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CONTEMPORARY

BANKING & FINANCE

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TELEGRAM**INSOLVENCY AND BANKRUPTCY CODE (IBC) 2016**

Bankruptcy is a legal status of a person or other entity that cannot repay the debts it owes to creditors. In most jurisdictions, bankruptcy is imposed by a court order, often initiated by the debtor.

The Code offers a uniform, comprehensive insolvency legislation encompassing all Co's, partnerships and individuals (other than financial firms). One of the fundamental features of the Code is that it allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation.

BACKGROUND: During the period between 2008 to 2014, banks lent indiscriminately which led to a very high percentage of Non Performing Assets (NPAs). This was highlighted by asset quality reviewers of the RBI and led to the prompt action by the government in appointing the 'Joint Committee of Parliament' on April 28, 2016, which in its report of 2015 recommended the IBC.

PILLARS OF IBC, 2016:

The Code creates a new institutional framework and rests on four pillars:

- Insolvency Professionals
 - Information Utilities
 - Adjudicating Authorities; and
 - The Insolvency and Bankruptcy Board of India (IBBI).
- (a) **Insolvency Professionals:** The primary duty of the Insolvency Professionals (IPs) is to assist in the completion of insolvency resolution, liquidation and bankruptcy proceedings.

(b) **Information Utilities:** Information Utilities' would collect, collate, authenticate and disseminate financial information. They would also maintain electronic databases on lenders and terms of lending, thereby eliminating delays and disputes when a default actually takes place.

(c) **Adjudicating Authorities:** The adjudicating authorities under the Code are National Company Law Tribunal (NCLT) and Debt Recovery Tribunal (DRT). The NCLT is the forum where cases relating to insolvency of corporate persons (limited liability entities) will be heard, while DRTs are the forum for insolvency proceedings related to individuals and partnership firms. These institutions, along with their Appellate bodies, viz., the National Company Law Appellate Tribunal (NCLAT) and the Debt Recovery Appellate Tribunal (DRAT), respectively, will seek to achieve smooth functioning of the bankruptcy process.

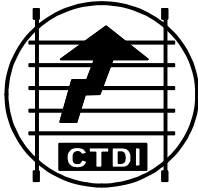
An appeal can be preferred on the orders of NCLT to National Company Law Appellate Tribunal (NCLAT). Orders of NCLAT are appealable within 45 days before the Supreme Court only on question of law. It is specifically provided that Civil Courts or any other authority do not to have jurisdiction and also cannot any injunction.

(d) **The Insolvency and Bankruptcy Board of India (IBBI):** This body has regulatory oversight over insolvency professionals, insolvency professional agencies and information utilities.

APPLICABILITY: Co's, LLPs, Partnership firms, other corporate persons, and individuals, and any other body specified by Govt.

POSITIVE ATTITUDE

A bird sitting on a tree is never afraid of the branch breaking, because her trust is not on the branch but on it's own wings.



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SCAN AND PAY



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CUT OFF LIMIT: To initiate an insolvency process for corporate debtors, the default should be at least INR 1 crore.

TWO-STAGE PROCESS:

The Code proposes two independent stages namely:

A) Insolvency Resolution Process; and

B) Liquidation

A) INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP):

The CIRP provides a collective mechanism to lenders to deal with the overall distressed position of a corporate debtor. The Code envisages the following steps in the IRP:

1) The process begins with the financial creditor, operational creditor, or corporate debtor filing an application before the National Company Law Tribunal (NCLT). The NCLT examines the application and determines whether there is any default on the part of the corporate debtor.

2) **Admission or Rejection of the Application:** The NCLT may admit or reject the application within 14 days of its receipt. If the application is admitted, the NCLT declares a moratorium and appoints an Interim Resolution Professional (IRP) to manage the affairs of the corporate debtor. The moratorium operates as a 'calm period' during which no judicial proceedings for recovery, enforcement of security interest, sale or transfer of assets, or termination of essential contracts can take place.

3) **Moratorium Period:** The moratorium period begins immediately after the admission of the application and lasts for 180 days, which can be extended up to 270 days.

4) **Formation of Committee of Creditors (CoC):** The CoC is constituted within 30 days from the appointment of the IRP. The IRP takes control of the company's operations and informs the creditors about the default. The first meeting of the CoC is convened, where the financial creditors decide whether to continue with the resolution process or opt for liquidation.

5) **Resolution Plan:** The CoC invites prospective resolution applicants to submit resolution plans. The resolution plans are examined by the CoC and evaluated based on various parameters.

6) Time-Limit for Completion of Insolvency Resolution Process:

a) Under the statute time limit has been fixed for completion of the entire resolution process. As per Section 12" of IBC, the corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of the application to initiate such process.

b) Resolution applicants are given 180 days to submit a resolution plan from the date of admission of the application. This period may be extended by the NCLT for up to 90 days.

c) The entire corporate insolvency resolution process (from the date of admission of petition or application until submission of the resolution plan with the NCLT for its approval) must be completed within a time period of 180 days (extendable to 270 days in certain circumstances). If, during this period, no resolution plan is approved by the committee and thereby the NCLT, then the company is mandatorily liquidated. However, an amendment to the IBC (with effect from 16 August 2019) provides that the entire corporate insolvency resolution process shall be completed within 330 days, including any extension of 90 days and time taken in legal proceedings in relation to the corporate insolvency resolution process of the corporate debtor.

d) The CoC selects a feasible resolution plan with the highest vote share (minimum threshold being 66%).

7) **Approval of the Resolution Plan:** The selected resolution plan is submitted to the NCLT for approval. The NCLT examines the plan for compliance with the provisions of the IBC and other legal requirements. If the plan is approved, it becomes binding on the corporate debtor and all stakeholders.

8) **Vote share:** CoC to decide on extension of insolvency process beyond 180 days upto 330 days and for appointment of IP by 66% vote share (from earlier 75%); other decisions can be taken by 51% vote (75% earlier). The process can be withdrawn altogether by 90% vote share.

9) **Implementation of the Resolution Plan:** The successful resolution applicant implements the resolution plan within the specified time frame. The CoC monitors the implementation process to ensure that the plan is executed as per the terms agreed upon. The NCLT is required to approve or reject the resolution plan within 90 days from the date of receipt of the plan.

10) **Concluding the Insolvency Resolution Process:** Once the resolution plan is successfully implemented, the NCLT issues an order approving the resolution process. The corporate insolvency resolution process concludes, and the corporate debtor is handed back to the management of the successful resolution applicant.

(Cont'd on Page no.4)

KNOWLEDGE +

‘Bob World app’

Bank of Baroda, the India's seventh largest bank as per market capitalization, was banned from onboarding new customers on its mobile app - "Bob World" app by the RBI after a potential fraud in the process of signing up customers for its Internet banking app. The RBI has mandated that the Bank of Baroda, sign in new customers to the BoB World app after it rectifies the identified issues and strengthens the relevant processes to the regulator's satisfaction.

➤ The central bank said this action (taken in exercise of its power under Section 35A of the Banking Regulation Act, 1949) is based on certain material supervisory concerns observed in the manner of onboarding their customers onto "bob World".

➤ "Bob World" app - an app, similar to other banking apps, offers customers various digital banking services, including loan access, savings, investment options, bill payments, and even booking buses and hotels.

➤ The unfolding of the BoB World App saga began in July 2023, when Al Jazeera based on whistleblower complaints, reported, that employees were pressured to boost customer numbers on the mobile app. The employees at certain Bank of Baroda branches allegedly linked customers' bank accounts with unrelated mobile numbers and enrolled them on the "Bob World" app.

➤ After the initial registration, these employees would then deregister the bank accounts from the app and reuse the same mobile numbers to link a different set of bank accounts. To oversee this process, each branch had a designated nodal officer, as reported by the publication. While Bank of Baroda initially denied these allegations, it later initiated an internal audit in response to the accusations.

➤ The "Bank Bachao Desh Bachao Manch" - a civil society forum, in a letter to RBI Governor Shaktikanta Das, has expressed apprehension about the drive initiated by various banks to onboard customers on mobile banking apps through business correspondents as well as employees. This has resulted in customers losing substantial amounts through frauds perpetrated by fraudsters, it alleged.

➤ The forum stated that under such drives impossible targets are set for the banks' branch level functionaries on any banking channel activity - selling of third party products, opening of current accounts, onboarding customers for mobile banking app, etc. often leading to irregular and unlawful acts being perpetrated by them. Further, the authorities turn a blind eye to such activities as long as the targets are achieved. To achieve the targets, branch staff resort to malpractices to satisfy the authorities, they alleged.

➤ In response to this, the Bank of Baroda has taken action by suspending certain employees and launching an investigation to establish accountability.

KEY TAKE AWAYS:

The challenges observed in the onboarding process of the "Bob World" app underscore the necessity for banks to move beyond punitive measures and internal audits. The call is for a more comprehensive approach to tackle underlying issues.

a) Unrealistic Goals: Establishing unattainable targets for frontline employees can create a stressful environment, fostering unethical practices. The pursuit of such goals may lead employees to resort to shortcuts and fraudulent activities to meet targets, necessitating a re-evaluation of goal-setting practices.

b) Lack of Internal Controls: Insufficient internal controls and monitoring systems may allow fraudulent activities to go unnoticed. Notably, the absence of robust checks in registering the same mobile number across multiple accounts poses a significant vulnerability, prompting the need for enhanced controls.

c) Technological Safeguards: Outdated or poorly implemented technological safeguards expose banking systems to exploitation. The ability to update mobile numbers without proper authorization checks presents a security risk, highlighting the imperative to invest in advanced and secure technologies.

d) Cultural Issues: A cultural shift within banks is advocated, emphasizing healthy competition over target-driven pressure. Prioritizing respect for customer privacy and rights is crucial for fostering a trustworthy relationship, necessitating a change in the organizational culture.

e) Proposed Solutions: Proposed solutions include building a culture of healthy competition, educating employees on customer rights, and assisting less digitally savvy customers in adopting digital channels. These measures aim to address the root causes of unethical practices and enhance overall banking integrity.

f) Digital Leaders' Responsibility: Digital leaders in the banking industry are called upon to assess the security and ethical aspects of mobile banking apps, ensuring they meet high standards. This Responsibility includes ongoing evaluations to adapt to evolving threats and maintain a secure digital environment.

(Cont'd on Page no.4)

COMPLIMENTS

(FROM OUR PARTICIPANTS)

P. Vimaljith 8939010878

Thank you very much sir

For kind blessings and support

Bank: CM to AGM (BOB)

Nivedita Sharma 9462699833

Good Morning Sir,

With your Blessings and Guidance, am happy to inform that I have been promoted to Scale 4 in Bank of Baroda.

BANK: BOB 3-4

Kuljinder Singh 9855077385

Sir, Thank you for your guidance cleared the EXAM for 3-4 in PSB Bank

Malikarjun Konne 9963641469

Good Evening,

Dear Sir, I got promoted as scale -II. Thank you for your interview guidance which was helped me a lot.

Bank: IOB, Scale: 4-5

Ranjit Kumar 9097272093

Thank you for much for being promoted to AGM

Bank: IDBI Bank, Scale 2-3

Baljit Kaur 9888431979

Good evening Sir .Sorry for Bothering you so late. Sir I cleared exam. Thanks to you I have to prepare for interview .Please let me know when to start.

BANK: IOB; Scale: 4-5

Rajneesh Upadhyay 7000327087

Sir Good Evening sir

Sir I got promotion, just because of your support and your classes

Feeling sorry to update you with delay.

Thank you so much sir.

Bank: IOB Puskar Branch Scale 2-3

Ms. Devshree Chavala 9592884440

Good Evening sir,

Thanku you very much for your guidance, I learnt a lot from the structured training programme and in depth learning provided by CTDI, which helped me in clearing my promotion exam. I really appreciate how patiently you resolved my doubts. Thanks you sir

Bank: IDBI Scale 2-3

Dheeraj Kumar Jha 7870060830

Good Evening sir

With God's grace and all your

Support sir, promoted from Scale 1 to 2

Thanks a ton sir... Means a lot to me.

Bank: PNB Scale 1 to 2

*(Cont'd from Page No 2)***INSOLVENCY AND BANKRUPTCY CODE (IBC) 2016****B) LIQUIDATION PROCESS:**

If the resolution process fails, the liquidation process is initiated. Under the IBC, the timeframe for the liquidation process is as follows:

a) Passing of Liquidation order: Once the resolution process fails, the National Company Law Tribunal (NCLT) may pass a liquidation order. This generally needs to be completed within 90 days from the insolvency commencement date.

b) Appointment of Liquidator: Within 30 days of the liquidation order, the NCLT appoints a resolution professional as the liquidator for the company.

c) Liquidation Process Duration: The liquidator takes control of the company's assets and undertakes the process of selling off the assets to pay off the creditors. The duration of the liquidation process may vary depending on the complexity of the case and the assets involved. It is generally expected to be completed within 12 months from the liquidation order.

WATERFALL MECHANISM:

Once the liquidation process is complete, the proceeds from the sale of assets are distributed among the creditors as per the Waterfall mechanism specified in Section 53 of the Code which determines priority as follows:

- (a) Insolvency resolution cost and liquidation cost
- (b) Workmen's dues (for 24 months before commencement) and debts to secured creditor (who have relinquished their security interest)
- (c) Wages and unpaid dues to employees (other than workmen) (for 12 months before commencement)
- (d) Financial debts to unsecured creditors and workmen's dues for earlier period
- (e) Crown debts and debts to secured creditor following enforcement of security interest
- (f) Remaining debts
- (g) Preference shareholders
- (h) Equity Shareholders or partners.

