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CONTEMPORARY

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TELEGRAM****MONETARY POLICY STATEMENT, 2023-24****(OCTOBER 6, 2023)**

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

➤ Announcing the bi-monthly monetary policy, RBI Governor Shaktikanta Das said the transmission of 250 bps repo rate cut is still incomplete. The MPC also decided by a majority to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.

➤ Given that excess liquidity could be inflationary and can pose risks to financial stability, the RBI has started deploying policy tools from the August policy to remove the excess liquidity from the system. Unexpected by all, the RBI announces that Open Market Operation (OMO) sales also becomes a policy tool for the future in its efforts to suck out liquidity.

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

TARGETS:

● **GDP OUTLOOK:** Real gross domestic product (GDP) posted a growth of 7.8 per cent year-on-year (y-o-y) in Q1:2023-24 (April-June). GDP growth for 2023-24 is projected at 6.5 per cent, with Q2 at 6.5 per cent, Q3 at 6.0 per cent, and Q4 at 5.7 per cent, with risks evenly balanced. Real GDP growth for Q1:2024-25 is projected at 6.6 per cent.

● **INFLATION:** CPI inflation is projected at 5.4 per cent for 2023-24, with Q2 at 6.4 per cent, Q3 at 5.6 per cent and Q4 at 5.2 per cent, with risks evenly balanced. CPI inflation for Q1:2024-25 is projected at 5.2 per cent.

MONETARY & LIQUIDITY AGGREGATES

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee at its meeting on Oct. 6, 2023 decided as following:

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

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

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

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

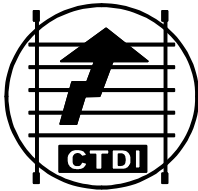
● **CASH RESERVE RATIO (CRR):** CRR of scheduled banks retained at 4.50 percent of their Net Demand and Time Liabilities (NDTL).

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

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

POSITIVE ATTITUDE

A tree that wants to touch the sky must extend its roots into the earth. The more it wants to rise upwards, the more it has to grow downwards, so to rise in life, we must be down to earth, humble and grateful.



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SCAN AND PAY



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●Global Economy:

- Global growth is losing momentum. Inflation is easing gradually but remains well above target in major economies. Concerns about higher for longer rates are imparting volatility to global financial markets.
- Sovereign bond yields have hardened, the US dollar has appreciated, and equity markets have corrected. Emerging market economies (EMEs) are experiencing currency depreciation and volatile capital flows.

Domestic Economy:

- The Indian economy is forging ahead in a challenging global environment, drawing strength from its underlying macroeconomic fundamentals and buffers. While growth remains on track, the declining trend in inflation was interrupted in July-August 2023 due to price shocks in certain food items. Volatile energy and food prices in the wake of lingering geopolitical tensions and adverse weather conditions render uncertainty to the inflation outlook. Headline inflation had surged in July. A silver lining amidst all these is declining core inflation (i.e., CPI excluding food and fuel).
- Macroeconomic stability and inclusive growth are the fundamental principles underlying a country's progress. The policy mix that RBI has pursued during the recent years of multiple and unparalleled shocks has fostered macroeconomic and financial stability. The external sector also remains eminently manageable. The twin balance sheet stress that was encountered a decade ago has now been replaced by a twin balance sheet advantage with healthier balance sheets of both banks and corporates.

OTHER HIGHLIGHTS:

- The momentum in agricultural activity in Q2:2023-24 has been sustained, although the monsoon has been uneven. The industrial sector extended recovery in Q2. Services sector activity is maintaining buoyancy as indicated by healthy expansion in high frequency indicators in August-September. PMI Services exhibited strong expansion in September. Construction activity continues to be strong.
- Investment activity maintained its momentum with good support from government capex. Private sector capex is gaining ground as suggested by expansion in production and imports of capital goods and new projects sanctioned by banks.
- On the demand front, steady expansion is seen in urban consumption while rural demand is showing signs of revival. Looking ahead, domestic demand conditions are likely to benefit from sustained buoyancy in services, consumer and business optimism, government's continued thrust on capex, healthy balance sheets of banks and corporates, and supply chain normalisation.
- India's merchandise exports and imports have remained in the contractionary zone so far during 2023-24, although at a decelerated pace during July and August. Services exports expanded at a healthy pace.
- Inward remittances have risen by 5.8 per cent (y-o-y). The current account deficit (CAD) for Q1:2023-24 declined to 1.1 per cent of GDP from a year ago.
- There was an accretion of US\$ 24.4 billion to foreign exchange reserves on balance of payments (BOP) basis during Q1:2023-24.
- On external financing, foreign portfolio investment (FPI) flows have seen a significant turnaround in 2023-24 with net FPI inflows at US\$ 20.3 billion up to September 2023 as against net outflows in the preceding two years.
- Net foreign direct investment (FDI), on the other hand, moderated to US\$ 5.8 billion in April-July 2023 from US\$ 17.3 billion a year ago.
- The inflows under external commercial borrowings (ECBs) witnessed a turnaround, with net inflows of US\$ 4.5 billion during April-August 2023 as against net outflows of US\$ 3.2 billion a year ago. The number and total amount of ECB agreements grew markedly during April-August 2023 with about 60 per cent of the total amount being raised for capital expenditure. External vulnerability indicators also indicate lower vulnerability in comparison with EME peers. India's foreign exchange reserves stood at US\$ 586.9 billion as on September 29, 2023. We remain confident of meeting our external financing requirements comfortably.
- Headwinds from geopolitical tensions and geoeconomic fragmentation, volatility in global financial markets, global economic slowdown, and uneven monsoon, however, pose risks to the outlook.

OUTLOOK:

The near-term inflation outlook is expected to improve on the back of vegetable price correction and the recent reduction in LPG prices. The future trajectory will be conditioned by a number of factors like lower area sown under pulses, dip in reservoir levels, El Niño conditions and volatile global energy and food prices.

(Cont'd on Page no.4)

KNOWLEDGE +

DERIVATIVES

A Derivative is a financial contract undertaken by Exporters, Importers, Banks, Traders for hedging of different types of risk such as exchange fluctuation risk, interest fluctuation risk, currency risk etc. Derivatives owe their origin to the underlying asset such as a stock, stock index, a foreign currency, a commodity. A derivative instrument value changes with changes in one or more underlying market variables such as equity or commodity prices, interest rates or foreign exchange rates.

Basic Derivatives include Forwards, Options, Futures and Swaps.

● **FORWARD:** The forward is a contract that is offered Over the Counter to customers having underlying Exchange risks. Forward contract is a binding agreement between two parties to purchase and sell a specific quantity of foreign currency at a specific price but with delivery and settlement at a specified future date. They are structured according to the customer's needs.

Forward Purchase contracts are entered in to by Exporters and Forward sale contracts by Importers. All entities with underlying exposures are now entitled to Forward contracts including NRIs, FII's etc.

● **OPTIONS:** An Option contract is the right to buy or sell a specific quantity of a given asset at a specific price at or before a specific date in the future. Options are contracts that provide the right but not the obligation to buy or sell a financial instrument. The purchaser of the Option pays a Premium to the option writer. The price agreed to is called Strike price. The purchaser can exercise his right to buy or sell depending upon whether the going market rates are in his favour.

● **CALL OPTION:** Here the Option holder has the right to purchase the specific Currency or any other underlying at the Strike Price. The Option writer is bound to sell at that price.

● **PUT OPTION:** Here the Option holder has the right to sell the specific Currency or any other underlying at the Strike Price. The Option writer is bound to purchase at that price.

● **EUROPEAN OPTIONS:** Here the Option Holder's right can be exercised only at the end of the Option period. There can be European Call Option or European put options depending on whether the right is for "Selling" or "Buying". In India, both European & American options are allowed.

● **AMERICAN OPTIONS:** The Owner's right can be exercised any time during Option period.

● **SWAPS:** A Swap contract means a simultaneous exchange (Sale and Purchase) of a Underlying currency, Interest rate or Commodity. Currency swaps involve exchange of Currencies while as Interest rate swaps involve exchange of interest streams (Principal amounts are not touched, only interest streams are exchanged).

A Swap can be described as the transformation of one stream of future cash flows into another stream of future cash flow with different features

● **FUTURES:** The Futures are contracts which have Standard amounts. (USD 10,000, USD 5000 etc) & delivery periods (one month / Two month) and are traded on exchanges, regulated by institutions such as SEBI. They need only margin payment and are marked to market on a daily basis. Futures contract are made primarily for hedging.

● **FORWARD RATE AGREEMENT (FRA):** An FRA is a cash-settled OTC contract between two counterparties, where the buyer is borrowing (and the seller is lending) a notional sum at a fixed interest rate (the FRA rate) and for a specified period of time starting at an agreed date in the future.

An FRA is basically a forward-starting loan, but without the exchange of the principal. The notional amount is simply used to calculate interest payments. By enabling market participants to trade today at an interest rate that will be effective at some point in the future, FRAs allow them to hedge their interest rate exposure on future engagements.

Simply put, the buyer of the FRA, locks in a borrowing rate, and will be protected against a rise in interest rates and the seller, who obtains a fixed lending rate, will be protected against a fall in interest rates. If the interest rates neither fall nor rise, nobody will benefit.

● **CREDIT DEFAULT SWAP (CDS):** Under this contract (an off-balance sheet transaction), the protection buyer pays a fee through the life of the contract, in return for a credit event payment by the protection seller following a credit event. **In case the credit event does not occur**, the Protection Seller continues to receive the periodic payment and in case of occurring of a credit event, the Protection Buyer will receive a credit event payment.

If a Credit Event occurs and physical settlement applies, the transaction shall accelerate and Protection Buyer shall deliver the Deliverable Obligations to Protection Seller against payment of a pre-agreed amount. If a Credit Event occurs and cash settlement applies, the transaction shall accelerate and Protection Seller shall pay to Protection Buyer the excess of the par value of the Deliverable Obligations on start date over the prevailing market value of Deliverable Obligations upon occurrence of Credit Event.

**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

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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 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
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Ms. Devshree Chavala 9592884440

Good Evening sir
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Bank: IDBI SCALE 2-3

*(Cont'd from Page No 2)***DEVELOPMENTAL AND REGULATORY
POLICY MEASURES**

This Statement sets out various developmental and regulatory policy measures relating to (i) Regulation (ii) Payments Systems and (iii) Consumer Protection.

●Prudential Framework for IRAC and Provisioning pertaining to Advances - Projects Under Implementation

➤ Project finance is generally characterized by various complexities including long gestation periods. With a view to strengthen the extant regulatory framework governing the project finance and to harmonise the instructions across all regulated entities, the extant prudential norms for projects under implementation have been reviewed and a comprehensive regulatory framework applicable for all regulated entities is proposed to be issued.

●Credit Concentration Norms – Credit Risk Transfer:

➤ The extant guidelines on Large Exposure Framework for Non-Banking Financial Company - Upper Layer (NBFC-UL) permits exposures to the original counterparty to be offset with certain credit risk transfer instruments. However, the extant credit concentration norms for NBFC in the Middle Layer (ML) and Base Layer (BL) do not explicitly envisage any such mechanism.

➤ With a view to harmonize the aforesaid norms among NBFCs, it has been decided to permit NBFCs in the ML and BL as well, to offset their exposures with eligible credit risk transfer instruments. The instructions in this regard is proposed to be issued by RBI shortly.

●Gold Loan: Bullet Repayment Scheme –UCBs:

➤ UCBs have been permitted an extended glide path for achievement of PSL targets, beyond March 2023. With a view to incentivising UCBs that have met the prescribed PSL targets as on March 31, 2023, RBI has decided to increase the monetary ceiling of gold loans that can be granted under the bullet repayment scheme from Rs.2.00 lakh to Rs.4.00 lakh for such UCBs who have met the overall PSL target and sub targets as on March 31, 2023. These banks will be required to continue to meet the targets and sub-targets thereafter.

●Framework for recognition of SROs for Regulated Entities (Res) of Reserve Bank:

➤ In view of the potential role of Self-Regulatory Organisations (SROs) in strengthening compliance culture among their members and also providing a consultative platform for policy making, RBI has decided to issue an omnibus framework for recognising SROs for various Regulated Entities (REs) of the RBI. The omnibus SRO framework shall prescribe the broad objectives, functions, eligibility criteria, governance standards, etc., which will be common for all SROs, irrespective of the sector. To begin with, a draft of the omnibus framework will be released for stakeholder comments.

●PIDF – Extension of Scheme and Inclusion of PM Vishwakarma Scheme beneficiaries:

➤ The Payment Infrastructure Development Fund (PIDF) was operationalised by the Reserve Bank in January 2021 for a period of three years. The objective was to incentivise 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 centres were later included in August 2021.

➤ As at end-August 2023, over 2.66 crore new touch points have been deployed under the Scheme. RBI has 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 centres under the PIDF Scheme. This decision to expand the targeted beneficiaries under the PIDF scheme will provide fillip to the RBI'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. This is expected to further accelerate and augment the deployment of payment acceptance infrastructure in the targeted geographies.

