This Study material for IDBI Bank promotion exam 13.01.2024 has been distributed by All India IDBI Officers' Association (AIIDBIOA) to its members in December, 2023 in collaboration with Corporate Training and Development Institute (CTDI).

Teaching Material – Monthly Updations

CONTEMPORARY

BANKING & FINANCE

CORPORATE TRAINING & DEVELOPMENT INSTITUTE (CTDI)

Registration No. CHD / 0030 / 2009 - 11, RHI NO. CHAENG / 1997 / 4961

VOLUME - 23 No. 09 SEPTEMBER 2023

CTDI

CONTENTS

CTDI ™

CORPORATE TRAINING & DEVELOPMENT INSTITUTE

GURUKUL FOR BANKERS

SCO 91, (1st & 2nd Floor), Sector 47-D, Chandigarh-160047,
Mob: 9041086057, 9317723230
Website: www.corporatetraininginstitute.com
Email: training@corporatetraininginstitute.com

HYDERABAD BRANCH:

Corporate Training & Development Institute
Kachiguda Pride, Ground Floor, Nimboli Adda, Kachiguda Station Road, Hyderabad-500027. Mob. 9395140742

SCAN THE QR CODE TO JOIN US ON TELEGRAM

MONETARY POLICY STATEMENT, 2023-24

(RESOLUTION OF THE MPC: AUGUST 8-10, 2023)

The Reserve Bank of India Governor Shaktikanta Das announced the third bi-monthly monetary policy for FY24 on 10th August 2023. The three-day meeting of the six member MPC statement of RBI was in line with market expectations on rates, stance and tone, with retention of rates. RBI has struck a fine balance between the two - by retaining policy interest rate and 'withdrawal of accommodation' stance and stating that it is ready to look through the inflation increase 'for some time', but also expressed the readiness to act in case inflationary pressures generalise.

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

TARGETS:

●**GDP OUTLOOK:** The real GDP growth for 2023-24 is projected at 6.5 per cent with Q1 at 8.0 per cent; Q2 at 6.5 per cent; Q3 at 6.0 per cent; and Q4 at 5.7 per cent, with risks broadly 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 6.2 per cent, Q3 at 5.7 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 MPC at its meeting on August 10, 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 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). Further, the RBI has directed that all Scheduled Commercial Banks / RRB's / all Scheduled Primary (Urban) Co-operative Banks / all Scheduled State Co-operative Banks, shall maintain with the RBI, with effect from the fortnight beginning August 12, 2023:

a) an additional average daily balance over and above the average daily balance required to be maintained under sub-section (1) of Section 42; and

b) that the amount of such additional average daily balance shall not be less than 10 per cent of the increase in net demand and time liabilities between May 19, 2023 and July 28, 2023.

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

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

POSITIVE ATTITUDE

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

VOLUME 23 NO. 09 SEPTEMBER 2023

CTDI™

SCO 91, (1st & 2nd Floor), Sector 47-D, Near PNB, Chandigarh Pin - 160047.

MOB: 9041086057, 9317723230

ASSESSMENT

●**Global Economy:**

The global economy is slowing and growth trajectories are diverging across regions amidst moderating but above target inflation, tight financial conditions, simmering geopolitical conflicts, and geoeconomic fragmentation. Sovereign bond yields have hardened. For several emerging market economies, weak external demand, elevated debt levels and tight external funding conditions pose risks to their growth prospects.

●**Domestic Economy:**

Economic Activity: Domestic economic activity is resilient, with various sectors showing positive signs.

Monsoon and Agriculture: The south-west monsoon rainfall up to August 9, 2023, was on par with the long-term average, but its distribution has been uneven. Kharif crop sowing area increased slightly compared to the previous year.

Industrial Production: In May, the Index of Industrial Production (IIP) expanded by 5.2%, and core industries output rose by 8.2% in June.

High-Frequency Indicators: E-way bills, toll collections, rail freight, and port traffic have shown robust expansion, particularly in June-July. The composite Purchasing Managers' Index (PMI) reached a 13-year high in July.

Urban and Rural Demand: Urban demand remains strong, with growth in domestic air passenger traffic and household credit. However, passenger vehicle sales growth has slowed. In rural areas, tractor sales improved in June, but two-wheeler sales moderated.

Inflation: Headline Consumer Price Index (CPI) inflation increased from 4.3% in May to 4.8% in June, mainly due to higher food prices. Core inflation remained steady in June.

Monetary Policy: Healthy balance sheets of banks and corporates, supply chain normalisation, business optimism and robust government capital expenditure are favourable for a renewal of the capex cycle which is showing signs of getting broad-based. Headwinds from weak global demand, volatility in global financial markets, geopolitical tensions and geoeconomic fragmentation, however, pose risks to the outlook. Liquidity absorption and money supply have increased. Bank credit growth moderated slightly. Foreign exchange reserves stood at US$ 601.5 billion as of Aug. 4, 2023.

Outlook: Vegetable price spikes may impact near-term inflation, but this is expected to correct with fresh market arrivals. Monsoon progress and crude oil prices are key factors. CPI inflation is projected at 5.4% for 2023-24. Real GDP growth is projected at 6.5% for 2023-24.

Risks: Global factors, such as weak global demand, financial market volatility, geopolitical tensions, and economic fragmentation, pose risks to the outlook.

Policy Response: The Monetary Policy Committee (MPC) decided to keep the policy repo rate unchanged at 6.50% but is prepared to respond as needed. The MPC will closely monitor inflation and remain committed to aligning it with the target while supporting growth.

STATEMENT ON DEVELOPMENTAL AND REGULATORY POLICY MEASURES

1)REGULATORY FRAMEWORK FOR FINANCIAL BENCHMARK ADMINISTRATORS:

➢ In June 2019, RBI issued a regulatory framework on administration of 'significant benchmarks' by benchmark administrators in the financial markets regulated by the Reserve Bank such as the USD/INR Reference Rate, Overnight MIBOR, and valuations of government securities administered by the Financial Benchmarks India Private Limited (FBIL).

➢ Considering the evolution of the domestic financial markets since then and global best practices, the regulations for financial benchmarks have been reviewed. RBI has decided to put in place a comprehensive, risk-based framework covering administration of all benchmarks related to foreign exchange, interest rates, money markets and government securities such as benchmarks on certificate of deposits (CDs) rates, repo rates, and FX Options Volatility Matrix as well as other benchmarks on government securities.

2) REVIEW OF REGULATORY FRAMEWORK FOR IDF-NBFCs:

➢ In order to enable Infrastructure Development Fund – NBFC (IDF-NBFCs) to play a greater role in the financing of the infrastructure sector and to harmonise the regulations governing financing of infrastructure sector by the NBFCs, a review of the guidelines applicable to IDF-NBFCs has been undertaken by RBI.

➢ An IDF is set up either as a trust or as a company. A trust based IDF is registered as an IDF-Mutual Fund (IDF-MF) and is regulated by the Securities and Exchange Board of India (SEBI) whereas a company based IDF is registered as an IDF-NBFC and is regulated by the RBI.

(Cont'd on Page no.4)

KNOWLEDGE +

MONETARY POLICY TERMINOLOGIES

● MONETARY POLICY COMMITTEE (MPC):

➢ The Reserve Bank of India Act, 1934 was amended on Sept. 29, 2016 by the Finance Act, 2016, to provide for a statutory and institutionalised framework for a Monetary Policy committee, for maintaining price stability, while keeping in mind the objective of growth. The mandate given to RBI is to ensure medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

➢ The Monetary Policy Committee (MPC) has been entrusted with the task of fixing the benchmark policy rate (Repo rate) required to contain inflation within the specified target level. A committee based approach for determining the monetary policy adds lot of value and transparency to monetary policy decisions. The meetings of the monetary policy committee are held at least 6 times a year (specifically, at least once bi-monthly). As per the provision of the RBI Act, out of the six members of MPC, three members are from the RBI and other three members of MPC are appointed by the Central Govt.

● LIQUIDITY ADJUSTMENT FACILITY (LAF):

➢ As part of the financial sector reforms in 1998 the Committee on Banking Sector Reforms (Narasimham Committee II), LAF was introduced under which the Reserve Bank would conduct auctions periodically, if not necessarily daily. LAF is used to aid banks in adjusting the day-to-day mismatches in liquidity. LAF helps banks to quickly borrow money in case of any emergency or for adjusting in their SLR/CRR requirements. LAF consists of Repo and Reverse repo operations.

● REPURCHASE AGREEMENT (REPO):

➢ Repo is a money market instrument combining elements of two different types of transactions *viz.*, lending-borrowing and sale-purchase. Repo or repurchase option is a collaterised lending i.e., banks borrow money from RBI to meet short term needs by selling securities to RBI with an agreement to repurchase the same at predetermined rate and date. The rate charged by RBI for this transaction is called the repo rate. The collateral used for repo and reverse repo operations are Government of India securities. Under Repo, the RBI injects funds to organisations (SCBs and Primary Dealers) which have both current account and SGL account with the RBI.

➢ The Repo transaction has two legs. In the first leg, the Seller sells securities and receives cash while the purchaser buys securities and parts with cash. In the second leg, the securities are repurchased by the original holder by paying to the counter party the amount originally received by him plus the return on the money for the number of days for which the money was used by him which is mutually agreed.

● STANDING DEPOSIT FACILITY (SDF):

➢ RBI operationalised SDF w.e.f April 8, 2022. The SDF replaced the Fixed Rate Reverse Repo (FRRR) as the floor of the LAF corridor. SDF allows banks to park their excess funds at a higher rate but without taking any collateral from the central bank. RBI has stated that FRRR will remain as part of the RBI's toolkit and its operation will be at the discretion of the RBI. The FRRR along with the SDF will impart flexibility to the RBI's liquidity management framework. Banks can place deposits with the RBI on an overnight basis at the fixed rate. The RBI, however, retains the flexibility to absorb liquidity for longer tenors under the SDF. It is priced at 25 bps below the repo rate.

● MARGINAL STANDING FACILITY (MSF):

➢ The Reserve Bank introduced MSF for banks and primary dealers to reduce the volatility in the inter-bank call money market. The interest rate is 25 bps above the repo rate, which is the rate at which banks borrow from the RBI for the short term against the collateral of government securities. The rate may vary relative to the repo rate as warranted by economic conditions. Banks can borrow funds through MSF when there is a considerable shortfall of liquidity. This measure has been introduced by RBI to regulate short-term asset Liability mismatches more effectively.

➢ Under the facility, the eligible entities can avail overnight facility up to two per cent of their respective Net Demand and Time Liabilities outstanding at the end of the second preceding fortnight. The minimum amount in MSF is Rs. One crore and multiples of Rs. One crore thereafter.

● BANK RATE:

➢ Bank Rate refers to the official interest rate at which RBI will provide loans to the banking system which includes commercial / co-operative banks, development banks etc. Such loans are given out either by direct lending or by rediscounting (buying back) the bills of commercial banks and treasury bills.

● OPERATION TWIST:

➢ It is monetary policy strategy of RBI aimed at stimulating economic growth by lowering long term interest rates. Simultaneous purchase and sale of govt. securities under Open Market Operations (OMO's) is known as Operation Twist.

➢ It involves buying long tenor securities while selling short tenor securities to keep the yield curve under check and thereby lowering the borrowing cost.

● OPEN MARKET OPERATIONS:

➢ Open market operations refer to the selling and purchasing of the treasury bills and government securities by the central bank of any country in order to regulate money supply in the economy. Under this system, RBI sells securities in the market when it wants to reduce the money supply in the market. It is done to increase interest rates. This policy is also known as the **contractionary monetary policy.**

COMPLIMENTS

(FROM OUR PARTICIPANTS)

Thimma Naik 9900466119

Sir, With your blessings I have been promoted as AGM.
Thank you very much sir
Bank: Canara Bank 4 – 5.

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 my promotion exam. I really appreciate how patiently you resolved my doubts. Thanks you sir
Bank: IDBI 2-3

Rajneesh Upadhyay 7000327087

Sir Good Evening sir
Sir I got promotion, just because of your support and your classes
Feeling sorry to update you with delay.
Thank you so much sir.
Bank: IOB Puskar branch 2-3

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

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

Malikarjun Konne 9963641469

Good Evening,
Dear sir, I got promoted as scale –ll. 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 (c carde)
Bank: IDBI Bank, Scale 2-3

Kuljinder Singh 9855077385

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

Pradeep Kulkarni 9098942655

Dear Sir,
Happy to share with you that I have cleared the written test 50th rank in scale 3-4 promotion exam held on 14.01.2023.
Your classes helped me lot to clear the exam.
Thank you very much sir.
Bank: CBI, Scale: 3-4

(Cont'd from Page No 2)

STATEMENT ON DEVELOPMENTAL AND REGULATORY POLICY MEASURES

●**Definition:** An IDF-NBFC means a non-deposit taking NBFC which is permitted to: **(i)** refinance post commencement operations date (COD) infrastructure projects that have completed at least one year of satisfactory commercial operations; and **(ii)** finance toll operate transfer (TOT) projects as the direct lender.

●**Net owned funds (NOF) and regulatory capital:** An IDF-NBFC shall be required to have an NOF of at least Rs.300 crore and capital-to-risk weighted assets ratio (CRAR) of minimum 15% (with minimum Tier 1 capital of 10%).

●**Raising of funds:**

(i) IDF-NBFC shall raise funds through issue of either rupee or dollar denominated bonds of minimum five-year maturity. With a view to facilitate better asset-liability management (ALM), IDF-NBFCs can raise funds through shorter tenor bonds and commercial papers (CPs) from the domestic market to the extent of up to 10% of their total outstanding borrowings.

(ii) In addition to the bond route, IDF-NBFCs can also raise funds through loan route under external commercial borrowings (ECBs). However, such borrowings shall be subject to minimum tenor of **five years** and the ECB loans should not be sourced from foreign branches of Indian banks.

(iii) Regarding ECBs, IDF-NBFCs shall also be required to adhere to the guidelines issued by the Foreign Exchange Department of the RBI.

●**Exposure limits:** The exposure limits for IDF-NBFCs shall be 30 percent of their Tier 1 capital for single borrower/ party and 50 percent of their Tier 1 capital for single group of borrowers/ parties.

