The Loan Agreements for World Bank (IBRD) assistance of US$ 500 million to Small Industries Development Bank of India (SIDBI) for MSME Growth Innovation and Inclusive Finance Project was signed between Government of India and the World Bank.

The World Bank and the Government of India signed a $43 million grant and guarantee agreement towards the Partial Risk Sharing Facility for Energy Efficiency (PRSF) project, that will help enterprises and Energy Service Companies (ESCOs) mobilize commercial finance for investments in energy efficiency initiatives.

Indian Maritime Day - 5th of April

Saina Nehwal and Kidambi Srikanth on Sunday gave double delight to the nation by clinching their maiden women and men's singles titles at the India Open Super Series badminton tournament.

Aditi Arya declared fbb Femina Miss India World 2015 at a star-studded event at the Yash Raj Studios.

James Faulkner wins man of match award in Cricket World Cup final, **Mitchell Starc was selected as the man of the tournament** for his breath taking performance in the tournament.

Australia win the 2015 Cricket World Cup - Australia beat New Zealand by 7 wickets in the 2015 World Cup. This is the 5th World Cup title for the Australians. Chasing a modest 184 run-target, the Aussies reached the target in 33.1 overs with 101 balls remaining.

Saina Nehwal created history on Saturday as she became the first Indian woman shuttler to attain the world number one ranking after her closest challenger for the spot, Spain's Carolina Marin, lost in the India Open Super Series semifinal .

The Gandhi Peace Prize for the year 2014, has been awarded to **Indian Space Research Organisation (ISRO).**

Telecom Spectrum Auction: Govt to get Rs 1.09 lakh cr - Government raised a record Rs 109,874 crore in the country's biggest and the fiercest auction of telecom spectrum that ended

Actor-filmmaker **Shashi Kapoor** has been chosen for the prestigious **Dada Saheb Phalke award**, **46th Dada Saheb Phalke Award winner.**

India to grow at 7.8% in 2015-16 : Asian Development Bank - Asian Development Bank said. "India is expected to grow faster than China in the next few years," **ADB Chief Economist Shang-Jin Wei** said while releasing the bank's annual publication Asian Development Outlook, 2015.

The Ministry of Information & Broadcasting has been awarded the Platinum icon award for the Comprehensive Web presence in the Web Ratna Awards 2014. The award today was conferred by the Minister for Communications & Information Technology in the presence of Secretary, M/o C&IT, Shri R.S. Sharma. The award was received by Ms. R. Jaya, Joint Secretary on behalf of Secretary (I&B), Shri Bimal Julka along with the New Media Wing team of the Ministry.

62nd National Film Awards - Kangana Ranaut won the best actress award for her powerful performance in "Queen" at the 62nd National Film Awards where Bollywood movies "Haider" and "Mary Kom" bagged key honours while Chaitanya Tamhane's "Court" was named the best feature film.

Singapore's first prime minister **Lee Kuan Yew**, Dies At 91

Water activist Rajendra Singh (Better known as the Water Man of India) has wins Stockholm Water Prize 2015 for his innovative water restoration efforts, improving water security in rural India, and for showing extraordinary courage and determination in his quest to improve the living conditions for those most in need.

Ratan Tata to head Indian Railways' innovation council

India's Beyond Visual Range (BVR) air-to-air missile ASTRA was once again successfully test fired today by the Indian Air Force off the coast of Odisha near the Integrated Test Range, Balasore. The missile has been indigenously designed and developed by the Defence Research and Development Organisation (DRDO).

The present nuclear power installed capacity of 5780 MW is expected to reach 10,080 MW by 2019 on progressive completion of the projects under construction/ commissioning.

The Vice President of India Shri M. Hamid Ansari released a book entitled **"Suleiman Charitra – Kalyana Malla" translated from Sankrit to English by well-known translator of Sanskrit classic Shri A.N.D. Haksar.**

Putting up a dominating show, India scored in three of the four quarters to outplay Poland 3-1 in the final and clinch the FIH World Hockey League Round 2 at Major Dhyan Chan stadium in New Delhi.

IMF Managing Director Christine Lagarde said the country will clock 7.2 percent growth in the current fiscal and its GDP will exceed combined total of Japan and Germany by 2019.

