



E-commerce firm SNAP DEAL RAISES \$ 500 Million in a fresh round of funding led by Alibaba Group, Foxconn and Softbank, and existing investors Temasek, Balckrock, Myriad and Premji Invest also participated.

Snapdeal is valued at \$5 billion.

SEBI-FMC MERGER SET TO BE FORMALISED ON SEPTEMBER – 28 (business line – 19th Aug.)

The much anticipated merger of Forward Markets Commission with SEBI is set to get formalised from 28th September 28. The government will soon issue a notification in this regards for market participants, including exchanges, intermediaries and members to prepare for the transition.

SEBI board will meet on September 24 to discuss progress on the merger, regulatory changes needed in commodity market and various other issues.

IPO market hots up, many in queue – (Business line – August)

The IPO space is in the thick of activity as 30 companies line up offers worth more than \$16000 crore to fund their business expansion plans, meet working capital requirements and make loan repayments. Of these 19 have already got the green signal from the SBI. The remaining are under process.

BIRLACORP. on 17th Aug announced that they agreed to buy two cement making units of Lafarge for Rs.5000 crores with a combined capacity of around 5.15 million tonnes and the deal includes India Pvt. Ltd. two cement brands Concreto and PSC

GOLDMAN SACHS PICKS UP STAKE IN PIRAMAL REALTY FOR Rs.900 crores.- Business Line - August

The funds will be used to expand Piramals's real estate portfolio

MUTUAL FUNDS ASSETS UNDER MANAGEMENT (AUM) at the end of June, 2015 – (Money control website news.)

The Assets under management of Mutual funds in India crossed Rs.12 lac crores by the end of June 2015 and stood at Rs.12.27 crores as against Rs.11.87 lac crores at the end of March 2015, up by 3.25%.

The asset base of equity mutual funds raced to nearly Rs 4 lakh crore at the end of July, up 56 per cent from the year-ago level, on the back of retail investors pouring money into these schemes.

The industry's equity assets under management (AUM) grew to Rs 3.94 lakh crore in July this year, according to the Association of Mutual Funds in India (AMFI).

ABS CFS NEWS

Aurora's Business School celebrates Independence Day and also held the alumni meet on 15th August. More than 80 students participated in the alumni meet.

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From Editorial Desk

Dear Readers,

Welcome to the August edition of FINSCAPE. Crash of the stock markets on 24th August –dubbed as black Monday -hogs the limelight for this week's edition. Fears over economic slowdown in China caused widespread plunge in stock markets in Asia, Europe and USA. Sensex Plunged 1624 points (5.94%) and NIFTY plunged 491points (5.91%) on Monday the 24th August. The two major indices however recovered marginally by the weekend. BSE moved up by 670 points and nifty over 200 points by the end of Friday. The market meltdown caused negative impact on oil – crude fell below\$45 mark- and rupee which closed at two year low of Rs.66.65 against dollar. The RBI governor remarked that the mayhem is only a temporary phenomenon and that Indian economy has become immune to the vagaries of global and domestic financial markets due to improvement in overall macro-economic conditions. RBI governor's statement has made a soothing impact on the Indian markets as we see slow improvement by the weekend. We eagerly await and see how the markets behave in September. The market behaviour in coming few months will reflect on the strength of our economy and its resilience to the global events. Happy reading!

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Head lines:

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RBI gives licence to 11 payment banks on 19th August, 2015

BANDHAN BANK starts operations from 23rd August.

70000 crore capitalisation plan for public sector banks

ICICI BANK launches fully automated locker facility

INSURANCE

Cognizant, Infosys and others may set up call centres for healthcare, insurance services

India got \$185m FDI in insurance from March to May Private players lead life insurers' charge

General insurers agree to retain 5% compulsory cession

Insurers can raise up to \$12bn after higher FDI cap

IRDA group to explore opportunities in insurance e-commerce

CAPITAL MARKETS

SENSEX and NIFTY Crash by over 5.90% on 24th August.

SAMSUNG, WIPRO invest artificial intelligence start up "VICARIOUS"

SEBI-FMC merger set to be formalised on September – 28

IPO market hots up, many in queue

GOLDMAN SACHS picks up stake in PIRAMAL REALTY FOR Rs.900 crores

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BANKING & FINANCE

RBI GIVES LICENCE TO 11 PAYMENT BANKS on 19th August, 2015-Business Line 20th Aug.15

Paving way for revolutionising cashless payment systems services in the country, the RBI on 19th Aug. granted payment bank licences to 11 firms.

The list includes Department of Posts, Tech Mahindra, NSDL, Fino Pay Tec, telecom companies Vodafone and Airtel, NBFCs- CholamandalamDSLtd, large conglomerates like Reliance Industries, Aditya Birla Nuvo, Paytm founder Vijay Sekhar Sharma and Sunpharma MD DilipSanghvi.

Of the 41 entities that applied for licence the prominent names that did not make it include Future Group, Videocon DTH and MG George Muthoot.

Payment banks differ from the conventional banks as they are not allowed to lend to customers or issue credit cards, They can accept deposits upto Rs.1 lac. They can offer current and savings account, debit card and internet services.

BANDHAN BANK STARTS OPERATIONS FROM 23RD AUGUST. – Business Line 24th August

Shri Arun Jaitley, Minister of Finance, Corporate affairs and I&B, inaugurated the Bank's first Branch at Science city main auditorium, Kolkata. The Bank will have 501 branches from day one announced the chairman Mr. Chandra Sekhar Ghosh

70000 CRORE CAPITALISATION PLAN FOR PUBLIC SECTOR BANKS:(Business Line – August)

The Central Govt. has earmarked Rs.70000 crores (\$11 billion) for capital infusion in Public sector Banks during 2016-19. This will help the PSU banks to meet their capital adequacy requirements under BASEL III norms

ICICI BANK LAUNCHES FULLY AUTOMATED LOCKER FACILITY – SMART VAULT (Business Line – 19th Aug.)