●**Risk weights:** For computing CRAR of the IDF-NBFCs, their assets shall be risk-weighted as per risk-weights applicable to NBFC-Investment and Credit Companies (NBFC-ICCs).

●**Requirements of a sponsor and tripartite agreement:** Under the earlier guidelines, an IDF-NBFC was required to be sponsored by a bank or an NBFC-Infrastructure Finance Company (NBFC-IFC). The requirement of a sponsor for an IDF-NBFC has now been withdrawn and shareholders of IDF-NBFCs shall be subjected to scrutiny as applicable to other NBFCs, including NBFC-IFCs.

➢ Earlier, IDF-NBFCs were required to enter into a tripartite agreement with the concessionaire and the project authority for investments in the Public Private Partnership (PPP) infrastructure projects having a project authority. The requirement of the tripartite agreement has now been made optional.

➢ **Other regulatory norms:** All other regulatory norms including income recognition, asset classification and provisioning norms as applicable to NBFC-ICCs shall be applicable to IDF-NBFCs.

●**Guidelines governing sponsorship of IDF-MFs by NBFCs:**

➢ All NBFCs shall be eligible to sponsor (sponsorship as defined by SEBI Regulations for Mutual Funds) IDF-MFs with prior approval of the RBI subject to the following conditions (based on the audited financial statements), in addition to those prescribed by SEBI that fulfil the eligibility criteria as above shall approach the Department of Regulation of the RBI, for prior approval to sponsor IDF-MFs**:**

a) The NBFC shall have a minimum NOF of Rs.300 crore and CRAR of 15 percent;

b) Its net NPAs shall be less than 3 per cent of the net advances;

c) It shall have been in existence for at least 5 years;

d) It shall be earning profits for the last three years and its performance shall be satisfactory;

e) The CRAR of the NBFC post investment in the IDF-MF shall not be less than the regulatory minimum prescribed for it;

f) The NBFC shall continue to maintain the required level of NOF after accounting for investment in the proposed IDF-MF;

g) There shall be no supervisory concerns with respect to the NBFC.

3) RESET OF FLOATING INTEREST RATE ON EMI BASED PERSONAL LOANS:

➢ In terms of extant guidelines of Reserve Bank of India, regulated entities (REs) have the freedom to offer all categories of advances either on fixed or on floating interest rates basis.

➢ At the time of sanction of EMI based floating rate personal loans, REs are required to take into account the repayment capacity of borrowers to ensure that adequate headroom/ margin is available for elongation of tenor and/ or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan. However, in respect of EMI based floating rate personal loans, in the wake of rising interest rates, several consumer grievances related to elongation of loan tenor and/or increase in EMI amount, without proper communication with and/or consent of the borrowers have been received. In order to address these concerns, the REs are advised to put in place an appropriate policy framework meeting the following requirements for implementation and compliance:

a) At the time of sanction, REs shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.

b) At the time of reset of interest rates, REs shall provide the option to the borrowers to switch over to a fixed rate as per their Board approved policy. The policy, may also specify the number of times a borrower will be allowed to switch during the tenor of the loan.

c) The borrowers shall also be given the choice to opt for
(i) enhancement in EMI or elongation of tenor or for a combination of both options; and,
(ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be subject to extant instructions.

d) All applicable charges for switching of loans from floating to fixed rate and any other service charges / administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/ costs by the REs from time to time.

e) REs shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.

f) REs shall share / make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan. The REs shall ensure that the statements are simple and easily understood by the borrower.

g) Apart from the equated monthly instalment loans, these instructions would also apply, to all equated instalment based loans of different periodicities. In case of loans linked to an external benchmark under the External Benchmark Lending Rate (EBLR) regime, the banks should follow extant instructions and also put in place adequate information systems to monitor transmission of changes in the benchmark rate to the lending rate.

h) REs shall ensure that the above instructions are extended to the existing as well as new loans suitably by Dec. 31, 2023. All existing borrowers shall be sent a communication, through appropriate channels, intimating the options available to them.

i) The above instructions are issued under Sec 21, 35A and 56 of the B.R. Act, 1949, Sec 45JA, 45L and 45M of the RBI Act, 1934, and Sec 30A and 32 of the NHB Act, 1987.

CTDI, GURUKUL FOR BANKERS
SCO 91, (1ST& 2ND FL) SEC. 47-D,
CHANDIGARH-160047, 9317723230

4) CONVERSATIONAL PAYMENTS IN UPI :

➢ As Artificial Intelligence (AI) is becoming increasingly integrated into the digital economy, conversational instructions hold immense potential in enhancing ease of use, and consequently reach, of the UPI system. RBI has therefore, proposed to launch an innovative payment mode viz., "Conversational Payments" on UPI, that will enable users to engage in a conversation with an AI-powered system to initiate and complete transactions in a safe and secure environment.

➢ This channel will be made available in both smartphones and feature phones-based UPI channels, thereby helping in the deepening of digital penetration in the country. The facility will, initially, be available in Hindi and English and will subsequently be made available in more Indian languages.

5) ENHANCING LIMITS FOR SMALL VALUE DIGITAL PAYMENTS IN OFFLINE MODE:

➢ A limit of Rs.200 per transaction and an overall limit of Rs.2000 per payment instrument has been prescribed by the RBI for small value digital payments in offline mode including for National Common Mobility Card (NCMC) and UPI Lite. By removing the need for two-factor authentication for small value transactions, these channels enable faster, reliable, and contactless mode of payments for everyday small value payments, transit payments etc. Since then, there have been demands for enhancing these limits.

➢ To encourage wider adoption of this mode of payments and bring in more use cases into this mode, RBI has proposed to increase the per transaction limit to Rs.500. The overall limit is, however, retained at Rs.2000 to contain the risks associated with relaxation of two-factor authentication.

6) OFFLINE PAYMENTS IN UPI:

➢ To increase the speed of small value transactions on UPI, an on-device wallet called "UPI-Lite" was launched in Sept. 2022 to optimise processing resources for banks, thereby reducing transaction failures. The product has gained traction and currently processes more than ten million transactions a month.

➢ To promote the use of UPI-Lite, RBI has proposed to facilitate offline transaction using Near Field Communication (NFC) technology. This feature will not only enable retail digital payments in situations where internet / telecom connectivity is weak or not available, it will also ensure speed, with minimal transaction declines.

7) PUBLIC TECH PLATFORM FOR FRICTIONLESS CREDIT:

➢ The Reserve Bank of India has announced the development of a Public Tech Platform for Frictionless Credit. The Platform is being developed by Reserve Bank Innovation Hub (RBIH), a wholly owned subsidiary of RBI.

➢ With rapid progress in digitalization, India has embraced the concept of digital public infrastructure which encourages banks, NBFCs, FinTech companies and start-ups to create and provide innovative solutions in payments, credit, and other financial activities. For digital credit delivery, the data required for credit appraisal are available with different entities like Central and State governments, account aggregators, banks, credit information companies, digital identity authorities, etc. However, they are in separate systems, creating hindrance in frictionless and timely delivery of rule-based lending.

➢ The Public Tech Platform would enable delivery of frictionless credit by facilitating seamless flow of required digital information to lenders. The end-to-end digital platform will have an open architecture, open Application Programming Interfaces (APIs) and standards, to which all financial sector players can connect seamlessly in a 'plug and play' model.

➢ The Platform is intended to be rolled out as a pilot project in a calibrated fashion, both in terms of access to information providers and use cases. It shall bring about efficiency in the lending process in terms of reduction of costs, quicker disbursement, and scalability.

➢ During the pilot, the platform shall focus on products such as Kisan Credit Card loans up to Rs.1.6 lakh per borrower, Dairy Loans, MSME loans (without collateral), Personal loans and Home loans through participating banks. The platform shall enable linkage with services such as Aadhaar e-KYC, land records from onboarded State Governments (Madhya Pradesh, Tamil Nadu, Karnataka, Uttar Pradesh, and Maharashtra), Satellite data, PAN Validation, Transliteration, Aadhaar e-signing, account aggregation by Account Aggregators (AAs), milk pouring data from select dairy co-operatives, house/property search data etc. Based on the learnings, the scope and coverage would be expanded to include more products, information providers and lenders during the pilot.

➢ The Pilot of the Platform shall commence on August 17, 2023.

INDIA'S PER CAPITA INCOME TO JUMP 70% BY 2030, REACH $4,000: REPORT

➢ According to a research report by Standard Chartered Bank, India's per capita income is expected to increase by approximately 70% by the year 2030, reaching $4,000 from the current level of $2,450. This substantial income growth is anticipated to elevate India to the status of a middle-income economy with a GDP of $6 trillion, with half of this GDP coming from household consumption.

➢ The report highlights the impressive growth in India's per capita GDP since 2001, rising from $460 to $1,413 in 2011 and further to $2,150 in 2021. The primary driver of this significant economic expansion is expected to be external trade, which is projected to nearly double to $2.1 trillion by 2030. This represents a significant increase from the $1.2 trillion recorded in fiscal 2023, when the GDP stood at $3.5 trillion. The report assumes an annual nominal GDP growth rate of 10% going forward.

➢ Household consumption is identified as the second major contributor to this growth, expected to reach $3.4 trillion by fiscal 2030, equivalent to the current size of the GDP. In contrast, household consumption in fiscal 2023 was $2.1 trillion, accounting for about 57% of the GDP at that time.

➢ Regarding per capita income rankings among Indian states, Telangana currently holds the top position with Rs.2,75,443 (approximately $3,360), followed closely by Karnataka with Rs.2,65,623, Tamil Nadu with Rs.2,41,131, Kerala with Rs.2,30,601, and Andhra Pradesh with Rs.2,07,771. However, the report foresees a change in these rankings by fiscal 2030, with Gujarat expected to lead in per capita income, followed by Maharashtra.

➢ As per Dr. C. Rangarajan, there is a need to lay down a clear roadmap for India's future development and the first and foremost task is to raise the growth rate. Noting that India was today the fifth largest economy, he said, "this is an impressive achievement." "However, in relation to per capita income, it is a different story. In 2020, India's rank with respect to per capita income was 142 out of 197 countries. This only shows the distance we have to travel. All the same, we have no choice but to grow fast, given the present level of per capita income,".

➢ According to calculations, he said, if the country achieves a 7% rate of growth continuously over the next two decades and more, it will make a substantial change to the level of the economy and India may almost touch the status of a developed economy.

DIGITAL PERSONAL DATA PROTECTION ACT, 2023 (DPDPA)

The Digital Personal Data Protection Act, 2023 (DPDPA) replaces the scrapped 2018 Data Protection Bill and establishes regulations for lawful personal data processing. It emphasizes accountability, transparency, and fairness in data handling while introducing gender-inclusive language. DPDPA takes a holistic approach, protecting all personal data equally without differentiating between personal data and sensitive personal data, aiming to safeguard all data at the same level.

BACKGROUND: In 2017, the Indian government formed a Committee of Experts on Data Protection, led by Justice B. N. Srikrishna, to address data protection concerns in the country. The committee submitted its report in July 2018. Subsequently, the Government of India has passed the Digital Personal Data Protection Bill, 2023. This bill has a broad scope, applying to the processing of digital personal data within India, whether collected online or digitized offline. It also extends its jurisdiction to data processing outside India if it involves offering goods or services within the Indian territory.

- DPDPA empowers and protects the rights of Data Principals in India, addressing contemporary data privacy concerns. DPDPA has a broad applicability scope, covering personal data collected in India, whether digitized or originally non-digital, and even extends to digital personal data processing by foreign entities targeting Indian Data Principals. It excludes personal data processed for personal or domestic purposes and data made publicly available by Data Principals, like on social media.
- The DPDPA 2023, strikes a balance between safeguarding individuals' data rights and allowing lawful data processing.

Key Provisions include:

- **Data Fiduciary Responsibilities:** Imposing obligations on entities processing personal data.
- **Data Principal Rights:** Defining the rights and duties of individuals related to their data.
- **Penalties for Breach:** Enforcing financial penalties for violations.

The Bill aims to:

- **Minimize Disruption:** Introduce data protection smoothly.
- **Boost Living and Business:** Enhance quality of life and business operations.
- **Promote Digital Economy:** Foster innovation in India's digital economy.

Seven Key Principles:

1) Consent and Transparency: Data use must have consent, legality, and transparency.

2) Purpose Limitation: Data can only be used for its specified purpose.

3) Data Minimization: Collect only the necessary data.

4) Data Accuracy: Maintain correct and up-to-date data.

5) Storage Restriction: Store data as long as needed for the purpose.

6) Security Safeguards: Ensure reasonable data security measures.

7)Accountability: Enforce penalties for data breaches and violations.

The Bill Grants Individuals These Rights:

- **Access to Data Info:** Check personal data processing.
- **Data Correction and Erasure:** Rectify or erase data.
- **Grievance Redressal:** Address complaints.
- **Nominate a Representative:** Appoint a proxy if unable.

The Bill Mandates Data Fiduciaries to:

- **Ensure Security:** Prevent data breaches.
- **Report Breaches:** Notify Data Principals and the Data Protection Board of breaches.
- **Delete Unnecessary Data:** Erase data when no longer needed.
- **Withdrawal of Consent:** Delete data upon consent withdrawal.
- **Address Complaints:** Establish a grievance system with an appointed officer.
- **Extra Duties for Significant Data Fiduciaries:** Comply with additional obligations like appointing a data auditor and conducting periodic Data Protection Impact Assessments for enhanced data protection.

TWO KEY GROUNDS FOR PROCESSING PERSONAL DATA:

1)Consent: Consent must be freely given, specific, informed, unconditional, and unambiguous, established through an affirmative action by the Data Principal. Consent can be withdrawn by Data Principals at any time during processing. For minors' data, lawful guardian consent is necessary.

2)Legitimate Use: This encompasses various reasons for processing personal data, including legal obligations and medical emergencies. Data Principals do not have the same rights to erase, correct, access, or withdraw consent when data is processed under legitimate uses. The DPDPA takes a narrower approach compared to GDPR, potentially impacting businesses reliant on contractual obligations for data processing.

