions it is carrying on, the name of the Bank was changed to IDBI Bank Limited and the new name became effective from May 07, 2008 upon issue of the Fresh Certificate of Incorporation by Registrar of Companies, Maharashtra. The Bank has been accordingly functioning in its present name of IDBI Bank Limited.

BANKING FEDERATIONS AND ASSOCIATIONS IN INDIA

Indian Institute of Banking and Finance:

- Established in 1928 as a Company under Section 25 of the **Indian Companies Act, 1913**, Indian **Institute of Banking & Finance (IIBF)**, formerly known as **The Indian Institute of Bankers (IIB)** is a professional body of banks, financial institutions and their employees in India.
- With its membership of over 700 banks and financial institutions as institutional members and about 3,00,000 of their employees as individual members, IIBF is the **largest Institute of its kind in the world and is working with a Mission** “to develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy/counseling and continuing professional development programmes”.

Indian Banks Association:

The Indian Banks' Association (IBA) was formed on the 26th September 1946 with 22 members. As on 31st December 2011 IBA has 166 members.

The members comprise of

- I. Public Sector Banks
- II. Private Sector Banks
- III. Foreign Banks having offices in India and
- IV. Urban Co-operative Banks.

Institute for Development and Research in Banking Technology:

- Institute for Development and Research in Banking Technology (IDRBT) was established by the Reserve Bank of India. During the first phase of reforms in the Indian Financial Sector, a need was felt to develop an Institute of Higher Learning, which would also provide the operational service support in Information Technology to Banks and Financial Institutions.
- The foundation for induction of Computer Technology in the Indian Banking Sector was laid by Dr. Rangarajan Committee's two reports in the year's 1984 and 1989. Both the reports strongly recommended computerization of banking operations at various levels while suggesting the appropriate architecture.
- In the year 1993, the Employees' Unions of Banks signed an agreement with Bank Managements under the auspices of Indian Banks' Association [IBA]. This agreement was a major breakthrough in the introduction of computerized applications and development of communication networks in Banks.
- In the following two years, substantial work was done and the top managements realised the urgent need for training, research and development activities in the area of Banking Technology. Banks and Financial Institutions started setting up Technology-based training centres and colleges.
- However, a need was felt for an Apex Level Institute, which would be the Brain Trust for Banking Technology and Spearhead Technology Absorption in the Indian Banking and Financial Sector.
- In the year 1994, the Reserve Bank of India formed a committee on "Technology Upgradation in the Payment Systems". The committee recommended a variety of payment applications which can be implemented with appropriate technology up gradation and development of a reliable communication network.
- The committee also suggested setting up of an Information Technology Institute for the purpose of Research and Development as well as Consultancy in the application of technology to the Banking and Financial sector of the country.
- As recommended by the Committee, the Institute for Development & Research in Banking Technology [IDRBT] was established by the Reserve Bank of India in 1996 as an Autonomous Centre for Development and Research in Banking Technology.

Asset Reconstruction Company India Limited (ARCIL):

- The genesis of asset reconstruction business in India owes its origin to enactment of the Securitisation Act, 2002. Prior to promulgation of the Securitisation Act, 2002 banks and financial institutions had no option but to enforce their security interests through the court process, which was extremely time consuming.
- There was also no provision in any other law in respect of enforcement of hypothecation, though hypothecation was one of the major security interest taken by the banks and financial Institutions in India.
- It was in this backdrop that the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Ordinance, 2002 was passed on June 21, 2002 which was enacted by the parliament in December 2002 and became the Securitisation Act, 2002.
- The Securitisation Act principally provides for the following:
 - ✓ Enforcement of Security Interests by secured creditors
 - ✓ Transfer of NPLs to asset reconstruction companies (ARCs), which can then take measures for recovery as prescribed under the Securitisation Act, 2002.
 - ✓ A legal framework for securitization of assets.
- This empowerment encouraged the three major players in Indian banking system, namely, State Bank of India (SBI), ICICI Bank Limited (ICICI) and IDBI Bank Limited (IDBI) to come together to set-up the first ARC. Punjab National Bank (PNB) became Sponsor in October 2004 by virtue of its shareholding of 10%. Other shareholders predominantly comprise private sector banks.
- ARCIL was incorporated as a public limited company on February 11, 2002 and obtained its certificate of commencement of business on May 7, 2003.
- In pursuance of Section 3 of the Securitisation Act 2002, it holds a certificate of registration dated August 29, 2003, issued by the Reserve Bank of India (RBI) and operates under powers conferred under the Securitisation Act, 2002.
- ARCIL is also a "financial institution" within the meaning of Section 2 (h) (ia) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act").
- ARCIL is the first ARC in the country to commence business of resolution of NPLs upon acquisition from Indian banks and financial institutions. As the first ARC, ARCIL has played a pioneering role in setting standards for the industry in India.

BANKING FEDERATIONS AND ASSOCIATIONS WORLDWIDE:

The World Bank

- The World Bank is one of the world's largest sources of funding and knowledge to support governments of member countries in their efforts to invest in schools and health centers, provide water and electricity, fight disease, and protect the environment.
- The World Bank is not a "bank" in the common sense. The World Bank is an international organization owned by the 188 countries - both developed and developing - that are its members.
- Since it was set up in 1944 as the International Bank for Reconstruction and Development. The number of member countries increased sharply in the 1950s and 1960s, when many countries became independent nations. As membership grew and their needs changed, the World Bank expanded and is currently made up of five different agencies.
- All support to borrowing countries is guided by a single strategy that the country itself designs with help from the World Bank and many other donors, aid groups, and civil society organizations.

Bank for International Settlements and Basel Accords:

- **The Bank for International Settlements (BIS)** is an international organisation. The mission of the Bank for International Settlements (BIS) is **to serve central banks** in their pursuit of monetary and financial stability, to foster international cooperation in those areas and to act as a bank for central banks.
- The head office is in **Basel, Switzerland** and there are two representative offices in the Hong Kong Special Administrative Region of the People's Republic of China and in Mexico City. Established on 17 May 1930, the BIS is the world's oldest international financial organization.
- As its customers are central banks and international organisations, the BIS do not accept deposits from, or provide financial services to, private individuals or corporate entities.
- The Basel Accords refer to the banking supervision Accords (recommendations on banking regulations)—Basel I, Basel II and Basel III—issued by the Basel Committee on Banking Supervision (BCBS). They are called the Basel Accords as the BCBS maintains its secretariat at the Bank for International Settlements (BIS) in Basel, Switzerland and the committee normally meets there.

International Banking Federation:

- The International Banking Federation (IBFed) is the representative body for a group of key national banking associations. Its main objective is to increase the effectiveness of the financial services industry's response to multilateral and national government issues affecting their common interests.
- The International Banking Federation founding members are:
 1. The American Bankers Association
 2. The Australian Bankers' Association
 3. The Canadian Bankers Association
 4. The European Banking Federation
 5. Japanese Bankers Association
- Associate members are:
 1. China Banking Association
 2. Indian Banks Association
 3. Korea Federation of Banks
 4. The Association of Russian Banks
 5. The Banking Association of South Africa
- The International Banking Federation was formed in March 2004 to represent the combined views of a group of national banking associations.
- The countries represented by the Federation collectively represent more than 18,000 banks with 275,000 branches, including around 700 of the world's top 1000 banks which alone manage worldwide assets of over \$31 trillion.
- The Federation represents every major financial centre and functions as the key international forum for considering legislative, regulatory and other issues of interest to the global banking industry.

HISTORY OF INDIAN BANKING SYSTEM

- The first bank in India, called The General Bank of India was established in the year 1786. The East India Company established The Bank of Bengal/Calcutta (1809), Bank of Bombay (1840) and Bank of Madras (1843).
- The next bank was Bank of Hindustan which was established in 1870. These three individual units (Bank of Calcutta, Bank of Bombay and Bank of Madras) were called as Presidency Banks.
- Allahabad Bank which was established in 1865 was for the first time completely run by Indians. Punjab National Bank Ltd. was set up in 1894 with headquarters at Lahore.
- It is the old bank which exists till now in India.

A TO Z IN BANKING BY D2G

- Between 1906 and 1913, Bank of India, Central Bank of India, Bank of Baroda, Canara Bank, Indian Bank, and Bank of Mysore were set up.
- In 1921, all presidency banks were amalgamated to form the Imperial Bank of India which was run by European Shareholders.
- After that the Reserve Bank of India was established in April 1935.
- At the time of first phase the growth of banking sector was very slow. Between 1913 and 1948 there were approximately 1100 small banks in India.
- To streamline the functioning and activities of commercial banks, the Government of India came up with the Banking Companies Act, 1949 which was later changed to Banking Regulation Act 1949 as per amending Act of 1965 (Act No.23 of 1965).
- Reserve Bank of India was vested with extensive powers for the supervision of banking in India as Central Banking Authority. After independence Government has taken most important steps in regard of Indian Banking Sector reforms.
- In 1955, the Imperial Bank of India was nationalized and was renamed as "State Bank of India", to act as the principal agent of RBI and to handle banking transactions all over the country. It was established under State Bank of India Act, 1955.
- On 19th July, 1969, major process of nationalization was carried out. At the same time 14 major Indian commercial banks of the country were nationalized. In 1980, another six banks were nationalized, and thus raising the number of nationalized banks to 20.
- On the suggestions of **Narsimhan Committee, the Banking Regulation Act was amended in 1993** and thus the gates for the new private sector banks were opened.
- The following are the major steps taken by the Government of India to Regulate Banking Institutions in the country:-
 - ✓ 1949: Enactment of Banking Regulation Act.
 - ✓ 1955: Nationalisation of State Bank of India.
 - ✓ 1959: Nationalization of SBI subsidiaries.
 - ✓ 1961: Insurance cover extended to deposits.
 - ✓ 1969: Nationalisation of 14 major Banks.
 - ✓ 1971: Creation of credit guarantee corporation.
 - ✓ 1975: Creation of regional rural banks.
 - ✓ 1980: Nationalisation of seven banks with deposits over 200 Crores.