●Introducing new channels for Card-on-File Tokenisation:

➤ RBI introduced Card-on-File Tokenisation and began implementation from October 1, 2022. So far, over 56 crore tokens have been created on which transactions with value of over Rs.5 lakh crore have been undertaken. Tokenisation has improved transaction security and transaction approval rate. At present, Card-on-File(CoF) token can only be created through merchant's application or webpage.

➤ RBI has now proposed to introduce CoF token creation facilities directly at the issuer bank level. This measure will enhance convenience for cardholders to get tokens created and linked to their existing accounts with various e-commerce applications. Instructions in this regard will be issued separately.

●Master Direction on Internal Ombudsman mechanism in Regulated Entities:

➤ The Reserve Bank of India, in 2015, introduced an Internal Ombudsman (IO) mechanism in select scheduled commercial banks with the objective to strengthen their Internal Grievance Redress (IGR) system and to ensure efficient and fair resolution of customer complaints by enabling an apex level review within the banks before their rejection. Gradually, the framework has been extended to other regulated entities (REs), viz. select Non-Bank System Participants (non-bank issuers of PPIs), select Non-Banking Financial Companies and all Credit Information Companies.

➤ The guidelines on Internal Ombudsman framework currently in operation for various categories of REs have similar design features but carry certain variations on operational matters. Based on the learnings from the implementation of the extant IO guidelines, RBI has decided to harmonise the same and issue a consolidated Master Direction.

BUSINESSES WITH TURNOVER OF Rs.100 CRORE OR MORE TO GET 30 DAYS TIME FOR REPORTING INVOICES ON INVOICE REGISTRATION PORTAL (IRP):

As per the advisory by National Informatics Centre (NIC) GST Authority has decided to impose a time limit of 30 days for reporting of invoices from date of invoice, on e-invoice portals. This time limit is applicable for taxpayers with AATO greater than or equal to Rs.100 crore. For example, if an invoice has a date of Nov. 1, 2023, it cannot be reported after November 30, 2023. Earlier, the time limit stipulated was 7 days. However, the industry protested after which decision was kept on hold.

PM VISHWAKARMA SCHEME

PM Vishwakarma scheme is a Central Sector Scheme launched by Ministry of Micro, Small and Medium Enterprises on 17th September, 2023 to provide holistic and end-to-end support to artisans and crafts people through access to collateral free credit, skill training, modern tools, and incentive for digital transactions and market linkage support. The scheme will initially be implemented for five years up to 2027-28.

PM Vishwakarma will be implemented as a Central Sector Scheme, fully funded by the Government of India, with an initial outlay of Rs 13,000 crore.

●Objectives:

a) To enable the recognition of artisans and craftspeople as Vishwakarma making them eligible to avail all the benefits under the Scheme.

b) To provide skill upgradation to hone their skills and make relevant and suitable training opportunities available to them.

c) To provide support for better and modern tools to enhance their capability, productivity, and quality of products.

d) To provide the intended beneficiaries easy access to collateral-free credit and reduce the cost of credit by providing interest subvention.

e) To provide incentives for digital transactions to encourage the digital empowerment of these Vishwakarmas.

f) To provide a platform for brand promotion and market linkages to help them access new opportunities for growth.

●Implementing Agency: The scheme is conjointly implemented by the a) Ministry of Micro, Small and Medium Enterprises (MoMSME); b) Ministry of Skill Development and Entrepreneurship (MSDE); and c) Department of Financial Services (DFS).

●Trades covered in the Scheme: Total traditional eighteen trades are initially covered under the scheme. The eighteen trades are: carpenter, Armourer, Blacksmith, Locksmith, Hammer and Tool kit maker, Fishing net Maker, Boat Maker, Sculptor, Goldsmith, Potter, Cobbler, Washer man, Masons, Basket or Mat or Broom Maker or Coir weaver, Toy maker making toys traditionally, Barber, Garland Maker, and Tailor.

●Components of the Scheme:

The key components of PM Vishwakarma Scheme are:

a) Recognition: PM Vishwakarma Certificate and ID Card

b) Skill Upgradation

c) Toolkit Incentive

d) Credit Support

e) Incentive for Digital Transactions

f) Marketing Support

●Eligibility criteria:

a) An artisan or crafts person working with hands and tools and engaged in one of the above family-based traditional trades, in unorganized sector on self-employment basis, shall be eligible for registration under PM Vishwakarma.

b) The minimum age of the beneficiary should be 18 years on the date of registration.

c) The beneficiary should be engaged in the trade concerned on the date of registration and should not have availed loans under similar credit-based schemes of Central Government or State Government for self-employment / business development, e.g., PMEGP, PM SVANidhi, Mudra, in the past 5 years. The period of 5 years will be calculated from the date of sanction of the loan.

d) The registration and benefits under the Scheme shall be restricted to one member of the family. For availing benefits under the Scheme, a 'family' is defined as consisting of the husband, wife and unmarried children.

e) A person in government service and their family members shall not be eligible under the Scheme

●Quantum of Loan:

- **First Tranche up to Rs.1.00 lacs** (Eligibility Requirement. Certificate / ID card as Vishwakarma, Completed basic skill training of 5 days, Undergone skill verification).

- **Second tranche up to Rs. 2 lacs (Eligibility Requirement).** Paid 1 tranche of loan, Vishwakarma, Completed Advance skill training of 15 days or adopted digital transactions in their business).

●Margin: Nil**●Security: Graded Guarantee cover by CGTMSE:**

Graded Guarantee Cover for first tranche of the loans:

- **First Loss Default (0 to 7.5%):** 100% coverage.

- **Second Loss (More than 7.5% and up to 20%):** 80% coverage of default portfolio.

- **Third Loss (More than 20% and up to 50%):** 60% coverage of default portfolio.

- **Maximum guarantee coverage:** 50% of the year portfolio for the First tranche of loan.

Graded Guarantee Cover for the second tranche of the loan will be as follows:

- **First Loss Default (Up to 5%):** 100% coverage.

- **Second Loss (beyond 5% and up to 15%):** 80% coverage of default portfolio.

- **Maximum guarantee coverage:** 15% of the year portfolio for the Second tranche of loan.

●Filing of Claims: The periodicity of filing of claims by Lending Institutions shall be quarterly. All the participating Lending Institutions shall be eligible to avail this guarantee cover without any charges. The annual guarantee fee for the same will not be charged to Bank and it will be borne by ministry of MSME.

●Repayment: 1 tranche in 18 EMIs and 2nd tranche 30 EMIs.

●Interest: 13% Fixed (out of 13%, 5% will be charged from customer and rest 8% will be subvention from Ministry of MSME).

Service charges/Commission: Flat 500+ GST

The Scheme envisages provisioning of the following benefits to the artisans and crafts persons:

➤ **Recognition:** Recognition of artisans and crafts people through PM Vishwakarma certificate and ID card.

➤ **Skill Upgradation:** 40 hours basic Training of 5-7 days and Advanced Training of 15 days or more, with a stipend of Rs. 500 per day. Beneficiaries interested in pursuing further skill upgradation after the Basic Training will be enrolled for Advanced Training of 15 days / 120 hours or more.

➤ **Toolkit Incentive:** A toolkit incentive of up to Rs. 15,000 in the form of e-vouchers at the beginning of Basic Skill Training.

➤ **Second Loan:** The second loan tranche will be available to beneficiaries who have availed the 1st tranche and maintained a standard loan account and have adopted digital transactions in their business or have undergone Advanced Training.

➤ **Incentive for Digital Transaction:** An amount of Re.1 per digital transaction, upto max 100 transactions monthly will be credited to the beneficiary's account for each digital pay-out or receipt.

➤ **Marketing Support:** Marketing support will be provided to the artisans and craftspeople in the form of quality certification, branding, onboarding on e-commerce platforms such as GeM, advertising, publicity and other marketing activities.

➤ **Udyam Assist Platform:** The Scheme will onboard the beneficiaries on Udyam Assist Platform as entrepreneurs' in the formal MSME ecosystem.

➤ **Enrolment of beneficiaries:** Enrolment of beneficiaries shall be done through Common Service Centres with Aadhaar-based biometric authentication on PM Vishwakarma portal. The enrolment of beneficiaries will be followed by a three-step verification: (i) Verification at Gram Panchayat/ ULB level, (ii) Vetting and Recommendation by the District Implementation Committee (iii) Approval by the Screening Committee.

CGTMSE

(CREDIT GUARANTEE FUND SCHEME FOR MICRO & SMALL ENTERPRISES)

Credit Guarantee Scheme of Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) was established in August, 2000 and promoted by Government of India and SIDBI with an objective of providing the guarantee cover to the collateral free loans extended to Micro & Small Enterprises.

● **ELIGIBLE BORROWER:**

- New or existing Micro and Small Enterprises to which credit facility has been provided by the lending institution without any collateral security and / or third party guarantees.
- **"Hybrid / Partial Collateral Security"**: CGTMSE has introduced a "Hybrid / Partial Collateral Security" product allowing guarantee cover for the portion of credit facility not covered by collateral security. In the partial collateral security model, the MLIs will be allowed to obtain collateral security for a part of the credit facility, whereas the remaining part of the credit facility, up to a maximum of Rs 500 lakhs, can be covered under Credit Guarantee Scheme of CGTMSE.
- CGTMSE will, however, have notional second charge on the primary security as well as on the collateral security provided by the borrower for the credit facility.
- Credit facility of over 500 lakh is to be covered under the Scheme. However, the guarantee cover available will be restricted to credit of Rs.500 lakh even though credit extended is more than 500 lakh to an eligible borrower.
- As per the extant guidelines no third party guarantee should be obtained if the account is to be covered under the Credit Guarantee Scheme. However, in case the constitution of the borrower is proprietary or partnership, the personal guarantee of proprietor/ partner is not treated as third party guarantee. Similarly, Personal guarantee of directors, where borrower constitution is a company will not be treated as third party guarantee. Personal guarantee of spouse, friend etc. will be treated as third party guarantee. However, in case of collateral obtained and covered under 'Hybrid security' product, third party guarantee of owner of the immovable property is permitted.
- Unsecured lending is not eligible under CGS-I. Obtaining Primary Security is mandatory for Guarantee Coverage.

● **ELIGIBLE MLIs:** Scheduled Commercial Banks, RRBs, NBCs, SFBs and Scheduled UCBS.

● **ELIGIBLE AMOUNT FOR COVERAGE:**

Credit facilities (Fund based as well as Non fund based) extended by MLI(s) to a single eligible borrower in the Micro and Small Enterprises sector including Services (MSE Retail Trade and Wholesale Trade) subject to **maximum cap of Rs. 500 lakh per borrower (guarantees approved on or after April 01, 2023)**, without any collateral security and third party guarantees are covered.

● **TENURE OF GUARANTEE COVER:**

The maximum period of guarantee cover from Guarantee sanction date in case of Term Loan will be the tenure of the loan and in case of Working Capital for a period of 5 years or block of a 5 years where WC alone are extended or loan termination date, whichever earlier. However, a review would be undertaken after each block of 5 years by CTMSE before renewal of the guarantee coverage in case of WC.

● **EXTENT OF COVER:** The extent of Guarantee cover is as follows:

CATEGORY (Including Trading Activity)	MAXIMUM EXTENT OF GUARANTEE COVERAGE		
	Upto Rs.5 Lakh	Above Rs. 5 Lakh & upto Rs. 50 lakh	Above Rs. 50 Lakh & upto Rs. 500 lakh
Micro Enterprises	85% with maximum upto Rs. 4.25 Lakh	75%	75% with maximum upto Rs. 3.75 Lakh
MSEs located in North East Region (incl. Sikkim); J&K & Ladakh	80%		
Women entrepreneurs / SC / ST / Persons with disability / MSE's promoted by Agniveers / MSE's situated in Aspirational Distt./ ZED certified MSE's	85% with maximum upto Rs. 4.25 Lakh		
All other category of Borrowers	75% with maximum upto Rs. 3.75 Lakh		

● **ANNUAL GUARANTEE FEE (AGF):**

Annual Guarantee Fee would be charged on the outstanding loan amount instead of guaranteed amount for credit facilities sanctioned / renewed to MSEs on or after April 01, 2023, as detailed below:

SLAB	REVISED STANDARD RATE (PA)
Upto Rs.10 Lakh	0.37
Above 10-50 Lakh	0.55
Above 50 Lakh-1 crore	0.60
Above 1 Crore - 2 crore	1.20
Above 2 Crore - 5 crore	1.35

- Above 2-5 crore 1.35 AGF will be charged on the guaranteed amount for the first year and on the outstanding amount for the remaining tenure of the credit facility.
- The standard rate is across all activity including trading activity.
- The Credit Guarantee Scheme leaves it to the discretion of the MLIs to decide about passing on the incidence of Annual Guarantee Fee (AGF) to the borrower or alternatively they may decide to bear it themselves.
- AGF would be charged on the outstanding loan amount instead of guaranteed amount for credit facilities sanctioned / renewed to MSEs on or after April 01, 2023. MLIs with better portfolio would be given the discount of 10% in standard rate whereas MLIs with high risk associated would be charged maximum risk premium upto 70% of Standard Rate.

