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TELEGRAM**MONETARY POLICY STATEMENT, 2024-25****(Resolution of the MPC April 5, 2024)**

The Reserve Bank of India's Monetary Policy Committee (MPC) has decided to keep the policy repo rate unchanged at 6.5% as retail inflation continues to be above its target of 4%. This is the seventh consecutive meeting of the MPC in which RBI has decided to maintain the status quo on the repo rate. The MPC last raised this rate by 25 bps to 6.50% at its meeting in February 2023.

➤ While the RBI does remain cautious on the inflation front, moderating inflationary pressures, coupled with the realization of normal monsoon may open up the possibility of rate cuts by the RBI in the first half of fiscal 2024-25. The Reserve Bank of India's decision to maintain the repo rate at 6.5 percent, reflects a cautious yet steady approach towards maintaining the balance between fostering economic growth and containing inflationary pressures. The continuation of the withdrawal from the accommodative stance highlights the RBI's vigilance in ensuring long-term financial stability.

➤ The decisions of MPC are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

TARGETS:

● **GDP OUTLOOK:** The real GDP growth for 2024-25 is projected at 7.0 per cent with risks evenly balanced across quarters.

● **INFLATION:** CPI inflation for 2024-25 is projected at 4.5 per cent assuming a normal monsoon, with risks evenly balanced across quarters.

MONETARY & LIQUIDITY AGGREGATES

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee at its meeting on April 5, 2024 decided as following:

● **REPO RATE:** The policy Repo rate under the Liquidity Adjustment Facility (LAF) unchanged at 6.50 per cent.

● **STANDING DEPOSIT FACILITY (SDF):** The standing deposit facility (SDF) rate also unchanged at 6.25 per cent.

● **MARGINAL STANDING FACILITY (MSF):** The MSF rate (an emergency funding window) with a spread of 25 bps above the policy rate retained at 6.75 per cent.

● **BANK RATE:** The MSF rate and the Bank Rate are calibrated to 25 bps above the repo rate. The Bank Rate thus retained at 6.75 per cent.

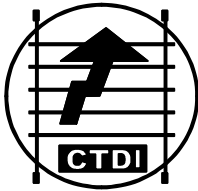
● **CASH RESERVE RATIO (CRR):** CRR of scheduled banks retained at 4.50 percent of their Net Demand and Time Liabilities (NDTL).

● **STATUTORY LIQUIDITY RATIO (SLR):** The SLR of scheduled commercial banks retained at 18 per cent of NDTL.

● **FIXED RATE REVERSE REPO (FRRR):** The FRRR rate has been kept as part of the RBI's toolkit and its operation will be at the discretion of the RBI.

POSITIVE ATTITUDE

As the sun dipped below the horizon, the stars emerged, each twinkling with its own brilliance. Even in the darkest of nights, there is always a light waiting to guide you.



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ASSESSMENT AND OUTLOOK

GLOBAL OUTLOOK:

➤ The global economy has maintained resilience, exhibiting a stable outlook. Anticipated growth in global trade for 2024 is expected to outpace historical averages, but at a slower pace. Although inflation is approaching targets, achieving the final stage of disinflation proves to be difficult.

➤ Advanced economies are experiencing persistent services inflation amidst constrained labor markets. Consequently, central banks are adopting a cautious approach in their communications, moderating market expectations regarding the timing and scale of potential interest rate cuts later in the year. However, ongoing geopolitical conflicts, trade route disruptions, and elevated levels of public debt pose challenges to the overall outlook.

DOMESTIC OUTLOOK:

➤ The domestic economy is currently witnessing a robust expansion. According to the second advance estimates (SAE), real gross domestic product (GDP) surged by 7.6 percent in 2023-24, driven by vigorous domestic demand. Notably, real GDP grew by 8.4 percent in Q3, propelled by robust investment activity and a reduced drag from net external demand.

➤ Manufacturing is poised to sustain its momentum, supported by sustained profitability. Services activity is anticipated to surpass pre-pandemic levels. Private consumption is expected to gather pace, fueled by a resurgence in rural activity and consistent urban demand. Urban households are projected to increase discretionary spending, as indicated by the RBI's consumer survey, and improving income levels further bolster the prospects for private consumption.

➤ Fixed investment outlook remains promising, buoyed by business optimism, healthy corporate and bank balance sheets, robust government capital expenditure, and indications of an upturn in private capital expenditure cycle. However, the outlook faces headwinds from geopolitical tensions, volatility in international financial markets, geoeconomic fragmentation, disruptions in the Red Sea region, and extreme weather events, which pose risks to the economic trajectory.

➤ Looking forward, uncertainties in food prices persist, though record rabi wheat production in 2023-24 is expected to temper cereal prices. Favorable early signs for the monsoon season are promising, but climate shocks remain a risk. Low reservoir levels and above-normal temperatures in certain regions are concerning. Tight demand-supply conditions in pulses and vegetable prices require close monitoring. Fuel price deflation is expected to deepen, and cost-push pressures are showing an upward trend due to rising international crude oil prices and geopolitical tensions.

➤ The MPC observed resilient domestic economic activity supported by strong investment demand and positive business and consumer sentiments. While headline inflation has eased from December, food price pressures are hindering the disinflation process, posing challenges. Supply-side shocks from adverse climate events and geopolitical tensions add uncertainties.

➤ The MPC emphasized the need for active disinflationary monetary policy to anchor inflation expectations and ensure transmission. It reiterated its commitment to aligning inflation with the target, believing that stable prices would foster high growth. The MPC will focus on gradually withdrawing accommodation while supporting growth.

➤ During the first three quarters of 2023-24, India's current account deficit (CAD) narrowed significantly on account of a moderation in merchandise trade deficit coupled with robust growth in services exports and strong remittances. India's merchandise and services exports have grown at a healthy pace in Q4:2023-24. India continues to be the largest recipient of remittances in the world. The cost of receiving remittances is gradually coming down.

➤ On the external financing side, India's foreign portfolio investment (FPI) flows saw a significant turnaround in 2023-24. Net FPI inflows stood at US\$ 41.6 billion during 2023-24, as against net outflows in the preceding two years (US\$ 14.1 billion in 2021-22 and US\$ 4.8 billion in 2022-23). This is the second highest level of FPI inflow after 2014-15. Net foreign direct investment (FDI) moderated to US\$ 14.2 billion in April-January 2023-24 from US\$ 25.0 billion a year ago.

(Cont'd on Page No 4)

KNOWLEDGE +

NATIONAL ASSET RECONSTRUCTION COMPANY LTD, (NARCL)

Globally, the policy options to deal with the overhang of non-performing assets (NPAs) include loan restructuring, harnessing and reforming insolvency and resolution frameworks and operationalisation of bad banks. Although these alternative mechanisms have been tried and tested over a period across countries, the 'Bad Bank' remains one of the more popular concepts, especially while dealing with system-wide stressed assets.

➤ The term 'Bad Bank' may be used to represent any structure which enables a segregation of performing assets from the non-performing, either on or off-balance sheet. On-balance sheet models, where bad assets are placed in a separate internal unit, help increase transparency and work as a signalling mechanism for the market, showcasing the bank's commitment to clean its balance sheet.

➤ **National Asset Reconstruction Company Ltd. (NARCL)**, the name coined for the bad bank announced in the Budget 2021-22. The new entity has been created in collaboration with both public and private sector banks.

NEED FOR NARCL:

➤ As per the Financial Stability Report released by the RBI, the NPAs of the banking sector were projected to surge to 13.5 per cent of advances by September 2021, from 7.5 per cent in September 2020, under the baseline scenario. The report had warned that if the macroeconomic environment worsens into a severe stress scenario, the NPA ratio may escalate to 14.8 per cent.

➤ The high level of provisioning by public sector banks of their stressed assets calls for measures to clean up the bank books. NARCL will consolidate and take over the existing stressed debt. It will then manage and dispose-off the assets to alternate investment funds and other potential investors for eventual value realization.

DESIGN FEATURES OF NARCL:

Certain features of NARCL closely resemble successful models adopted elsewhere and may prove helpful in reducing the NPA stress.

➤ **Structure:** The establishment of NARCL for acquiring and consolidating stressed assets, along with the India Debt Resolution Company Limited (IDRCL) for managing these assets in resolving its stressed assets.

➤ **Ownership:** NARCL, has an initial capital base of Rs.6,000 crores, of which PSBs own a majority (51 per cent) stake while the remaining shareholding vests in private sector banks and non-bank finance companies.

➤ **Acquisition:** The NPAs will be acquired from banks by paying up to 15 per cent of the agreed or discounted value of the loans in cash, while issuing government-guaranteed SRs for the rest. Given that in Phase I, assets worth Rs.90,000 crores (out of total planned acquisition of Rs.2,00,000 crores) that have already been fully provided for are expected to be acquired, recovery will instantly strengthen banks' balance sheets. Further, by concentrating on legacy large value accounts of more than Rs.500 crores, the NARCL may lead to faster resolution of overall stress.

➤ **Government Guarantee:** The guarantee of up to Rs.30,600 crores may be invoked to make good the shortfall between the face value of the SR and the actual realisation. The time-bound nature of the guarantee, valid for 5 years conditional on resolution or liquidation, and gradual increase in guarantee fee payable to the government by NARCL, are expected to disincentivise any delays in resolution.

➤ **Security Receipts:** Apart from reducing upfront capitalisation requirements of the bad bank, guarantees by the government are bound to improve the liquidity and tradability of SRs, helping in development of a secondary market for them.

➤ **Complementarity with existing ARCs:** Under the proposed mechanism, NARCL is required to go for the "Swiss Challenge method", where the existing ARCs in India will be invited to make a better offer for the stressed asset. Rather than being substitutes or rivals as buyers in the market of stressed assets, the nationalised entity will act as a complement to the existing companies. They will help in debt consolidation, minimising the time taken for aggregating the bad AGLoans, and avoiding the inter-lender litigations.

ASSESSMENT OF NARCL:

As per information provided in the Rajya Sabha, 10 PSBs have transferred bad loans worth Rs 11,617 crore to the NARCL by November 2023. SBI accounted for the largest amount of debt transferred, with Rs 4,508 crore, followed by Punjab National Bank with Rs 2,138 crore, Canara Bank with Rs 1,858 crore, and Union Bank with Rs 1,831 crore.

COMPLIMENTS

(OUR SUCCESSFUL PARTICIPANTS)

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(Cont'd from Page No 2)

DEVELOPMENTAL AND REGULATORY POLICY MEASURES

This Statement sets out various developmental and regulatory policy measures relating to

- (a) Financial Markets;
- (b) Regulations; and
- (c) Payment Systems and FinTech.

1) TRADING OF SOVEREIGN GREEN BONDS IN IFSC:

➤ Based on an announcement in the Union Budget for FY 2022-23, the Government of India issued Sovereign Green Bonds (SGrBs) in January 2023. SGrBs were also issued as part of the Government borrowing calendar in FY 2023-24.

➤ SGrBs are government securities denominated in grams of gold. They are substitutes for holding physical gold. Investors have to pay the issue price in cash and the bonds will be redeemed in cash on maturity. The Bond is issued by Reserve Bank on behalf of Government of India.

➤ The quantity of gold for which the investor pays is protected, since he receives the ongoing market price at the time of redemption/ premature redemption. The SGB offers a superior alternative to holding gold in physical form. The risks and costs of storage are eliminated. Investors are assured of the market value of gold at the time of maturity and periodical interest. SGB is free from issues like making charges and purity in the case of gold in jewellery form. The bonds are held in the books of the RBI or in demat form eliminating risk of loss of scrip etc.

➤ **At present, foreign portfolio investors (FPIs) registered with SEBI** are permitted to invest in SGrBs under the different routes available for investment by FPIs in government securities.

➤ With a view to facilitating wider non-resident participation in SGrBs, **RBI has decided to permit eligible foreign investors in the International Financial Services Centre (IFSC) to also invest in such bonds.** A scheme for investment and trading in SGrBs by eligible foreign investors in IFSC is being notified separately in consultation with the Government and the IFSC Authority.

2) RBI RETAIL DIRECT SCHEME - INTRODUCTION OF MOBILE APP:

➤ Retail Direct Scheme is a one-stop solution to facilitate investment in Government Securities by individual investors. Under this scheme individual retail investors can open a Gilt Securities Account – "Retail Direct Gilt (RDG)" account with RBI. Using this account, retail investors can buy and sell government securities through the online portal. Opening an RDG account will allow individuals to buy Government securities directly in the primary market (auctions) as well as buy/sell in the secondary market. For the retail investor, Government securities offer an option for long term investment.

➤ **To further improve ease of access, a mobile application of the Retail Direct portal is being developed.** The app will enable investors to buy and sell instruments on the go, at their convenience. The app will be available for use shortly.

3) REVIEW OF LCR FRAMEWORK:

➤ As part of post Global Financial Crisis (GFC) reforms, Basel Committee on Banking Supervision (BCBS) had introduced Liquidity Coverage Ratio (LCR), which requires banks to maintain High Quality Liquid Assets (HQLAs) to meet 30 days net outgo under stressed conditions. Further, as per Banking Regulation Act, 1949, the banks in India are required to hold liquid assets to maintain Statutory Liquidity Ratio (SLR).

➤ At present the assets allowed as Level 1 High Quality Liquid Assets (HQLAs), includes among others within the mandatory SLR requirement, Government securities to the extent allowed by RBI under (i) Marginal Standing Facility (MSF) and (ii) Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) [15 per cent

of the bank's NDTL with effect from April 1, 2020]. Given that SLR has been reduced to 18 per cent of NDTL from April 11, 2020, and with increase in MSF from 2 per cent to 3 per cent of the banks' NDTL (with effect from March 27, 2020 and applicable upto June 30, 2020), entire SLR-eligible assets held by banks are now permitted to be reckoned as HQLAs for meeting LCR.

➤ However, the recent episodes in some jurisdictions have demonstrated the increased ability of the depositors to quickly withdraw or transfer deposits during times of stress, using digital banking channels. Such emerging risks may require a revisit of certain assumptions under LCR framework. **Therefore, certain modifications to the LCR framework are being proposed towards facilitating better management of liquidity risk by the banks.**

➤ A draft circular in this regard shall be issued shortly for comments of all stakeholders.