Kidambi Srikanth clinched the Swiss Grand Prix Gold championship 2015

The Government has a proposal to Scale up Grid Connected Solar Power Projects from **20,000 MW to 1,00,000 MW by 2022** under National Solar Mission (NSM).

Karnataka clinch the 2014-15 Ranji Trophy

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Major Highlights of the Insurance Laws (Amendment) Bill, 2015 Passed by Parliament

1) The Insurance Laws (Amendment) Bill, 2015 was passed by the Lok Sabha on 4th March, 2015 and by the Rajya Sabha yesterday i.e. on 12th March, 2015.The passage of the Bill thus paved the way for major reform related amendments in the Insurance Act, 1938, the General Insurance Business (Nationalization) Act, 1972 and the Insurance Regulatory and Development Authority (IRDA) Act, 1999. The Insurance Laws (Amendment) Act 2015 to be so enacted, will seamlessly replace the Insurance Laws (Amendment) Ordinance, 2014, which came into force on 26th December 2014. The amendment Act will remove archaic and redundant provisions in the legislations and incorporates certain provisions to provide Insurance Regulatory and Development Authority of India (IRDAI) with the flexibility to discharge its functions more effectively and efficiently. It also provides for enhancement of the foreign investment cap in an Indian Insurance Company from 26% to an explicitly composite limit of 49% with the safeguard of Indian ownership and control.

2) Capital Availability: In addition to the provisions for enhanced foreign equity, the amended law will enable capital raising through new and innovative instruments under the regulatory supervision of IRDAI. Greater availability of capital for the capital intensive insurance sector would lead to greater distribution reach to under / un-served areas, more innovative product formulations to meet diverse insurance needs of citizens, efficient service delivery through improved distribution technology and enhanced customer service standards. The Rules to operationalize the new provisions in the Law related to foreign equity investors have already been notified on 19th Feb 2015 under powers accorded by the ordinance.

The four public sector general insurance companies, presently required as per the General Insurance Business (Nationalisation) Act, 1972 (GIBNA, 1972) to be 100% government owned, are now allowed to raise capital, keeping in view the need for expansion of the business in the rural and social sectors, meeting the solvency margin for this purpose and achieving enhanced competitiveness subject to the Government equity not being less than 51% at any point of time.

3) Consumer Welfare: Further, the amendments to the laws will enable the interests of consumers to be better served through provisions like those enabling penalties on intermediaries / insurance companies for misconduct and disallowing multilevel marketing of insurance products in order to curtail the practice of mis-selling. The amended Law has several provisions for levying higher penalties ranging from up to Rs.1 Crore to Rs. 25 Crore for various violations including mis-selling and misrepresentation by agents / insurance companies. With a view to serve the interest of the policy holders better, the period during which a policy can be repudiated on any ground, including mis-statement of facts etc., will be confined to three years from the commencement of the policy and no policy would be called in question on any ground after three years.

The amendments provide for an easier process for payment to the nominee of the policy holder, as the insurer would be discharged of its legal liabilities once the payment is made to the nominee.

It is now obligatory in the law for insurance companies to underwrite third party motor vehicle insurance as per IRDAI regulations. Rural and Social sector obligations for insurers are retained in the amended laws.

4) Empowerment of IRDAI: The Act will entrust responsibility of appointing insurance agents to insurers and provides for IRDAI to regulate their eligibility, qualifications and other aspects. It enables agents to work more broadly across companies in various business categories; with the safeguard that conflict of interest would not be allowed by IRDAI through suitable regulations.

IRDAI is empowered to regulate key aspects of Insurance Company operations in areas like solvency, investments, expenses and commissions and to formulate regulations for payment of commission and control of management expenses.

It empowers the Authority to regulate the functions, code of conduct, etc., of surveyors and loss assessors. It also expands the scope of insurance intermediaries to include insurance brokers, re- insurance brokers, insurance consultants, corporate agents, third party administrators, surveyors and loss assessors and such other entities, as may be notified by the Authority from time to time.

Further, properties in India can now be insured with a foreign insurer with prior permission of IRDAI; which was earlier to be done with the approval of the Central Government.