3) Privacy notice Under the DPDPA, the requirement for a privacy notice applies when the ground for processing is consent. Data Fiduciaries must provide details about the personal data, its purpose, and how Data Principals can exercise their rights. The notice can be in English or one of the specified languages. Data Principals must also be informed about how to file a complaint with the Board. If consent was obtained before the law's commencement, a new privacy notice with these requirements must be provided.

- Data Fiduciaries must delete personal data once its intended purpose is fulfilled or when the Data Principal withdraws consent, whichever comes first.

Rights of Data Principal:

- **Right to Withdraw Consent:** Data Principals can stop data processing by withdrawing consent, facilitated by a Consent Manager.
- **Right to Grievance Redressal:** Data Principals have the right to address grievances, with response time to be notified. Qualified personnel are required for grievance resolution.
- **Right to Access Information:** Data Principals can request information about data processing, categories of shared data, and identities of Data Processors.
- **Right to Nominate:** Data Principals can assign a representative in case of incapacity or death to exercise their rights, a unique feature not found in many privacy regulations, acknowledging individual rights even after death.
- **Rights of Data Principal:** Data Principals can request Data Fiduciaries to correct, complete, update, or delete their personal data. These rights apply only when the ground of processing is consent, marking a significant change in India's privacy regulation.
- **Cross-border Data Transfer:** Data Fiduciaries can transfer personal data abroad unless restricted by the Central Government. This approach minimizes business impact by limiting restrictions to notified countries.

CTDI, GURUKUL FOR BANKERS
SCO 91, (1ST & 2ND FL) SEC. 47-D
CHANDIGARH-160047, 9317723230

DATA PROTECTION BOARD:

- The DPDPA outlines the Board's functions, qualifications for the chairperson, and disqualifications for board members. It addresses the resignation process and filling of vacancies.
- Key functions of the Board include: **(i)** monitoring compliance and imposing penalties; **(ii)** directing data fiduciaries to take necessary measures in the event of a data breach, and **(iii)** hearing grievances made by affected persons. Board members will be appointed for two years and will be eligible for re-appointment. The central government will prescribe details such as the number of members of the Board and the selection process.
- Appeals against the decisions of the Board will lie with TDSAT (Telecom Disputes Settlement and Appellate Tribunal).
- The Central Government can block a Data Fiduciary's platform, and the Board can hear complaints against Consent Managers. Threshold criteria can be prescribed for compensating Data Principals due to data breaches.

IMPLICATION TO RIGHT TO INFORMATION: The DPDPA amends aspects of The Right to Information Act, exempting personal data from disclosure under all circumstances, striking a balance between transparency and privacy.

PENALTIES FOR BREACHES AND NON-COMPLIANCE:

- **Breach in Observance of Duty of Data Principal:** Penalties for breaches related to the duty of a Data Principal can go up to INR 10,000.
- **Breach in Not Giving Notice of Personal Data Breach:** Failure to provide notice of a personal data breach can result in penalties of up to INR 200 Crore.
- **Breach in Observance of Additional Obligation in relation to Children:** Breaches of additional obligations concerning the protection of children's data can also lead to penalties of up to INR 200 Crore.
- **Non-Compliance of Provisions by Data Fiduciaries:** Data Fiduciaries who do not comply with the provisions of the Bill can face significant penalties, with amounts going up to INR 250/-
- Funds from penalties go to the Consolidated Fund of India.

POSITIVE ASPECTS OF THE DPDPA:

- **Boosts Growth and Innovation:** Promotes consumer trust, lawful data processing, and innovation in India's digital economy, benefiting businesses and the overall economy.
- **Empowers Data Principals:** Gives individuals control over their personal data, allowing them to withdraw consent, seek redress, correct, access, update data, and appoint a nominee, enhancing transparency and data control.
- **Provides Alternative to Consent:** Allows businesses to rely on legitimate uses other than consent for data processing, reducing the burden and cost of consent management.
- **Effective Data Processor Governance:** Requires Data Fiduciaries to engage Data Processors through agreements, making Data Processors accountable for their obligations, which can help manage risk.
- **Ease in Implementation:** Phased implementation allows organizations to plan and adapt to DPDPA provisions, reducing compliance resource requirements.
- **Relaxed Cross-border Transfer:** Minimally restrictive approach to cross-border data transfers helps businesses save costs on transfer mechanisms and boosts profitability.

EXEMPTIONS:

- **Notified Agencies**: Certain agencies can be exempted in the interest of security, sovereignty, public order, and related concerns. Exemptions are available for activities involving personal data when it is used for research, archiving, or statistical purposes. The Bill allows exemptions for the enforcement of legal rights and claims.
- **Startups and Notified Categories of Data Fiduciaries:** Startups and other specified categories of Data Fiduciaries may enjoy exemptions under certain conditions.
- **Preventing, Detecting, Investigating, or Prosecuting Offenses:** Activities related to preventing, detecting, investigating, or prosecuting offenses can be exempted.
- **Processing Personal Data of Non-Residents Under Foreign Contract**: Exemptions are available for processing personal data of non-residents under foreign contracts.
- **Approved Merger, Demerger, etc.:** Exemptions can be granted for approved merger, demerger, and similar corporate activities.
- **Locating Defaulters and their Financial Assets:** Exemptions are provided for activities aimed at locating defaulters and their financial assets.

POTENTIAL CHALLENGES IN DPDPA IMPLEMENTATION:

- **Data Processing under Contractual Obligations**: The law does not explicitly categorize contractual obligations under legitimate uses, raising uncertainty about whether businesses can process personal data under contracts or if consent is required.
- **No Obligation for Data Mapping**: The DPDPA does not mandate the maintenance of records or data maps, making it challenging to track and manage the flow and storage of personal data within organizations.
- **Processing of Children's Personal Data**: The criteria for what constitutes "verifiably safe" processing of children's data are unclear, potentially affecting the protection of children's rights.
- **Limitation on Data Principal Rights**: Rights such as access, correction, and erasure do not apply when data is processed for legitimate uses unless Data Principals voluntarily provide their data, creating potential discrimination against those whose data is collected for legitimate purposes.
- **Exemptions for Data Fiduciaries**: The Central Government can exempt Data Fiduciaries or classes of them from certain obligations, but the rationale behind such exemptions is unclear, leading to potential inconsistencies in compliance.

LEI FOR ALL NON INDIVIDUAL FOREIGN PORTFOLIO INVESTORS:

The Legal Entity Identifier (LEI) code is a unique 20-character global code used to identify distinct legal entities involved in financial transactions. It was established to enhance the accuracy and quality of financial data systems, especially for risk management, following the Global Financial Crisis. Currently, the Reserve Bank of India (RBI) mandates that non-individual borrowers with aggregate exposures exceeding Rs. 25 crore obtain an LEI code.

Previously, Foreign Portfolio Investors (FPIs) had the option to voluntarily provide their LEI details in the Common Application Form (CAF), which is used for registration, Know Your Customer (KYC) processes, and account opening. However, in a recent directive, the Securities and Exchange Board of India (SEBI) has made it compulsory for all non-individual FPIs to submit their LEI details.

Existing FPIs, including those applying for renewal, who have not yet provided their LEIs to their Depository Participants, are required to do so within 180 days, or before January 27, 2023. FPIs must ensure that their LEI remains active at all times. If an FPI's LEI code expires or lapses, their accounts will be blocked, preventing further purchases in the securities market until the LEI code is renewed. In India, LEIs can be obtained from Legal Entity Identifier India Ltd. (LEIL), a subsidiary of CCIL.

GOVERNANCE IN BANKS - DRIVING SUSTAINABLE GROWTH AND STABILITY

A strong and effective financial intermediation structure is crucial for optimal allocation of financial resources. Banks, which rely heavily on deposits and debt providers, have greater leverage and fiduciary responsibility. Trust in financial institutions relies on both legal frameworks and ethical governance. While regulations and supervision help maintain trust, addressing governance issues requires higher standards for banks compared to other entities to prevent the risk of failure.

CHALLENGES FOR BANK BOARDS:

Bank boards face significant challenges in achieving sound corporate governance. Two main issues stand out:

a) Elevated Position and Responsibility:

Banks hold a distinct position compared to other financial or non-financial entities, leading to higher expectations for their governance. Their critical role in the financial system intensifies the need for effective oversight.

b) Complex Stakeholder Dynamics:

Depositors, a crucial bank stakeholder group, are often widespread, varied, and less engaged. This complexity amplifies problems like the principal-agent dilemma and information imbalances, which are already challenging in traditional corporate settings.

To maintain effective governance, bank boards must address these challenges, ensuring that management's motivations align with the interests of depositors and other stakeholders.

STEPS TAKEN BY THE RBI TO IMPROVE GOVERNANCE IN BANKS:

a) Foundational Legislation (Pre-1949):

The Banking Regulation Act of 1949 mandated professional and expert majority on bank boards. RBI was given authority over appointment, removal, and reconstitution of boards.

b) Executive Compensation Regulation (Pre-1949):

RBI was empowered to prevent excessive compensation for bank CEOs through the Banking Regulation Act of 1949.

c) Regulatory Focus on Governance:

Over the years, RBI's instructions and circulars emphasized management and control in banks.

d) Advisory Group on Corporate Governance (2001):

Led by R.H. Patil, this group recommended comprehensive corporate governance practices, covering directors' responsibilities, accountability, independent directors' selection, board structure, committees, stakeholders' roles, and disclosures.

e) Consultative Group of Directors (2002):

Chaired by A.S. Ganguly, this committee suggested guidelines on directors' responsibilities, including independent and non-executive directors, board committees, and fit and proper criteria for private sector bank directors. The Ganguly Committee suggested the formation of the following committees of the board, in addition to the Nomination Committee: Audit Committee, Shareholders: Redressal Committee, Supervisory Committee and Risk Management Committee.

f) Governance Review Committee (2014):

Chaired by Dr. P.J. Nayak, the committee made significant recommendations, emphasizing improved board deliberation on critical themes like business strategy, financial integrity, risk, compliance, customer protection, financial inclusion, and human resources. RBI instructed banks to replace the Calendar of Reviews with these themes.

The committee touched upon three significant issues:

(i) Examining the most significant pain points that stymie the performance of PSBs; the perverse incentives in the current structure because State ownership, but also because of operational controls by the State. The committee thinks that the State should continue as an investor; intervene on issues of larger public good through policies in consultation with RBI and ensure that these policies affect the private banks and PSBs equally; and keep completely off operational control. The solution offered is elegant: It suggests that the government reduce its stake in the banks to just about less than 50% which takes the banks out of the tyranny of vigilance, right to information (RTI) while keeping the State as the dominant shareholder and not losing ownership based control.

(ii) Examining aspects affecting the leadership in being effective in the banks, the committee rightly identifies the problem in the process of appointing the Chairman and whole time Directors, and their tenures. Management effectiveness would be addressed if the above issues are taken care of. The third important issue that the committee touches upon is the process of governance and the transitional arrangements.

(iii) The committee suggests a radical and an involved model of moving all the government shareholding in PSBs to a special vehicle similar to a holding company. This structure would have the basic function of protecting the commercial interests of the State. This committee will have the power also to make appointments of whole-time directors and directors that represent the state, while the rest of the independent directors would be inducted through the process of identification of skill gaps and through a nomination process of the board.

g) Compensation Guidelines (2012 and 2019):

RBI recognized the influence of compensation on risk-taking incentives for bank executives. In 2012, compensation guidelines were issued, addressing risk. In 2019, the guidelines were revised based on international best practices and FSB's Supplementary Guidance on managing misconduct risk through compensation tools (issued in 2018).

KEY TAKEAWAYS FROM RECENT EVENTS ON GOVERNANCE CHALLENGES:

a) Transparency and Trust Building: Boards should ensure management's transparency about financial performance and risk management practices. Transparency fosters stakeholder trust and enables investors to assess associated risks.

b) Clear Expectations for Risk Management: Boards must set clear expectations for management regarding risk management and corporate governance.

Regular reporting by management on risk appetite, exposures, and mitigation strategies is essential.

c) Objective Performance Appraisal and Accountability: Boards should objectively assess management's performance and hold them accountable for their actions. Suitable actions, including management replacement, must be taken if expectations are not met, enhancing governance and risk management.

d) Long-Term Risk-Aligned Remuneration: Through Nomination and Remuneration Committees, boards should ensure management compensation considers long-term risk realization. Compensation systems should integrate checks for risk assessment, moving beyond short-term profit focus.

e) Effective Self-Assessment Framework: Boards need a policy framework for assessing their own effectiveness, aligned with strategies and risk profiles.

Effectiveness assessment should encompass individual directors, committees, and the overall board.

A well-qualified, attentive board plays a critical role in averting management failures and promoting effective governance.

ASSURANCE FUNCTIONS AND BOARD'S ROLE:

a) Guidelines for Assurance Functions:

RBI emphasizes the significance of assurance functions, supported by guidelines on providing authority, resources, and independence.

Boards are tasked with actively identifying and approving heads of control and assurance functions.

b) Communication and Information Exchange: Clear communication channels are mandated between the Board/committees and control/assurance function heads.
Regular information exchange ensures timely identification of concerns and potential remedies.

c) Supervision and Governance Link: Supervision is referred to as the "fifth line of defence," supplementing the classic three lines of defence. Governance framework set by the Board ensures that all lines of defence work together effectively.

d) Regulation and Governance Connection: Regulators define the regulatory boundaries and guide entities to prevent unexpected incidents. While regulators set governance best practice instructions, boards lead strategic direction, engage with management, review policies, ensure performance-pay alignment, and enforce accountability.

e) Role Analogy: Analogous to football, the governance framework and its three lines of defence (like forwards, midfielders, defenders) collaborate to keep operations smooth, with supervision as the goalkeeper, preventing potential issues.
Boards' engagement with assurance functions, supervision, and governance is crucial for effective risk management, compliance, and adherence to best practices.