ADDITIONAL CONCESSION / RELAXATION IN GUARANTEE FEE TO FOLLOWING CATEGORIES			
Category	Social Category (Weaker Section / Underserved Section)	Geographic	MSE Status
Target Group	Women/SC/ST / Person with disability (PwD)/ Agniveers	NER incl. Sikkim, UT of Jammu & Kashmir & UT of Ladakh (Upto Rs.50 Lakh) / Aspirational District	Zero Defect Zero Effect (ZED) Certified
Concession in Rate	10%	10%	10%

- **Maximum Discount:** An MSE falling in all the above three categories shall be eligible for maximum discount of 30%.
- **Term Loans:** AGF would be calculated on outstanding amount as on 31st December against each guaranteed account.
- **Working Capital:** AGF would be calculated on maximum (peak) working capital limit availed by the borrower/enterprise in the previous calendar year.
- **Data Collection:** MLIs would be required to feed the aforesaid data in the CGTMSE online portal by January 15th every year.
- **Payments:** Demand for AGF would be generated by 2nd week of February every year. AGF so demanded would be paid by the MLIs on or before 15th April each year.
- **Revival:** If the guaranteed account gets closed due to non-payment of AGF, on the request for revival of accounts, an additional risk premium of 15% will be charged on the Standard Rate in addition to the existing differential pricing structure and penal interest, if any.
- **Eligible limit:** Eligible limit per borrower would continue to be on the guarantee approved amount and not on the outstanding amount.

● THE AGF STRUCTURE WITH VARIOUS RISK PREMIUM:

SLAB	Standard Rate (SR)*	Fee Rate after Discount	Fee Rate with Risk Premium			
		(-10%)	15%	30%	50%	70%
0-10 lakh	0.37	0.33	0.43	0.48	0.56	0.63
Above 10-50 lakh	0.55	0.50	0.63	0.72	0.83	0.94
Above 50-1 crore	0.60	0.54	0.69	0.78	0.90	1.02
Above 1-2 crore	1.20	1.08	1.38	1.56	1.80	2.04
Above 2-5 crore	1.35	1.22	1.55	1.76	2.03	2.30

- 10% discount Women/SC/ST/Hilly areas up to 50 Lakhs/ZED Aspirational Districts (Max Discount 30% on Stand rate)
- As per CGTMSE, it is the discretion of the bank as to who has to bear guarantee fee.

● CLAIMS ON INVOCATION OF GUARANTEE:

- The lending institution may invoke the guarantee in respect of credit facility within a maximum period of 3 years from the NPA date or lock in period whichever is later, if the NPA date is on or after 15/03/2018.
- Initiation of legal proceeding as a pre-condition for invoking of guarantees is waived in respect of those credit facilities covered under CGTMSE where the aggregate outstanding amount considered eligible for claim settlement under CGTMSE does not exceed Rs 10 Lakh per claim subject to the condition that where the filing of legal proceedings is waived, a Committee of the MLI headed by an Officer not below the scale V of MLI, should examine all such accounts and take a decision for not initiating legal action.
- The Trust shall pay 75 per cent of the guaranteed amount on preferring of eligible claim by the lending institution, within 30 days, subject to the claim being otherwise found in order and complete in all respects.
- In the event of default the lending institution shall exercise its rights, if any, to take over the assets of the borrowers and the amount realized, if any, from the sale of such assets or otherwise shall first be credited in full by the lending institutions to the Trust before it claims the remaining 25 per cent of the guaranteed amount.

● CLAIM SETTLEMENT:

- Existing process, the claim is settled in 2 instalments i.e. 75% of eligibility amount as first instalment and balance 25% as second instalment. Now CGTMSE has come up with 2 option of settlements:

a) **Option 1:** Single instalment of claim settlement with reduced extent of guarantee by 15%. i.e., in respect of extent of coverage of 75%, reduced coverage would be 60%, 80% would be 65% and likewise.

b) **Option 2.** Two instalments i.e., 75% of eligibility amount as first instalment and balance 25% as second instalment

Every amount recovered and due to be paid to the Trust shall be paid without delay, and if any amount due to the Trust remains unpaid beyond a period of 30 days from the date on which it was first recovered, interest shall be payable to the Trust by the lending institution at the rate which is 4% above Bank Rate for the period for which payment remains outstanding after the expiry of the said period of 30 days.

CLASSIFICATION, VALUATION & OPERATION OF INVESTMENT PORTFOLIO OF BANKS

With significant developments in the global standards on classification, measurement and valuation of investments (i.e., the International Financial Reporting Standards (IFRS)), the linkages with the capital adequacy framework as well as progress in the domestic financial markets, there was a need to review and update the regulations relating to classification, valuation & operation of investment portfolio of banks.

➤ Accordingly, on 12 Sept. 2023, RBI issued revised regulatory guidelines on investment classification and valuation- the Master Directions – Classification, Valuation and Operations of Investment Portfolio of Commercial Banks. These Directions are expected to meet global standards, enhance the quality of banks' financial reporting, improve disclosures (disclosures of fair value of investments in HTM category, fair value hierarchy, sales out of HTM, etc.), provide a fillip to the corporate bond market, facilitate the use of derivatives for hedging, and strengthen the overall risk management framework of banks.

➤ These Directions shall be effective for the accounting period on or after April, 2024.

KEY HIGHLIGHTS:

a) Categorization of Investments: Banks shall classify their entire investment portfolio (except investments in their own subsidiaries, joint ventures & associates) under three categories.

1) Held to Maturity (HTM)**2) Available for Sale (AFS)**

3) Fair Value through Profit and Loss (FVTPL). Held for Trading (HFT) shall be a separate investment sub-category within FVTPL.

b) The category of the investment shall be decided by the bank **before or at the time of acquisition** and this decision shall be properly documented. Ceilings on Held to Maturity is removed.

c) Banks shall continue to present the investments in the Balance Sheet as set out in the Third Schedule to the Banking Regulation Act (Form A, Schedule 8 - Investments) as:

- 1) Government securities;
- 2) Other approved securities;
- 3) Shares;
- 4) Debentures & Bonds;
- 5) Subsidiaries and / or joint ventures; &
- 6) Others (to be specified).

CATEGORIES OF INVESTMENTS:**1) HELD TO MATURITY (HTM):**

(a) The security 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 principal outstanding ('SPPI' - 'Solely payments of principal and interest criterion') on specified dates.

➤ Ceiling on securities which can be kept under HTM category is removed. Previously it was 25% of total investments made by the banks.

(b) Notwithstanding the intent with which the following securities are acquired, they shall not meet the SPPI criteria and therefore shall not be eligible for classification either as HTM or AFS:

- i) Instruments with compulsorily, optionally or contingently convertible features.
- ii) Instruments with contractual loss absorbency features such as those qualifying for Additional Tier 1 and Tier 2 under Basel III Capital Regulations.

iii) Instruments whose coupons are not in the nature of interest.

iv) Preference shares and Equity shares.

(c) Investments in the securitization notes, other than the equity tranche, shall be considered to meet the SPPI criteria if the tranche in which the investment is made meets all the following conditions:

i) The contractual terms of the tranche being assessed for classification (without looking through to the underlying pool of financial instruments) give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) The underlying pool of financial instruments meet the SPPI criteria.

iii) The credit risk of the tranche is equal to or lower than the credit risk of the combined underlying pool of assets.

2) AVAILABLE FOR SALE (AFS):

(a) Securities that meet the following conditions shall be classified under AFS:

i) The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and

ii) The contractual terms of the security meet the 'SPPI criterion'. Provided that on initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading (i.e., not held for any of the purposes listed under AFS).

(b) AFS securities shall include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the bank's intent is flexible with respect to holding to maturity or selling before maturity.

(3) FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL):

(a) Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL. These shall include:

i) Equity shares, other than (a) equity shares of subsidiaries, associates or joint ventures and (b) equity shares where, at initial recognition, the irrevocable option to classify at AFS has been exercised.

ii) Investments in Mutual Funds, Alternative Investment Funds, Real Estate Investment Trusts, InvTs etc.

iii) Investment in securitisation notes which represent the equity tranche of a securitisation transaction. Investments in senior and other subordinate tranches shall need to be reviewed for their compliance with SPPI criterion.

iv) Bonds, debentures, etc. where the payment is linked to the movement in a particular index such as an equity index rather than an interest rate benchmark.

The securities held in FVTPL shall be fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account.

(3A) Held For Trading (HFT): Banks shall create a separate sub-category called HFT within FVTPL. Banks shall comply with the requirements the stipulated for classifying investments under HFT.

Securities that are classified under the HFT sub-category within FVTPL shall be fair valued on a daily basis, whereas other securities in FVTPL shall be fair valued at least on a quarterly basis.

Any discount or premium on the acquisition of debt securities under FVTPL shall be amortised over the remaining life of the instrument. Securities under FVTPL shall be subject to income recognition, asset classification and provisioning norms.

Investments in Subsidiaries, Associates and Joint Ventures

All investments in subsidiaries, associates and joint ventures shall be in a distinct category for such investments separate from the other investment categories (viz. HTM, AFS and FVTPL).

(TO BE CONT'D IN NOV. 2023 ISSUE)

POLICY GUIDELINES

INCREMENTAL CASH RESERVE RATIO (I-CRR)

In pursuance of Governor's Monetary Policy Statement of August 10, 2023, scheduled banks were required to maintain an incremental cash reserve ratio (I-CRR) of 10 per cent on the increase in their net demand and time liabilities (NDTL) between May 19, 2023 and July 28, 2023. The measure was intended to absorb the surplus liquidity generated by various factors, including the return of Rs.2000 notes to the banking system.

➤ On a review, RBI has decided to discontinue the I-CRR in a phased manner. The amounts impounded under the I-CRR would be released in stages so that system liquidity is not subjected to sudden shocks and money markets function in an orderly manner.

➤ **The release of funds would be as follows:**

Date	Amount to be released
September 9, 2023	25% of the I-CRR maintained
September 23, 2023	25% of the I-CRR maintained
October 7, 2023	50% of the I-CRR maintained

RELEASE OF MOVABLE / IMMOVABLE PROPERTY DOCUMENTS ON REPAYMENT OF LOANS

In terms of the guidelines on Fair Practices Code issued to various Regulated Entities (REs) since 2003, REs are required to release all movable / immovable property documents upon receiving full repayment and closure of loan account.

➤ RBI has observed that the REs follow divergent practices in release of such movable / immovable property documents leading to customer grievances and disputes. To address the issues faced by the borrowers and towards promoting responsible lending conduct among the REs, the following guidelines have been issued by RBI under Sec 21, 35A and 56 of the Banking Regulation Act, 1949, Sec 45JA and 45L of the RBI, 1934, and Sec 30A of the National Housing Bank Act, 1987:

● **Applicability:** All cases where release of original movable / immovable property documents falls due on or after **Dec 1, 2023**.

● **Release of Movable / Immovable Property Documents:**

a) The REs shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.

b) The borrower shall be given the option of collecting the original movable / immovable property documents either from the banking outlet / branch where the loan account was serviced or any other office of the RE where the documents are available, as per her / his preference.

c) The timeline and place of return of original movable / immovable property documents will be mentioned in the loan sanction letters issued on or after the effective date.

d) In order to address the contingent event of demise of the sole borrower or joint borrowers, the REs shall have a well laid out procedure for return of original movable / immovable property documents to the legal heirs. Such procedure shall be displayed on the website of the REs along with similar policies & procedures.

● **Compensation for delay in release of Movable / Immovable Property Documents:**

a) In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry **beyond 30 days** after full repayment/ settlement of loan, the RE shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the RE, it shall compensate the borrower at the rate of **Rs.5,000/- for each day of delay**.

b) In case of loss/damage to original movable / immovable property documents, either in part or in full, the REs shall assist the borrower in obtaining duplicate/certified copies of the movable

/ immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated above. However, in such cases, **an additional time of 30 days** will be available to the REs to complete this procedure and the delayed period penalty will be calculated thereafter (**i.e., after a total period of 60 days**).

c) The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

DATA QUALITY INDEX FOR COMMERCIAL AND MICROFINANCE SEGMENTS BY CICs

The Reserve Bank of India had structured a common **Data Quality Index (DQI)** for assessing the quality of data submissions by Credit Institutions (CIs) to Credit Information Companies (CICs) and improving the same over a period of time. Currently, the DQI is being used for data submitted under the consumer segment.

➤ RBI has now decided that CICs shall prepare DQIs for Commercial and Microfinance segments. CICs shall provide the DQIs for Commercial and Microfinance segments to all CIs latest by March 31, 2024.

