

Testwale Current Affairs PDF

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1. RBI to launch a pilot project on retail digital Rupee (e₹-R) on 1 December 2022 (Nov. 29, 2022)

RBI to launch a pilot project

The Reserve Bank of India has announced on 29 November 2022 that it will launch a pilot project on retail digital rupee (**e₹-R**) on 1 December 2022. The RBI had earlier launched the first pilot project of the Digital Rupee for the [Wholesale segment](#) (e₹-W) on November 1, 2022.

Banks participating in the pilot project

According to the RBI **8 banks** have been identified for phase-wise participation in this pilot project.

In the **first phase** four banks, **State Bank of India, ICICI Bank, Yes Bank and IDFC** will participate.

In the **second phase** four more banks **Bank of Baroda, Union Bank of India, HDFC Bank and Kotak Mahindra Bank** will join this pilot project.

Place where the pilot project will be launched

According to the RBI initially the pilot project will be launched in Mumbai, **New Delhi, Bengaluru and Bhubaneswar**.

In the second phase it will be extended to **Ahmedabad, Gangtok, Guwahati, Hyderabad, Indore, Kochi, Lucknow, Patna and Shimla**.

Feature of the Pilot project

The pilot project would cover select locations in a closed user group - CUG comprising participating customers and merchants. The digital Rupee would be in the form of a digital token that represents legal tender.

Users will be able to transact with digital Rupee through a digital wallet offered by the participating banks and stored on mobile phones. Transactions can be both Person to Person and Person to Merchant.

Payments to merchants can be made using QR codes displayed at merchant locations.

The pilot will test the robustness of the entire process of digital rupee creation, distribution and retail usage in real-time.

Digital Currency

It is a legal tender issued by a central bank in a digital form. It is similar to sovereign paper currency (Indian Rupee) but takes a different form. It will not be in paper form but in digital format.

2. Tata Motors to delist American depository receipts from NYSE from January 2023 (Nov. 13, 2022)

Tata Motors to delist from NYSE from January 2023

India's leading motor company **TATA motors** has announced that it will delist its **American Depository Receipts (ADR)** from the **world's largest stock exchange**, New York Stock Exchange (NYSE) in the United States of America from January 2023.

Tata motors issued ADR in 2004 with the objective to raise foreign shareholders participation in the company and raise foreign capital. Tata Motors said that at present the company has a considerable foreign investment in the company and interest in its ADR is declining. Hence the company has decided to delist the ADR.

Infosys was the first Indian company to issue an ADR in 1999. The Infosys ADR was listed at the American stock exchange NASDAQ.

What is an American Depository Receipts (ADR)?

It is a derivative instrument issued by an American depository to the American investor and listed on an American stock exchange. It is issued against the equity shares of a non-American company. The ADR are traded like a share and the ADR holder has all the rights which are enjoyed by the equity shareholder of the company, except voting rights.

How does it works?

For example Tata Motors wants to issue ADR so as to raise foreign capital and increase foreign participation in the company.

Tata Motors for example will either create new 10,000 shares or use the existing shares of the company. It approaches an American depository, in this case **Citibank** and asks it to deposit its 10000 shares with it.

The Citibank will accept the Tata motors shares and will issue a receipt on behalf of the Tata motors deposited shares. Suppose for one share one receipt is issued. Thus a total of 10,000 receipts will be issued by Citibank. The receipts will be sold to the American investor for say \$10 per receipts.

Thus \$10, 00, 00 worth of receipts will be sold and the depository after deducting its commission will give the rest of the amount to Infosys.

Here the Tata motors shares remain deposited with the American depository and the American investors hold the receipts issued by the depository. That is why receipts are a derivative instrument.

The Receipts will be listed on an American stock exchange and traded like ordinary shares.

The receipts issued by an American depository is known as American Depository Receipts.

The holder of the ADR will get all the benefits enjoyed by the Tata motors Indian shareholder except voting rights. Voting rights are not given to the ADR holder as still India doesn't have full **Capital account convertibility**.

New York Stock Exchange (NYSE)

It is the world's **largest stock exchange** located in New York City , United States of America

It is also famous as **Wall Street** . Wall Street is the name of the place where the building which hosts the NYSE is located.