4) DEALING IN RUPEE INTEREST RATE DERIVATIVE PRODUCTS – SMALL FINANCE BANKS (SFBs):

➤ Interest Rate Derivative (IRD) is a financial derivative contract whose value is derived from one or more benchmark interest rates, price, interest rate instruments, or interest rate indexes.

➤ Extant guidelines permit Small Finance Banks (SFBs) to use only Interest Rate Futures (IRFs) for the purpose of proprietary hedging.

➤ **In order to expand the avenues available to the SFBs for hedging interest rate risk in their balance sheet and commercial operations more effectively** as well as with a view to provide them with greater flexibility, RBI has now decided to allow them to deal in permissible rupee interest derivative products in terms of Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019.

➤ The RBI's decision to allow SFB to deal in rupee interest derivative products is likely to increase liquidity in the overnight interest swap (OIS) market and boost balance sheet resilience.

5) ENABLING UPI FOR CASH DEPOSIT FACILITY:

➤ Cash Deposit Machines (CDMs) deployed by banks enhance customer convenience while reducing cash-handling load on bank branches. The facility of cash deposit is presently available only through use of debit cards.

➤ Given the popularity and acceptance of UPI, as also the benefits seen from the availability of UPI for card-less cash withdrawal at ATMs, **RBI has now proposed to facilitate cash deposit facility through use of UPI.** Operational instructions will be issued shortly.

6) UPI ACCESS FOR PPIs THROUGH THIRD-PARTY APPLICATIONS:

➤ At present, UPI payments from bank accounts can be made by linking a bank account through the UPI App of the bank or using any third-party UPI application. However, the same facility is not available for PPIs. PPIs can currently be used to make UPI transactions only by using the application provided by the PPI issuer.

➤ To provide more flexibility to PPI holders, RBI has now proposed to permit linking of PPIs through third-party UPI applications. This will enable the PPI holders to make UPI payments like bank account holders.

7) DISTRIBUTION OF CBDCs THROUGH NON-BANK PAYMENT SYSTEM OPERATORS:

➤ Central Bank Digital Currency (CBDC) pilots in the Retail and Wholesale segments are underway with more use-cases and more participating banks. Continuing with this approach, **RBI has proposed to make CBDC-Retail accessible to a broader segment of users** in a sustained manner, by enabling non-bank payment system operators to offer CBDC wallets. This is expected to enhance access and expand choices available to users apart from testing the resiliency of the CBDC platform to handle multi-channel transactions.

BHARAT BILL PAYMENT SYSTEM (BBPS)**(RBI DIRECTIONS APPLICABLE W.E.F APRIL 01, 2024)**

The Bharat Bill Payment System (BBPS) is an integrated bill payment system operating in India. It offers interoperable and accessible bill payment services to customers through a network of registered member agents known as Agent Institutions (AIs). This system enables various payment modes and ensures instant confirmation of payments.

The National Payments Corporation of India (NPCI) serves as the authorized Bharat Bill Payment Central Unit (BBPCU). NPCI is responsible for establishing business standards, rules, and technical procedures for all participants. Additionally, NPCI, acting as the BBPCU, handles clearing and settlement activities for transactions conducted through BBPS. Existing bill aggregators and banks function as Operating Units, facilitating an interoperable bill payment system regardless of which unit has onboarded a specific biller. Payment methods include cash, transfer cheques, and electronic modes. Moreover, BBPS integrates with the Unified Payments Interface (UPI) for easy, safe, and instant payments through UPI-enabled smartphones.

Applicability: The provisions of these Directions shall apply to:

- a) NPCI Bharat Bill Pay Limited (NBBL - a wholly owned subsidiary of National Payments Corporation of India); and
- b) All Bharat Bill Payment Operating Units (BBPOUs).

Authorisation Requirement:

- a) NBBL is the entity authorised as the Payment System Provider for Bharat Bill Payment System (BBPS).
- b) Any entity, other than a biller, operating a system for payment of bills outside the scope of BBPS is a 'payment system' under Section 2(1)(i) of PSS Act 2007 and will require authorisation as per Chapter III of the Act to undertake the activity.

Definitions:

- a) **Agent Institution:** An entity, certified by NBBL, which provides customer interface (physical / digital) for bill payments.
- b) **Bharat Bill Pay Central Unit (BBPCU):** BBPCU is the entity which operates BBPS; sets operational, technical and business standards, and also undertakes clearing and settlement functions. NPCI Bharat Bill Pay Ltd. (NBBL) is the authorised BBPCU.
- c) **Bharat Bill Payment Operating Unit (BBPOUs):** BBPOUs are the System Participants in BBPS. A BBPOU may function either as a Biller Operating Unit or a Customer Operating Unit or both.
- d) **Biller Operating Unit (BOU)** is an entity which onboards biller(s), either directly or through biller aggregator(s), on to the BBPS platform for collection of its bills.
- e) **Customer Operating Unit (COU)** is an entity which provides its customers with an interface (physical / digital) to pay bills, either directly or through agent institution(s).
- f) **Bharat Bill Payment System (BBPS):** BBPS is an integrated bill payment platform which enables payment / collection of bills through multiple channels (Mobile Apps, Mobile Banking, Physical Agents, Bank branches, etc.) using various payment modes (UPI, Internet Banking, Cards, Cash, Prepaid Payment Instruments, etc.). The transactions facilitated through this platform will require the bill to be fetched before payment initiation. In case of transactions involving payments for prepaid services, the customer relationship with the biller will be validated through the platform.
- g) **Biller:** An entity (including Central and State Government Department / Public Sector Undertaking / individuals) which is connected to BBPS through a BOU (either directly or through a biller aggregator) for collection of bill payments.
- h) **Biller Aggregator:** An entity which aggregates billers for the purpose of enabling them to connect to a BOU.
- i) **Sponsor bank:** A Scheduled Commercial Bank which facilitates settlement of non-bank BBPOUs with NBBL.

- j) **Technology Service Providers (TSP):** Entities certified by NBBL to provide technology services and solutions to billers / BBPOUs / Agent Institutions to integrate with BBPS.

Participants in BBPS:

a) **Bharat Bill Pay Central Unit (BBPCU):** NBBL as the BBPCU, provides a platform connecting customers and billers, through COUs and BOUs, respectively. NBBL also undertakes clearing and settlement activities for transactions routed through the BBPCU.

b) **Bharat Bill Payment Operating Units (BBPOUs):** Banks (All Scheduled Commercial Banks including RRBs / Urban Cooperative Banks / State Cooperative Banks / District Central Cooperative Banks), non-bank Payment Aggregators (PAs)¹ and other existing entities authorised as BBPOUs can participate in BBPS as Operating Units. Banks and non-bank PAs, intending to operate as BBPOUs, will not require a separate authorisation. They shall intimate DPSS, RBI, Central Office before commencing operations.

Roles and Responsibilities: The indicative roles and responsibilities of the system operator and system participants are:

a) **Bharat Bill Pay Central Unit (BBPCU):**

- Setting the rules and regulations governing participation criteria and system operations;
- Setting the technical standards for participation in the system;
- Providing guaranteed settlement of all transactions routed through NBBL;
- Ensuring that all transactions have BBPS reference number from the payment initiation stage;
- Ensuring no funds in the system flow through any TSP; and
- Providing a framework for redressal of consumer disputes.

b) **Biller Operating Unit (BOU):**

- Onboarding billers to BBPS;
- Ensuring compliance to due diligence requirements in respect of onboarding of merchants prescribed;
- Ensuring compliance to additional due diligence requirements prescribed by NBBL for specific biller categories; and
- Ensuring due diligence of the billers onboarded through biller aggregators.

c) **Customer Operating Unit (COU):**

- Providing digital / physical interface to their customers, directly or through agent institutions;
- Ensuring customers (including customers of their agent institutions) have access to all billers onboarded on BBPS;
- Providing a system for raising disputes; and
- Taking responsibility for the activities of its agent institutions, for which they have entered into agreement with the COU.

Escrow Account Operations:

- a) A non-bank BBPOU shall open an escrow account with a Scheduled Commercial Bank exclusively for BBPS transactions.
- b) Non-bank BBPOU operates as Payment Aggregator (PA) when it collects funds from its customers or settles funds with the billers onboarded by it. **For the purpose of maintenance of escrow account, payment system operated by BBPOU shall be deemed to be 'designated payment system' under Section 23A of the PSS Act, 2007 (as amended from time to time).**
- c) **Eligible credits and debits in the escrow account of a COU are as follows: Credit** of funds collected from the customers; **Debit** towards settlement of BBPS transactions; **Credit / debit** of failed / disputed transactions; **Recovery of charges / commissions** pertaining to bill payment transactions.
- d) **Eligible credits and debits in the escrow account of a BOU are as follows: Debit** of funds due to the billers; **Credit** towards settlement of BBPS transactions; **Credit / debit** of failed / disputed transactions; **Recovery of charges / commissions** pertaining to bill payment transactions.

THE DEPOSITOR EDUCATION AND AWARENESS FUND SCHEME, 2014.

'The Depositor Education and Awareness Fund (DEA Fund) Scheme, 2014' was formulated by the RBI under Section 26A of the Banking Regulation Act, 1949.

●Accounts from which the amounts are credited to DEA Fund:

The amounts credited to the DEA Fund are the credit balances in any deposit account maintained with banks (Commercial Banks, Co-operative Banks), which have not been operated upon for 10 years or more by the depositor, or any amount remaining unclaimed for 10 years or more, and includes the following:

- (a) Savings Bank deposit accounts;
- (b) Fixed or term deposit accounts;
- (c) Cumulative/recurring deposit accounts;
- (d) Current deposit accounts;
- (e) Cash credit accounts;
- (f) Loan accounts after due appropriation by the banks;
- (g) Margin money against issue of Letter of Credit/Guarantee etc., or any security deposit;
- (h) Outstanding TTs, MTs, DDs, Pos;
- (i) Sundry deposit accounts, vostro accounts, inter-bank clearing adjustments, unadjusted NEFT credit balances and other such transitory accounts, unreconciled credit balances on account of ATMs transactions, etc;
- (j) Undrawn balance amounts remaining in any prepaid card issued by banks, but not amounts outstanding against TCs or other instruments, which have no maturity period; and
- (k) Rupee proceeds of foreign currency deposits held by banks after conversion of foreign currency to rupees in accordance with extant foreign exchange regulations.

●Time period for amounts to be credited to the DEA Fund:

➤ The banks are required to transfer the credit balance in the accounts, to the DEA Fund on the **last working day of the month subsequent to the month of completing 10 years of its continuous inoperative or unclaimed status.**

➤ For example, the deposits becoming due to be transferred to DEA Fund, in the month of April shall be transferred to the DEA Fund on the last working day in the month of May.

➤ The banks are required to transfer the entire amount, including the accrued interest, as on the date of transfer to the DEA Fund.

●Refund of unclaimed amounts from the DEA Fund:

➤ Based on the request of claim made by customer/depositor or legal heirs (in case of deceased depositors), the banks shall repay the customer/depositor along with interest (applicable only in case of Interest-Bearing deposit accounts) and then lodge a claim for a refund from the DEA Fund maintained by the RBI for an equivalent amount paid to the customer/depositor.

➤ There is no specific time limit prescribed in the Scheme for claiming a refund from the DEA Fund by the customer/ depositor.

●Rate of Interest on DEAF Account:

Presently the rate of interest paid by RBI is 3% simple interest.

●Procedure laid down by RBI to claim from DEA Fund, if a bank is under liquidation along with Scenario's and Illustrations:

In the case of a bank under liquidation, the depositor has to approach the Liquidator of the bank for claim and the Liquidator would settle the claim as per the following procedure

Scenario 1: Claim on deposits covered by DICGC:

If the deposits of a customer/depositor were covered by DICGC insurance at the time of transfer to the DEA Fund, then the Liquidator can claim an amount equivalent to what could have been claimed from DICGC (i.e., currently up to Rs.5 lakh including accrued interest, if applicable, in same right and capacity), and then make payment to the depositor. If the above deposit amount

is more than the insurance cover of DICGC, then the Liquidator shall claim the amount in excess of DICGC insurance cover (i.e., over and above the Rs.5 lakh) only on reimbursement basis. (i.e., the Liquidator will pay such amount to the depositor subject to meeting all the applicable requirements and thereafter submit a claim to DEA Fund for reimbursement)

Illustration 1: A customer/depositor had a deposit claim of Rs.4 lakh in a bank (including accrued interest), which is now under liquidation. The deposit was insured by DICGC at the time when the said unclaimed deposit was transferred to the DEA Fund. Now, if he claims the same during the liquidation process, the following steps shall be followed:

- a) The customer/depositor/ legal heir submits a claim for his deposit to the Liquidator.
- b) Liquidator raises an equivalent claim of Rs.4 lakh from DEA Fund along with necessary supporting documents.
- c) DEA Fund will pay an amount equal to the insured deposit to the Liquidator. (In this case, i.e., Rs.4 lakh, since DICGC insurance cover is available up to Rs.5 lakh).
- d) The Liquidator, after receiving the amount from the DEA Fund, will pay to the customer/depositor i.e., Rs.4 lakh.

Illustration 2: A customer/depositor had a deposit claim of Rs.6 lakh in a bank (including accrued interest), which is now under liquidation. The deposit was insured by DICGC at the time when the unclaimed deposit of his/her was transferred to the DEA Fund. Now, if he claims the same during the liquidation process, the following steps shall be followed:

- a) The customer/depositor/legal heir submits a claim for his/her deposit to the Liquidator.
- b) Liquidator raises an equivalent claim of ₹6 lakh from DEA Fund, along with necessary supporting documents.
- c) DEA Fund will pay only an amount equal to the insured deposit to the Liquidator. (In this case, i.e., Rs.5 lakh, since DICGC insurance cover is available up to Rs.5 lakh).
- d) For the remaining amount (i.e., Rs.1 lakh) the Liquidator shall make the payment to depositor subject to meeting all the applicable requirements and then claim for the same from DEA Fund by way of reimbursement.