Section 29A of the IBC: This section was introduced to prevent certain persons from submitting resolution plans for companies undergoing the corporate insolvency resolution process (CIRP). This provision aims to ensure that persons who have contributed to the insolvency of the corporate debtor or are otherwise undesirable are not allowed to participate in the resolution process.

This section lays down the criteria that render a person ineligible to submit a resolution plan. These include:

- a) Wilful defaulters and persons who have their accounts classified as non-performing assets for more than one year.
- b) Disqualified directors of companies that have failed to file financial statements or annual returns for three consecutive years.
- c) Undischarged insolvent individuals.
- d) Persons who have been convicted for any offense punishable with imprisonment for two years or more.
- e) Connected persons of the above-mentioned ineligible persons.

APPEAL: Under the Insolvency and Bankruptcy Code (IBC) of India, there are provisions for filing appeals at various stages of the insolvency resolution process.

a) Appeal to the National Company Law Appellate Tribunal (NCLAT): If a party is aggrieved by the order of the National Company Law Tribunal (NCLT), they can file an appeal before the NCLAT within 30 days from the date of receipt of the NCLT's order. The NCLAT has the authority to hear and dispose of appeals against the orders of the NCLT.

b) Appeal to the Supreme Court of India: If a party is dissatisfied with the decision of the NCLAT, they can file an appeal to the Supreme Court of India within 45 days from the date of the NCLAT's order. The Supreme Court has the jurisdiction to hear and adjudicate appeals against the orders of the NCLAT.

2) INSOLVENCY RESOLUTION & LIQUIDATION FOR INDIVIDUALS / UNLIMITED PARTNERSHIPS:

➤ Part III of the code deals with the insolvency resolution and bankruptcy for individuals and partnership firms, where the amount of default is not less than Rs.1,000. The adjudicating authority of insolvency resolution for the individual and partnership firms would be the Debt Recovery Tribunal (DRT).

➤ Part III of the code provides two methods for resolving the insolvency of individuals:

- a) Fresh start process;
- b) Insolvency resolution process.

a) Fresh Start Process:

Fresh start provides an opportunity to a debtor who is unable to pay his debts to clear off his debts in a time-bound manner on fulfilling the prescribed condition for the fresh start of his qualifying debts. The applicability of this option is greatly limited by the very narrow monetary limits laid – annual income of Rs 60,000, and assets of Rs 20,000.

➤ Fresh start application may be made by the debtor himself, provided the income and asset criteria are within the thresholds referred to above, and the "qualifying debt" for which the individual seeks relief is limited to Rs 35000/-.

➤ Once all the prerequisites are met, an application may be submitted either by the debtor himself or by the resolution professional on behalf of the debtor. Pursuant to this, the code provides for an evaluation of the application by resolution professional, followed by a decision on its acceptance or rejection by the Debt Recovery Tribunal within 14 days of receiving the resolution professional's recommendations on the application.

➤ Where the application is accepted by the DRT, the code provides for legal protection from both current as well as future legal proceedings against the applicant/debtor for a period of 180 days from the date of admission of application.

b) Bankruptcy Process:

Once an application is filed, an interim-moratorium commences. A bankruptcy trustee is appointed to manage the process. Within 14 days of appointment of a bankruptcy trustee, the adjudicating authority passes a "bankruptcy order". This date becomes the bankruptcy commencement date. The bankrupt is required to submit a statement of financial position within 7 days of the commencement date.

(Cont'd from Page No 3)

g) Independent Auditors: The recommendation involves appointing independent information security auditors to conduct thorough investigations across all banks using mobile banking apps. This proactive measure aims to uncover facts and heighten awareness across the entire sector regarding the safety of clients' savings.

h) Comprehensive Customer Education: Implementing a more comprehensive approach to educating and assisting less digitally savvy customers in adopting digital channels is crucial. This initiative aims to build enduring relationships by empowering customers to navigate digital platforms securely.

i) Industry-wide Reminder: The situation with "Bob World" serves as a reminder for banks to prioritize security, ethical practices, and customer trust. The recommendations underscore the importance of a holistic approach to prevent similar issues and maintain a strong reputation in the industry.

CLASSIFICATION, VALUATION & OPERATION OF INVESTMENT PORTFOLIO OF BANKS*(Continued from Oct. 2023 issue Page No 8)***RECLASSIFICATIONS BETWEEN CATEGORIES:**

Banks shall not reclassify investments between categories (viz. HTM, AFS and FVTPL) without the approval of their Board of Directors. Further, reclassification shall also require the prior approval of the Department of Supervision (DoS), RBI. The reclassification should be applied prospectively from reclassification date. Any sales from HTM shall be as per a Board approved policy. Details of sales out of HTM shall be disclosed in the notes to accounts of the financial statements.

➤ In any financial year, the carrying value of investments sold out of HTM **shall not exceed five per cent** of the opening carrying value of the HTM portfolio. Any sale beyond this threshold shall require prior approval from DoS, RBI.

➤ **Sales of securities in the situations given below shall be excluded from the regulatory limit of five per cent prescribed above.**

- Sales to the RBI under liquidity management operations of RBI such as the Open Market Operations (OMO) and Government Securities Acquisition Programme (GSAP).
- Repurchase of Government Securities by Government of India from banks under buyback or switch operations.
- Repurchase of State Development Loans by respective state governments under buyback or switch operations.
- Repurchase, buyback or exercise of call option of non-SLR securities by the issuer.
- Sale of non-SLR securities following a downgrade in credit ratings or default by the counterparty.
- Sale of securities as part of a resolution plan under the Prudential Framework for Resolution of Stressed Assets²⁰ for a borrower facing financial distress.
- Additional sale of securities explicitly permitted by the RBI.

FAIR VALUE OF INVESTMENTS:

➤ The fair value for the quoted securities shall be the prices declared by the Financial Benchmarks India Private Ltd. (FBIL). For securities whose prices are not published by FBIL, the fair value of the quoted security shall be based upon quoted price as available from the recognised stock exchanges or trading platforms or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

➤ **Unquoted SLR Securities:** Treasury Bills shall be valued at carrying cost. Unquoted Central / State Government securities shall be valued on the basis of the prices/ YTM rates published by the FBIL. Other approved securities shall be valued applying the YTM method by marking them up by 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by FBIL.

➤ **Unquoted Non-SLR Securities:** Unquoted debentures and bonds shall be valued by applying the appropriate mark-up over the YTM rates for Central Government Securities as put out by FBIL/FIMMDA. Special securities, which are directly issued by Government of India, and which do not carry SLR status shall be valued at a spread of 25 basis points above the corresponding yield on Central Government securities of equivalent maturity.

➤ **Zero coupon bonds (ZCBs):** In the absence of market value, the ZCBs shall be marked to market with reference to the present value of the ZCB. The fair value so determined

should be compared with the carrying cost to determine valuation gain or loss.

➤ **Preference Shares:** When a preference share has been traded on exchange within 15 days prior to the valuation date, the value shall not be higher than the price at which the share was traded. Investments in preference shares as part of the project finance shall be valued at par for a period of two years after commencement of production or five years after subscription whichever is earlier.

➤ **Equity Shares:** Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, the fair value for the purposes of these directions shall be the break-up value (without considering revaluation reserves, if any) which is to be ascertained from the company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares shall be valued at Rs. 1 per company.

➤ **Mutual Funds Units (MF Units):** Investment in unquoted MF units shall be valued on the basis of the latest re-purchase price declared by the MF in respect of each scheme. In case of funds with a lock in period or any other Mutual Fund, where repurchase price/ market quote is not available, units shall be valued at Net Asset Value (NAV) of the scheme. If NAV is not available, these shall be valued at cost, till the end of the lock-in period.

➤ **Commercial Paper:** Commercial paper shall be valued at the carrying cost.

RECOGNITION AND MEASUREMENT:

With regard to initial recognition and subsequent measurement of investments, the 2023 guidelines have prescribed the following:

- a) All investments should be measured at fair value on initial recognition.
- b) Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it must be presumed that the acquisition cost is the fair value.

Gain/loss on Initial Recognition:

The 2023 guidelines have introduced the concept of a day 1 gain or loss.

➤ **'Day 1 Gain'** is the difference between the fair value at initial recognition and acquisition cost where such fair value exceeds the acquisition cost.

➤ **'Day 1 Loss'** is the difference between acquisition cost and the fair value at initial recognition where the acquisition cost exceeds such fair value.

SUBSEQUENT MEASUREMENT:

All investments are required to subsequently be measured as per the 2021 regulations for HTM, AFS or FVTPL. The specific measurement requirements in each of these categories is given below:

HTM Investments:

- a) The securities held under HTM should be carried at cost and not be Marked to Market (MTM) after initial recognition
- b) Any discount or premium on securities under HTM should be amortised over the remaining life of the instrument.
- c) Investments under HTM would be subject to Income Recognition, Asset Classification and Provisioning (IRACP) norms.

AFS Investments:

- a) The securities held under AFS should be fair valued at least on a quarterly basis, if not more frequently.

b) The valuation gains and losses held under AFS (across all performing investments, irrespective of their classification) need to be aggregated and the net appreciation or depreciation should directly get credited or debited to a reserve named 'AFS reserve25' without routing through the Profit and Loss Account

c) Any discount or premium on the acquisition of debt securities under AFS needs to be amortised over the remaining life of the instrument.

d) Investments under AFS would be subject to IRACP norms.

e) Upon sale or maturity of a debt instrument classified under AFS, the accumulated gain/loss in the AFS reserve should be transferred and recognised in the Profit and Loss Account²⁶. However, in case of any equity instrument classified under AFS, any gain or loss on sale should be transferred to the capital reserve.

FVTPL Investments:

a) The securities held under FVTPL must be fair valued and the net gain or loss arising on such valuation should be directly credited or debited to the Profit and Loss Account.

b) Securities that are classified under the HFT sub-category within FVTPL should be fair valued on a daily basis, whereas other securities in FVTPL need to be fair valued at least on a quarterly basis, if not more frequently

c) Any discount or premium on the acquisition of debt securities under FVTPL should be amortised over the remaining life of the instrument.

d) Investments under FVTPL would be subject to the IRACP norms.

VALUATION: To increase the consistency and comparability in fair value measurements and related disclosures, the 2023 guidelines have prescribed the following:

FAIR VALUE HIERARCHY: As per the guidelines, an investment portfolio would be categorised into three fair value hierarchies:

INVESTMENT PORTFOLIO		
Level 1	Level 2	Level 3
Level I Inputs: Inputs which are unadjusted quoted prices in active markets.	Level II Inputs: Observable inputs other than quoted prices	Level III Inputs: Unobservable inputs.
Level I Instruments: Instruments, the valuation of which is based on level I inputs.	Level II Instruments: Instruments that are valued based on level I and II inputs.	Level III Instruments: Valuation where there is significant level III input.

a) Net unrealised gains recognised in the Profit and Loss account or in the AFS Reserve, which is arising on fair valuation of level 3 instruments would be deducted from CET 1 capital, and not be available for payment of dividend³¹

b) The 2023 guidelines have prescribed a format for disclosure of the fair value hierarchy of the investment portfolio that is measured at fair value on the balance sheet. This disclosure would be applicable for financial year ending 31 March 2026.

Discontinuation of Investment Reserve Account (IRA):

The RBI has stipulated amendments in the 2023 guidelines, such as restricting dividend payout from unrealised gains on fair valuation, exclusion of unrealised gain on fair valuation of level III investments from regulatory capital, etc. Accordingly, an IRA is not required under the 2023 guidelines.

Investment Fluctuation Reserve (IFR): The 2023 guidelines pertaining to IFR remain unchanged.

DISCLOSURES IN THE NOTES TO ACCOUNTS: The 2023 guidelines have prescribed the following disclosures that are required to be made in the notes to accounts of the banks.

Their applicability date has also been prescribed as under. It is to be noted, that all these disclosures also require comparative amounts to be provided as well.

a) Disclosure:

Carrying amounts and fair value: Carrying amounts and fair value of each of the categories (i.e., HTM, AFS, FVTPL) and each class (i.e., government securities, other approved securities, shares, debentures and bonds, subsidiaries, associates and joint ventures, others). These disclosures also require the categorisation and class of investments made outside India.

Effective date: Disclosure in notes to accounts of financial statements for the year ending 31 March 2025

b) Disclosure:

Gain/loss on investments: This would require disclosure of gain/loss for each category of investments that has been recognised in the Profit and Loss Account or in the AFS Reserve

Effective date: Disclosure in notes to accounts of financial statements for the year ending 31 March 2025

c) Disclosure:

Disclosures as per value hierarchy: For each class of investment, banks would need to disclose the investments that are subsequently measured at AFS and FVTPL- and break these amounts up, basis the fair value hierarchy.

Effective date: Disclosure in notes to accounts of financial statements for the year ending 31 March 2026.

d) Disclosure:

Sales made out of HTM: This disclosure includes the opening carrying value of investments in HTM, carrying value of investments sold (which excludes the carrying value of investments sold that are exempted from the regulatory limits), and the amount transferred to capital reserve in respect of HTM securities sold at a gain.

Effective date: Disclosure in notes to accounts of financial statements for the year ending 31 March 2025.

e) Disclosure:

Details of derivative portfolio: This requires the disclosure of MTM of the assets and liabilities of the interest rate derivatives, exchange rate derivatives, credit risk derivatives and other derivatives, and their break up in the fair value hierarchy

Effective date: Disclosure in notes to accounts of financial statements for the year ending 31 March 2025.