CLASSIFICATION OF BANKING INDUSTRY IN INDIA:

An outline of the Indian Banking structure may be presented as follows:-

1. Reserve banks of India.
2. Indian Scheduled Commercial Banks.
 - a) State Bank of India and its associate banks.

- b) Twenty nationalized banks.
 - c) Regional rural banks.
 - d) Other scheduled commercial banks.
3. Foreign Banks
 4. Non-scheduled banks.
 5. Co-operative banks.

Reserve Bank of India:

- The reserve bank of India is a central bank and was established in April 1, 1935 in accordance with the provisions of reserve bank of India act 1934. The central office of RBI is located at Mumbai.
- RBI is governed by a central board (headed by a governor) appointed by the central Government of India. RBI has 22 regional offices across India. The Central Government to represent four local bodies comprises the headquarters at Mumbai, Kolkata, Chennai and New Delh.
- Functions of RBI as a central bank of India as follows:

Bank of Issue:

- The RBI is a regulator of monetary policy. Its main objective is maintaining price stability and ensuring adequate flow of credit to productive sector.

Regulator-Supervisor of the financial system:

- RBI prescribes broad parameters of banking operations within which the country's banking and financial system functions. Their main objective is to maintain public confidence in the system, protect depositor's interest and provide cost effective banking services to the public.

Manager of exchange control:

- The manager of exchange control department manages the foreign exchange, according to the foreign exchange management act, 1999. The manager's main objective is to facilitate external trade and payment and promote orderly development and maintenance of foreign exchange market in India.

Issuer of currency:

- A person one who works as an issuer, issues and exchange or destroy the currency and coins that are not fit for circulation. His main objective is to give the public adequate quantity of supplies of currency notes and coins and in good quality.

Developmental role:

- The RBI performs the wide range of promotional functions to support national objectives such as contests, coupons maintaining good public relations and many more.

Related functions:

- There are also some of the related functions to the above mentioned main functions. They are such as banker to the government, banker to banks etc.

Banker to government

- Banker to government performs merchant banking function for the central and the State governments; also acts as their banker. Banker to banks maintains banking accounts to all scheduled banks.

Controller of Credit:

- RBI performs the following tasks:
 - It holds the cash reserves of all the scheduled banks.
 - It controls the credit operations of banks through quantitative and qualitative controls.
 - It controls the banking system through the system of licensing, inspection and calling for information.
 - It acts as the lender of the last resort by providing rediscount facilities to scheduled banks.

Supervisory Functions:

- The Reserve Bank Act 1934 and the banking regulation act 1949 have given the RBI wide powers of supervision and control over commercial and co-operative banks, relating to licensing and establishments, branch expansion, liquidity of their assets, management and methods of working, amalgamation, reconstruction and liquidation.
- The supervisory functions of the RBI have helped a great deal in improving the standard of banking in India to develop on sound lines and to improve the methods of their operation.

Indian Scheduled Commercial Banks

The commercial banking structure in India consists of scheduled commercial banks, and unscheduled banks.

Scheduled Banks

Scheduled Banks in India constitute those banks which have been included in **the second schedule of RBI act 1934**. For the purpose of assessment of performance of banks, the Reserve Bank of India categories those banks as public sector banks, old private sector banks, new private sector banks and foreign banks, i.e. private sector, public sector, and foreign banks come under the scheduled commercial banks.

Unscheduled Banks:

“Unscheduled Bank in India” means a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949), which is not a scheduled bank”.

Regional Rural Bank

The government of India set up Regional Rural Banks (RRBs) on October 2, 1975. The banks provide credit to the weaker sections of the rural areas, particularly the small and marginal farmers, agricultural labourers, and small Entrepreneurs.

NABARD

NABARD is an apex development bank with an authorization for facilitating credit flow for promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts.

NABARD is entrusted with:

1. Providing refinance to lending institutions in rural areas
2. Bringing about or promoting institutions development and
3. Evaluating, monitoring and inspecting the client banks

Besides this fundamental role, NABARD also:

- Act as a coordinator in the operations of rural credit institutions
- To help sectors of the economy that they have special credit needs for e.g. Housing, small business and agricultural loans etc.

TYPES OF BANKS

Commercial banks, which dominate this industry, offer a full range of services for individuals, businesses, and governments. These banks come in a wide range of sizes, from large global banks to regional and community banks.

Global banks are involved in international lending and foreign currency trading, in addition to the more typical banking services.

Regional banks have numerous branches and automated teller machine (ATM) locations throughout a multi-state area that provide banking services to individuals. Banks have become more oriented toward marketing and sales. As a result, employees need to know about all types of products and services offered by banks.

Community banks are based locally and offer more personal attention, which many individuals and small businesses prefer. In recent years, online banks—which provide all services entirely over the Internet—have entered the market, with some success.

However, many traditional banks have also expanded to offer online banking, and some formerly Internet-only banks are opting to open branches.

Savings banks and savings and loan associations, sometimes called thrift institutions, are the second largest group of depository institutions. They were first established as community-based institutions to finance mortgages for people to buy homes and still cater mostly to the savings and lending needs of individuals.

Credit unions are another kind of depository institution. Most credit unions are formed by people with a common bond, such as those who work for the same company or belong to the same labour union or church. Members pool their savings and, when they need money, they may borrow from the credit union, often at a lower interest rate than that demanded by other financial institutions.

Federal Reserve banks are Government agencies that perform many financial services for the Government. Their chief responsibilities are to regulate the banking industry and to help implement our Nation's monetary policy so our economy can run more efficiently.

IMPORTANT BANKING TERMS

Repo Rate

Repo rate is the rate at which our banks borrow rupees from RBI. Whenever the banks have any shortage of funds they can borrow it from RBI. A reduction in the repo rate will help banks to get money at a cheaper rate. When the repo rate increases, borrowing from RBI becomes more expensive.

Reverse Repo Rate

This is exact opposite of Repo rate. Reverse Repo rate is the rate at which Reserve Bank of India (RBI) borrows money from banks. RBI uses this tool when it feels there is too much money floating in the banking system. Banks are always happy to lend money to RBI since their money is in safe hands with a good interest. An increase in Reverse repo rate can cause the banks to transfer more funds to RBI due to these attractive interest rates.

CRR Rate

Cash reserve Ratio (CRR) is the amount of funds that the banks have to keep with RBI. If RBI decides to increase the percent of this, the available amount with the banks comes down. RBI is using this method (increase of CRR rate), to drain out the excessive money from the banks.

SLR Rate

SLR (Statutory Liquidity Ratio) is the amount a commercial bank needs to maintain in the form of cash, or gold or govt. Approved securities (Bonds) before providing credit to its customers.

SLR rate is determined and maintained by the RBI (Reserve Bank of India) in order to control the expansion of bank credit.

Bank Rate

Bank rate, also referred to as the discount rate, is the rate of interest which a central bank charges on the loans and advances that it extends to commercial banks and other financial intermediaries. Changes in the bank rate are often used by central banks to control the money supply.

Inflation

Inflation is as an increase in the price of bunch of Goods and services that projects the Indian economy. An increase in inflation figures occurs when there is an increase in the average level of prices in Goods and services. Inflation happens when there are fewer Goods and more buyers; this will result in increase in the price of Goods, since there is more demand and less supply of the goods.

Deflation

Deflation is the continuous decrease in prices of goods and services. Deflation occurs when the inflation rate becomes negative (below zero) and stays there for a longer period.

Stagflation

Stagflation is a state of economy in which economic activity is slowing down but wages and prices continue to rise. The term is a blend of words stagnation and inflation.

Recession

A true economic recession can only be confirmed if GDP (Gross Domestic Product) growth is negative for a period of two or more consecutive quarters.

PLR

The Prime Interest Rate is the interest rate charged by banks to their most creditworthy customers (usually the most prominent and stable business customers). The rate is almost always the same amongst major banks. Adjustments to the prime rate are made by banks at the same time; although, the prime rate does not adjust on any regular basis. The Prime Rate is usually adjusted at the same time and in correlation to the adjustments of the Fed Funds Rate. The rates reported below are based upon the prime rates on the first day of each respective month. Some banks use the name "Reference Rate" or "Base Lending Rate" to refer to their Prime Lending Rate.

Deposit Rate

Interest Rates paid by a depository institution on the cash on deposit.

FII

FII (Foreign Institutional Investor) used to denote an investor, mostly in the form of an institution. An institution established outside India, which proposes to invest in Indian market, in other words buying Indian stocks. FII's generally buy in large volumes which has an impact on the stock markets. Institutional Investors includes pension funds, mutual funds, Insurance Companies, Banks, etc.

FDI

FDI (Foreign Direct Investment) occurs with the purchase of the "physical assets or a significant amount of ownership (stock) of a company in another country in order to gain a measure of management control" (Or) A foreign company having a stake in Indian Company.

IPO

IPO is Initial Public Offering. This is the first offering of shares to the general public from a company wishes to list on the stock exchanges.

Disinvestment

The Selling of the government stake in public sector undertaking.

Fiscal Deficit

It is the difference between the government's total receipts (excluding borrowings) and total expenditure.

Revenue deficit

It defines that, where the net amount received (by taxes & other forms) fails to meet the predicted net amount to be received by the government.

GDP

Gross National Product is measured as GDP plus income of residents from investments made abroad minus income earned by foreigners in domestic market.

National Income

National Income is the money value of all goods and services produced in a country during the year.

Per Capita Income

The national income of a country or region divided by its population. Per capita income is often used to measure a country's standard of living.

Vote on Account

A vote-on account is basically a statement, where the government presents an estimate of a sum required to meet the expenditure that it incurs during the first three to four months of an election financial year until a new government is in place, to keep the machinery running.

Difference between Vote on Account and Interim Budget

Vote-on-account deals only with the expenditure side of the government's budget, an interim Budget is a complete set of accounts, including both expenditure and receipts.

