NEWS HEADLINES
February 16, 2017

EXCHANGE RATES

RBI Reference Rate

<table>
<thead>
<tr>
<th>Currency</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>INR / 1 USD</td>
<td>66.9193</td>
</tr>
<tr>
<td>INR / 1 Euro</td>
<td>70.8207</td>
</tr>
<tr>
<td>INR / 100 Jap. YEN</td>
<td>58.5600</td>
</tr>
<tr>
<td>INR / 1 Pound Sterling</td>
<td>83.4149</td>
</tr>
</tbody>
</table>

Source: https://rbi.org.in/

MARKET INDICES

<table>
<thead>
<tr>
<th>Index</th>
<th>Current</th>
<th>Pt. Change</th>
<th>% Change</th>
</tr>
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<tbody>
<tr>
<td>S&amp;P BSE SENSEX</td>
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</tbody>
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Source: http://www.bseindia.com/

(Rates and Indices as on 16.02.2017 and as at 10:35 a.m.)

HEADLINES

CBDT Proposal to Tap Aadhaar Database needs Cabinet OK
39% Comply with I-T’s Online Audit
Isro Launches Record 104 Satellites into Orbit
Banking giant in Making- Cabinet Ok's Merger of SBI and Associates
CBDT proposal to tap Aadhaar database needs Cabinet OK

AKRUP ROYCHOWDHURY
New Delhi, 15 February

The proposal by Central Board of Direct Taxes (CBDT) to use Aadhaar database to verify PAN card recipients will need cabinet approval as it involves multiple agencies of the central government, said a spokesperson for the body.

"Currently it takes up to three weeks to verify the applicant. If the Aadhaar database has all the latest details of a person including address, finger prints, that can be used for verification of the PAN applicant and reduce the time taken," Meenakshi Goswami, CBDT spokesperson, said.

Goswami said the proposal has not yet been finalised. The CBDT is working on using the extensive Aadhaar database and its e-KYC norms to verify those applying for PAN cards. The idea is that it will drastically reduce the time taken to verify from a few weeks to five-six days. KYC is know your customer.

39% comply with I-T’s online audit

Of the 1.8 mn, 700,000 explain their deposit source; tax dept to send letters to the rest 1.1 mn

SHRIMI CHOUDHARY
Mumbai, 15 February

While the income-tax (I-T) department identified 1.8 million people whose cash deposits of banned currency did not appear to be in line with their taxpaying profile for the previous years, only 700,000 have complied with the tax department’s requirement of online verification.

Reaching the 1.1 million remaining depositors is going to be a daunting task, say tax officials. The cumbersome process of getting them to explain their large deposits falls on the I-T department, which is facing a manpower crunch.

The Central Board of Direct Taxes (CBDT) had launched Operation Clean Money, which involved e-verification of large cash deposits made between November 9 and December 30. The I-T department had also issued advertisements asking depositors to check if they were named in the list of 1.8 million people and explain the source of their cash deposits. Tax officials also extended the deadline for this verification from February 10 to February 15.

TAXING TIMES FOR TAXMEN

1.8 million No. of communications sent by taxmen via ads for cash deposits of banned currency

700,000 online verification submission of cash deposits

February 15 Last date for e-filing cash transaction replies to the income-tax department

30% Percentage of taxpayers accessible by e-mail

8,000 total strength of assessing officers (AOs)

1,375 Average number of cases each AO handles, apart from ongoing assessments

Isro launches record 104 satellites into orbit

Aims to make India a one-stop shop for global satellite players

TI ROCKETSAN & ABHAY KUMAR
Thiruvananthapuram, 11 February

In the first mission of its kind, the Indian Space Research Organisation (ISRO) launched 104 satellites from a single rocket on Wednesday, a record for any country.

The PSLV-C51 rocket, carrying a combination of ISRO-built and foreign satellites, lifted off from the Satish Dhawan Space Centre in Sriharikota, Andhra Pradesh.

The satellites included 179 ISRO’s own satellites and 225 others from 7 countries.

The mission was crucial for ISRO as it marked the first time in history that a single rocket had successfully deployed more than 100 satellites.