OPERATIONAL GUIDELINES:

➤ **Transactions through Subsidiary General Ledger (SGL) account:**

Transactions in Government Securities shall be undertaken through SGL or Constituent Subsidiary General Ledger (CSGL) accounts, under the Delivery Versus Payment (DvP) System, in accordance with the guidelines issued by RBI.

➤ The carrying amount of a bank's investment in unlisted non-SLR securities shall not exceed 10 per cent of the carrying amount (i.e., value carried to the Balance Sheet) of its total investment in non SLR securities as at the end (i.e., 31st March) of the previous financial year. Investment in unlisted securities that are proposed to be listed within one year shall be exempt from the ceiling of 10 per cent specified. Banks are permitted to make investment in unlisted non-SLR securities of an additional 10 per cent over and above the limit of 10 per cent, provided that such investment is in securitisation notes issued for infrastructure projects, and bonds/debentures issued by ARCs.

➤ Banks shall not invest in non-SLR securities of original maturity of less than one-year, provided that this restriction shall not apply to investments in Commercial Paper, Certificates of Deposits and NCDs with original or initial maturity up to one year issued by corporates (including NBFCs), which are covered under RBI guidelines.

➤ Banks shall not invest in unrated non-SLR securities. Provided that the banks shall have the option to invest in unrated bonds of companies engaged in infrastructure activities, within the ceiling of 10 per cent for unlisted non-SLR securities.

➤ The total investment by banks in liquid/short term debt schemes of mutual funds with weighted average maturity of portfolio of not more than one year, shall be subject to a prudential cap of 10 per cent of their net worth as at the end of the previous financial year.

➤ A half-yearly review (as of March 31 and Sept. 30) of the investment portfolio shall be undertaken by the banks which shall be placed before their Boards within two months, i.e., by end-May and end November.

CREDIT GUARANTEE/ INTEREST SUBSIDY SCHEME FOR EDUCATION LOAN

	PADHO PRADESH	DR. AMBEDKAR SCHEME OF INTEREST SUBSIDY	
OBJECTIVES	To provide interest subsidy to meritorious students belonging to minority communities and facilitate opportunities for higher education abroad to enhance employability.	To provide interest subsidy to meritorious students belonging to the Other Backward Classes and Economically Backward Classes for higher education abroad and enhance their employability.	
ELIGIBILITY	The interest subsidy under the scheme shall be available to the eligible students only once, either for Masters or Ph.D levels. (Overseas Study)	Secured admission in the approved courses at Masters, M.Phil or Ph.D. levels abroad for the courses listed. (Overseas Study)	
INCOME CRITERIA	Total income from all sources of the employed candidate or his / her parents/ guardians in case of unemployed candidate shall not exceed Rs.6.00 Lakh per annum. (The existing beneficiaries as on 31-03-2022 will continue to receive the interest subsidy during the moratorium period of the loan)	For OBC and EBC candidates total income from all sources of the employed candidate or his/her parents /guardians in case of unemployed candidate shall not exceed Rs.8 lakh per annum for education loans sanctioned on or after 01-07-2020 to 31-03-2021 For education loan sanctioned from 01-04-2021, parental income is revised to Rs. 5.00 Lakh p.a. for EBC candidates.	
Eligible loan component admissible for interest subsidy will be max Rs. 20 Lakh (For both scheme)			
NODAL AGENCY	CANARA BANK, Nodal bank for Ministry of Minority Affairs	CANARA BANK, Nodal bank for Ministry of Social Justice and Empowerment	
OTHER	<ul style="list-style-type: none"> At least 35% seats (for subsidy) will be earmarked for girl students. Member banks to ensure 100% Aadhaar seeding/authentication for the student beneficiaries. 	<ul style="list-style-type: none"> Minimum of 50% amount will be earmarked for Interest Subsidy to the girl candidates. Aadhar number and Email ID of Student is mandatory for lodgment of claims under said scheme. 	
EFFECTIVE FROM	<ul style="list-style-type: none"> Loan sanctioned and disbursed from 2013-14 onwards will only be eligible for interest subsidy Scheme stands discontinued from 2022-23. (The existing beneficiaries as on 31-03-2022 will continue to receive the interest subsidy during the moratorium period of the loan) 	<ul style="list-style-type: none"> 01-10-2017 	
	CREDIT GUARANTEE FUND SCHEME FOR EDUCATION LOANS (CGFSEL)	CREDIT GUARANTEE FUND SCHEME FOR SKILL DEVELOPMENT (CGFSSD)	CENTRAL SECTOR INTEREST SUBSIDY SCHEME (CSIS), 2009
OBJECTIVES	To provide a guarantee for education loans to students from the economically weaker sections (EWS) under the Model Education Loan Scheme of IBA.	To provide collateral-free credit to the micro and small business sector.	To uplift the students from the grassroot level and increase the number of qualified technicians/ professionals in the nation.
EFFECTIVE FROM	16-09-2015	15-07-2015	1 st April, 2009 and revised from 01.04.2018. The scheme stands discontinued from 2022-23 as informed by IBA. However, the existing beneficiaries as on 31.03.2022 will continue to receive the interest subsidy during the moratorium period of the loan.
LOAN AMOUNT	Up to Rs.7.50 Lakh	Minimum : Rs.5,000/- Maximum: Rs.1,50,000/-	Subsidy is available on loan up to Rs.7.50 Lakh irrespective of loan sanctioned. (w.e.f. 01.04.2018)
MORATORIUM PERIOD	As per general Loan	Course Duration: Up to 1 Year: 6 Months Above 1 Year:12 Months	Course Period plus one year
GUARANTEE FEE	Annual Guarantee Fee (AGF) of 0.50% on outstanding loan amount	0.125% per calendar qtr on the quarter end o/s portfolio balance (skill loans).	N.A.
NODAL AGENCY	NCGTC	NCGTC	CANARA BANK , Nodal bank for Ministry of HRD
LOCK IN PERIOD	12 months from the date of commencement of guarantee cover or end of period of moratorium of interest, whichever is later		The Subsidy shall be provided for moratorium period only i.e. Course duration plus one year or six months after getting job, whichever is earlier
EXTENT OF GUARANTEE	75% of the amount in default through the National Credit Guarantee Trustee Company Ltd. (NCGTC)		4.5 Lakh from all sources.
MISC	Guarantee fee shall be paid upfront to the Fund within 30 days from the date of Credit Guarantee Demand Advice Note (CGDAN) of guarantee fee	Guarantee fee shall be paid within 16 days from the end of the calendar quarter	With parental income upper limit of Rs. 4.50 lakh per year

POLICY GUIDELINES

●BULK DEPOSITS FOR REGIONAL RURAL BANKS

(RRBs):

'Bulk Deposit' means Single Rupee term deposits of Rupees two crore and above for Scheduled Commercial Banks (excluding Regional Rural Banks) and Small Finance Banks. For RRBs it is Single Rupee term deposits of Rupees fifteen lakhs and above.

➤ RBI has recently changed the definition of Bulk deposits for RRBs. Accordingly, 'Bulk Deposit' for Regional Rural Banks (RRBs) would now mean Single Rupee term deposits of **Rupees one crore and above.**

●GOLD LOAN – BULLET REPAYMENT – UCBs:

➤ As per RBI guidelines, UCBs were permitted to extend gold loans up to Rs.2.00 lakh with bullet repayment option, subject to certain conditions. In a recent review, RBI has decided to increase this limit from Rs.2.00 lakh to Rs.4.00 lakh for those UCBs who have met the PSL targets as on March 31, 2023 and continue to meet the targets and sub-targets.

●APPOINTMENT OF WHOLE-TIME DIRECTOR(S):

➤ Given the growing complexity of the banking sector, it becomes imperative to establish an effective senior management team in the banks to navigate ongoing and emerging challenges. Establishment of such a team may also facilitate succession planning, especially in the background of the regulatory stipulations in respect of tenure and upper age limit for Managing Director and Chief Executive Officer (MD&CEO) positions.

➤ To address these issues and challenges, banks have been advised to ensure the presence of **at least two Whole Time Directors (WTDs), including the MD & CEO, on their Boards.** The number of WTDs shall be decided by the Board of the bank by taking into account factors such as the size of operations, business complexity, and other relevant aspects.

➤ In compliance to these instructions, banks that currently do not meet the minimum requirement as above are advised to submit their proposals for the appointment of WTD(s) under Section 35B(1)(b) of the Banking Regulation Act, 1949, within a period of four months from the date of issuance Oct. 25, 2023.

➤ Those banks which do not already have the enabling provisions regarding appointment of WTDs in their Articles of Association may first seek necessary approvals under Section 35B(1)(a) of the Act.

●COMPENSATION TO CUSTOMERS FOR DELAYED UPDATION OF CREDIT INFORMATION:

➤ In order to address the issues pertaining to delayed updation / rectification of credit information by the credit institutions (CIs) and credit information companies (CICs), RBI has recently issued a compensation framework for customers.

The salient features of new compensation framework of RBI are as follows:

(a) Complainants shall be entitled to a compensation of Rs.100 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 CI/ CIC.

(b) A Credit Institution (CI) shall pay compensation to the complainant if it has failed to send updated credit information to the CICs by making correction or addition or otherwise within a period of 21 calendar days from the date of complaint.

(c) A CIC shall pay compensation to the complainant if the CI has failed to resolve the complaint within 30 calendar days despite the CI having furnished required information. The complainant can approach RBI Ombudsman in case of wrongful denial of compensation by CIs or CICs.

(d) The compensation framework shall come into effect six months from October 26, 2023.

(e) CIs shall undertake Root Cause Analysis (RCA) of the customer grievances at least on a half yearly basis. CIs shall also use, among others, information on data rejected by the CIs and Data Quality Index (DQI) provided by CICs as sources of information for carrying out RCA.

(f) CICs shall have a board-approved policy for undertaking periodic review (at least on a half-yearly basis) of the 'Search & Match' logic algorithm implemented by them to provide Credit Information Report (CIR) of a borrower.

(g) CICs shall ingest credit information data received from the Credit Institutions (CIs) as per its data acceptance rules, into their databases within 7 calendar days of its receipt from the CIs. In case of data rejection, CICs shall communicate to the concerned CI, regarding rejection of the data with reasons, within 7 calendar days of receipt of the data.

(h) CICs shall provide easy access to Free Full Credit Report (FFCR) including credit score, once in a year (January-December), to individuals whose credit history is available with the CIC by displaying the link prominently on their website (on the Home page itself) so that individuals are able to access their FFCR conveniently.

●STRENGTHENING OF CUSTOMER SERVICE RENDERED BY CICs & CREDIT INSTITUTIONS:

The Reserve Bank of India has put a comprehensive framework in place for strengthening and improving the efficacy of the grievance redress mechanism and customer service provided by the Credit Institutions (CIs) & Credit Information Companies (CICs).

KEY DIRECTIONS:

a) Intimation of access to Credit Information Report (CIR) and updation of credit information with CICs: CICs shall send alerts through SMS/ email to customers when their CIR is accessed by the Specified Users (SUs) wherever mobile number/email ID details of the customers are available. The alerts shall be sent by CICs only when the CIR enquiry reflects in the CIR of the customer.

CIs shall send alerts through SMS/ email to customers on the approved format while submitting information to CICs regarding default/ Days Past Due (DPD) in existing credit facilities, wherever the mobile number/email ID details are available. CIs advised to organise special awareness campaigns to sensitise their customers about benefits of submission of their mobile numbers/ email IDs.

b) Setting up of Nodal points/ officials by CIs: CIs shall have a dedicated nodal point/ official of contact for CICs for redress of customer grievances. Details of the nodal point/ official along with email ID and telephone/ mobile number shall be furnished by CIs to CICs. CIs shall inform CICs of any changes in the nodal points/ official within **five calendar days** of such a change.

c) Root Cause Analysis of the Complaints by CIs: CIs shall undertake Root Cause Analysis (RCA) of the customer grievances at least on a **half yearly basis**. CIs shall also use, information on data rejected by the CICs and Data Quality Index (DQI) provided by CICs as sources of information for carrying out RCA. Analysis of the RCA shall be reviewed by the Top Management of CIs, at least, **on an annual basis**.

d) Reasons for rejection of requests for data correction by CIs: CIs shall inform the customers the reasons for the rejection of their request for data correction, if any, to enable such customers to better understand the issues in the CIR. A list of reasons for rejection of requests shall be circulated by CICs to all CIs which shall use the same while communicating the rejections of the request for data correction made by customers/ CICs during the grievance redress process.

e) Periodic review of match logic algorithm by CICs: CICs shall have a board-approved policy for undertaking periodic review (at least on a half-yearly basis) of the 'Search & Match' logic algorithm implemented by them to provide Credit Information Report (CIR) of a borrower.

Root Cause Analysis (RCA) of the complaints being undertaken by CICs shall be used to identify issues in the existing 'Search & Match' logic algorithm. Results of the RCA and subsequent changes in the search and match logic shall be placed before the Board of Directors of the CIC for review.

f) Ingestion of credit information data by CICs: CICs shall ingest credit information data received from the CIs as per its data acceptance rules, into their databases **within seven calendar days** of its receipt from the CIs.