SDR

The SDR (**Special Drawing Rights**) is an artificial currency created by the IMF in 1969. SDR's are allocated to member countries and can be fully converted into international currencies so they serve as a supplement to the official foreign reserves of member countries. Its value is based on a basket of key international currencies (U.S. dollar, euro, yen and pound sterling).

SEZ

SEZ means **Special Economic Zone** is the one of the part of government's policies in India. A special Economic zone is a geographical region that economic laws which are more liberal than the usual economic laws in the country. The basic motto behind this is to increase foreign investment, development of infrastructure, job opportunities and increase the income level of the people

Monetary policy

A Monetary policy is the process by which the government, central bank, of a country controls (i) the supply of money, (ii) availability of money, and (iii) cost of money or rate of interest, in order to attain a set of objectives oriented towards the growth and stability of the economy.

Fiscal Policy

Fiscal policy is the use of government spending and revenue collection to influence the economy. These policies affect tax rates, interest rates and government spending, in an effort to control the economy.

Fiscal policy is an additional method to determine public revenue and public expenditure.

Core Banking Solutions (CBS)

Core banking is a general term used to describe the services provided by a group of networked bank branches. Bank customers may access their funds and other simple transactions from any of the member branch offices. It will cut down time, working simultaneously on different issues and increasing efficiency. The platform where communication technology and information technology are merged to suit core needs of banking is known as Core Banking Solutions.

Liquidity Adjustment Facility (LAF):

A tool used in monetary policy that allows banks to borrow money through repurchase agreements. This arrangement allows banks to respond to liquidity pressures and is used by governments to assure basic stability in the financial markets.

RTGS System

The acronym 'RTGS' stands for **Real Time Gross Settlement**. RTGS system is a **funds transfer mechanism** where transfer of money takes place from one bank to another on a 'real time' and on 'gross' basis. This is the fastest possible money transfer system through the banking channel. Settlement in 'real time' means payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed. 'Gross settlement' means the transaction is settled on one to one basis without bunching with any other transaction.

Bancassurance

It is the term used to describe the partnership or relationship between a bank and an insurance company whereby the insurance company uses the bank sales channel in order to sell insurance products

Wholesale Price Index

The Wholesale Price Index (WPI) is the index used to measure the changes in the average price level of goods traded in wholesale market. A total of 435 commodity prices make up the index. It is available on a weekly basis. It is generally taken as an indicator of the inflation rate in the Indian economy. The Indian Wholesale Price Index (WPI) was first published in 1902, and was used by policy makers until it was replaced by the Producer Price Index (PPI) in 1978.

Consumer price Index (CPI)

It is a measure estimating the average price of consumer goods and services purchased by households.

Venture Capital

Venture capital is money provided by an outside investor to finance a new, growing, or troubled business. The venture capitalist provides the funding knowing that there's a significant risk associated with the company's future profits and cash flow. Capital is invested in exchange for an equity stake in the business rather than given as a loan, and the investor hopes the investment will yield a better-than-average return.

Treasury Bills

Treasury Bills (T-Bills) are short term, Rupee denominated obligations issued by the Reserve Bank of India (RBI) on behalf of the Government of India. They are thus useful in managing short-term liquidity. At present, The Government of India issues three types of treasury bills through auctions, namely, 91-day, 182-day and 364-day. There are no treasury bills issued by State Governments.

Foreign exchange reserves

Foreign exchange reserves (also called Forex reserves) in a strict sense are only the foreign currency deposits and bonds held by central banks and monetary authorities. However, the term in popular usage commonly includes foreign exchange and gold and IMF reserve positions.

Open Market operations (OMO)

Buying and selling of government securities in the open market in order to expand or contract the amount of money in the banking system by RBI. Open market operations are the principal tools of monetary policy.

Micro Credit

It is a term used to extend small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families.

Liquidity Adjustment Facility (LAF)

A tool used in monetary policy that allows banks to borrow money through repurchase agreements. This arrangement allows banks to respond to liquidity pressures and is used by governments to assure basic stability in the financial markets.

E-Governance

E-Governance is the public sector's use of information and communication technologies with the aim of improving information and service delivery, encouraging citizen participation in the decision-making process and making government more accountable, transparent and effective.

Right to information Act

The Right to Information act is a law enacted by the Parliament of India giving citizens of India access to records of the Central Government and State governments. The Act applies to all States and Union Territories of India, except the State of Jammu and Kashmir - which is covered under a State-level law. This law was passed by Parliament on 15 June 2005 and came fully into force on 13 October 2005.

Credit Rating Agencies in India

The credit rating agencies in India mainly include ICRA and CRISIL. ICRA was formerly referred to the Investment Information and Credit Rating Agency of India Limited. Their main function is to grade the different sector and companies in terms of performance and offer solutions for up gradation. The credit rating agencies in India mainly include ICRA and CRISIL (Credit Rating Information Services of India Limited)

Cheque

Cheque is a negotiable instrument instructing a Bank to pay a specific amount from a specified account held in the maker/depositor's name with that Bank. A bill of exchange had drawn a specified banker and payable on demand. "A written order directs a bank to pay money".

Demand Draft

A demand draft is an instrument used for effecting transfer of money. It is a Negotiable Instrument. Cheque and Demand-Draft both are used for Transfer of money. You can 100% trust a DD. It is a banker's check. A check may be dishonored for lack of funds a DD cannot. Cheque is written by an individual and Demand draft is issued by a bank. People believe banks more than individuals.

SEBI

Securities and exchange Broad of India (SEBI) is the regulator for the Securities Market in India. Originally set up by the Government of India in 1988, it acquired statutory form in 1992 with SEBI Act 1992 being passed by the Indian Parliament.

Mutual funds

Mutual funds are investment companies that pool money from investors at large and offer to sell and buy back its shares on a continuous basis and use the capital thus raised to invest in securities of different companies. The mutual fund will have a fund manager that trades the pooled money on a regular basis. The net proceeds or losses are then typically distributed to the investors annually.

Asset Management Companies

A company that invests its clients' pooled fund into securities that match its declared financial objectives. Asset management companies provide investors with more diversification and investing options than they would have by themselves. Mutual funds, hedge funds and pension plans are all run by asset management companies. These companies earn income by charging service fees to their clients.

Non-performing assets

Non-performing assets, also called **non-performing loans, are loans, made by a bank or finance company**, on which repayments or interest payments are not being made on time. A debt obligation where the borrower has not paid any previously agreed upon interest and principal repayments to the designated lender for an extended period of time. The nonperforming asset is therefore not yielding any income to the lender in the form of principal and interest payments.

Recession

A true economic recession can only be confirmed if GDP (Gross Domestic Product) growth is negative for a period of two or more consecutive quarters.

Current Rates as follows

Monetary tools	Rates
Repo Rate	6.50% (Reduced by 25 basis point)
Reverse Repo Rate	6.00% (increased by 25 basis point)
CRR (Cash Reserve ratio)	4% (Unchanged)
Bank Rate	7.00% (Reduced by 75 basis point)
MSF (Marginal Standing Facility)	7.00% (Reduced by 75 basis point)

SLR (Statutory Liquidity Ratio)

21.25% (Reduced by 25 basis point)

Highlights of the Economic Survey 2015-2016

- Finance minister Arun Jaitley tabled the Macro-Economic Survey 2015-16 in Parliament. The economic survey was prepared by the Chief Economic Advisor Arvind Subramanian.
- In accordance with survey, Indian economy is growing at a pace of 7-7.5% and it is expected to accelerate at 8% in the next couple of years.
- India's macro-economy is sturdy and it is likely to be the fastest growing major economy in the world in 2016 as it shows an expansion from 7.2% in 2014-15 to 7.6% in current fiscal.

- The GDP growth as follows

2012-2013 5.6%

2013-2014 6.6%

2014-2015 7.2%

2015-2016 7.6%

- **Fiscal Deficit**

- -16 fiscal deficits seen at 3.9% of GDP seems achievable
- - 17 expected to be challenging from fiscal point of view.
- Credibility and optimality argue for adhering to 3.5% of GDP fiscal deficit target.

- **Inflation**

- CPI inflation seen around 4.5 to 5% in 2016 – 17.
- Confidence in price stability has improved and it is expected that RBI to meet 5% inflation target by March 2017.
- Prospect of lower oil prices over medium term likely to dampen inflationary expectations.

- **Current Account Deficit**

- CAD is a measurement of country's trade when value of goods and services imported is higher than the value of goods and services exported. It includes net income, such as interest and dividends as well as foreign aid/grants.
- Current account deficit is seen at around 1-1.5% of GDP in 2016-17.

➤ Currency

- Rupee's fair value can be achieved through monetary relaxation.
- India needs to prepare itself for a major currency readjustment in Asia.
- Gradual depreciation in rupee can be allowed if capital inflows are weak.

➤ Taxes

- Proposes widening tax net from 5.5% of earning individuals to more than 20%.
- Tax revenue expected to be higher than budgeted levels in FY15 – 16.
- Favours review and phasing out of tax exemptions.

➤ Banking & Corporate Sector

- Estimated capital requirement for banks likely around Rs.1.8 trillion by 2018 – 19.
- Corporate, bank balance sheets remain stretched, affecting prospects for reviving private investments.
- Underlying stressed assets in corporate sector must be sold or rehabilitated.
- Government could sell off certain non-financial companies to infuse capital in state-run banks.
- Government proposes to make available 700 bn rupees via budgetary allocations during current, succeeding years in banks.

➤ India Ranks First in Milk Production

- In accordance with the economic survey 2015-16, India ranks first in milk production, accounting for 18.5% of world production. It achieved an annual output of 146.3 million tons during 2014-15 as compared to 137.69 million tone during 2013-14 recording a growth of 6.26%.

➤ Agriculture sector

- The growth in agriculture sector in 2015-16 has continued to be lower than the average of the last decade, mainly due to second successive year of lower-than-normal monsoon.
- As per the information of the Department of Agriculture, Cooperation and Farmers Welfare for 2015-16, the production of food-grains and oil-seeds is estimated to decrease by 0.5% and 4.1% respectively, while the production of fruits and vegetables is likely to witness a marginal rise.
- A brighter picture is expected to emerge from the allied sectors like livestock products, forestry and fisheries, with growth exceeding 5% in 2015-16, which will improve rural incomes.

