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## CONTEMPORARY

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TELEGRAM**MONETARY POLICY STATEMENT, 2023-24****(RESOLUTION OF THE MPC DEC. 8, 2023)**

The Monetary Policy Committee (MPC) after an assessment of the evolving macroeconomic and financial developments and the outlook, decided unanimously to keep the policy repo rate unchanged at 6.50 per cent. This is the fifth 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.

➤ The RBI's policy announcement is largely based on market expectations and will not have a major impact on the domestic market.

➤ RBI Governor Shaktikanta Das has said the assumption of status quo as neutral stance is not correct. Monetary policy continues to be actively disinflationary, the Governor added. In view of the uncertainties, RBI has denied to give any forward guidance on the interest rate trajectory

➤ The RBI held its expected stance and maintained the policy stance of 'withdrawal of accommodation' by the majority of 5 out of 6 members. 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:** Real GDP growth for 2023-24 is projected at 7.0 per cent.

● **INFLATION:** CPI inflation is projected at 5.4 per cent for 2023-24.

**MONETARY & LIQUIDITY AGGREGATES**

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee at its meeting on Dec. 8, 2023 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.

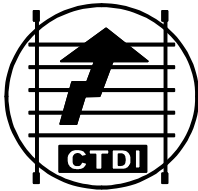
● **CASH RESERVE RATIO (CRR):** CRR of scheduled banks retained at 4.50 percent of their Net Demand and Time Liabilities (NDTL).

● **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**

- When you accept life as good, your attitude towards everyone changes immediately and you start making your life best.
- If you have pure and loving heart, you will always appreciate the person in your mirror. Otherwise you will always avoid facing the mirror.



VOLUME 23 NO. 12 DECEMBER 2023

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### SCAN AND PAY



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### GLOBAL OUTLOOK:

➤ Global growth is slowing with varying intensity among economies, and inflation, though receding, remains above target. Despite significant restoration of global supply chains, factors like elevated debt levels, lingering geopolitical hostilities and extreme weather conditions aggravate the risks to global growth and inflation outlook.

### DOMESTIC OUTLOOK:

➤ Domestically, the economy shows resilience, with 7.6% year-on-year growth in Q2:2023-24 driven by robust investment and government consumption. Manufacturing and construction activities are key contributors. Household consumption prospects are expected to brighten due to continued manufacturing strength, construction activity, and rural sector recovery.

➤ Healthy bank and corporate balance sheets, supply chain normalization, business optimism, and increased public and private capital expenditure are anticipated to support future investment. Improved exports are expected to offset external demand challenges. However, risks from geopolitical turmoil, financial market volatility, and geoeconomic fragmentation exist.

➤ Projected real GDP growth for 2023-24 is 7.0%, with Q3 at 6.5%, Q4 at 6.0%. Q1:2024-25 is projected at 6.7%, Q2 at 6.5%, and Q3 at 6.4%, with evenly balanced risks.

➤ Headline inflation, as measured by CPI, decreased by around 2 percentage points to 4.9% in October 2023, attributed to lower vegetable prices, deflation in fuel, and a widespread moderation in core inflation. However, uncertainties in food prices, unfavorable base effects, and potential El Niño weather conditions may lead to an uptick in inflation.

➤ Crude oil prices are expected to remain volatile. Enterprise surveys show softer growth in input costs and selling prices for manufacturing firms in Q4, while service and infrastructure firms face ongoing price pressures.

➤ Projected CPI inflation is 5.4% for 2023-24, with Q3 at 5.6% and Q4 at 5.2%. Assuming a normal monsoon, Q1:2024-25 is projected at 5.2%, Q2 at 4.0%, and Q3 at 4.7%, with evenly balanced risks.

➤ In October 2023, both merchandise exports and imports came back into the expansionary zone. Services exports remained buoyant during Q2:2023-24. India has remained the top remittance-receiving country. The net balance under services and remittances is expected to partly offset India's current account deficit and keep it within the parameters of viability.

➤ On the financing side, foreign portfolio investment (FPI) flows have seen a significant turnaround in 2023-24 with net FPI inflows of US\$ 24.9 billion (up to December 6) as against net outflows in the preceding two years.

➤ Net foreign direct investment (FDI), on the other hand, moderated to US\$ 10.4 billion in April-October 2023 from US\$ 20.8 billion a year ago. Net inflows under external commercial borrowings (ECBs) and non-resident deposit accounts are much higher than last year.

➤ India's external vulnerability indicators exhibit higher resilience in comparison with EME peers. India's foreign exchange reserves stood at US\$ 604 billion as on Dec. 1, 2023.

### DEVELOPMENTAL AND REGULATORY POLICY MEASURES

#### 1) Review of the Regulatory Framework for hedging of Foreign Exchange risks:

➤ The regulatory framework governing the hedging of foreign exchange risks was comprehensively reviewed in 2020 with a view to ushering in a principle-based regime. Based on the feedback received from market participants and experience gained since then, the regulatory framework has been made more comprehensive by consolidating the directions in respect of all types of transactions – over-the-counter (OTC) and exchange traded - under a single Master Direction.

➤ The framework has also been refined to enhance operational efficiency and ease access to foreign exchange derivatives, especially for users with small exposures. This will also ensure that a broader set of customers with the necessary risk management expertise are given the flexibility to manage their exposures efficiently.

➤ RBI proposes to issue the Master Direction separately.

*(Cont'd on Page no.4)*



**KNOWLEDGE +  
CARD TOKENISATION**

**CONCEPT OF TOKENISATION:**

- **Tokenisation** refers to replacement of actual card details with an alternate code called the "token", which shall be unique for a combination of card, token requestor (i.e., the entity which accepts request from the customer for tokenisation of a card and passes it on to the card network to issue a corresponding token) and device (referred hereafter as "identified device").
- Conversion of the token back to actual card details is known as **De-tokenisation**.
- The concept of Tokenization was created in 2001 by a company called Trust Commerce for their client, Classmates.com, which needed to significantly reduce the risks involved with storing card holder data.
- Tokenization substitutes a string of random numbers - known as a token, for private data like payment account numbers. Instead of complete private account data passing through multiple systems of varying security, personal data is tokenized upon swipe, dip, or entry of credit card information online. The actual data the token references is stored in highly secure token vaults. The tokens themselves are worthless to fraudsters.
- Unlike encryption, tokenization does not use keys to alter the original data. Instead, it removes the data from an organization's internal systems entirely and exchanges it for a randomly generated non-sensitive token.

**BENEFIT OF TOKENISATION:**

- Tokenization is one of the most popular security measures that merchants, payment processors, and banks use to protect sensitive financial and personal information from criminals.
- Tokenization makes the process of accepting payments easier and more secure. Tokenization is more than just a security technology. It helps create smooth payment experiences and satisfied customers. Tokenization reduces risk from data breaches, helps foster trust with customers, minimizes red tape and drives technology behind popular payment services like mobile wallets. A tokenised card transaction is considered safer as the actual card details are not shared with the merchant during transaction processing.
- Actual card data, token and other relevant details are stored in a secure mode by the authorised card networks. Token requestor cannot store Primary Account Number (PAN), i.e. card number, or any other card detail. Card networks are also mandated to get the token requestor certified for safety and security that conform to international best practices / globally accepted standards.

**PROCESS OF TOKENISATION:**

- The card holder can get the card tokenised by initiating a request on the app provided by the token requestor. The token requestor will forward the request to the card network which, with the consent of the card issuer, will issue a token corresponding to the combination of the card, the token requestor, and the device.
- Tokenisation has been allowed through mobile phones and / or tablets for all use cases / channels (e.g., contactless card transactions, payments through QR codes, apps etc.) The feature of tokenisation is restricted to mobile phones and / or tablets only and not through a smart watch or such other devices.
- Tokenisation and de-tokenisation can be performed only by the authorised card network authorised by RBI to operate in India.
- **Parties / stakeholders in a Tokenisation transaction:** Normally, in a tokenised card transaction, parties / stakeholders involved are merchant, the merchant's acquirer, card payment network, token requestor, issuer and customer. However, an entity, other than those indicated, may also participate in the transaction.
- The registration for a tokenisation request is done only with explicit customer consent through Additional Factor of Authentication (AFA), and not by way of a forced / default / automatic selection of check box, radio button, etc. Customer will also be given choice of selecting the use case and setting-up of limits.

**MISCELLANEOUS:**

- Tokenisation of card is not mandatory for a customer. A customer can choose whether or not to let his card tokenised.
- Customers have the option to register / de-register their card for a particular use case, i.e. contactless, QR code based, in-app payments, etc.
- Customers have the option to set and modify per transaction and daily transaction limits for tokenised card transactions.
- A customer can request for tokenisation of any number of cards. For performing a transaction, the customer shall be free to use any of the cards registered with the token requestor app.
- The customer need not pay any charges for availing this service.

*(Cont'd on Page No 6)*

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## DEVELOPMENTAL AND REGULATORY POLICY MEASURES

### 2) Framework for Connected Lending:

➤ Connected lending or lending to persons who are in a position to control or influence the decision of a lender can be of concern, if the lender does not maintain an arm's length relationship with such borrowers. Such lending can involve moral hazard issues leading to compromise in pricing and credit management. The extant guidelines on the issue are limited in scope and are not applicable uniformly to all regulated entities.

➤ RBI has accordingly decided to come out with a unified regulatory framework on connected lending for all the regulated entities of the Reserve Bank.

➤ A draft circular in this regard is proposed to be issued by RBI for public comments.

### 3) Regulatory Framework for Web-Aggregation of loan products:

➤ The Reserve Bank had accepted, the recommendation of the Working Group on Digital Lending (Chairman: Shri Jayant Kumar Dash) to come up with a regulatory framework for web-aggregators of loan products (WALP). WALP entails aggregation of loan offers from multiple lenders on an electronic platform which enables the borrowers to compare and choose the best available option to avail loan from one of the available lenders.

➤ Based on the recommendation of the Working Group, RBI has decided to bring such loan aggregation services offered by the Lending Service Providers (LSPs) under a comprehensive regulatory framework. The framework will focus on enhancing the transparency in the operations of WALPs, increase customer centricity and enable the borrowers to make informed choices.

➤ RBI proposes to issue the guidelines separately.

### 4) Enhancing UPI transaction limit for Specified Categories:

➤ Unified Payments Interface or UPI continues to grow in popularity. The transaction limit for UPI is capped at Rs.1 lakh, except a few categories like Capital Markets (AMC, Broking, Mutual Funds, etc.), Collections (Credit card payments, Loan re-payments, EMI), Insurance etc. where the transaction limit is Rs.2 lakh. In Dec. 2021, the transaction limit for UPI payments for Retail Direct Scheme and for IPO subscriptions was increased to Rs.5 lakh.

➤ To encourage the use of UPI for medical and educational services, RBI has proposed to enhance the limit for payments to hospitals and educational institutions from Rs.1 lakh to Rs.5 lakh per transaction.

➤ The RBI MPC's announcement regarding UPI transactions will impact the healthcare. The announcement of the increased UPI payment limit signals a positive shift in the dynamics of financial transactions. This strategic decision holds the potential to bring about a transformative impact, especially in the context of healthcare. By starting with this elevated UPI payment limit, both patients and hospitals stand to benefit significantly, as it addresses existing challenges in a new era of seamless and efficient transactions.

### 5) e-Mandates for recurring online transactions - Enhancement of limit for specified categories:

➤ The framework for processing of e-mandates for recurring transactions was introduced to balance the safety and security

of digital transactions with customer convenience. The limits for execution of e-mandates without Additional Factor of Authentication (AFA) currently stands at Rs.15,000/- (last updated in June 2022).

➤ The number of e-mandates registered currently stands at 8.5 crore, processing nearly Rs.2800 crore of transactions per month. The system has stabilised, but in categories such as subscription to mutual funds, payment of insurance premium and credit card bill payments, where the transaction sizes are more than Rs.15,000, a need to enhance the limit has been expressed as adoption has been lagging.

➤ RBI has therefore, proposed to exempt the requirement of AFA for transactions up to Rs.1 lakh for the following categories, viz., subscription to mutual funds, payment of insurance premium and payments of credit card bills. The other existing requirements such as pre- and post-transaction notifications, opt-out facility for user, etc. shall continue to apply to these transactions.

➤ RBI proposes to issue revised circular shortly.

### 6) Establishment of Cloud Facility for the Financial Sector in India:

➤ Banks and financial entities are maintaining an ever-increasing volume of data. Many of them are utilising various public and private cloud facilities for this purpose. The Reserve Bank is working on establishing a cloud facility for the financial sector in India. The proposed facility would enhance the security, integrity and privacy of financial sector data. It is also expected to facilitate scalability and business continuity.

➤ The cloud facility will be set up and initially operated by Indian Financial Technology & Allied Services (IFTAS), a wholly-owned subsidiary of RBI. Eventually, the cloud facility will be transferred to a separate entity owned by the financial sector participants. This cloud facility is intended to be rolled out in a calibrated fashion in the medium term.

### 7) Setting up of Fintech Repository:

➤ To ensure a resilient FinTech sector and promote best practices, regulators and stakeholders need to have relevant and timely information on FinTech entities, including the nature of their activities. Today, FinTechs are using emerging technologies like Distributed Ledger Technology (DLT), Artificial Intelligence / Machine Learning (AI / ML), and so on.

➤ For better understanding of the developments in the FinTech ecosystem with an objective to appropriately support the sector, RBI has proposed to set-up a Repository for capturing essential information about FinTechs, encompassing their activities, products, technology stack, financial information etc.