GOVERNANCE AND CONDUCT IN FINANCIAL INSTITUTIONS:

a) Twin Peaks Model: Prudential and conduct regulations form the twin peaks model, focusing on governance with equal importance on prudence and ethical business conduct.

b) Conduct Importance: Good performance should be achieved while adhering to acceptable customer conduct, market behavior, and strong corporate governance.

c) Underprioritized Conduct Issues: Boards often overlook matters of conduct, including customer service, ethical employee behavior, data privacy, and cyber security, which are crucial, especially during times of innovation and disruptions.

d) Soft Pillars of Success: Ethical conduct and best practices in areas like customer service and data privacy are foundational for successful financial institutions, particularly in challenging times.

e) Board's Role in Culture: Boards should foster a culture of exceeding baseline regulatory compliance, aiming for industry-leading standards. A suitable policy framework should guide the board's assessment of effectiveness and composition.

f) Future Perspective: As India aims for development by 2047, robust governance frameworks will help financial institutions attract the needed resources for growth. Trust from stakeholders like depositors hinges on strong governance, control, and assurance functions.

g) Competitive Landscape: Amidst global competition, diverse markets, and interconnectedness, now is the opportune time for financial institutions to enhance governance frameworks and assurance functions to ensure efficiency and resilience.
The convergence of governance and ethical conduct is pivotal in creating a strong foundation for financial institutions' growth and success.

CONCLUSION: In conclusion, India's pursuit of developed status by 2047 necessitates significant financial resources to support growth and future ambitions. To facilitate this, robust governance structures are essential for financial institutions. These structures enable them to attract resources seamlessly and command a governance premium. Establishing and maintaining trust among stakeholders, including depositors and financial resource providers, is crucial. This trust is cultivated through robust governance, control, and assurance functions within financial institutions.
Moreover, the goal of efficient financial intermediation with positive impacts on real sectors aligns with the competitive, diverse, and interconnected global landscape.

(SUMMARY OF REMARKS DELIVERED BY Sh. RAJESHWAR RAO, DY. GOVERNOR RBI)

POLICY GUIDELINES

RBI LAUNCHES - UDGAM

➢ Given the increasing trend in the amount of unclaimed deposits, RBI has been undertaking public awareness campaigns from time to time to sensitise the public on this matter. Further, through these initiatives, the RBI has been encouraging members of public to identify and approach their respective banks for claiming unclaimed deposits.

➢ In continuation of these initiatives, the RBI's Governor launched a Centralised Web Portal **UDGAM (Unclaimed Deposits – Gateway to Access information)**. This portal has been developed by RBI for use by members of public to facilitate and make it easier for them to search their unclaimed deposits across multiple banks at one place.

➢ The launch of the web portal will aid users to identify their unclaimed deposits/ accounts and enable them to either claim the deposit amount or make their deposit accounts operative at their respective banks. Reserve Bank Information Technology Pvt Ltd (ReBIT), Indian Financial Technology & Allied Services (IFTAS) and participating banks have collaborated on developing the portal.

➢ To begin with, users would be able to access the details of their unclaimed deposits in respect of seven banks presently available on the portal. The search facility for remaining banks on the portal would be made available in a phased manner by October 15, 2023.

REQUIREMENT FOR MAINTAINING ADDITIONAL CASH RESERVE RATIO:

➢ Under Section 42(1) of the Reserve Bank of India Act, 1934, all Scheduled Banks are required to maintain with Reserve Bank of India a Cash Reserve Ratio (CRR) of 4.50 per cent of Net Demand and Time Liabilities (NDTL).

➢ On a review of the current liquidity conditions and in exercise of the powers conferred by sub-section (1A) of Section 42 of the RBI Act, 1934, the Reserve Bank of India has directed that all Scheduled Commercial Banks / Regional Rural Banks / all Scheduled Primary (Urban) Co-operative Banks / all Scheduled State Co-operative Banks, shall maintain with the Reserve Bank of India, with effect from the fortnight beginning August 12, 2023:

➢ An additional average daily balance over and above the average daily balance required to be maintained under Section 42 (sub section 1); and that the amount of such additional average daily balance shall not be less than 10 per cent of the increase in net demand and time liabilities between May 19, 2023 and July 28, 2023.

FAIR LENDING PRACTICE - PENAL CHARGES IN LOAN ACCOUNTS:

➢ The Reserve Bank has issued various guidelines to the Regulated Entities (REs) to ensure reasonableness and transparency in disclosure of penal interest.

➢ As per the extant guidelines, lending institutions have the operational autonomy to formulate Board approved policy for levy of penal rates of interest. RBI has observed that many REs use penal rates of interest, over and above the applicable interest rates, in case of defaults / non-compliance by the borrower with the terms on which credit facilities were sanctioned.

➢ The intent of levying penal interest/charges is essentially to inculcate a sense of credit discipline and such charges are not meant to be used as a revenue enhancement tool over and above the contracted rate of interest. However, supervisory reviews have indicated divergent practices amongst the REs with regard to levy of penal interest/charges leading to customer grievances.

➢ **On a review of the practices followed by REs for charging penal interest/charges on loans, the following instructions are issued for adoption.**

➢ **(i)** Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.

➢ **(ii)** The REs shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.

➢ **(iii)** The REs shall formulate a Board approved policy on penal charges or similar charges on loans, by whatever name called.

➢ **(iv)** The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.

➢ **(v)** The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.

➢ **(vi)** The quantum and reason for penal charges shall be clearly disclosed by REs to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable, in addition to being displayed on REs website under Interest rates and Service Charges.

➢ **(vii)** Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

➢ **(viii)** These instructions shall come into effect from January 1, 2024. REs may carry out appropriate revisions in their policy framework and ensure implementation of the instructions in respect of all the fresh loans availed/ renewed from the effective date. In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date or six months from the effective date of this circular, whichever is earlier.

➢ These instructions shall, however, not apply to Credit Cards, External Commercial Borrowings, Trade Credits and Structured Obligations which are covered under product specific directions.

PRE-SANCTIONED CREDIT LINES AT BANKS THROUGH UNIFIED PAYMENTS INTERFACE (UPI):

➢The Reserve Bank of India has expanded the scope of the Unified Payments Interface (UPI) System by also including pre-sanctioned credit lines issued by banks for transactions. Earlier, only the deposited amount could be transacted through the UPI System.

➢Currently, savings accounts, overdraft accounts, prepaid wallets and **credit cards** can be linked to UPI. Now the scope of UPI has been expanded by the inclusion of credit lines as a funding account. Under this facility, payments through a pre-sanctioned credit line issued by a Scheduled Commercial Bank to individuals, with the prior consent of the individual customer, are enabled for transactions using the UPI System.

➢Banks may, as per their board approved policy, stipulate terms and conditions of use of such credit lines. The terms may include, among other items, credit limit, period of credit, rate of interest, etc. This can reduce the cost of such offerings and help in development of unique products for Indian markets.

➢The UPI is a robust payments platform supporting an array of features. Presently it handles 75% of the retail digital payments volume in India. The UPI system has been leveraged to develop products and features aligned to India's payments digitisation goals. Recently, RuPay credit cards were permitted to be linked to UPI.

➢At present, UPI transactions are enabled between deposit accounts at banks, sometimes intermediated by pre-paid instruments including wallets.

GOVERNOR, RBI MEETS MD & CEOs OF NBFCs (INCLUDING HFCs) AND SELECT GOVT. NBFCS:

➢The Governor, RBI held a meeting with the MD & CEOs of select large Non-Banking Financial Companies (NBFCs), including Government NBFCs and Housing Finance Companies (HFCs) in Mumbai. These Entities constitute nearly 50 per cent of the total assets of all NBFCs including HFCs.

➢The Governor highlighted the need for further strengthening the governance standards & assurance mechanism *viz.* Compliance, Risk management and Internal audit in these entities.

➢Discussions were also held on diversifying the resources for NBFCs and HFCs to contain the increasing reliance on bank borrowings; risks associated with high credit growth in retail segment mostly in unsecured; prioritising the upgradation of IT systems and cyber security; strengthening Balance Sheets with improved provisioning cover; monitoring of stressed exposures and slippages; ensuring robust liquidity and asset-liability management; ensuring reasonableness and transparency in pricing of credit; and adherence to Fair Practices Code including robust grievance redress mechanism.

CONFERENCE FOR THE DIRECTORS ON THE BOARDS OF SELECT LARGE UCBs:

➢The Reserve Bank of India held a Conference of Directors on the Boards of Tier 3 and 4 Urban Cooperative Banks (UCBs) in Mumbai. The Governor, RBI inaugurated the Conference on the theme **'Governance in Banks - Driving Sustainable Growth and Stability'**.

➢Recalling the objectives and strengths of UCBs in furthering financial inclusion and supporting economic development by providing last mile connectivity, the Governor acknowledged the role played by UCBs in these aspects. He noted that while the UCB sector has displayed improved financial performance at an aggregate level in recent times, concerns and vulnerabilities are seen for certain individual entities. He highlighted the need for the UCBs to strengthen their financial and operational resilience so as to contribute to the overall financial and banking sector stability.

➢Turning to specific expectations from the UCBs, the Governor stressed that the quality of governance was the most important aspect in ensuring stability of individual banks and urged the Directors of UCBs to further strengthen governance practices, especially the three supporting pillars of Compliance, Risk Management, and Internal Audit. On the functioning of Boards, the Governor emphasized five aspects - adequate skills and expertise of Directors, constitution of a professional Board of Management, diversity and tenure of Board members, transparent and participatory nature of Board discussions, and effective functioning of Board level Committees. He also emphasised on a planned approach towards human resources in the UCBs to ensure adequate quality and right size of manpower in UCBs.

➢The Governor reinforced the need for Board's involvement in upholding rigorous credit risk management including robust underwriting standards, effective post sanction monitoring, timely recognition and mitigation of incipient stress, rigorous follow up of large NPA borrowers for effective recovery, and maintaining adequate provisioning. He emphasised that the role of Directors is very significant in ensuring the integrity and transparency of financial statements, and cautioned against use of innovative accounting practices to camouflage the actual financial position.

➢ The Governor urged the Boards to be more proactive in Asset Liability Management and the necessity of managing liquidity risk in a more systematic manner. He also stressed that the Board's role is pivotal in establishing a robust IT and cybersecurity infrastructure and availability of requisite skills at the bank level.

CTDI PUBLICATIONS

- **BANKER'S BRIEFCASE:** Book designed to update the knowledge and sharpen the skills for facing interview confidently. A comprehensive masterpiece developed to cover all important topics required to update you for all promotion interviews. A must have book to ensure your success in interview. (Price Rs. 800/- + 150/- Speed Post Charges). UNDER PRINT.
- **GURUKUL BANKING CAPSULE:** A quick power packed digest on Banking Law, PS, Loans & Advances, Foreign Exchange & Important latest concepts. A must for all bank exams and interviews. (Price Rs. 600 +100/- Speed Post).
- **GURUKUL'S BANKING LAW & PRACTICE:** Book designed to empower the practicing bankers with inputs relating to relevant / latest legal concepts in Banking. (Price Rs. 500/- + 100/- Speed Post Charges).
- **MOCK TEST PAPERS - CD:** Covering 1000 Recollected Q's of previous Bank Promotion Tests of last seven years. (Price Rs. 1000/-).
- **RATIONALES, BANKING PROBLEMS AND FOR & AGAINST:** Based on Recollected Questions of State Bank Group (TOs/ JOs Test & Scale I to II) of last six years. (Price Rs. 500/- + 100/- Speed Post Charges).
- **SITUATIONAL ANALYSIS & DECISION MAKING:** Book designed to sharpen the skills - SBI Group Specific. (Price Rs. 500/- + 100/- Speed Post Charges).
- **RECOLLECTED QUESTIONS CAPSULE:** Publication on Recollected Q's asked in different Bank promotions & Mock Tests – (Price Rs.500/- + 100/- Speed Post Charges).
- **ECONOMICS FOR BANKERS:** Covering Micro & Macro Economics, Indian Economics and Mock Tests specially designed for PNB Promotion Test. (Price Rs. 400/- +100/- Speed Post).
- **ENGLISH OBJECTIVE TYPES PAPERS:** Fifteen Tests Papers especially designed for OBC, CBI, UCO Bank and IOB etc. (Price Rs. 500/- + 100/- Speed Post).

  JAIIB / CAIIB BOOKS: Based on new syllabus prescribed by IIBF Mumbai – All subjects with Objective Type Tests.
- **ADVANCED BANK MANAGEMENT WORKBOOK:** Contains Numerical / Case Studies based on Recollected Q's with solutions step wise. (Price Rs.600/-+100/- Speed Post Charges).
- **BANK FINANCIAL MANAGEMENT WORKBOOK:** Contains Numerical / Case Studies based on Recollected Questions with solutions step wise. (Price Rs. 600/- + 100/- Speed Post Charges).

CONTEMPORARY BANKING & FINANCE: (MONTHLY MAGAZINE) Subscription Online Magazine Rate Rs.500/850/1200 for 1/2/3 Years.
For Hard Copy: The hard copy will be send thru Regd. Post. Cost of one year magazine subscription is Rs.750/- + Rs.350/- on account of Regd. post charges. Total amount Rs.1,100/- A Monthly Journal to keep your banking knowledge up to date. Designed especially for Bankers undertaking promotion tests / Interviews - career advancement. Includes Rationales, Problems on Banking, Recollected Q's of various Bank exams. Broad coverage of General Knowledge related to Economy, Banking & Finance.Brain Storming Questions to test the knowledge and sharpen the skills.

BRANCH OFFICES ADDRESS:

HYDERABAD BRANCH: CTDI, Kachiguda Pride, Ground Floor, 3-1-328, Nimboli Adda,332 Kachiguda Station Road, Hyderabad-500027. Mob: 9395140742

PATNA BRANCH: Office No. 203, Opp. PNB Union Office, Exhibition Road, SabooChambres, Behind Republic Hotel, Patna. Mob: 07050131270

BANGALORE: HOUSE NO. 26, INDIAN EXPRESS LAYOUT, VERPAKASHPURA, VIDHAYARANIPUR – POST,
BANGALORE – 560097 (KARNATAKA), Mob: 09449524992

FOR DETAIL OF PROGRAMMES SCHEDULE PLEASE VISIT OUR WEBSITE:WWW.CORPORATETRAININGINSTITUTE.COM

DISTANCE EDU MODULES

Keeping in view the request of fairly large number of staff members of different banks who are not in a position to attend the regular training program, we have started **DISTANCE EDU MODULES with the** objective of providing exam oriented inputs for their promotion.