➤ **Further, CICs are advised as under:**

a) CICs shall provide DQIs for Commercial and Microfinance segments in the form of numeric scores on a monthly basis to all member credit institutions.

b) DQI scores for Commercial and Microfinance segments shall be provided at CI and file level. The DQI scores for Commercial and Microfinance segments at CI level shall be computed as weighted average of file level DQI scores of commercial and microfinance segment respectively of that CI.

c) CICs shall compute industry level DQIs for each of the three reporting segments as weighted average of the CI level DQI in their respective category (e.g. Public Sector Banks, Private Sector Banks, Foreign Banks, Co-operative Banks, RRBs, NBFCs etc.) on monthly basis. Further, a half yearly Industry Benchmark shall be calculated as a rolling average of preceding six months Industry level DQI score of respective category of CIs.

d) CICs shall provide reasons for decline in score to each CI, if its (i) CI level score has declined over the previous month, or (ii) CI level score is lower than the half yearly industry benchmark.

e) CICs shall provide monthly data of CI level DQI and industry level DQI of all segments to Deptt. of Supervision, RBI, at half yearly intervals as on September 30 and March 31 each year.

f) CIs to undertake half yearly review of the DQI for all segments to improve the quality of the data being submitted to CICs. Corrective steps taken on the above issues along with a report on the same shall be placed before its top management by each CI for review within two months from the end of that half-year.

FINANCIAL INCLUSION INDEX FOR MARCH 2023

In consultation with the concerned stakeholders including the Government, RBI had constructed a composite Financial Inclusion Index (FI-Index) to capture the extent of financial inclusion across the country, which was first published in August 2021 for the FY ending March 2021.

➤ Index for the year ending March 2023 has since been prepared. The value of FI Index for March 2023 stands at **60.1 vis-à-vis 56.4** in March 2022, with growth witnessed across all sub-indices. Improvement in FI Index was mainly contributed by Usage and Quality dimensions, reflecting deepening of financial inclusion.

BENEFICIAL OWNER IN PARTNERSHIP ACCOUNTS

The Finance Ministry has notified changes in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Accordingly, a person having ownership of more than 10% of the capital or profits of a partnership will be brought within the ambit of the sub-rule 3 as a 'beneficial owner'. Earlier, this limit was 15 %.

➤ Similarly, a person, who does not have any ownership or entitlement to more than 10% (earlier 15%) of capital or profits of

WITHDRAWAL OF RS. 2000 DENOMINATION**BANKNOTES - REVIEW**

The Reserve Bank of India had announced the withdrawal of Rs. 2000 banknotes from circulation on May 19, 2023. According to the data received from banks, of the total value of Rs.3.56 lakh crore of Rs.2000 banknotes in circulation as on May 19, 2023, A sum of Rs.3.42 lakh crore has been received back leaving only Rs.0.14 lakh crore in circulation as at the close of business on Sept. 29, 2023. Thus, 96% of the Rs.2000 banknotes in circulation as on May 19, 2023 has since been returned.

➤ As the period specified for the withdrawal process has come to an end, and based on a review, RBI has decided to extend the current arrangement for deposit / exchange of Rs.2000 banknotes until Oct. 07, 2023.

➤ **With effect from Oct. 08, 2023, the procedure for exchange of Rs.2000 banknotes shall be as under:**

- a) The deposit / exchange at bank branches shall be stopped.
- b) Rs.2000 banknotes can continue to be exchanged by individuals / entities at the 19 RBI Issue Offices up to a limit of Rs.20,000/- at a time.
- c) Individuals / Entities can tender Rs.2000 banknotes at the 19 RBI Issue Offices for credit to their bank accounts in India for any amount.
- d) Individuals / Entities from within the country can also send Rs.2000 banknotes through India Post, addressed to any of the 19 RBI Issue Offices for credit to their bank accounts in India.
- e) Such exchange or credit shall be subject to relevant RBI / Government regulations, submission of valid identity documents and due diligence as deemed fit by RBI.
- f) Courts, law enforcement agencies, government departments or any other public authority involved in investigation proceedings or enforcement, may, as and when required, deposit / exchange Rs.2000 banknotes at any of the 19 RBI Issue Offices without any limit.
- g) Rs.2000 banknotes shall continue to be legal tender.

The above facility for deposit / exchange of Rs.2000 banknotes at the 19 RBI Issue Offices shall be available till further advice from RBI.

EXTENSION OF RoDTEP SCHEME

Remission of Duties or Taxes on Export Products (RoDTEP) Scheme was introduced by the Govt by making amendments in the Foreign Trade Policy 2015-20 with an objective to neutralize the taxes and duties suffered on exported goods which are otherwise not credited or remitted or refunded in any manner and remain embedded in the export goods.

➤ This scheme provides for rebate of all hidden Central, State, and Local duties / taxes / levies on the goods exported which have not been refunded under any other existing scheme. This does not only include the direct cost incurred by the exporter but also the prior stage cumulative indirect taxes on goods. It is a WTO compliant Scheme and follows the global principle that the taxes/duties should not be exported; they should be either exempted or remitted to exporters, to make the goods competitive in the global market. The RoDTEP scheme has been made effective for the exports from 1st January 2021.

➤ Central Government has recently notified an extension of RoDTEP scheme for exports made from 01-10-2023. The existing rates for all the items covered under RoDTEP will be applicable for exports made from 01-10-2023 to 30-06-2024.

the partnership but exercises control over the partnership through other means, will be treated as a beneficial owner.

➤ Change has also been made in the definition of principal officer of a reporting entity. The principal officer is responsible for furnishing information to the Financial Intelligence Unit. Prior to the amendment, a reporting entity had the discretion to appoint any officer as 'Principal Officer'. After the amendment, only an officer at the management level can be appointed as Principal Officer'.

➤ Another amendment prescribes the reporting entity shall ensure that in case of a Trust, the trustees shall disclose their status or position they occupy in the trust. After this amendment, where the client is a trust, a reporting entity will be required to ensure that trustees disclose their status at the time of commencement of an account-based relationship or when carrying out any transaction of an amount equal to or exceeding Rs.50,000, whether conducted as a single transaction or several transactions that appear to be connected or any international money transfer operations.

➤ One amendment is related with records of the identity of clients. Now reporting entities will be required to keep records containing analysis of transactions and client due diligence for a period of five years after the business relationship with the client had ended or the account has been closed, whichever is later.

➤ Earlier, in April 2023, Govt carried out few changes in the provisions of PMLA-2002. As per the changes made, threshold for "Controlling ownership interest" for the purpose of determination of "Beneficial Owner (BO)" was reduced to 10% for both companies and trusts from the previous 25 percent for companies and 15% for trusts.

OPERATION OF PRE-SANCTIONED CREDIT LINES AT BANKS THROUGH UNIFIED PAYMENTS INTERFACE

In the Statement on Developmental and Regulatory Policies dated April 06, 2023, RBI had proposed expanding the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks. Currently, savings account, overdraft account, prepaid wallets and credit cards can be linked to UPI.

➤ As announced, the scope of UPI is now being expanded by inclusion of credit lines as a funding account. Under this facility, payments through a pre-sanctioned credit line issued by a SCBs to individuals, with prior consent of the individual customer, are enabled for transactions using the UPI System.

➤ Banks may, as per their Board approved policy, stipulate terms & conditions such as, credit limit, period of credit, rate of interest, etc. of use of such credit lines.

DISPLAY OF INFORMATION - SECURED ASSETS POSSESSED UNDER THE SARFAESI ACT, 2002

In a bid to enhance transparency in financial transactions and the handling of secured assets, the RBI has issued Circular on Sept. 25, 2023, mandating the display of information related to secured assets possessed under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.

➤ The guidelines are applicable to commercial banks, co-operative banks, financial institutions, non-banking financial companies (NBFCs), and asset reconstruction companies, regarding borrowers whose secured assets have been taken into possession under the SARFAESI Act, 2002.

➤ REs are required to upload this information on their respective websites. The circular prescribes a specific format for presenting this data, ensuring uniformity and ease of access for stakeholders. The first such list must be displayed within six months from the date of this circular, and subsequent updates should be made on a monthly basis.

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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

● **APPOINTMENTS:**

M. RAJESHWAR RAO: Reappointed as Deputy Governor, RBI w.e.f. Oct. 9 2023 for a period of one year, or until further orders.

VINAY M. TONSE: FSI Bureau recommended Vinay M. Tonse for the position of MD in SBI.

SASHIDHAR JAGDEESHAN: RBI approved 3 years extension for Sh. Sashidhar Jagdeeshan as MD & CEO of HDFC Bank.

DIPAK GUPTA: RBI has approved the appointment of Dipak Gupta as interim MD and CEO of Kotak Mahindra Bank.

● **UDAY KOTAK RESIGNS AS MD & CEO:** Uday Kotak resigns as MD and CEO of Kotak Bank after serving for two decades. Kotak Mahindra Bank is the 11th largest lender in the country in terms of deposit size and 4th largest among private banks.

● **BAD BANK CHAIRMAN KARNAM SEKAR:** Bad Bank chairman Karnam Sekar has resigned due to differences over structure and functioning of the institution.

● **POLICY RATES ANNOUNCEMENT IN SEPT. 2023:**

European Central Bank raised the three key ECB interest rates by 25 BPS on 14 September 2023.

Bank of England: As British economy slowed down, Bank of England halted its long run of interest rate increases on 21 Sept. 23.

Federal Reserve voted unanimously on 20th Sept. to maintain the FED fund rates in a target range of 5 ¼ to 5 ½ % keeping options open for another increase this year.

Bank of Japan has also left policy rates unchanged in its announcement on 22 September 2023.

Bank of Canada held rates steady keeping options open for further hikes as per announcement made on 22 Sept. 2023.

● **AADHAAR LINKED BIRTH REGISTRATION:** Nagaland has launched the Aadhaar-Linked Birth Registration (ALBR) system which focuses on simplifying the procedures of birth registration and Aadhaar enrolment for children aged 0 to 5 years.

● **APP TO ENABLE MSMEs ACCESS INSTANT LOANS:** PNB has become the first public sector bank to facilitate effortless credit availability for MSMEs via GST invoices. The newly launched 'PNB GST Sahay' App transforms the entire loan application process into a digital format.

● **UPI INTEROPERABILITY ON CBDC:** YES Bank has launched UPI interoperability on the RBI Central Bank Digital Currency (CBDC) app. Users can now scan any UPI QR code through the YES Bank Digital Rupee app, simplifying transactions and making digital payments more accessible and user-friendly.

● **BHADERWAH RAJMA & RAMBAN SULAI HONEY GET GI TAG:** Baderwah Rajma and Sulai honey, both hailing from districts of Doda and Ramban in Jammu and Kashmir, have been granted coveted Geographical Indication (GI) tags.

● **NAVRATNA STATUS:** The Deptt. of Public Enterprise (DPE) conferred 'Navratna Status' upon Rashtriya Chemicals and Fertilizers engaged in the production of chemicals and fertilizers. Prior to this, the company had attained 'Miniratna Status'.

● **GLOBAL FINANCE CENTRAL BANKER REPORT 2023:** RBI Governor Shaktikanta Das has been awarded an 'A+' rating in the prestigious Global Finance Central Banker Report Cards 2023. This recognition has placed Shaktikanta Das at the top of the list of three central bank governors in the elite category are Thomas J. Jordan from Switzerland and Nguyen Thi Hong from Vietnam.

● **TELE-LAW 2.0:** Union Minister of Law and Justice has launched Tele-Law 2.0, a revamped version of the Tele-Law program. This initiative, operating under the DISHA Scheme by the Deptt. of Justice, Ministry of Law & Justice, aims to provide free legal aid to the rural and marginalized sections of society through video conferencing.

● **ISRO ADITYA L1 MISSION LAUNCHED:** ISRO Aditya L1 mission was launched successfully on Sept. 2, 2023 from the Satish Dhawan Space Centre in Sriharikota, India. The mission is India's first dedicated solar mission and will study the Sun's atmosphere, including the chromo sphere and corona. The spacecraft will be placed in a halo orbit around the Sun-Earth Lagrange Point 1 (L1), which is located about 1.5 million kilometers from Earth.

● **WORLD'S FIRST PORTABLE HOSPITAL AROGYA MAITRI**

CUBE: India has unveiled the world's first portable disaster hospital, a facility that can be airlifted and consists of 72 cubes. The project was inaugurated during the MedTech Expo in Gandhinagar, Gujarat.

● **INTEROPERABILITY OF CBDC AND UPI:** SBI has implemented Unified Payments Interface (UPI) interoperability with its Central Bank Digital Currency (CBDC), also known as the Digital Rupee. Accessible through the 'eRupee by SBI' application, this new feature allows SBI CBDC users to scan any merchant UPI QR code, simplifying and expediting transactions.

● **MOU WITH ADOBE TO HELP CHILDREN LEARN AI:** Ministry of Education has joined forces with software giant Adobe to promote creative expression and digital literacy among students and educators through the utilization of 'Adobe Express', an innovative application developed by Adobe. Under this program, Adobe is committed to providing free access to Adobe Express Premium for schools nationwide.

● **GI TAGS FOR KORAPUT'S KALA JEERA RICE:** Koraput district's 'Koraput Kalajeera Rice,' often referred to as the 'Prince of Rice,' has obtained Geographical Indications (GI) status.

● **SUPER-PREMIUM CARD 'AURUM':** SBI Card has launched new features of its super-premium card 'AURUM', targeted at high net worth individuals. AURUM cardholders will be able to avail benefits worth up to Rs. 2 lakh annually, based on their spending.