5) Health Insurance: The amendment Act defines 'health insurance business' inclusive of travel and personal accident cover and discourages non-serious players by retaining capital requirements for health insurers at the level of Rs. 100 Crore, thereby paving the way for promotion of health insurance as a separate vertical.

6) Promoting Reinsurance Business in India: The amended law enables foreign reinsurers to set up branches in India and defines're-insurance' to mean "the insurance of part of one insurer's risk by another insurer who accepts the risk for a mutually acceptable premium", and thereby excludes the possibility of 100% ceding of risk to a re-insurer, which could lead to companies acting as front companies for other insurers. Further, it enables Lloyds and its members to operate in India through setting up of branches for the purpose of reinsurance business or as investors in an Indian Insurance Company within the 49% cap.

7) Strengthening of Industry Councils: The Life Insurance Council and General Insurance Council have now been made self-regulating bodies by empowering them to frame bye-laws for elections, meetings and levy and collect fees etc. from its members. Inclusion of representatives of self-help groups and insurance cooperative societies in insurance councils has also been enabled to broad base the representation on these Councils.

8) Robust Appellate Process: Appeals against the orders of IRDAI are to be preferred to SAT as the amended Law provides for any insurer or insurance intermediary aggrieved by any order made by IRDAI to prefer an appeal to the Securities Appellate Tribunal (SAT).

9) Thus, the amendments incorporate enhancements in the Insurance Laws in keeping with the evolving insurance sector scenario and regulatory practices across the globe. The amendments will enable the Regulator to create an operational framework for greater innovation, competition and transparency, to meet the insurance needs of citizens in a more complete and subscriber friendly manner. The amendments are expected to enable the sector to achieve its full growth potential and contribute towards the overall growth of the economy and job creation.

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Dr. Alka Beotra, Scientific Director, National Dope Testing Laboratory, Ministry of Youth Affairs & Sports, has been nominated to the Executive Board of WAADS (World Association of Anti Doping Scientists). Her tenure on the Executive Board of WAADS will be for a period of three years, i.e. from March 2015.

On 13th Mar 2015 a Memorandum of Understanding **(MoU) was signed between the Indian Army and HDFC Bank on the Defence Salary Package**. The signing in ceremony was chaired by Lt Gen Rakesh Sharma, Adjutant General of Indian Army and attended by top dignitaries of HDFC Bank headed by Mr Rajender Sehgal, Group Head (Govt Business).

Indian Space Research Organisation (ISRO) proposes to set up a new launch pad, referred as Third Launch Pad, at Satish Dhawan Space Centre, Sriharikota.

Pahal Scheme for LPG

The Union Home Minister, Shri Rajnath Singh has congratulated the **Central Industrial Security Force (CISF) on the occasion of its 46th Raising Day, 10 March 2015.**

India ranks 4th in the world in terms of power generation, **in terms of wind energy, India ranks 5th** and **in terms of solar energy, India ranks 11th** in the world.

Eighth India-Nepal Combined Exercise (Surya Kiran VIII) which commenced on 23 Feb 2015, concluded on 07 Mar 2015 at Salijhandi, Nepal. The exercise was conducted under the aegis of Nepalese Army.

Veteran journalist and author Vinod Mehta passed away on Sunday after a prolonged illness. He was 73. **The founder-Editor of 'Outlook' magazine** breathed his last at All India Institute of Medical Sciences (AIIMS) in New Delhi where he was admitted. He died of multi-organ failure, AIIMS spokesperson said.

Reserve Bank of India eases norms for home loans Giving a boost to affordable housing, the RBI on Thursday eased the norms for home loans for up to 10 lakh rupees by allowing banks to include stamp duty and registration charges to the cost of a unit. These charges form around 15% of the cost of the house and place a burden on borrowers. As per the current practice, banks do not include stamp duty, registration and other documentation charges in the cost of housing property.

RBI announced a surprise repo rate cut, the second in less than two months. Repo rate has been reduced by **25 basis points or 0.25 per cent to 7.5 per cent** with immediate effect.