BANK PROMOTION MODULE

- Study Kit I - Covering Banking Law & Practice – Objective Type Questions with Answer.
- Study Kit II - Loans & Advances including PS & BS Analysis.
- Banking Law and Practice Book, Mock Test Papers covering 1600 Q's with answers, Bankers Briefcase etc.
- Banking Capsule, Financial GK Capsule covering previous recollected Q's, Computer / IT Capsule.
- Other bank specific books. Password for accessing online / downloading of updated material.

COST OF PACK: Rs. 2,700/- (including Speed Post Charges) (vide DD favouring CTDI payable at Chandigarh). Or through CA NO : 7718002100000011 & NEFT / IFSC CODE : PUNB0771800, BANK NAME : PNB, SECTOR -47, CHANDIGARH.
DESPATCH: Entire Material will be sent through Speed Post on receipt of amount.

HIGHLIGHTS:
- Study kits contains descriptive inputs along with objective / multiple choice questions to reinforce the learning process.
- Recollected questions from previous examinations included.
- Facility of Password to access special exam oriented inputs on our website.

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

JAIIB / CAIIB MODULE

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

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

COST OF STUDY MATERIAL: Rs.800/- per subject for JAIIB and Rs. 900/-per subject for CAIIB (inclusive of Speed post charges). The study material will comprise of one Descriptive book and one MCQ's book /workbook for CAIIB covering case studies.
The amount may be remitted on-line in CTDI's Current Account No: 7718002100000011. 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: 7718002100000011. IFSC CODE: PUNB0771800, BANK NAME : PNB, SEC. 47 D, Chandigarh.

TIT BITS

●**The Financial Services Institutions Bureau (FSIB) has recommended allocation for respective bank ED:**

1) Sanjay Rudra as ED for the Union Bank of India.
2) Lal Singh as ED for the Bank of Baroda.
3) Bibhu Prasad Mahapatra as ED for the Punjab National Bank.
4) Shiv Bajrang Singh as ED for the Indian Bank.
5) Ravi Mehra as ED for the Punjab & Sind Bank.
6) Rajiv Mishra as ED for the Bank of India.
7) Bhavendra Kumar as ED for the Canara Bank.
8) Brajesh Kumar Singh as ED for the Indian Bank.
9) Rohit Rishi as ED for the Bank of Maharashtra.
10) Mahendra Dohare as ED for the Central Bank of India.
11) Dhanraj T as ED for the Indian Overseas Bank.
12) Vijaykumar Navrutti Kamble as ED for the UCO Bank.

●**DIGITAL PAYMENTS:** As per RBI index, digital payments in India experienced remarkable growth @ 13.24% in the fiscal year 2022-2023.

●**PRADHAN MANTRI MUDRA YOJANA IN FY 2022-23:** The Union Minister for State Mr. Karad has stated that the Pradhan Mantri MUDRA Yojana (PMMY) has achieved a milestone by sanctioning over 6.23 crore loans during the year 2022-23. The PMMY aims to facilitate access to institutional finance for new and existing micro units, offering loans of up to 10 lakh rupees.

●**NEW RECORD OF INCOME TAX RETURNS (ITRS) FILED:** On 31st July 2023 alone, there were 2.74 crore successful logins leading to a new record of over 6.77 crore ITRs filed till 31st July 2023, representing a significant growth of 16.1% Year-on-Year.

●**PM YASASVI SCHEME:** The National Testing Agency (NTA) has started the registration procedure of the applicants for the scholarship programme on the NTA's website by 10th August 2023 under the YASASVI Scheme. The government has planned to offer 15000 scholarships ranging from Rs.75,000 to Rs.1,25,000 per year to class 9-12 meritorious students through the PM YASASVI Scholarship test.

●**AVIATION SECTOR WITNESSES 93% INCREASE IN GROSS CREDIT DEPLOYMENT:** According to RBI report, gross credit deployment by Indian banks in the aviation sector has seen a staggering 93.4 per cent year-on-year jump in June 2023. The total outstanding credit by 40 scheduled banks was over Rs.21,733 crore in June 2022, which rose to Rs.42,033 crore in June 2023.

●**WINDFALL TAX ON CRUDE INCREASED:** The centre has increased windfall tax on domestically produced crude petroleum to Rs.4,250 per tonne from existing Rs.1,600 per tonne. Export duty on petrol and export duty for Aviation Turbine Fuel (ATF). will continue to be nil.

●**SBI RAISES RS 10,000 CRORE VIA UNSECURED LONG-TERM INFRA BONDS:** State Bank of India has raised Rs.10,000 crore at a coupon rate of 7.54 per cent through its third infrastructure bond issuance. The proceeds will be used in enhancing its long-term resources for funding infrastructure and the affordable housing segments. The issue attracted overwhelming response from investors with bids of Rs.21,698 crore and was oversubscribed 4.34 times against the base issue size.

●**BAJAJ FINANCE DEPOSITS CROSS RS.50,000 CRORE:** Bajaj Finance has become the country's largest deposit taking non-banking financial company (NBFC), with its consolidated deposit has crossed the Rs.50,000 crore mark in July 2023 and the number of depositors has risen to 5,00,000.

●**'MASI' PORTAL FOR MONITORING CHILD CARE HOMES**: The National Commission for Protection of Child Rights (NCPCR) has developed the 'MASI' (Monitoring App for Seamless Inspection) application for real time monitoring of Child Care Institutions (CCIs) and their inspection process across the country. The primary objective behind the development of 'MASI' is to ensure the effective and efficient functioning of the inspection mechanism for CCIs as provided under the Juvenile Justice Act, 2015.

●**SBI POSTS HIGHEST EVER QUARTERLY PROFIT OF Rs. 16,884 CRORE:** State Bank of India has achieved its highest-ever quarterly profit at Rs.16,884 crore for the first quarter of FY 2023-24 representing a significant jump from Rs. 6,068 crore in the same period of previous year. This was attributed to a decline in bad loans and increased interest income.

●**'MERI MAATI MERA DESH COMPAIGN':** Various Air Force Stations in and around Delhi have celebrated the Azadi Ka Amrit Mahotsav from 09 to 15 August 2023. The events were organized under the aegis of the 'Meri Maati Mera Desh Campaign', launched by the Govt. One of the key activities of the campaign was the development of an Amrit Vatika in each station by planting 75 saplings of indigenous species.

●**PM UCHCHATAR SHIKSHA ABHIYAN (PM-USHA):** Govt. has introduced the Pradhan Mantri Uchchatar Shiksha Abhiyan (PM-USHA) for enhancing access, equity, and excellence in higher education across States and Union Territories. Out of the total States and Union Territories, only 22 have joined the PM-USHA and West Bengal, Tamil Nadu, and Kerala, have declined participation.

●**'LAKHPATI DIDI' SCHEME:** The scheme is aimed to provide skill training to two crore women across the nation. The scheme, previously implemented in select states, now seeks to expand its reach and impact on a national scale. The 'Lakhpati Didi' scheme is designed to empower women by equipping them with essential skills that pave the way for the establishment of micro-enterprises.

●**JAN DHAN ACCOUNTS CROSS 50 CRORE-MARK:** Total number of Jan Dhan accounts has crossed the significant 50 crore mark within a span of approx. 9 years. Out of the total Jan Dhan accounts, an encouraging 56 percent are owned by women, indicating a remarkable step towards gender inclusivity in financial matters. Around 67 percent of these accounts have been opened in rural and semi-urban areas, showcasing the program's widespread reach and positive impact in less urbanized regions.

●**RBI SELECTS MCKINSEY AND COMPANY, ACCENTURE SOLUTIONS TO USE AI, ML TO IMPROVE REGULATORY SUPERVISION:** The RBI has selected global consultancy firms McKinsey & Company India Ltd. and Accenture Solutions Pvt. Ltd. India to develop systems using artificial intelligence (AI) and machine learning (ML) for its supervisory functions. The RBI is looking to extensively use advanced analytics, artificial intelligence and machine learning to analyse its huge database and improve regulatory supervision over banks and NBFCs.

●**INDIA BECOME WORLD'S 3RD LARGEST START-UP ECOSYSTEM:** PM Modi has stated that the policies of the government are providing support to the youth and their strength has helped India become the third largest start-up ecosystem in the world. The government has recognised as many as 98,119 entities as start-ups as on April 30 2023. They are eligible for availing incentives, including tax benefits under the Startup India scheme.

●**FRESH GUIDELINES FOR TAX EXEMPTIONS ON LIFE INSURANCE POLICY:** The Central Board of Direct Taxes (CBDT) has issued new guidelines under clause 10D of section 10 of the Income-Tax Act, 1961, which provide that with effect from the assessment year 2024-25, the sum received under a life insurance policy, other than a unit-linked insurance policy, issued on or after the first day of April 2023, shall not be exempt under the said clause if the amount of premium payable for any of the previous years during the term of such policy exceeds Rs.5,00,000/-. However, the provisos shall not apply in case of any sum received on the death of a person.

●**CABINET APPROVES RS. 13,000 CRORE PM VISHWAKARMA SCHEME:** Govt. has approved an amount of Rs.13,000 crore for PM Vishwakarma scheme that will benefit about 30 lakh traditional artisans and craftsmen, including weavers, goldsmiths, blacksmiths, laundry workers, and barbers. Under the scheme, craftsmen will be provided a subsidised loan of Rs. 1 lakh in the first tranche, and another Rs. 2 lakh in the second tranche. The loans will be provided at a concessional interest rate of 5 per cent.

●**HDFC GROUP LAUNCHES LIFE INSURANCE, ASSET MANAGEMENT SERVICES FROM GIFT IFSC:** HDFC Group has launched its life insurance and asset management services at International Financial Services Centre (IFSC) in Gujarat's GIFT City. HDFC International Life has been set up by HDFC Life, while HDFC AMC International (IFSC) Ltd has been established by HDFC Asset Management Company to offer services to Non-Resident Indians (NRIs) and the global Indian migration.

●**GOVT. ANNOUNCES 'GREEN' HYDROGEN STANDARD:** Govt. has announced the definition of Green hydrogen. The Green Hydrogen Standard for India sets a criterion of 2 kg CO_2 equivalent per kg H_2 as a 12 month average emission threshold. The guidelines established by the Govt. delineate the emission benchmarks that must be fulfilled for hydrogen production to qualify as 'Green', signifying its origin from renewable sources. Green hydrogen is a colourless, odourless, tasteless, non-toxic and highly combustible gaseous substance and transition towards a carbon-neutral economy.

●**HSBC INDIA'S GREEN HYDROGEN PARTNERSHIPS:** FM Sitharaman has launched strategic partnerships between HSBC India and prominent institutions, namely the Indian Institute of Technology, Bombay, and the Shakti Sustainable Energy Foundation. The collaboration, which comes with a substantial grant support totaling Rs.15 crore ($2 million), marks a pivotal moment in advancing projects that prioritize green hydrogen as a strategic alternative fuel.

●**KOLKATA BECOMES 3RD INDIAN CITY TO GET AIR QUALITY EARLY WARNING SYSTEM:** Kolkata has adopted an Air Quality Early Warning System (AQEWS), developed by the Indian Institute of Tropical Meteorology (IITM) based in Pune. This system offers both real-time air pollution data and forecasts, with the objective of enhancing readiness and facilitating measures to tackle the escalating air pollution levels within the city.

●**ARIEL PAYMENTS BANK PARTNERS WITH FRONTIER MARKETS, MASTERCARD:** Airtel Payments Bank, in collaboration with Mastercard Center and Frontier Markets, has introduced a transformative initiative named '**She Leads Bharat : Udyam'.** This initiative is designed to uplift 100,000 women-owned small businesses by providing them with opportunities to learn and earn.

●**SVAMITVA SCHEME WIN NATIONAL AWARD FOR E-GOVERNANCE 2023:** The SVAMITVA (Survey of Villages Abadi and Mapping with Improvised Technology in Village Areas) Scheme, initiated by the Govt., has been honored with the prestigious National Award for e-Governance 2023 (Gold) in recognition of its application of emerging technologies to deliver citizen-centric services. The SVAMITVA Scheme, represents a revolutionary initiative aimed at granting property ownership rights to individuals residing in village-inhabited areas.

●**SBI LAUNCHES AADHAAR-BASED ENROLMENT FOR SOCIAL SECURITY SCHEMES:** State Bank of India has enhanced financial inclusivity and social welfare by introducing an innovative Customer Service Points functionality. This functionality allows customers to seamlessly enrol in essential social security schemes using just their Aadhaar cards. This aims to make the process of accessing social security schemes smoother and more accessible to all individuals.

●**OLA, HERO MOTO, TVS, ATHER HAVE BEEN ORDERED TO PAY RS. 278 CR BY NOV 2023:** Due to complaints from consumers regarding non-receipt of reimbursement for off-board charges, Govt. has taken action against four defaulting original equipment manufacturers (OEMs): Ola Electric, Ather Energy, TVS Motor Company, and Hero MotoCorp. The companies have been ordered to pay a combined total of approximately Rs. 278 crore to around 200,000 customers by the end of November 2023.

●**MFIS OVERTAKE BANKS IN MICRO LENDING WITH 40 PC SHARE:** According to an analysis, standalone MFIs overtook banks in micro lending in 2022-23 with a 40 per cent share of loans in the country. MFIs have clawed back from 32 per cent share in FY20, which declined further to 31 per cent in FY21 before improving to 35 per cent in FY22.

●**GOVT. E-MARKET PLACE SURPASSES INR 1 LAKH CRORE GROSS MERCHANDISE VALUE:** Government e-Marketplace (GeM) has achieved a milestone, crossing INR 1 lakh crore in Gross Merchandise Value (GMV) within a remarkable span of 145 days in the current financial year, FY 2023-24. This outstanding achievement underscores GeM's commitment to revolutionizing government procurement and signifies a substantial improvement compared to the previous year.