Taking banking in India to next level ICICI bank launched a new digital initiative – Smart Vault at New Delhi on 18th Aug. It is the first automated locker facility with Highend robotic technology,

INSURANCE

Cognizant, Infosys and others may set up call centres for healthcare, insurance services - The Economic Times – 2nd August 2015

You may soon expect call centre services even from healthcare providers. Many metros as well as tier II and III cities like Gurgaon, Bangalore, Nagpur, Nasik and Pune are now attracting business process outsourcing (BPO) firms focused on healthcare. These firms promise to offer a variety of innovations such as reminder calls to patients for consultations, help in fixing up appointments, and even complicated tasks like dealing with insurance firms for claim processing.

Companies like EXL, WNS, Antworks, Cognizant and InfosysBSE 0.47 %, who already have infrastructure and experience in BPO services, are eyeing the market. While some of these companies have already partnered with hospitals, diagnostic chains as well as insurance companies in India and abroad, others are evaluating the opportunity and are likely to enter the space soon.

While offerings vary from company to company, the BPOs are essentially aiming to play the facilitator between these service providers and patients or customers.

India got \$185m FDI in insurance from March to May – (Financial Chronicle – 31st July 2015)

India received \$184.97 million (about Rs 1,186 crore) foreign direct investment (FDI) in the insurance sector during March to May this year, Parliament was informed on Friday. The FDI inflow was \$47.14 million in the similar period last year, Commerce and Industry Minister Nirmala Sitharaman said in a written reply to the Lok Sabha. In April, the Reserve Bank had notified the government's decision to raise foreign direct investment limit in the insurance sector to 49 per cent. As per the guidelines, FDI of up to 26 per cent comes under the automatic route, while for inflows beyond that and up to 49 per cent, government approval is needed.

Private players lead life insurers' charge – (The Financial Express – 31st July 2015)

The life insurance industry posted a 20% y-o-y rise in new business premium for the quarter ended June 2015 on the back of strong growth shown by private sector players, especially in the unit-linked insurance plan (ULIP) segment.

According to Life Insurance Council data, the total new business premium of the insurance sector stood at Rs.23,568.88 crore for the quarter ended June 2015 against Rs. 19,701.63 crore in June 2014. Private players, such as HDFC Life, ICICI Prudential Life Insurance, Kotak Mahindra Old Mutual Life insurance and Bajaj Allianz, registered growth in the range of 35-78% in April-June 2015. In contrast, the new business premium of public sector giant Life Insurance Corporation of India (LIC) grew 17.21% during the period.

General insurers agree to retain 5% compulsory cession – (The Financial Express – 2nd August 2015)

Public sector insurance companies, including New India Assurance, have suggested retention of the five per cent compulsory reinsurance business with state-owned GIC Re. "We have proposed to the IRDA that the compulsory reinsurance business with GIC Re can be continued for one more year," said New India Assurance chairman G Srinivasan. As per the norms of the Insurance Regulatory and Development Authority (IRDA), domestic general insurers need to park five per cent of their reinsurance business with GIC Re.

The compulsory cession was 20 per cent earlier which was brought down to 15 per cent in 2007, 10 per cent in 2008 and 5 per cent two years ago. .

Insurers can raise up to \$12bn after higher FDI cap – (The Times of India – 8th July 2015)

Promoters of insurance companies could raise between \$7 billion and \$12 billion through sale of 23% stake to their foreign partners, according to rating agency ICRA. This is the headroom that is available with the insurance companies. The actual inflows will, however, depend on the extent to which Indian and foreign partners agree on the valuation.

IRDA group to explore opportunities in insurance e-commerce - Business Standard – (4th July 2015)

The Insurance Regulatory and Development Authority of India (IRDA) is constituting two groups, one in life insurance and one in general insurance, to explore opportunities in the e-commerce sector. In a circular, the regulator said they are inclined to facilitate the promotion of e-commerce in insurance space which will lower the cost of transacting insurance business along with bringing higher efficiencies and greater reach. This will suitably leverage the government's Digital India initiative aimed at creating a digitally empowered society and knowledge economy.

The two groups will look into identifying opportunities of e-commerce in the insurance sector, recommend technological solutions, suggest regulatory and other facilitation measures for growth and synergise with Digital India initiatives of the government.

CAPITAL MARKET NEWS

SENSEX and NIFTY Crash by over 5.90% on 24th August. – (Economic times- 25th August)

BSE-SENSEX PLUNGED BY 1624 points to close at 25742 and NSE-NIFTY plunged by 491 points (5.91%) on the widespread panic caused by Chinese markets. All the major indices in Asia, Europe and USA fell sharply. Fears over economic slowdown, triggered earlier by yuan depreciation by Chinese govt., led to sharp selling in all markets resulting in the plunge. The two major Indian Indices Sensex and Nifty recovered to some extent by the weekend. Nifty closed above the psychological level of 8000 by Friday. RBI governor stated that this mayhem is a temporary phenomenon and the Indian economy is strong enough to resist these vagaries in financial markets, as the overall macroeconomic fundamentals of India have improved.

SAMSUNG, WIPRO INVEST ARTIFICIAL INTELLIGENCE START UP "VICARIOUS" – (Business Line – August)

\$20 each. VICARIOUS was founded in 2010 to develop AI technology designed to give robots and computers some of the intuitive and imaginative capacities of humans.