Bill Gates named world's richest person for 16th time

Veteran cricket administrator **Jagmohan Dalmiya** was unanimously elected **President of the BCCI**

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Highlights of The Pradhan Mantri Jeevan Jyoti Bima Yojana

Eligibility: Available to people in the age group of 18 to 50 and having a bank account. People who join the scheme before completing 50 years can, however, continue to have the risk of life cover up to the age of 55 years subject to payment of premium.

Premium: Rs.330 per annum. It will be auto-debited in one instalment.

Payment Mode: The payment of premium will be directly auto-debited by the bank from the subscribers account.

Risk Coverage: Rs.2 Lakh in case of death for any reason.

Terms of Risk Coverage: A person has to opt for the scheme every year. He can also prefer to give a long-term option of continuing, in which case his account will be auto-debited every year by the bank.

Who will implement this Scheme?: The scheme will be offered by Life Insurance Corporation and all other life insurers who are willing to join the scheme and tie-up with banks for this purpose.

Government Contribution:

(i) Various other Ministries can co-contribute premium for various categories of their beneficiaries out of their budget or out of Public Welfare Fund created in this budget out of unclaimed money. This will be decided separately during the year.

(ii) Common Publicity Expenditure will be borne by Government.

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Highlights of the Pradhan Mantri Suraksha Bima Yojana

Eligibility: Available to people in age group 18 to 70 years with bank account.

Premium: Rs.12 per annum.

Payment Mode: The premium will be directly auto-debited by the bank from the subscribers account. This is the only mode available.

Risk Coverage: For accidental death and full disability – Rs.2 Lakh and for partial disability – Rs.1 Lakh.

Eligibility: Any person having a bank account and Aadhaar number linked to the bank account can give a simple form to the bank every year before 1st of June in order to join the scheme. Name of nominee to be given in the form.

Terms of Risk Coverage: A person has to opt for the scheme every year. He can also prefer to give a long-term option of continuing in which case his account will be auto-debited every year by the bank.

Who will implement this Scheme?: The scheme will be offered by all Public Sector General Insurance Companies and all other insurers who are willing to join the scheme and tie-up with banks for this purpose.

Government Contribution:

1. Various Ministries can co-contribute premium for various categories of their beneficiaries from their budget or from Public Welfare Fund created in this budget from unclaimed money. This will be decided separately during the year.
2. Common Publicity Expenditure will be borne by the Government.

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Introduction of the Atal Pension Yojana

1] The Government of India is extremely concerned about the old age income security of the working poor and is focused on encouraging and enabling them to join the National Pension System (NPS). To address the longevity risks among the workers in unorganised sector and to encourage the workers in unorganised sector to voluntarily save for their retirement, who constitute 88% of the total labour force of 47.29 crore as per the 66th Round of NSSO Survey of 2011-12, but do not have any formal pension provision, the Government had started the Swavalamban Scheme in 2010-11. However, coverage under Swavalamban Scheme is inadequate mainly due to lack of clarity of pension benefits at the age after 60.

2] The Finance Minister has, therefore, announced a new initiative called Atal Pension Yojana (APY) in his Budget Speech for 2015-16. The APY will be focussed on all citizens in the unorganised sector, who join the National Pension System (NPS) administered by the Pension Fund Regulatory and Development Authority (PFRDA) and who are not members of any statutory social security scheme. Under the APY, the subscribers would receive the fixed pension of Rs. 1000 per month, Rs. 2000 per month, Rs. 3000 per month, Rs. 4000 per month, Rs. 5000 per month, at the age of 60 years, depending on their contributions, which itself would vary on the age of joining the APY. The minimum age of joining APY is 18 years and maximum age is 40 years. Therefore, minimum period of contribution by the subscriber under APY would be 20 years or more. The benefit of fixed pension would be guaranteed by the Government. The Central Government would also co-contribute 50% of the subscriber's contribution or Rs. 1000 per annum, whichever is lower, to each eligible subscriber account, for a period of 5 years, i.e., from 2015-16 to 2019-20, who join the NPS before 31st December, 2015 and who are not income tax payers. The APY would be launched from 1st June, 2015. The existing subscribers of Swavalamban Scheme would be automatically migrated to APY, unless they opt out.

3] A copy of the Note on APY is enclosed.