The Index of the NYSE is **Dow Jones Industrial Average** or Dow Jones . It was the first stock market index in the world . The BSE index **Sensex** is based on the Dow Jones model.

ICICI was the first Indian company to be listed on NYSE in 1999.

NYSE was set up on 17 May 1792.

3. Reliance Industries ranked India's no 1 and worlds 20th Best Employer by Forbes (Nov. 7, 2022)

Finest Employers rankings 2022

According to Forbes' World's **Finest Employers rankings 2022**, Reliance Industries, the nation's largest corporation by revenues, profits, and market value, is India's **best employer** and the **20th best** company to work for globally. It is ranked above Saudi Aramco, Japanese auto titans Honda and Yamaha, US beverage manufacturer Coca-Cola, and German automaker Mercedes-Benz.

Global List

The Global list was dominated by the American companies. Except the South Korean company Samsung, the other four in the top five were American companies.

Global list

1. Samsung Electronics
2. Microsoft,
3. IBM
4. Alphabet
5. Apple.

Indian Companies

The highest ranked Indian company was Reliance Industries limited which has an employee base of around 2, 30, 00 people. There are no other Indian companies in the top 100.

The other ranked Indian companies are;

HDFC Bank is ranked 137th, Bajaj (173rd), Aditya Birla Group (240th), Hero MotoCorp (333rd), Larsen & Toubro (354th), **ICICI Bank** (365th), HCL Technologies (455th), **State Bank of India** (499th), Adani Enterprises (547th) and Infosys (668th).

Forbes is an influential American business media company.

Reliance Industries Limited (RIL)

It is the first company in India to earn \$100 billion revenue in a year.

It is in multiple business and its subsidiary companies are as follows:

Retail business

RIL has set up Reliance Retail Company for its retail business.

Telecom business

The telecom business of the RIL is done through **Reliance Jio company**

Oil to Chemicals (O2C) business:

RIL has set up the **world's largest standalone oil refinery at Jamnagar**, Gujarat.

Oil & Gas business

RIL operates gas fields at **Krishna Godavari basin in Andhra Pradesh**.

Reliance Industries Limited (RIL)

Reliance Industries Limited was founded by Dhirubhai Ambani in 1973

It is the largest private sector company in India

Headquarters: **Mumbai**

Chairman: **Mukesh Ambani**.

4. RBI to launch a pilot project on Digital Rupee in the Wholesale segment on 1 November 2022 (Oct. 31, 2022)

RBI launch Digital Rupee

The Reserve Bank of India (RBI) has on 31 October 2022 announced that it will begin a pilot launch of the Digital Rupee (e₹) for specific use cases. The first pilot project of the Digital Rupee will be launched in the **Wholesale segment (e₹-W)** on November 1, 2022.

Where it will be used?

The digital rupee will be used for settlement of secondary market transactions in government securities. According to the RBI, nine banks including **State Bank of India, Bank of Baroda, Union Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Yes Bank, IDFC First Bank**, and **HSBC** will participate in the pilot project.

Digital Currency in India

Union Finance Minister Nirmala Sitharaman had earlier announced that the RBI will launch a **Central Bank Digital Currency (CBDC)** in 2022-23. According to the FM, the introduction of CBDC will boost the digital economy and will be based on Blockchain technology.

What is Central Bank Digital Currency (CBDC)?

According to the Reserve Bank of India the CBDC has the following features:

- It is a legal tender issued by a central bank in a digital form,

- It is similar to sovereign paper currency (Indian Rupee) but takes a different form. It will not be in paper form but in digital format,
- It shall be exchangeable at par with the existing currency and shall be accepted as a medium of payment, legal tender and a safe store of value,
- CBDCs would appear as liability on a central bank's balance sheet.

Advantage of a CBDC

- Unlike the paper currency, a digital currency can never be torn, burned, or physically damaged. In comparison to currency notes, the lifeline of a digital form of currency will be indefinite.
- It will promote cashless financial transactions which will reduce the cost of financial transactions.
- Central bank digital currencies would also reduce the risks of using other digital currencies like Bitcoins. Cryptocurrencies are highly volatile, with their value constantly fluctuating which could cause severe financial stress in many households and affect the overall stability of an economy.
- CBDCs, backed by a government and controlled by a central bank, would provide households, consumers, and businesses with a stable means of exchanging digital currency.