● **SIMPLY SAVE MERCHANT SBI CARD:** SBI Card has introduced the 'Simply SAVE Merchant SBI Card', a specialized credit card tailored for MSMEs. This new card is designed to address the short-term credit needs of MSME merchants while providing them with a range of exclusive benefits.

● **INDIA'S FIRST UPI ATM:** INDIA'S first UPI-ATM, a White Label ATM by Hitachi Payment Services in collaboration with the NPCI was introduced to enable seamless cash withdrawals without the need for physical ATM cards. This innovation allows customers of certain banks to enjoy QR based cashless withdrawals.

● **'HELLO UPI' AND 'BHARAT BILLPAY CONNECT' FOR CONVERSATIONAL PAYMENTS:** NPCI has unveiled two payments initiatives: 'Hello UPI' and 'Bharat Bill Pay Connect,' for facilitating seamless digital transactions through natural language conversations with popular voice assistants like Alexa.

● **AMAZON INDIA OPENS UP LOGISTICS NETWORK FOR D2C BRANDS:** Amazon India has opened up its logistics and order fulfilment infrastructure even for those D2C brands that do not sell on its platform. It has inked a MoU with India Post to simplify cross border logistics. It has also strengthened its partnership with Indian Railways' Dedicated Freight Corridor Corporation (DFC) of India for faster deliveries.

● **CREDIT LINES ON UPI, CONVERSATIONAL PAYMENTS:** The RBI Governor has unveiled a slew of new UPI features developed by the National Payments Corporation of India. These features include: (a) **Credit Line on UPI:** Promoting Financial Inclusion and Innovation, (b) **UPI Lite X:** Taking Offline Payments to the Next Level; (c) **UPI Tap & Pay:** Effortless Payments through QR Codes and NFC Technology; (d) **Conversational Payments:** A New Era of Voice-Enabled Transactions; and **BillPay Connect:** Streamlining Bill Payments.

● **META PARTNERS WITH EDUCATION AND SKILL DEVELOPMENT MINISTRIES:** Facebook parent Meta has entered into a three-year partnership with the education ministry as well as the ministry of skill development and entrepreneurship to empower students, educators and entrepreneurs across the country.

● **NEW UPI FEATURES TO ACHIEVE 100 BN MONTHLY TRANSACTIONS:** National Payments Corporation of India has launched a slew innovative products which will facilitate Unified Payments Interface (UPI) to achieve 100 billion transactions a month. These products include credit line on UPI, conversational payment mode, Hello UPI, BillPay Connect, UPI Tap & Pay and UPI Lite X.

● **MASTERCARD PARTNERS WITH KREDX TO TRANSFORM B2B PAYMENTS:** MasterCard has partnered with KredX, a supply chain finance platform, in a strategic move aimed at revolutionising B2B digital payments, ensuring benefits for both enterprises and vendors.

● **RBI PROPOSES HANDING OVER FRICTIONLESS CREDIT PLATFORM TO PRIVATE COMPANY:** Governor Shaktikanta Das has stated that RBI is handing over the newly launched frictionless credit platform to a private company as it did with the National Payments Corporation of India (NPCI). Under the frictionless platform initiative, banks are extending loans like the Kisan credit cards in 10 minutes.

● **THOMAS COOK INDIA PARTNERS WITH NPCI:** Thomas Cook (India) Limited has entered into a partnership with the National Payments Corporation of India to introduce a pioneering RuPay prepaid forex card tailored for Indian travelers visiting the United Arab Emirates.

● **AUTOPAY ON QR:** 'Cashfree Payments' has joined with the National Payments Corporation of India to unveil a solution called 'AutoPay' on QR. This is poised to empower subscription based businesses, boosting their customer acquisition, retention and overall growth prospects.

● **OTG RING:** NPCI has introduced a contactless payment wearable ring known as the 'OTG Ring.' This innovative device has been developed in collaboration with the Indian fintech startup LivQuik.. Designed and made in India, this wearable ring is set to transform the way people make payments and engage in various financial transactions.

● **GOVT LAUNCHES KISAN RIN PORTAL, GHAR GHAR KCC CAMPAIGN AND WINDS MANUAL:** FM Sitharaman has launched a series of initiatives which include the Kisan Rin portal, the Ghar Ghar KCC campaign, and the Weather Information Network Data Systems (WINDS) manual. The WINDS portal leverages advanced weather data analytics to provide stakeholders with actionable insights on weather patterns.

● **SINGAPORE OVERTAKES HONG KONG AS WORLD'S FREEST ECONOMY:** According to Canadian think tank Fraser Institute, Singapore has surpassed Hong Kong to claim the title of the world's freest economy. The report highlights how Hong Kong's recent shift is closely linked to civil and political freedom.

● **AI CHATBOT FOR PM-KISAN SCHEME:** Govt. has enhanced the efficiency and reach of the Pradhan Mantri Kisan Samman Nidhi Scheme with the launch of an AI Chatbot which has been introduced with the PM-KISAN scheme, to serve as a comprehensive guide for beneficiaries, offering timely and accurate responses to their inquiries related to the scheme.

● **MITHUN GETS 'FOOD ANIMAL' TAG:** The Food Safety and Standards Authority of India (FSSAI) has recognized the Mithun as a 'food animal,' opening doors for its commercial use.

● **NEO FOR BUSINESS:** To cater to the evolving needs of Indian MSMEs, Axis Bank has unveiled its Transaction Banking platform, 'NEO for Business.'

● **TIME100 AI LIST:** TIME magazine has unveiled list of the 100 most influential personalities in the field of artificial intelligence (AI). It highlighted Indians and individuals of Indian descent for the country's growing prominence in the field of artificial intelligence.

● **LAST DATE TO UPDATE AADHAAR EXTENDED:** UIDAI has extended the facility for 3 more months i.e., from 15-09-2023 to 14-12-2023. Accordingly, the facility for document update shall continue free of cost through Aadhaar portal at <https://myaadhaar.uidai.gov.in/> up to 14-12-2023.

● **GLOBAL BIOFUEL ALLIANCE (GBA):** PM Modi along with the leaders of Singapore, Bangladesh, Italy, USA, Brazil, Argentina, Mauritius and UAE, has launched the Global Biofuel Alliance on 9 Sept. 2023, on the sidelines of the G20 Summit in New Delhi. The Alliance intends to intensify utilization of sustainable bio fuels.

● **EV REGISTRATIONS CROSS 1 MILLION:** The total EV (electric vehicle) registrations (including all segments) have surpassed one million units in this calendar year and the number is likely to touch 1.4 million or more for 2023.

● **SWACHHATA HI SEVA- 2023 LAUNCHED:** As a start to Swachh Bharat Diwas, the annual Swachhata Hi Seva (SHS) fortnight is being jointly organised by Swachh Bharat Mission-Urban and Grameen between 15th Sept to 2nd Oct. 23.

● **VIRTUAL COMMERCIAL CREDIT CARD' TO ALLOW CROSS-BORDER PAYMENTS:** IndusInd Bank has launched the 'Virtual Commercial Card', a credit card to allow cross-border transactions for corporates and travel agents. In a tie-up with Visa and Juspay, this virtual card has additional layers of security that can be defined for each transaction, which grants the users complete control over their international expenses.

● **APPLY FOR AADHAAR, DRIVING LICENSE ONLY WITH BIRTH CERTIFICATE :** As the Registration of Births and Deaths (Amendment) Act, 2023 has been passed in the parliament and President Droupadi Murmu gave her assent; birth certificates can be used to avail of several crucial services including admission to an educational institution, registration of marriage, and applying for an Aadhaar card w.e.f. Oct.1, 2023. Just birth certificates will also be enough for voter list preparation, applying for a driving license, and government job appointments.

● **GRASSROOTS CRYPTO ADOPTION:** According to 'Chainalysis 2023 Global Crypto Adoption Index' India has been ranked first in four parameters including centralized service value received, retail centralised service value received, DeFi value received and Retail DeFi value received. The report combines on-chain data and real-world data to measure which countries are leading the world in grassroots crypto adoption.

● **BCCI ANNOUNCES SBI LIFE AS OFFICIAL PARTNER:** The Board of Control for Cricket in India (BCCI) has announced 'SBI Life' as one of the official partners for the BCCI Domestic and International Season 2023-2026.

● **STABLE MONEY LAUNCHED PLATFORM:** Stable Money, an online marketplace providing fixed-income investment opportunities to investors was launched and is now ready for customers to download. Stable Money has secured funding from Matrix and Lightspeed and has partnered with several banks and NBFCs. The digital platform compares FD interest rates from over 200 banks, enabling customers to manage and track their FDs using digital tools.

● **MANDATORY WEEKLY DISCLOSURE OF SUGAR STOCKS TO CHECK HOARDING:** As a proactive measure to combat hoarding and curb speculation in the sugar market, the Govt. has issued orders for mandatory disclosure of the stock position of sugar for traders/wholesalers, retailers, big chain retailers and processors of sugar. The information will have to be updated every Monday on the portal of the Department of Food and Public Distribution.

BANKING & FINANCIAL NEWS**GLOBAL INNOVATION INDEX (GII) 2023**

The 2023 edition of the Global Innovation Index (GII) takes the pulse of global innovation trends against the background of an economic environment prone to uncertainty. It reveals the ranking of this year's most innovative economies in the world amongst 132 economies and localizes the top 100 science and technology innovation clusters.

➤ India retains 40th rank in the Global Innovation Index 2023 rankings published by the World Intellectual Property Organization (WIPO). India has been on a rising trajectory, over the past several years in the GI, from a rank of 81 in 2015 to 40 in 2023. As per the list Switzerland, Sweden, USA, UK and Singapore are the world's most innovative economies.

ISSUE & LISTING OF SOCIAL BONDS BY NABARD

The National Bank for Agriculture and Rural Development (NABARD) has recently listed the country's first social impact bond at Bombay Stock Exchange (BSE). Social bonds are financial instruments issued to raise funds for projects and initiatives that have a positive social impact on society. These projects can encompass areas such as healthcare, education, affordable housing, poverty alleviation etc.

➤ This is the first-ever triple AAA-rated domestic issuances in social space and worth Rs. 1,040 crore issued at a coupon rate of 7.63%. This rating is given by rating agencies CRISIL Ltd and ICRA Ltd.

➤ Each bond has a face value of Rs. 1,00,000. The base issue size is Rs. 1,000 crore, with an option to retain oversubscription upto Rs. 2,000 crore, making the total aggregate size up to Rs. 3,000 crore.

➤ The bonds were listed on the BSE on Sept. 29, 2023, and the redemption date is Sept. 27, 2028. Investors are required to hold the bonds for a period of five years, with annual coupon payments.

➤ NABARD will utilise the proceeds from social bonds for irrigation and sanitation facilities in rural areas. NABARD also plans to issue 10-year Infrastructure bond by Dec. 2023 and Green bonds worth Rs. 5000 crore by March 2024.

FITCH RETAINS SBI, 5 OTHER PSB's RATING AT BBB- WITH STABLE OUTLOOK

Fitch Ratings has affirmed the ratings of the nation's six public sector lenders, including State Bank of India and Bank of Baroda, at BBB- with stable outlook. The other banks which the agency rated BBB- with stable outlook are PNB, Canara Bank, Bank of India, and Union Bank of India.

➤ Fitch has also affirmed these banks' viability rating at BB and its government support rating of BBB-. On retaining the long-term issuer default rating of SBI, the agency said the rating is support-driven, with the government support rating (GSR) above the viability rating (VR). SBI's GSR is the same as the sovereign rating of BBB- with stable outlook, reflecting that SBI has the highest probability of extraordinary state support among the banks.

➤ Revising the operating environment score of the bank to BB+ from BB, the agency said it reflects the view of structural improvement since the onset of Covid pandemic. The rating revision also reflects the agency's view of the bank's ability to generate business consistently through the cycle while managing risk better than its peers. The agency also revised the outlook on SBI's asset quality score of BB- to positive, from stable, as it expects the four-year average impaired loans ratio to further improve over the near term.

CABINET APPROVES EXPANSION OF UJJWALA YOJANA

The Union Cabinet, has approved the extension of Pradhan Mantri Ujjwala Yojana (PMUY) for release of 75 lakh LPG connections over three years from Financial Year 2023-24 to 2025-26. Provisioning of 75 lakh additional Ujjwala connections will take total number of PMUY beneficiaries to 10.35 crore. As per the modalities of Ujjwala 2.0, the first refill and stove will be provided free of cost to Ujjwala beneficiaries. A targeted subsidy of Rs.200 per 14.2 kg LPG cylinder for upto 12 refills per year is being provided to PMUY consumers.

➤ The PMUY scheme has empowered women economically and socially. With easier access to LPG, as it allows women to participate more actively in community life and take up other income-generating opportunities.

➤ Per capita consumption of PMUY beneficiaries which was 3.01 in 2018-19 has increased to 3.71 in 2022-23. PMUY beneficiaries took more than 35 Cr LPG refills in 2022-23.

SEBI REVOKES ORDER AGAINST BRICKWORK RATINGS

The Securities and Appellate Tribunal (SAT) has granted interim relief to Brickwork Ratings, by staying the market regulator SEBI's order. Earlier, the Securities and Exchange Board of India had cancelled the credit rating agency's license for allegedly violating rules.