Note on Atal Pension Yojan

Benefit of APY: Fixed pension for the subscribers ranging between Rs. 1000 to Rs. 5000, if he joins and contributes between the age of 18 years and 40 years. The contribution levels would vary and would be low if subscriber joins early and increase if he joins late.

Eligibility for APY: Atal Pension Yojana (APY) is open to all bank account holders who are not members of any statutory social security scheme.

Age of joining and contribution period: The minimum age of joining APY is 18 years and maximum age is 40 years. Therefore, minimum period of contribution by the subscriber under APY would be 20 years or more.

Focus of APY: Mainly targeted at unorganised sector workers.

Enrolment and Subscriber Payment: All bank account holders under the eligible category may join APY with auto-debit facility to accounts, leading to reduction in contribution collection charges.

Enrolment agencies: All Points of Presence (Service Providers) and Aggregators under Swavalamban Scheme would enrol subscribers through architecture of National Pension System.

Operational Framework of APY: It is Government of India Scheme, which is administered by the Pension Fund Regulatory and Development Authority. The Institutional Architecture of NPS would be utilised to enrol subscribers under APY.

Funding of APY: Government would provide (i) fixed pension guarantee for the subscribers; (ii) would co-contribute 50% of the subscriber contribution or Rs. 1000 per annum, whichever is lower, to eligible subscribers; and (iii) would also reimburse the promotional and development activities including incentive to the contribution collection agencies to encourage people to join the APY.

Age of Joining, Contribution Levels, Fixed Monthly Pension and Return of Corpus to the nominee of subscribers

The Table of contribution levels, fixed monthly pension to subscribers and his spouse and return of corpus to nominees of subscribers and the contribution period is given below. For example, to get a fixed monthly pension between Rs. 1,000 per month and Rs. 5,000 per month, the subscriber has to contribute on monthly basis between Rs. 42 and Rs. 210, if he joins at the age of 18 years. For the same fixed pension levels, the contribution would range between Rs. 291 and Rs. 1,454, if the subscriber joins at the age of 40 years.

Micro Units Development and Refinance Agency (Mudra) Bank

According to the NSSO survey of 2013, there are 5.77 crore small business units, mostly individual proprietorships, which run small manufacturing, trading or services activities. Most of these 'own account enterprises' are owned by people belonging to Scheduled Caste, Scheduled Tribe or Other Backward Classes. Only 4% of such units get institutional finance. Providing access to institutional finance to such micro/small business units would turn them into strong instrument of GDP growth and also employment.

Micro Finance is an economic development tool whose objective is to assist the poor to work their way out of poverty. It covers a range of services which include, in addition to the provision of credit, many other services such as savings, insurance, money transfers, counseling etc. The players in the Micro Finance sector can be qualified as falling into 3 main groups:- the SHG-Bank linkage model started by NABARD, the Non Banking Finance companies and the others including Trusts, Societies etc.

The government proposes to set up a Micro Units Development and Refinance Agency (MUDRA) Bank through a statutory enactment. This Bank would be responsible for regulating and refinancing all Micro-finance Institutions (MFI) which are in the business of lending to micro/small business entities engaged in manufacturing, trading and services activities. The Bank would partner with state level/regional level co-ordinators to provide finance to Last Mile Financer of small/micro business enterprises.

The MUDRA Bank would primarily be responsible for –

1. Laying down policy guidelines for micro/small enterprise financing business
2. Registration of MFI entities
3. Regulation of MFI entities
4. Accreditation /rating of MFI entities
5. Laying down responsible financing practices to ward off indebtedness and ensure proper client protection principles and methods of recovery

6. Development of standardised set of covenants governing last mile lending to micro/small enterprises
7. Promoting right technology solutions for the last mile
8. Formulating and running a Credit Guarantee scheme for providing guarantees to the loans which are being extended to micro enterprises
9. Creating a good architecture of Last Mile Credit Delivery to micro businesses under the scheme of Pradhan Mantri Mudra Yojana

A sum of Rs 20,000 crores would be allocated to the MUDRA Bank from the money available from shortfalls of Priority Sector Lending for creating a Refinance Fund to provide refinance to the Last Mile Financers. Another Rs 3,000 crore would be provided to the MUDRA Bank from the budget to create a Credit Guarantee corpus for guaranteeing loans being provided to the micro enterprises.