In case of data rejection, CICs shall communicate to the concerned CI, regarding rejection of the data with reasons, **within seven calendar days** of receipt of the data.

g) Disclosure of complaints on credit information reporting by CICs: CICs shall disclose on their websites, details of complaints registered against them and CIs as per the format approved by RBI.

h) Easy access to Free Full Credit Report for the individuals by CICs: CICs shall provide easy access to Free Full Credit Report (FFCR) including credit score, **once in a year** (January-December), to individuals whose credit history is available with the CIC by displaying the link prominently on their website (on the Home page itself) so that individuals are able to access their FFCR conveniently.

i) The directions shall come into effect six months from the date of this circular. CICs and CIs which contravene or default in adherence to the above directions shall be liable for penal action as per the provisions of CICRA, 2005.

●AMENDMENT TO MASTER DIRECTIONS ON KYC-AML NORMS:

RBI has recently amended few of provisions in its master directions on KYC- AML norms applicable to banks and financial institutions.

The major amendments carried out are:

(1) Identification of Beneficial Owner in Partnership firms: The beneficial owner in a partnership firm shall be the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than 10 percent of capital or profits of the partnership or who exercises control through other means. (Previously it was 15 percent).

(2) Principal Officer: Principal Officer means an officer nominated by the financial institution, responsible for furnishing information under KYC AML guidelines. As per the recent amendment, the word 'Management level' has been added. It means, Principal officer should be an official from 'Management Level' of the Regulated Entity (RE).

(3) REs shall apply a Risk Based Approach (RBA) and implement a CDD programme, having regard to the ML/TF risks identified and the size of business, for mitigation and management of the identified risk and should have Board approved policies, controls and procedures in this regard. The RE shall consider filing an STR, if necessary, when it is unable to comply with the relevant CDD measures in relation to the customer.

(4) Asset Reconstruction Companies (ARCs) have been added to the list of Regulated entities (REs) as per the provisions of KYC AML guidelines issued under PMLA.

(5) REs shall adopt a risk-based approach for periodic updation of KYC ensuring that the information or data collected under CDD is kept up-to-date and relevant, particularly where there is high-risk.

(6) REs shall preserve the documents of the transactions undertaken by the walk in customers also for a period of 5 years from the date of transactions.

(7) Banks shall undertake diligence measures and meticulous monitoring to identify accounts which are operated as Money Mules and take appropriate action, including reporting of suspicious transactions to Financial Intelligence Unit India (FIU-IND). If it is established that an account opened and operated is that of a Money Mule, but no Suspicious Transaction

Report (STR) was filed by the concerned bank, it shall then be deemed that the bank has not complied with these directions.

(8) Correspondent banking relationships shall not be entered into or - continued with a shell bank.

(9) In case of domestic wire transfers below Rs. 50,000 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 3 business/working days.

●PRESENTATION OF UNCLAIMED LIABILITIES TRANSFERRED TO DEA:

➤ The 'Notes and Instructions for compilation' given in Annex II to the RBI's (Financial Statements – Presentation and Disclosures) Directions, 2021 require commercial banks to present all unclaimed liabilities, where the amount due has been transferred to the Depositor Education and Awareness (DEA) Fund established under the DEA Fund Scheme, 2014, under 'Schedule 12- Contingent Liabilities - Other items for which the bank is contingently liable'.

➤ To ensure consistency in presentation of financial statements, RBI has advised that all co-operative banks shall present all unclaimed liabilities (where the amount due has been transferred to DEA Fund) under "Contingent Liabilities – Others"

➤ Further, all banks shall specify in the disclosures in the notes to accounts to the financial statements that balances of the amount transferred to DEA Fund are included under 'Schedule 12 - Contingent Liabilities - Other items for which the bank is contingently liable' or 'Contingent Liabilities - Others,' as the case may be.

➤ These instructions are applicable to all commercial and cooperative banks for preparation of financial statements for the financial year ending March 31, 2024 and onwards.

●SYSTEM BASED AUTOMATIC 'STATUS HOLDER' CERTIFICATES UNDER FTP 2023:

➤ The Ministry of Commerce & Industry has unveiled a significant initiative to issue system based automatic 'Status Holder' certificates under the Foreign Trade Policy (FTP) 2023. Now the exporter will not be required to apply to the office of Directorate General of Foreign Trade (DGFT) for a Status Certificate and the export recognition will be provided by the IT system based on available Directorate General of Commercial Intelligence and Statistics (DGCIS) merchandise export electronic data and other risk parameters.

➤ At present, the exporter is required to file an online application along with an export certificate from a Chartered Accountant for grant of Status. The DGFT Regional Offices, as per the laid down timelines are supposed to issue the certificate in **3 days**. The new arrangement will lead to a simplified regime where no applications are invited from exporters and the certification is granted every year in August based on annual export figures available with the partner government agency i.e., DGCIS.

➤ Exporters who are eligible for a higher status based on additional export data relating to services export, deemed exports or double weightage to some entities like MSME etc., which is not getting captured in disaggregated form presently, can apply online for a Status modification also at a later date.

➤ The Status Holder certification program provides credibility to the Indian exporters in the international markets. In addition, it provides certain other privileges including simplified procedures under FTP 2023 and priority custom clearances on self-declaration basis, exemption from compulsory negotiation of documents through banks, exemption from filing Bank Guarantee for FTP schemes etc.

➤ With the launch of this new system, the Department of Commerce, Ministry of Commerce and Industry will be recognizing about 20,000 exporters under FTP 2023 as Status Holders which will be a quantum jump from the earlier number of 12,518 exporters. The biggest increase in Status certification is seen in the 1 Star category, which is the lowest category and requires an export performance of at least US\$ 3 Million in the last 3 preceding financial years plus the 3 months of the current financial year. This will enable the Government to hand hold a larger number of small exporting entities and create a vibrant export ecosystem and help reach our export target of US\$ 2 Trillion by 2030.

➤ In line with digital India ethos, various e-initiatives have already been implemented where no manual examination or processing is required and various permissions / authorisations are issued under FTP 2023 based on a risk management system and self-declarations of the exporter including 24X7 online issue of Importer Exporter Code number (IEC), issue and renewal of Advance Authorisations.

●REVERSE REPO TRANSACTIONS - REPORTING IN FORM 'A' RETURN:

Reverse repo rate is the rate at which the Reserve Bank of India borrows money from commercial banks within the country. It is a monetary policy instrument which can be used to control the money supply in the country.

➤ An increase in the reverse repo rate will decrease the money supply and vice-versa, other things remaining constant. An increase in reverse repo rate means that commercial banks will get more incentives to park their funds with the RBI, thereby decreasing the supply of money in the market.

➤ In order to bring uniformity in reporting of Reverse Repo transactions in the Form A Return by various banks, RBI has clarified that the banks should adhere to the following practice for presentation of Reverse Repo transactions in the above return:

A) Reverse Repo transactions with the banks should be reported as under:

- i) For original tenors up to and inclusive of 14 days:
 - a) Item III(b) of Form A (i.e. Money at call and short notice) and;
 - b) Memo item 2.1 of Annex A to Form A (i.e. under Inter Bank Assets)
- ii) For original tenors more than 14 days:
 - a) Item III(c) of Form A (i.e. Advances to banks) and;
 - b) Memo item 2.1 and 2.2 of Annex A to Form A (i.e. under Inter Bank Assets)

B) Reverse Repo transactions with non-banks (other institutions) for all tenors should be reported under Item VI (a) of Form A [i.e. Loans, cash credits and overdrafts under Bank Credit in India (excluding inter-bank advances)].

●SUBSCRIPTION TO FLOATING RATE SAVINGS BONDS, 2020 (TAXABLE) THROUGH RDG ACCOUNT:

➤ Reserve Bank of India -Retail Direct Scheme was launched by Government of India on Nov 12, 2021. Under the Scheme, individual investors are permitted to open Retail Direct Gilt account (RDG) with RBI, using online portal (rbiretaildirect.org.in), through which investments in Government Securities can be made in primary and secondary market. The scheme has brought Government Securities within easy reach of retail investors by simplifying the process of investment.

➤ Currently, retail investors can invest in Central Government Securities, Treasury Bills, State Government Securities and Sovereign Gold Bonds through the Retail Direct Portal.

➤ In its endeavour to expand the basket of products offered through the Retail Direct Portal, RBI, in consultation with the Govt. of India, has recently enabled subscription to Floating Rate Savings Bonds, 2020 (Taxable) – FRSB 2020 (T) through RDG account. FRSBs are interest bearing, non-tradeable bonds, issued by Govt. of India, which are repayable on the expiration of seven years from the date of issue.

●EXTENSION OF PIDF SCHEME:

➤ The Payments Infrastructure Development Fund (PIDF) Scheme was operationalised by RBI in January 2021 for a period of three years. The objective was to incentivize the deployment of payment acceptance infrastructure such as physical Point of Sale (PoS), Quick Response (QR) codes in tier-3 to tier-6 centres, north eastern states and Union Territories of Jammu & Kashmir and Ladakh.

➤ Beneficiaries of PM SVANidhi Scheme in Tier-1 and 2 centers were later included in August 2021. As at end-August 2023, over 2.66 crore new touch points have been deployed under the Scheme.

➤ It is now proposed to extend the PIDF Scheme by a further period of two years, i.e. upto December 31, 2025. Also, it is proposed to include beneficiaries of PM Vishwakarma Scheme in all centre's under the PIDF Scheme. This decision to expand the targeted beneficiaries under the PIDF scheme will provide fillip to the Reserve Bank's efforts towards promoting digital transactions at the grassroots level.

➤ Further, based on the feedback received from industry, deployment of emerging modes of payment acceptance, such as soundbox devices and Aadhaar-enabled biometric devices are proposed to be encouraged under the PIDF Scheme.

●ONBOARDING OF MORE BANKS ON उदाग UDGAM PORTAL:

➤ Reserve Bank of India launched a Centralised Web Portal उदाग UDGAM (Unclaimed Deposits – Gateway to Access information) on August 17, 2023 for the public to facilitate and make it easier for them to search their unclaimed deposits across multiple banks at one place. The search facility was initially made available on the portal for seven banks and it was intimated to public that the search facility for remaining banks on the portal would be made available in a phased manner by October 15, 2023.

➤ Presently the search facility for 30 banks has been made available on the portal on Sept. 28, 2023, which covers around 90% of such unclaimed deposits (in value terms) in Depositor Education and Awareness (DEA) Fund.

➤ Balances in savings / current accounts which are not operated for 10 years, or term deposits not claimed within 10 years from date of maturity are classified as "Unclaimed Deposits". The balance in the unclaimed deposits will be transferred by banks to "Depositor Education and Awareness" (DEA) Fund maintained by the Reserve Bank of India. The depositors are, however, still entitled to claim the deposits at a later date from the bank(s) where such deposits were held along with interest, as applicable.

●WORKING GROUP (WG) ON EXPECTED CREDIT LOSS BASED PROVISIONING FRAMEWORK:

➤ Banks in India are following „incurred loss-based provisioning" with respect to their loan accounts. RBI had released the Discussion Paper on "Introduction of Expected Credit Loss Framework for Provisioning by Banks" on January 16, 2023, requesting inputs from all stakeholders. The ECL approach to provisioning is a paradigm shift from the current incurred loss-based provisioning regime.

➤ In order to address various concerns raised by the stake holders on discussion paper, RBI has constituted a WG in order to get independent inputs on some of the technical aspects having a bearing on the significant transition involved. The WG will be chaired by Prof. R. Narayanaswamy, former Professor, IIM Bangalore and shall consist of domain experts from academia/ industry as well as representatives from select banks.

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INCENTIVE SCHEME: Participants will get a discount of Rs.1,000/- in fee if they attend our online class module.

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Module covers full syllabus of all the subjects of JAIIB / CAIIB. In addition to basic text book, it contains special objective type text booklets and study kits for each paper.

JAIIB	CAIIB
● Principles & Practices of Banking	● Advanced Bank Management
● Accounting & Finance for Bankers	● Bank Financial Management
● Indian Economy & Indian Financial System	● Advance Business & Financial Management
● Retail Banking	● Banking Regulations and Business Laws
	● 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

● **NEW MD & CEO OF KOTAK MAHINDRA BANK:** RBI has approved appointment of Mr. Ashok Vaswani as the new MDR & CEO of Kotak Mahindra Bank. He was a senior global banker with Barclays Plc in the UK and Citigroup Inc. in Asia-Pacific.

● **DINESH KHARA:** Govt. has extended tenure of SBI Chairman Dinesh Khara till August 2024.

● **ARINDAM BAGCHI:** He has been appointed as India's permanent representative to the United Nations and other international organizations.

● **M.S.DHONI:** He has been selected by SBI as its Brand Ambassador.

● **NAVNEET MUNOT:** He has been elected as Chairman of the Association of Mutual Funds in India:

● **MERGER OF IDFC WITH IDFC FIRST BANK LTD:** The Infrastructure Development Finance Company (IDFC) has received approval from the Competition Commission of India (CCI) for its merger with IDFC First Bank. The proposed amalgamation would, however, come into effect only after it receives nod from statutory and regulatory bodies such as SEBI, RBI and NCLT.

● **RBI HALTS BOB TO ONBOARD NEW CUSTOMER ONBOARDING ON ITS MOBILE APP:** The RBI has taken a step to address supervisory concerns by ordering Bank of Baroda to immediately halt the on boarding of new customers onto their mobile app, 'bob World'. The directive from RBI underscores the presence of material supervisory concerns that have arisen during the customer on boarding procedures of 'bob World'.