Scenario 2: Claim on deposits not covered by DICGC: In respect of deposits not covered by DICGC at the time of transfer to DEA Fund, the payment to the Liquidator by DEA Fund shall be made only on reimbursement basis (i.e., the Liquidator can only seek as a reimbursement after settling the amount to the customer/ depositor) as mentioned in Illustration above.

●UDGAM Portal:

➤ RBI has launched a centralized web portal to help citizens search for their unclaimed deposits, known as UDGAM (Unclaimed Deposits – Gateway to access information).

➤ The portal has been developed by the central bank which is an online portal. It facilitates the registered users to search unclaimed deposits/accounts across multiple banks at one place in a centralised manner.

➤ The UDGAM portal facilitates only the search of unclaimed deposits/accounts across multiple banks at one place and provides information on claim/settlement process of each bank (which will be available in the search result). The unclaimed deposits can be claimed only from the respective bank.

●Unclaimed Deposit Reference Number (UDRN):

➤ UDRN is a unique number generated through Core Banking Solution by banks and assigned to each Unclaimed account/ deposit transferred to DEA Fund of RBI. This number is used so that the account holder or the bank branch where account is maintained, cannot be identified by any third party.

➤ The UDRN enables the bank branches to seamlessly settle claims received from the customers/depositors, who have made successful search in UDGAM portal.

POLICY GUIDELINES

RBI DIRECTS CARD ISSUERS TO PROVIDE OPTIONS FOR CUSTOMERS TO CHOOSE CARD NETWORKS:

- As per the extant practice the Authorised card networks used to tie-up with banks/non-banks for issuance of credit cards. The choice of network for a card issued to a customer has been decided by the card issuer (bank/non-bank) and is linked to the arrangements that the card issuers have with card networks in terms of their bilateral agreements.
- The RBI observed that some arrangements existing between card networks and card issuers are not conducive to the availability of choice for customers.
- As per latest RBI directions dated 6th March 2024, the card issuers will have to provide an option to their eligible customers to choose from multiple card networks at the time of issue. For existing cardholders, this option needs to be provided at the time of the next renewal. The directive means that a card issuing bank or non-bank cannot force the card of any particular network on a customer.
- The authorised card networks include American Express Banking Corp., Diners Club International Limited., and MasterCard Asia/Pacific Pte. Limited, National Payments Corporation of India - Rupay and Visa Worldwide Pte. Ltd.

AMENDMENT TO MASTER DIRECTION ON PREPAID PAYMENT INSTRUMENTS:

The Reserve Bank of India has made amendments in the master directions on Prepaid Payment Instruments (MD-PPIs) which prescribes the various types of PPIs which banks and non-banks can issue after obtaining necessary approval / authorisation from RBI.

Public transport systems across the country cater to a multitude of commuters on a daily basis. To provide convenience, speed, affordability and safety of digital modes of payment to commuters for transit services, RBI has decided to permit authorised bank and non-bank PPI issuers to issue PPIs for making payments across various public transport systems.

CUT-OFF TIME FOR UPLOADING OF GST, ICEGATE AND TIN 2.0 LUGGAGE FILES:

RBI has observed that several agency banks have been requesting RBI for extension of time for uploading of luggage files pertaining to GST, ICEGATE and TIN 2.0 receipts beyond the cut-off time of 1800 hours prescribed by O/o Principal Chief Controller of Accounts, Central Board of Indirect Taxes & Customs and O/o Principal Chief Controller of Accounts, Central Board of Direct Taxes.

RBI vide direction dated 13th March 2024, has not given extension beyond the cut-off time for submission of luggage files. Accordingly, the modified guidelines are as follows:

“Reporting of transactions by agency banks to RBI: After the operationalisation of NEFT 24x7 and RTGS 24x7, agency banks authorised to collect Goods and Service Tax (GST), Custom and Central Excise Duties (ICEGATE) and Direct Taxes under TIN 2.0 channel shall upload their luggage files in RBI's QPX/e-Kuber on all days except the Global holidays, which are January 26, August 15, October 2, all non-working Saturdays, all Sundays and any other day declared holiday by RBI for Government Transactions due to exigencies. It is to be ensured that these luggage files are uploaded in RBI's QPX/e-Kuber on or before 1800 hours prescribed by O/o Principal Chief Controller of Accounts, Central Board of Indirect Taxes & Customs and O/o Principal Chief Controller of Accounts, Central Board of Direct Taxes. No extension in cut-off time will be allowed to agency banks by RBI beyond 1800 hours for uploading of these luggage files in “QPX/e-Kuber”.

FINANCIAL LITERACY WEEK (FLW) 2024

The RBI has been observing Financial Literacy Week (FLW) every year since 2016 to propagate financial education messages to public at large to empower them to engage in responsible financial behaviour and take informed financial decisions.

The theme for this year's Financial Literacy Week to be observed during **Feb. 26 – March 01, 2024** is **"Make a Right Start: Become Financially Smart"**, with emphasis on "Saving and Power of Compounding", "Banking Essentials for Students" and "Digital and Cyber Hygiene" which aligns with overall strategic objectives of the National Strategy for Financial Education: 2020-2025. The focus for this year is targeted towards young adults, mainly students. The objective is to increase awareness on the advantage of inculcating discipline from an early age.

FINANCIAL LITERACY INITIATIVES OF RBI:

a) The Reserve Bank of India has taken various steps to enhance financial literacy across diverse segments of society, aiming to deepen comprehension of financial concepts and products. These efforts entail a variety of programs, campaigns, and educational resources aimed at empowering individuals to make informed financial choices.

b) The most recent initiative involved organizing an All-India Quiz on financial literacy targeted at school students, with the aim of fostering a connection between the Reserve Bank and the younger generation while enhancing awareness about banking, finance, economics, and related topics. RBI also collaborates with stakeholders to undertake various initiatives aimed at promoting financial literacy in India, some of which are listed below:

● **RBI Website:** The RBI website hosts a microsite on Financial Education (in English, Hindi, and 11 vernacular languages, offering comic books, films, messages on financial planning, and games etc. It also provides access to the Banking Ombudsman Scheme.

● **National Centre for Financial Education (NCFE):** It has been set up by all the Financial Sector Regulators as per Section (8) company under Companies Act, 2013 to undertake basic financial education programmes and to develop suitable content for increasing financial literacy among the masses in the country.

● **National Strategy on Financial Education (NSFE-2025):** NCFE, in collaboration with regulators and stakeholders, has developed NSFE for 2020-25 to enhance financial literacy nationwide, aligning with the vision of promoting financial inclusion. It aims to empower individuals across society to manage finances effectively and advocates for a multi-stakeholder approach

● **Financial Literacy Centres (FLCs):** Commercial Banks have been advised to establish FLCs in all districts to provide financial education, especially in rural areas. FLCs conduct outdoor camps monthly to raise awareness about financial products.

● **Centre for Financial Literacy (CFL) Project:** RBI engages specific banks and NGOs at the block level to boost community-driven financial literacy with the aim of adopting innovative and inclusive methods, the project seeks to enhance financial literacy at the grassroots level.

● **Museums by RBI:** Two museums have been set up by RBI to educate the public about money, banking, and monetary history, thereby increasing awareness.

● **Financial Literacy Week:** RBI's annual initiative promotes awareness through campaigns, with banks displaying posters and content in branches, ATMs, and websites.

● **Mass Media Campaigns:** RBI's Public Awareness Campaign 'RBI Kehta Hai' educates the public about banking

facilities and services, focusing on their rights and responsibilities among other topics.

● **Integration into Education:** With the help of several State Educational Boards, modules on financial education have been introduced in the school curricula.

● **Outreach activities:** Regional Offices of RBI across the country also conducts various awareness camps and town hall events in various locations to promote awareness on various topics.

REASSIGNMENT OF LEAD BANK RESPONSIBILITY:

On a review, RBI has decided on 22nd March 2024, to reassign the lead bank responsibility in the certain districts as specified below, which is effective from April 1, 2024:

| DISTRICT | STATE | EXISTING LEAD BANK | LEAD BANK RESPONSIBILITY ASSIGNED TO |
|-----------------|----------------|--------------------|--------------------------------------|
| Ernakulum | Kerala | UBI | SBI |
| Idukki | Kerala | UBI | SBI |
| Seoni | Madhya Pradesh | CBI | SBI |
| Mumbai City | Maharashtra | BOI | BOB |
| Mumbai Suburban | Maharashtra | BOI | BOB |
| Salem | Tamilnadu | IB | SBI |

MORE THAN 97% OF 2,000-RUPEE NOTES RETURNED SINCE MAY 2023:

➤ In a Statement by RBI has stated that the total value of 2,000 rupee banknotes in circulation, which stood at 3.56 lakh crore rupees as on May 19, 2023, when the withdrawal of India's highest currency note was announced, has now decreased to 8,470 crore rupees as of February 29, 2024. Thus, 97.62% of the Rs.2000 banknotes in circulation as on May 19, 2023, has since been returned., the central bank said.

➤ The RBI observed that limited usage of Rs. 2,000 rupee notes in transactions and in line with its 'Clean Note Policy,' opted to withdraw the notes from circulation.

INTEROPERABILITY OF INTERNET BANKING SYSTEM IN 2024:

➤ The Governor Shaktikanta Das has stated that the RBI is working to allow interoperability for internet banking transactions which is expected to be operational in 2024 and will facilitate quicker settlement of funds for merchants.

➤ The move is aimed at addressing delays in the actual receipt of payments by merchants and is a part of the RBI's payment vision 2025. The RBI has approved implementing such a system for NPCI Bharat BillPay Ltd (NBBL).

THIRTY BANKS JOIN RBI UDGAM PORTAL FOR UNCLAIMED DEPOSITS:

➤ The Reserve Bank has stated that 30 banks are facilitating people to search their unclaimed deposits/accounts through UDGAM portal and the remaining banks are in the process of getting on-boarded. UDGAM -- Unclaimed Deposits-Gateway to Access inforMation - is an online portal developed by RBI. It facilitates the registered users to search unclaimed deposits/accounts across multiple banks in one place in a centralised manner.

➤ All unclaimed deposits/accounts that are part of the Depositor Education and Awareness (DEA) Fund of RBI can be searched in the UDGAM portal.

➤ RBI has also stated that as on March 4, 2024, there are 30 banks, which are part of UDGAM portal, and they cover around 90 per cent of unclaimed deposits (in value terms) in DEA Fund

GOVT.LAUNCHES NUCFDC, SETS TARGET TO ESTABLISH URBAN CO-OP BANK IN ALL TOWNS:

➤ Govt. has launched the National Urban Cooperative Finance and Development Corporation (NUCFDC) and asked the umbrella body to set up one urban cooperative bank in each town.

➤ NUCFDC has received the RBI approval to function as a non-banking finance company and a self-regulatory organisation for the urban cooperative banking sector.

➤ The main objective of NUCFDC is to help urban cooperative banks adhere to the Banking Regulations Act and bring professionalism in their work. There are more than 1,500 UCBs with 11,000 branches, having a deposit of Rs.5 lakh crore and credit base of Rs.3.50 lakh crore across the country. NUCFDC aims to achieve its target paid-up capital within a year and not depend on others for funding.

➤ The National Cooperative Development Corporation (NCDC) has committed Rs.200 crore to NUCFDC, emphasizing the need for UCBs to meet the paid-up capital to gain confidence from RBI.

IRDAI ISSUES SERIES OF REGULATIONS, TWEAKS REGULATION ON SURRENDER CHARGES:

Insurance Regulatory and Development Authority of India(IRDAI) (Insurance Products) Regulations, 2024 merged six regulations into a unified framework aimed at enabling insurers to swiftly respond to evolving market demands, enhancing the ease of conducting business, and boosting insurance penetration. **These regulations, effective April 1, 2024, stipulate the following:**

➤ The surrender value is expected to remain the same or even lower if policies are surrendered within three years of the purchase. For policies that have been surrendered from the fourth to the seventh year, the surrender value may see a minor increase.

➤ A surrender value in insurance refers to the amount paid by the insurers to the policyholder upon terminating the policy before its maturity date. If the policyholder surrenders during the policy tenure, the earnings and savings portion will be paid to him.

➤ IRDAI at its meeting held on March 19, 2024 has approved eight principle-based consolidated regulations, following the comprehensive review of the regulatory framework for the insurance sector.

➤ These regulations encompass pivotal domains such as safeguarding policyholders' interests, rural and social sector responsibilities, electronic insurance marketplace, insurance products and operation of foreign reinsurance branches, as well as aspects of registration, actuarial, finance, investment and corporate governance.

➤ It marks a significant milestone in regulatory governance which has replaced 34 regulations with six regulations and introduction of two new regulations enhancing clarity and coherence in the regulatory landscape.

➤ The process involved extensive consultations with diverse stakeholders, including insurance industry, experts, and public at large ensuring a comprehensive consideration of varied perspectives in shaping the revised framework.

➤ The IRDAI (Rural, Social Sector, and Motor Third Party Obligations) Regulations, 2024 consolidate 2 erstwhile regulations pertaining to minimum business obligations in rural, social sector and Motor third party business for insurers as mandated under the Insurance Act, 1938.

➤ Compliance and measurement of these statutory obligations have been revised where the unit of measurement under the rural obligations will now be Gram Panchayat, the scope of social sector has been extended to cover cardholders and beneficiaries under various schemes.

➤ Under the Motor Third Party Obligations, the unit of measurement will be the renewal of insurance coverage to goods-carrying vehicles, passenger-carrying vehicles and tractors.

➤ Besides, the IRDAI (Registration and Operations of Foreign Reinsurers Branches & Lloyd's India) Regulations, 2024 consolidate two regulations and aims to foster the systematic development of the reinsurance sector in India by promoting orderly growth and harmonizing the existing legal and regulatory framework.

➤ By promoting transparency and stability, these regulations aim to create a conducive environment for the growth and expansion of the reinsurance sector, ultimately benefiting both insurers and policyholders in India.

➤ At the same time, the IRDAI (Protection of Policyholders' Interests and Allied Matters of Insurers) Regulations, 2024 consolidate eight regulations into a unified structure, focusing on several key objectives aimed at ensuring fair treatment of prospects during solicitation and sale of insurance policies and protecting the interests of policyholders throughout their engagement with insurers and distribution channels.