The above measures would not only help in increasing access of finance to the unbanked but also bring down the cost of finance from the last Mile Financers to the micro/small enterprises, most of which are in the informal sector.

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Steps Being Taken for Increasing Financing to Micro, Small And Medium Enterprises (Msmes)

Debt Financing:

1. Loans to Medium Enterprises are being brought under Priority Sector Lending.
2. A separate sub-limit of 7.5% in Priority Sector Lending is being created for the Micro Enterprises.
3. RBI has received 72 application for setting up Small Banks. As per license conditions, the small finance banks are required to extend 75% of Adjusted Net Bank Credit to Priority Sector and 50% of loan portfolio to be upto Rs. 25 lakhs. Therefore, once set up, the Small Finance Banks would augment supply of credit to small business units, micro and small industries etc. through high technology & low cost operations.

Equity Financing:

1. "Tax pass-through" status for equity funds has been rationalized for supporting the venture capital eco-system.
2. A Fund of Funds has been set up in SIDBI to act as a catalyst to attract Private Capital by way of providing equity, quasi equity and other risk capital for start up companies.

Receivable Financing:

A significant part of working capital requirement of an MSME arises due to long receivables realization cycles. To implement corrective and supportive policies for the sector, Trade Receivables Discounting System (TReDs), an electronic platform for facilitating financing of trade receivables from corporate and other buyers through multiple financiers, is being set up. This platform will deal with both receivables factoring and reverse factoring so that higher transaction volumes come into the system and facilitate better pricing

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Banking Reforms

Performance of Public Sector Banks has remained sub-optimal so far. The Government is taking various steps to improve the situation both on governance side and otherwise. The focus of these reforms is to improve the quality of deliberations in bank boards, leading to better asset quality and further resulting in better market valuations.

What has been done

1. Separation of the post of Chairman and Managing Director.
2. Enabling provision for the appointment as MD & CEO in five major banks, so that wider choice is available. Both Public Sector and Private Sector bankers can apply. Higher salary can be given in appropriate cases.
3. Revamping of present selection system which inter-alia includes structured three separate interviews, allotment of banks on merit-cum-preference basis.

4. Blue print for road map for reforms on the basis of deliberations carried out in GyanSangam, a two days top level retreat organised by the department.
5. Allocation of capital purely on the basis of efficiency parameters so that banks start focusing on these.
6. Clear instructions from the department regarding no interference whatsoever in any matter whether related to HR issues or credit decisions or even otherwise.

What Next

1. In order to improve the Governance of Public Sector Banks, the Government intends to set up an autonomous Bank Board Bureau with professionals as its members. It would be responsible for search and selection of heads of PSBs, as also for Non-Official Directors on the Boards of Banks. This would be an interim step towards moving in the direction of having a Bank Investment Company.
2. Guidelines relating to appointment of non-official directors is being revisited to ensure that bank boards get people with relevant expertise. Anybody eligible would be able to apply through a website which will soon be available in the public domain.
3. Government's role in relation to public sector banks is that of promoter. As a promoter, the banks have been entering into anMoU for achieving certain objectives known as Statement of Intent. The whole system of Statement of Intent is being revised with provision for higher cash incentives.
4. Government wants to encourage Bank Boards to restructure their business strategy and also suggest way forward for their consolidation and merger with other banks if it is win-win for both.

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International Financial Services Centre (IFSC)

1) An International Financial Services Centre (IFSC) is set up at **Gandhinagar, Gujarat** as a part of a Special Economic Zone (SEZ). To operationalise the IFSC, a Notification under the **Foreign Exchange Management Act, 1999 (FEMA)** shall be issued by Reserve Bank of India (RBI) in March 2015, making regulations relating

to financial institutions set up in the IFSC. The key features of these regulations will be that any financial institution (or its branch) set up in the IFSC,-

- Shall be treated as a non-resident Indian located outside India,
- Shall conduct business in such foreign currency and with such entities, whether resident or non-resident, as the Regulatory Authority may determine, and
- Subject to certain provisions, nothing contained in any other regulations shall apply to a unit located in IFSC.