➤ Subsidies

- It refers to a sum of money extended through a government grant to keep the price of a commodity low.
- The Economic Survey states that rationalisation and reprioritisation of subsidies through better targeting would be crucial role for fiscal consolidation and for targeting more expenditure towards inclusive development.
- The total subsidy bill as a proportion of GDP is expected to be below 2% of GDP as per Budget estimates for 2015-16.
- The 1.7% decline in majors subsidies was a result of nearly 44.7% decline in petroleum subsidy during April - December 2015, while other major subsidies-food and fertilizer - increased by 10.4% and 13.7% respectively during the period.

➤ Industry sector

- Growth in the industry sector accelerated during the current year due to improved manufacturing activity.
- The Index of Industrial Production (IIP) showed that manufacturing production grew by 3.1% during April-December 2015-16, vis-à-vis a growth of 1.8% in the corresponding period of the previous year.
- The ongoing manufacturing recovery is supported by vigorous growth in petroleum refining, automobiles, apparels, chemicals, electrical machinery and wood products, including furniture.
- Apart from manufacturing, other three segments of the industry sector-electricity, gas, water supply-and related utilities, mining and quarrying and construction activities are witnessing a slump in growth.

➤ Service sector

- The growth in service sector is moderated slightly but remains robust.
- Being the main driver of the economy, the service sector has contributed about 69% of the total growth during 2011-12 to 2015-16. It has, therefore, expanded its share in the economy to 53% from 49%.

➤ Other Major Points

- Indian economy to grow 7-7.5 percent in the fiscal year to March 2017
- The economic survey projected India to grow 8 percent in the next couple of years.
- Services continue to be key driver; expected to be 9.2% in 2015-16.
- Growth in industry is estimated to have accelerated during the current year
- India ranks first in Milk production, accounting for 18.5% of world production
- Egg and fish production has also registered an increasing trend over the years
- Better off taking the benefit of subsidies; recommends interventions and rectification
- Credibility argues for adhering to 3.5% fiscal aim for FY17. FY16 subsidy bill is below 2% of GDP.
- Fertilizer subsidy should shift to direct cash transfer.
- Percentage share of horticulture output in Agriculture is more than 33%.

Recent Banking News

[India, World Bank sign agreement for efficient bus service](#)

The Government of India and the World Bank has signed a US\$ 9.2 million grant agreement under the World Bank-Global Environment Facility (GEF) Program for the Efficient and Sustainable City Bus Service Project to improve the efficiency and attractiveness of bus services in select Indian cities.

[Union Cabinet approves setting up of India Post Payments Bank](#)

The Union Cabinet under the Chairmanship of Prime Minister Narendra Modi has given its approval for setting up the India Post Payments Bank (IPPB) as a Public Limited Company under the Department of Posts, with 100% Government of India (GOI) equity.

[RBI directs banks to make cyber security policies](#)

RBI has asked banks to immediately put in place a cyber security policy to tackle internet-based threats to the banking system. The RBI said that it is essential to enhance the resilience of the banking system by improving the current defenses in addressing cyber risks.

[World Bank classifies India lower-middle-income nation](#)

The World Bank has dropped the use of developing nation tag for India in its specialised reports and instead classifies it as a “lower-middle-income” economy in South Asia.

[HDFC ERGO acquires L&T General Insurance](#)

HDFC ERGO General Insurance Co. Ltd, the non-life insurance joint venture between HDFC Ltd and ERGO International of Germany, said that it will acquire L&T General Insurance Co. Ltd in an all-cash deal worth Rs.551 crore.

[ATM-based validation of tax returns activated](#)

The Income Tax department has launched an ATM-based validation system for filing-ITRs by taxpayers. The Electronic Verification Code (EVC) can be generated by pre-validating the Automated Teller Machine (ATM) provided by the bank where a taxpayer has an account. The new facility is available on the official e-filing portal of the department- <http://incometaxindiaefiling.gov.in/>

[Govt, ADB sign \\$120 mn loan agreement for Odisha](#)

India and the Asian Development Bank (ADB) have signed a USD 120 million loan pact to improve irrigation and water management infrastructure in Odisha. The soft loan is the second tranche of a USD 157.5 million financing facility under the Orissa Integrated Irrigated Agriculture and Water Management Investment Program.

[Amazon announces \\$3 billion investment in India](#)

Online retail giant Amazon is investing \$3 billion into its India operations this year, according to founder Jeff Bezos, who was speaking at the U.S.-India Business Council Annual Leadership Summit in Washington, D.C., as a part of Indian Prime Minister Narendra Modi's U.S visit. The additional money brings the total investment in Amazon India to \$5 billion.

[Ratan Tata invests in kids gaming startup MadRat](#)

MadRat Games is an innovative start-up with an aim to provide the world a more wholesome, happy and healthy way of living. Founded by IIT Mumbai and Carnegie Mellon alumnus Rajat Dhariwal along with his team Madhumita Halder and Manuj Dhariwal in 2010, the offline product gaming startup will use the proceeds for product development and pre-order campaign.

[China disapproves anti-dumping probe on steel](#)

China has expressed serious concern over India initiating an anti-dumping probe against Chinese steel products as it sought a 'fair' and 'transparent' investigation in line with WTO rules. China is highly concerned by Indian trade remedy measures against Chinese steel products.

[World Bank cuts global growth forecast to 2.4%](#)

The World Bank has lowered its global growth forecast, warning that risks to growth have increased since its earlier projection in January. The world economy will grow at 2.4% in 2016 and at 2.8% in 2017, the

World Bank said in its June report on global economic prospects, lower than the earlier forecast of 2.9% and 3.1%, respectively, mainly on account of a slower than expected recovery in advanced economies.

[Axis Bank launches India's first certified green bond at London Stock Exchange](#)

Axis Bank has raised \$500 million at the London Stock Exchange after it launched India's first internationally-listed certified green bond to finance climate change solutions around the world. This is the first green bond for Axis Bank within its \$5 billion Medium Term Note (MTN) programme, which has also listed entirely on LSE.

[ADB approves \\$100 million loan for irrigation system in Tamil Nadu](#)

Multilateral lending agency Asian Development Bank (ADB) has approved a \$100 million (around Rs 660 crore) loan to strengthen a key irrigation system and improve water management in the Vennar sub-basin of Cauvery Delta in Tamil Nadu.

[RBI approves common rural bill payment centres](#)

People residing in rural areas would soon be able to make bill payments at common service centres (CSCs) as the Reserve Bank of India has granted in-principle approval to the centres as Bharat Bill Payment Operating Unit will allow CSCs to operate the bill payment system with a single brand image providing convenience of 'anytime anywhere' bill payment.

[BRICS bank to issue maiden local currency bond](#)

The New Development Bank (NDB), established by the BRICS group of emerging nations, plans to issue its first bond as a yuan denominated issue in China. The bank will also issue bonds in other member currencies in order to mitigate the foreign currency risk of funded infrastructure projects and help develop local currency fund- raising markets.

[World Bank arm to invest \\$75 mn in Glenmark](#)

International Finance Corp. (IFC), the private sector lending arm of the World Bank, said it was looking to invest up to \$75 million, or about Rs.500 crore, in Glenmark Pharmaceuticals Ltd, which is raising \$200 million to reduce debt and fund expansion plans.

[Raghuram Rajan not to continue as RBI Governor](#)

Governor of the Reserve Bank of India Raghuram Rajan announced that he would not continue to head the central bank after his term expires on September 4. Mr. Rajan announced his decision to RBI employees via an email which was published on the central bank's website for 'wider dissemination'.

[SBI launches Rs 200-crore fund for fintech start-ups](#)

To support start-ups in the financial technology (fintech) space, State Bank of India has set up a Rs 200-crore fund. It will consider assistance of up to Rs 3 crore to a company registered in India for promoting their business innovations using information technology for banking and related activities, Arundhati Bhattacharya, chairman, said. It is named 'IT Innovation Start-up Fund'.

[Replace defective 1,000-rupee notes: RBI to Banks](#)

Out of 300 million defective banknotes that were printed in one of the printing presses of government-owned Security Printing and Minting Corporation of India, about 100 million of those notes have hit the market leaving the general public in a tizzy. About 200 million pieces were transferred to the RBI's currency chests, some of which was then loaded in banks' automated teller machines.

[PNB launches host of digital banking solutions](#)

The Android app facilitates the customer to use GPS and reach the nearest PNB ATM, it also assists customer to instantly lodge operational issues, reducing the resolution time considerably, PNB MD Usha Ananthasubramanian said. Green PIN facility was also launched under which customer can obtain duplicate PIN for debit card instantly through SMS request, it said.

[Royal Enfield records 50% sales growth in 2015](#)

Royal Enfield has recorded yet another year of stunning growth. The iconic Bullet maker, which is part of Eicher Motors, has registered 50 per cent growth in its total sales at 4.5 lakh units for the calendar year 2015.

[No interviews: PSBs to strengthen exam for clerical posts](#)

Finance Ministry has asked Public Sector Banks (PSBs) to strengthen written examination for recruitment of clerical and sub-staff posts as there will be no interviews for such appointments. The decision to change the recruitment process follows Prime Minister Narendra Modi's directive that there was no need for holding interviews for lower level posts.

[IDBI Bank raises Rs 1,900 crore via Basel-III compliant bonds](#)

Public sector lender IDBI Bank has raised Rs 1,900 crore through two separate Basel-III compliant tier-II bonds on private placement basis. The funds would help the bank to augment its capital adequacy ratio by about 55 basis points. This is in addition to Rs 1,000 crore raised on December 31, 2015 through the issue of similar bonds to Employees' Provident Fund Organisation (EPFO) but with 15 years tenure from the date of deemed allotment.

[RBI imposes Rs.1 crore fine on State Bank of Travancore](#)

Reserve Bank has imposed a penalty of Rs.1 crore on an SBI associate bank, State Bank of Travancore, for violation of some of its instructions. This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank and its customers.