●**'360-DEGREE ENERGY' COMPANY:** Indian Oil Corporation proposes to invest over Rs. 4 lakh crore in this decade to expand oil refining and petrochemical business as well as in energy transition projects as part of a plan to become a '360-degree energy company'. Indian Oil will invest Rs. 1 lakh crore in expanding capacity to refine and turn crude oil into fuel and a staggering Rs. 2.4 lakh crore in projects that will help it achieve net-zero carbon emissions from its operations. Another Rs. 60,000 crore is planned to be invested in setting up a giant petrochemical complex at Paradip in Odisha.

●**STRICTER DELISTING RULES FOR NON-CONVERTIBLE DEBT SECURITIES:** With an aim to protect investors' interest, SEBI has notified a new framework prohibiting listed entities, with more than 200 non-QIB (qualified institutional buyer) holders of non-convertible debt securities, from delisting voluntarily. Under the new rule, the listed entity will have to obtain permission from all holders of non-convertible debt securities within 15 working days of receiving the notification of delisting.

●**ABRY SURPASSES EMPLOYMENT GENERATION TARGET:** The Govt's innovative employment incentive scheme, the Aatmanirbhar Bharat Rozgar Yojana (ABRY), has exceeded its initial employment generation goals. The ABRY was designed to stimulate the creation of new job opportunities by extending financial support to employers of establishments registered with the Employees' Provident Fund Organization (EPFO).

●**TIMELINE FOR SUBMISSION OF INCOME CERTIFICATE FOR CLAIMING INTEREST SUBSIDY IN EDUCATION LOANS:** In order to increase the number of claims under Central Sector Subsidy Scheme (CSIS) on Education loans DFS suggested that:

- Maximum limit of 45 days may be given to the students for submission of the income certificate / other documents.
- Banks should 'red flag' the proposals and SMS / emails to be sent to the Borrowers / Parents on their registered mobile number / email ID for submission of required documents to enroll them under the Scheme.
- Banks may display Poster / Banners related to the Scheme in their Branches / ATM sites including their web sites to popularize the scheme amongst customers / Public.

●**MANDATE DURATION AND MANDATORY FINAL COLLECTION DATE UNDER NACH:** The mandate management system facilitates the acceptance, digitization, processing, and transmission of mandates across banks, allowing customer requests for debits based on amounts and periodicity through NACH. As such, mandate can be issued for a maximum duration of 30 years from the date of issuance. It has been decided to remove the option of "until cancelled" for all categories of mandates, it will be mandatory to provide the Final collection date for all the categories of mandates and the end date cannot be more than 30 years from the date of the mandate. Apart from the above it has been decided to discontinue A001 (API Mandate) category code.

●**EXIM BANK LAUNCHES FACTORING SUBSIDIARY IN GIFT CITY:** Export financier Exim Bank Launched its subsidiary- India Exim Finserve IFSC Private Limited at the Gujarat International Financial Tec City (GIFT City). This will extend a range of trade finance products to Indian exporters, with a primary focus on export factoring.

●**INDIA MAKES FIRST CRUDE OIL PAYMENT TO UAE IN INDIAN RUPEES:** India and the United Arab Emirates have started settling bilateral trade in their local currencies with India's top refiner making payment in rupees for purchase of a million barrels of oil from the Middle Eastern nation. Indian Oil Corp made payment to Abu Dhabi National Oil Company (ADNOC).

●**NHAI LAUNCHES APP FOR COMPLAINT REDRESSAL AND FASTAG RECHARGE:** The National Highways Authority of India (NHAI) has launched 'Rajmargyatra,' a citizen-centric unified mobile application which offers travelers with information on Indian National Highways while also ushering a complaint redressal system. Users can get real time weather conditions, timely broadcast notifications, and access to details about nearby toll plazas, petrol pumps, hospitals, hotels, and other essential services.

●**FACILITY FOR EXCHANGE OF NOTES AND COINS AT BANK BRANCHES:** All branches of banks are mandated for issuing fresh / good quality notes and coins of all denominations, exchanging soiled / mutilated / defective notes and accepting coins and notes either for transactions or exchange. Coins packed in sachets of 100 pieces each shall be kept at the counters and made available to the customers. Coins, in the denominations of Rs.1 and Rs.2 shall be accepted by weighment.

●**"MERA BILL MERA ADHIKAAR":** Govt. in collaboration with state governments, has launching an "Invoice Incentive Scheme" called "Mera Bill Mera Adhikaar" to encourage consumers to request invoices or bills for their purchases. The scheme's objective is to instill a cultural and behavioral change, urging the general public to exercise their right and entitlement to ask for a bill. The scheme is set to commence on Sept. 1, 2023, starting as a pilot program in the states of Assam, Gujarat, and Haryana, as well as the union territories of Puducherry, Dadra Nagar Haveli, and Daman & Diu.

Under this scheme, all Business-to-Consumer (B2C) invoices issued by GST registered suppliers in the specified states and union territories will be eligible. Invoices with a minimum value of Rs. 200 will be considered for participation in a lucky draw. Residents of India from any state or UT can participate in the scheme, and each individual can upload a maximum of 25 invoices per month using a mobile application developed by the GST council for this purpose.

BANKING & FINANCIAL NEWS

●RBI SELECTS MCKINSEY, ACCENTURE TO USE AI TO IMPROVE REGULATORY SUPERVISION:

➢ The Reserve Bank of India has chosen global consultancy firms McKinsey and Company India LLP and Accenture Solutions Pvt Ltd India to develop systems utilizing artificial intelligence and machine learning for its supervisory functions. The RBI aims to extensively leverage advanced analytics, artificial intelligence, and machine learning to analyze its extensive database and enhance regulatory oversight over banks and non-banking financial companies (NBFCs).

➢ While the RBI already incorporates AI and ML into its supervisory processes, it intends to scale up these technologies to ensure that the Department of Supervision within the central bank can fully benefit from advanced analytics.

●BANK DEPOSIT GROWTH TOUCHES SIX-YEAR HIGH:

➢ Bank deposit growth surged to a six-year high of 13.5% in the fortnight ending August 11, marking the first time it has exceeded 12.5% since 2017, according to a report by Care Edge Ratings.

➢ This growth trend has been driven by a significant increase in credit growth, which rose by 19.7% during the same period, largely attributed to the merger of HDFC and HDFC Bank. However, without the impact of this USD 40 billion amalgamation, credit growth would have been at 14.8%. To compete for deposits, many banks have had to raise their interest rates as deposit growth has lagged behind credit growth over the past few months.

●SINGAPORE CENTRAL BANK REVEALS NEW REGULATORY FRAMEWORK FOR STABLECOINS:

➢ The Monetary Authority of Singapore (MAS) has established a regulatory framework for single-currency Stablecoins (SCS) linked to the Singapore Dollar or any G10 currency issued in Singapore. Stablecoins are digital tokens designed to maintain a fixed value against fiat currencies. When properly regulated to ensure stability, stablecoins can be used as a trusted medium of exchange for innovative purposes, such as the on-chain trading of digital assets.

●REFORMS FOR MOBILE USER PROTECTION:

➢ Digital connectivity plays a crucial role in enabling social, economic, and transformative mobility. Therefore, ensuring the safe use of telecom resources is essential to protect mobile users.

➢ To uphold the Indian government's commitment to creating a digitally inclusive society while prioritizing security and customer protection, the Minister of Communications, Railways, and Electronics and IT has recently introduced two key reforms: KYC Reforms and Point of Sale (POS) Registration Reform. These reforms build upon earlier initiatives like the Sanchar Saathi portal, which has been instrumental in combating cybercrimes and financial frauds. The Department of Telecommunications is dedicated to safeguarding the interests of the country's citizens through these transformative measures.

➢ By implementing rigorous and comprehensive measures, the department aims to enhance customer security and protect against the growing threat of telecom fraud.

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

➢ Banks and financial institutions in India are taking steps to enhance transparency and standardization in the sale of stressed assets to asset reconstruction companies (ARCs). They will widely share information about the transfer of stressed assets, including details like the reserve price and payment terms. Additionally, ARCs will receive access to an information checklist containing borrower account history, debt and security details, and legal status. These measures have received approval from the Indian Banks' Association (IBA) and are in response to recommendations from the RBI committee on the functioning of ARCs.

➢ Once the reserve price for a stressed asset is determined, banks and financial institutions will publicize it through various channels like the press, media, and e-auction platforms. This publicity will invite expressions of interest from potential acquirers, as per the model process document. The reserve price will consider factors such as the value of secured assets, the company's enterprise value, guarantors' net worth, unsecured assets' value (if attached), brand value, intrinsic worth, and available cash.

➢ Banks and financial institutions may also share auction information on their respective websites. To encourage broader participation, ARCs, the Association of ARCs, and non-banking financial companies (NBFCs) may also be informed about the upcoming auctions.

●RBI WORRIED OVER 35% JUMP IN BANKS' EXPOSURE TO NBFCs:

➢ The Reserve Bank of India is expressing concern over the significant increase in banks' exposure to non-banking finance companies (NBFCs). Recent RBI data reveals a substantial 35.1% year-on-year rise in banks' exposure to NBFCs, reaching Rs 14.2 lakh crore by June 2023. Consequently, the share of NBFCs in overall bank credit has surged to 9.9%, up from 8.5% just a year ago. This development raises alarms about banks' growing indirect exposure to the unsecured segment, which has been a key factor in NBFCs' expansion.

➢ In a recent meeting with NBFCs, RBI Governor Shaktikanta Das acknowledged the improved financial stability and operational strength demonstrated by NBFCs and housing finance companies (HFCs). However, he emphasized the need for vigilant oversight, even in favorable economic conditions. The discussion covered a wide range of concerns, including strengthening governance standards, establishing robust assurance mechanisms, enhancing IT systems and cybersecurity defenses, improving provisioning coverage to strengthen balance sheets, closely monitoring stressed assets and loan quality, practicing rigorous asset-liability management, ensuring fair and transparent credit pricing, and upholding the Fair Practices Code.

●IBA, BANK EMPLOYEE UNIONS AGREE ON WAGE SETTLEMENT: TRADE UNIONS

➢ The Indian Bank Association (IBA) has agreed to the 12th bipartite settlement, which will be in effect for the next five years starting from November 1, 2022. As part of the settlement, it was decided to merge DA (Dearness Allowance) up to 8088 points of the price index with the basic pay. The wage revision for employees and officers of public sector banks has been scheduled to commence from Nov. 1, 2022. Additionally, the concept of Performance Linked Pay has been introduced for the first time to encourage competition and reward performance. This 15% wage hike will result in an annual burden of Rs 7,900 cr for the banking industry. These negotiations impact the wages of more than 8 lakh bank employees in member banks once every five years.

●MASTERCARD LAUNCHES ALT ID SOLUTION FOR ENHANCED ONLINE PAYMENT SECURITY:

➢ Mastercard, a global technology company in the payments industry, has introduced an ALT ID solution aimed at enhancing the security of guest checkout transactions on e-commerce platforms. ALT ID is a custom-made capability developed by Mastercard that generates an alternate identifier for cardholders' real card numbers provided during guest checkout. This solution is designed to bolster online payment security for both merchants and consumers. The ALT ID solution offers several advantages including the non-storage of card numbers on merchant websites and protection against potential data breaches. For merchants and payment service providers, it simplifies the process of securing card numbers ultimately improving the customer payment experience.

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

➢ In a worrying trend, the average time taken for resolution under the Insolvency & Bankruptcy Code (IBC) continues to rise and is now at a three year high as per India Ratings & Research. 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 resolution under the IBC continues to rise and is now at a three year high.

➢ Data released by the IBBI indicates that 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.

●STRONG START: Q1 GDP GROWTH AT 1-YR HIGH OF 7.8%:

➢ India's economy experienced a robust growth rate of 7.8% in the June quarter compared to the same period last year, showing an acceleration from the 6.1% growth in the previous quarter. This growth was primarily driven by a strong recovery in the services sector, indicating a revival in investment, as gross fixed capital formation increased by 8% year-on-year.

➢ The data also revealed an uptick in consumer demand, with private final consumption expenditure (PFCE) rising by 6% in the first quarter of FY24, a significant improvement from the 2.8% increase in the March quarter. The recovery in rural demand and continued government capital expenditure were cited as contributing factors.

➢ However, it is anticipated that growth may slow down in the coming quarters due to several factors, including a waning base effect, below-average monsoon, high inflation, elevated interest rates, and challenging global conditions, which could dampen demand.

➢ Exports performed sluggishly, affecting the manufacturing sector's growth, which stood at 4.7% in the quarter compared to 6.1% in the same period last year. On the positive side, financial, real estate, and professional services experienced robust growth of 12.2%, while trade, hotels, transport, communication, and broadcasting-related services expanded by 9.2%.

●TRANSFER OF BAD LOANS FROM BANKS TO NARCL HITS INDEMNITY HURDLE:

➢ The National Asset Reconstruction Company Limited (NARCL) is facing a standoff with banks over an agreement that would absolve NARCL from future liabilities related to assets sold, including fraud cases or investigations by government agencies. Banks have rejected this condition, considering it unrealistic and unsuitable for approval by their boards. They insist that, like other asset reconstruction companies (ARCs), NARCL should bear all future legal and other liabilities after the transfer of assets. These differences mark the latest in a series of delays NARCL has encountered in commencing its operations.

➢ As a result, no assets have been transferred to NARCL in the current fiscal year. In the initial three months of this fiscal year, no assets could be transferred because banks were awaiting the government's renewal of its guarantee, which is specific to NARCL and valid for five years. This guarantee allows banks to invoke it in case of asset resolution or liquidation, covering the shortfall between the face value of security receipts and the actual realization when NARCL finds a buyer. Last month, the government finally renewed its guarantee, facilitating NARCL's acquisition of bad loans.

●NRIs SENT $112 BN HOME IN FY23, MOST IN 5 YEARS:

➢ Inward foreign remittances to India saw remarkable growth, surging by 26% in the last financial year to reach $112.5 billion, marking the highest growth rate in the past five years. This substantial increase is attributed to the economic recovery following the pandemic. In comparison, inward foreign remittances were $89.1 billion in FY22, $80.2 billion in FY21, $83.2 billion in FY20, and $76.4 billion in FY19.