➤ These regulations emphasize the adoption of standard procedures and best practices by insurers and distribution channels to fulfill their obligations towards policyholders, including grievance redressal and policyholder-centric governance. Additionally, the regulations aim to promote prudent practices in risk management related to outsourcing activities by insurers.

➤ Furthermore, the regulations ensure that the opening or closing of places of business by insurers, both domestically and internationally, prioritizes the interests of policyholders.

SOVEREIGN GOLD BOND SCHEME 2023-24 SERIES IV:

The Sovereign Gold Bond Scheme (SGB) 2023-24 Series IV announced by the government along with the Reserve Bank of India, has an issue price of Rs. 6,263. For online payments, Rs 50 will be deducted, bringing the issue price to Rs 6,213.

- a) The subscription period is from February 12 to 16, 2024.
- b) The bond has a tenor of 8 years with an exit option from the 5th year onwards.
- c) The allotment will be done on February 21, if the application is successful.
- d) The process is relatively straightforward if purchased SGBs online using a Demat account.
- e) The investor receives a fixed interest rate of 2.5% per annum for the current series payable semi-annually on the nominal value. The fixed interest earned is independent of the capital appreciation of Gold Bonds.

RBI AND NEPAL RASTRA BANK TO INTEGRATE THEIR RESPECTIVE FAST PAYMENT SYSTEMS:

RBI and Nepal Rastra Bank (NRB) have signed and exchanged Terms of Reference to integrate their Fast Payment Systems. The fast payment systems (FPSs) of India and Nepal are called the Unified Payments Interface (UPI) of India and the National Payments Interface (NPI).

RBI MAY UNDERTAKE COMPREHENSIVE REVIEW OF ARCHITECTURE OF PAYMENT BANKS:

➤ The Reserve Bank of India may undertake a comprehensive review of the architecture of Payment Banks.

➤ This all encompassing exercise, almost a decade after licensing terms were issued on November 27, 2014, is to take into account standards of governance, the viability of the payment bank (PB) business model, and changes, if any, if needed. This will also impact PBs seeking to convert into Small Finance banks (SFBs), as a comprehensive review of the regulatory capital framework for the latter is also under consideration, as mentioned in the Report on Trend and Progress of Banking in India (2022-23).

➤ PBs turned profitable during FY23 for the first time since their inception nearly a decade ago. Growth in interest income exceeded interest expenses, and key profitability indicators - return on assets and returns on equity - were in the black in FY23. NIM increased to 3.7% from 2.3% in FY22 after declining for three consecutive financial years. Over the years, PBs have argued with the banking regulator for a further increase in the end-of-day account balance limit from the current Rs 2 lakh.

➤ This limit was last revised on April 7, 2021, from Rs 1 lakh set at the time of licensing these entities. More significantly, they have also demanded that they be allowed to lend to the microfinance sector with the loan amount being appropriately capped to help them diversify their income streams.

SEBI CLEARS RELAXATIONS FOR FPIs, AIFs, FUND-RAISING ENTITIES:

The Regulator Securities and Exchange Board of India approved a series of relaxations for foreign portfolio investors, alternative investment funds and entities seeking to raise funds through initial share sales as a part of facilitating the 'case of doing business' in the securities market. The Board of SEBI has also given its nod for a uniform approach for verification of market rumours by entities that have listed their equities.

➤ In a move aimed at testing the feasibility of the optional T+0 settlement mechanisms, a Beta version for a limited 25 scrips and limited brokers will be launched. SEBI will continue to conduct further stakeholder consultations, including those with the beta version users. The progress will be reviewed at the end of three months and six months, after which further course of action will be decided.

➤ Among other measures, the regulator decided to exempt additional disclosure requirements for Foreign Portfolio Investors (FPIs) having more than 50 percent of their India equity assets under management in a single corporate group, subject to certain conditions. The SEBI board also decided to relax the timelines for disclosure of material changes by FPIs.

➤ SEBI has mandated that an Alternative Investment Fund (AIF), its manager NBFCs, and key management personnel should carry out 'specific due diligence' of both their investors and investments to ensure compliance and provide ease of doing business. Amid concerns about funding through AIFs, SEBI has come out with a measure to ensure that investors and investments do not circumvent any financial regulations.

➤ Under another proposal, objective and uniformly assessed criteria will be specified for rumour verification in terms of material price movement of equity shares of the listed entity. Considering the unaffected price for transactions wherever pricing norms have been prescribed under SEBI regulations provided that the rumour pertaining to such transaction has been confirmed within 24 hours from the trigger of material price movement.

➤ To further improve the ease of doing business for companies coming for IPOs and fundraising, SEBI has decided to do away with the requirement of a 1 percent security deposit in public / rights issue of month's equity shares. Promoter group entities and non-individual shareholders holding more than five percent of the post-offer equity share capital are to be permitted to contribute towards minimum promoters' contribution without being identified as promoters, as per the release.

➤ To facilitate the ease of doing business for listed companies with respect to ongoing compliance requirements, the regulator has decided to make some changes. Market capitalisation-based compliance requirements for listed entities will be determined on the basis of the average market capitalisation of six months ending December 31 instead of a single day's (March 31) market capitalisation.

➤ Further, a sunset clause of 3 years for cessation of applicability of market capitalisation-based provisions will also be introduced. The regulator will extend the timeline from 3 months to 6 months to fill vacancies for Key Managerial Personnel, which will require approval from statutory authorities. Among others, the maximum permitted time gap between two consecutive meetings of the risk management committee will be increased from 180 days to 210 days in order to provide flexibility to listed entities to schedule the meetings.

➤ Another proposal approved by the SEBI board is providing a framework for the issuance of subordinate units by privately placed InvITs (Infrastructure Investment Trusts). Also, the regulator has decided to recognise a stock exchange as a Research Analyst Administration and Supervisory Body (RAASB) and Investment Advisers Administration and Supervisory Body (IAASB). Further, the timeline for mandatory applicability of listing norms for High-Value Debt Listed Entities (HVDLEs) has been extended till March 31, 2025.

CREDIT CARD AND DEBIT CARD**(ISSUANCE AND CONDUCT DIRECTIONS, 2022).**

To ensure prudent practices in the Credit card sector, the Reserve Bank of India on March 07, 2024, introduced crucial amendments to the Master Direction on Credit and Debit card. This initiative marks a pivotal milestone in fortifying regulatory oversight within the credit card ecosystem, emphasizing the pivotal pillars of transparency, consumer safeguarding, and technological progress. By prioritizing these elements, the overarching goal is to cultivate a resilient and streamlined credit card environment that ensures both security and efficiency.

Beyond Traditional Plastic Cards.

➤ Introduction of wearables as an alternative form factor. Traditional plastic cards have been the standard form factor for credit and debit cards. The introduction of wearables represents a shift towards innovative alternatives for card usage. Wearables include devices such as smartwatches, wristbands, or other electronic gadgets equipped with payment functionalities.

➤ This initiative broadens the scope of payment options, offering consumers greater flexibility and convenience in conducting transactions. Wearables leverage technology to enable secure and efficient payment methods, enhancing the overall user experience in the credit card sector.

AMENDED PROVISIONS:

➤ The card-issuers shall put in place an effective mechanism to monitor end use of funds.

➤ Business credit cards can be issued together with add-on cards wherever required.

➤ Failure on the part of the card-issuers to complete the process of closure within seven working days shall result in a penalty of **Rs.500 per calendar day** of delay payable to the cardholder, till the closure of the account provided there is no outstanding in the account

➤ The card-issuers shall specify in the billing statement, the level of unpaid amount of the bill i.e., part payment beyond 'minimum amount due', at which the interest-free credit period benefits would not be available to cardholders. (The underlined portion has been deleted in the revised guidelines).

➤ Late payment charges and other related charges shall be levied, only on the outstanding amount after the due date, and not on the total amount due.

➤ Card-issuers do not follow a standard billing cycle for all credit cards issued. In order to provide flexibility in this regard, cardholders shall be provided option to modify the billing cycle of the credit card at least once, as per the cardholders' convenience.

➤ Including issuing of a seven-day notice period to such cardholder about the intention to report him/her as defaulter to the Credit Information Company. In the event the customer settles his/her dues after having been reported as defaulter, the card-issuer shall update the status with **CIC within 30 days from the date of settlement.** (The underlined portion of the existing guidelines has been deleted in the revised guidelines).

➤ No bank shall issue debit cards to cash credit/loan accounts. However, it will not preclude the banks from linking the overdraft facility provided along with Pradhan Mantri Jan Dhan Yojana accounts or Kisan Credit Card accounts with a debit card.

➤ The co-branding partner (CBP) shall not have access to information relating to transactions undertaken through the co-branded card. Post issuance of the card, the CBP shall not be involved in any of the processes or the controls relating to the co-branded card except for being the initial point of contact in case of grievances. However, for the purpose of cardholder's convenience, card transaction related data may be drawn directly from the card-issuer's system in an encrypted form and displayed in the CBP

platform with robust security. The information displayed through the CBP's platform shall be visible only to the cardholder and shall neither be accessed nor be stored by the CBP.

➤ Co-branding with card-issuers: Prior approval shall not be required by the banks (all banks including Payments Banks, State Co-operative Banks and District Central Co-operative Banks) and NBFCs registered with the Reserve Bank (NBFCs – ICC, HFC, Factor, MFI, and IFC) to become a co-branding partner of card-issuers. The role of the co-branding partner shall be as per the conditions stipulated

➤ No card-issuer shall dispatch a card to a customer unsolicited. In case of renewal of an existing card, the cardholder shall be provided an option to decline the same if he wants to do so before dispatching the renewed card. Further, in case a card is blocked at the request of the cardholder, replacement card in lieu of the blocked card shall be issued with the explicit consent of the cardholder.

➤ Card-issuers shall be liable to compensate the complainant for the loss of his time, expenses, financial loss as well as for the harassment and mental anguish suffered by him for the fault of the card-issuer and where the grievance has not been redressed in time. If a complainant does not get satisfactory response from the card-issuer **within a maximum period of 30 days** from the date of lodging the complaint, he/she will have the option to approach the Office of the RBI Ombudsman under Integrated Ombudsman Scheme for redressal of his/her grievance/s

➤ The card-issuers shall not share card data (including transaction data) of the cardholders with the outsourcing partners unless sharing of such data is essential to discharge the functions assigned to the latter. In case of sharing of any data as stated above, explicit consent from the cardholder shall be obtained. It shall also be ensured that the storage and the ownership of card data remains with the card-issuer.

NEW PROVISIONS ADDED:

➤ **Total Amount Due** is the total amount (net of credit received during the billing cycle, if any) payable by the cardholder as per the credit card statement generated at the end of a billing cycle.

➤ **Interest shall be levied only on the outstanding amount,** adjusted for payments/refunds/reversed transactions.

➤ **Card-issuers shall provide the list of payment modes authorised** by them for making payment towards the credit card dues, in their websites and billing statements. Further, card-issuers shall advise cardholders to exercise due caution and refrain from making payments through modes other than those authorised by them.

➤ **Any debit to the credit card account shall be done as per the authentication framework** prescribed by the RBI and not through any other mode/instrument.

➤ **For business credit cards wherein the liability rests fully with the corporate or business entity** (principal account holder), timeframe provided for payment of dues and adjustment of refunds may be as agreed between the card-issuer and the principal account holder.

➤ **In case card-issuers, at their discretion, decide to block/deactivate/suspend** a debit or credit card, it shall be ensured that a standard operating procedure is followed as approved by their Board. Further, it shall also be ensured that blocking/deactivating/suspending a card or withdrawal of benefits available on any card is immediately intimated to the cardholder along with reasons thereof through electronic means (SMS, email, etc.) and other available modes.

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TIT BITS

●GOVT. GUARANTEES MSP FOR MAIZE, PULSES, COTTON

FOR 5 YEARS: Government will provide a minimum support price (MSP) guarantee for maize, pulses, and cotton for five years. Those who cultivate crops with lower water consumption, such as lentils and maize, will benefit from the MSP guarantee. The government has finalised a process to implement the decision and has developed a portal where farmers will have to register and provide an undertaking that they have diversified their crops.

●GOVT. REPLACES FAME WITH EMPS: The Govt. has announced a new scheme, the Electric Mobility Promotion Scheme (EMPS), 2024, to promote the sale of electric two-wheelers (e2W) and three-wheelers (e3W) in the country. Centre has allocated Rs 500 crore for the new scheme, which will be valid for four months from now. Govt. has lowered the maximum subsidy cap for e2W to Rs. 10,000 per vehicle from the previous Rs. 22,500, and for e3W to Rs. 50,000 from Rs. 111,505. Both categories of vehicles will receive an incentive of Rs 5,000 per kilowatt-hour (kWh).

●FinMin FOR 15% DUTY ON e-VEHICLE IMPORTS: The finance ministry has notified 15% duty rate on the import of electronic vehicles (EV) of a minimum value of USD 35,000, subject to certain conditions, announced under the EV policy. Currently, EV imports attract 100 per cent Customs duty.

●AMUL GOES INTERNATIONAL: Amul fresh milk will be available outside India, with the Gujarat Cooperative Milk Marketing Federation (GCMMF) launching four variants of milk in the US market, to cater to Indian diaspora and Asian population. GCMMF has tied up with 108-year old cooperative organisation Michigan Milk Producers Association (MMPA) to launch fresh milk in the US market.

●NATIONAL URBAN COOPERATIVE FINANCE AND DEVELOPMENT CORPORATION LIMITED LAUNCHED: Govt. has inaugurated the National Urban Cooperative Finance and Development Corporation Limited (NUCFDC) which aims to modernize and strengthen the Urban Cooperative Banking Sector. It will operate as NBFC and its objective is to establish an Urban Cooperative Bank in every town as part of the 'One Town One Urban Cooperative Bank' initiative.

●MERGER OF FINCARE SFB WITH AU SMALL FINANCE BANK: RBI has given its approval for the merger of Fincare Small Finance Bank Ltd. with AU Small Finance Bank, effective from April 1, 2024. All branches of Fincare Small Finance Bank will operate as branches of AU Small Finance Bank post-merger.