[NABARD inks pact with NRSC for web-based monitoring of projects](#)

Country's apex development bank, NABARD on Jan 4 signed a pact with National Remote Sensing Centre (NRSC) for web-based monitoring of its projects in four states. According to an official statement issued by National Bank for Agriculture and Rural Development, Indo-German Watershed Development (IGWDP) projects (are located) in three states- Gujarat, Rajasthan and Telangana, and Nabard-assisted watershed projects under Watershed Development Fund

[Reliance capital gets CCI nod to acquire Goldman Sach's fund arm](#)

Reliance Capital Asset Management, part of the Anil Ambani-led group, said it has got the Competition Commission of India's (CCI) nod for acquiring Goldman Sachs's onshore business in India like mutual funds and exchange-traded funds. In October 2015, Reliance Capital Asset Management had said it is acquiring Goldman Sachs's onshore asset management business for Rs 243 crore (\$37.5 million) in an all-cash deal.

[Andhra Bank launches IMPS for money transfer](#)

Andhra Bank has launched Immediate Payment Service (IMPS) at all its branches in association with the National Payments Corporation of India (NPCI). A multi-channel, multi-dimensional platform, IMPS makes payments possible within fraction of seconds with all the standards and integrity maintained for security. The bank said that the IMPS has been enabled across all branches to provide inter-bank electronic fund transfer service "capable of processing person to account remittances."

[Cabinet approves creation of a Credit Guarantee Fund for MUDRA loans](#)

The Union Cabinet, chaired by the Prime Minister Narendra Modi has given its approval for the creation of a Credit Guarantee Fund for Micro Units Development Refinance Agency (MUDRA) loans and to convert MUDRA Ltd. into MUDRA Small Industries Development Bank of India (SIDBI) Bank as a wholly owned subsidiary of SIDBI. The Fund is expected to guarantee more than Rs 1,00,000 crore worth of loans to micro and small units in the first instance.

[India to grow at a faster 7.8 percent in fiscal 2016-17: World Bank](#)

The World Bank has projected that India will grow by a robust 7.8 per cent in 2016 and 7.9 per cent in the next two years. World Bank also predicted that India will be the fastest growing economy in the world in

the next three years and would outpace China. With the recent fall in oil prices, India remains the bright spot of the global economy as Chinese growth is predicted to slow further.

[HDFC targets fund size of Rs. 5000 crore for HCARE-1](#)

To make medium to long term investment in development of mass Housing Development Finance Corporation announced that HDFC Capital Advisors, a wholly owned subsidiary of the Corporation has been appointed as an investment manager for the HDFC Capital Affordable Real Estate Fund-1 (HCARE-1). HCARE-1 is a SEBI registered Alternative Investment Fund (AIF) and has been sponsored by the Corporation.

[RBI Deputy Governor Urjit Patel gets second term](#)

Reserve Bank of India Deputy Governor Urjit Patel, who drafted historic changes to monetary policy in the country, is likely to get re-appointed after his three-year term ends next month. The government will send Patel's name to the appointments committee of the cabinet for final approval. Patel, who joined the RBI in January 2013, heads its monetary policy department and is widely considered to be a trusted lieutenant to Governor RaghuramRajan.

[ICICI Bank partners with FINO PayTech for payments bank space](#)

ICICI Bank will partner FINO PayTech to foray into the payments bank space. The ICICI Group, with about 16 per cent stake in FINO Paytech, a business correspondent, is the largest domestic shareholder. FINO Paytech has received 'in principle' licence from the Reserve Bank of India (RBI) to start a payment bank. RBI regulations allow universal banks to invest up 30 per cent in payments bank.

[SBI enters wealth management space; opens branch for start-ups](#)

State Bank of India has become the first public sector lender to launch wealth management service, a space dominated by private and foreign players, to cater to fast-growing affluent segment of the country. The bank also inaugurated a dedicated branch for start-ups which will provide advisory services to the budding entrepreneurs. The wealth management offering – **'SBI Exclusi'** and the start-up branch – **'SBI InCube'** were rolled out in Bengaluru.

[GOI and WB sign agreement for Neeranchal National Watershed Project](#)

The Government of India has signed a loan agreement with **World Bank for the Neeranchal National Watershed Project**. The project to be implemented by the Ministry of Rural Development over a six-year period (2016-21) will support the **PradhanMantriKrishiSinchayiYojana** in hydrology and water management, agricultural production systems, capacity building and monitoring and evaluation. The total budget outlay of Rs.2142 crore with the Government share of Rs.1071 crore and the rest 50% by the World Bank

[SBI starts advisory services for start-ups](#)

State Bank of India (SBI) unveiled a dedicated advisory services branch for start-ups and wealth management service for high net worth individuals (HNIs). SBI becomes the first public sector bank to offer wealth management service. **SBI InCube** will be a one-stop advisory services facility for entrepreneurs but will not offer loans to start-ups .

[SBI launches SBI E-Smart SME to offer loans to e-commerce sellers](#)

State Bank of India has announced launch of SBI E-Smart SME to offer easy working capital to online e-commerce players. The bank has initially tied up with e-commerce major Snapdeal to offer instant loans to its seller's .The bank is also planning a similar tie-up with Flipkart, Paytm and amazon going forward. In one year, through its Capital Assist Program, Snapdeal had lent over Rs 250 crore to 1,000 sellers. In this year, it is targeting Rs.1,000 crore loans to SMEs.

[IMF retains India's economic growth forecast](#)

The International Monetary Fund (IMF) has kept India's growth projection unchanged at 7.3 per cent in the current fiscal and 7.5 per cent in the next, even as it cut world economic outlook to 3.4 per cent for 2016. The IMF has pegged the current year's growth at 7.3%, same as last year. The global economy is now forecast to grow 3.4% in 2016 and 3.6% in 2017, a reduction in 0.2 percentage point for both the years from the October forecast.

[India and UK to cooperate infrastructure and financial services](#)

India and UK have agreed to strengthen their economic cooperation in infrastructure and financial services as they vowed to address cross-border tax evasion and avoidance. Finance Minister ArunJaitley held talks with his UK counterpart George Osborne as part of the 8th India-UK Economic and Financial Dialogue and had a series of meetings with UK-based investors and fund managers.

[India starts Anti-dumping probe on rubber import from EU, South Korea](#)

GOI has initiated a probe into alleged dumping of rubber variants used for leather goods by the EU, South Korea and Thailand. The Government initiated after complaints from Reliance Industries and Indian Synthetic Rubber. The move is aimed at protecting domestic players in the sector against cheap imports. The Directorate General of **Anti-Dumping and Allied Duties (DGAD)**, an arm of the Commerce Ministry, has begun investigating imports of Styrene Butadiene Rubber (SBR) of 1,500 series and 1,700 series from these three regions.

[FreeCharge Partners MasterCard, Yes Bank to Launch Virtual Card](#)

Mobile wallet player FreeCharge has launched its new virtual card 'FreeCharge Go', in partnership with Yes Bank and powered by MasterCard. The integration is a prepaid virtual card, which can be activated in a few seconds.

[India signs agreement with World Bank for USD 250 million](#)

The Financing Agreement for World Bank (IDA) assistance of USD 250 million for Bihar Kosi Basin Development Project was signed between Government of India and the World Bank on January 20, 2016 at New Delhi. The Financing Agreement was signed by Mr.Raj Kumar, Joint Secretary, Department of Economic Affairs on behalf of Government of India and Mr.OnnoRuhl, Country Director in India, on behalf of the World Bank.

[RBI Simplifies Gold Monetisation Scheme](#)

The Reserve Bank of India has simplified the Gold Monetisation Scheme (GMS) for bulk depositors, aimed to help temple boards to do so. This was a major demand of temple trusts, many having tonnes of gold and willing to deposit part of that under the GMS. Now these depositors need not move gold to a collection centre which could be far away from their storage.

[HCL acquires UK-based Point to Point for around \\$11M](#)

HCL Technologies Ltd, India's fourth-largest software services firm, has agreed to acquire UK-based Point to Point Ltd and Point to Point Products Ltd (jointly referred to as Point to Point or P2P) for £8 million (around Rs 78 crore or around \$11 million). The deal amount also includes contingent payments subject to certain financial milestones. With over a decade of experience in the desktop and application virtualisation space, Point to Point provides enterprise workplace transformation services and end-user cloud engineering solutions, including managed serviced desktop services and support for virtualised workplace environment.

[Finance Ministry to hold India Investment Summit on Feb 4-5](#)

In order to attract investments in infrastructure sector, the Finance Ministry will organise a two-day India Investment Summit from February 4, which would see the participation of various global investors. Other economic ministries, Roads, Highways, Oil and Gas and Railways are expected to participate in the summit. Various global private equity funds and sovereign wealth funds (SWFs) are likely to participate in the event, which is being organised by the Finance Ministry.

[RBI Governor included in WEF task force to study global financial system](#)

The World Economic Forum (WEF) has created a new task force with Bank of England Governor Mark Carney and his counterpart at the Reserve Bank of India, Raghuram Rajan, to study the future of the global financial system. The group, which also includes Bank of America Chairman and CEO Brian Moynihan and HSBC Chairman Douglas Flint, met for the first time at the forum's annual meeting in Davos last week.

[India and Armenia sign Double Taxation Avoidance Convention Amendment](#)

The Protocol amends the Double Taxation Avoidance Convention between India and Armenia that has been in existence since 9th September, 2004. The Protocol amends the Article on Exchange of Information for tax purposes to bring it in line with the updated provisions in the OECD Model.

[RBI to issue Rs 10 coins on B R Ambedkar's 125th birth anniversary](#)

Reserve Bank is going to issue Rs.10 coins to commemorate the occasion of 125th birth anniversary of B R Ambedkar. On the design details, the obverse of the coin will bear the Lion Capitol of Ashoka Pillar in the centre with the legend 'Satyamev Jayate' inscribed below, flanked on the left periphery with the word 'Bharat' in Devnagri script.