5. Indian Army signs agreement with 11 banks for 'Agniveer salary package' (Oct. 16, 2022)

The Union Ministry of Defence in a statement released on 15 October 2022 has said that the Indian Army has signed an agreement with 11 scheduled commercial banks for providing banking facilities to Agniveers.

These Banks are ;State Bank of India, Punjab National Bank, Bank of Baroda, IDBI Bank, ICICI Bank, HDFC Bank, Axis Bank, Yes Bank, Kotak Mahindra Bank, IDFC First Bank and Bandhan Bank. These banks will open the salary account of the newly recruited Agniveers of the Indian Army.

Agnipath Scheme

In a major reform in the defence sector human resource policy the government of India introduced "Agnipath scheme" for Army, Air Force and Navy.

Under the scheme the government will recruit personnel below officer rank in the three services called Agniveers for a period of **4 years**.

The Agniveers will form a distinct rank in the three services, and will also wear a distinct insignia as part of their uniform.

The banks will offer soft loans to existing Agniveers to promote and enhance their entrepreneurial skills.

The first batch of Agniveers under "Agnipath Scheme" will be joining Training Centres by January 2023,

Union Minister for Defence: **Rajnath Singh**

6. 'Smart Wire' launched by ICICI Bank for faster SWIFT-based inward remittances (Oct. 11, 2022)

India's 2nd largest private bank [ICICI Bank](#) has launched **Smart Wire**, for its customers to help them with SWIFT-based inward remittances in a faster and hassle-free manner.

ICICI Bank, which is the first bank in the country to launch such a service, said that the Smart Wire facility will allow both Non Resident Indians (NRIs) and resident customers to undertake inward remittance transactions in an online and paperless way.

Wire transfer is an electronic way to transfer the money from one bank to another or a financial service provider. The funds are transferred through SWIFT or Society for Worldwide Interbank Financial Telecommunication network.

Inward Remittance: Remittance means transfer of funds from one place to another. Inward remittance means that a person who is living outside India sends money to India.

SWIFT was set up in 1973 with its headquarters in **La Hulpe, Belgium** and it became live in 1977. It is a messaging system which provides instant communication between the networked member banks for cross border international fund transfer. The communication is secured and standardized.

At present it is present in all the continents with 200 plus countries and territories and more than 10,500 institutions as its client.

ICICI Bank

Managing Director and Chief Executive Officer: **Sandeep Bakshi**

Headquarters : Vadodara ,Gujarat

7. ICICI bank has announced a new bank account for Indian students in UK (Oct. 4, 2022)

ICICI Bank UK, a wholly-owned subsidiary of India's 2nd largest private sector bank ICICI Bank, has announced on 3 October 2022, the launch of a new account designed for Indian students going for higher education in the United Kingdom.

The account named **"The HomeVantage Current Account (HVCA)"**, comes with a Visa debit card valid for use anywhere in the world and can be activated digitally before the students leave India for the UK.

It is an equivalent to a savings account in India, the account holder can activate internet banking and mobile banking once it has been activated.

ICICI BANK

It is a private sector bank which was set up in 1994 by ICICI. In 2002 ICICI merged with ICICI bank.

It is the second largest private bank in India after HDFC Bank.

In 1999, ICICI became the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the New York Stock Exchange.

Managing Director and Chief Executive Officer: **Sandeep Bakshi**

Headquarters: Vadodara, Gujarat

Tagline of the Bank: Khayal Apka

8. RBI announces the list of 16 NBFC included in the NBFC-Upper Layer for enhanced supervision (Oct. 1, 2022)

The Reserve Bank of India (RBI) released the list of 16 Non-Banking Finance Companies- Upper List (NBFC-UL) on 30 September 2022 for better and enhanced regulation of the sector.

In October 2021, RBI introduced scale based regulation for NBFC.