➤ FinTechs would be encouraged to provide relevant information voluntarily to the Repository which will aid in designing appropriate policy approaches. The Repository will be operationalised by the Reserve Bank Innovation Hub in April 2024 or earlier.

➤ RBI proposes to issue necessary guidelines in this regards separately.

**The Governor Shaktikanta Das in a press conference highlighted that the period from 2020 to 2023 is marked by significant volatility. India's GDP growth is projected at 7%, indicating resilience. The financial sector's balance sheet is robust, with proactive monitoring to address signs of stress. The current account deficit is expected to be modest, and foreign exchange reserves provide a strong buffer. The stability of the Indian rupee reflects improving macroeconomic fundamentals and resilience to global challenges.**

# CENTRAL BANK DIGITAL CURRENCY

## (CBDC)

**CONCEPT:** Central bank digital currency (CBDC) or e-rupee, is the electronic version of Indian currency which can be used for all digital transactions. It has been designed keeping in mind the environment, social and governance (ESG) objectives. It is more environment friendly compared to alternative cashless methods.

➤ The CBDC is envisaged as a legal tender issued by a central bank in a digital form. Like money, CBDC acts as a store of value, a medium of exchange, and a safe means of payment. It is the same as a fiat currency (government-issued currency that is not backed by a commodity such as gold) and is exchangeable one-to-one with the fiat currency. Central bank money has unique advantages – safety, finality, liquidity and integrity.

➤ A CBDC is no different from the cash that people hold in their wallets, except that it exists in a digital form. It is a payment method which exists only in electronic form and is not tangible. The CBDC will be held in a digital wallet that is supervised by the RBI.

➤ The creation of a Digital currency will provide an opportunity for India to empower its citizens and enable them to use it freely in ever-expanding digital economy and break free from an outdated banking system. It can be transferred between entities or users with the help of technology like computers, smart phones and the internet. Although it is similar to physical currencies, digital money allows borderless transfer of ownership as well as instantaneous transactions.

➤ While interest in CBDCs is near universal now, very few countries have reached even the pilot stage of launching their CBDCs. There are very few countries which have launched, or are going to be launching digital currencies, including Ecuador, Tunisia, Senegal, Sweden, Estonia, China, Russia, Japan, Venezuela, and Israel.

➤ The CBDC is generally mistaken with a cryptocurrency or Bitcoin. A CBDC is a central bank issued digital currency which is backed by some kind of assets in the form of either gold, currency reserves, bonds and other assets, recognised by the central banks as a monetary asset. This guarantee from a central bank reduces the CBDC risk, volatility, and ensures a larger acceptance across the globe.

➤ On the other hand, a cryptocurrency is issued by a network and backed by a crypto asset which may or may not have the backing of any monetizable asset or physical asset. Therefore, the risk is higher and there is more price volatility and lesser acceptance as a money instrument globally, unless the trust factor and investor protection factors change.

### **NEED FOR CBDC:**

**a)** India has a high currency to GDP ratio. RBI reported an unprecedented rise in currency held by public. It has grown a whopping 57% - from Rs. 17.5 trillion on Nov 4, 2016 to Rs 28 trillion on Oct 8, 2021. Consequently, the cash to GDP ratio in India was at **14.5%**, the highest since independence. Though, the growth in circulation of currency has slowed down, only Rs 2.8 lakh crore added in 2021-22. By the end of 2021-22, the cash in circulation was **13.27%**. With launching a CBDC, the country could reduce the economy's reliance on cash. This will then enable cheaper, faster, and more convenient international payments and transactions.

**b)** The primary idea for the CBDC is to protect consumers from the virtual currencies that have no sovereign backing. As the cryptocurrencies are not pegged to any asset or

currency, its value is solely determined by speculation (demand and supply). Due to this, there has been huge volatility in the value of cryptocurrencies like bitcoin. The need for a sovereign digital currency arises from the anarchic design of existing cryptocurrencies, wherein their creation, as well as maintenance, is in the hands of the public. With no government supervision and ease of cross-border payments, renders them vulnerable to malpractices like tax evasion, terror funding, money laundering, etc.

**c)** Central banks, faced with dwindling usage of paper currency, seek to popularize a more acceptable electronic form of currency (like Sweden).

**d)** Apart from building a cashless economy, CBDC is also considered an instrument in promoting financial inclusivity and modernizing the current banking sector of India.

**e)** Digital Rupee provides an opportunity for India to establish the dominance of Digital Rupee as a superior currency for trade with its strategic partners, thereby reducing dependency on the dollar.

**f)** It would reduce the cost of currency management while enabling real-time payments without any inter-bank settlement. India's fairly high currency-to-GDP ratio holds out another benefit of CBDC - to the extent large cash usage can be replaced by (CBDC), the cost of printing, transporting and storing paper currency can be substantially reduced.

### **PRESENT STATUS:**

➤ The central government had announced the launch of the digital rupee from fiscal year 2022-23 onwards in the Union Budget tabled in Parliament on February 1, 2022. As per the RBI, CBDC is aimed to complement rather than replace current forms of money and is envisaged to provide an additional payment avenue to users, not to replace the existing payment systems.

➤ The RBI on November 1, and December 1, 2022, launched the CBDC for wholesale and retail respectively. While the use case of the wholesale CBDC is limited to the settlement of secondary market transactions in government securities, the retail e-rupee is being piloted within a closed user group (CUG) comprising participating customers and merchants.

### **FLOW CHART OF CBDC:**

➤ **Customer Initiates Transaction:** A customer begins a transaction using their digital wallet, which is connected to their bank account.

➤ **Digital Wallet Requests Authorization:** The digital wallet sends a request to the customer's bank, seeking authorization for the transaction.

➤ **Bank Verification:** The bank validates both the customer's account balance and the transaction details.

➤ **Transaction Approval:** If the transaction meets approval criteria, the bank dispatches a digital signature or token to the digital wallet, confirming the transaction.

➤ **Merchant's Bank Processing:** The digital wallet forwards the transaction to the merchant's bank for further processing.

➤ **Transaction Verification at Merchant's Bank:** The merchant's bank scrutinizes the transaction and, upon approval, credits the merchant's account with the payment.

➤ **Confirmation to Customer's Bank:** The merchant's bank communicates a confirmation of the transaction to the customer's bank.

➤ **Customer's Account Update:** The customer's bank updates the customer's account to reflect the completed transaction.

**CHANGING PARADIGMS IN THE FINANCIAL LANDSCAPE**

**( SUMMARY OF PRESS CONFERENCE BY SH. RAJESHWAR RAO, DEPUTY GOVERNOR, RBI)**

The remarks in the Press conference centre around managing the uncertainties in the present context and those which lurk on the horizon, and how action needed to navigate such uncertain times.

**KEY POINTS:**

**PRUDENT RISK MANAGEMENT:**

➤ **Love-Hate Relationship with Risk:** There is a love-hate relationship with risk in the field of finance. While entities are willing to assume risks, there are reservations due to associated costs.

➤ **Importance of Risk Management:** Overdose of risk in leveraged entities can be disastrous if not managed efficiently. Regulators and policy-makers aim to facilitate overall financial stability through policies and guidelines.

➤ **Prudential Guidelines as a Diet Plan:** Prudential guidelines are likened to a diet plan given by a physician. Adherence to these guidelines ensures healthy balance sheets.

➤ **Regulatory Oversight:** Regulators, such as the RBI, conduct annual health check-ups through onsite visits to ensure accurate financial positions. If symptoms of financial "illness" are found, regulators prescribe time-bound action plans to address root causes.

**FOUNDATIONS OF A ROBUST FINANCIAL SYSTEM:** Drawing a reference to the five natural elements which human body is composed of, the five elements that make the foundation of a robust and resilient financial system are:

- a) Strong governance and management;
- b) Sound regulatory principles;
- c) Adequate capital and liquidity;
- d) Strong supervisory and risk management practices; and
- e) Effective crisis management and resolution frameworks.

**MICRO-PRUDENTIAL RISK MANAGEMENT FRAMEWORK:**

➤ Our micro-prudential risk management framework revolves around two very simple yet powerful measures – provisioning and capital requirement – one for anticipated loss component of the asset portfolio at risk and another for unexpected loss component.

➤ The third component, i.e., liquidity has been under lot of discussion in global forums of late. However, in India, we implemented the Statutory Liquidity Ratio (SLR) way back in 1949, which required the banks to maintain a level of high quality liquid assets, mostly in the form of government securities to essentially address this concern.

**LESSONS FROM GLOBAL FINANCIAL CRISES:**

The importance of regulatory capital requirements is highlighted, helping global financial systems navigate crises like the one caused by Covid-19.

➤ **Resilient Financial System:** A resilient financial system can withstand and recover quickly from financial shocks. Early identification of vulnerabilities and risk build-up is crucial, requiring appropriate corrective actions.

➤ **Vigilance and Transparency:** Financial entities should be vigilant regarding risk build-up in their operations. Prudent risk management practices and transparent disclosure of risks to regulators and stakeholders are essential.

➤ **Overall, the remarks stresses the need for a balanced approach to risk, effective regulatory oversight, and**

**proactive risk management practices to ensure the stability and resilience of the financial system.**

**CHANGING PARADIGMS IN BANKING:**

➤ The press conference discusses changing paradigms in banking prompted by recent crises in the US and Europe. It highlights the historical evolution of banking business models, focusing on the traditional intermediation paradigm of accepting deposits and credit creation. However, with new entrants disrupting the financial services space, there is a need for a shift in this approach. The Deputy Governor, anticipates a future where markets become the central point for intermediation, with banks being just one of many entities in the marketplace.

➤ Furthermore, the evolving paradigm is influenced by changing consumer preferences, especially among the post-Generation Z demographic. Banking must adapt to the way future generations consume financial services, emphasizing a transition in the traditional banking business model.

➤ The Deputy Governor envisions the future of banking in the next decade under a marketplace-based and consumer preference-driven paradigm. While acknowledging the speculative nature of these predictions, the undercurrents of this transition are already observable.

**The Deputy Governor outlines four key points regarding the future of banking:**

**(i) Transition to an Ecosystem Approach:**

➤ Banks are expected to shift from a sectoral approach to an ecosystem approach.

➤ The exclusiveness of providing banking services by banks may be over, with the Banking-as-a-Service (BaaS) model gaining prominence.

➤ Collaboration with non-bank players, particularly FinTechs, is becoming more common for delivering innovative financial products and services.

**(ii) Hyper-Personalized Embedded Banking:**

➤ Future banking is predicted to be hyper-personalized and embedded in all products and services consumers use.

➤ Banking may no longer be a separate service but integrated into various non-financial products and services. Examples include obtaining a home loan seamlessly through integration with a builder's app and automated loan disbursement.

**(iii) Customer Preferences-Based Verticals:**

➤ Business segmentation may shift from traditional forms to customer preferences-based verticals.

➤ Banks need to focus on meeting specific customer needs by designing products for homogenous customer groups.

➤ Some banks are already targeting specific segments such as MSMEs, Women, Senior Citizens, and Millennials, adapting to evolving customer demands.

**(iv) Transformation of Balance Sheets:**

➤ Drastic changes are expected in the traditional break-up of assets and liabilities on bank balance sheets.

➤ The dominance of loans on the assets side and deposits on the liabilities side may undergo transformation.

➤ The composition of bank balance sheets is likely to change over the next decade due to economic progression and increased integration of technology in business operations.

**Dy Governor opines that the future of banking is envisioned as an integrated ecosystem, offering hyper-personalized services embedded in various products, driven by customer preferences and evolving business models. The transformation is expected to be influenced by technology integration, collaboration with non-bank entities, and a shift towards customer-centric approaches.**



➤ **The Deputy Governor discusses potential shifts in customer preferences in the banking sector, anticipating a move from traditional savings products to more market-linked investment options.** It emphasizes the emergence of alternate avenues competing for deposits through better returns and the convenience of comprehensive finance super apps. The tokenization of assets and liabilities using Distributed Ledger Technology (DLT) is expected to reshape the structure of bank balance sheets.

➤ **In response to these changes, the Deputy Governor proposes several measures to manage challenges.** These include a refocus on risk management priorities, reevaluation of regulatory frameworks for liquidity and market risk, and active monitoring of deposit concentration by banks. Qualitative metrics such as enhanced disclosures, strong codes of conduct, and clear governance structures are suggested to address vulnerabilities highlighted by recent crises.

➤ Customers today are facing threat from technology induced frauds such as fraudulent apps, breach of privacy and deep fakes. Even mis-selling has emerged in a digital avatar now – called Dark Patterns. Dark patterns are design interfaces and tactics used to trick users into desired behaviour such as availing high-cost short-term consumer credit masquerading as an instant loan.

➤ The Deputy Governor underscores the importance of fortifying cyber security and preventing cyber fraud in the evolving tech-banking environment. It acknowledges the risks associated with increasing financial inclusion and product choices, emphasizing the need for industry self-regulation through Self-Regulatory Organizations (SROs) to promote responsible conduct and innovation.

➤ Furthermore, the Deputy Governor calls for improvements in grievance redress mechanisms, expressing concern that banks efforts to address customer grievances have not kept pace with technological advancements. The need for greater empathy in banking services, especially for senior citizens and individuals with special needs, is emphasized.

➤ The conclusion highlights the ongoing role of banks as primary drivers of India's growth but underscores the importance of adapting to evolving trajectories in the next decade. It emphasizes the need for regulations to ensure financial system stability, institutional resilience, and protection of customers, while also supporting innovations in the fintech space.

*(Cont'd from Page No 3)*

**CARD TOKENISATION**

➤ A customer can request for tokenisation of his / her card on any number of devices. However, as of now, this facility shall be offered through mobile phones / tablets only.