➢ Countries like the United States and the United Arab Emirates (UAE) played a significant role in India's inward remittances. Other nations contributing substantial volumes of inward foreign remittances included the United Kingdom, Singapore, Saudi Arabia, Kuwait, Oman, Qatar, Hong Kong, and Australia.

➢ According to the World Bank, the top five recipient countries globally for remittances in 2022 were India ($111 billion), Mexico ($61 billion), China ($51 billion), the Philippines ($38 billion), and Pakistan ($30 billion).

●BANKS REJECT PROPOSAL BY CORPORATES TO CLUB 'FRAUD' A/Cs & 'WILFUL DEFAULTERS:

➢ Banks have collectively rejected a proposal to merge borrowers labeled as 'fraud' accounts with 'wilful defaulters,' an idea presented by corporate lobbies to RBI. The RBI referred this proposal to the banking industry body. Borrowers, along with some bankers, initially considered consolidating these two categories because they often involve legal disputes and can be challenging to distinguish due to overlapping definitions. However, now most advocate keeping them separate.

➢ The rationale for maintaining the separation is that, while a fraudulent borrower is likely to be a wilful defaulter, not every wilful defaulter may technically be involved in fraud. Additionally, not all fraud accounts involve defaults.

➢ A draft Standard Operating Procedure (SOP) on fraud accounts was discussed during a bankers' meeting, where it was proposed that borrowers should have the opportunity to respond and explain why their account should not be classified as fraudulent. However, there would be no personal or physical hearings. Following this, the lender would issue a 'reasoned order.' This draft SOP, which requires approval from the banking regulator, aligns with a Supreme Court ruling emphasizing that borrowers categorized as fraud should be given a chance to be heard under the principles of natural justice since such a classification can result in a credit freeze.

●CREDIT CARD DEFAULT RISES TO Rs. 4,072 CRORE IN FY23:

➢ The default on credit cards in India increased to Rs 4,072 crore, equivalent to 1.94% of the outstanding amount, by the end of March 2023. According to information provided by RBI, the gross non-performing assets (GNPAs) in credit cards stood at Rs. 3,122 crore in March 2022 and rose to Rs 4,072 crore in March 2023. The total credit card outstanding also increased from Rs 1.64 lakh crore in March 2022 to Rs 2.10 lakh crore in March 2023.

➢ However, it is worth noting that the GNPAs in credit cards have decreased from 3.56% in March 2021 to 1.91% in March 2022, and the latest data indicates a GNPAs rate of 1.94% in March 2023. This is in comparison to the scheduled commercial banks' GNPAs rate of 3.87% in March 2023.

➢ In response to another query, it was revealed that during the fiscal year 2023, cooperative banks reported a total of 964 frauds involving an amount of Rs 791.40 crore. In the previous fiscal year (FY22), there were 729 reported frauds amounting to Rs 536.59 crore, and in FY21, 438 frauds involved Rs 1,985.79 crore.

●TOP PRIVATE BANKS, PSBs EARN Rs. 35,000 CRORE IN PENALTIES SINCE 2018:

➢ Public sector banks (PSBs) and five major private sector banks, namely Axis Bank, HDFC Bank, IndusInd Bank, ICICI Bank, and IDBI Bank, have collectively accumulated more than Rs. 35,000 crore in charges since 2018. These charges are associated with penalties for various banking services, including non-maintenance of minimum balances, exceeding the allowable number of ATM transactions, and charges for SMS services.

➢ The largest portion of these charges, over Rs. 21,000 crore, has been collected due to customers failing to maintain the required minimum balance in their accounts. The penalty for not maintaining the minimum balance is often referred to as the Monthly Average Balance (MAB) or Average Monthly Balance (AMB). The specific threshold for MAB varies depending on whether the account is held in metropolitan areas, urban centers, or rural regions.

➢ Banks also impose charges for other reasons, including exceeding the number of free ATM transactions and surpassing cash deposit limits, among others. These charges are authorized by RBI.

●TRADE SETTLEMENT IN RUPEE GAINS PACE WITH NEIGHBOURING COUNTRIES:

➢ India's efforts to promote the use of the Indian rupee in settling foreign trade are showing positive results, particularly with neighboring countries such as Bangladesh and Sri Lanka. Sri Lanka has officially included the Indian rupee as one of its designated foreign currencies for trade transactions. In the case of Bangladesh, a new mechanism was launched recently to facilitate trade settlements in Indian rupees.

➢ Bangladesh holds the position of being India's sixth-largest export market. In the fiscal year 2023, India exported goods worth $11.6 billion to Bangladesh, which marked a 27% decrease compared to the previous year. Conversely, India's imports from Bangladesh for the year 2022-23 amounted to $2.02 billion, representing a 2.1% increase from the previous year. The primary Indian exports to Bangladesh include cotton yarn (constituting 8.7% of total exports) and petroleum products (7% of total exports).

➢ Regarding trade with Sri Lanka, India's exports stand at $5 billion, while imports amount to $1 billion. A significant portion of trade with Nepal is conducted using the Indian rupee, and with Bhutan, all trade transactions are settled in rupees.

➢ To facilitate bilateral trade in Indian rupees, two Indian banks (SBI and ICICI Bank) and two Bangladeshi banks (Sonali Bank PLC and Eastern Bank) have been designated for this purpose. Additionally, for rupee-based trade with Sri Lanka, Authorized Dealer (AD) Banks in India have been granted permission to open Rupee Vostro Accounts, further facilitating trade transactions.

●SBI BEATS RELIANCE INDUSTRIES TO BECOME INDIA'S MOST PROFITABLE COMPANY:

➢ After more than a decade of reigning supreme, Reliance Industries (RIL) lost its top position in India Inc's profit rankings to the State Bank of India (SBI) in the first quarter of the fiscal year 2023-24 (Q1 FY24). SBI, India's largest lender, reported a consolidated net profit of Rs. 66,860 crore over the trailing 12 months ending in June, surpassing RIL's adjusted net profit of Rs 64,758 crore during the same period.

➢ Furthermore, SBI's quarterly net profit in Q1 FY24 stood at Rs.18,537 crore, outperforming RIL's quarterly net profit of Rs 16,011 crore. This marks only the second time in the last two decades that SBI has reported a higher net profit on a trailing 12-month basis, with the previous occurrence taking place in Q2 FY12.

●MASTERCARD INTRODUCES CVV-LESS ONLINE TRANSACTIONS:

➢ Mastercard has introduced a new feature enabling its debit and credit cardholders to conduct online transactions without requiring the Cardholder Verification Value (CVV), a three-digit security code on cards. This initiative is part of Mastercard's efforts to simplify online checkout processes, enhance security, and improve the virtual transaction experience.

➢ According to RBI's tokenisation guidelines, merchants using tokenised payments will only need to collect the CVV once during tokenisation, eliminating the need for it in subsequent transactions.

➢ With this new feature, cardholders can choose their tokenized card after the initial transaction, verify with an OTP, and complete the transaction without inputting the CVV. This innovation aims to reduce checkout time and enhance the efficiency and security of online transactions. Several Indian companies, including Cashfree Payments and Zomato, have already adopted this CVV-less payment option. Visa and RuPay have also introduced similar features earlier this year, eliminating the need for CVV in online payments for their users.

●"UPI CHALEGA":

➢ NPCI has unveiled the third edition of the "UPI Chalega" Safety Awareness Campaign, conducted in collaboration with key players in the payments industry. The campaign's primary goal is to promote the use of UPI (Unified Payments Interface) as a convenient, secure, and instant payment method. It also educates users about various UPI features, including UPI LITE for swift low-value transactions, UPI AUTOPAY for secure recurring payments via any UPI application, and UPI Interoperability for seamless money transfers between all UPI-enabled apps.

➢ The UPI Chalega campaign was initially launched in 2020 under the guidance of the Financial Literacy Advisory Committee (FLAC). The first two editions of the campaign played a vital role in expanding UPI's reach, educating users on its safety features, and enhancing its usability for various transactions, making it the preferred choice for payments. UPI Chalega 3.0 carries forward its mission to promote UPI adoption and ensure safe usage through engaging initiatives.

●INCENTIVE SCHEME FOR CSPS/BCS OF BANKS OPERATING IN NORTH EASTERN STATES:

➢ Department of Financial Services, had constituted a Monitoring Committee on the functioning of Business Correspondents (BCs) in the country. As per the findings of the committee it was suggested that a scheme may be formulated by NABARD to compensate only those BCs who are operating in difficult areas mainly north eastern states.

➢ Accordingly NABARD has recently approved a scheme for providing financial assistance from Financial Inclusion Fund (FIF) to CSPs/BCs operating in North Eastern States. The incentive under this scheme will be over and above the fixed commission and variable commission already being paid by the Banks.

➢ The operative period of the scheme will be 3 years, i.e., from 01 April 2023 to 31 March 2026. The Operators working in rural centres, i.e., Tier 5 & Tier 6 Centres (population up to 9,999) as per population Census 2011 of north eastern states are eligible for incentive. Financial Incentive of Rs.1,000/- per month to be paid to Operators for performing 50 and above financial transactions per month on an average, subject to a maximum of two top performing Operators per village.

●REDUCTION OF TIMELINE FOR LISTING OF SHARES IN PUBLIC ISSUE:

➢ SEBI has shortened the listing timeframe for companies raising funds through public issues from 6 working days (T+6 days) to 3 working days (T+3 days) from the closing date of the public issue.

➢ The reduced listing timeframe of 3 working days (T+3 days) will be voluntary for companies with public issues opening on or after Sept. 1, 2023, and mandatory for those opening on or after Dec. 1, 2023. This change aims to make the listing of specified securities more efficient and faster.

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

BRAIN STORMING

1) In exercise of the powers conferred by sub-section (1A) of Sec 42 of the RBI Act, 1934, RBI has directed banks to set aside a larger part of incremental deposits under cash reserve ratio (CRR) to tighten liquidity in the near term. With effect from the fortnight beginning August 12, 2023, an additional average daily balance over and above the average daily balance required has to be maintained and that the amount of such additional average daily balance shall not be less than _____ per cent of the increase in net demand and time liabilities between May 19, 2023 and July 28, 2023.The move will help suck out Rs 1 lakh crore of excess liquidity from the system.

a) 10 b) 12 c) 15 d) 20

2) Given the increasing trend in the amount of unclaimed deposits, RBI has launched a Centralised Web Portal 'UDGAM'. This portal has been developed by RBI for use by members of public to facilitate and make it easier for them to search their unclaimed deposits across multiple banks at one place. Full form of UDGAM is:

a) Unclaimed Deposits – Gateway to Accessed information
b) Unclaimed Deposits – Gateway to Access information
c) Unclaimed Deposits – Gate to Access information
d) Unclaimed Deposits – Gateway to Accept information

3) The Ministry of Textiles has recently approved the Startup Guidelines for Technical Textiles - Grant for Research and Entrepreneurship across Aspiring Innovators in Technical Textiles (GREAT) providing grant-in-aid upto INR ____ Lakhs for upto a period of 18 months under National Technical Textiles Mission (NTTM).

a) 30 b) 40 c) 50 d) 60

4) The Government of India has approved a Digital Communication Framework to address loan defaults exceeding Rs. ____ crore between the Banks and Central Economic Intelligence Bureau (CEIB), which is a significant move towards strengthening communication channels between banks and the CEIB.

a) 20 b) 30 c) 40 d) 50

5) Under the Digital Communication Framework, the CEIB will send digital reports to public sector banks within ____ days of a loan request at the pre-approval stage. This step aims to enhance information exchange and combat financial fraud effectively. The framework will streamline the process of sharing crucial data related to suspicious transactions, money laundering, and other financial irregularities.

a)15 b) 20 c) 25 d) 30

6) An Inter-Departmental Group (IDG) of the RBI was formed under the chairmanship of Sh.__________, it's Executive Director to examine the internationalisation of INR in December 2021. The objective of the IDG was to review the extant position of INR as an international currency and to frame a road map for the internationalisation of INR.

a) Dr. M.D. Patra b) Radha Shyam Ratho
c) Shri M. Rajeshwar Rao d) Shri T. Rabi Sankar

7) Government of India has recently approved interest rate of _______ percent as recommended by the Central Board of Trustees of the Employees Provident Fund Organisation (EPFO) for its subscribers for the financial year 2022-23. There is a hike in the EPF account interest rate by 0.05% compared to previous year.

a) 8.05 b) 8.10 c) 8.15 d) 8.20

8) With the objective of the development of the corporate bond market from the perspective of mutual funds, SEBI has allowed asset management companies to participate in _____ on Commercial Papers (CPs) and Certificate of Deposits (CDs).

a) Reverse Repo b) Term Money
c) Repos d) Call Money

9) In order to avoid delays in the issuance of refunds, an income tax assessee will get _____ days to respond to notices issued by the Central Processing Centre (CPC) regarding set-off and withholding of refund.

a) 20 b) 21 c) 25 d) 30

10) The NSE IFSC-SGX Connect, unveiled the new identity of ________, which has replaced the existing SGX Nifty Futures & Options contracts from July 3, 2023 after a switch from Singapore Exchange (SGX) to Gujarat International Finance Tec-City - **GIFT IFSC in GIFT City, Gandhinagar.**

a) GIFT Live Nifty b) GIFT Nifty 50
c) GIFT Nifty d) GIFT NSE Nifty

11) The Union Cabinet approved an increase of Minimum Support Price (MSP) for Kharif crops for marketing season 2023-24 by Rs. ____ in paddy MSP to Rs. 2,183 per quintal for 2023-24:

a) 140 b) 141 c) 142 d) 143

12) Central government has issued a notification to ban export of __________ with effect from 20th July 2023. The ban has been carried out in order to ensure adequate availability in the Indian market and to allay the rise in prices in the domestic market.

a) Non-basmati white rice b) Non-basmati rice
c) Non-basmati brown rice d) Non-basmati super rice.