The successful launch came as part of ISRO’s efforts to boost its satellite launch capabilities and compete in the global satellite market.

By launching 104 satellites in one go, ISRO has set a new record for the highest number of satellites launched in a single mission.

The mission was also significant as it showcased ISRO’s capability to develop and launch high performance rockets.

The PSLV-C51 rocket, which lifted off at 9:43 am from the Sriharikota spaceport, was powered by two liquid propellant stages.

The first stage was equipped with three liquid propellant engines, while the second stage had two liquid propellant engines.

The rocket was firing continuously for 26 minutes, delivering all the satellites into their designated orbits.

The mission was part of ISRO’s efforts to promote the ‘_make-in-India’_ policy and increase the country’s self-reliance in the space sector.

The mission was also a significant step towards achieving the country’s ‘_satellite density‘_ goal, which aims to place 100 satellites in orbit by 2020.
CCEA also approves award of contracts for 44 small hydrocarbon fields
The Cabinet approved a proposal to merge the five subsidiaries of State Bank of India with the parent, kick-starting consolidation among public sector lenders.

The merger will bring nearly a quarter of all outstanding loans in India's banking sector to SBI's books. The combined entity will have a mammoth network of nearly 23,000 branches, further increasing the dominance of the nation's largest bank.

Two of the five associate banks - State Bank of Patiala and State Bank of Hyderabad - are unlisted. Among the other three, Mumbai-based SBI holds a 75% stake in State Bank of Bikaner & Jaipur, 90% in State Bank of Mysore and 79% in State Bank of Travancore.

“This merger will lead to far greater operational efficiency,” said FM Arun Jaitley in a briefing after a Cabinet meeting on Wednesday. “There will be synergy in operations within these banks, which will also cut down the cost of operations and thus cost of funds.” The Cabinet Committee on Economic Affairs also approved the award of contracts to develop 31 areas comprising 44 discovered small hydrocarbon fields that had been lying undeveloped for decades. This is expected to speed up commercial development of these fields.

In June last year, the government had given an in-principle approval for the merger of the associate banks with State Bank of India.

“We have now entered the last lap,” State Bank of India chairman Arundhati Bhattacharya told ET. “Merger will create a stronger, more efficient (and) vibrant entity. Date of (the merger) will be as per (government) notification.”

The SBI-associate merger is an important step towards strengthening the banking sector through consolidation of public sector banks, a government statement said, suggesting the possibility of more consolidations.

“It is in pursuance of the Indradhanush action plan of the government (to revamp functioning of state-run banks) and it is expected to strengthen the banking sector and improve its efficiency and profitability,” it noted.

State Bank of India's shares closed 0.68% lower at `268.65 Wednesday, in line with the broader Mumbai market. The listed subsidiaries also closed almost flat, or lower.

The merger is likely to result in recurring savings, estimated at more than Rs 1,000 crore in the first year through a combination of enhanced operational efficiency and reduced cost of funds, the government said.

“The merger will also lead to better management of high-value credit exposures through focussed monitoring and control over cash flows, instead of separate monitoring by six different banks,” the statement said. Existing customers of subsidiary banks will benefit from access to SBI's global network, it added.

GLOBAL PLAYER
Jaitley said with this merger, SBI will become a large bank; in fact, a global player.

According to market estimates, after the merger, SBI will have more than 50 crore customers and an asset base of Rs 37 lakh crore.

A decision on Bharatiya Mahila Bank will be taken later.

...cont'd.
The merger plans will follow as earlier decided, the government said. Earlier this month, SBI chairman Bhattacharya had hinted that the merger might get delayed.

“We were planning to do it by March but again because of demonetisation it will probably mean a deferment of a quarter,” she had said. The government had given her one-year extension amid the lender's consolidation with its associate banks.

There has been no consolidation among state-run banks since State Bank of Indore was merged with SBI in 2010. SBI took over State Bank of Saurashtra in 2008.

The merger of State Bank of India with the associates will minimise vulnerability to any geographic concentration risks faced by the subsidiary banks, the government said. “It will create improved operational efficiency and economies of scale. It will also result in improved risk management and unified treasury operations.”