➤ In case of any issue such as loss of device, the customers can complaints to the card issuers. Card issuers shall ensure easy access to customers for reporting loss of "identified device" or any other such event which may expose tokens to unauthorised usage.

➤ Card issuer can refuse tokenisation of a particular card based on risk perception, etc. Card issuers may decide whether to allow cards issued by them to be registered by a token requestor or not.

**INDIA FINANCE REPORT 2023' (IFR 2023)**

The Reserve Bank of India's Governor has unveiled the 'India Finance Report 2023' (IFR 2023), the inaugural publication of the Centre for Advanced Financial Research and Learning (CAFRAL). With the theme 'Connecting the Last Mile,' the report extensively evaluates non-banking financial companies (NBFCs) in India. It emphasizes the pivotal role NBFCs play in the formal financial system and their integration with the growing fintech sector.

➤ The report underscores the ongoing regulatory and supervisory changes in the NBFC sector, aimed at implementing best practices, eliminating regulatory arbitrage, safeguarding customer interests, and leveraging technology. Additionally, it suggests that India's fintech sector could potentially serve as an alternative to traditional banking in the future.

**Highlights:**

➤ **Monetary Policy Transmission (MPT):** There is strong monetary policy transmission through NBFCs, but the impact on their balance sheets is delayed by nearly two years.

➤ **Financial Inclusion:** NBFCs contribute to deepening financial inclusion by serving underserved subprime and marginalized borrowers.

➤ **Growth Trend:** Despite disruptions like the IL&FS default in 2018-19, NBFCs in India have experienced growth post-global financial crisis. However, their rapid growth has led to a decline in the share of bank credit.

➤ **Enhanced Capital Position:** The Capital to Risk-weighted Assets Ratio (CRAR) for NBFCs exceeded the required 15%, reaching 27.6% in 2022-23.

➤ **Reduced NPA Ratios:** Both gross and net Non-Performing Asset (NPA) ratios show a downward trend.

➤ **Increased Bank Financing:** NBFCs have witnessed significant growth in retail lending over the last decade, raising concerns about potential systemic risks.

➤ **Customer-Centric Approach:** Unlike banks, NBFCs focus on niche markets and specific customer segments, tailoring lending products to diverse needs. This targeted approach has helped them penetrate underserved markets effectively.

➤ **Digital Lending:** NBFCs lead in digital lending, with a 60.53% share compared to banks' 5.53% in the Financial Year 2020. They have embraced advanced technologies, such as AI, machine learning, and data analytics, streamlining operations for a seamless digital lending experience, contrasting with the slower methods of traditional banks. This has resulted in reduced default risks and the maintenance of healthy loan portfolios, a challenge for many traditional banks.

➤ **Flexibility and Innovation:** NBFCs stand out for offering flexible and innovative loan products that adapt to the evolving needs of borrowers. This contrasts with the rigid and standardized offerings commonly associated with traditional banks. The ability to pivot swiftly and create tailored solutions has been a significant factor in the success of NBFCs in the competitive digital lending landscape.

➤ **Regulatory Compliance and Collaboration:** Despite rapid innovation, NBFCs prioritize regulatory compliance, collaborating with regulators to adhere to evolving frameworks. This proactive approach enables them to navigate regulatory complexities while driving innovation, establishing a secure and compliant lending environment.

As NBFCs continue to reshape the lending landscape, traditional banks face the imperative to overhaul their strategies, embrace technological advancements, and adopt more customer-centric approaches to stay competitive in the dynamic financial environment.



**POLICY GUIDELINES**

**REGULATORY MEASURES TOWARDS UNSECURED CREDIT:**

The Reserve Bank of India Governor in his statement on Oct. 6, 2023 flagged the high growth in certain components of consumer credit and advised banks and non-banking financial companies (NBFCs) to strengthen their internal surveillance mechanisms, address the build-up of risks, if any, and institute suitable safeguards, in their own interest.

The high growth seen in consumer credit and increasing dependency of NBFCs on bank borrowings were also highlighted by Governor in the interactions with MD/CEOs of major banks and large NBFCs in July and August 2023, respectively.

In this context, RBI has decided to implement the following measures as under:

**a) Consumer credit exposure of commercial banks:** As per the extant guidelines, Consumer credit extended by the commercial banks attracts risk weight of 100%. RBI has now decided to increase the risk weights in respect of consumer credit exposure of commercial banks (outstanding as well as new), including personal loans (but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery) by 25 percentage points to **125%**.

**b) Consumer credit exposure of NBFCs:** As per extant guidelines, NBFCs' loan exposures generally attract a risk weight of 100%. RBI has now decided that the consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans (excluding housing loans, educational loans, vehicle loans, loans against gold jewellery and microfinance/SHG loans) shall attract a risk weight of **125%**.

**c) Credit Card Receivables:** Credit card receivables of scheduled commercial banks (SCBs) attract a risk weight of 125%, while that of NBFCs attract a risk weight of 100%. RBI has decided to increase the risk weights on such exposures by 25 percentage points to **150% and 125%** for Commercial banks and NBFCs respectively.

**d) Bank credit to NBFCs:** In terms of extant norms, exposures of SCBs to NBFCs, excluding core investment companies, are risk weighted as per the ratings assigned by accredited external credit assessment institutions (ECAI).

On a review, RBI has decided to increase the risk weights on such exposures of SCBs by **25%age points** (over and above the RW associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector in terms of the extant instructions shall be excluded.

**Risk weights in case of Bank credit to NBFCs**

External credit rating (category) of NBFC	Current risk weight	Revised risk weight
AAA	20%	45%
AA	30%	55%
A	50%	75%
BBB and below		No change

RBI has also instructed the banks to put in place sectoral exposure limits for consumer credit and monitor the limits on an ongoing basis. This instruction has to be complied before February 29, 2024.

The key implication of the change is that the cost of consumer finance in India, including all Buy Now Pay Later ("BNPL") products and embedded finance, may increase.

All top-up loans extended by lenders against movable assets which are inherently depreciating in nature, such as vehicles, shall be treated as unsecured loans for credit appraisal, prudential limits and exposure purposes.

**SUMMARY OF KEY CHANGES**

		Current Risk Weights	Revised Risk Weights
a.	Consumer credit exposure of commercial banks*	100%	125%
b.	Consumer credit exposure of NBFCs@	100%	125%
c.	Credit card receivables of banks	125%	150%
d.	Credit card receivables of NBFCs\$	100%	125%
e.	Bank credit to NBFCs	Risk weight as per credit rating	Risk weight as per credit rating + 25 %age points

\* Excludes housing loans, vehicle loans, gold loans, and education loans.

@ Excludes housing loans, vehicle loans, gold loans, education loans and MFI loans.

\$ For entities where the extant risk weight, as per external rating, is below 100%.

**RBI GUIDELINES ON IMPORT OF SILVER BY QUALIFIED JEWELLERS:**

As per RBI guidelines, AD Category-I banks have been permitted to remit advance payments on behalf of Qualified Jewellers as notified by International Financial Services Centres Authority (IFSCA) for eleven days for import of gold through India International Bullion Exchange IFSC Ltd (IIBX).

As per DGFT guidelines, in addition to nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies), Qualified Jewellers as notified by International Financial Services Centres Authority (IFSCA) have been permitted to import silver under specific ITC(HS) Codes through IIBX. Accordingly, RBI has permitted AD Category-I banks to allow Qualified Jewellers to remit advance payment for eleven days for import of silver through IIBX.

**INCLUSION OF SOVEREIGN GREEN BONDS UNDER FULLY ACCESSIBLE ROUTE:**

The Reserve Bank of India has recently issued a circular expanding investment opportunities for non-residents in the Government Securities market in which Sovereign Green Bonds has been included in the 'Fully Accessible Route' (FAR), opening new avenues for investors.

The Reserve Bank of India had introduced a separate channel, namely 'Fully Accessible Route' (FAR), to enable non-residents to invest in specified government bonds. The move follows the Union Budget announcement that certain specified categories of government bonds would be opened fully for non-resident investors without any restrictions. Under FAR, eligible investors can invest in specified government securities without being subject to any investment ceilings. This scheme shall operate along with the two existing routes, viz., the Medium Term Framework (MTF) and the Voluntary Retention Route (VRR).

The incorporation of Sovereign Green Bonds into the Financial Annual Report (FAR) signals a forward-thinking initiative by the RBI to champion sustainable finance and eco-friendly investments.

➤ This strategic step not only broadens the scope of investment opportunities but also reinforces the Government's dedication to environmental preservation. Furthermore, it underscores the increasing significance of Environmental, Social, and Governance (ESG) criteria in shaping investment choices, aligning with the changing preferences of global investors.

➤ The Government Securities that are eligible for investment under the FAR ('specified securities') is notified by RBI from time to time. In addition to existing securities, RBI has decided to designate all "Sovereign Green Bonds" issued by the Government in the fiscal year 2023-24 as 'specified securities' under the FAR.

➤ As per the issuance calendar for government securities, Govt. will raise Rs.5,000 crore by issuing 10 years SGrB between December 04-08, 2023, Rs.5,000 crore by issuing 30 Years SGrB between January 15-19, 2024 and Rs.5,000 crore between January 29 - February 02, 2024 by issuing 30 Years SGrB.

➤ Currently SGrBs are issued in 3 tenures, 5 years, 10 years & 30 years. Department of Economic affairs has issued Framework for Sovereign Green Bonds in the year 2022 and specified the relevant guidelines on issue of SGrBs and utilisation of the proceeds for sustainable activities.

#### **REGULATION OF CROSS BORDER PAYMENT AGGREGATORS:**

➤ Keeping in view the developments that have taken place in the area of cross-border payments, RBI has decided to bring all entities facilitating cross-border payment transactions for import and export of goods and services under direct regulation of the RBI. Such entities shall be treated as Payment Aggregator-Cross Border (PA-CB).

➤ PAs-CB are entities that facilitate cross-border payment transactions for import and export of permissible goods and services in online mode. AD Category-I banks do not require separate approval from the RBI for undertaking PA-CB activity.

➤ Non-banks which provide PA-CB services as on the date, shall apply to the RBI for authorisation by April 30, 2024.

➤ Authorisation for PA-CB activity may be sought for any one of the following categories: Export only PA-CB (PA-CBE), Import only PA-CB (PA-CB-I) & Export and Import PACB (PA-CB-E&I).

➤ Non-banks providing PA-CB services as on the date, shall have a minimum net worth of Rs.15 crore at the time of submitting application to the RBI for authorisation and Rs.25 crore by March 31, 2026.

➤ New non-bank PA-CBs should bring initial capital of Rs. 15 crore at the time of application and shall attain net worth of Rs. 25 crore by the end of financial year on which approval is granted.

#### **FUND RAISING BY ISSUANCE OF DEBT SECURITIES BY LARGE CORPORATES:**

➤ SEBI has amended the existing framework for fund raising via issuance of debt securities by Large Corporates (LCs) in an attempt to incentivize them with effect from the Financial Year (FY) 2025 (i.e., FY April 1, 2024 - March 31, 2025 or January 1, 2024-December 31, 2024).

➤ Large corporate companies (except for Scheduled Commercial Banks) are to mandatorily raise 25% of their qualified borrowing for the financial year subsequent to the financial year in which it is identified as an Large Corporate, through issuance of debt securities. The mandatory requirement of fund raising through debt securities has to be

met over a contiguous block of three years, beginning the financial year in which 'qualified borrowing' is raised by Large Corporate.

➤ The term 'qualified borrowing' used in the amended framework subsumes the term 'incremental borrowing'. An entity is considered as 'Large Corporate' if it is a listed entity (Except Scheduled Commercial Banks) and having an outstanding borrowing with an original maturity of more than one year of Rs. 1,000 crore and above and having credit rating of AA and above i.e., AA or AA+ or AAA.

#### **CENTRAL SECTOR SCHEME FOR PROVIDING DRONES TO THE WOMEN SHGS:**

➤ To empower women Self Help Groups (SHGs) and promote the use of advanced technology in agriculture, the Union Cabinet has approved a Central Sector Scheme for providing Drones to Women SHGs.

➤ With an outlay of Rs. 1261 Crore for the period from 2024-25 to 2025-26, the scheme aims to provide drones to 15,000 selected Women SHGs during this period for providing rental services to farmers for agricultural purposes.

➤ The scheme approves holistic interventions by converging the resources and efforts of Department of Agriculture & Farmers Welfare Department of Rural Development and Department of Fertilizers, Women SHGs and Lead Fertilizer Companies.

➤ **Central Financial Assistance @ 80%** of the cost of drone and accessories/ancillary charges up to a maximum of Rs. 8 Lakh will be provided to the women SHGs for purchase of drones. The Cluster Level Federation (CLFs) of SHGs may raise the balance amount (total cost of procurement minus subsidy) as loan under National Agriculture Infra Financing Facility (AIF).

➤ **Interest subvention @ 3%** on the AIF loan will be provided. It is envisaged that the approved initiatives under the scheme will provide sustainable business and livelihood support to 15,000 SHGs and they would be able to earn additional income of at least **Rs. One lakh per annum**.

➤ **Role of Lead Fertilizer Companies (LFCs):** Considering the potential challenges faced by SHGs in procuring drones and ensuring their repair and maintenance, LFCs will act as a bridge between drone supplier companies and SHGs. LFCs will also promote the use of Nano Fertilizers such as Nano Urea and Nano DAP by drones with SHGs.

#### **INTERNATIONAL TRADE SETTLEMENT IN INDIAN RUPEES (INR):**

➤ In order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR, RBI had established a framework for invoicing, payment, and settlement of exports/imports in INR through Special Rupee Vostro Accounts of correspondent banks in partner trading countries, maintained with AD Category-I banks in India.