●RBI BANS IIFL FINANCE FROM GIVING GOLD LOANS: RBI has imposed immediate ban against IIFL Finance on the approval and disbursement of gold loans following a comprehensive inspection of the company's financial position which revealed serious deviations in assaying and certifying the purity and net weight of gold during loan sanction and auction upon default.

●'E-KISAN UPAJ NIDHI' LAUNCHED: Govt. has launched the 'e-Kisan Upaj Nidhi' (Digital Gateway) of the Warehousing Development and Regulatory Authority (WDRA). By providing a no collateral, extra security deposit policy, 'e-KisanUpaj Nidhi' aims to prevent distress sales, where farmers are compelled to sell their harvest at lower prices due to inadequate post-harvest storage facilities.

ROAD MAP FOR BECOMING A DEVELOPED NATION BY 2047: India has asked multilateral development banks (MDBs) to share their project implementation expertise and help draw the road map for becoming a developed nation by 2047. The finance ministry held a meeting with multilateral lenders and sought their inputs on what it termed a "budget-plus and finance-plus" strategy, which would essentially cover the entire spectrum of project execution and go beyond just planning and financing.

●BANKS TO LIST STALLED HOUSING PROJECTS: For faster resolution and completion of stressed housing projects, the government has asked banks to compile and share a list of stalled legacy projects under the Special Window for Affordable and Mid-Income Housing (SWAMIH) fund. Govt. has pointed out that procedural delays were the primary reason behind the lower exposure of public sector bank projects.

●CUSTOMER COMPLAINTS WITH RBI OMBUDSMAN:

According to the Annual Report of Ombudsman Schemes released by the RBI, customer complaints with the RBI Ombudsman have increased by 68.24 % in 2022-23. Out of total 7,03,544 complaints received during 2022-23, Public sector banks accounted for 41% followed by the private sector banks which accounted for 31 percent of the complaints.

●UTTAR POORVA TRANSFORMATIVE INDUSTRIALIZATION SCHEME, 2024:

The Union Cabinet has sanctioned the Uttar Poorva Transformative Industrialization Scheme, 2024 (UNNATI-2024). The UNNATI scheme aims to spur industrial growth in the North East, fostering socio-economic development and creating a conducive environment for manufacturing and services sectors.

●NIPL SIGNED MOU WITH GREEK BANK: NPCI International Payments Limited (NIPL), a subsidiary of National Payments Corporation of India (NPCI), and leading Greek bank Euro bank have signed MOU towards enhancing cross-border payments using the UPI platform.

●INDIA'S UNEMPLOYMENT RATE DROPPED TO 3.1%: As per report released by the National Statistical Office (NSO), India's unemployment rate dropped to 3.1% in 2023 from 3.6% in the preceding year. During the calendar year 2023, the unemployment rate in both rural and urban areas declined to 2.4% and 5.2%, respectively, from 2.8% and 5.9% in 2022.

●THIRTY BANKS JOINS RBI UDGM PORTAL: RBI has stated that 30 banks are facilitating people to search their unclaimed deposits/accounts through UDGM (Unclaimed Deposits Gateway to Access information) portal, and the remaining banks are in the process of getting on-boarded. These 30 banks cover around 90% of unclaimed deposits (in value terms) in Depositor Education and Awareness (DEA) Fund of RBI.

●STRATEGIC INVESTMENT PLAN FOR MSME UNITS: The Central Govt. has provided funding support for Strategic Investment Plans (SIPs) of 9 states under the Raising and Accelerating MSME Performance (RAMP) scheme, which is a World Bank-supported central sector scheme with an outlay of Rs 6,062 crore over five years from 2022-23 to 2026-27. The scheme focuses on issues relating to MSMEs such as financing, marketing and upgrading technology.

●RBI AND BANK OF INDONESIA SIGNED MOU: RBI and the Bank of Indonesia have signed an MOU for establishing a framework to promote the use of local currencies viz, the Indian Rupee (INR) and the Indonesian Rupiah (IDR) for cross-border transactions.

●CENTRE NOTIFIES 3-10% MGNREGA WAGE HIKE: The Centre has notified a 3-10% increase in the wage rates for MGNREGA workers for the financial year 2024-25 from April 1, 2024. While Goa (10.56%) and Karnataka (10.4%) have seen the highest percentage increase, wage rates in Uttar Pradesh and Uttarakhand are set to see the lowest increase at 3%.

●OVERSEAS BORROWING THROUGH A TERM LOAN SYNDICATION:

HDFC Bank has doubled its overseas borrowing through a term loan syndication from a clutch of 23 global banks in a greenshoe option to the primary facility, having initially borrowed \$500 million from Japan's largest lender MUFG. HDFC Bank chose to exercise the green shoe option to raise another \$500 million, taking the total proceeds to \$1 billion in what is the largest three-year overseas loan organised by an Indian bank.

● **IMPLEMENTATION OF CITIZENSHIP LAW (CAA):** The Central Govt. has implemented the Citizenship Amendment Act. (CAA), 2019 for granting citizenship to undocumented non-Muslim migrants from Pakistan, Bangladesh and Afghanistan who came to India before December 31, 2014.

● **MOTHER'S NAME MANDATORY IN ALL GOVT. DOCUMENTS:** The Maharashtra government has decided to make it mandatory to include name of mother in all government documents all Govt. documents like birth certificates, school documents, property documents, Aadhar cards, and PAN cards w.e.f. 1st May 2024.

● **SC ASKS GOVT. TO GIVE KERALA A FINANCIAL FILLIP AS A 'ONE-TIME MEASURE':** The Supreme Court has urged the Centre to give Kerala a one time package to tide over its current financial crisis as a "special case" before March 31. A Bench headed by Justice Surya Kant said the Centre can make up for it in the next financial year by introducing stricter conditions for financial aid to the State.

● **RBI BARS FEDERAL BANK, SOUTH INDIAN BANK FROM ISSUING CO-BRANDED CREDIT CARDS:** RBI has issued notices to Federal Bank and South Indian Bank to stop issuing new co-branded cards. Both the banks have stated to continue to offer credit cards to new and existing customers in the non-co-branded segment and will also continue service to existing co-branded cardholders.

● **EASY TRIP PLANNERS PARTNERS WITH MINISTRY OF RURAL DEVELOPMENT TO EMPOWER SELF HELP GROUPS:** Easy Trip Planner Ltd.'s 'EaseMyTrip.com' has signed MOU with the Ministry of Rural Development to train members of Deen dayal Antyodaya Yojana- National Rural Livelihoods Mission (DAY-NRLM)'s Women's Self Help Groups (SHGs) under the Lakh Pati Didi Yojana in 800 districts. The initiative aims to focus on women-led skill development, fostering entrepreneurial skills and financial independence among rural women.

● **SBI PARTNERS WITH PAYTM FOR ITS UPI BUSINESS:** State Bank of India has partnered with One97 Communications, which runs Paytm brand and app for its consumer UPI payments. The mobile payments company has been forced to seek bank partnerships to become a third party application provider (TPAP)

● **EMPS TO PROMOTE E2W, E3W, 4-WHEELERS KEPT OUT:** The Centre has announced a new scheme, the Electric Mobility Promotion Scheme (EMPS), 2024, to promote the sale of electric two wheelers (e2W) and three wheelers (e3W) in the country to promote electric mobility and achieve Net Zero targets.

● **REALTY FUND FLOWS INTO SMALL TOWN INDIA BOOM:** India's tier-II and - III cities saw a more than doubling of capital flows in 2023 as developers flocked to smaller cities for land acquisitions amid robust real estate demand across the country. According to real estate consultancy Coldwell Banker Richard Ellis (CBRE), capital flows hit a record \$1.3 billion, compared to \$600 million in 2022,

● **DBS LOOKS TO BE A BANKER TO START-UPS:** DBS Bank has earmarked \$250 million to lend to new-age startups as improved operating metrics and a sharper focus on profitability have enhanced the broader view on the sector. DBS Bank is considering several startups including in healthcare, technology, and firms using Artificial intelligence (AI) in financial services such as insurance, transportation, logistics and retail, waste management companies and supply chain logistics spaces.

● **HDFC BANK'S MORTGAGE BOOK GREW 18-20% INCREMENTALLY POST MERGER:** As stated by Country Head, HDFC Bank's home loan business grew by 18-20 percent on an incremental basis post merger. Further, the bank recorded a stable and healthy double-digit year-on-year (YOY) growth post merger till December 31, 2023.

● **WOMEN CONTRIBUTE ONLY 18% TO GDP:** As per study by the National Family Health Survey, despite constituting 48% of the population, Indian women contribute only 18% to the GDP. Bridging the gender gap in employment could potentially lead to a 30% increase in the country's GDP. Another study, by McKinsey Global Institute (MGI), stated that advancing women's equality could lead to a \$28 trillion increase in the global GDP.

● **FRAMEWORK FOR BETA VERSION OF T+0 SETTLEMENT:** The Securities and Exchange Board of India has issued framework for implementing the beta version of same day or T+0 settlement on an optional basis. This option will be available in the equity cash segment for 25 scrips and through a limited set of brokers.

● **MUMBAI OVERTAKES BEIJING AS ASIA'S BILLIONAIRE HUB:** Mumbai has overtaken Beijing as Asia's billionaire capital, in the latest Hurun Global Rich List. With 271 billionaires, India now stands third globally in terms of billionaire count. While China maintained its lead with 814 billionaires, India added nearly 100 new billionaires, while China saw a decline of 155.

● **CENTRAL FUNDS TO STATES TO BE SETTLED IN REAL TIME:** From April 1, 2024, the settlement of unspent funds from the Centre to States through the single nodal agency (SNA) will occur within a day, instead of parking it outside the Govt. account for more than 24 hours. The Department of Expenditure and the RBI are upgrading the SNA system to settle the unused amount in real time, thereby preventing disputes over interest payments on unspent funds.

● **PM MODI VIRTUALLY INAUGURATES SELA TUNNEL:** PM Modi has virtually dedicated the Sela Tunnel project to the nation. Constructed by the Border Roads Organisation at an altitude of 13,000 feet, the tunnel is situated on the road from Tezpur, Assam, to Tawang in Arunachal Pradesh's West Kameng district.

● **FSSAI APPROVES AMENDMENTS:** The Food Safety and Standards Authority of India (FSSAI) has made various amendments in food safety regulations to do away with Bureau of Indian Standards (BIS) or Agmark certifications for food products. In line with the concept of "One Nation, One Commodity, One Regulator", the food safety authority has stated that food businesses will only require mandatory FSSAI certification and not need certifications from other authorities.

● **LMS, KRISHI RAKSHAK, HELPLINE (KRPH) - 14447, & SARTHI PORTAL:** Union Minister of Agriculture has launched the centralized "Kisan Rakshak Helpline 14447 and Portal, AgrilInsurance Sandbox Framework Platform SARTHI and Learning Management System (LMS) Platform for the farming community under the Pradhan Mantri Fasal Bima Yojana (PMFBY). Its primary goal of LMS is to provide stakeholders, including farmers, insurance companies, Govt. officials, state Govt. representatives, and participants in the Pradhan Mantri Fasal Bima Yojana, with the essential skills and knowledge needed for efficient crop insurance and agricultural credit.

● **NO LIABILITY FOR DIRECTORS WHO RESIGNED BEFORE CHEQUE ISSUE:** While disposing of a case that relates to a cheque bounced in 2014, the Supreme Court has informed about the liability of a director of a company for the company's actions after he has resigned from his directorship. A bench of Justice noted that according to Section 141 of the NI Act "every person who at the time of the offence was responsible for the affairs/conduct of the business of the company, shall be held liable and proceeded against under Section 138 of the N.I. Act, with exception thereto being that such an act, if done without his knowledge or after him having taken all necessary precautions, would not be held liable.

BANKING & FINANCIAL NEWS**INEQUALITY WORSENING IN INDIA**

According to a working paper published by the World Inequality Lab at the Paris School of Economics, the share of the top 1% of Indians in total income and wealth is expected to have reached its highest ever level in 2022-23.

➤ Among the co-authors of this paper is Thomas Piketty, a renowned authority on economic inequality. The findings suggest that the extremely affluent are capturing the majority of India's economic growth gains. The paper emphasizes the necessity for proactive government intervention, advocating for reforms in taxation alongside increased investment in social sectors to tackle this issue. Furthermore, it highlights the importance of improving data collection to better comprehend economic inequality in India.

➤ The analysis of inequality spans back to 1922 for income and up to 1961 for wealth. Notably, in 2022-23, the latest year for which estimations are available, the top 1% income and wealth shares in India reached unprecedented historical highs: 22.6% and 40.1% respectively. India's top 1% income share ranks among the highest globally, surpassing even countries like South Africa, Brazil, and the United States. However, the wealth share of the top 1% in India is lower than that of South Africa and Brazil.

➤ The paper's estimates draw from various sources due to the absence of official income figures and limited wealth statistics in India, particularly concerning the wealthiest individuals. While some trends highlighted in the paper corroborate earlier data from the World Inequality Lab, such as the decline in inequality post-independence followed by a resurgence in the 1980s, the paper sheds light on the stark rise in inequality during the 2000s, bringing it closer to pre-independence levels.

➤ To combat inequality, the paper recommends policy interventions such as tax code restructuring to address both income and wealth disparities, along with substantial public investments in healthcare, education, and nutrition.

BANK OF JAPAN ENDS ITS ERA OF NEGATIVE INTEREST RATES.

➤ On March 19, Bank of Japan ended its era of negative interest rates. This is seen as an essential to bring the consumer price inflation back to the 2% target. This is the first time in 17 years that such a step has been taken after the country witnessed inflation as well as rising wages.

➤ Negative interest rates are when central banks make their commercial counterparts pay to park their excess cash at the institution. This method is usually adopted during deflationary periods when consumers hold too much money instead of spending as they wait for a turnaround in the economy. Consumers may expect their money to be worth more tomorrow than today during these periods. When this happens, the economy can experience a sharp decline in demand, causing prices to plummet even lower.

GST EVASION EXPOSED IN FAKE INVOICE CRACKDOWN:

➤ The Finance Ministry has reported that over 29,000 fake firms were identified and over Rs.44000 crores of GST tax evasion detected in a nationwide drive. The Ministry disclosed the results of a special drive to identify non-existent/bogus registrations and issue fake invoices without any underlying supply of goods and services. The drive started in mid-May last year.