● **INDIA TO BECOME 2ND LARGEST ECONOMY OF ASIA:** By 2030, India's Gross Domestic Product (GDP) is predicted to reach a whopping **\$7.3 trillion**, making it the **second-largest economy** in the Asia-Pacific region, just after China. India's GDP, when measured in United States dollars (USD), is predicted to jump from \$3.5 trillion in 2022 to \$7.3 trillion by 2030. This rapid expansion will make India's economy second only to China in the Asia-Pacific region.

● **ONE NATION ONE STUDENT ID CARD - APAAR ID:** The Ministry of Education has initiated the APAAR ID, known as the 'One Nation One Student ID Card'. This program aims to digitally centralize academic data, including degrees, scholarships, rewards, and other credits for students.

● **SHRESHTA SCHEME FOR QUALITY EDUCATION:** The Ministry of Social Justice & Empowerment has unveiled the 'Scheme for Residential Education for Students in High Schools in Targeted Areas' (SHRESHTA). The scheme is designed to provide high-quality education to Scheduled Caste students, aims to create an environment conducive to their holistic development and secure their future prospects.

● **MERA YUVA BHARAT:** The Union Cabinet has approved the establishment of an autonomous body named "Mera Yuva Bharat" (MY Bharat) with the aim to enable equitable access for young individuals to realize their aspirations and contribute to the holistic development of the nation across various govt. sectors.

● **REGISTRATION OF IND BANK HOUSING LTD CANCELLED:** The RBI has cancelled the Certificate of Registration of Chennai-based Ind Bank Housing Ltd. The bank has been facing financial challenges, as evidenced by its widening net loss and negative capital adequacy ratio.

● **NCERT TO REPLACE 'INDIA' WITH 'BHARAT':** National Council of Educational Research and Training (NCERT) has given its approval to replace the term "India" with "Bharat" in all textbooks across the country. The idea behind this recommendation is to emphasize the historical and cultural significance of the name 'Bharat'.

● **HP PARTNERS WITH GOOGLE TO MAKE CHROMEBOOKS:** HP has joined hands with Google to manufacture Chrome books in India from October 2. These are the first Chrome books to be made in India and will make it easier for Indian students to have access to affordable and secure computing.

● **'IFINANCE,':** ICICI Bank has launched 'iFinance,' a revolutionary feature that is set to change the way millions of customers, including retail clients and sole proprietors, manage their finances.

● **FOREIGN INVESTORS CONTINUE TO REDUCE STAKE IN HDFC BANK:** Foreign institutional investors currently hold 59% stake in HDFC Bank, leaving headroom of about 20%, said Nuvama Institutional Equities. The headroom is up from 18.3% in June 2023, when FIIs held 60.3 percent. At present, the foreign investment limit in privately held banks is at 74 percent.

● **IOC INVESTMENTS IN NTPC GREEN ENERGY JV:** Indian Oil Corporation (IOC) has decided for an equity investment of Rs. 1,660.15 crore, securing a 50% stake in the joint venture company Indian Oil NTPC Green Energy. The collaboration aims to develop renewable energy-based power projects, specifically focusing on solar PV and wind technologies.

● **PILOT RUN FOR E-RUPEE FOR INTER-BANK BORROWING:** The RBI has taken a step in the digital transformation of the nation's financial landscape by initiating a pilot run to test the E-Rupee, a Central Bank Digital Currency, for inter-bank borrowing. The E-Rupee pilot project seeks to harness the potential of blockchain technology and digital currency to revolutionize the way inter-bank transactions are conducted in India.

● **PRIVATE BANKS OUTPACE PSBs IN JOB CREATION:** Private sector banks (PvSBs) have generated more employment than the public sector banks (PSBs) over the last decade or so, even as digitisation of customer journeys and processes gathered steam in both bank categories and the PSB space saw consolidation and closure of branches. For example, in FY23 alone, PvSBs added a net of 98,518 jobs, while PSBs head count declined by 3,385, per RBI data.

● **MEITY URGES RBI TO DESIGN MORE DETAILED KYC:** Illegal instant loan apps have become a significant problem in India. These apps offer quick money but compromise users' privacy and security. To address this, the Ministry of Electronics and Information Technology (MeitY) has suggested the RBI to create a detailed KYC (Know Your Customer) process called KYDFA (Know Your Digital Finance App) for companies similar to the KYC process for bank accounts.

● **PM SVANIDHI SCHEME IS A GENDER EQUALISER:** A report by the SBI economic research department sheds light on the impact of PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) Scheme, particularly in terms of gender equality and socio-economic transformation. The report highlights that 43 percent of the beneficiaries of the PM SVANidhi Scheme are female street vendors. The scheme has emerged as a gender equalizer, providing urban females with the means to become financially independent and contribute to their families' well-being.

● **CABINET RAISES MSP FOR SIX RABI CROPS:** MSP is a "minimum price" for any crop that the government considers as remunerative for farmers and hence deserving of "support". The Commission for Agricultural Costs & Prices (CACP) recommends MSPs for 22 mandated crops. The Union cabinet has raised the Minimum Support Price (MSP) for six rabi or winter crops for marketing season 2024-25. The prices for wheat saw a maximum increase of 7 percent with MSP assured at Rs. 2,275 per quintal up from Rs. 2,125. MSP of Masur raised from Rs. 6,000 to Rs. 6,425 this year and barley will stand at Rs. 1,850 per quintal up by Rs. 115 from last year. MSP for gram has been hiked to Rs. 5,440 per quintal, up by Rs. 105 from last year.

● **SIMPLIFIED E-PROCEDURE FOR NIL AND LOWER TDS:** If one is eligible for lower or NIL or lower TDS (Tax Deducted at Source) under Income Tax Act, filing for the certificate will be much easier as the Income Tax Department has finalised the e-procedure for the process from October 1, 2023. An assessee must complete Form 13 to get a NIL or lower TDS certificate under section 197 and such certificate is issued if the assessee's estimated tax liability justifies no deduction of tax at a lower rate.

● **RUPAY DOMESTIC CARD SCHEME AGREEMENT BETWEEN INDIA AND THE UAE:** NPCI International Payments Limited (NIPL), a wholly-owned subsidiary of the National Payments Corporation of India (NPCI), has entered into a strategic partnership agreement with Al Etihad Payments (AEP) for Domestic Card Scheme (DCS) Implementation in UAE. As per the agreement, NIPL and AEP will work together to build, implement, and operationalize UAE's national domestic card scheme.

● **DABUR BECOMES 1ST INDIAN FMCG COMPANY TO COMPLETE CLOUD MIGRATION:** Fast Moving Consumer Goods (FMCG) major Dabur India announced the successful culmination of one of the industries largest and most intricate cloud migrations. With this leap, Dabur stands as the inaugural Indian Fast Moving Consumer Goods (FMCG) Cloud-Only Enterprise. The move is aimed at augmenting Dabur's resilience in business and strengthening the control over its IT operations.

● **FIRST NUMBERLESS CREDIT CARD LAUNCHED:** Fibe had partnered with Axis Bank to launch 'India's first-ever numberless credit card' on October 10, 2023. In the new card, there will be no card number, expiry date, or CVV printed on the plastic card. This adds an extra layer of security for customers, and reduces the risk of identity theft or unauthorised access to customer's card details ensuring absolute security and privacy.

● **BIMA VAHAK NORMS TO BE EFFECTIVE FROM LAUNCH OF BIMA VISTAAR:** According to the insurance regulator, guidelines for women-centric insurance distribution channel, Bima Vahak, will come into force with the launch of Bima Vistaar. The Insurance Regulatory and Development Authority of India (IRDAI) is working on the final modalities of an all-in-one standard insurance product Bima Vistaar which is expected to be launched soon.

● **INTERNATIONAL TRANSACTIONS ABOVE Rs. 50,000 TO COME UNDER FURTHER SCRUTINY:** The Govt. has notified an amendment to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, further tightening the record keeping in case of international transactions above Rs.50,000 to prevent terror financing. Every international transaction above Rs.50,000 will be subject to closer scrutiny and a reporting entity will have to identify clients, verify their identity and also ascertain purpose of the business if not well defined.

● **GOVT TIGHTENS LIMITED LIABILITY RULES (LLP):** The government has made the disclosure rules tougher for limited liability partnerships (LLPs), which will now be required to maintain a register of partners with details of their beneficial interests and both tangible and intangible contributions. According to the Limited Liability Partnership (Third Amendment) Rules, 2023, notified by the Ministry of Corporate Affairs (MCA), even upcoming LLPs have to maintain such a register, at their registered offices, within 30 days of incorporation

● **FOOD IMPORTS MEANT FOR RE-EXPORT NO LONGER NEED FSSAI CLEARANCE:** The Food Safety and Standards Authority of India (FSSAI) has waived the need for clearances for certain imported ingredients and stated that the customs department would no longer need to obtain FSSAI clearances for food ingredients or items that are imported into India for re-export or for the production of value-added items for export markets.

● **REMITTANCES RECEIVED IN VOSTRO ACCOUNT TO QUALIFY AS EXPORT OF SERVICES:** Getting GST refunds by the exporters will be easy due to clarity on the classification of remittances received in special Rupee Vostro Accounts (SRVAs). One can claim IGST refunds on supplies to SEZ units, as recommended by the GST Council. Rupee Vostro Accounts keep a foreign entity's holdings in an Indian bank in Indian rupees. The GST Council recommended issuing a circular to clarify the admissibility of export remittances received in the Special INR Vostro account, as permitted by RBI, for the purpose of "consideration of supply of services to qualify as export of services."

● **ICAI RECEIVES UN AWARD:** The Institute of Chartered Accountants of India's (ICAI) sustainability initiatives received the highest score amongst 70 initiatives received from around the world. ICAI for its initiative Sustainability Reporting Standards Board (SRSB) has been awarded the ISAR Honours 2023 by the UNCTAD (United Nations Conference on Trade and Development) working group on International Standards for Accounting and Reporting (ISAR)

● **INDIA PROVIDES ANOTHER INSTRUMENT FOR INVESTMENT IN G-SECS THROUGH RUPEE ACCOUNTS:** Russia along with 21 other countries, can now invest in dated Government Securities and Treasury Bills through a rupee account. The new system will be apart from options to invest through the Foreign Portfolio Investor (FPI) route and Special Rupee Vostro Account (SRVA). There have been issues with the use of surplus rupee deposited which prompted India to work on some mechanism.

● **INDIAN INSURANCE COMPANIES CANCEL COVERAGE FOR WAR DAMAGE:** Indian insurance companies, including HDFC Ergo, have made a decision to cancel coverage for damage resulting from strikes, riots, civil commotions, lockouts, vandalism, and sabotage in the Israel/Gaza/Lebanon region due to the ongoing war. This move is aimed at mitigating potential risks associated with war-related activities.

● **DOT GIVES TELCOS TIME TILL DEC 1 TO COMPLY WITH NEW SIM CARD RULES:** The department of telecommunications has given an additional two months' time to telecom operators for complying with the new SIM card sale rules that were notified by the government in August, 2023. The new rules that required telcos to register SIM card sellers and conduct their proper KYC before on boarding them into the system, as well as stop the sales of bulk SIM cards, will now start from December 1, 2023.

● **INDIA NOW SECOND LARGEST CRYPTO MARKET:** Chainalysis, a US-based block chain data platform, has stated that India leads the world in grassroots adaptation as measured by Global Crypto Adoption Index, but even more impressively has become the second largest crypto market in the world by raw estimated transaction volume, beating out several wealthier nations. Further, it said that India's emergence as a top crypto currency market comes inspite of regulatory and tax environment that can be challenging for the industry to navigate.

● **FIRST STATE TO HAVE HALLMARKING CENTRES IN ALL DISTRICTS:** With the inauguration of a hallmarking centre in Idukki, Kerala became the first state in India to have hallmarking centres in all 14 districts. The opening of hallmarking centres across the districts will make Kerala a hub of gold business.

● **INDIA'S FIRST BAD BANK THE SASF TO BE WOUND DOWN:** India's first bad bank, the Stressed Asset Stabilization Fund (SASF), a special purpose vehicle for housing bad loans that was created two decades ago is being wound down as it approaches the end of its life cycle. SASF was set up as a trust by the Govt. to isolate bad loans of IDBI Bank and park them in a separate entity so the bank could have a cleaner balance sheet.

BANKING & FINANCIAL NEWS**●GOVT HAS APPROVED THE APPOINTMENTS OF 12****GMs:**

➤ Govt has approved the appointments of 12 GMs as Executive Directors (EDs) of various public sector banks (PSBs). As per the government order, Sanjay Rudra, general manager, Bank of Maharashtra, has been appointed ED, Union Bank of India. Another GM from the same bank, Vijaykumar N Kamble will take over as ED of UCO Bank. Bhavendra Kumar, currently CGM with Canara Bank, has been elevated to become ED of the same bank. Bibhu Prasad Mahapatra, CGM of Punjab National Bank, has been elevated as ED of the bank. Ravi Mehra, GM in Punjab & Sind Bank, has been promoted to become ED of the bank. Rajiv Mishra, CGM with Union Bank of India, will take over as ED of Bank of India, and Brajesh Kumar Singh, CGM of Bank of Baroda, will join Indian Bank as ED in March. Rohit Rishi, Chief General Manager in Indian Bank, will take over as ED of Bank of Maharashtra next month. In addition, the government has approved the appointment of Lal Singh as ED, Bank of Baroda; Shiv Bajrang Singh as ED, Indian Bank; Mahendra Dohare as ED, Central Bank of India; and Dhanaraj T as ED, Indian Overseas Bank.