➤ The broad framework for cross border trade transactions in INR under Foreign Exchange Management Act, 1999 (FEMA) covered:

**Invoicing:** All exports and imports under this arrangement may be denominated and invoiced in Rupee (INR).

**Exchange Rate:** Exchange rate between the currencies of the two trading partner countries may be market determined.

**Settlement:** The settlement of trade transactions under this arrangement shall take place in INR in accordance with the procedure laid down by RBI.

➤ RBI has now issued a circular introducing a significant development in the realm of international trade settlement involving Indian Rupees (INR). According to this, provision on the opening of Current Accounts and CC/OD Accounts by Banks, AD Category-I banks, maintaining Special Rupee Vostro Accounts, are now authorized to open an additional special current account. This account is exclusively dedicated to the settlement of export transactions, providing exporters with greater operational flexibility.

### **●KEY CHANGES IN IMPS AND UPI PAYMENT SYSTEMS:**

➤ **NPCI has carried out following changes in the payment systems:**

**a) Enablement of Simplified IMPS:** IMPS transactions can be currently carried out through **P2A** (Account number + IFSC) or **P2P** (Mobile number + MMID) transfer modes. NPCI has recently introduced 'Simplified IMPS' facility in which funds can be transferred using Mobile number + Bank name. All banks are instructed to enable simplified IMPS facility for their customers latest by 31<sup>st</sup> January 2024.

**(b) Revision in AePS Transaction limits:** As per the previous guidelines issued by NPCI on Aadhaar Enabled Payment System (AePS), banks were advised to implement a standardized limit of a minimum 5 approved cash withdrawal transactions per month, per customer.

➤ Considering the profile of the customers using AePS, NPCI has advised issuer banks to review AePS monthly transaction limits set for their customers. RBI has advised to allow AePS cash withdrawal and BHIM Aadhaar pay transactions with a cumulative limit upto Rs.50,000 per month. NPCI also recommended that the limit to be considered on rolling 30 days basis and banks to implement these limits by 30<sup>th</sup> November 2023.

### **●LIMITED LIABILITY PARTNERSHIP (LLP) RULES, 2023:**

➤ The Ministry of Corporate Affairs (MCA) has released the Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 ("LLB SBO Rules") which came into effect on November 10, 2023. With the introduction of these LLP SBO Rules, Limited Liability Partnerships ("LLPs") in India would be required to identify and declare their significant beneficial owners (SBOs).

#### **KEY PROVISIONS OF THE LLB SBO RULES:**

➤ **Definition of Significant Beneficial Owner (SBO):** The LLP SBO Rules define a Significant Beneficial Owner ("SBO") (in relation to a reporting LLP) as an individual, who acting alone or together or through one or more persons or trust, possesses one or more of the following rights or entitlements in such reporting LLP, namely:

**i) Holds indirectly or together with any direct holdings, not less than 10% of the contribution;**

**ii) Holds indirectly or together with any direct holdings, not less than 10% of voting rights in respect of the management or policy decisions in such limited liability partnership;**

**iii) Has right to receive or participate in not less than 10% of the total distributable profits, or any other distribution, in a financial year through indirect holdings alone or together with any direct holdings;**

**iv) Has right to exercise or actually exercises, significant influence or control, in any manner other than through direct holdings alone.**

LLPs need to submit the details of Significant BO to ROC within 30 days from inclusion. Existing LLPs need to make the

reporting of existing SBOs to Registrar of Companies (ROC) within 90 days from the date of these new instructions i.e. Nov 10, 2023.

### **●FINANCIAL ACTION TASK FORCE HIGH RISK AND OTHER MONITORED JURISDICTIONS:**

➤ The Financial Action Task Force (FATF), vide public statement 'High-Risk Jurisdictions subject to a Call for Action' dated October 27, 2023, has called on its members and other jurisdictions to refer to the statement on these jurisdictions adopted in February 2020 and October 2022.

➤ FATF is an inter-governmental body established in 1989 with an objective to set global standards for KYC AML norms and considered as global money laundering and terrorist financing watchdog and headquartered in Paris.

➤ FATF had earlier identified the following jurisdictions as having strategic deficiencies which have developed an action plan with the FATF to deal with them. These 'Jurisdictions under Increased Monitoring' are: Barbados, Burkina Faso, Cameroon, Democratic Republic of Congo, Croatia, Gibraltar, Haiti, Jamaica, Mali, Mozambique, Nigeria, Philippines, Senegal, South Africa, South Sudan, Syria, Tanzania, Turkiye, Uganda, United Arab Emirates, Vietnam and Yemen.

➤ As per the public statement, Bulgaria has now been added to the list of Jurisdictions under Increased Monitoring while Albania, Cayman Islands, Jordan and Panama have been removed from the list.

### **●PROMOTION OF EXPORTS FROM DISTRICTS THROUGH E-COMMERCE:**

➤ DGFT, Ministry of Commerce and Industry have collaborated with Amazon India to enable MSMEs to contribute for export growth, to leverage the 'Districts as Export Hubs' initiative and to promote exports through 'e-commerce'. The initiative seeks to link local producers even in rural and remote districts with global supply chains.

➤ The collaboration aims to enable exporters/MSMEs to sell their 'Made in India' products to customers internationally through e-commerce.

### **●LAUNCH OF 'AAINA DASHBOARD FOR CITIES':**

➤ Ministry of Housing and Urban Affairs (MoHUA) has launched a web portal 'AAINA Dashboard for Cities' ([www.aaina.gov.in](http://www.aaina.gov.in)); under which Urban Local Bodies (ULBs) across the country can participate in this pioneering initiative to voluntarily submit their key data on a regular basis, through a simple, easy-to-fill, data entry form on the portal.

**Objective of the AAINA Dashboard is to help cities to:**

**a) See how they are faring vis-à-vis other cities;**

**b) Inspire them by pointing to possibilities and areas of improvement; and**

**c) Providing opportunity to learn and engage with front runners.**

### **●TRANSACTION LIMIT FOR LINKED RUPAY CREDIT CARD ON UPI:**

➤ To further enhance customer experience and enable customers to carry out high value transactions on ecommerce, travel bookings (flight, hotel), health care services, educational institutes, etc., NPCI has approved following enhancement.

➤ **The limit for RuPay Credit Card on UPI transactions shall be the lowest of the following:**

**a) RuPay Credit Card limit set by the issuer.**

**b) The limit put in place by the issuer for 'RuPay Credit Card on UPI' transactions as per their risk management framework.**

**c) Limit set by the customer, as per RBI guidelines on Enhancing Security of Card Transactions.**

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	● Rural Banking

**COST OF STUDY MATERIAL:** Rs.800/- per subject for JAIIB and Rs. 900/-per subject for CAIIB (inclusive of Speed post charges). The study material will comprise of one Descriptive book and one MCQ's book /workbook for CAIIB covering case studies.

The amount may be remitted on-line in CTDI's **Current Account No:** 771800210000011. **IFSC CODE:** PUNB0771800, **BANK NAME:** PNB, SEC. 47, CHANDIGARH.

**DESPATCH:** Entire material will be sent through Speed post on receipt of the amount.

## BANK ENTRANCE EXAMINATION FOR CLERICAL / POs

### CLASS ROOM MODULE

#### CHANDIGARH

- Bank Clerical Written Exam
- Bank POs Written Exams
- SSC Written Examination
- Interview Module

#### SALIENT FEATURES:

- Structures the mind-set of aspiring participants by updating their knowledge & sharpening of their skills to appear in the competitive exams.
- Helpful in campus placement tests.
- Ability test preparation for private companies.
- Builds up high confidence and morale.

### CORRESPONDENCE MODULE

Pack contains Books / Material covering the entire syllabus - Quantitative Aptitude, Reasoning, GK, English Language.

- SBI pack will contain additional subject material for the forthcoming examination.
- Practice Tests are included in the material.

#### COST OF PACK:

1) For Clerical Cadre : Rs. 1,600/- (Inclusive of Courier)

2) For POs Cadre : Rs. 2,000/- (Inclusive of Courier)

The amount may be remitted online in CTDI's **Current A/c No:** 771800210000011. **IFSC CODE:** PUNB0771800, **BANK NAME:** PNB, SEC. 47 D, Chandigarh.



## TIT BITS

● **APPOINTMENT OF ED:** The Reserve Bank on Nov. 1, 2023 appointed Shri Manoranjan Mishra as Executive Director. Earlier, he was serving as CGM in the Deptt. of Regulation.

● **CGTMSE APPROVES A CREDIT GUARANTEE OF RS. 1 LAKH CRORE:** In a major boost to the MSME sector, the Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE) has approved credit guarantee of Rs.1 lakh crore in just 7 months of FY 2023-24, whereas same was achieved in 12 months last year.

● **'PENNY DROP' VERIFICATION:** The Pension Fund Regulatory and Development Authority (PFRDA) has made 'penny drop' verification mandatory for all NPS fund withdrawals. Penny drop is an account verification method that involves depositing a small amount in a subscriber's bank account for authentication before crediting funds to the beneficiary. This verification process ensures the accurate and secure transfer of funds to subscribers' bank accounts during withdrawals and scheme exits.

● **NORMS FOR CLOSURE OF DCCB BRANCHES:** The RBI has now permitted District Central Co-operative Banks (DCCBs) to close their un-remunerative branches without seeking prior permission from the central bank, although they will require approval from the Registrar of Co-operative Societies of the respective state. The decision to close a branch should be based on a thorough evaluation of various factors and the entire process should be properly recorded during the Board meeting. They are also required to return the original licenses issued for that particular branch to the Regional Office of the RBI that is concerned with their operations.

● **MORE THAN 97% OF RS.2,000 NOTES RETURNED: RBI**

According to the RBI, more than 97% of the Rs.2,000 banknotes in circulation as of May 19, 2023, have been returned by October 31, 2023. The remaining Rs.2,000 banknotes in circulation are still considered legal tender. The total value of Rs.2,000 banknotes in circulation was Rs.3.56 lakh crore as of May 19, 2023. This value has significantly reduced to Rs.10,000 crore as of October 31, 2023.

● **JAL DIWALI - "WATER FOR WOMEN, WOMEN FOR WATER**

**CAMPAIGN" LAUNCHED:** The Ministry of Housing and Urban Affairs has introduced "Women for Water, Water for Women Campaign," which is known as "Jal Diwali," in collaboration with the Ministry's National Urban Livelihood Mission and with the Odisha Urban Academy. The primary aim of the campaign is to provide a platform for the active participation of women in water governance. Women participating in the campaign will receive hands-on knowledge about water treatment processes through visits to Water Treatment Plants (WTPs) located in their respective cities.

● **HSBC INDIA LAUNCHES E-BANK GUARANTEES:** HSBC India, in collaboration with the National E-Governance Services Ltd (NeSL), has introduced electronic bank guarantee services. This digital solution is designed to replace the traditional and time-consuming paper-based bank guarantee system.

● **'SUMPOORN' MSME ECONOMIC ACTIVITY INDEX:** The Small Industries Development Bank of India (SIDBI) has partnered with Jocata, a digital lending transformation platform, to launch an initiative named 'Sumpoorn' - a unique MSME Economic Activity Index. 'Sumpoorn' is designed as a high-frequency indicator specifically tailored for the MSME segment.

● **BAJAJ FINANCE TO HALT LOANS FOR 'ECOM' AND 'INSTA EMI' PRODUCTS:** RBI has instructed Bajaj Finance to cease the sanction and disbursement of loans under two of its lending products, namely 'eCOM' and 'Insta EMI Card.' This action stems from the company's non-adherence to the existing provisions outlined in the Digital Lending guidelines of the RBI.

● **FIRST LIVE FINANCIAL INFORMATION PROVIDER:**

IndusInd Bank has become the first bank to go live as a 'Financial Information Provider' under the recently introduced 'Account Aggregator Framework' by the RBI. Customers can now enjoy an array of benefits, including the ability to view account statements, track deposits, plan investments (such as shares, mutual funds, insurance, EPF, PPF), and avail credit cards, all through a unified window).

● **STARTUP SHE-GUARD WINS:** Pakistan-based clean tech startup She-Guard emerged victorious at the 'Climate Launch pad Asia-Pacific' finals, showcasing their innovative biodegradable and plastic-free sanitary product.

● **DGFT FORECASTS GROWTH IN E-COMMERCE EXPORTS:** India's Directorate General of Foreign Trade (DGFT) predicts a remarkable surge in the country's e-commerce exports, projecting a potential rise from the current \$1.2 billion to an impressive \$200 billion within the next six to seven years.

● **FDI WITNESSES A 24% CONTRACTION IN H1 FY24:**

Foreign direct equity investments in India have experienced a significant downturn, recording a 24% decline to \$20.5 billion during the first half of the financial year 2023-24. The contraction in FDI inflows is observed against the backdrop of uncertainties and challenges in the global economy.

● **RBI EXTENDS PAYMENTS INFRASTRUCTURE SCHEME:**

RBI has extended the Payments Infrastructure Development Fund (PIDF) scheme till December 31, 2025. The step has been taken by RBI for promoting digital transactions at the grassroots level and includes an expansion of beneficiaries under the scheme. This includes technologies such as sandbox devices and Aadhaar-enabled biometric devices.

● **RBI NOD TO MAKE ICICI SECURITIES A WOS:**

ICICI Bank has received approval from the RBI for making ICICI Securities a wholly-owned subsidiary (WOS). The bank has considered a proposal for delisting of its institutional and retail broking arm ICICI Securities. The delisting proposal was approved at a meeting of the board of directors of the company. The acquisition is likely to be completed in the next 12-15 months after various regulatory approvals.