➤ A fake invoice refers to the issuance of an invoice without any actual supply of goods or services, solely for the purpose of fraudulently claiming input tax credit (ITC). Dishonest individuals exploit the identities of others to acquire fake or illegitimate registrations under GST, aiming to deceive the government. These fraudulent or non-genuine registrations are utilized to unlawfully transfer input tax credits to deceitful recipients through the issuance of invoices, despite the absence of any genuine transactions involving the supply of goods or services.

➤ Besides, the Government has moved to curtail evasion of tax through measures such as sequential filing of GST returns, system-generated intimation for reconciliation of the gap in tax liability in GSTR-1 & GSTR-3B returns and the gap between ITC available as per GSTR-2B & ITC availed in GSTR-3B returns, use of data analytics and risk parameters for detection of fake ITC, etc.

BANK UNIONS PUSH FOR 5-DAY WEEK AHEAD OF IBA SETTLEMENT:

➤ The United Forum of Bank Unions, a coalition representing bank employee unions, has written a letter to Finance Minister urging for the implementation of a five-day working week in banks. Presently, banks operate with closures on the second and fourth Saturdays each month, as established in a 2015 settlement.

➤ In their proposal, the United Forum of Bank Unions assures that if the transition to a five day week is sanctioned, there will be no reduction in total banking hours for customers or in the total working hours for employees and officers. This stance aligns with an understanding reached with the Indian Banks' Association.

BANK OF AMERICA ISSUES WARNING OF A US DOLLAR COLLAPSE:

➤ Amid the economic turbulence, the Bank of America has issued a warning about a possible US dollar collapse. Moreover, this allows the BRICS group of emerging economies to spread the de-dollarization initiative across the world.

➤ The US national debt is now growing by \$1 trillion every 100 days since 2023. The uncontrolled debt could lead to a financial disaster wreaking havoc not only in the US, but across the world. BRICS and other developing countries are worried that a US dollar debt could make their native economies crash. Keeping the US dollar in reserves is now seen as a threat that could undo years of financial stability.

➤ BRICS leaders have said they want to use their national currencies more instead of the dollar, which strengthened sharply last year as the Federal Reserve raised interest rates and Russia invaded Ukraine, making dollar debt and many imports more expensive.

INDIA TO SEE RECORD FPI INFLOWS IN FY24:

➤ The current fiscal year FY24 is set to end with record net inflows from Foreign Portfolio Investors (FPIs) into the Indian market, with net investments close to Rs.12,000 crore (\$1.4 billion) in March first week, after a tepid show in Jan. & February.

➤ After two years of net outflows, inflows this fiscal year have crossed \$36.6 billion and are set for a record close if the momentum holds up for the rest of the month. The previous high was in FY21 when FPIs injected \$36.2 billion into the Indian markets. Of the total so far, \$22.5 billion has been in equities and \$13.4 billion in debt.

Expert have spelt out three reasons:

➤ **Firstly**, the Indian market is showing great resilience. It pointed out that the macroeconomic scenario had changed in favour of the equity market in the last one to two months and multiple indicators were now indicating a positive start for 2024. The bolstered balance sheet strength of corporate India and the significantly enhanced health of the Indian banking system are additional positive factors that will facilitate Indian equities in achieving double-digit returns over the next 2-3 years.

➤ **Secondly**, US bond yields have been steadily declining (the 10-year yield has declined from above 4.3 per cent to 4.08 per cent now) and this has halted the switch from equity to bonds. The FPI strategy of selling equity in emerging markets to buy US bonds has stopped, and

➤ **Thirdly**, the Indian economy is growing at better-than-expected rates and this will have positive impact on corporate earnings and consequently on the stock market.

SUPREME COURT WARNING OVER "WILFUL DISOBEDIENCE":

- The SC came down strongly on SBI for 'wilful disobedience' of last month's order - that data about donors and recipients of electoral bonds be released by March 6, 2024. The court also directed the CMD of SBI to file an affidavit after compliance.
- The bank argued it would take considerable time to collect, cross-check and release the data, which was stored in two "silos" to maintain confidentiality of both sides. In response the court pointed out donor details were available at the SBI's Mumbai branch, and the bank just had to "open covers, collate details and give information".
- Last month, in a landmark verdict, the Supreme Court held the electoral bond scheme to be 'unconstitutional' and said it violated citizens' right to information. The SBI was directed to reveal all bonds data by March 6 and the poll panel to make this information available to the public by March 13.

SEVEN NBFCs SURRENDER CERTIFICATES, RBI CANCELS REGISTRATION OF 4 NBFCs:

- The Reserve Bank of India has cancelled registration certificate of four non-banking finance companies (NBFC), two from Uttar Pradesh and one each from Bihar and West Bengal. Separately, the central bank has said that seven NBFCs, including L&T Finance Ltd and L&T Infra Credit Ltd have surrendered their registration certificate (CoR).
- Those whose registration has been cancelled by RBI include: Uttar Pradesh-based Nimisha Finance India Pvt Ltd and Kamdhar Leasing and Finance Ltd, Bihar-based RMB Finance Company Ltd and Suyash Finovest Pvt Ltd from West Bengal. RBI has not given any specific reason for the cancellation.

CHINA'S EXPORTS ARE SURGING:

- China's factory exports are powering ahead. Other countries are increasingly concerned that China's rise is coming partly at their expense and are starting to take action. The European Union announced last week that it was preparing to charge tariffs, which are import taxes, on all electric cars arriving from China. The European Union said that it had found 'substantial evidence' that Chinese government agencies have been illegally subsidizing these exports, something China denies.
- China already produces a third of the world's manufactured goods, more than the United States, Germany, Japan and South Korea combined, according to the United Nations Industrial Development Organization.
- China's exports, measured in dollars, rose 7% in Jan. & Feb. over last year. But falling prices for many Chinese products because of a glut of output in China mean that the quantity of exports and their global market share are rising much faster.
- China has found ways to bypass some tariffs. Chinese components go in rising volumes to countries like Vietnam, Malaysia and Mexico. These countries process the goods, so that they count as their own products and not as made in China. These countries then ship the goods to the United States and European Union, which charge them low tariffs or even no tariffs.
- In addition to looming tariffs on imported clean energy products, Europe will soon phase in a tax on imports from all over the world based on the quantity of climate-changing carbon dioxide emitted during their production.
- The new tax is known as a carbon border adjustment mechanism, or CBAM. But it has been nicknamed the "C-bomb" in Europe because it will fall heavily on imports that come directly or indirectly from China. Two-thirds of the electricity in China is generated by burning heavily polluting coal, which means many of its exports to Europe could be hit with the new tax. Europe and the United States also face threats from China to their long-standing economic relationships in developing countries, which increasingly choose cheaper Chinese goods.

FIVE PUBLIC SECTOR BANKS TO REDUCE GOVT STAKE TO MEET SEBI NORMS:

- Five public sector lenders, including Bank of Maharashtra, IOB and UCO Bank are planning to reduce government stake to less than 75 per cent to comply with SEBI's minimum public shareholding (MPS) norms. Of 12 PSBs, four were complying with MPS norms as on March 31, 2023.
- As part of an ongoing effort, three more PSBs have complied with minimum 25 per cent public float during the current financial year. Remaining five PSBs have laid out action plans to meet MPS requirement. Currently, government holding in Punjab & Sind Bank is 98.25 per cent. It is followed by Indian Overseas Bank at 96.38 per cent, UCO Bank 95.39 per cent, Central Bank of India 93.08 per cent, and Bank of Maharashtra at 86.46 per cent. As per the SEBI, all listed companies must maintain an MPS of 25%.
- However, the regulator had given special forbearance to state-owned banks. They have time till August 2024 to meet the requirement of 25 per cent MPS. Banks have various options to bring down the stake, including follow on public offering or Qualified Institutional Placement. Depending on market condition, each of these banks will take a call in the best interest of shareholders.

RBI GOVERNOR WANTS BANKERS TO BE LIKE DRAVID:

- The Reserve Bank of India Governor Shaktikanta Das, wants all who bat on the banking and non-banking finance turf, and the stakeholders, to play long term like Rahul Dravid.
- Dravid, often called 'Mr Dependable' and 'The Wall', signifies the three Cs that are essential ingredients for success - commitment, consistency and class. He stood out for his hard work, never-say-die spirit, and a super-cool temperament against all odds.
- Governor Das expects these qualities from the players in the financial sector. The governor also emphasised the importance of governance for a sustainable growth. A bank cannot grow with weak governance, for long.
- Kicking off the summit, veteran banker, K V Kamath, highlighted the health and resilience of the banking sector - the best in the past five decades. They are well capitalised and the level of bad loans of the industry is very low. They are also earning good interest income as credit offtake continues to be high.

AT \$625.6 BN, FOREX KITTY SWELLS TO TWO-YEAR HIGH:

- Foreign Exchange Reserves rose \$6.6 billion to a two-year high of \$625.6 billion in the week ended March 1, data from RBI. In the previous week, reserves had risen \$3 billion to \$619.1 billion. In October 2021, the forex reserves have reached an all-time high of \$645 billion. The reserves took a hit as RBI deployed the kitty to rupee amid pressures caused by global developments since last year. Foreign currency assets rose \$6 billion to \$554.2 billion in the week ended March 1.
- Gold reserves rose \$569 million to \$48.4 billion in February. The special drawing rights fell \$17 million to \$18.2 billion in February. Reserve position in the international monetary fund fell \$41 million to \$4 & bill \$4.8 billion.

SOMANATHAN TO LEAD PANEL ON UNIFORM KYC:

- A committee led by Finance Secretary TV Somanathan will suggest ways to enforce the uniform KYC mechanism. The committee will have members from various ministries, besides regulators.
- The committee was formed after the Finance Stability and Development Council (FSDC) had, in its meeting decided to formulate a strategy to simplify and digitalise the KYC process in the financial sector. This measure is viewed as critical given the ongoing Paytm Payment Bank crisis after the regulator unearthed non-compliance of various norms, including KYC. Finance Minister had said in her budget (2023-24) speech that the KYC process would be simplified using a 'risk-based' approach.

IND-RA SEES INDIA BECOMING \$15 TRILLION ECONOMY BY FY47:

➤ India will transit to an upper middle income country by FY36, reaching the \$15 trillion mark by FY47, according to India Ratings and Research (Ind-Ra). The ratings agency noted that if the economy maintains a real GDP growth of 6.25%, it could become an upper-middle-income country by FY36, with per capita income reaching \$9,218 by FY47. However, it pointed out that a faster rate of growth of 8% could help it achieve the \$15 trillion mark by FY43. The onward journey of Indian economy will depend on the rate at which the real GDP growth, inflation (GDP deflator) and INR/USD exchange rate evolve.

➤ Ind-Ra expects the Indian economy to enter into the upper-middle income category over FY33-FY36 and to a \$15 trillion economy over FY43-FY47.

➤ India aims to be a \$30 trillion economy by 2047, attaining a developed economy status. But Ind-Ra economists pointed out that the road to \$30 trillion could be challenging, as that would require the economy to grow at 9.7% per annum. In the past 50 years, there have been only two instances when the economy grew higher than 9.7% per annum in USD terms for a period of 10 years: 1973-1982 and 2003-2012," they said, further highlighting that no country has been able to sustain such high rate of growth for long periods. The Indian economy likely expanded 7.6% in FY24, but experts indicate that growth is expected to slow down in the coming fiscal. Ind-Ra highlighted that maintaining a 7% growth for a sustained period could be difficult.

COMPLAINTS WITH RBI OMBUDSMAN UP 68% IN 2022-23:

➤ Customer complaints with the RBI Ombudsman were up by 68 percent in 2022-23 according to the Annual Report of Ombudsman Schemes released by the Reserve Bank.

➤ Under the Reserve Bank Integrated Ombudsman Scheme (RBIOS), the central bank received 703544 complaints between April 1, 2022 and March 31, 2023, showing an increase of 68.24% over last year.

➤ Public sector banks accounted for 41 percent of the complaints followed by the private sector banks which accounted for 31 percent of the complaints.

➤ In terms of category of complaints a fifth (20.27 percent) of the complaints were concerning mobile and internet banking, while another fifth (20.13 percent) were concerning loans and advances.

➤ The Ombudsman's office handled about 33% of the complaints. Of the total complaints 234690 complaints were handled by the Ombudsman's office and 4,68,270 complaints were closed by Centralised Receipt and Processing Centre (CRPC) as non-complaints /non-maintainable complaints.

➤ The central bank's integrated Ombudsman Scheme adopts 'One Nation One Ombudsman' principle and provides single window for resolution of complaints against the regulated entities including banks, Non-Banking Financial Companies (NBFCs), Payment System Participants and Credit Information Companies.

INDIA'S APRIL-JAN FISCAL DEFICIT AT 64% OF 2023-24 TARGET:

➤ India's fiscal deficit for ten months of the 2023-24 financial year was 11.03 trillion rupees (\$133.1 billion), or 63.6 per cent of the estimate for the whole year, government data showed.

➤ Net tax revenues for the April-January period were 18.80 trillion rupees, or 81% of the annual estimate, compared with 16.89 trillion rupees in the same period last year, according to the data.

➤ Total expenditure during the period was 33.55 trillion rupees, or about 75% of the annual goal, compared with 31.68 trillion rupees in the same period last year.

➤ In the first ten months of the financial year, government capital expenditure or spending on building physical infrastructure was 7.21 trillion rupees, or 76 per cent of the annual target, higher than 5.70 trillion rupees in the same period a year earlier.

➤ India has narrowed its fiscal deficit aim for the current financial year that ends on March 31 by 10 basis points to 5.8% of gross domestic product, and aims to bring it down to 5.1% in the next financial year.

RBI RELEASES ENABLING FRAMEWORK FOR REGULATORY SANDBOX TO AID FINTECHS:

➤ The RBI has released a detailed framework for a 'Regulatory Sandbox' which will provide a safe and protected environment for innovative fintech startups to test their product hypothesis before taking it to the market.

➤ In a note released, the central bank said a sandbox environment allows the regulator to engage with startups and "develop innovation enabling or innovation responsive regulations that facilitate delivery of relevant, low cost financial products". The sand box will be supervised by the fintech deptt. of RBI.