2) Pursuant to the Regulations issued under FEMA, the respective regulators would frame regulatory framework for provisions of financial services. IRDA of India would be permitting insurers including foreign insurer or reinsurers to set up branch in IFSC. Similarly RBI would permit the setting up of IFSC Banking Units (IBUs) by banks. Government would be permitting IRDA of India to allow such life and non-life insurance services, health insurance services and reinsurance services, as may be specified. The Securities and Exchange Board of India (SEBI) would allow setting up of exchanges and allow other activities for fund raising, merchant banking, brokerage, fund management, private equity, etc. Activities like currency derivatives, NIFTY futures, Depository Receipts, etc. would take place on the exchanges like any other IFSC.

3) RBI has also formulated a Draft Scheme for the setting up of IFSC Banking Units (IBUs) by banks, whose broad contours may be summarised as follows:

i. **Setting up of IBUs:** Eligible banks intending to set up IBUs (which would be regulated and supervised by RBI) would be required to apply to the Department of Banking Regulation (DBR) of RBI under Section 23 of the Banking Regulation Act, 1949. To begin with, only Indian banks (public and private, authorised to deal in forex) and foreign banks having a presence in India would be eligible to set up IBUs. Banks already having offshore presence would be preferred and each bank would be permitted to set up only one IBU in one IFSC.
ii. **IBUs vis-à-vis foreign branches of banks:** For most purposes, the IBU will be treated on par with a foreign branch of an Indian bank, like the application of prudential norms, the 90 days' Income Recognition Asset Classification and Provisioning norms, adoption of liquidity and interest rate risk management policies.

iii. **Role of the Parent Bank's Board:** The bank's Board would set comprehensive overnight limits for each currency for IBUs, may set out appropriate credit risk management policy and exposure limits, and monitor overall risk management and ALM framework of the IBU.

iv. **Capital Requirements:** The parent bank would be required to provide a minimum of USD 20 million upfront as capital, and the IBU shall have to maintain minimum capital on an on-going basis as may be prescribed.

v. **Liabilities and Advances:** The IBU's liabilities will be exempt both CRR and SLR. But liabilities only with original maturity period greater than one year are permissible, although short-term liabilities may be raised from banks subject to RBI prescribed limits. Deposits will not be covered by deposit insurance and RBI shall not provide liquidity or Lender of Last Resort support. Funds may be raised only from entities not resident in India, though the deployment may also be with entities resident in India, subject to FEMA, 1999. Advances by IBUs shall not be a part of the Net Bank Credit of parent banks.

vi. **Permissibility of activities:** Opening of current or savings accounts and issuance of bearer instruments is not allowed. Payment transactions can only be undertaken via bank transfers. IBUs can undertake transactions with non-resident entities other than retail customers/HNIs, and can deal with WOS/JVs of Indian companies abroad. They may undertake Factoring/Forfaiting of export receivables, but are prohibited from cash transactions.

vii. **Ring Fencing:** All transactions of IBUs shall be in currency other than INR, and IBUs would operate and maintain balance sheet only in foreign currency, except a Special Rupee Account to defray administrative and statutory expenses. Separate Nostro accounts will have to be maintained by IBUs with correspondent banks. IBUs will not be permitted to participate in domestic call, notice, term, forex, money and other onshore markets and domestic payment systems.

Completion of NASSCOM`s 25th year - March 1

List of Important International Days in March 2015

1 March - Zero Discrimination Day

3 March - World Wildlife Day

8 March - International Women's Day

20 March - International Day of Happiness

21 March - International Day for the Elimination of Racial Discrimination

21 March - World Poetry Day

21 March - International Day of Nowruz

21 March - World Down Syndrome Day

21 March - International Day of Forests and the Tree

22 March - World Water Day

23 March - World Meteorological Day

24 March - World Tuberculosis Day

24 March - International Day for the Right to the Truth concerning Gross Human Rights Violations and for the Dignity of Victims.

25 March - International Day of Remembrance of the Victims of Slavery and the Transatlantic Slave Trade.

25 March - International Day of Solidarity with Detained and Missing Staff Members.

PDP leader Mufti Mohammed Sayeed takes oath as J&K CM