●SEBI EASES NORMS FOR LARGE CORPORATES:

➤ The Securities and Exchange Board of India (SEBI) has provided for a number of relaxations to large corporates (LCs) for meeting their financing needs from the debt market.

➤ The regulator had mandated LCs to meet 25 per cent of their financing needs from the debt market, with an aim of deepening the corporate bond market in India. However, SEBI had found that about a third of the identified LCs did not raise the minimum 25 per cent of their incremental borrowing through issuance of debt securities in FY21-22.

➤ While the SEBI release did not specify the quantum of the threshold, a consultation paper last month had proposed to raise the threshold for the outstanding long-term borrowings to at least Rs.500 crore from the current Rs.100 crore for identifying any entity as LCs.

➤ The SEBI board has proposed removing the penalty on LCs which are not able to raise a certain percentage of incremental borrowing from the debt market. At present, a monetary penalty of 0.2 per cent of the shortfall in the borrowed amount at the end of three years is to be levied.

●IMF FORECASTS INDIA'S GDP AT USD 4.95 TRILLION:

➤ The IMF has forecasted that India's GDP will be USD 4.95 trillion in 2026, overtaking Japan's USD 4.71 trillion and it will overtake Germany in the following year, when India's GDP will be USD 5.43 trillion, compared to Germany's USD 5.33 trillion.

➤ India's big objective of becoming a 5 trillion dollar economy will be realised in 2027-28. The US and Chinese economies are far bigger than India's, nevertheless, if the IMF projections are right, India is rapidly closing the gap with China. In 2022, while the Chinese economy was 5.3 times India's, it will be only 4 times India's by 2028. Similarly, while the US economy was 7.5 times the size of the Indian economy in 2022, by 2028, it will be a much lower 6 times. Even by 2028, according to IMF calculations, the US economy will be 1.4 times the Chinese economy.

➤ The growth of the economy will also increase India's per capita GDP. While the Indian economy will overtake both Japan and Germany by 2027, its per capita GDP in that year will only be 9.1% of Japan's and 5.7% of Germany's.

●UNEMPLOYMENT RATE HITS 12-MONTH LOW OF 7.09% IN SEPTEMBER:

➤ India's unemployment rate dropped to a 12-month low of 7.09% in September. Joblessness in urban areas saw a sharp decline from 10.09% in August to 8.94% in September, indicating brisk hiring of field-level staff before the Diwali.

➤ According to the data released by the Centre for Monitoring Indian Economy, the rural unemployment rate was also at a 12-month low of 6.20% in September. The drop in rural unemployment comes in the back of September receiving surplus rainfall. The country had received 13% more rainfall than normal during the month. In August, however, the rainfall was 36% below normal.

➤ The fall in rural employment rate in September also resulted in a fall in demand for work under the MNRGA Scheme, which remained elevated for several months. According to the official dashboard, the number of persons demanding work under the scheme in September was the lowest in the current financial year. The number of person days generated (work provided) in September was also the lowest so far in FY24.

➤ The labour participation rate in September saw an uptick in rural areas as compared to August, while in urban areas there was a fall. At 41.82%, the rural labour participation rate was the highest in 23 months. However, at an all India-level, the labour participation rate decreased marginally to 40.87% in September from 41.16% in August.

●INDIA-MIDDLE EAST-EUROPE MEGA ECONOMIC CORRIDOR PROJECT:

➤ During the G20 summit, Prime Minister Narendra Modi unveiled plans for the India Middle East-Europe economic corridor project. The corridor, which involves India, UAE, Saudi Arabia, European Union, Italy, Germany and the United States, is poised to be historic venture, surpassing even the legendary Silk and Spice routes of the past.

➤ The India Middle East Europe Economic Corridor (IMEC) is a transnational rail and shipping route spread across two continents. The IMEC will include two separate corridors - the east corridor connecting India to the Arabian Gulf and the northern corridor connecting the Arabian Gulf to Europe. It will include railway projects, which upon completion will provide a reliable and cost-effective cross-border ship-to-rail transit network.

●CAMELS & CACS BASED SUPERVISION:

➤ **CAMELS** refers to the set of norms followed by the RBI for the supervision of domestic financial institutions especially commercial banks. CAMELS comprise of capital adequacy, asset quality, management, earnings, liquidity and systems.

➤ Foreign banks are supervised and rated by the RBI on **CACS** model (viz capital adequacy, assets quality, liquidity, compliance, and systems). The frequency of inspection is generally annual, which can be increased / reduced depending on the financial position, methods of operation and compliance record of the bank.

➤ SPARC (Supervisory Programme for Assessment of Risk and Capital) is a risk based supervisory mechanism developed by the RBI. It is a successor of the CAMELS. Supervising financial institutions in accordance with their risk profile is a superior approach in supervision.

➤ Since 2014, the RBI brought 30 banks (PSBs, PvSBs & Foreign Banks) under the SPARC framework. The SPARC underscores a comprehensive evaluation of both present and

future risks, identification of incipient issues, determination of a supervisory stance based on the evaluation and facilitating timely intervention and corrective action. It marks a considerable shift from the present CAMELS/ CACS methodology, which is a more compliance-based and transaction testing (point-in-time) oriented. The revised supervisory strategy under RBS is more offsite oriented combined with need based, risk based, focused on site inspections.

●RBI ONBOARDS 30 BANKS ON UDGAM PORTAL:

➤ The RBI has said that the search facility for 30 banks has been made available on UDGAM (Unclaimed Deposits - Gateway to Access information) portal on 28th Sep'2023, which covers around 90% of unclaimed deposits (in value terms) in Depositor Education and Awareness (DEA) Fund.

➤ The search facility was initially made available on the portal for seven banks and it was intimated to public that the search facility for remaining banks on the portal would be made available in a phased manner by October 15, 2023. The portal was initially launched with a search facility for seven banks: State Bank of India (SBI), Punjab National Bank (PNB), Central Bank of India, Dhanlaxmi Bank, South Indian Bank, DBS Bank India and Citibank.

●WORLD BANK PROJECTS ECONOMIC GROWTH PROJECTION FOR INDIA AT 6.3% FOR FY24:

➤ The World Bank kept its economic growth projection for India at 6.3% for FY 2024. However, it attributed the moderation from FY23's 7.2% growth to adverse global factors affecting foreign demand and consumption growth.

➤ The expected moderation is mainly due to challenging external conditions and waning pent-up demand. However, service sector activity is expected to remain strong with growth of 7.4%, and investment growth is also projected to remain robust at 8.9%.

➤ The forecast is similar to projections by other institutions such as the OECD, Asian Development Bank and Fitch, but slower than the government's and the Reserve Bank of India's estimates, which pegged India's growth at 6.5%. S&P Ratings pegged India's growth estimates at 6%.

➤ During the April-June quarter, India's economy grew 7.8%, its quickest pace in a year, buoyed by strong services activity and robust demand. The World Bank said it expected fiscal consolidation to continue in FY24, with the central government fiscal deficit projected to continue to decline from 6.4% to 5.9% of GDP.

●PROMPT CORRECTIVE ACTION (PCA) FRAMEWORK FOR NBFCs:

The Reserve Bank of India has decided to extend the 'prompt corrective action (PCA)' framework for non-banking financial companies (NBFCs) to government NBFCs (except those in base layer) with effect from October 1, 2024. This will be based on the audited financials of these NBFCs as on March 31, 2024, or thereafter.

➤ The objective of the PCA framework is to enable supervisory intervention at appropriate time and require the supervised entity to initiate and implement remedial measures in a timely manner, so as to restore its financial health.

➤ The PCA framework is also intended to act as a tool for effective market discipline. The PCA framework does not preclude the RBI from taking any other action as it deems fit at any time in addition to the corrective actions prescribed in the framework.

➤ The PCA framework for NBFCs came into effect from Oct. 1, 2022, based on the financial position of NBFCs on or after March 31, 2022. The RBI has drawn up a menu of corrective actions for NBFCs / core investment companies (CICs), depending on the level of breach of the risk threshold (relating to capital to risk-weighted assets ratio, tier-I capital ratio, and net non-performing assets ratio for NBFCs, and adjusted net worth/aggregate risk weighted assets, leverage ratio and NNPA, including non-performing investments for CICs).

●FIBE - INDIA'S LEADING FINTECH:

FIBE, (formerly known as EarlySalary), India's leading Fintech and Axis Bank, partnered to launch India's first-ever numberless credit card for techsavvy Gen Zs.

➤ With India's first-ever numberless credit card, customers get an added level of security as there is no card number, expiry date, or CVV printed on the card plastic. This reduces the risk of identity theft or unauthorised access to customer's card details ensuring absolute security and privacy.

➤ The card is powered by RuPay, which allows the customer to link this credit card to UPI. The card is accepted across all offline stores in addition to all digital platforms. It also offers the tap-and-pay feature for added convenience.

➤ This card has zero joining fees and zero annual fees for a lifetime. The power-packed co-branded credit card offers cashback of a flat 3% on online food delivery across all restaurant aggregators, local commute on leading ride-hailing apps, and entertainment on online ticketing platforms. In addition, customers also get a 1% cashback on all online and offline transactions.

●NEW DEBIT AND CREDIT CARD RULES FROM OCTOBER 1, 2023:

The RBI has put forth a proposal suggesting that individuals who hold debit cards, credit cards, or prepaid cards should have the opportunity to choose their card network provider. This new regulation is scheduled to be implemented from October 1, 2023.

➤ Currently, when a user applies for a debit or credit card, the card issuer typically determines the card's network provider. The regulatory authority aims to modify this process.

There are two key debit/credit card rules that will be effective as of October 1, 2023:

a) Card issuers must offer cards on more than one card network.

b) Card issuers must grant their eligible customers the option to select from multiple card networks. Customers can exercise this choice either when they initially receive the card or at any point thereafter.

➤ This means that existing customers renewing their debit or credit cards will also have the opportunity to choose their preferred card network provider, in addition to new customers.

➤ The RBI issued a draft circular on July 5, 2023, instructing card issuers, such as banks and financial institutions, to enable customers to have multiple card choices and to allow them to pick their preferred card network provider.

➤ In most cases, when applying for a debit or credit card, users are not given the choice to select the card network. Typically, the bank has an exclusive agreement with one of the card networks, including Visa, Mastercard, and RuPay, among others, and issues cards on that network.

➤ In India, there are currently five card networks: American Express Banking Corporation, Diners Club International Ltd., MasterCard Asia/Pacific Pte. Ltd., National Payments Corporation of India – RuPay, and Visa Worldwide Limited.

●BANKS HAVE DISBURSED OVER RS 1,400 CR UNDER 'FRICTIONLESS CREDIT' PLATFORM:

➤ Banks have disbursed over Rs. 1,400 crore under 'frictionless credit' platform since its launch on August 17, 2023. The RBI launched the new approach earlier this year under which lenders will be able to disburse retail loans like the ones to agriculturists in a matter of minutes, using an analytics engine that aggregates borrower details from multiple sources, including bank details and land records, to take a call on loan proposal.

●RBI INITIATES PILOT RUN TO TEST E-RUPEE FOR INTER-BANK BORROWING:

➤ The Reserve Bank of India has taken a significant step in the digital transformation of the nation's financial landscape by initiating a pilot run to test the E-Rupee, a Central Bank Digital Currency (CBDC), for inter-bank borrowing.

➤ The E-Rupee pilot project is a remarkable endeavor that seeks to harness the potential of blockchain technology and digital currency to revolutionize the way inter-bank transactions are conducted in India.

➤ An essential aspect of the pilot project is to evaluate the behavioral patterns for users. The insights gathered during this phase will inform design choices and decisions on the policy framework.

➤ One of the key objectives of the retail CBDC pilot is reach a daily transaction volume of 10 lakh (1 million) transactions by December 2023. RBI is diligently working to set the stage for achieving this target, focusing on crucial elements like interoperability among various stakeholders. The initial transactions rate of 18,000-20,000 transactions per day is expected to significantly increase in the coming months.

●GLOBAL REMOTE WORK INDEX, INDIA AMONG WORLD'S WORST COUNTRIES:

➤ In a significant shift in the global remote work landscape, India has been ranked 64th out of 108 countries in the Global Remote Work Index (GRWI). This marks a substantial decline of 15 places from the previous year, raising concerns about the country's readiness for remote work.

➤ India's remote work challenges are largely rooted in subpar digital and physical infrastructure. The nation ranked 77th in this category, indicating that its e-infrastructure is among the least developed globally (95th position). India's internet services, although widely available, are plagued by issues of cost (78th) and quality (70th), hampering remote work efficiency.

●GLOBAL PENSION INDEX 2023: COUNTRIES WITH THE BEST PENSION SYSTEM:

➤ The 15th annual Mercer CFA Institute Global Pension Index (MCGPI) recently revealed the ranking of retirement income systems in various countries. The Netherlands secured the top position, followed by Iceland and Denmark.

➤ India ranked 45th out of 47 countries. India's overall index value increased to 45.9 from 44.5 in 2022, primarily due to improvements in adequacy and sustainability sub-indices.

●KOTAK INNOVATIVE 'TWO-INA-BOX' APPROACH:

➤ Kotak Mahindra Bank has set in motion a strategy of 'two-in-a-box' to morph into a digital bank with the aim of delivering 'Amazon-like' customer service; which has three pillars. The first one is to offer an Amazon-like experience.; second focuses on enhancing the employee experience by providing them with the right tools and systems and third pillar is the emphasis on increased productivity.