[India and ADB Sign \\$80 Million Loan Agreement](#)

The Asian Development Bank (ADB) and the Government of India signed \$80 million loan agreement to continue improving infrastructure in two North Eastern State Capital cities. The loan is the third tranche of a \$200 million financing facility under the North Eastern Region Capital cities Development Investment Program and will be used for investments in water supply, solid waste management and sanitation in Agartala and Aizwal. Five other cities in the Northeast—

- ✓ Shillong (Meghalaya),
- ✓ Aizawl (Mizoram),
- ✓ Kohima (Nagaland),
- ✓ Gangtok (Sikkim)
- ✓ Agartala (Tripura).

[IMF implements long due quota reforms](#)

The reforms by IMF represent a major step towards better reflecting in the institution's governance structure, the increasing role of dynamic emerging market and developing countries. For the first time four emerging market countries (Brazil, China, India, and Russia) will be among the 10 largest members of the IMF.

[CBDT Signs Two Bilateral Advance Pricing Agreements with UK](#)

The Central Board of Direct Taxes (CBDT) has entered into two bilateral Advance Pricing Agreements (APAs) with United Kingdom. With this signing, CBDT has concluded three bilateral APAs the first one being a bilateral APA signed with Japan in December, 2014. The two bilateral APAs were signed with two Indian group entities of a UK based Multi-National Company (MNC).

[RBI eases cross border transactions for start ups](#)

The Reserve Bank of India has proposed steps to improve ease of doing business for start-ups through easier access to foreign capital and by enabling smoother transfer of ownership. RBI Governor Raghuram Rajan said the central bank wants to simplify the process and will create an enabling framework for attracting foreign venture capital (VC).

[FDI in India doubles to \\$4.5 Billion in Dec 2015](#)

Foreign direct investment (FDI) in the country more than doubled to about \$4.5 billion (Rs 30,514.5 crore) in December 2015. India receives maximum FDI from Singapore, Mauritius, the Netherlands and Japan. In 2014-15, foreign fund inflows grew 27 per cent to \$30.93 billion as against \$24.29 billion in 2013-14.

[Mahindra AMC received SEBI nod for Mutual Fund business](#)

Mahindra Asset Management Company has received markets regulator SEBI's approval for setting up of their mutual fund business. Mahindra AMC, a wholly-owned subsidiary of Mahindra & Mahindra Financial Services (MMFS), got the regulator's nod on February 4. However, the company did not disclose by when it will start offering mutual fund products.

[RBI to inject more cash into banks in March](#)

The Reserve Bank of India said it will actively inject additional cash into the banking system in March, when liquidity conditions tend to tighten because it marks the end of the fiscal year. The cash injections could come in addition to the current term repo system that provides cash to banks as short-term loans under the RBI's Liquidity Adjustment Facility (LAF).

[GOI to lower stake in PSU banks to 51%](#)

Union Finance Minister Arun Jaitley said that the government will soon announce a series of major banking reforms, including lowering its stake in state-owned banks to 51 per cent. Jaitley said "Public sector banks have played an important role in financial inclusion but at the same time, political government needs to maintain arm's-length distance from these banks and allow them to have more professionalised bank boards. The banks will have to work on banking considerations".

[PNB declared United Breweries a wilful defaulter](#)

UB Group holding company United Breweries (Holdings) Ltd said that Punjab National Bank has declared the company as a “willful defaulter”. On 13 November 2015, State Bank of India (SBI) had declared United Breweries and Mallya as wilful defaulters, though the company had filed a writ petition against the same in the Delhi high court.

[GOI launched Non Tax Receipt Portal](#)

The Union Finance Minister ShriArunJaitley inaugurated the Non Tax Receipt Portal (NTRP), developed by the Office of Controller General of Accounts (CGA). The portal provides a one-stop platform to citizens /corporates/other users for making online payment of Non-Tax Receipts to Government of India. The annual collection of Non Tax Receipts is over Rs.2 lakh crore. It was launched as part of Union Government’s flagship Digital India campaign.

[SBI opens ‘Japan Desk’ in New Delhi](#)

Banking Giant State Bank of India (SBI) has launched a new initiative called ‘Japan Desk’, a first-of-its-kind initiative to facilitate Japanese corporate looking to invest in India with banking and advisory services. This SBI Japan Desk will serve as a one-point comprehensive and reliable information support source for India-bound investments of Japanese companies. Through the Japan Desk, SBI aims to be the [window for inbound Japanese investments in India and vice-versa](#).

[World Bank to support Rajasthan on energy reforms](#)

The World Bank has decided to lend support to the Rajasthan government on energy reforms. The decision was taken at a meeting between World Banks country director in India, OnnoRuhl and Rajasthan Chief Minister VasundharaRaje. The Rajasthan CM underlined the importance of on-going projects on rural development, including the JalSwablambanAbhiyan, and other new technologies in Agriculture, Skill Development and Tourism, and urged the WB official to provide support to these schemes too.

[Aditya Birla, Idea form JV for Payments Bank](#)

Aditya Birla Nuvo, one of the eleven entities that have received in-principle approvals from the RBI to set up payments banks, said it has incorporated a new subsidiary for the same purpose. The new entity, Aditya Birla Idea Payments Bank Ltd, is a 51:49 joint venture (JV) between it and Idea Cellular — its telecom subsidiary in which it owns 23.26%.

[GOI to create Banking Access Points in villages](#)

The government is looking at providing banking services in every village of the country by leveraging technology and the network of Common Services Centres (CSCs). Communications and IT Minister Ravi

Shankar Prasad said that the Government is targeting to create banking access point in every village through new technology.

[RBI extends currency swap arrangement with SAARC nations](#)

In order to enhance economic cooperation and strengthen financial stability, RBI has extended the USD 2 billion currency swap arrangement to SAARC nations till mid-November 2017. Under the arrangement, RBI is to offer swap arrangement up to an overall amount of USD 2 billion both in foreign currency and Indian rupee. The facility will be available to all SAARC member countries — Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka.

[Mastercard to launch payments by selfie](#)

Mastercard is launching new mobile technologies that will allow customers to authenticate their online purchases using selfies or fingerprints. The technology will be rolled out by big banks in the U.S., Canada, the U.K. and some European countries over the next few months. People from around the world will be regularly using this authentication technology within five years, said Ajay Bhalla, president of enterprise security solutions at MasterCard. Mastercard plans to roll out the technology to the UK, US, Canada, Netherlands, Belgium, Spain, Italy, France, Germany, Switzerland, Norway, Sweden, Finland and Denmark.

[SBI launches new branch for e-commerce loans](#)

Banking giant SBI has taken another leap in this space with the launch of SBI e-Smart SME, a working capital loan offering for sellers on ecommerce platforms. With this development, sellers can apply for the loan online on the e-commerce platform and get instant sanctioning of the loan. This product uses proprietary platform data and surrogates information from public domain to assess the seller's creditworthiness for loan sanctioning.

[GOI clears India Post's Payment Banks Proposal](#)

The Public investment Board has approved the Rs.800-crore proposal from India Post for setting up a payments bank and it will be placed before the Cabinet within a month for final approval. The department is in the process of finalising the selection of a consultant for setting up India Post's payments bank. It had shortlisted six consultants but only three of them submitted the bids.

[PNB declares 904 firms as wilful defaulters](#)

State-owned Punjab National Bank (PNB) has declared 904 borrowers who owed it a combined Rs.10,869.71 crore as of December-end as wilful defaulters. The bank added 140 companies to the list of wilful defaulters over the last quarter. At the end of September, 764 companies who owed the lender Rs.9,200 crore had been classified as wilful defaulters.

RBI to buy Rs 12000 crore worth of Government Bonds

The Reserve Bank of India has announced an open market operation (OMO) purchase of government securities worth Rs 12,000 crore on March 3. The RBI conducts OMO purchases in order to infuse liquidity into the system whenever there is a deficiency, while it conducts OMO sales to suck excess liquidity from the system.

Islamic banking to debut in Gujarat

Jeddah-based Islamic Development Bank (IDB) is set to start its India operations from Gujarat. The international financial institution from Saudi Arabia has chosen Gujarat to set up its first branch in India. The state will also get 30 medical vans as part of IDB's social sector initiatives. IDB's main objective is to foster the economic development and social progress of member countries as well as the Muslim community in accordance with principles of Shariah (Islamic law).

India's growth to rise to 8 % in FY2019: Fitch

India's economic growth rate will slowly accelerate to 8% by fiscal year ending March 2019, driven by the gradual implementation of structural reforms, higher disposable income and improvement in economic activity, global rating agency Fitch. Fitch expects India's GDP to grow 7.5% in fiscal year ending March 2016 and improve to 7.7% in the current fiscal year and further to 7.9% in the fiscal year ending March 2018.

World Bank Group launched Pandemic Emergency Financing Facility

The World Bank Group has launched the much anticipated Pandemic Emergency Finance Facility (PEF) — a new financing mechanism to quickly mobilise funds to tackle global disease outbreaks and create a new insurance market for pandemic risk. PEF is expected to bring the much needed coordination and speed for future global disease outbreak response efforts. The PEF facility launch announcement came few days ahead of the May 26-27 Summit of Group of Seven Leaders in Ise-Shima, Japan.

SEBI tightens P-note norms to keep vigil on foreign investments

Tightening its norms to check any misuse of participatory notes (P-Notes) for laundering of black money, the Securities and Exchange Board of India (SEBI) has made it mandatory for users of these controversy-ridden overseas instruments to follow Indian anti-money laundering law and report any suspicious transactions immediately

GOI Constitute NK Singh Committee to review FRBM Act

A new committee, led by former Member of Parliament and revenue and expenditure secretary NK Singh, will now review the Fiscal Responsibility and Budget Management (FRBM) Act, and suggest a future road map. The other members of the panel are Reserve Bank of India Deputy Governor Urjit Patel, Chief

Economic Advisor Arvind Subramanian, former finance secretary Sumit Bose, and Rathin Roy, the director of National Institute of Public Finance and Policy and a Business Standard columnist.