➤ As per the fresh order the rating agency should not onboard new clients for six months and must broad-base its Board members to nine. It should also ensure that only an independent director not related/connected to the founding management is appointed as the Chairperson of its board. Besides, the order insists that the CEO should be an independent professional and persons undertaking rating exercise should be adequately trained.

ENHANCE RURAL BRANCH NETWORK IN MSME- IDENTIFIED CLUSTER AREAS

The Finance Minister Nirmala Sitharaman has asked banks to map Regional Rural Banks (RRBs) with the MSME clusters and put greater thrust on increasing the network of rural branches in cluster areas identified by the MSME ministry. These directions came at a review meeting of RRBs of the Northern Region chaired by Sitharaman.

➤ Sitharaman also asked RRBs to make efforts to remove duplication of Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts. She also emphasised increasing penetration under Pradhan Mantri Mudra Yojana and stated that a roadmap has to be prepared for completing the designated activities in a time-bound manner.

➤ Sitharaman emphasised the digital capability upgradation of RRBs and instructed Managing Director & CEO of Punjab National Bank to ensure that all RRBs with PNB acquire digital onboarding capability by Nov. 1, 2023. The Finance Ministry had recently asked the Sponsor Banks along with NABARD to proactively handhold their respective RRBs for facilitating technology adoption to enable them to serve their customers more efficiently.

IBA OKAYS SHARING OF MORE INFO ON SALE OF STRESSED ASSETS WITH ARCs

To improve transparency and uniformity in the sale of stressed assets to Asset Reconstruction Companies (ARCs), Banks / FIs will soon be widely disseminating information relating to the proposed transfer of stressed assets, including reserve price and payment terms. Further, ARCs will get access to an information checklist, comprising brief history of borrower account, debt and security profile and legal status.

➤ The aforementioned measures have been approved by the IBA. This follows suggestions by the Association's five member working group for implementing the recommendations of the RBI's committee on the working of the ARCs.

➤ Once a stressed asset's reserve price is arrived at, banks/FIs will give adequate publicity via press/ media/ e-auction platforms etc., with regard to the proposed transfer, inviting expression of interest from prospective acquirers, per the model process document. The reserve price will take into account the value of charged securities/ enterprise value of the company, net worth of the guarantors, value of uncharged assets (where attachment is obtained), brand value, intrinsic value, cash, etc. Banks/FIs may also upload information on the auction on respective websites of banks/FIs. To facilitate wider participation, ARCs/ Association of ARCs/ NBFCs could also be informed about the proposed auction.

IBC TIMELINE AT THREE YEAR HIGH, MORE THAN DOUBLE THE MANDATED PERIOD

As per India Ratings & Research report, the average time taken for resolution under the Insolvency & Bankruptcy Code (IBC) continues to rise and is now at a three year high. The delay has further worsened from a year ago when realisations for both operational creditors (OCs) and financial creditors (FCs) took around 550 days.

➤ The average time taken for a corporate insolvency resolution process (CIRP) has increased further and stands at 635 days for operational creditors (OCs) and 643 days for financial creditors (FCs), above the 270 day limit set by law. This delay has further worsened from a year ago when realisations for both OCs and FCs took around 550 days. Delays during the resolution process have hurt the recovery prospects for creditors with over 65% of the ongoing corporate insolvency resolution cases have been continuing for more than 270 days as on June 30.

SHARP JUMP IN BANKS' EXPOSURE TO NBFCs

Recent data from the RBI underscores a notable increase in banks' exposure to NBFCs by 35.1 percent year-on-year, reaching Rs. 14.2 lakh crore by June 2023. Correspondingly, the share of NBFCs in the overall bank credit has surged to 9.9 percent from 8.5 percent merely a year ago. This progression raises concerns regarding the augmented indirect exposure of banks to the unsecured segment, which has been a driving force behind the expansion of NBFCs.

➤ Recently, in a meeting with NBFCs, RBI Governor, while acknowledging the enhanced financial stability and operational robustness demonstrated by NBFCs and HFCs, underscored the need for vigilant oversight, even during favourable economic conditions. He stressed the significance of reinforcing governance standards and establishing robust assurance mechanisms, particularly in areas of compliance, risk management, and internal audits.

INDIA INCLUDED IN EMERGING MARKET DEBT INDEX

JPMorgan has decided to include India in its emerging market debt index is set to attract billions in investments, with Indian bonds becoming part of the Government Bond Index-Emerging Markets (GBI-EM), a key benchmark index for global funds.

➤ India's economic growth, robust corporate earnings, and geopolitical influence have made it an appealing destination for international investors. The move is expected to stimulate capital inflows of up to US\$25 billion by March 2025, underlining India's growing prominence in the global investment landscape. India's inclusion in the global bond index is a pivotal step towards international recognition and

access to vital capital for growth. This move promises increased demand for the Indian rupee, potentially buffering against depreciation. Lower borrowing costs can fuel essential infrastructure projects, while heightened liquidity may foster more efficient trading conditions.

➤ According to the statement released, the index provider will commence the inclusion of Indian securities into the JPMorgan GBI-EM in a phased manner, starting June 28, 2024 and will be completed in March 2025. Notably, India's weight is expected to reach the maximum weight threshold of 10 percent in the GBI-EM Global Diversified, and approximately 8.7 percent in the GBI-EM Global index.

MINIMUM FINANCIAL ELIGIBILITY CRITERIA FOR GRANT OF CCIL MEMBERSHIP

The Clearing Corporation of India Ltd. (CCIL) was set up to provide an institutional infrastructure for the clearing and settlement of transactions in Govt. Securities, Money Market instruments, Foreign Exchange and other related products. The objective was to bring efficiency to the transaction settlement process and mitigate the systemic risk emanating from settlement related problems and counterparty risk.

➤ CCIL vide its circular dated 04 September 2023, has defined following financial eligibility criteria for grant of CCIL membership to any CCIL Business Segment as under with effect from 4th October, 2023.

a) In case of Mutual Fund, the minimum Assets under Management (AUM) should be Rs.200 crores.

b) In case of Cooperative Banks, the minimum Net Worth should be Rs.25 crores.

c) In case of Insurance Companies, the minimum Net Worth should be Rs.200 crores as prescribed by the Insurance Company Regulator.

d) In case of NBFC, Payments Bank, Financial Institutions, Small Finance Banks, Primary Dealers, Provident Funds & Trusts / Statutory Corporation, Other Corporates, the minimum Net Worth should be Rs.200 crores.

MORE THAN 6.62 CRORE SUBSCRIBERS UNDER NPS AND APY

The number of subscribers under the National Pension System (NPS) and Atal Pension Yojana (APY) together have grown to more than 6.62 crore and the total Asset Under Management (AUM) has reached Rs. 10 lakh crore (Rs. 10,00,000 crore).

➤ The National Pension System (NPS) has been implemented for all Government Employees (except armed forces) joining Central Govt. on or after 1st January 2004. Most of the State/UT Governments have also notified the National Pension System (NPS) for their new employees.

➤ In pursuit of the objective to promote pension and retirement planning, PFRDA annually celebrates **October 1st as "National Pension System Diwas (NPS Diwas)"**. This initiative contributes to the financial self-sufficiency of Indian citizens in their post-retirement phase.

BANK INWARD REMITTANCE CERTIFICATE (BIRC)

With the implementation of EDPMS, issuance of Foreign Inward Remittance Certificate (FIRC) (issued on serially numbered Security paper-Form BCI) for remittances against exports were discontinued as the same is now reported in Inward Remittance Menu (IRM), that has provision for system generated e-FIRC.

➤ FEDAI Technical Advisory Committee discussed the reference made by RBI and recommended the following which RBI has now consented.

a) For export realisations received through their own Nostro accounts, other Vostro accounts, Special Rupee Vostro Accounts or any other permitted mode, including payment gateways, where beneficiary account is with a bank other than the bank receiving the remittance, the origination bank shall provide all necessary details of remittances in the NEFT/RTGS message or otherwise, for beneficiary's Bank to process the transaction.

b) Banks receiving export proceeds for their constituents, irrespective of whether received through their own Nostro accounts, other Vostro accounts, SRV accounts or any other permitted mode, including payment gateways shall at client's request, issue remittance advice on their letter head (named as 'Bank Inward Remittance Certificate (BIRC)' incorporating necessary details. The advice, BIRC, can be issued either electronically or physically, using the same format as of FIRC (Form BCI).

EXPORT FINANCE FOR E-COMMERCE EXPORTS

The Government has been conducting consultations with various stakeholders including industry representatives, exporters, and nodal departments to address outstanding issues related to e-commerce exports. One of the primary concerns raised was the lack of financial support in the form of export credits for E-commerce exports.

➤ Upon consultation with the RBI, it has been clarified that existing guidelines already allow for such export credits under the 'Master Circular-Rupee / Foreign Currency Export Credit and Customer Service to Exporters.' These guidelines do not exclude e-commerce exporters from obtaining pre-shipment and post-shipment export credit, as well as PCFC.

➤ The Govt. of India, through its Ministry of Commerce & Industry and Department of Commerce, issued a new trade notice dated 4th Sept. 2023 with the objective to provide clarification on the availability of pre-shipment and post-shipment export credit, as well as Packing Credit in Foreign Currency (PCFC), for E-commerce exports. This move comes in line with the new Foreign Trade Policy 2023, that focuses on 'Promoting Cross Border Trade in Digital Economy'.

WAYS & MEANS ADVANCES (WMA) LIMIT (OCT. 2023 TO MARCH 2024)

➤ Ways and Means Advances (WMAs) is a facility that allows different arms of the government and centres to borrow from the RBI. These are only administered to finance temporary budget deficits.

➤ WMA is a mechanism that aims to boost cashless liquidity to the states. RBI gives it on behalf of the government. The borrowing done via WMA is usually repaid within three months and are often issued at the repo rate.

➤ RBI has decided that the limit for WMA for the second half of the financial year 2023-24 (Oct. 2023 to March 2024) will be Rs.50,000 crore. RBI may trigger fresh floatation of market loans when the Govt. of India utilises 75% of the WMA limit.

➤ The interest rate on WMA/Overdraft will be: (a) WMA: Repo Rate; (b) Overdraft: Two percent above the Repo Rate

HIGHER GRATUITY, UNIFORM PENSION RATE FOR LIC AGENTS, AND STAFF

➤ The Ministry of Finance has approved a series of welfare measures for the benefit of Life Insurance Corporation of India (LIC) agents and employees. The welfare measures are:

a) Enhancement of the gratuity limit from Rs 3 lakh to Rs 5 lakh for LIC agents. It will bring substantial improvements to the working condition and benefits of LIC agents.

b) Enabling reappointed agents to be eligible for renewal commission, thereby providing them with increased financial stability. Currently, LIC agents are not eligible for renewal commission on any business completed under the old agency.

c) The term insurance cover for the agents has been expanded from the existing range of Rs. 3,000-10,000 rupees to Rs. 25,000-1,50,000. This enhancement in term insurance will significantly benefit the families of deceased agents, offering them a more substantial welfare benefit.

d) Family pension at a uniform rate of @30% for the welfare of the families of LIC employees.

NEW 20% TCS ON FOREIGN REMITTANCE W.E.F 1-10-23

Starting October 1, 2023, significant changes have been introduced in Tax Collected at Source (TCS) rates for foreign remittances in India.

The remittance limit under the Liberalized Remittance Scheme (LRS) of the RBI is set at up to USD 250,000.

a) **Expenditure that attracts higher TCS:** Various types of foreign spending, including international tour packages and investments in foreign stocks, mutual funds, or crypto currencies abroad, will now attract a higher TCS rate, with the exception of medical and educational purposes.

b) **Expenditures Exempt from TCS:** TCS will not apply to international credit card transactions abroad, providing some relief for those who frequently use their credit cards internationally.

c) TCS Rates for Education Remittances (W.E.F 01.10.2023):

Amount of Remittances	Purpose	TCS Rate
Below Rs 7 lakhs	Education	Nil
Equal to or above Rs 7 lakhs	Education through Loan	0.5%
Equal to or above Rs 7 lakhs	Education not through Loan	5%

d) TCS Rates for Medical Remittances (W.E.F 01.10.2023):

Amount of Remittances	Purpose	TCS Rate
Below Rs 7 lakhs	Medical purposes	Nil
Equal to or above Rs 7 lakhs	Medical purposes	5%

e) TCS Rates for Overseas Packages (W.E.F 01.10.2023):

Amount of Remittances	Purpose	TCS Rate
Below Rs 7 lakhs	Overseas package	5%
Equal to or above Rs 7 lakhs	Overseas package	20%

f) TCS Rates for Overseas Investments (W.E.F 01.10.2023):

Amount of Remittances	Purpose	TCS Rate
Below Rs 7 lakhs	Overseas investments	Nil
Equal to or above Rs 7 lakhs	Overseas investments	20%

The aggregate threshold amount of Rs 7 lakhs will be applicable for TCS, regardless of the purpose of the remittances. Once this threshold is crossed, TCS will be imposed at different rates based on the purpose of the transaction.