Scale Based Regulation

RBI introduced the concept of scale based regulation for the NBFC on the basis of the model developed by the Basel Committee on Banking Regulation (BCBS). The BCBS model provided for proportionality of regulation of banks according to the size of the Banks and its importance in the country's economy.

If the bank was very big and if its collapses can badly affect a country's economy, then those types of banks needed more supervision by the country's central bank.

These types of banks in India are called **Domestic- Systemically Important Banks (D-SIB)**. They are **ICICI Bank, HDFC Bank and SBI**.

Types of NBFC and Scale Based Regulation

Similar concept has been introduced for NBFC in India. According to risk and their importance to the economy, RBI has divided NBFC into four layers: Base Layer, Middle Layer, Upper Layer and Top Layer.

NBFCs in the lower layer will be known as **NBFC-Base Layer** (NBFC-BL). NBFCs in the middle layer will be known as **NBFC-Middle Layer** (NBFC-ML), NBFCs in the Upper Layer will be known as **NBFC-Upper Layer** (NBFC-UL) and NBFCs in the Top Layer will be known as **NBFC-Top Layer** (NBFC-TL).

The Base layer NBFC are considered to be less important and less risky and the upper layer has the highest risk of affecting the economy if they fail.

The level of supervision of the NBFC by the RBI will depend on the risk as per the principle of proportionality of regulation. It means the Upper layer NBFC will be very closely regulated by the RBI and they will have to follow extra guidelines of the RBI.

The level of regulation will relax as one goes down the list.

RBI does not expect any NBFC to be put in the top layer.

List of the companies

The 16 companies in the NBFC-UL list are:

LIC Housing Finance, Bajaj Finance, Mahindra & Mahindra Financial Services, Shriram Transport, Tata Sons, L&T Finance, Indiabulls Housing Finance, Piramal Capital & Housing Finance, Cholamandalam Investment and Finance Co., Shanghvi Finance Pvt. Ltd, Muthoot Finance, PNB Housing Finance, Tata Capital Financial Services, Aditya Birla Finance, HDB Financial Services and Bajaj Housing Finance.

Regulation of NBFC by RBI

NBFC has been mentioned in the Reserve Bank of India (RBI) Act 1934. However, it **got the power to regulate and supervise the NBFC only in 1964** when Chapter III-B was inserted in the Reserve Bank of India Act, 1934 ('RBI Act'). The RBI's power to regulate and supervise the NBFC has been enhanced by various amendments to the act later on.

9. Axis Bank launches cashback credit card with Samsung (Sept. 27, 2022)

India's third largest private sector bank, **Axis Bank** has launched a co-branded cashback credit card with Samsung India on 26 September 2022. Samsung is a South Korean Multinational company primarily engaged in the business of electronics and consumer durable goods.

The users of the credit card will receive 10% cashback on Samsung products over and above existing offers, on both **equated monthly installments** (EMI) and non-EMI transactions.

Axis Bank is the fourth largest issuer of credit cards in India.

According to the RBI data as per the month of August 2022, the largest issuer of credit cards in India are **HDFC Bank**, followed by ICICI Bank, SBI.

Axis Bank

It started its business as UTI bank in 1993. Its name was changed to Axis Bank in 2007.

Headquarters of Axis Bank : Mumbai, Maharashtra

Managing Director and Chief Executive Officer : Amitabh Chaudhary.

Tagline : Badhti Ka Naam Zindagi

10. ICICI Prudential mutual fund launches India's first Nifty auto Index (Sept. 22, 2022)

The ICICI Prudential Mutual Fund has launched the country's first auto index fund, the ICICI Prudential Nifty Auto Index Fund.

The fund will track the Nifty Auto Index which has been designed to reflect the performance of the automobiles sector. The index comprises 15 listed companies and represents auto-related sectors such as auto ancillaries and tyres too.

Nifty is an Index of the National Stock Exchange.

Mutual Funds are regulated by Securities Exchange Board of India (SEBI).

IMPORTANT FACTS -

ICICI Prudential Mutual Fund :

- ICICI Prudential mutual fund is one of the largest Asset management Company in India.
- It is a joint venture of **ICICI Bank** and United Kingdom's **Prudential Company**.
- Chief executive officer: **Nimesh Shah**
- Headquarters: **Mumbai**