[SBI seeks to take over 5 associate PSBs, Bhartiya Mahila Bank](#)

Top state-run lender SBI has proposed merger of its five associate banks and newly created Bharatiya Mahila Bank (BMB) with itself and sought government's approval for the same — a major bid to consolidate the public sector banking space.

[HDFC Bank launches SmartUp for start-ups](#)

HDFC Bank Ltd has launched Smart Up, a first-of-its-kind dedicated solution for start-ups in Kolkata. It was launched in association with NASSCOM, an IT and BPO industry body which is running the 10,000 Start-ups initiative, this solution is aimed at scaling up the start-up ecosystem in the country.

[World Bank approves 625 Million USD for Rooftop Solar Program in India](#)

The World Bank's Board has approved \$625 million loan to support India's grid connected rooftop solar programme to generate clean energy. The Board also approved a co-financing loan of \$120 million on concessional terms and a \$5 million grant from Climate Investment Fund's (CIF) Clean Technology Fund.

[SBI seizes Goa villa of Vijay Mallya](#)

The government-owned State Bank of India (SBI) has seized a villa of debt-strapped liquor baron Vijay Mallya in Panaji, Goa. Mallya flew to London in March, under pressure from bankers seeking to recover about Rs.9000 cr owed by his collapsed Kingfisher Airline. The district magistrate gave an order in favour of banks to take physical possession of the Rs.90 cr Kingfisher Villa in Panaji town, which was venue of many famous parties hosted by him.

[India's GDP likely to expand by 7.7% in FY17: NCAER](#)

Economic think-tank NCAER has projected India's economic growth rate to improve marginally to 7.7% in 2016-17 against the backdrop of IMD's forecast of better monsoon rains this year. The average rate of growth in the agricultural and allied sectors' GDP for 2014-15 and 2015-16 has been a low 0.5%. India Meteorological Department (IMD) has predicted monsoon for 2016-17.

[ICICI Bank launches country's first contactless credit card for SMEs](#)

ICICI Bank has launched the country's first contactless business credit card in association with Jet Airways for small and mid-sized enterprises (SMEs) and their employees. Christened 'Jet Airways ICICI Bank Business Advantage Card'. It will also provide customers opportunities to earn J P Miles on both spends as well as repayments of credit card on a list of business expense categories.

[Wilful defaulters' list to be made public: RBI](#)

Reserve Bank Governor Raghuram Rajan said the central bank is working on a new system for making public the list of wilful defaulters and new mechanism for out-of-court settlement of bad loan-related disputes. The central bank was in favour of protecting privacy in cases where there is no wrongdoing, he said, adding a blanket edict that everybody's name should be made public on the website might not be desirable.

[IREDA may be converted into a Green Bank](#)

State-run Indian Renewable Energy Development Agency (IREDA) might be converted into a Green Bank to enable it to access funding from overseas banks. With IREDA conversion into Green Bank, it would be entitled to avail of certain benefits, which the agency is currently deprived of and the proposal is being well supported by the Union Power Ministry. A green bank provides low-cost financing support to clean and low-carbon projects.

[India ratifies trade pact of WTO](#)

The Government has ratified the Trade Facilitation Agreement (TFA) of the WTO and the pact aims to expedite the movement, release and clearance of goods, including goods in transit. India has ratified the Trade Facilitation Agreement (TFA) of the World Trade Agreement (WTO) and the instrument of Acceptance for Trade Facilitation Agreement was handed over to WTO Director-General by India on April 22.

[IMF retains India growth forecast at 7.5 pc](#)

The International Monetary Fund has retained its growth forecast for India this year at 7.5 per cent, largely driven by private consumption even as weak exports and sluggish credit growth weigh on the economy. India's growth momentum is expected to be underpinned by private consumption, which has benefited from lower energy prices and higher real incomes.

[India rated 9th in FDI Confidence Index](#)

India has secured ninth position in the 2016 Foreign Direct Investment Confidence Index. The ranking has been released by a global management consulting firm named AT Kearney. The firm has underlined that the country is "finally" embarking on a growth path that will see it "unlock its full potential". India jumped two places to rank number 9 in this year's AT Kearney Foreign Direct Investment (FDI) Confidence Index.

[YES Bank gets SEBI nod to provide custodial services](#)

Private sector lender Yes Bank has received in-principle nod from markets regulator SEBI to act as custodian of securities. The bank has been given a year's time to establish the business by developing

the operational, tech and human capital capabilities. Once it receives the final nod, it can offer custodial services to financial market participants, including foreign portfolio investors, which would help its fee-based income.

[SBI launches mobile-based payment solution mVisa](#)

Country's biggest lender State Bank of India has announced the launch of mVisa, a mobile-based payment solution. The service will help customers make payments through their smartphones by simply scanning the unique merchant QR (Quick Response) code at merchant outlets.

- The mVisa is a card-less solution which facilitates payment by scanning the QR code displayed at the merchant outlet or from the merchants mobile.
- SBI customers (Debit Card holders and Internet Banking customers, having transaction rights) can now make easy payments to the merchants by simply scanning QR code image.
- This eliminates the need to swipe the physical card at a point-of-sale (PoS) machine.

[ICICI Bank signs MoU with BRICS Grouping-promoted New Development Bank](#)

Private sector lender ICICI Bank became the first financial institution in the country to tie up with the BRICS Grouping-promoted New Development Bank (NDB) for a partnership in bond issuances, co-financing, treasury management and human resources. As part of the pact, the two lenders — NDBs first president is ICICI Bank veteran KV Kamath — will look at each other as “preferred partners”.

[India likely to grow at 7.9% in 2016-17: CRISIL](#)

According to CRISIL Research, Indian economy is expected to grow at 7.9 per cent in the fiscal starting April, lower than earlier forecast of 8.1 per cent. Crisil noted that the economy's modest recovery has been shaped by good luck on crude oil and commodities, and a supportive policy environment. While this is expected to continue, India cannot afford to be third-time unlucky with rains.

BANKING TERMS ABBREVIATIONS

ABBREVIATION	FULL FORM
ACF	Auto-Correlation Function
AD	Authorized Dealer
ADB	Asian Development Bank
ADR	American Depository Receipt
AFS	Annual Financial Statement

A TO Z IN BANKING BY D2G

AGM	Annual General Meeting
AIRCSC	All India Rural Credit Survey Committee
AO	Additive Outliers
AR	Auto Regression
ARIMA	Auto-Regressive Integrated Moving Average
AFS	Available For Sale
ASSOCHAM	Associated Chambers of Commerce and Industry of India
ATM	Asynchronous Transfer Mode
ATM	Automated Teller Machine
BIS	Bank for International Settlements
BOI	Bank of India
BoP	Balance of Payments
BPM5	Balance of Payments Manual, 5th edition
BPSD	Balance of Payments Division, DESACS, RBI
BSCS	Basel Committee on Banking Supervision
BSE	Bombay Stock Exchange
BSR	Basic Statistical Returns
CAD	Capital Account Deficit
CAG	Controller and Auditor General of India
CBS	Consolidated Banking Statistics
CC	Cash Credit
CD	Certificate of Deposit
CD Ratio	Credit Deposit Ratio
CDBS	Committee of Direction on Banking Statistics
CF	Company Finance

A TO Z IN BANKING BY D2G

CFRA	Combined Finance and Revenue Accounts
CGRA	Currency and Gold Revaluation Account
CII	Confederation of Indian Industries
CO	Capital Outlay
CP	Commercial Paper
CPI	Consumer Price Index
CPI-IW	Consumer Price Index for Industrial Workers
CR	Capital Receipts
CRAR	Capital to Risk Weighted Asset Ratio
CRR	Cash Reserve Ratio
CSIR	Council of Scientific and Industrial Research
CSO	Central Statistical Organisation
CVC	Central Vigilance Commission
DAP	Development Action Plan
DBOD	Department of Banking Operations and Development And Development
DBS	Department of Banking Supervision, RBI
DCA	Department of Company Affairs, (Now known as Ministry of Companies Affairs, MCA) Government of India
DCB	Demand Collection and Balance
DCCB	District Central Cooperative Bank
DCM	Department of Currency Management, RBI
DD	Demand Draft
DDS	Data Dissemination Standards
DEIO	Department of External Investments and Operations
DESACS	Department of Statistical Analysis & Computer Services,

A TO Z IN BANKING BY D2G

DGBA	Department of Government and Bank Accounts, RBI
DGCI&S	Directorate General of Commercial Intelligence and Statistics
DI	Direct Investment
DICGC	Deposit Insurance and Credit Guarantee Corporation of India
DID	Discharge of Internal Debt
DMA	Departmentalized Ministries Account
DRI	Differential Rate of Interest Scheme
DSBB	Dissemination Standards Bulletin Board
DVP	Delivery versus Payment
ECB	External Commercial Borrowing
ECB	European Central Bank
ECGC	Export Credit and Guarantee Corporation
ECS	Electronic Clearing Scheme
EDMU	External Debt Management Unit
EEA	Exchange Equalization Account
EEC	European Economic Community
EEFC	Exchange Earners Foreign Currency
EFR	Exchange Fluctuation Reserve
EPF	Employees Provident Fund
EUR	Euro
EXIM	Bank Export Import Bank of India
FCA	Foreign Currency Assets
FCCB	Foreign Currency Convertible Bond
FCNR(B)	Foreign Currency Non-resident (Banks)
FCNRA	Foreign Currency Non-resident Account

A TO Z IN BANKING BY D2G

FCNRD	Foreign Currency Non-Repatriable Deposit
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act
FI	Financial Institution
FICCI	Federation of Indian Chambers of Commerce and Industry
FII	Foreign Institutional Investor
FIMMDA	Fixed Income Money Market and Derivatives Association of India
FISIM	Financial Intermediation Services Indirectly Measured
FLAS	Foreign Liabilities and Assets Survey
FOF	Flow Of Funds
FPI	Foreign Portfolio Investment
FRA	Forward Rate Agreement
FRBM	Fiscal Responsibility and Budget Management Act, 2003
FRN	Floating Rate Note
FSS	Farmers' Service Societies
FWG	First Working Group on Money supply
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GFD	Gross Fiscal Deficit
GFS	Government Finance Statistics
GIC	General Insurance Corporation
GLS	Generalized Least Squares
GNIE	Government Not Included Elsewhere
GoI	Government of India
GPD	Gross Primary Deficit