●NEW BRAND IDENTITY AIR INDIA:

➤ Tata Group-owned Air India Express has unveiled a dynamic new brand identity, characterized by a striking color scheme dominated by shades of orange and turquoise. This rebranding signifies a new phase in the airline's ambitious growth and transformation journey, starting with the induction of modern and fuel-efficient Boeing B737-8 aircraft.

➤ The airline's new visual identity features an energetic and premium color palette of Express Orange and Express Turquoise with Express Tangerine and Express Ice Blue as secondary colors.

●NIIF LAUNCHES \$600 MILLION INDIA JAPAN FUND:

➤ The National Investment and Infrastructure Fund (NIIF) has collaborated with the Japan Bank for International Cooperation (JBIC) to launch a \$600 million India-Japan Fund (IJF) with JBIC and Government of India. This is NIIF's first bilateral fund, with the Govt. contributing 49% of the target corpus and the remaining 51% to be contributed by JBIC.

➤ The Fund will be managed by NIIF Limited (NIIFL) and JBIC IG for promoting Japanese investments in India. This will focus on investing in environmental sustainability and low carbon emission strategies.

●BANKS' CREDIT-DEPOSIT SPREAD AT 8-YEAR LOW IN AUGUST 2023:

➤ According to RBI data, the net interest spread between outstanding loans and deposits of banks has been compressed over the last year and touched 8-year low in August 2023.

➤ The spread between WALR (weighted average lending rate) and WADTDR (weighted average domestic term deposit rate) stood at 3.11 per cent for fresh rates and at 3.22 per cent for outstanding rates in August 2023, with private banks continuing to maintain a higher spread than PSU banks. In August 2023, outstanding deposit rates increased while outstanding lending rates remained flat.

●RBI IMPOSES FINE ON UBI, RBL BANK:

RBI has imposed monetary penalty of Rs. 1.00 crore on Union Bank of India and Rs. 64 Lakh on RBL Bank for violations of rules. The penalty has been imposed on Union Bank of India as bank has not complied with RBI directions and sanctioned a term loan to a Corporation in lieu of or to substitute budgetary resources envisaged for certain projects, without undertaking due diligence on the viability and bankability of the projects.

➤ RBL Bank has been penalised for its failure to obtain annual declaration in Form B from one of its major shareholders, within one month of the close of the three financial years.

●RELIANCE JIO PARTNERS WITH PLUME:

➤ Reliance Jio, has entered into a strategic partnership with Plume, a California-based company specializing in cloud-based AI-powered services to enhance the digital lives of its subscribers. This partnership brings forth a range of innovative offerings under the names 'HomePass' and 'WorkPass.'

● 'MOOKKANNOOR MISSION,':

➤ On the occasion of the 106th birth anniversary of its visionary founder, K.P Hormis, the Federal Bank inaugurated the 'Mookkannoor Mission,' a groundbreaking initiative designed to drive change and progress in the village of Mookkannoor, located in the Ernakulam district of Kerala.

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

BRAIN STORMING

1) The Monetary Policy Committee (MPC) in its Statement on October 6, 2023 has decided unanimously to keep the policy repo rate unchanged at 6.50 per cent. This is the _____ consecutive meeting of the MPC in which it has been decided to maintain the status quo on the repo rate. The MPC last raised this rate by 25 bps to 6.50% at its meeting in February 2023.

- a) fifth b) fourth c) third d) second

2) The decisions of MPC meeting dated 6th Oct. 2023 are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of _____ per cent within a band of +/- 2 per cent, while supporting growth.

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

3) The RBI in its Monetary Policy Committee (MPC) Statement on October 6, 2023, has projected the GDP growth for 2023-24 at _____ per cent:

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

4) The RBI in its Monetary Policy Committee (MPC) Statement on October 6, 2023, has projected CPI inflation at _____ per cent for 2023-24:

- a) 5.4 b) 6.2 c) 6.7 d) 6.9

5) The RBI in its Monetary Policy Committee (MPC) Statement on October 6, 2023 has decided to keep the policy Repo rate under the Liquidity Adjustment Facility (LAF) unchanged at _____ per cent:

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

6) In the Monetary Policy Committee Statement on October 6, 2023 has decided to keep the Standing Deposit Facility (SDF) at _____ per cent:

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

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

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

8) The Marginal Standing Facility rate is calibrated to 25 bps above the repo rate. The MSF rate as per the Monetary Policy Statement on Oct. 6, 2023, stands unchanged at _____%:

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

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

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

10) As per the MPC statement on October 6, 2023 has decided to retain the Cash Reserve Ratio at _____ of NDTL:

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

11) As per the MPC statement on October 6, 2023 RBI has decided to retain the Statutory Liquidity Ratio (SLR) at _____ % of Net Demand & Time Liabilities (NDTL).

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

12) RBI has decided to increase the monetary ceiling of gold loans that can be granted under the bullet repayment scheme from Rs.2 lakh to Rs. _____ lakh for such UCBs who have met the overall PSL target and sub targets as on March 31, 2023.

- a) 2.5 b) 3 c) 4 d) 5

13) Vide notification dated 25th Oct. 2023, RBI has directed all Private Sector Banks (excluding Payment Banks and Local Area Banks) and Wholly-Owned

Subsidiaries of Foreign Banks, to ensure the presence of at least _____ Whole Time Directors (WTDs), including the MD&CEO, on their Boards. Banks that currently do not meet the minimum requirement as above are advised to submit their proposals for the appointment of WTD(s) under Section 35B(1)(b) of the Banking Regulation Act, 1949, within a period of _____ months from the date of issuance of this circular.

- a) 2; 2 b) 2; 3 c) 2; 4 d) 4; 6

14) RBI has introduced PCA Framework for NBFCs on December 14, 2021. The Framework has since been reviewed and RBI has decided to extend the same to Government NBFCs (except that in Base Layer) with effect from _____, based on the audited financials of the NBFC as on March 31, 2024, or thereafter.

- a) Sept. 30, 2024 b) October 1, 2024
c) October 31, 2024 d) November 1, 2024

15) RBI has issued guidelines for strengthening of customer service rendered by Credit Information Companies (CICs) and credit institutions which shall come into effect _____ months from 26 October 2023.

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

16) As per extant guidelines, "Bulk Deposit" means single Rupee term deposits of Rupees two crore and above for Scheduled Commercial Banks (excluding Regional Rural Banks) and Small Finance Banks and Single Rupee term deposits of Rupees fifteen lakhs and above for RRBs. RBI has now decided to enhance the bulk deposit limit for Regional Rural Banks Single Rupee term deposits from Rs.15.00 Lakhs and above to Rs. _____ crore and above.

- a) 1 b) 1.5 c) 2 d) 2.5

17) In terms of extant guidelines, banks have been permitted to offer domestic term deposits without premature withdrawal option, provided that all Term Deposits accepted from individuals for an amount of Rupees fifteen lakh and below shall have premature-withdrawal-facility. Now, RBI has advised that all domestic term deposits accepted from individuals for amount of Rupees _____ crore and below shall have premature withdrawal-facility.

- a) 0.5 b) 1.0 c) 1.5 d) 2.0

18) RBI has announced rate of interest on government of India floating rate bond 2034 at:

- a) 8.00% b) 8.05% c) 8.10% d) 8.15%

19) RBI has announced rate of interest on government of India floating rate bond 2028 at:

- a) 7.66% b) 7.67% c) 7.68% d) 7.69%

20) Reserve Bank of India had launched a Centralised Web Portal UDGM (Unclaimed Deposits – Gateway to Access inforMation) for the public to facilitate them to search their unclaimed deposits across multiple banks at one place. The search facility for 30 banks has been made available on the portal which covers around _____ of such unclaimed deposits (in value terms) in Depositor Education and Awareness (DEA) Fund.

- a) 90% b) 85% c) 80% d) 75%

21) The Centre has notified an amendment to the Prevention of Money laundering (Maintenance of Records) Rules, 2005, in case of international transactions above _____ to prevent terror financing and same will be subject to closer scrutiny and a reporting entity will have to identify clients, verify their identity and also ascertain purpose of the business.

- a) Rs.25,000 b) Rs.50,000 c) Rs.75,000 d) Rs.1,00,000

22) As per the extant guidelines, the subscribers post 60 years / superannuation can defer availing of annuity & withdrawing the lump sum on any combination till 75 years of age. The subscribers are now allowed to withdraw up to ____ of their pension corpus, through the Systematic Lump Sum Withdrawal (SLW) on a periodical basis viz. monthly, quarterly, half-yearly or annually for a period till 75 years of age as per the choice at the time of their normal exit.

- a) 40% b) 50% c) 60% d) 80%

23) The GST council, in its 52nd meeting, has decided that the maximum age limit for the president and members of the GST Appellate Tribunal (GSTAT) would be ____ years and ____ years, respectively; which will be set up in 28 states and 8 Union Territories.

- a) 62; 60 b) 65; 62 c) 67; 65 d) 70; 67

24) RBI has recently amended few of provisions in its master directions on KYC- AML norms applicable to banks and financial institutions. As per the amendment the beneficial owner in a partnership firm shall be the natural person(s), who, whether acting alone or together, or through one or more juridical person, has/have ownership of/entitlement to more than ____ percent of capital or profits of the partnership or who exercises control through other means. Previously it was ____ percent.

- a) 10 ; 15 a) 15 ; 20 a) 20 ; 25 a) 25 ; 30

25) RBI has recently amended few of provisions in its master directions on KYC- AML norms applicable to banks and financial institutions. Which of the following is correct w.r.t the amendments:

a) Principal Officer means an officer nominated by the financial institution, responsible for furnishing information under KYC AML guidelines. As per the recent amendment, the word 'Management level' has been added. It means, Principal officer should be an official from 'Management Level' of the Regulated Entity (RE).

b) REs shall apply a Risk Based Approach (RBA) and implement a Customer Due Diligence programme, having regard to the ML/TF risks identified and the size of business, for mitigation and management of the identified risk and should have Board approved policies, controls and procedures in this regard. The RE shall consider filing an Suspicious Transaction Report (STR), if necessary, when it is unable to comply with the relevant CDD measures in relation to the customer

c) Asset Reconstruction Companies (ARCs) have been added to the list of Regulated entities (REs) as per the provisions of KYC AML guidelines issued under PMLA.

d) REs shall preserve the documents of the transactions undertaken by the walk in customers also for a period of 5 years from the date of transactions.

e) Correspondent banking relationships shall not be entered into or - continued with a shell bank.

f) In case of domestic wire transfers below Rs. 50,000 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 3 business/working days.

g) All of the above

26) Commercial banks are currently required to follow regulatory guidelines on classification and valuation of investment portfolio, which are based on framework issued in October 2000 drawing upon the then prevailing global standards and best practices. In view of the

significant development in global financial reporting standards, the linkages with the capital adequacy framework as well as progress in the domestic financial markets, revised regulatory framework for the investment portfolio is being issued by RBI, which shall come into effect for accounting period commencing on or after _____.

- a) April 1, 2024 b) July 1, 2024
c) Oct. 1, 2024 d) April 1, 2025

27) Banks shall classify their entire investment portfolio (except investments in their own subsidiaries, joint ventures and associates) under following categories:

- a) Held to Maturity (HTM)
b) Available for Sale (AFS)
c) Fair Value through Profit and Loss (FVTPL)
d) All of above

28) Securities shall be classified under ____ which is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and the contractual terms of the security give rise to cash flows that are solely payments of principal and interest on specified dates.

- a) Held to Maturity (HTM)
b) Available for Sale (AFS)
c) Fair Value through Profit and Loss (FVTPL)
d) None

29) The government has made the rules for limited liability partnerships (LLPs), which will be required to maintain a register of partners with details of their beneficial interests and both tangible and intangible contributions; even upcoming LLPs have to maintain such a register, at their registered offices, within ____ days of incorporation.

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

30) As per RBI guidelines, Non-banks providing Payment Aggregators-Cross Border services as on Oct. 31, 2023, 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) 10 ; 15 b) 15 ; 20 c) 15 ; 25 d) 20 ; 25

31) Central Vigilance Commission is currently observing Vigilance Awareness Week 2023 from October 30th to November 5th, with the theme _____:

- a) Say no to corruption; commit to the Nation.
b) Corruption free Bharat
c) Say no to corruption; commit to the Bharat Mata
d) Commit to eradicate corruption

32) New non-bank providing Payment Aggregators-Cross Border services (PA-CBs) (i.e. entities which have not commenced operations as on Oct. 31, 2023, shall have a minimum network of Rs. ____ crore at the time of submitting application to the RBI for authorisation and shall attain a minimum network of Rs. ____ crore by end of the third financial year of grant of authorisation.