BRAIN STORMING

- 1) According to RBI guidelines, the Regulated Entities shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of ____ after full repayment/ settlement of the loan account
 a) 15 days b) 30 days c) 45 days d) 60 days
- 2) In case of delay by the bank in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond the prescribed period of 30 days after full repayment/ settlement of loan, the bank shall compensate the borrower at the rate of Rs. ____ for each day of delay.
 a) 1000 b) 2000 c) 5,000 d) 10,000
- 3) PM Vishwakarma will be implemented as a Central Sector Scheme, fully funded by the Government, with an initial outlay of Rs. ____ crore:
 a) 13,000 b) 14,000 c) 15,000 d) 20,000
- 4) PM Vishwakarma scheme will be initially implemented for a period up to ____ :
 a) 3 years up to 2025-26 b) Five years up to 2027-28
 c) Six years up to 2028-29 d) Ten years upto 2033-34
- 5) As per PM Vishwakarma scheme, the beneficiaries will be provided with 40 hours basic training of 5-7 days and advanced training of 15 days or more, with a stipend of:
 a) Rs. 200 per day b) Rs. 300 per day
 c) Rs. 500 per day d) Rs. 600 per day.
- 6) As per PM Vishwakarma scheme, collateral free Enterprise Development Loans of upto ____ will be provided by Banks.
 a) Rs. 1 lakh in first tranche b) Rs 2 lakh in second tranche
 c) Rs. 3.00 Lakhs in two tranches d) All of these
- 7) The Finance Ministry has notified changes in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Accordingly, a person having ownership of more than ____% of the capital or profits of a partnership will be brought within the ambit of the sub-rule 3 as a 'beneficial owner'. Similarly, a person, who does not have any ownership or entitlement to more than ____% of capital or profits of the partnership but exercises control over the partnership through other means, will be treated as a beneficial owner.
 a) 10; 10 b) 15;15 c) 20; 20 d) 25; 25
- 8) In a bid to enhance transparency in financial transactions and the handling of secured assets, the RBI has issued guidelines mandating the display of information related to secured assets possessed under the SARFAESI Act, 2002. Banks are required to upload this information in the prescribed format on their respective websites ensuring uniformity and ease of access for stakeholders. The first such list must be displayed within ____ months from the date of this circular, and subsequent updates should be made on a ____ basis:
 a) six; monthly b) nine ; quarterly c) twelve ; half yearly d) none
- 9) Under PM Vishwakarma scheme, loan will be extended at a concessional rate of interest fixed at __%, with Government of India subvention to the extent of __%.
 a) 3; 6 b) 5, 8 c) 7; 10 d) None
- 10) Under PM Vishwakarma scheme, incentive of Rs. ____ per digital transaction, upto maximum ____ transactions monthly will be credited to the beneficiary's account for each digital pay-out or receipt.
 a) 3; 100 b) 2; 100 c) 1; 100 d) None
- 11) RBI in its Monetary Policy statement of August 10, 2023, banks were required to maintain an incremental cash reserve ratio (I-CRR) of 10 per cent on the increase in their net demand and time liabilities (NDTL) between May 19, 2023 and

- July 28, 2023. On a review, RBI has decided to discontinue the I-CRR in a phased manner and the amounts impounded under the I-CRR would be released in stages so that system liquidity is not subjected to sudden shocks and money markets function in an orderly manner. The release of funds would be ____ % on Sept. 9, 2023; ____% on Sept. 23, 2023; and ____% on Oct. 7, 2023.
 a) 25; 25; 50 b) 30;30;60 c) 40;40;80 d) none
- 12) As per RBI guidelines, in case of loss/damage to original movable / immovable property documents, either in part or in full, the bank shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation. In such cases, an additional time of ____ days will be available to the banks to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of ____ days).
 a) 60 ; 60 b) 45;60 c) 30;60 d) none
 - 13) RBI had structured a common Data Quality Index (DQI) for assessing the quality of data submissions by Credit Institutions (CIs) to Credit Information Companies (CICs) and improving the same over a period of time. Currently, the DQI is being used for data submitted under the consumer segment. RBI has now decided that CICs shall prepare DQIs for Commercial and Microfinance segments. CICs shall provide the DQIs for Commercial and Microfinance segments to all CIs latest by ____ :
 a) March 31, 2024 b) June 30, 2024 c) Sept. 30, 2024 d) none
 - 14) Data Quality Index (DQI) scores for Commercial and Microfinance segments shall be provided at Credit Institutions (CI) and file level. The DQI scores for Commercial and Microfinance segments at CI level shall be computed as ____ of commercial and microfinance segment respectively of that CI:
 a) Average weighted of file level DQI scores
 b) Weighted average of file level DQI scores
 c) Weighted average of level DQI scores
 - 15) Credit Institutions (CI) to undertake ____ review of the DQI for all segments to improve the quality of the data being submitted to CICs. Corrective steps taken on the above issues along with a report on the same shall be placed before its top management by each CI for review within two months from the end of that half-year.
 a) half yearly b) quarterly c) monthly d) none
 - 16) RBI had constructed a composite Financial Inclusion Index (FI-Index) to capture the extent of financial inclusion across the country, which was first published in August 2021 for the FY ending March 2021. The value of FI Index for March 2023 stands at ____ vis-à-vis 56.4 in March 2022. Improvement in FI Index was mainly contributed by Usage and Quality dimensions, reflecting deepening of financial inclusion.
 a) 60.0 b) 60.1 c) 60.5 d) 61.0
 - 17) As per the revised guidelines in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 where the client is a trust, a reporting entity will be required to ensure that trustees disclose their status at the time of commencement of an account-based relationship or when carrying out any transaction of an amount equal to or exceeding Rs.____, whether conducted as a single transaction or several transactions that appear to be connected or any international money transfer operations.
 a) 30,000 b) 40,000 c) 50,000 d) 60,000
 - 18) As per the revised guidelines in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, reporting entities will be required to keep records containing analysis of transactions and client due diligence for a period of ____

years after the business relationship with the client had ended or the account has been closed, whichever is later.

- a) two b) three c) four d) five

19) In April 2023, Govt carried out few changes in the provisions of PMLA-2002. As per the changes made, threshold for "Controlling ownership interest" for the purpose of determination of "Beneficial Owner (BO)" was reduced to ___ percent for both companies and trusts from the previous ___ percent for companies and ___ for trusts.

- a) 10; 25; 15 b) 15; 30; 20 c) 20; 35 ; 25 d) none

20) In the Statement on Developmental and Regulatory Policies dated April 06, 2023, RBI had proposed expanding the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks. Which of the statement is incorrect:

- a) Currently, savings account, overdraft account, prepaid wallets and credit cards can be linked to UPI.
 b) The scope of UPI is being expanded by inclusion of credit lines as a funding account.
 c) Payments through a pre-sanctioned credit line issued by a banks to individuals, with prior consent of the individual customer, are enabled for transactions using the UPI System.
 d) Banks may, as per their Board approved policy, stipulate terms & conditions such as, credit limit, period of credit, rate of interest, etc. of use of such credit lines.
 e) None of the above

21) _____ is a facility that allows different arms of the government and centres to borrow from the RBI. These are only administered to finance temporary budget deficits. It is a mechanism that aims to boost cashless liquidity to the states. RBI gives it on behalf of the government. The borrowing done is usually repaid within three months.

- a) Ways and Means Advances (WMAs)
 b) Way and Means Advances (WMA)
 c) Work and Means Advances (WMA)

22) RBI had announced the withdrawal of Rs. 2000 banknotes from circulation on May 19, 2023. According to the data received from banks, of the total value of Rs.3.56 lakh crore of Rs.2000 banknotes in circulation as on May 19, 2023, a sum of Rs.3.42 lakh crore has been received back leaving only Rs.0.14 lakh crore in circulation as at the close of business on Sept. 29, 2023. Thus, ___% of the Rs.2000 banknotes in circulation as on May 19, 2023 has since been returned.

- a) 90 b) 92 c) 96 d) 98

23) RBI had announced the withdrawal of Rs. 2000 banknotes from circulation. RBI has now advised that w.e.f Oct. 08, 2023, the procedure for exchange of Rs.2000 banknotes. Which of the following is not part of the procedure:

- a) The deposit / exchange at bank branches shall be stopped.
 b) Rs.2000 banknotes can continue to be exchanged by individuals / entities at the 19 RBI Issue Offices up to a limit of Rs.20,000/- at a time.
 c) Individuals / Entities can tender Rs.2000 banknotes at the 19 RBI Issue Offices for credit to their bank accounts in India for any amount.
 d) Individuals / Entities from within the country can also send Rs.2000 banknotes through India Post, addressed to any of the 19 RBI Issue Offices for credit to their bank accounts in India.
 e) Courts, law enforcement agencies, government departments or any other public authority involved in investigation proceedings or enforcement, may, as and when required, deposit / exchange Rs.2000 banknotes at any of the 19 RBI Issue Offices without any limit.
 f) Rs.2000 banknotes shall continue to be legal tender.
 g) None of the above

24) RoDTEP Scheme was introduced by the Govt by making amendments in the Foreign Trade Policy 2015-20 with an

objective to neutralize the taxes and duties suffered on exported goods which are otherwise not credited or remitted or refunded in any manner and remain embedded in the export goods. Central Government has recently notified an extension of RoDTEP scheme for exports made from 01-10-2023. The existing rates for all the items covered under RoDTEP will be applicable for exports made from 01-10-2023 to 30-06-2024. What is full form of RoDTEP:

- a) Remittance of Duties or Taxes on Export Products.
 b) Remission of Duties or Taxes on Export Products.
 c) Remission of Duty or Taxes on Export Products.

25) Ways and Means Advances (WMA) for Govt of India for the second half of the financial year 2023-24 (October 2023 to March 2024) will be Rs. _____ crore.

- a) 50000 b) 75000 c) 80000 d) 90000

26) With the implementation of EDPMS, issuance of Foreign Inward Remittance Certificate (FIRC) (issued on serially numbered Security paper-Form BCI) for remittances against exports were discontinued as the same is now reported in Inward Remittance Menu (IRM), that has provision for system generated e-FIRC. FEDAI with consent of RBI has issued fresh guidelines. Which of the following is not correct w.r.t the guidelines:

- a) For export realisations received through their own Nostro accounts, other Vostro accounts, Special Rupee Vostro (SRV) accounts or any other permitted mode, including payment gateways, where beneficiary account is with a bank other than the bank receiving the remittance, the origination bank shall provide all necessary details of remittances in the NEFT/RTGS message or otherwise, for beneficiary's bank to process the transaction.
 b) Banks receiving export proceeds for their constituents, irrespective of whether received through their own Nostro accounts, other Vostro accounts, SRV accounts or any other permitted mode, including payment gateways shall at client's request, issue remittance advice on their letter head (named as 'Bank Inward Remittance Certificate (BIRC)' incorporating necessary details.
 c) The advice, BIRC, can be issued either electronically or physically, using the same format as of FIRC (Form BCI).
 d) None of the above

27) _____ JPMorgan has decided to include India in its emerging market debt index - part of the Government Bond Index-Emerging Markets (GBI-EM), a key benchmark index for global funds. The index provider will commence the inclusion of Indian securities in a phased manner, starting 28-6- 2024 and will be completed in March 2025.

- a) Morgan Stanley b) Goldman Sachs,
 c) JPMorgan d) Wells Fargo

28) The _____ has recently listed the country's first social impact bond at Bombay Stock Exchange (BSE). Social bonds are financial instruments issued to raise funds for projects and initiatives that have a positive social impact on society. This is the first-ever triple AAA-rated domestic issuances in social space and worth Rs. 1,040 crore issued at a coupon rate of 7.63%. This rating is given by rating agencies CRISIL Ltd and ICRA Ltd.