● **DAY-NRLM AND SIDBI SIGN MOU:**

Deendayal Antyodaya Yojana (DAY-NRLM) under the Ministry of Rural Development and SIDBI have signed a MOU in respect of women-led enterprises among experienced members of Self Help Groups (SHGs). The primary focus of this collaboration is to demonstrate on-the-ground activities that establish a reliable and sensitive support structure for the capacity enhancement of women entrepreneurs.

● **GENERATIVE AI PROJECT CONTRIBUTIONS ON GIT HUB:**

Microsoft-owned Git Hub has stated that Indian developers were the second biggest contributors to artificial intelligence (AI) projects on its open-source developer platform, highlighting the country's growing significance in the AI landscape. It has further stated that the developer communities in the United States, India and Japan are creating the most number of generative AI projects on the platform followed by other countries like Hong Kong, the United Kingdom and Brazil.

● **GOVT RELAXES NORMS FOR SOME SMALL SAVINGS**

**SCHEMES:** The government has relaxed the norms for small savings schemes, including the PPF and Senior Citizen's Savings Scheme. As per the gazette notification dated 9<sup>th</sup> Nov., an individual can open an account under the Senior Citizen's Savings Scheme within three months from the date of receipt of the retirement benefits. In case of PPF, if deposit in a five-year account is withdrawn prematurely after four years from the date of opening of the account, interest would be payable at the rate applicable to Post Office Savings Account.

● **YOUNG ACHIEVERS SCHEME (SHREYAS) FOR OBC & OTHERS:** The Scholarships for Higher Education for Young Achievers Scheme- SHREYAS, has covered two ongoing Central Sector schemes for OBC and others namely National Fellowship for OBC; and Dr. Ambedkar Central Sector Scheme of Interest Subsidy on Educational Loans for Overseas Studies for Other Backward Classes (OBCs) and Economically Backward Classes (EBCs).

● **INDIA'S TRADE DEFICIT HITS RECORD HIGH:** According to latest data released by the Commerce Ministry, India's goods trade deficit increased to \$31.46 billion in October compared to \$26.3 billion in the same month last year. Gold imports in October amounted to \$7.2 billion, up from \$3.7 billion a year ago.

● **JANMAN SCHEME, SANKALP YATRA:** PM Modi has launched two ambitious initiatives to mark the Jan Jatiya Gaurav Diwas celebrated on Nov. 15 every year on the birth anniversary of tribal icon Birsa Munda. PM Janman, aimed at social justice to the tribals with a budget allocation of Rs.24,000 crore as well as the Viksit Bharat Sankalp Yatra - a drive to create awareness and facilitate saturation of welfare schemes that will continue till January 26 across the country.

● **INACTIVE UPI IDS WILL BE DEACTIVATED BY DEC. 31, 2023:** NPCI has asked the members of UPI (i.e., Third Party Service Providers and banks) to deactivate all the inactive UPI IDs and UPI numbers for all the financial transactions by 31st Dec. 2023.

● **"SAFETY PLEDGE":** The Department of Consumer Affairs (DoCA) has set up a committee to draft "Safety Pledge" to prevent sale of hazardous goods on e-commerce platforms. The pledge, a voluntary commitment for e-commerce platforms, is aimed to ensure that appropriate measures are taken by the platforms to prevent sale of unsafe goods online.

● **WOMEN ACCORDED TOP PRIORITY UNDER PM MUDRA:** FM Nirmala Sitharaman has stated that women entrepreneurs are accorded first priority under the Centre's flagship Pradhan Mantri Mudra Yojana scheme. She said officials of the municipalities should identify the uncovered street vendors and help them avail benefits of this scheme. SVANidhi Se Samridhi is an additional component of the PMSVANidhi scheme to facilitate access to eight Central government schemes to eligible PMSVANidhi beneficiaries for their socio-economic upliftment.

● **MSME LOANS BY GOOGLE:** The IT giant had announced plans to offer a range of credit products to consumers and small businesses in India through partnerships with lenders and financing companies.

● **SC WARNS PATANJALI AYURVEDA OVER DECEPTIVE MEDICAL CLAIMS:** The Supreme Court has issued a stern warning to Patanjali Ayurveda, cautioning against misleading advertisements and false claims targeting modern medicines and vaccinations. In response to a petition filed by the Indian Medical Association (IMA), the court will take such infractions very seriously and will consider imposing costs of up to Rs. 1 crore on every product for which a false claim is made that it can cure a particular disease.

● **INSURANCE OMBUDSMAN CAN ADJUDICATE COMPLAINTS UP TO RS. 50 LAKH:** Insurance Ombudsman offices have started admitting policyholder complaints that involve compensation claims of up to Rs. 50 lakh. Earlier the maximum compensation that these offices could award to policyholders was capped at Rs 30 lakh.

● **RBI SETS 7.46% COUPON ON 50-YEAR BONDS:** RBI has set a coupon rate of 7.46% on the new government security maturing in 2073 thereby enabling the government to raise Rs.10,000 crore. Earlier, the government has been issuing bonds with maturity of up to 40 years.

● **PFRDA FRAMES POLICY ON ADOPTION OF CLOUD SERVICES BY INTERMEDIARIES:** Pension regulator PFRDA has come out with a policy on adoption of cloud services by intermediaries for the services being rendered by them. The policy lays down the regulatory and legal requirements and compliances by the intermediaries, if they adopt the cloud services.

● **INDIA MOVES TO ELITE CLUB OF NATIONS AS MCAP TOPS \$4 TRN FOR FIRST TIME:** India has joined an exclusive group of countries that includes the United States, China, and Japan after its market capitalisation (mcap) hit the \$4 trillion mark. Total market value of all Co's listed on the BSE during the day increased by Rs. 2.24 trillion, or 0.7%, to Rs 333.3 trillion. Nifty50 climbed 206.90 points or 1.04% to reclaim the 20,000 mark.

● **CENTRE EXTENDS PMGKAY FREE RATION SCHEME:** The Govt. has decided to extend the PM Garib Kalyan Yojana (PMGKAY) to provide food grains free of cost to over 800 million Indians for five more years from Jan. 1, 2024. Free food grains (rice, wheat and coarse grains/millets) under PMGKAY will strengthen food security and mitigate any financial hardship of the poor and vulnerable sections of the population.

● **NPS SUBSCRIBERS CAN CHOOSE FUND MANAGERS FOR ASSET CLASSES:** NPS subscribers in the 'All Citizen Model and Corporate Model' have option to select their preferred fund managers for different asset classes. They can now opt for the best fund manager in the industry at an asset class level; equity, corporate debt and gilts.

● **INDIA'S RICHEST SELF-MADE ENTREPRENEUR:** Radhakishan Damani, the founder of DMart chain of hypermarkets, has topped a latest rich list of the country's self-made entrepreneurs in the 'IDFC FIRST Private Hurun India Top 200 Self-Made Entrepreneurs of the Millennium 2023' with his company, Avenue Supermarts, boasting of a market capitalisation of Rs. 2,38,188 crore.

● **HDFC LIFE'S INSURE INDIA CAMPAIGN SETS GUINNESS WORLD RECORD:** HDFC Life has announced its achievement of a new Guinness World Records title, through the creation of the largest online selfie mosaic, a remarkable compilation of 19,097 photos contributed by individuals as part of the 'Insure India' campaign.

● **SEBI LAUNCHED THE INVESTOR RISK REDUCTION ACCESS (IRRA) PLATFORM:** SEBI has officially launched the Investor Risk Reduction Access (IRRA) platform at the Bombay Stock Exchange (BSE). Developed under the guidance of Market Infrastructure Institutions (MIIs) overseen by SEBI, the IRRA platform is designed to mitigate risks faced by investors during technical glitches at Trading Member (TM) ends, encompassing both primary and disaster recovery sites.

● **KRISHI 24/7, THE FIRST-EVER AI-POWERED SOLUTION:** Department of Agriculture and Farmers Welfare (DA&FW) in collaboration with Wadhvani Institute for Artificial Intelligence (Wadhvani AI) developed Krishi 24/7, the first-ever AI-powered solution for automated agricultural news monitoring and analysis, with support from Google.org. Krishi 24/7 will aid DA&FW to identify relevant news, generate timely alerts, and take prompt action to protect farmers' interests and promote sustainable agricultural growth through improved decision-making.

● **SPECIAL CAMPAIGN 3.0 - TARGETS ACHIEVED:** The Deptt. of Financial Services (DFS), Ministry of Finance, has achieved the targets of Special Campaign for Disposal of Pending Matters, which began on 2-10-2023 and concluded on 31-10-2023, in most parameters. All the organisations of DFS, PSBs, Public Sector Insurance Companies and other Public Sector Financial Institutions like NABARD, SIDBI, EXIM Bank, NHB, IIFCL, etc. actively participated in Campaign 3.0.

**BANKING & FINANCIAL NEWS****●PROFIT OF INDIAN PUBLIC SECTOR BANKS JUMPS 31% TO Rs.33, 643 CRORE IN Q2:**

➤ Public sector banks continued their impressive performance in the September quarter. This was primarily due to an increase in the net interest income, significant growth in advances, expanded net interest margins, and a decrease in provisions.

➤ The combined profit of 12 PSBs in Q2FY24 jumped 31% to Rs.33,643 crore as compared to Rs.25,684 crore recorded in the same period of last year. Looking at the H1FY24 performance, the 12 PSU lenders posted a net profit of Rs, 68,061 crore, an increase of 66% over H1FY23's net profit of Rs.40, 991 crore.

➤ Leading the pack is Punjab National Bank, which has demonstrated the highest net profit growth in Q2FY24. On October 26, the bank reported a 327% YoY rise in its net profit to Rs.1,756 crore for Q2FY24. In the same quarter of last year, the bank reported a net profit of Rs.411 crore.

➤ Central Bank of India secured the second position with a net profit growth of over 90%, attributed to improvements in asset quality. The bank reported its highest-ever quarterly net profit of Rs.605 crore in Q2FY24, compared to a net profit of Rs.318 crore in Q2FY23.

➤ Union Bank of India followed closely, posting a 90% growth in net profit to Rs.3,511 crore in Q2FY24, as compared to a profit of Rs.1,847.7 crore in the Sept. quarter of FY 2022-23. The bank's NII improved by 28.88% to reach Rs.2,432 crore in Q2FY24, compared to Rs.1,887 crore in the same period a year ago.

**●MONITORING THE PERFORMANCE OF RRBs:**

NABARD has set up the criteria for effective monitoring of RRBs and listed those RRBs whose performance is not upto the set criteria under 'RRBs in Focus'. As per NABARD, RRBs with following financial parameters have been identified as 'RRBs in Focus' for the year 2023-24:

- a) RRBs having CRAR less than 10%.
- b) RRBs having Gross NPA above 10%.
- c) RRBs having Negative Return on Assets (RoA) for two consecutive years.

➤ Based on the audited financial statements of RRBs as on 31st March 2023, NABARD has reviewed the financial performance of the RRBs and observed that 15 RRBs continue to be in focus. Out of 16 RRBs, which were in focus during FY 2021-22, only one RRB i.e., Madhya Pradesh Gramin Bank has come out of focus.

➤ As per NABARD's guidelines, all RRBs identified as 'RRBs in Focus' are required to continue implementation of 'Monitorable Action Plans (MAPs)'.

➤ RRBs were created under the Regional Rural Banks Act, 1976 to serve the credit need of rural areas and 43 RRBs are functioning at present.

**●INDIAN BANKS' NPAs TO DROP TO 3.5%, NET INTEREST MARGIN TO 2.9% BY FY25 - S&P:**

➤ S&P Global Ratings said in its report on Global Banks' Country-By-Country Outlook 2024 titled 'Forewarned is Forearmed' that Indian banks' weak loans (non-performing assets) is projected to drop to 4.5% at the end of Fiscal Year 2023-24, and to 3.5% at the end of Fiscal Year 2024-25. It does not expect interest rates to rise much in the near future.

➤ S&P Global projects the banking sector's weak loans will decline to 3-3.5% of gross loans by March 31, 2025, on the back of a structural improvement, including healthy corporate balance sheets, tighter underwriting standards, and improved risk-management practices. However, given that India is domestically oriented, S&P Global expects economic growth to be less affected.

**●INDIA'S UNEMPLOYMENT RATE AT RECORD LOW, SAYS SBI RESEARCH:**

➤ As per SBI Research report, India's unemployment is at a record low driven by self-entrepreneurship at all levels and higher emphasis on higher education. India's labour market is undergoing a deep structural transformation as more people opt for entrepreneurship with higher education as key enabler.

➤ The recently released sixth annual Periodic Labour Force report from the National Sample Survey Office also reveals a significant decline in unemployment rate from 6.1% in FY18 to 3.2% in FY23. This has come along with an increase in Labour Force Participation Rate from 36.9% to 42.4%, as Female Labour Force Participation Rate far outstripped overall gain, according to the report. The report also mentions increase in female labour force participation with Odisha topping the list, followed by HP and Uttarakhand. The female labour force participation stands at 32% at present as against 28% in 2019-2020.

➤ The higher levels of self-entrepreneurship were attributed to the rising share of household helpers. Government schemes to promote entrepreneurship through Mudra Yojana and small credit for small vendors is leading to formalisation of credit at the bottom of the pyramid.

**●BANKS BORROWING CROSSES 2 TRILLION RUPEES TO HIT ALL-TIME HIGH:**

➤ Banks' borrowing through the Marginal Standing Facility (MSF) has crossed the Rupees 2-trillion mark to reach an all-time high of Rupees 2.34 trillion showing that the liquidity has dried up further in the banking system. With investors rushing to participate in the initial public offerings (IPOs), several bond issuances and advance tax flows, the banking system found itself running short of liquidity.