➤ This development comes at a time when the fintech industry has called out the RBI for being too rigid with fintech startups. Recently the regulator brought Paytm Payments Bank's banking business to a halt and also put Visa's business payments programme under hold until further consideration.

➤ While the regulator has taken an open stance on innovation in financial services through the sandbox, it has put cryptocurrency, trading in crypto assets, chain marketing services and initial coin offerings outside the purview of the sandbox, thereby showing a hardening of stance against private cryptocurrencies. It has shown openness towards blockchain solutions, though. The central bank has stated that it is open to accepting applications in smart contracts, blockchain technologies, digital payments, digital KYC, market-place lending, data analytics among others. Startups will be allowed to apply for these themes 'on-tap' which means these sandbox programmes will run perpetually.

SIDBI LAUNCHES 'E-WEE' SCHEME:

➤ The Small Industries Development Bank of India (SIDBI) has announced the 'Empowering Women and Enhancing their Business through E-Mobility' (E-WEE) scheme.

➤ This initiative aims to accelerate the adoption of electric vehicles (EVs) among rural women entrepreneurs, starting in Rajasthan and Gujarat. The E-WEE scheme is an extension of SIDBI's ongoing rural e-mobility pilot project with the Self-Employed Women's Association (SEWA) and Natural Resources Defence Council (NRDC). The pilot focused on enhancing transportation equity, air quality, and rural livelihoods through EVs.

➤ Under E-WEE, SIDBI has partnered with SEWA, Original Equipment Manufacturers (OEMs), and Non-Banking Financial Companies (NBFCs) like Revfin and AMU Leasing. The scheme will provide affordable financing options to help SEWA's members purchase electric two and three-wheelers. SIDBI Chairman highlighted the importance of empowering grassroots women entrepreneurs for national development. He advised setting an initial target of 50,000 electric two and three-wheelers in rural areas under this phase.

GOVT APPROVES 17% WAGE HIKE FOR 1.10 LAKH EMPLOYEES OF LIC

➤ Government has approved a 17% overall hike in wages for more than 1.10 lakh employees of insurance giant Life Insurance Corporation of India. The wage hike approval has come days after the government cleared a similar raise for the employees of public sector banks. The wage hike for LIC employees is effective from August 1, 2022. NPS contribution is enhanced from 10% to 14% of nearly 24,000 employees who joined after April 1, 2010. A one-time ex-gratia payment to LIC pensioners was also made to more than 30,000 pensioners and family pensioners.

● **SOURCE:** RBI / GOVT. NOTIFICATIONS, BUSINESS STANDARD, ECONOMIC TIMES, FINANCIAL EXPRESS, LIVEMENT, ETC.

BRAIN STORMING

1) The Monetary Policy Committee (MPC) in its first Statement for 2024-25, on April 5, 2024 has decided to keep the policy repo rate unchanged at 6.50 per cent. This is the _____ consecutive meeting of the MPC in which it has been decided to maintain the status quo on the repo rate. The MPC last raised this rate by 25 bps to 6.50% at its meeting in February 2023.

a) seventh b) sixth c) fourth d) third

2) The decisions of MPC on April 5, 2024 are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of _____ per cent within a band of +/- 2 per cent, while supporting growth.

a) 3 b) 4 c) 5 d) 6

3) The RBI in its Monetary Policy Committee (MPC) Statement on April 5, 2024, has projected the real GDP growth for 2024-25 at _____ per cent:

a) 6.5 b) 6.8 c) 7.0 d) 7.2

4) The RBI in its Monetary Policy Committee (MPC) Statement on April 5, 2024, has projected CPI Inflation at _____ per cent for 2024-25:

a) 4.5 b) 5.0 c) 5.5 d) 6.2

5) The RBI in its Monetary Policy Committee (MPC) Statement on April 5, 2024 has decided to keep the policy Repo rate under the Liquidity Adjustment Facility (LAF) unchanged at _____ per cent:

a) 5.50 b) 5.75 c) 6.25 d) 6.50

6) In the Monetary Policy Committee Statement on April 5, 2024 RBI has decided to keep the Standing Deposit Facility (SDF) at _____ per cent:

a) 5.50 b) 5.75 c) 6.25 d) 6.50

7) With the Standing Deposit Facility (SDF) at 6.25 per cent, the policy repo rate being at 6.50 per cent and the MSF rate at 6.75%, the width of the LAF corridor is of _____ bps.

a) 25 b) 35 c) 50 d) 65

8) The Marginal Standing Facility rate is calibrated to 25 bps above the repo rate. The MSF rate as per the Monetary Policy Statement on April 5, 2024, stands unchanged at _____%:

a) 5.75 b) 6.75 c) 6.50 d) 6.25

9) The Marginal Standing Facility rate and the Bank Rate are calibrated to 25 bps above the repo rate. The Bank Rate thus has been retained at _____ per cent.

a) 5.75 b) 6.25 c) 6.75 d) 6.50

10) As per the MPC statement on April 5, 2024 RBI has decided to retain the Cash Reserve Ratio (CRR) at _____ of NDTL:

a) 4.50% b) 4.00% c) 3.75% d) 3.5%

11) As per the MPC statement on April 5, 2024 RBI has decided to retain the Statutory Liquidity Ratio (SLR) at _____ % of Net Demand & Time Liabilities (NDTL).

a) 18.25 b) 18.00 c) 17.75 d) 17.50

12) As per the revised guidelines by RBI, Card-issuers shall be liable to compensate the complainant for the loss of his time, expenses, financial loss as well as for the harassment and mental anguish suffered by him for the fault of the card-issuer and where the grievance has not been redressed in time. If a complainant does not get satisfactory response from the card-issuer within a maximum period of _____ from the date of lodging the complaint, he/she will have the option to approach the Office of the RBI Ombudsman under Integrated Ombudsman Scheme for redressal of his grievances.

a) 30 days b) One month
c) 45 days d) Two month

13) As per the revised guidelines on Credit and Debit cards, in the event the customer settles his dues after having been reported as defaulter, the card-issuer shall update the status with Credit Information Company (CIC) within _____ from the date of settlement.

a) 45 days b) 30 days
c) one month c) Two months

14) As per the revised guidelines on Credit and Debit cards, failure on the part of the Card-issuers to complete the process of closure within _____ days shall result in a penalty of Rs. _____ of delay payable to the cardholder, till the closure of the account provided there is no outstanding in the account.

a) seven working days ; 500 per calendar day.
b) seven calendar days ; 500 per working days.
c) seven working days ; 500 per working days.
d) seven calendar days ; 500 per calendar days.

15) The banks are required to transfer the credit balance in the accounts, to the Depositor Education Awareness Fund (DEA Fund) on the last working day of the month subsequent to the month of completing _____ years of its continuous inoperative or unclaimed status.

a) 2 b) 5 c) 7 d) 10

16) If the deposits becoming due is to be transferred to DEA Fund in the month of April, the banks are required to transfer the entire amount, including the accrued interest, to the DEA Fund on the last working day in the month of _____:

a) April b) May c) June d) None

17) RBI has permitted AD Cat-I banks to remit advance payments on behalf of Qualified Jewellers as notified by International Financial Services Centres Authority for _____ days period for import of silver through India International Bullion Exchange IFSC Ltd (IIBX).

a) 3 b) 7 c) 11 d) 2

18) A new proviso has been added in Senior Citizen Savings Scheme (SCSS) as per which the spouse of the government employee shall be allowed to open an account under the scheme, if the government employee who has attained the age of _____ years and has died in harness, subject to the fulfillment of other specified conditions.

a) 50 b) 55 c) 60 d) 65

19) As per the new guidelines, Individuals attained the age of 55 years or more, who have retired on superannuation or otherwise can open the account within _____ months of the date of receipt of retirement benefit.

a) 1 b) 3 c) 6 d) 9

20) As per the Central Financial Assistance available under the newly launched Central sector scheme for providing drones to the women SHGs, _____% of the cost of drone and accessories/ancillary charges up to a maximum of Rs. _____ lakh will be provided to the women SHGs.

a) 50 ; 5 b) 50 ; 8 c) 80 ; 8 d) 80 ; 10

21) A Microfinance loan is defined as a collateral-free loan given to a household having annual household income (actual as well as projected) up to Rs. _____ lakh. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children.

a) 1.50 b) 2 c) 2.50 d) 3

22) _____, former banker has been appointed as Vigilance Commissioner in the Central Vigilance Commission:

a) A.S.Rajeev b) M V Rao
c) Sanjay Nayar d) Kamal Kishore

23) _____, MD & CEO of the Central Bank of India has been elected new Chairman of Indian Banks' Association (IBA):

- a) A.S.Rajeev
 b) M V Rao
 c) Sanjay Nayar
 d) Kamal Kishore

24) The Reserve Bank of India has been observing Financial Literacy Week (FLW) every year since 2016 to propagate financial education messages to public at large to empower them to engage in responsible financial behaviour and take informed financial decisions. The theme for this year's Financial Literacy Week to be observed during Feb. 26 – March 01, 2024 was:

- a) "Make a Good Start: Become Financially Smart"
 b) "Make a Right Start: Become Financially Bright"
 c) "Make a Right Start: Become Financially Smart"
 d) None

25) Govt. has launched the National Urban Cooperative Finance and Development Corporation (NUCFDC) and asked the umbrella body to set up one urban cooperative bank in each town. The National Cooperative Development Corporation (NCDC) has committed Rs. _____ crore to NUCFDC.

- a) 200
 b) 300
 c) 500
 d) 1000

26) At present, there are over _____ scheduled and non-scheduled Urban Cooperative Banks in India with a total number of branches exceeding _____. The banks have a deposit size of over Rs 5.33 lakh crore, and total lending of more than Rs 3.33 lakh crore. Many of these banks have constraints related to technology platforms, and difficulties in offering modern banking services.

- a) 1010 ; 1 050
 b) 1,500 ; 11,000
 c) 1,500 ; 12,500
 d) 1,650 ; 13,500

27) National Urban Cooperative Finance and Development Corporation (NUCFDC) is having its headquarter at _____:

- a) Lucknow
 b) Mumbai
 c) New Delhi
 d) Indore

28) The Governor Shaktikanta Das has stated that the RBI is working to allow interoperability for internet banking transactions which is expected to be operational in 2024 and will facilitate quicker settlement of funds for merchants. The move is aimed at addressing delays in the actual receipt of payments by merchants and is a part of the RBI's payment vision 2025. The RBI has approved implementing such a system for _____:

- a) Amazon partnering with Axis Bank.
 b) NUE with tie up with UPI
 c) Ola and Paytm, have joined hands with IndusInd bank.
 d) NPCI Bharat BillPay Ltd (NBBL).

29) The Reserve Bank has stated that _____ banks are facilitating people to search their unclaimed deposits/accounts through UDGAM portal and the remaining banks are in the process of getting onboarded. UDGAM -- Unclaimed Deposits-Gateway to Access inforMation - is an online portal developed by RBI. It facilitates the registered users to search unclaimed deposits/accounts across multiple banks in one place in a centralised manner.

- a) 20
 b) 25
 c) 30
 d) 32

30) UCBs shall have at least 50 per cent of their aggregate loans and advances comprising loans of not more than Rs.25 lakh or 0.2 per cent of their Tier-I capital, whichever is higher, subject to a maximum of Rs. _____ crore, per borrower.

- a) 0.50
 b) 1.00
 c) 2.00
 d) 5.00

31) MSME Ministry has launched a special scheme for informal micro enterprises (IMEs), which are exempted

from the Goods and Services Tax (GST) regime, to access collateral-free loans up to Rs. _____ lakh under the government's Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).

- a) 10
 b) 20
 c) 25
 d) 50

32) The Union Cabinet has given approval to the terms of reference for the Sixteenth Finance Commission. This commission holds the critical responsibility of recommending the formula for revenue distribution between the Centre and the States for the upcoming five-year period starting from _____:

- a) 1st April 2024
 b) 1st Jan. 2025
 c) 1st April 2026
 d) 1st January 2025

33) _____ has been appointed as Chairman of Sixteenth Finance Commission.

- a) Dr Arvind Panagariya
 b) M V Rao
 c) Dr Somnath
 d) Sanjay Nayar

34) The Sovereign Gold Bond Scheme (SGB) 2023-24 Series IV, has an issue price of Rs. 6,263. For online payments, Rs 50 will be deducted. Which of the following is not correct w.r.t SGB:

- a) The bond has a tenor of 8 years with an exit option from the 5th year onwards.
 b) The allotment will be done on February 21, if the application is successful.
 c) The process is relatively straightforward if purchased SGBs online using a Demat account.
 d) The investor receives a fixed interest rate of 2.5% per annum for the current series payable semi-annually on the nominal value. The fixed interest earned is independent of the capital appreciation of Gold Bonds.
 e) None of the above

35) RBI has decided to enhance the bulk deposit limit for Scheduled Primary (Urban) Co-operative Banks, in Tier 3 and 4, from Rs.15 Lakh & above to Rs. _____ cr & above.

- a) 2
 b) 1.50
 c) 1
 d) 0.75

36) The minimum credit rating, assigned by a Credit Rating Agency (CRA), for the issuance of Commercial Papers and Non Convertible Debenture's shall be _____ as per rating symbol and definition prescribed by SEBI.

- a) A3
 b) B3
 c) A2
 d) A

37) Which Bank became the first Indian bank to execute an export finance transaction on the International Trade Financing Services Platform (ITFS) of RXIL Global IFSC Limited (RXIL), a leading cross-border fintech company registered under the International Financial Services Centres Authority (IFSCA).?

- a) State Bank of India
 b) Bank of Baroda
 c) Yes Bank
 d) HDFC Bank

38) As per the recent modifications to the National Livelihood Mission (NLM), entrepreneurship for horse donkey, mule, camel with _____ capital subsidy up to _____ will be provided to the Individuals, FPO, SHG, JLG, FCO and Sec 8 Co's. The Central Government will provide 10 crore for establishment of semen station and nucleus breeding farm for horse, donkey and camel.