A TO Z IN BANKING BY D2G

G-Sec	Government Securities
HDFC	Housing Development Finance Corporation
HFT	Held For Trading
HICP	Harmonised Index of Consumer Prices
HO	Head Office
HUDCO	Housing & Urban Development Corporation
IBRD	International Bank for Reconstruction and Development
IBS	International Banking Statistics
ICAR	Indian Council of Agricultural Research
ICICI	Industrial Credit and Investment Corporation of India
ICMR	Indian Council of Medical Research
IDB	India Development Bonds
IDBI	Industrial Development Bank of India
IDD	Industrial Development Department
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFC(W)	International Finance Corporation (Washington)
IFCI	Industrial Finance Corporation of India
IFR	Investment Fluctuation Reserve Account
IFS	International Financial Statistics
IGLS	Iterative Generalized Least Squares
IIBI	Industrial Investment Bank of India
IIP	Index of Industrial Production
IIP/InIP	International Investment Position
IMD	India Millennium Deposits

A TO Z IN BANKING BY D2G

IMF	International Monetary Fund
INR	Indian Rupee
IOTT	Input-Output Transaction Table
IP	Interest Payment
IRBI	Industrial Reconstruction Bank of India
ISDA	International Swaps and Derivative Association
ISIC	International Standard Industrial Classification
ISO	International Standards Organization
ITRS	International Transaction Reporting System
IWGEDS	International Working Group on External Debt Statistics
KVIC	Khadi & Village Industries Corporation
LAF	Liquidity Adjustment Facility
LAMPS	Large-sized Adivasi Multipurpose Societies
LAS	Loan & Advances by States
LBD	Land Development Bank
LBS	Locational Banking Statistics
LERMS	Liberalised Exchange Rate Management System
LIC	Life Insurance Corporation of India
LS	Level Shift
LT	Long Term
LTO	Long Term Operation
M1	Narrow Money
M3	Broad Money
MA	Moving Average
MCA	Ministry of Company Affairs

A TO Z IN BANKING BY D2G

MIGA	Multilateral Investment Guarantee Agency
MIS	Management Information System
MMSE	Minimum Mean Squared Errors
MoF	Ministry of Finance
MOF	Master Office File
MRM	Monitoring and Review Mechanism
MSS	Market Stabilisation Scheme
MT	Mail Transfer
MTM	Mark-To-Market
NABARD	National Bank for Agriculture and Rural Development
NAC(LTO)	National Agricultural Credit (Long Term Operatiion)
NAIO	Non Administratively Independent Office
NAS	National Account Statistics
NASSCOM	National Association of Software and Services Companies
NBC	Non-Banking Companies
NBFC	Non Banking Financial Companies
NEC	Not Elsewhere Classified
NEER	Nominal Effective Exchange Rate
NFA	Non-Foreign Exchange Assets
NFD	Net Fiscal Deficit
NGO	Non-Governmental Organization
NHB	National Housing Bank
NIC	National Industrial Classification
NIF	Note Issuance Facility
NNML	Net Non-Monetary Liabilities

A TO Z IN BANKING BY D2G

NPA	Non-Performing Assets
NPD	Net Primary Deficit
NPRB	Net Primary Revenue Balance
NPV	Net Present Value
NR(E)RA	Non-Resident (External) Rupee Account
NR(NR)RA	Non-Resident (Non-Repatriable) Rupee Account
NRE	Non-Resident External
NRG	Non-Resident Government
NRI	Non-Resident Indian
NSC	National Statistical Commission
NSSF	National Small Savings Fund
OD	Over Draft
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OEKO	Organisation for Economic Co-operation
OFI	Other Financial Institutions
OLTAS	OnLine Tax Accounting System
OMO	Open Market Operations
OSCB	Other Indian Scheduled Commercial Bank
PACF	Partial Auto-Correlation Function
PACS	Primary Agriculture Credit Societies
PCARDB	Primary Cooperative Agriculture and Rural Development Bank
PD	Primary Deficit
PDAI	Primary Dealers Association of India
PDO	Public Debt Office

A TO Z IN BANKING BY D2G

PDO-NDS	Public Debt Office-cum-Negotiated Dealing System
PDs	Primary Dealers
PES	Public Enterprises Survey
PF	Provident Fund
PIO	Persons of Indian Origin
PNB	Punjab National bank
PO	Principal Office
PRB	Primary Revenue Balance
PSE	Public Sector Enterprises
PUC	Paid Up Capital
QRR	Quick Review Report
RBI	Reserve Bank of India
RD	Revenue Deficit
RDBMS	Relational Database Management System
RE	Revenue Expenditure
REC	Rural Electrification Corporation
REER	Real Effective Exchange Rate
RFC	Residents Foreign Currency
RIB	Resurgent India Bonds
RIDF	Rural Infrastructure Development Fund
RLA	Recoveries of Loans & Advances
RLC	Repayment of Loans to Centre
RMB	Renminbi (Chinese)
RNBC	Residuary Non-Banking Companies
RO	Regional Office

A TO Z IN BANKING BY D2G

RoCs	Registrars of Companies
RPA	Rupee Payment Area
RPCD	Rural Planning and Credit Department, RBI
RR	Revenue Receipts
RRB	Regional Rural Bank
RTP	Reserve Tranche Position
RUF	Revolving Underwriting Facility
RWA	Risk Weighted Asset
SAM	Social Accounting Matrix
SAS	Statistical Analysis System
SBI	State Bank of India
SCARDB	State Cooperative Agriculture and Rural Development Bank
SCB	State Cooperative Bank
SCB	Scheduled Commercial Bank
SCS	Size Class Strata
SDDS	Special Data Dissemination Standards
SDR	Special Drawing Right
SEBI	Securities and Exchange Board of India
SEBs	State Electricity Boards
SFC	State Financial Corporation
SGL	Subsidiary General Ledger
SGSY	Swarnajayanthi Gram SwarajgarYojana
SHGs	Self-Help Groups
SIDBI	Small Industries Development Bank of India
SIDC	State Industrial Development Corporation

A TO Z IN BANKING BY D2G

SI-SPA	Systems Improvement Scheme under Special Project Agriculture
SJSRY	Swarna Jayanti Shahari Rojgar Yojana
SLR	Statutory Liquidity Ratio
SLRS	Scheme for Liberation & Rehabilitation of Scavangers
SMG	Standing Monitoring Group
SNA	System of National Accounts
SRWTO	Small road & Water Transport Operators
SSI	Small-Scale Industries
SSSBes	Small Scale Service & Business Enterprises
SWG	Second Working Group on Money Supply
TBs	Treasury Bills
TC	Temporary Change
TT	Telegraphic Transfer
UBB	Uniform Balance Book
UBD	Urban Banks Department
UCB	Urban Cooperative Bank
UCN	Uniform Code Number
US	United States
USD	US Dollars
UTI	Unit Trust of India
VC	Venture Capital
WGMS	Working Group on Money Supply: Analytics and Methodology of Compilation
WPI	Wholesale Price Index
WSS	Weekly Statistical Supplement
YTM	Yield to Maturity

A TO Z IN BANKING BY D2G

ZO

Zonal Office

Public Sector Bank: Slogan Head Quarters/Office, CMDs, CEO

S.NO	Bank Name	Head	Head Office	Tag line / Slogan
1.	Allahabad bank	Sh. RakeshSethi	Kolkata	A Tradition of Trust
2.	Andhra Bank	Sh. C VR Rajendran	Hyderabad	Where India Banks
3.	Bank of Baroda	Sh. P.S. Jayakumar	Baroda Mumbai (corporate center)	India's International Bank
4.	Bank of India	ShriMelwynRego	Mumbai	Relationship Beyond Banking
5.	Bank of Maharashtra	Sh. SushilMuhnot	Pune	One Family, One Bank
6.	Canara Bank	Sh. Rakesh Sharma	Bangaluru	Together We Can
7.	Central bank of India	Sh. Rajeev Rishi	Mumbai	Central to you since 1911
8.	Corporation Bank	Sh. S.R. Bansal	Mangalore	A Premier Public Sector Bank
9.	Dena Bank	Sh. Ashwani Kumar	Mumbai	Trusted family Bank
10.	Indian Bank	Sh. T.M.Bhasin	Chennai	Your Tech-friendly Bank

A TO Z IN BANKING BY D2G

11.	Indian overseas Bank	Sh. R Koteeswaran	Chennai	Good People to Grow With
12.	Oriental Bank Of commerce	Sh. Animesh Chauhan	New Delhi	Where Every Individual is Committed
13.	Punjab & Sindh Bank	Sh. Jatinder Bir Singh	New Delhi	Where Service is a Way of Life
14	Punjab National Bank	Mrs. Usha Ananthasubramanian	New Delhi	The Name you can Bank upon
15	Syndicate Bank	Vacant	Manipal	Faithful Friendly
16	UCO Bank	Sh. Arun Kaul	Kolkata	Honours Your Trust
17	Union Bank of India	Sh. Arun Tiwari	Mumbai	Good people to bank with
18	United bank of India	Sh. P srinivas	Kolkata	The Bank that begins with 'U'
19	Vijya Bank	Sh. Kishor Kumar sansi	Bangaluru	A friend you can bank on
20	IDBI Bank	Mr. Kishor Kharat	Mumbai	Banking For All, "Aao Sochein Bada"
21	State Bank of India	Smt. Arundhati Bhattacharya	Mumbai	The Banker to Every Indian
22	Bhartiya Mahila Bank	Vacant (Smt. S M Swathi – Executive Director)	New Delhi	Empowering women, Empowering India

ALL THE BEST!!!