➤ Responding to the tight liquidity in the system, the central bank injected Rupees 1.5 trillion through Liquidity Adjustment Facility (LAF) operations. The infusion of liquidity by the RBI has also increased in November.

**●INDIAN BANKS OUTPERFORM GLOBAL PEERS IN DIGITAL MATURITY SCORE:**

➤ A report from Deloitte India titled 'Digital Banking Maturity (DBM)' highlights that Indian banks are outperforming their global peers in digital maturity score. Indian banks have significant room for growth, particularly in day-to-day banking and expanding relationships and customer journeys. They also have the opportunity and potential to rise further and become 'Digital Champions'.

➤ According to the Deloitte India survey, Indian banks displayed noteworthy performance, surpassing the global average in several key customer journeys. Indian banks, being at the forefront of digital transformation, are well-placed compared with the global average. The 1,208 functionalities scored were split almost equally between Internet banking features and mobile banking features. Indian banks scored 3 percent higher than the global average in mobile banking and 1 percent higher in Internet banking. They bagged the titles of 'Digital Smart Followers' and 'Digital Adopters'.

➤ Compared with 'Digital Champions', Indian banks have a significant opportunity to increase their digital maturity, particularly in two customer journeys, day-to-day banking (while UPI is a unique and globally recognised lever, the delta is more about personal financial management and beyond banking) and expanding relationships, according to Deloitte India. Within these two customer journeys, the most relevant sub-steps offering significant potential for value creation are personal financial management, beyond banking, ecosystem and account aggregation and account and product management.

➤ At the time of the survey, a notable 25 percent of the Indian banks offered the functionality for customers to set their financial goals, while 57 percent of digital champions did so. 'Digital Champions' enjoy a lead in their digital transformation endeavours across customer journeys and provide a compelling user interface to customers. The top 10 percent performers were recognised as 'Digital Champions', followed by Digital Smart Followers', 'Digital Adopters' and 'Digital Latecomers', respectively. The survey covered 304 banks in 41 countries, including key economies such as the US, China, India, the UK and Brazil.

#### **●BANKS SEEK ITR ACCESS VIA NSDL TO VET BORROWER INFO:**

➤ Lenders have asked the government for access to income tax returns through National Securities Depository (NSDL) to help validate declarations made during loan applications. Banks speak of multiple instances when applicants have declared inflated or fake income details with forged documents. That has led to fraud, or financing disproportionate to actual income. The move comes as RBI has raised concerns over unsecured loans, increased risk weights on unsecured personal loans, credit cards and lending to NBFCs by 25 percentage points.

➤ At present, there is no mechanism for online validation of income tax returns. Once integrated, lenders can log on to the reporting portal of the tax department using preapproved credentials. In all such cases, borrowers would be mandating banks to access such data.

#### **●INDIA PLANS TO DIGITISE 65,000 CO-OPERATIVE SOCIETIES:**

➤ The Indian government plans to computerise about 65,000 cooperative societies by the end of the current fiscal year. This measure will be undertaken to help improve transparency and efficiency in such cooperatives. The National Bank for Agriculture and Rural Development (NABARD) has been appointed as the project manager for the digitalisation of cooperative societies under the supervision and directions of the National Level Monitoring and Implementation Committee and the Ministry of Cooperation. The NABARD has stated that close to 10,000 cooperative societies have already been digitised. NABARD is targeting 65,000 societies to be digitised by March 2024.

➤ With respect to the regional disparities in microfinance exposure, NABARD is more inclined towards the eastern and southern regions in the country, with these regions getting two-thirds of the microfinance exposure, while the rest of India, including northern, central, and western regions accounting for only one-third of the exposure. NABARD further outlined that the southern region of the country has good banking penetration and, therefore, enjoys a high credit-to-GDP ratio, unlike the northern and western regions, where priority sector lending is on the lower end despite the huge contribution made by the regions to national income.

#### **●SIDBI JOINS FORCES WITH TECHNOLOGY DEVELOPMENT BOARD TO BOOST MSMEs:**

➤ The Small Industries Development Bank of India (SIDBI) has entered into a Memorandum of Understanding (MoU) with the Technology Development Board (TDB) with the aim of easing credit access to MSMEs that are attempting to develop and commercially apply indigenous technology or adapt imported technology for wider domestic applications. This MoU is an arrangement for a joint initiative by TDB and SIDBI to extend financial assistance to eligible MSMEs as per the terms and conditions of TDB and SIDBI.

➤ TDB provides financial assistance to industrial concerns and other agencies by financing the project for the development and commercial application of indigenous technology and / or for adapting imported technology for wider domestic applications.

➤ SIDBI's arrangement with TDB is focused on strengthening the MSME ecosystem and realising the Government of India's ideology of 'Make in India' and making India 'self-reliant'. This arrangement by SIDBI and TDB will support MSMEs with respective core competencies/expertise, with the common vision of financing MSMEs in India.

#### **●IMF CHIEF URGES MORE PROACTIVE PUSH FOR CENTRAL BANK DIGITAL CURRENCIES:**

➤ The International Monetary Fund has launched its Central Bank Digital Currency (CBDC) virtual handbook in November, aimed at Ministries of Finance and central bankers to guide their work on the new form of money. This is the first instalment of a 'virtual handbook' on CBDCs to help countries with the design and set-up process and ensure that the new technologies are globally interoperable.

➤ CBDCs will modernise payments with new functionality and provide an alternative to physical cash, which seems to be in terminal decline. According to the IMF, with technology advancing so rapidly, countries need to push ahead with development now to avoid getting caught out in the future.

➤ The world is changing faster than most imagined. Hence, the IMF has urged countries to make a more proactive push to develop central bank digital currencies (CBDCs). IMF is offering capacity development to countries considering CBDCs and working with partners toward a comprehensive policy framework on crypto assets. IMF will act as a catalyst to ensure safety and efficiency and counter fragmentation.

#### **● ESTIMATES OF GDP FOR THE SECOND QUARTER OF FY2023-24:**

➤ The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has released estimates of Gross Domestic Product (GDP) for the July – Sept. qtr (Q2) of 2023-24, both at Constant (2011-12) and Current Prices.

##### **Highlights:**

(a) Real GDP or GDP at Constant (2011-12) Prices in Q2 2023-24 is estimated to attain a level of Rs.41.74 lakh cr, as against Rs.38.78 lakh crore in Q2 2022-23, showing a growth of 7.6 percent as compared to 6.2 percent in Q2 2022-23.

(b) Nominal GDP or GDP at Current Prices in Q2 2023-24 is estimated at Rs.71.66 lakh crore, as against Rs.65.67 lakh crore in Q2 2022-23, showing a growth of 9.1 percent as compared to 17.2 percent in Q2 2022-23.

(c) GDP at Constant (2011-12) Prices in April-September 2023-24 (H1 2023-24) is estimated at Rs.82.11 lakh crore as against Rs.76.22 lakh crore during the corresponding period of previous year, showing a growth of 7.7 percent in H1 2023-24 as against 9.5 percent in H1 2022-23.

(d) GDP at Current Prices in H1 2023-24 is estimated at Rs.142.33 lakh crore as against Rs. 31.09 lakh crore during the corresponding period of previous year, showing a growth of 8.6 percent in H1 2023-24 as against 22.2 in H1 2022-23.

#### **●MFI LOANS RISE 24% TO Rs.3.5 LAKH CRORE LED BY RURAL MARKET GROWTH - CRIF REPORT:**

➤ Portfolio outstanding of the microfinance sector grew 24.3% yoy and 5.2% sequentially to Rs.3.5 lakh crore as of June 2023, according to the quarterly report by CRIF High Mark. NBFC-MFIs continued to dominate the market with portfolio share of 40.4%, followed by banks at 32.5%, and small finance banks at 17.2%.



➤ Gross loan portfolios (GLPs) of NBFCs grew 55.1% year on year, for NBFC-MFIs by 37.4%, small finance banks by 23.4% and for banks by 14.4%.

➤ Urban markets registered year-on-year GLP growth of 19.9% while rural markets showed 27.3% growth during the same period. This growth can largely be attributed to the large-scale adoption of digitisation by the sector as well as the positive regulatory amendments brought in by RBI that have bridged the gap between rural and urban markets.

➤ The top 10 States contributed 83.1% of the total gross loan portfolio. Bihar remained the top State. Overall loan originations for the quarter were at 158 lakh loans industry-wide for loans worth Rs.67,800 crore.

#### **●IRDAI CONSTITUTE A TASKFORCE TO CHECK MIS-SELLING BY BANKS:**

➤ Insurance Regulatory and Development Authority of India (IRDAI) has constituted a taskforce on bancassurance to check instances of mis-selling or force selling by bank employees. Headed by J Meena Kumar, Executive Director (Life), IRDAI, the 16-member committee has representation from large banks and insurance companies.

➤ Among key responsibilities apart from checking mis-selling by banks are to study the effectiveness of existing bancassurance model and recommend ways to improve its efficiency; and examine international best practices in this model and suggest suitable modification

➤ Acknowledging the role of banks in insurance distribution, IRDAI said, "Banks are engaged in the distribution of insurance products as corporate agent and as master policyholder subject to the applicable regulatory framework. While banks have the option to set up a separate legal entity for distribution of insurance products as Insurance brokers, till date, such option has not been exercised by banks."

➤ The insurance regulator feels that banks are yet to utilize their huge potential in insurance distribution space. One of the ways of reaching the last mile and making available insurance products to the nook and corner of the country is leveraging the vast bank branch.

#### **●RBI OUTLINES THE FUTURE OF BANKING; SAYS ERA OF EXCLUSIVENESS OF BANKS IS OVER:**

➤ The Reserve Bank of India feels that banks will have to transition from a sectoral approach to an ecosystem approach and that the era of exclusiveness of providing banking services by banks are over.

➤ In the newer paradigm, markets are likely to become the central point for intermediation where banks may become but one amongst the host of other entities interacting in the marketplace. The traditional banking business model needs to pivot to address this evolving paradigm, RBI deputy governor M. Rajeshwar Rao said addressing the FIBAC 2023 conference organised jointly by FICCI and IBA.

➤ The business models of the banks have evolved depending on the roles they have played throughout the history, with the current focus being on the intermediation paradigm i.e., acceptance of deposits and credit creation. However, this approach needs to change with newer players entering the financial service space and disrupting the traditional rules of the game. The oft-repeated pitch is that all the banks of future will actually be technology companies also undertaking business of banking. While it is difficult to be certain that this will indeed be the case, it is likely that the era of exclusiveness of providing banking services by banks are over.

➤ The Deputy Governor observed that with Banking-as-a-Service (BaaS) model making steady and silent inroads, the banks have to operate as a part of the larger ecosystem with good number and varieties of non-bank players in the mix.

#### **●PSBs ASSURE GOVT SMALL LOANS NOT A SYSTEMIC RISK:**

➤ Amid mounting concerns over delinquencies, public sector lenders have assured the finance ministry that they do not see any systemic risks emanating from small unsecured loans as their overall exposure remains small.

➤ The finance ministry had asked state-run banks to review their small loan portfolios and submit a report detailing the situation. Banks said the number of these loans may be large but the ticket sizes are not high. The ministry's review came after RBI governor Shaktikanta Das, in his monetary policy statement, asked banks to pay more attention to the unsecured lending segment, flagging the risks to financial stability.

➤ The Governor observed that Banks and NBFCs would be well advised to strengthen their internal surveillance mechanisms, address the build-up of risks, if any, and institute suitable safeguards in their own interest. The need of the hour is robust risk management and stronger underwriting standards.

➤ A fourth of the overall retail loans by volume that originated between January 2022 and June 2023 have been small-ticket personal loans of less than Rs. 50,000. Over half the borrowers in the segment in the June 2023 quarter already had four active credit products while getting a new loan, according to Transunion Cibil.

#### **●MANUFACTURING TOPS INSOLVENCY CASES, REAL ESTATE A CLOSE SECOND:**

➤ In the second quarter of fiscal year 2024 (Q2 FY24), 38% of the 7,058 companies admitted under the Corporate Insolvency Resolution Process (CIRPs) belong to the manufacturing sector, followed by the real estate and construction sectors, according to a report by CareEdge. The second quarter saw a 19% year-on-year increase in the number of insolvency cases, while the timeline for resolutions continued to rise, said the report. The report shows that the share of the various sectors has largely remained constant compared with the year-ago period.

➤ The manufacturing sector accounts for the highest share at 38% of the overall cases, followed by real estate (21%), construction (11%) and trade (wholesale & retail) sectors (10%).

➤ In a recent judgement, the SC upheld the constitutionality of IBC provisions on Personal Guarantors' Insolvency Resolution, dismissing over 200 petitions which had challenged the legal validity of such provisions. This ruling implies that the personal assets of guarantors can now be utilised to settle outstanding debts owed to creditors. The recovery rate from personal guarantors currently stands at 5.22%. This rate is anticipated to rise following the Supreme Court's recent ruling affirming the constitutionality of the IBC provisions regarding Personal Guarantors' Insolvency Resolution. The report noted that of the 2,289 applications of insolvency resolution of personal guarantors, 88 were withdrawn, rejected or dismissed.

#### **●RBI JOINS CENTRAL BANK GOLD RUSH:**

➤ The Reserve Bank of India purchased nine tonnes of gold in the Sept. quarter, contributing to the 337 tonnes purchased by global central banks, and underscoring the importance of gold as a diversifier of its total reserves. With the latest quarterly buying, India's official gold reserves stood at 806.7 tonnes as of September end, placing it at No. 10 in the pecking order, according to miner's lobby World Gold Council (WGC).