- a) 20% and Rs 25 Lakh
 b) 25% and Rs 30 Lakh
 c. 50% and Rs 40 Lakh
 d. 50% and Rs 50 Lakh

ANSWER KEY

| | | | | | | | | | |
|----|---|----|---|----|---|----|---|----|---|
| 1 | A | 2 | B | 3 | C | 4 | A | 5 | D |
| 6 | C | 7 | A | 8 | B | 9 | C | 10 | A |
| 11 | B | 12 | A | 13 | D | 14 | A | 15 | D |
| 16 | B | 17 | C | 18 | A | 19 | B | 20 | C |
| 21 | D | 22 | A | 23 | B | 24 | C | 25 | A |
| 26 | B | 27 | C | 28 | D | 29 | C | 30 | B |
| 31 | B | 32 | C | 33 | A | 34 | E | 35 | C |
| 36 | A | 37 | C | 38 | D | | | | |

RECOLLECTED QUESTIONS

- 1) After completion of 5 years or before completion of 3 years (if subscriber has joined NPS after 60 years of age), subscriber can withdraw maximum ___% of the corpus as lump sum and minimum ___% of the corpus has to be utilized for purchasing an annuity.
a) 15;75 b) 20;80 c) 25;85 d) 30;90
- 2) As per plan for receiving the pension, if the accumulated corpus is less than Rs. ___ lakh, the entire corpus is paid as lumpsum to the subscriber.
a) 2.5 b) 3.0 c) 3.5 d) 4.0
- 3) A late filing fee of Rs. ___ for every day is to be paid by the deductor for non-filing of TDS return in time, till the failure continues. Apart from this, on delay in filing TDS, the assessing officer is allowed to levy a penalty of a minimum of Rs. ___ which can go up to Rs. ___ lakh.
a) 100; 5000; 0.50 b) 150; 7500; 0.75
c) 200; 10000; 1.0 d) 250; 15000; 1.50
- 4) What is the lien period under PMJJBY for admissible of claim?
a) 15 days b) 20 days c) 25 days d) 30 days
- 5) What is the minimum and maximum limit for purchase of sovereign gold bond by Individuals?
a) 1gm, 4kg b) 1.5gm, 4.5kg
c) 2gm, 5kg d) 2.5gm, 5.5kg
- 6) Which committee was formed for recommendation on Concurrent audit in Banks?
a) Zilani Committee b) Ghosh Committee
c) Tandon Committee d) Chore Committee
- 7) What is the penalty payable by currency chests if they report currency chest diversion as deposit/withdrawal instead of reporting through 'Diversion Module' of CyM-CC Portal?
a) Rs.25000 b) Rs.30000
c) Rs.50000 d) Rs.75000
- 8) What is the risk weight on loans outstanding under GECL?
a) 3% b) 2% c) 1% d) 0%
- 9) Who is the apex body that manages the CKYC registry?
a) CERSAI b) CESAIR c) SAICER d) None
- 10) What is the full form of CAPIO?
a) Central Assistant People Information Officer
b) Central Assistant Public Information Officer
c) Central Assistant Public Instruction Officer
d) None
- 11) As per RBI guidelines, there is no limit on number and value of deposits that can be made in a month and the maximum balance. However, maximum of ___ withdrawals in a month, including ATM withdrawals to be allowed by Banks without any charges.
a) 6 b) 5 c) 4 d) 3
- 12) Dry Farming is referred to cultivation of crops in areas where rainfall is less than ___ mm per annum.
a) 600 b) 650 c) 700 d) 750
- 13) '___ Hat' is a type of hacking where the hacker will break into a system/ network without the owner's consent/ knowledge and will publically disclose any Security Vulnerabilities/ flaws. However, they do not take advantage of the flaw for their own personal gain.
a) Grey b) Blue c) White d) Green
- 14) ___ is a person or organization that sends irrelevant or unsolicited messages over the internet, typically to large numbers of users, for the purposes of advertising, phishing, spreading malware, etc.
a) Hacker b) Spammer
c) Physer d) None
- 15) ___ means Software that automatically displays or downloads advertising material such as banners or pop-ups when a user is online.
a) Abandonware b) Baitware
c) Adware d) Crippleware

- 16) Based on recommendation of the ___ Committee, dishonored instruments are returned / dispatched to the customer by Bank promptly without delay, in any case within 24 hours.
a) Damodaran committee b) Talwar committee
c) Kanungo committee d) Goiporia committee
- 17) The tax relief, available for Tax Saving Bank fixed deposits under which section of IT Act?
a) Section 80C b) Section 80D
c) Section 80E d) Section 88
- 18) Name the Indian rupee denominated bonds issued outside India.
a) Maharaja Bonds b) Masala Bonds
c) White Bonds d) None
- 19) Type of Central Bank Digital Currency rolled out in November 2022 is;
a) Digital Rupee
b) Digital Rupee-Retail (e₹-R)
c) Digital Rupee-Wholesale (e₹-W)
d) None
- 20) Credit Information Companies are registered with and regulated by whom?
a) RBI b) SBI c) GOI d) None
- 21) Vaya Vandana Yojana insurance scheme can be done through which insurance company?
a) SBI Life b) LIC c) HDFC Life d) Kotak Life
- 22) Who became the new CEO of Data Security Council of India?
a) Dr. Kamlesh Bajaj b) Mr. Nandkumar Saravade
c) Vinayak Godse d) Ms. Rama Vedashree
- 23) Maximum deposit allowed under Senior Citizen's Deposit Scheme is Rs. ___ lakh.
a) 15 b) 20 c) 25 d) 30
- 24) How many PPF accounts can be opened by a person?
a) 1 b) 2 c) 3 d) 4
- 25) Nodal authority for FATCA is ___:
a) RBI b) CBDT c) SEBI d) DGCA
- 26) Soil of which plateau in India is good for cotton cultivation?
a) Deccan plateau b) Western plateau
c) Eastern plateau d) Southern plateau
- 27) **Major Irrigation Projects:** A project having a cultivable command area (CCA) of more than 10,000 hectares.
Medium Irrigation Projects: A project having CCA between ___ and ___ hectares.
Minor Irrigation: A project with is designed to irrigate an area of 2000 hectares or less is classified as a minor irrigation.
a) 1000, 5000 b) 2000, 10000
c) 3000, 15000 d) 5000, 20000
- 28) TDS required to be deducted for any sum paid by way of fee for professional services as per which section of IT Act?
a) 194C b) 194D c) 194J d) 194K
- 29) Tradeable bills of MSMEs can be routed through an electronic platform known as _____.
a) TReDs b) TReeDs c) TRDs d) None
- 30) Under PM Kisan Sanman Nidhi (PM-Kisan), the farmer families shall be provided Rs. ___ per annum per family payable in three equal installments of Rs. ___ every four months.
a) 4500, 1500 b) 6000, 2000
c) 9000, 3000 d) None

ANSWER KEY

| | | | | | | | | | |
|----|---|----|---|----|---|----|---|----|---|
| 1 | B | 2 | A | 3 | C | 4 | D | 5 | A |
| 6 | B | 7 | C | 8 | D | 9 | A | 10 | B |
| 11 | C | 12 | D | 13 | A | 14 | B | 15 | C |
| 16 | D | 17 | A | 18 | B | 19 | C | 20 | A |
| 21 | B | 22 | C | 23 | D | 24 | A | 25 | B |
| 26 | A | 27 | B | 28 | C | 29 | A | 30 | B |

LATEST GENERAL KNOWLEDGE

- _____, former banker has been appointed as Vigilance Commissioner in the Central Vigilance Commission: **A.S.Rajeev**
- _____, MD & CEO of the Central Bank of India has been elected new Chairman of Indian Banks' Association (IBA): **M V Rao**
- _____ has been appointed as the chairperson of the Prasar Bharati Board: **Navneet Kumar Sehgal**
- Govt. has approved the appointment of _____ as MD & CEO of the Bank of Maharashtra: **Nidhu Saxena**
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM) has appointed _____ as its new President: **Sanjay Nayyar**
- U.N. Secretary-General António Guterres has appointed _____ of India to lead the UNO for Disaster Risk Reduction (UNDRR): **Kamal Kishore**
- _____ CMD of Agriculture Insurance Company (AIC), has been selected as the next CMD of New India Assurance: **Girija Subramanian**
- _____ G.M. of Agriculture Insurance Company (AIC), has been chosen as the new CMD of United India Insurance: **Bhupesh Sushil Rahul**
- _____ has assumed the charge of Chairman of National Commission for Scheduled Castes (NCSC): **Kishor Makwana**
- Sub-Inspector _____ has become first woman sniper of the Border Security Force (BSF): **Suman Kumari**
- Author and philanthropist _____ has been nominated to the Rajya Sabha by the President Murmu: **Sudha Murty**
- Noted Malayalam poet and author, _____ has been selected for the prestigious 33rd Saraswati Samman for the year 2023 for his novel 'Roudra Sathwikam': **Prabha Varma**
- _____ conferred Honorary Doctorate by University of Mauritius: **Smt. Droupadi Murmu**
- _____ former chairman of Tata Sons, has been bestowed with the PV Narasimha Rao Memorial Award for his outstanding philanthropic contributions: **Ratan Tata**
- _____ has become the first non-Bhutanese to receive the 'Order of the Druk Gyalpo', Bhutan's highest civilian award: **RM Modi**
- Professor _____, an astrophysicist, has been recognized the International Astronomical Union (IAU) award for his contributions to the field of celestial objects by having an asteroid named after him 'Jayantmurthy': **Jayant Murthy**
- _____ have been awarded the first "Global Inequality Research Award" for their contributions to understanding global inequalities: **Bina Agarwal and James Boyce**
- _____ have been honored with the 'Diana Memorial Award' for their social work: **Uday Bhatia and Manasi Gupta**
- Renowned filmmaker _____ and British Indian chef _____ were honored at the annual 'India-UK Achievers' awards in London: **Zoya Akhtar; Asma Khan**
- The Chameli Devi Jain Award 2024 for Outstanding Woman Media Person of the Year has been given jointly to two journalists: **i)Greeshma Kuthar – Independent Journalist**
ii)Ritika Chopra – Indian Express.
- _____, a Carnatic musician, has been chosen for the Sangita Kalanidhi Award for 2024: **Thodur Madabusi Krishna**
- As per 'Logistics Performance Index Report (2023)', _____ ranks 38 out of 139 countries and has improved by six places: **India**
- _____ has been awarded the 'Measles and Rubella Champion' Award by 'The Measles and Rubella Partnership' for its efforts in preventing measles and rubella diseases: **India**
- _____ position in the United Nations Human Development Index for 2022 improved slightly, ranking 134 out of 193 countries: **India's.**
- India's first _____ inaugurated at Patna, Bihar: **National Dolphin Research Center**
- Kerala introduced _____, its First Generative AI Teacher: **'IRIS'**

- SBI Cards and Payment Services Ltd, in collaboration with Titan Company Ltd. present the _____, an exclusive shopping credit card to its users: **Titan SBI Card**
- Kotak Mahindra Bank has unveiled the _____ targeting aspirational customers seeking convenient and flexible loan options: **Smart Choice Gold Loan**
- The University Grants Commission's (UGC) Information and Library Network (INFLIBNET) Centre unveiled an initiative: **'She Research Network in India' (SheRNI)**
- Petroleum Minister has unveiled _____, an automotive fuel aimed at reducing emissions and promoting sustainability: **'Ethanol 100'**
- Maharashtra Govt. has renamed Ahmednagar as _____ in honor of the 18th-century Maratha queen Ahilyabai Holkar: **'Ahilya Nagar'**
- In house restaurant, _____ of Maharishi Ayurveda Hospital Shalimar Bagh, Delhi is the first Ayurvedic Kitchen in India: **'Soma-The Ayurvedic Kitchen'**
- _____ has made a partnership with the Indian Olympic Association (IOA) to become the Official Banking Partner for Team India at the Paris Olympics 2024: **YES Bank**
- The city of _____ in Bihar is the most polluted city in the world as per World Air Quality Report 2023, released by IQAir, a Switzerland-based organization: **Begusarai**
- The Election Commission has introduced the _____ for voters above 85 years of age and Persons-with-Disabilities of 40 percent, allowing them to cast their votes from their homes: **'Saksham App.'**
- In a collaboration with the National Payments Corporation of India (NPCI), _____ introduces 'Flash Pay,' a revolutionary RuPay smart key chain facilitating contactless payments: **Federal Bank**
- The world's first temple designed in the _____ shape has been inaugurated in the village-Jadan, Distt. Pali (Rajasthan): **'Om'**
- _____ has acquired Sonata Finance Pvt Ltd (Sonata) for a total consideration of approx.Rs.537 crore: **Kotak Mahindra Bank**
- _____ has become the first bank to introduce Digital 'US dollar fixed deposits' for NRI customers at the IFSC Banking Unit at GIFT City, Gujarat: **Axis Bank**
- RBI is contemplating the establishment of the _____ to combat the proliferation of illegal lending apps: **Digital India Trust Agency (DIGITA)**
- _____ surpasses Deendayal Port Authority, Kandla, to become India's leading cargo-handling major port in the fiscal year 2023-24: **Paradip Port Authority, Odisha**
- The indigenous wheat variety from the Bundelkhand region, _____, has been granted the Geographical Indication (GI) tag: **Kathiya Gehu**
- Government raises Minimum age criteria for _____ to 85 Years from 80 years: **Postal Voting**
- India's First _____ has been launched In Kolkata by PM Modi: **Underwater Metro Train Service**
- Digital Gateway of the Warehousing Development and Regulatory Authority (WDRA) launched in New Delhi: **'e-Kisan Upaj Nidhi'**
- _____ has emerged as the world's second-largest producer of mobile phones during the decade from 2014 to 2024: **India**

KEY INDICATORS

| | | | |
|-----------------|--------|---------------------------------|-------------|
| REPO RATE | 6.50% | FOREX RESERVES- (in Cr) | Rs. 5384281 |
| CRR | 4.50% | FOREX RESERVES US (\$ Million) | 645583 |
| SLR | 18.00% | SCB's AGGREGATE DEPOSITS - (Cr) | 20367011 |
| BANK RATE & MSF | 6.75% | SCB's BANK CREDIT - (Cr) | 15903976 |
| SDF | 6.25% | FIXED RATE REVERSE REPO | 3.35% |