- a) 10 ; 15 b) 15 ; 20 c) 15 ; 25 d) 20 ; 25

ANSWER KEY

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

RECOLLECTED QUESTIONS

UNION BANK OF INDIA – (SCALE 4 TO 5 ON 15-10-23)

- Digital Payment Index: The Reserve Bank on July 27, 2023 published the Digital Payment Index (DPI) for March 2023. The index stood at 395.57 as against 377.46 for September 2022, which was announced on January 31, 2023.
- Money Laundering monitoring agency: The primary legal authority responsible for investigating and prosecuting money laundering offences under the PMLA at the national level is the Directorate of Enforcement (“ED”), under the aegis of the Department of Revenue, Ministry of Finance.
- RBI App: MANI - for visually impaired to identify the denomination of Indian banknotes of Mahatma Gandhi Series and Mahatma Gandhi (New) series by capturing the image of the notes placed in front of rear mobile camera.
- Priority sector housing loan in Metro: Loans to individuals up to Rs.35 lakh in metropolitan centres (with population of ten lakh and above) and up to Rs.25 lakh in other centres for purchase/construction of a dwelling unit per family provided the overall cost of the dwelling unit in the metropolitan centre and at other centres.
- Loan to Food & Agro processing under Priority Sector: Upto an aggregate sanctioned limit of Rs.100 crore per borrower from the banking system.
- Start-ups for MSME under Priority Sector: Loans up to Rs.50 crore to Start-ups, as per definition of Ministry of Commerce and Industry, that confirm to the definition of MSME.
- Small Enterprise cut off limit under Priority Sector: An enterprise, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.
- Priority sector Agricultural target: 18% of ANBC or CIOBE, whichever is higher; out of which a target of 10% is prescribed for Small and Marginal Farmers (2023-24).
- PM Jan Dhan overdraft: Rs. 10,000
- Cloud computing: Cloud computing is the on-demand availability of computer system resources, especially data storage (cloud storage) and computing power, without direct active management by the user.
- Tax saver Fixed Deposit: Minimum Amount Rs. 100 and in Multiples of Rs. 100; Maximum amount – Rs. 1.5 Lakhs (in a FY); Tenure – 5 Years (lock-in); Can be booked with monthly and quarterly payout; Tax benefit under 80C will be available only to the first holder of the deposit.
- TDS deduction is applicable above what amount in case of interest on Fixed Deposit: On Term Deposits including Recurring Deposit where interest paid / payable is above Rs. 40,000 (Sr Citizen above Rs. 50,000/-) in financial year @ 10% with PAN and 20% without PAN.
- A Non-Callable deposit: Deposits for a period of 46 days and above and cannot be closed before maturity. Bank offer additional interest rate above the rate as applicable to general Public for callable deposits.
- Resident Indian individuals are permitted to freely remit up to USD _____ per financial year (over all limit) for any current or capital a/c transactions or a combination of both: 2,50,000.
- Full form of RAROC: Risk Adjusted Return on Capital.
- Under Agri clinic / Agri business centre scheme the outer ceiling for the cost of project by individuals is Rs. _____ lac and for joint / group projects, the ceiling is Rs. _____ lakh, pro-rata: 20; 100.
- As per second method of lending of Tandon/Chore committee 25% margin is of _____: total current assets.
- Hurdle Rate: Cr4 Takeover and New account Cr5
- Validity of sanction in Union Bank: 2 months

- Borrowers' including Special Mention Accounts (SMA 0, 1 & 2) with credit exposures having aggregate fund-based and non-fund based exposure of Rs. _____ have to be reported on CRILC platform: 50 million and above.
- Bank has given Overdraft to a customer. The account has become NPA. In the meantime while the FDR of the customer has matured. Which right bank can exercise to adjust the overdraft: Right of Set Off.
- The RBI has established the Centralised Receipt and Processing Centre (CRPC) at _____ to receive the complaints filed under the Integrated Ombudsman Scheme and process them. The complaints under the Scheme made online shall be registered on the portal (<https://csm.rbi.org.in>): Chandigarh.
- As a part of their ongoing due diligence on bank accounts, banks are required to periodically update KYC records. KYC is required to be done at least every two years for High Risk customer; at least every eight years for Medium Risk customer and every _____ years for Low Risk customers: ten.
- Debt Equity ratio, Total Indebtedness ratio and Debt Service coverage ratio are: Solvency ratios.
- Under Integrated Ombudsman scheme, the Ombudsman shall have the power to provide a compensation up to Rupees _____ lakh, in addition to, up to Rs. One lakh for the loss of the complainant's time, expenses incurred and for harassment/anguish suffered: Twenty.
- Present Repo rate is: 6.50%
- Statutory Liquidity Ratio is defined in _____ section and _____ Act: Sec 24 of Banking Regulation Act
- The Capital Conservation Buffer (CCB) is designed to ensure that banks build up capital buffers during normal times (i.e., outside periods of stress) which can be drawn down as losses are incurred during a stressed period. With effect from October 1, 2021, the CCB is _____: 2.50%
- RBI has asked bank customers to update their KYC by furnishing a fresh KYC or re-KYC. Customers can furnish updated or revised addresses through non-face-to-face channels when there is only an address change. The banks must undertake the verification of the updated addresses within _____ months of submission of the revised address: two.
- Fraud reporting to Financial Intelligence Unit: 7th of succeeding month.
- For cases of detection of counterfeit notes of _____ or more pieces, in a single transaction, FIRs should be lodged with the Nodal Police Station / Police Authorities. A copy of the FIR shall be sent to the Forged (Counterfeit) Banknote Vigilance Cell at the HO of the bank: Five.
- PM SVANidhi has been formulated by _____. The scheme has been extended from March 2022 to December 2024.: Ministry of Housing and Urban Affairs.
- The Branch level Customer service committee meetings should be held on: 15th every month
- The Commission payable to banks on Govt. transactions is _____ in case of Receipts in physical mode and _____ in case of e-mode: Rs. 40 and Rs. 9
- Cash remittance: Rs. 50 Lakh No armed guard
- Cash remittance: Above Rs.50 Lakh armed guard required.
- Women professionals scheme maximum limit: Rs. 50 Lakh
- No thrust area: Cement
- For Housing Loan Income upto Rs. 3 Lakh, sustenance:45%
- Debit card for blind: Sparsh
- For Mortgage loan age limit is : 18 to 75 years
- Digital cash eligibility: 50% of Net pension
- IRR: Above 25 cr and 5 years and above
- Union Nari Shakti maximum limit: 10 Lakh to 10 crore
- TOL/TNW Trade account: 5:1
- Fisdom: App for investing in Mutual Funds

LATEST GENERAL KNOWLEDGE

- The RBI has announced the appointment of _____ as an Executive Director (ED) w.e.f. October 3, 2023: **Muneesh Kapur**
- RBI has increased the existing limit for gold loans under a scheme called _____ from Rs. 2 lakh to Rs. 4 lakh for urban cooperative banks: **"Bullet Repayment."**
- Tamil writer _____ was honored with the prestigious 'Saraswati Samman' in 2022 for her memoirs, "Surya Vamsam.": **Sivasankari.**
- A 19-foot tall statue of _____, the principal architect of India's Constitution, was formally inaugurated in a suburb of Maryland, Washington: **Dr. B.R. Ambedkar**
- Ministry of MSME has taken a step towards realizing the vision of a "Garbage Free India," aligning with the national initiative titled _____ organized on 1st October 2023: **'Shramdaan'**
- _____ a renowned author, philanthropist and the wife of Infosys co-founder N.R. Narayana Murthy, was honored with the prestigious Global Indian Award by the Canada India Foundation (CIF) at a grand Indo-Canadian gala in Toronto: **Sudha Murthy**
- _____ a traditional craft originating from the district of Kathua (J&K) has earned Geographical Indication (GI) tag: **Basohli Pashmina**
- _____ has achieved a significant milestone by providing assistance to over 50 lakh street vendors across the country: **PM SVANidhi scheme.**
- _____ has won the gold medal in the women's javelin throw with a 69.92m throw at the Asian Games 2023 in Hangzhou and became the first Indian woman to win a javelin gold in Asian Games history: **Annu Rani**
- The Govt. has notified the constitution of the _____ which will focus on the development and growth of turmeric and turmeric products in the country. **National Turmeric Board**
- The UN Conference on Trade and Development (UNCTAD) has revised _____ economic growth forecast for 2023 upward to 6.6% from the earlier projection of 6%: **India's**
- _____ secured the gold medal in the Men's Javelin Throw competition held at the Asian Games 2023: **Neeraj Chopra**
- Govt. has approved the establishment of a tribal university in Telangana, named: **The Sarakka Central Tribal University.**
- A naturally fermented cheese prepared from the milk of _____, has received the prestigious Geographical Indication (GI) tag: **Arunachali Yak**
- State Bank of India has introduced the _____ for its Financial Inclusion (FI) customers: **'Mobile Handheld Device'**
- _____, an author in the Manipuri language, has been conferred upon 'Bal Sahitya Puraskar' for the year 2023 for his work titled "Ibemma Amasung Ngabemma: **Dilip Nongmaithem**
- _____ has been conferred upon the Nobel Peace Prize for the year 2023 for her fight against the oppression of women in Iran and her fight to promote human rights and freedom for all: **Narges Mohammadi**
- Tripura has become fourth Indian state by introducing: **e-cabinet system.**
- In a historic debut at the Asian Games 2023 in Hangzhou, the _____ secured the gold medal in the T20 competition: **Indian mens cricket team**
- _____ has become first bank in the country by introducing the ONDC Network Gift Card, which aims to transform the shopping experience for Indian consumers: **YES Bank**
- The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2023 was awarded to _____ for having advanced our understanding of women's labour market outcomes": **Claudia Goldin**
- The Goods and Services Tax Council, in its meeting has announced an _____ to streamline the process of appealing against demand orders issued by tax inspectors: **Amnesty plan**
- Uttar Pradesh Govt. has designated the _____, as the state's aquatic animal: **Gangetic Dolphin**
- _____, director of 'The Kashmir Files' has launched his latest book, "The Book of Life: My Dance with Buddha for Success" and directed a drama film 'The Vaccine War' in 2023: **Vivek Agnihotri**
- In the latest **Global Hunger Index for 2023**, _____ has been ranked 111 out of 125 countries, marking a decline from its 107th position in 2022: **India**
- The beautiful _____ located in Gurdaspur (Punjab) was recently awarded the title of "Best Tourism Village of India 2023" by the Union Ministry of Tourism: **Nawanpind Sardaran village.**

- India's Supreme Court recently made a decision, declining an appeal to legalize _____ in the country: **Same-sex marriages**
- The _____, located in the city of Bhopal, has achieved a significant milestone by securing ISO certification: **Bhopal Mahila Thana**
- _____ village in Gujarat has secured a place on the list of the 54 best tourism villages announced by the World Tourism Organization (UNWTO): **Dhordo**
- _____, an distinguished alumnus of Harvard Law School, was bestowed with the prestigious 'Award for Global Leadership' by his institution: **CJI DY Chandrachud**
- _____ has waived visa fees for tourists from seven countries, including India to attract more visitors and help the country recover from recent economic challenges: **Sri Lanka**
- US President has awarded the White House National Medal for Technology and Innovation and the National Medal of Science to _____ respectively: **Ashok Gadgil and Subra Suresh**
- India is battling with severe air pollution issues, with _____ ranking as the second most polluted city according to IQAir, a leading air quality measurement company: **Mumbai**
- _____ has taken over as DG Hospital Services (Armed Forces) and also as the first woman to hold this esteemed position: **Air Marshal Sadhna S Nair**
- The Indian Army inaugurated its first _____ at the Special Forces Training School (SFTS) in Himachal Pradesh: **Vertical Wind Tunnel (VWT)**
- _____ has introduced maternity insurance plan for its women delivery partners, which is the first of this kind in the industry: **Zomato**
- Rajasthan government has unveiled the _____ at Jaipur's Techno Hub which is a collaborative effort with the Jaipur-based startup, HyreFox: **'iStart Talent Connect Portal'**
- _____ is experiencing a severe demographic crisis, with the number of births hitting a new low this year indicating a continuation of the country's longstanding population decline: **Italy**
- _____ has achieved a significant milestone by becoming a part of the prestigious 18-member steering committee of the International Competition Network (ICN): **Competition Commission of India (CCI)**
- Govt. is working on _____, aimed at transforming the country into a developed nation by 2047 and to prevent India from falling into the middle-income trap and to focus on various aspects of economic and social development: **'Vision India@2047'**
- _____, Founder and Chairperson of Reliance Foundation, was honored with the 2023 USISPF Global Leadership Award for Philanthropy and Corporate Social Responsibility: **Nita Ambani**
- RBI has allowed SBI Mutual Fund to acquire up to 9.99% of paid-up share capital in: **IndusInd bank**
- RBI approves _____ to Operate as Payment Aggregator: **MobiKwik's Zaakpay**
- HDFC Bank, has introduced its cutting-edge digital platform, _____, to streamline and expedite its banking products and services: **Xpress Way**
- The Global Hunger Index-2023 stated that _____ has the highest child-wasting rate in the world at 18.7 percent, reflecting acute under nutrition: **India**
- Previously known as RapidX, country's first semi-high-speed regional rail service, _____ marks the introduction of the Regional Rapid Train Service (RRTS) in India: **Namo Bharat**
- Government has raised the subsidy amount for _____ beneficiaries from Rs 200 to Rs 300 per LPG cylinder: **Pradhan Mantri Ujjwala Yojana**
- _____ secures 22nd place on Global Residential Cities Index Q2 2023: **Bengaluru**
- The Government declared Sardar Vallabhbhai Patel's birth anniversary on October 31 as: **National Unity Day or Rashtriya Ekta Diwas.**
- _____ becomes the Only Indian PSU to Feature in Forbes "World's Best Employers 2023" List: **NTPC**

KEY INDICATORS

REPO RATE	6.50%	FOREX RESERVES- Rs. (in Cr)	4920453
CRR	4.50%	FOREX RESERVES US (\$ Million)	590783
SLR	18.00%	SCB's AGGREGATE DEPOSITS - (Cr)	19513328
BANK RATE	6.75%	SCB's BANK CREDIT - (Cr)	15425809
MSF	6.75%	SDF	6.25%