➤ Purchases so far this year have totaled 19.3 tones. RBI has been adding gold to its total reserves since 2017. From then until the current year it has purchased 248.9 tonnes, WGC data shows.

➤ The People's Bank of China increased its gold reserves by 78 tonnes during Q3 taking its gold holdings to 2192 tonnes or 4% of total reserves, WGC data shows.

#### **SOURCES: RBI'S / GOVT. NOTIFICATIONS, BUSINESS STANDARD, ECONOMIC TIMES, FINANCIAL EXPRESS, LIVEMENT, ETC.**

**BRAIN STORMING**

1) In the fifth meeting of the MPC on 8<sup>th</sup> Dec. 2023, Real GDP growth for 2023-24 is projected at \_\_\_ per cent with Q3 at 6.5 per cent; and Q4 at 6.0 per cent.

- a) 6.69      b) 6.75      c) 7.00      d) 7.10

2) In the fifth meeting of the MPC on 8<sup>th</sup> Dec. 2023, CPI Inflation is projected at \_\_\_ per cent for 2023-24, with Q3 at 5.6 per cent; and Q4 at 5.2 per cent.

- a) 5.0      b) 5.2      c) 5.4      d) 5.8

3) As per developmental and regulatory policy measures of RBI, \_\_\_\_\_ is lending to persons who are in a position to control or influence the decision of a lender – a matter of concern, if the lender does not maintain an arm's length relationship with such borrowers. Such lending can involve moral hazard issues leading to compromise in pricing and credit management.

- a) Consortium lending      b) Connected lending  
c) Mezzanine lending      d) Syndication lending

4) The transaction limit for UPI Unified Payments Interface is capped at Rs. \_\_\_ lakh, except a few categories like Capital Markets (AMC, Broking, Mutual Funds, etc.), Collections (Credit card payments, Loan re-payments, EMI), Insurance etc. where the transaction limit is Rs. \_\_\_ lakh.

- a) 1; 2      b) 2; 3      c) 3; 4      d) 4; 5

5) The transaction limit for UPI payments for Retail Direct Scheme and for IPO subscriptions is Rs. \_\_\_ lakh.

- a) 4      b) 5      c) 6      d) 7

6) To encourage the use of UPI for medical and educational services, RBI has proposed to enhance the limit for payments to hospitals and educational institutions from Rs.1 lakh to Rs. \_\_\_ lakh per transaction.

- a) 2      b) 4      c) 5      d) 7.5

7) The framework for processing of e-mandates for recurring transactions was introduced by RBI to balance the safety and security of digital transactions with customer convenience. The limits for execution of e-mandates without Additional Factor of Authentication (AFA) currently stands at Rs. \_\_\_ (last updated in June 2022).

- a) 10000      b) 15000      c) 18000      d) 20000

8) RBI has proposed to exempt the requirement of Additional Factor of Authentication (AFA) for transactions up to Rs. \_\_\_ lakh for the following categories, viz., subscription to mutual funds, payment of insurance premium and payments of credit card bills.

- a) 1      b) 2      c) 2.5      d) 3

9) The Reserve Bank is working on establishing a cloud facility for the financial sector in India. The proposed facility would enhance the security, integrity and privacy of financial sector data. The cloud facility will be set up and initially operated by \_\_\_\_\_, a wholly-owned subsidiary of RBI.

- a) Indian Financial Tech & Allied Services (IFTAS)  
b) Indian Financial Technology & Allied Services (IFTAS)  
c) India Fiscal Technology & Allied Services (IFTAS)  
d) Indian Fintech & Associated Services (IFTAS)

10) Under Central Sector Scheme for purchasing Drones to Women SHGs, for providing rental services to farmers for agriculture purpose. Financial assistance @ 80% of the cost of drone and ancillary charges up to a maximum of Rs. \_\_\_ lakh will be provided to the women SHGs.

- a) 5      b) 6      c) 8      d) 10

11) FinTechs are using emerging technologies like Distributed Ledger Technology (DLT), Artificial Intelligence / Machine Learning (AI / ML), and so on. For better understanding of the developments in the FinTech ecosystem, RBI has proposed to set-up a \_\_\_\_\_ for capturing essential information about FinTechs, encompassing their activities, products, technology stack, financial information etc. FinTechs would be encouraged to provide relevant information voluntarily which will aid in designing appropriate policy approaches.

- a) Warehouse      b) Depository  
c) Repository      d) Data ware House

12) In terms of revised guidelines of RBI, an additional arrangement has been put in place for invoicing, payment, and settlement of exports/imports in INR through \_\_\_\_\_ of the correspondent banks of the partner trading country maintained with AD Category-I banks in India.

- a) Special Rupee Vostro Accounts  
b) Special Rupee Nostro Accounts  
c) Special Vostro & Loro Accounts  
d) Special Rupee Vostro & Loro Accounts

13) In terms of revised guidelines of RBI, in order to provide greater operational flexibility to the exporters, AD Category-I banks maintaining Special Rupee Vostro Account have been permitted to open an additional \_\_\_\_\_ for its exporter constituent exclusively for settlement of their export transactions.

- a) Vostro Current account      b) Special Current account  
c) Special overdraft account      d) Special Vostro account.

14) As per regulatory measures towards consumer credit and bank credit to NBFC, RBI has decided to increase the risk weights in respect of consumer credit exposure of commercial banks including personal loans, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery, by 25 percentage points to \_\_\_\_\_.

- a) 110%      b) 120%      c) 125%      d) 150%

15) As per extant instructions of RBI, credit card receivables of scheduled commercial banks (SCBs) attract a risk weight of 125% while that of NBFCs attract a risk weight of 100%. On a review, RBI has decided to increase the risk weights on such exposures to \_\_\_% and \_\_\_% for SCBs and NBFCs respectively.

- a) 130; 110      b) 135; 115  
c) 140; 120      d) 150; 125

16) In terms of extant norms, exposures of SCBs to NBFCs, excluding Core Investment Companies, are risk weighted as per the ratings assigned by accredited external credit assessment institutions (ECAI). RBI has decided to increase the risk weights on such exposures of SCBs by \_\_\_ percentage points (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%.

- a) 25      b) 30      c) 35      d) 40

17) Ministry of Housing and Urban Affairs has launched a web portal \_\_\_\_\_ Dashboard for Cities,' under which Urban Local Bodies (ULBs) across the country can see how they are faring vis-à-vis other cities; inspire them by pointing to possibilities and areas of improvement and providing opportunity to learn and engage with frontrunners. ULB can participate to voluntarily, submit their key data on the portal.

- a) DARPAN      b) MIRROR  
c) REFLECTOR      d) AAINA

18) In terms of extant guidelines of RBI, AD Category-I banks have been permitted to remit advance payments on behalf of Qualified Jewellers as notified by \_\_\_\_\_ for eleven days for import of gold through India International Bullion Exchange IFSC Ltd (IIBX). According to DGFT, in addition to nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies), Qualified Jewellers as notified by IFSCA have been permitted to import silver under specific ITC(HS) Codes through IIBX.

- a) International Finance Services Centres Authority (IFSCA)
- b) International Financial Services Centres Authority (IFSCA)
- c) International Financial Serving Centres Authority (IFSCA)
- d) Internal Finance Services Centres Authority (IFSCA)

19) RBI has decided that AD Category-I banks may allow Qualified Jewellers to remit advance payment for \_\_\_\_\_ days for import of silver through IIBX.

- a) 7
- b) 10
- c) 11
- d) 21

20) \_\_\_\_\_ has been introduced by the RBI, wherein certain specified categories of Central Govt. securities were opened fully for non-resident investors without any restrictions, apart from being available to domestic investors as well. RBI has now decided to also designate all Sovereign Green Bonds issued by the Govt. in the fiscal year 2023-24 under the said route.

- a) Fully Accessible Route
- b) Fully Tangibility Route.
- c) Fully Automatic Route
- d) None of the above

21) AD Category-I banks do not require separate approval from the RBI for undertaking Payment Aggregator – Cross Border (PA- CB) activity. Non-banks which provide PA-CB services shall apply to the RBI for authorisation by \_\_\_\_\_ in the prescribed format.

- a) April 15, 2024
- b) April 30, 2024
- c) June 15, 2024
- d) June 30, 2024

22) Non-bank Payment Aggregator (PA) – authorised as well as those whose applications for authorisation are pending with the RBI – shall advise the Department of Payment and Settlement Systems (DPSS), RBI, Central Office (CO) within \_\_\_\_\_ calendar days about their existing PA-CB activity and whether, or not, they would want to continue it. If they wish to continue, they shall seek an approval from RBI for the same.

- a) 30
- b) 45
- c) 60
- d) 90

23) Non-banks providing Payment Aggregator – Cross Border (PA-CB) services, shall have a minimum network of Rs. \_\_\_\_\_ crore at the time of submitting application to the RBI for authorisation and a minimum network of Rs. \_\_\_\_\_ crore by March 31, 2026.

- a) 15; 25
- b) 20; 30
- c) 25; 35
- d) 30; 40

24) All existing non-bank Payment Aggregator – Cross Border (PA-CBs) which are not able to comply with the network requirement or do not apply for authorisation within the stipulated time frame, shall wind-up PA-CB activity by \_\_\_\_\_

- a) July 30, 2024
- b) July 31, 2024
- c) August 31, 2024
- d) None

25) For facilitating import transactions, Payment Aggregator – Cross Border (PA-CBs) may directly on-board merchants located abroad, or may enter into agreement with e-commerce market places or entities providing PA services abroad. In case per unit goods / services imported is more than Rs. \_\_\_\_\_ lakh, then the concerned PA-CB shall undertake due diligence of buyer also.

- a) 1,50,000
- b) 2,00,000
- c) 2,50,000
- d) 3,00,000

26) In respect of import and export transactions processed by Payment Aggregator (PA-CBs), the maximum value per unit of goods / services sold / purchased shall be \_\_\_\_\_.

- a) Rs.15,00,000
- b) Rs.20,00,000
- c) Rs.22,00,000
- d) Rs.25,00,000

27) The Finance Ministry has notified changes in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Now reporting entities will be required to keep records containing analysis of transactions and client due diligence for a period of \_\_\_\_\_ years after the business relationship with the client had ended or the account has been closed, whichever is later.

- a) 3
- b) 5
- c) 7
- d) 10

28) As per new compensation framework of RBI, complainants shall be entitled to a compensation of Rs. \_\_\_\_\_ per calendar day in case their complaint is not resolved within a period of 30 calendar days from the date of the initial filing of the complaint with a Credit Institution / Credit Information Companies.

- a) 100
- b) 200
- c) 300
- d) 500

29) According to RBI master directions on KYC- AML, REs shall preserve the documents of the transactions undertaken by the walk-in customers for a period of \_\_\_\_\_ years from the date of transactions.

- a) 2
- b) 3
- c) 5
- d) 7

30) According to RBI master directions on KYC- AML, in case of domestic wire transfers below Rs. \_\_\_\_\_ where the originator is not an account holder of the ordering bank, the ordering bank should submit the required transaction requests to beneficiary bank or any investigating agencies. Such information need to be submitted within \_\_\_\_\_ business/working days.

- a) 25000;2
- b) 50000;3
- c) 100000;5
- d) 200000;10

31) RBI has decided that the minimum amount for offering Non-callable Term Deposits may be increased from Rupees fifteen lakh to Rupees \_\_\_\_\_ i.e., all domestic term deposits accepted from individuals for amount of the said limit and below shall have premature-withdrawal-facility and shall also be applicable for (NRE Deposit /NRO Deposits).

- a) 50 lakh
- b) 1 crore
- c) 2 crore
- d) 2.5

32) According to Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023 (LLB SBO Rules), a Significant Beneficial Owner ("SBO") is one who holds indirectly or together with any direct holdings, not less than \_\_\_\_\_ percent of the contribution.

- a) 5
- b) 10
- c) 12
- d) 15

33) A new LLP need to submit the details of Significant Beneficial Owner (BO) to ROC within \_\_\_\_\_ days from inclusion. Existing LLPs need to make the reporting of existing SBOs to ROC within 90 days from the date directions - Nov 10, 2023.