- a) National Bank for Agriculture and Rural Development.
 b) Small Industries Development Bank of India
 c) National Bank for Financing Infrastructure and Development
 d) None of the above

ANSWER KEY

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

RECENT RECOLLECTED Q'S

- 1) RERA approval is mandatory for launching a Real Estate Project for the land area above _____square meters and minimum number of _____apartments:
a) 500 ; 8 b) 600 ; 9 c) 700 ; 10 d) None
- 2) Public Sector Banks should lodge complaint with _____ on fraud cases where staff involvement is there and the amount involved is Rs.10,000/- and above but less than Rs.0.10 million:
a) CBI b) Economic offence wing c) Local Police d) None
- 3)What is the Risk Weight assigned for Credit Card outstanding dues:
a) 125% b) 150% c) 175% d) None
- 4)For assigning risk weight, Regulatory Retail Loans are those loans where the maximum exposure to one counterpart should not exceed:
a) Rs.5.00 crore b) Rs.7.50 crore c) Rs.10.00 crore d) None
- 5)Banks should charge rate of interest on loans up to Rs.3.00 Lakhs under NRLM _____ p.a.
a) 6% b) 7% c) 8% d) None
- 6)Banks should preserve the records pertaining to the KYC of the customers obtained while opening the account and during the course of business relationship at least for a period of _____ after the business relationship is ended:
a) 5 years b) 7 years c) 10years d) None
- 7) What is the Risk Weight for Housing Loans with outstanding balance of Rs.50 lakh with LTV ≤ 80:
a) 25% b) 35% c) 40% d) None
- 8) An exporter can be sanctioned Gold Card limit having satisfactory track record at least for a period of:
a) 3 years b) 4 years c) 5 years d) None
- 9) In case of closure of any Branch, Bank has to give notice to customers before a minimum period of _____ months if there is no Branch of any Bank functioning at that centre and notice of _____ month in all other cases:
a) 1, 1 b) 2, 1 c) 2, 2 d) None
- 10) If any change in Terms and Conditions is at disadvantage to a customer, the customer may close the account or shift to any other Banks within a period of _____ from the date notice by Bank without paying the changed fees or interest:
a) 30 days b) 45 days c) 60 days d) None
- 11) _____ occurs when a person dies and leaves a will. Their property will be distributed as they bequest in the will however legal rights will still have to be satisfied.
a) Testamentary succession b) Intestate succession
c) Succession by Administrator d) None
- 12) The maximum limit in case of Contactless Card, payments raised to:
a) Rs.2000 b) Rs.5000 c) Rs.7000 d) None
- 13)As per Inter-Creditor agreement in case of IBC, in case a lender dissents, the lead lender will have the right but not the obligation to arrange for buy-out of the facilities of the dissenting lenders at a value that is equal to _____ of the lower of liquidation value or resolution value:
a) 75% b) 80% c) 85% d) None
- 14)Banks should publish their unaudited financial results within _____ of the quarter end:
a) 45 days b) 60 days c) 90 days d) None
- 15)Maximum amount of Overdue export bill that can be allowed for write-off by AD Bank is _____ of the total export proceeds realized during the calendar year preceding the year in which the write-off is being done:
a) 5% b) 10% c) 15% d) None
- 16) The Liquidity Coverage Ratio (LCR) is a requirement under Basel III whereby banks are required to hold an amount of high-quality liquid assets (HQLA) that is enough to fund cash outflows for a period of _____ days.
a) 10 b) 20 c) 30 d) 45

- 17)Approval of at least _____% of its Financial Creditors is required for applying under pre-packaged insolvency resolution process by an MSME Corporate debtor.
a) 66% in value b) 66% in value and 75% in number
c) 75% in number d) None
- 18) A resolution plan applying under Pre-packaged insolvency resolution process must be approved by the committee (with at least 66% of the voting shares) within a period of _____ from the commencement date of PIRP.
a) 30 days b) 60 days c) 90 days d) 180 days
- 19)Under 'Prime Minister Micro Food Processing Enterprises' (PMFME) Scheme, Individual micro food processing units desirous of upgradation of their unit can avail credit-linked capital subsidy @ _____% of the eligible project cost with a maximum ceiling of Rs. _____ lakh per unit.
a) 30;5 b) 35;10 c) 40;15 d) None
- 20) On _____Hindi was adopted as the Official Language of the Union of India and in the year _____,the Constitution of India declared Hindi in the Devanagari script as the Official language.
a) 14th Sept. 1949, 1950 b) 14th Sept. 1950, 1951
c) 14th Sept. 1951, 1952 d) None
- 21) Which section of SARFAESI Act mandates DM/CMM to deliver possession of a security asset within 30 days, extendable to an aggregate of 60 days to secured creditors:
a) Section 13 b) Section 14 c) Section 15 d) None
- 22) 2% Interest subvention is provided on a maximum limit of _____ on short term loan to farmers involved in animal husbandry and fisheries.
a) Rs.1.00 Lakh b) Rs.2.00 Lakh c) Rs.3.00 Lakh d) None
- 23) Unsecured exposure is defined as an exposure where the realisable value of the security, as assessed by the Bank /approved valuers / RBI 's inspecting officers, is not more than _____ percent, ab-initio, of the outstanding exposure.
a) 10% b) 20% c) 30% d) None
- 24) The repayment period of Restructured Agricultural Term Loan in case of Natural Calamity:
a) Up to two years including the moratorium period of one year if the loss is between 33% and 50%
b) Up to five years including the moratorium period of one-year if the crop loss is 50% or more.
c) a & b d) None of these
- 25)'Large Exposure' under the Large Exposure Framework is the sum of all exposure values of a bank to a counterparty or a group of connected counterparties, if it is equal to or above _____ of the bank's eligible Tier 1 capital base:
a) 10% b) 15% c) 20% d) None
- 26) From FY 2021-22 onwards, a higher weight of 125% would be assigned to the incremental priority sector credit in the identified districts where the credit flow is comparatively lower with per capita PSL less than:
a) Rs.5000/- b) Rs.6000/- c) Rs.7000/- d) Rs.8000/-
- 27)Overnight Open Position Limit (NOOPL) is used for calculation of capital charge on forex risk which should not exceed _____of the total capital (Tier I and Tier II capital) of the bank:
a) 25% b) 30% c) 40% d) None
- 28)A Start-up should have an annual turnover not exceeding _____ for any of the financial years since its Incorporation:
a) Rs.50 crore b) Rs.75 crore c) Rs.100 crore d) None

(ANSWERS WILL BE GIVEN IN NEXT MONTH ISSUE)

ANSWER KEY OF RECOLLECTED Q'S OF MAGAZINE FOR SEPT.2023

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

LATEST GENERAL KNOWLEDGE

- Government has appointed _____ as the first woman Chairperson of the Railway Board till August 31, 2024: **Jaya Verma Sinha**
- _____ has been given two 4 Asians namely Korvi Rakshand from Bangladesh, Eugenio Lemos from Timor-Leste, Miriam Coronel-Ferrer from the Philippines, and Dr Ravi Kannan R. from India: **65th Ramon Magsaysay Awards 2023**
- Governor of the U.S. state of Georgia has officially declared that the month of October will be celebrated as _____ within the state: **'Hindu Heritage Month'**
- Telangana's Chief Innovation Officer _____ has been presented with the World Innovation Award at the first BRICS Innovation Forum hosted at Moscow: **Shanta Thoutam**
- Education Minister, Mr. Pradhan has stated that the _____ has been conferred with the status of a deemed university: **National Council of Educational Research and Training (NCERT)**
- _____, has received regulatory approval from the RBI to commence its non-banking financial institution operations: **Bajaj Auto Consumer Finance**
- _____ has been appointed as new Chairperson of Indian IT and tech trade body NASSCOM (National Association of Software and Service Companies): **Rajesh Nambiar**
- Professor _____, dean of Tata Institute of Social Sciences has received the 'Dr V G Patel Memorial Award-2023 for 'Entrepreneurship Trainer, Educator and Mentor': **Satyajit Majumdar**
- _____ has been awarded an 'A+' rating in the prestigious Global Finance Central Banker Report Cards 2023: **RBI Governor Shaktikanta Das**
- ISRO _____ mission was launched successfully on September 2, 2023 at 11:50 AM IST from the Satish Dhawan Space Centre in Sriharikota, India: **Aditya L1**
- The World Heritage Site _____ in Madhya Pradesh's Raisen district has become India's first solar city: **Sanchi**
- World's tallest (27 foot-tall) statue of _____ has been installed at G20 summit venue, which is made from ashtadhatu, weighs a staggering 18 tonnes: **Nataraja, Lord Shiva**
- India's renowned surgical robotic firm, SS Innovations, has appointed Padmashri _____, known as the Moon Man of India, as a Director: **Dr. Mylswamy Annadurai**
- Country's first underground _____ has been installed at 15th Avenue, Malleswaram, Bengaluru: **Power Transformer**
- SBI has taken a step in enhancing the commuting experience and promoting digital payment adoption with the launch of: **Nation First Transit Card.'**
- _____ has secured approval from the RBI to convert I Process Services (India) Pvt. Ltd. into a wholly owned subsidiary: **ICICI Bank**
- According to Swachh Vayu Sarvekshan 2023 report, conducted by the Central Pollution Control Board, _____ boast the cleanest air in India: **Indore, Amravati, and Parwanoo**
- _____ has been reappointed as MD & CEO of the ICICI Bank: **Sandeep Bakhshi**
- ITI Limited, a premier telecom company and multi-unit central PSU, has developed its own Laptop and Micro PC, branded as: **'SMAASH'**
- _____ has once again claimed the title of the world's best country, second consecutive year at the pinnacle and its sixth time overall as the No. 1 nation on the list: **Switzerland**
- _____ has been honoured with the 'Safety Innovation Award 2023', under the 'Construction' category, for implementing 'Innovative Safety Management Systems' in its operations: **BITES Limited.**
- Renowned ophthalmologist _____ of Indian Army's Research and Referral Hospital was conferred with the prestigious "Dr AM Gokhale Award": **Brig Sanjay Kumar Mishra**
- India has joined the ranks of countries authorized to issue: **International Organisation of Legal Metrology (OIML) certificates.**
- BriskPe has teamed up with YES BANK to introduce _____ a cutting-edge suite of solutions designed to empower exporters and importers: **'BriskPe A2A'**
- Mastercard, the global financial services corporation, has made appointment of _____ as the Chairman of 'Mastercard India': **Rajnish Kumar**
- Govt. has unveiled the _____ which is aimed at tackling the complex governance challenges that currently beset the country's farming industry: **UPAg (Unified Portal for Agricultural Statistics).**

- _____ has secured a coveted spot on TIME magazine's 'The World's Best Companies of 2023' list claiming the 64th position with an impressive overall score of 88.38: **Infosys**
- _____ has achieved the top rank among 154 nations in grassroots crypto adoption, displaying remarkable resilience in the face of challenging regulatory conditions, as revealed by Chainalysis' 2023 Global Crypto Adoption Index: **India**
- PM Modi has unveiled Phase 1 of the India International Convention and Expo Centre (IICC), named _____ which redefine the landscape of meetings, incentives, conferences, and exhibitions (MICE) on a global scale: **'Yashobhoomi'**
- RBI has disclosed that as of March 2023, the circulation of the _____, India's Central Bank Digital Currency (CBDC), has reached Rs.16.39 crore: **E-rupee**
- Indian Bank has introduced a new initiative called _____ Sustainable Access and Aligning Technology for Holistic Inclusion) to bolster its financial inclusion efforts: **'IB SAATHI'**
- _____ Indian designer was honored with the Chevalier de l'Ordre des Arts et des Lettres (Knight of the Order of Arts and Letters) by the French government: **Rahul Mishra**
- Civil Aviation Minister has inaugurated _____ a state-of-the-art integrated office complex nestled within the confines of Delhi's Sardarjung Airport: **Udaan Bhawan**
- The _____ of Belur, Halebid and Somanthpura in Karnataka have been added to the United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage list: **Hoysala temples**
- PM Modi has announced the new name for the old Parliament building: **'Samvidhan Sadan' or 'Constitution House'**
- SBI has launched a cutting edge digital platform for NRIs to open NRE and NRO accounts which is framed to _____ customers, aiming to simplify and expedite the account opening procedure: **'New To Bank'**
- The Ministry of Information and Broadcasting Secretary has unveiled an ebook titled _____ in New Delhi, offering a detailed insight into India's G20 Presidency: **'People's G20'**
- RBI has given its approval for the reappointment of _____ as the MD & CEO of HDFC Bank: **Sashidhar Jagdishan**
- The Ministry of Tourism has declared _____ in Assam as the Best Tourism Village of India for the year 2023: **Biswanath Ghat**
- To cater to the evolving needs of Indian MSMEs, Axis Bank has recently unveiled ransaction banking platform: **'NEO for Business.'**
- The Indian Oil Corporation (IOC) has achieved a significant milestone in India's transition to clean energy by unveiling the nation's first: **Green hydrogen-powered bus.**
- _____ slips four spots to 56th position in 2023 World Talent Ranking released by the International Institute for Management Development (IMD): **India**
- _____ is set to experience a rapid aging of its population in the coming decades, with the elderly projected to comprise over 20% of the total population by the year 2050: **India**
- _____ has made history by securing the top position among Indian universities. In the 20th edition of the World's Best Universities by the Times Higher Education rankings: **The Indian Institute of Science, Bangalore**
- _____ retains 40th rank out of 132 economies in the Global Innovation Index 2023 rankings published by the World Intellectual Property Organization: **India**
- Govt. of Uttarakhand has inaugurated the _____ (first of its kind) in Mussoorie on the occasion of World Tourism Day: **George Everest Cartography Museum**
- _____ has been elected as the Chairman of the Press Trust of India's Board of Directors for a one-year term: **K.N. Shanth Kumar**
- HP has announced a partnership with Google to manufacture _____ in India, with production set to commence on October 2: **Chromebooks**
- Drugmaker _____ has launched drone based deliveries of its critical medicines for hospitals in Himachal Pradesh: **Cipla**

KEY INDICATORS

REPO RATE	6.50%	FOREX RESERVES- Rs. (in Cr)	4882783
CRR	4.50%	FOREX RESERVES US (\$ Million)	586908
SLR	18.00%	SCB's AGGREGATE DEPOSITS - (Cr)	19275842
BANK RATE	6.75%	SCB's BANK CREDIT - (Cr)	1511319
MSF	6.75%	SDF	6.25%