- a) 15
- b) 20
- c) 30
- d) 45

34) As per RBI's (Information Technology Governance, Risk, Controls and Assurance Practices) Directions - 2023, the key focus areas of IT Governance shall include:

- a) Strategic alignment
- b) Risk management
- c) Resource management
- c) Performance management
- d) Business Continuity/ Disaster Recovery Management
- e) All of the above

**ANSWER KEY**

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

**RECOLLECTED QUESTIONS**

**CANARA BANK – (SCALE 1 TO 2 ON 11 NOV 2023)**

● Objectives and operations of Joint stock company mentioned in: **Memorandum of Association**

● Penal interest shall be levied at the rate of \_\_\_\_ for the period of delayed reporting/wrong reporting/inclusion of ineligible amounts in chest balances: **Bank rate+2%**

● If prospective customer is having credit exposure of \_\_\_\_ Crore or more (except CC/OD limit) in banking system, branches shall be required to put in place an Escrow mechanism: **Rs.50**

● Start-up priority sector cut off for credit facility: **Rs.50 Cr**

● Bhim UPI transaction for IPO: **Rs.5 Lakh**

● ATM to whom bank can issue: **Minor aged above 10 years**

● PAN or Form 60: **Applicable for TD exceeding Rs.50,000/- in cash as per Sec.114 B (c) of the IT**

● Bank Mitra shall operate from the fixed location in the allocated SSA villages at least for \_\_\_\_ hours in a day and thereafter he has to move around villages: **4**

● Where the client is a Partnership firm the beneficial owner is the natural person who acting alone or together has ownership of more than:**10%**

● SARFAESI sale notice of how many days? **30 Days**

● Collateral free loans for Self Help Group to be given upto Rs. \_\_\_\_ lakh to Rs. \_\_\_\_ lakh: **10;20**

● No processing charges to be collected for priority sector loans upto: **Rs. 25,000**

● Risk weight for housing loans up to Rs. 30 lakhs as per Loan to Value (LTV) guidelines: **35%**

● Time limit for settlement of death claim: **15 Days**

● Midterm audit of currency chest after completion of RBIA: **12 months.**

● In respect of Govt Schemes the concerned sanctioning authority can sanction proposals irrespective of Risk Grade upto: **Rs.2 Lakh.**

● Which transactions in the TReDS platform for MSME classified as priority sector: **Factoring**

● Micro loans as per CGFMU up to: **Rs.10 Lakh**

● Expand CIF in relation to SHG: **Community Investment Support Fund.**

● For SHG CIF, for limit above \_\_\_\_, borrower has to opt for either MPBF or cash budget method: **Rs.25 Cr**

● Bank can open Current Account with simple declaration when party is having exposure \_\_\_\_ with other bank: **Upto Rs.5 Crore**

● FATF full form: **Financial Action Task Force – for anti-money laundering and combatting financial terrorism (CFT).**

● CRE-RH cases where the Floor Space Index (FSI) of the commercial area in the pre-dominantly residential complex exceeds the ceiling of \_\_\_\_ will classify as CRE: **10%**

● Rate of interest paid in overdue term deposit: **Contracted rate or Saving Bank rate whichever is lower.**

● Under Mahila Vikas scheme minimum collateral comfort for moderate risk rated account: **75%**

● Dishonor of cheque less than Rs.1Cr \_\_\_\_ occasions - closure of account: **6 cheques return.**

● Cash withdrawal limit for NRI under credit card: **50% or Rs.50,000/- per month**

● Interest subvention under Central sector scheme agricultural infrastructure fund is \_\_\_\_%. Interest subvention for all eligible loans & subvention is restricted to a limit of Rs. \_\_\_\_ Crore: **3 ; 2**

● In PM KUSUM loan amount component B and C \_\_\_\_ of project cost enumerated in DPR: **30%**

● Security deposit for Gold loan of panel appraiser: **Rs.50,000**

● Loans upto which amount to Co-operative societies come under priority sector: **Rs. 5 Crore.**

● SFTP stands for Secured file transferred \_\_\_\_:**Protocol**

● Maximum loan tenure under Employee Stock Option scheme: **35 months.**

● Noting in Hindi for region B: **50%**

● A customer's entitlement to **zero liability** shall arise where the unauthorized Electronic Benefit Transfer occurs when third party breach where the deficiency lies neither with the Bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within \_\_\_\_ working days of receiving communication from the bank regarding the unauthorized EBT: **3**

● Agency to whom complaint should be lodged for frauds more than Rs.25 Crore and up to Rs.50 Crore (irrespective of the involvement of a public servant): **Banking Security and Fraud Cell (BSFC) of CBI.**

● Indo-Nepal Remittance is a one-way remittance from India to Nepal by the Nepalese citizens working in India through NEFT up to a ceiling of \_\_\_\_ only for account holders with no cap on the no. of remittances in a year per remittance: **Rs 2,00,000**

● Interest free deposit accounts are exempted from the usual stipulations of Current account, such as maintenance of minimum balance, payment of service charges, etc. However, where the withdrawals in such accounts exceed \_\_\_\_ per year, service charges as applicable to SB account should be charged: **40**

● Whenever Bank is transferring a Stressed loan, no fresh exposure shall be taken on the borrower till \_\_\_\_ months from the date of such transfer: **24**

● If a credit card has not been used for a period of more than \_\_\_\_ year, the process to close the card will be initiated after intimating the cardholder. If no reply is received from the cardholder within a period of \_\_\_\_ days, the card account will be closed subject to payment of all dues by the cardholder: **1 ; 30**

● Fees Payable to Advocates for Original Applications filed before DRT in Hyderabad for suit amount of Rs. 20 lac: **Rs. 25,000/-**

● Bank shall compute RAROC for all the Corporate/MSME/Agricultural proposals having aggregate exposure to counterparty of above Rs. \_\_\_\_ crore : **7.5**

● Guidelines are applicable for all types of Housing Loans and finance to Builders of Rs. \_\_\_\_ Crore. and above and confirmation from the borrowers, Architect/Structural Engineers as to the approval of the plan by the competent local authorities and adherence to the specification of NBC/NDMA guidelines: **1**

● All the registers in the case of advances should be preserved for \_\_\_\_ years from the date of closure of last outstanding account and in the case of deposits, from the date of last operation in the last outstanding account: **10**

● CR Files: Whether the matter is a subject of any dispute or litigation to be preserved for \_\_\_\_ years from the date of final disposal of the dispute or litigation: **20**

● Department of Public Enterprises (DPE) guidelines on CSR prefers implementation of CSR in project mode and recommends earmarking of \_\_\_\_% of the annual budget for activities in project mode: **80**

● External due diligence charges for Acumen Business Consultancy Pvt. Ltd. for loan having exposure above \_\_\_\_ Crore: **Rs.10,000**

● Bank products to be given to appropriate customer as per his choice: **Right to Suitability**

● A note of which a portion is missing or which is composed of more than two pieces are \_\_\_\_ : **Mutilated Note.**

● AHIDF scheme repayment holiday of \_\_\_\_ years on principal amount:**2**

● Under SARFAESI , on confirming the sale, the purchaser has to deposit \_\_\_\_ % of the sale price immediately with the Authorized Officer either on the same day or the next working day:**25**

● TLTRO full form:-**Targeted Long-Term Repo Operations**

● Type of NPA accounts to be considered for Technical Write off, a/c classified as Doubtful Assets more than \_\_\_\_ years: **3 (D3).**



**LATEST GENERAL KNOWLEDGE**

- The RBI has appointed \_\_\_\_\_ as the new Executive Director, effective from November 1, 2023: **Manoranjan Mishra**
- \_\_\_\_\_ has been appointed as the Chief Information Commissioner in the Central Information Commission: **Heeralal Samariya**
- \_\_\_\_\_ has been reappointed as MD&CEO of Bandhan Bank for a period of three years: **Shri Chandra Shekhar Ghosh**
- Govt has appointed \_\_\_\_\_ as MD of SBI till November 30, 2025: **Vinay Tonse**
- \_\_\_\_\_, the Comptroller and Auditor General (CAG) of India, has been elected as the vice-chair of the UN Panel of External Auditors: **Girish Chandra Murmu**
- \_\_\_\_\_ Xerox India and Walt Disney India's Ex-MD, has been appointed as Fino Payments Bank Chairman: **Rajat Kumar Jain**
- \_\_\_\_\_, the founder of the DMart chain of hypermarkets, has topped the latest rich list of the country's self-made entrepreneurs in the IDFC FIRST Private Hurun India: **Radhakishan Damani**
- HDFC Bank has appointed former NABARD Chairman \_\_\_\_\_ as additional independent director: **Harsh Kumar Bhanwala**
- Board of Kotak Mahindra Bank has appointed \_\_\_\_\_ as MD and CEO of the bank: **Ashok Vaswani**
- The Association of Mutual Funds in India (AMFI) has appointed \_\_\_\_\_ as Chief Executive Officer: **Venkat Nageswar Chalasani**
- Prime Minister Modi inaugurated the \_\_\_\_\_ platform, an initiative designed to empower the youth of India: **'Mera Yuva Bharat (MY Bharat)'**
- \_\_\_\_\_, an Irish author has won the 2023 Booker prize for his fifth novel 'Prophet Song' beating London-based Indian-origin author Chetna Maroo's debut novel 'Western Lane': **Paul Lynch**
- \_\_\_\_\_ has made its mark on the global stage by being named one of the latest entrants into the UNESCO Creative Cities Network: **Kozhikode (Kerala)**.
- \_\_\_\_\_ has become the first woman to clinch the prestigious Dhahan Prize, the largest international literary award for fiction in the Punjabi language: **Deepti Babuta**
- World-renowned author \_\_\_\_\_, received the inaugural 'Lifetime Disturbing the Peace Award' from the Vaclav Havel Center: **Salman Rushdie**
- The British Academy Book Prize for Global Cultural Understanding, a prestigious international non-fiction award has been claimed by India-born author \_\_\_\_\_ for her debut book, 'Courting India: England, Mughal India, and the Origins of Empire.': **Nandini Das**
- Kerala government has selected renowned writer \_\_\_\_\_ as the recipient of the prestigious Kerala Jyothi award for his exceptional contributions to Malayalam literature: **T. Padmanabhan**
- The Maharashtra Govt. has chosen the playback singer and National Award winner, \_\_\_\_\_, as the recipient of the prestigious 'Gansamragini Lata Mangeshkar Award' for 2023: **Suresh Ishwar Wadkar**
- Chairperson of Reliance Foundation Nita Ambani has launched the first \_\_\_\_\_ handicrafts store in Hyderabad, aimed at supporting and promoting Indian craftwork: **'Swadesh'**
- \_\_\_\_\_ from Bengaluru has won the top prize in the '10 years under 'category' renowned Wildlife Photographer of the Year: **Vihaan Talya Vikas**
- Bangladesh PM \_\_\_\_\_ has featured in a Time cover story: **Sheikh Hasina**
- \_\_\_\_\_ landscape has witnessed remarkable growth, emerging as the third-largest hub in the world, following the United States and China: **India's startup**
- \_\_\_\_\_, the capital of Karnataka, topped the list of women-led Startups, boasting 1,783 women-led startups: **Bengaluru**
- UNESCO welcomed 55 new cities into its Creative Cities Network (UCCN), which includes: **Kozhikode and Gwalior**

- Collins Dictionary has declared \_\_\_\_\_ as the Word of the Year for 2023, reflecting its prominence in our daily lives: **Artificial Intelligence (AI)**
- \_\_\_\_\_ has become the first Indian Institute of Technology to establish an international campus on the Zanzibar Island in East Africa: **IIT Madras**
- \_\_\_\_\_ and the Institute of Rural Management Anand (IRMA) entered into a Memorandum of Understanding to establish the Axis Bank Chair for financial inclusion at IRMA: **Axis Bank**
- \_\_\_\_\_ under the DISHA scheme, facilitated by the Department of Justice, extends its reach to over 600,000 individuals: **Legal Literacy and Legal Awareness Program.**
- Hanson Robotics and Dictador, a Polish run company, have appointed \_\_\_\_\_ as the world's first humanoid robot CEO: **Mika**
- \_\_\_\_\_ has announced a strategic partnership with HDFC Life, one of India's premier life insurance providers: **Karnataka Bank**
- \_\_\_\_\_ has secured a notable 'Best State' award for inland fisheries (plain areas): **Uttar Pradesh Govt.**
- \_\_\_\_\_ fish has been officially declared the state fish of Gujarat: **'Ghol'**
- Delhi's \_\_\_\_\_ is the World's 22<sup>nd</sup> Priciest High Street Retail Location: **Khan Market**
- \_\_\_\_\_ has unveiled the world's first 3D-printed temple, situated in Burugupally, Siddipet district: **Telangana**
- \_\_\_\_\_ Express has announced partnership with India Post to introduce automated Digital Parcel Lockers at selected post offices: **Blue Dart**
- \_\_\_\_\_ has made a strategic partnership with 'U GRO Capital', a Non-Banking Financial Company (NBFC) specializing in Micro, Small, and Medium Enterprises (MSME) financing: **Mastercard**
- \_\_\_\_\_, Kanpur has secured the highest grading, A++, from the National Assessment and Accreditation Council (NAAC): **Chhatrapati Shahuji Maharaj University (CSMUJ)**
- \_\_\_\_\_ Maharatna has received the "Best Employer for Policies in Diversity & Inclusion" Award at the 4th Diversity & Inclusion Excellence Awards and Conclave organized by Assocham: **REC Limited**
- Bihar government has launched a new initiative \_\_\_\_\_ which aims at supporting nearly 25 lakh children facing significant academic challenges in state-run schools: **Mission Daksh (Dynamic Approach for Knowledge and Skill)**.
- \_\_\_\_\_ of Indian Navy has been appointed as first woman Commanding Officer in Naval Ship: **Admiral Kumar**
- GST registration (Andhra Pradesh) now requires \_\_\_\_\_ authentication to deter fraudulent entries: **Biometric Aadhaar**
- \_\_\_\_\_ plans 'cloud' laptop in bid to reduce ownership costs: **Reliance Jio**
- The \_\_\_\_\_ in New Delhi has officially announced its permanent closure, citing persistent challenges from the Indian government as the primary reason: **Afghanistan embassy**
- \_\_\_\_\_ has become the inaugural bank to go live as a 'Financial Information Provider' (FIP) under the recently introduced Account Aggregator Framework by RBI: **IndusInd Bank**
- \_\_\_\_\_ has successfully executed the world's first ship-to-ship liquefied natural gas (LNG) transfer: **Gas Authority of India Limited (GAIL)**

**KEY INDICATORS**

REPO RATE	6.50%	FOREX RESERVES- Rs. (in Cr)	5031468
CRR	4.50%	FOREX RESERVES US (\$ Million)	604042
SLR	18.00%	SCB's AGGREGATE DEPOSITS - (Cr)	19651777
BANK RATE & MSF	6.75%	SCB's BANK CREDIT - (Cr)	15039956
SDF	6.25%	FIXED RATE REVERSE REPO	3.35%