13) In respect of EMI based floating rate personal loans, RBI has observed that in the wake of rising interest rates, several consumer grievances related to elongation of loan tenor and/or increase in EMI amount, without proper communication with and/or consent of the borrowers have been received. To address these concerns, the Regulated Entities (REs) have been advised to put in place an appropriate policy framework and the instructions are extended to the existing as well as new loans suitably by Dec. 31, 2023. Which of the following is <u>not</u> part of the guidelines:

(i) At the time of sanction and subsequent increase, REs shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both.

(ii) At the time of reset of interest rates, REs shall provide the option to the borrowers to switch over to a fixed rate as per their Board approved policy. The policy, may also specify the number of times a borrower will be allowed to switch during the tenor of the loan.

(iii) The borrowers shall also be given the choice to opt for**(a)** enhancement in EMI or elongation of tenor or for a combination of both options; and**(b)** to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be subject to extant instructions.

(iv)REs shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.

(v) REs shall share / make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan. Apart from the equated monthly instalment loans, these instructions would also apply, to all equated instalment based loans of different periodicities. In case of loans linked to an external benchmark under the External Benchmark Lending Rate (EBLR) regime, the banks should follow extant instructions and also put in place adequate information systems to monitor transmission of changes in the benchmark rate to the lending rate.

a) ii b) iii c) iv
d) v e) None

14) On a review of the practices followed by REs for charging penal interest/charges on loans, RBI has issued directions to the banks which shall come into effect from Jan. 1, 2024. Which of the following is/are part of the directions:

(i) Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.

(ii) The REs shall not introduce any additional component to the rate of interest.The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.

(iii) The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.

(iv) The quantum and reason for penal charges shall be clearly disclosed by REs to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable, in addition to being displayed on REs website under Interest rates and Service Charges.

(v) In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date or six months from 18th Aug. 2023, whichever is earlier.

(vi) The guidelines shall not apply to Credit Cards, External Commercial Borrowings, Trade Credits and Structured Obligations which are covered under product specific directions.

a) ii, iv, v b) iii, iv, v c) iv, v, vi
d) iii, v, vi e) All of the above

15) In order to facilitate a greater flow of long-term debt into infrastructure projects and harmonize financing regulations in the infrastructure sector, RBI has issued new norms pertaining to Infrastructure Development Fund-NBFCs, (IDF-NBFCs). As per the norms, IDF-NBFCs must have a minimum net owned fund (NOF) of Rs.____crore and a capital-to-risk weighted assets ratio of at least ____%, with a minimum Tier 1 capital of 10%. Further, they will be allowed to raise funds through rupee or dollar-denominated bonds with at least a five-year maturity:

a) 300; 15 b) 350; 20 c) 400; 25 d) 450; 30

16) Infrastructure Debt Fund-Non-Banking Financial Companies (IDF-NBFCs) are specialized financial entities registered as NBFCs with the purpose of facilitating the flow of long-term debt into infrastructure projects.They raise funds by issuing bonds, typically with a minimum maturity of ___ years, to support infrastructure development.These entities play a crucial role in financing large-scale infrastructure projects in sectors like transportation, energy, and telecommunications.

a)5 b) 7 c) 8 d) 10

17) An IDF-NBFC means a non-deposit taking NBFC which is permitted to (i) refinance post commencement operations date (COD) infrastructure projects that have completed at least _____ of satisfactory commercial operations; and (ii) finance toll operate transfer (TOT) projects as the direct lender.

a) One year b) Two years c) Three years d) Four years

18) With a view to facilitate better asset-liability management (ALM), IDF-NBFCs can raise funds through shorter tenor bonds and commercial papers (CPs) from the domestic market to the extent of up to ____ per cent of their total outstanding borrowings. Further, in addition to the bond route, IDF-NBFCs can also raise funds through loan route under external commercial borrowings (ECBs). However, such borrowings shall be subject to minimum tenor of five years and the ECB loans should not be sourced from foreign branches of Indian banks.

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

19) The exposure limits for IDF-NBFCs shall be ____% of their Tier 1 capital for single borrower/ party and ____% of their Tier 1 capital for single group of borrowers/ parties.

a) 20,30 b) 25,40 c) 30; 50 d) 35,60

20) As per the extant guidelines, a limit of Rs.200 per transaction and an overall limit of Rs.2,000 per payment instrument is prescribed by the RBI for small value digital payments in offline mode including for National Common Mobility Card (NCMC) and UPI Lite. To encourage wider adoption of this mode of payments and bring in more use cases into this mode, RBI has proposed to increase the per transaction limit to Rs.____. The overall limit is, however, retained at Rs.2000 to contain the risks associated with relaxation of two-factor authentication.

a) 500 b) 750 c) 1000 d) 1500

21) RBI has announced the development of a Public Tech Platform for Frictionless Credit. The Platform is being developed by Reserve Bank Innovation Hub (RBIH), a wholly owned subsidiary of RBI. The platform would enable delivery of frictionless credit by facilitating seamless flow of required digital information to lenders. The Platform is intended to be rolled out as a pilot project in a calibrated fashion. During the pilot, the platform shall focus on products such as Kisan Credit Card loans up to Rs._____lakh per borrower, Dairy Loans, MSME loans (without collateral), Personal loans and Home loans through participating banks. Based on the learnings, the scope and coverage would be expanded to include more products, information providers and lenders.

a) 1.50 b) 1.60 c) 1.75 d) 2.00

ANSWER KEY

1	A	2	B	3	C	4	D	5	A
6	B	7	C	8	C	9	B	10	C
11	D	12	A	13	E	14	E	15	A
16	A	17	A	18	A	19	C	20	A
21	B								

RECOLLECTED QUESTIONS

(UNION BANK 2022)

1) A Red Flagged Account (RFA) is one where suspicion of fraudulent activity is thrown up by the presence of one or more Early Warning Signals (EWS). The threshold for EWS and RFA is an exposure of Rs. ____ million or more at the level of a bank irrespective of the lending arrangement (whether solo banking, multiple banking or consortium):

a) 100 b) 250 c) 400 d) 500

2) Legal Entity Identifier is applicable for large corporate borrowers having exposure Rs. ____ crore and above as on 30th April 2023.

a) 25 b) 50 c) 75 d) 100

3) For a borrower to be declared Wilful defaulter, the cut off limit is Rs. ____ lakh or more:

a) 10 b) 25 c) 50 d) 100

4) For classifying borrowers as Non-Cooperative, the cut-off limit is borrowers having aggregate fund-based and non-fund based facilities of Rs. _____ million or more.

a) 10 b) 25 c) 50 d) 100

5) Bank have to report to Central Repository of Information on Large Credits (CRILC), all borrower entities in default with aggregate exposure of Rs. ____ crore and above, on a weekly basis, at the close of business every Friday or the preceding working day if Friday happens to be a holiday.

a) 2 b) 3 c) 4 d) 5

6) What is the difference between Gross Domestic Product (GDP) and Net National Product (NNP)?

a) GDP represents the total amount of goods and services produced in a country within a financial year whereas, NNP, is gross national product (GNP), the total value of finished goods and services produced by a country's citizens overseas and domestically, minus depreciation.

b) GDP is the aggregate production value of a country's goods whereas, NNP, represents of all final goods and services produced by a country plus depreciation. of inventory.

c) GDP is the aggregate production value of a country's goods and services whereas, NNP, represents of all final goods produced by a country domestically.

d) None

7) What are the components of Marginal Cost of Fund based Lending Rate:

a) Marginal Cost of Funds b) Negative carry on account of CRR
c) Operating cost and tenor premium d) All of these

8) What of the following are the 4 pillars of KYC-AML Policy of the Bank:

a) Customer Acceptance Policy b) Customer Identification Procedure
c) Monitoring of Transactions d) Risk Management
e) All of these

9) The limit for Priority Sector Lending under Healthcare is ______ per borrower for building health care facilities and ______ per borrower for setting up schools, drinking water facilities and sanitation facilities under Social Infrastructure financing:

a) Rs. 5 crore, Rs.2 crore b) Rs.8 crore, Rs.3 crore
c) Rs.10 crore, Rs.5 crore d) None

10) A Bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial group is termed as

a) Shell Bank b) Narrow Bank c) Shadow Bank d) None

11) What is the minimum CRAR requirement for Banks in India including Capital Conservation Buffer, as per BASEL-III norms?

a) 11.50% b) 11.75% c) 12% d) 12.25%

12) In terms of the recommendations of the Prime Minister's Task Force on MSMEs, banks have been advised to achieve a ____ per cent year-on-year growth in credit to micro and small enterprises, a ____ per cent annual growth in the number of micro enterprise accounts and ____ per cent of total lending to MSE sector as on preceding March 31st to Micro enterprises:

a) 10 ; 20 ; 60 b) 20 ; 10 ; 60 c) 25 ; 10 ; 50 d) None

13) What is Target Profit pricing?

a) Pricing products based on competitors' prices.
b) Setting prices to achieve a specific profit goal.
c) Pricing products based on production costs.
d) Offering discounts to boost sales.

14) As per RBI guidelines, banks should settle the failed ATM transactions within a period of ______ calendar days:

a) T+3 b) T+5 c) T+7 d) None

15) What is the disadvantage of non-registration of a Partnership firm?

a) It can sue others in court of law to enforce its claims; others can also sue the firm for any breach of contract.

b) It can sue others in court of law to enforce its claims, but others cannt sue the firm for any breach of contract.

c) It cannot sue others in court of law to enforce its claims, but others can sue the firm for any breach of contract. d) None

16) For Housing Loans upto Rs, 30 lakh, what should be the Loan To Value (LTV) ratio where the Risk Weight is 35%?

a) 50% or less b) 60% or less c) 70% or less d) 80% or less

17) Financial soundness of a Bank depends on ________:

a) Bank's Capital to Risk Adjusted Assets Ratio
b) Bank's Capital to Weighted Assets Ratio
c) Bank's Capital to Liquid Assets Ratio d) None

18) What is the maximum Housing loan amount at Metro centres to be classified as Priority Sector Lending?

a) Rs.30 Lakhs where the overall cost of dwelling unit does not exceed Rs.40 Lakhs
b) Rs.35 Lakhs where the overall cost of dwelling unit does not exceed Rs.45 Lakhs
c) Rs.40 Lakhs where the overall cost of dwelling unit does not exceed Rs.50 Lakhs
d) None

19) What is the relationship between Bank & Customer when customer leaves some items in the bank mistakenly?

a) Bailee & Bailor b) Trustee and beneficiary c) Lessee & Lessor d) None

20) As per Sec 19(2) of Banking Regulation Act, No banking company shall hold shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding _____% of the paid-up share capital of that company or ____% of its own paid-up share capital and reserves, whichever is less.

a) 25% ; 30% b) 30% ; 30% c) 30 ; 35% d) 30% ; 40%

21) As per the existing guidelines, the minimum Leverage Ratio to be maintained by Banks in India is ______ for D-SIBs and _____for other Banks.

a) 4% ; 3.50% b) 5% ; 4.50% c) 6% ; 5.50% d) None

22) Who issues Accounting Standards in India?

a) ASB b) ICAI c) IBA d) None

23) What is the effective interest rate in identified districts to women SHGs under DAY-NRLM with prompt payment incentives?

a) 3.50% b) 3.75% c) 4.00% d) 4.25%

24) Preservation of record under rule 3 of Prevention of Money Laundering Act is _____ years:

a) 2 b) 5 c) 8 d) 10

25) Job family specialization in PSBs is based on the advisory of:

a) EASE (Enhanced Acceptability and Service Excellence)
b) EASE (Enhanced Approach and Service Excellence)
c) EASE (Enhanced Access and Service Excellence)
d) None

26) The centrally sponsored Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme envisages an outlay of Rs. 10,000 crore over a period of ______ from _______ to ______:

a) 4 Years, 2020-21, 2023-24 b) 5 Years, 2020-21, 2024-25
c) 6 Years, 2020-21, 2025-26 d) None

27) A person appointed by court for settlement of estates of any deceased person is known as:

a) Administrator b) Executor c) Legal heir d) None

28) What is the maximum loan limit for Food and Agro processing units to be classified under Priority Sector lending?

a) Rs.50 crore b) Rs.70 crore c) Rs.100 crore d) None

29) The State with maximum number of SHGs managed by women in India is

a) Haryana b) U.P. c) Bihar d) None

30) Which is an employment oriented scheme out of given options?

a) NREGA b) MNREGA c) MANREGA d) None

31) Overdraft in PMJDY Accounts can be sanctioned up to a maximum of _____ times of monthly average balance in the existing account for last 6 months.

a) 2 times b) 3 times c) 4 times d) None

32)" Har Khet Ko Pani" is the tag line of ______:

a) PM Krishi Sichai Yojana b) PM Jal Sichai Yojana
c) PM Krishi Jal Yojana d) None

33) Which crop is known as White gold:

a) Cotton b) Rice c) Sugar d) Milk

34) Maximum numbers of Farmers Producers Organisations is in which State:

a) Bihar b) Maharastra c) UP d) Andhra Pradesh

(ANSWERS WILL BE GIVEN IN NEXT MONTH ISSUE)

LATEST GENERAL KNOWLEDGE

●______ has been conferred with the first ever 'Udyog Ratna' award instituted by the Maharashtra government: **Mr. Ratan Tata**

●The RBI has approved the appointment of ______ as MD & CEO of the South Indian Bank with effect from October 1, 2023: **PR Seshadri.**

●The Centre has announced the appointment of _____ as the part-time Chairperson of the Unique Identification Authority of India: **Neelkanth Mishra.**

●______ has been appointed as Chairperson of National Green Tribunal (NGT): **Justice Prakash Shrivastava.**

●LIC appointed _______ as the Managing Director of the company, with effect from September 1, 2023: **R Doraiswamy.**

●Railway Board gets first woman Chairman & CEO, ______ from Sept. 1, 2023: **Jaya Varma Sinha**

●IRS officer ________ has taken charge as the Chairman of the Central Board of Indirect Taxes and Customs (CBIC): **Sanjay Kumar Agarwal**

●London based Indian origin author _____debut novel 'Western Lane' is among 13 books to make the cut for the 2023 Booker Prize: **Chetna Maroo's.**

●The ________ spacecraft has accomplished the achievement by entering the moon's sphere of influence: **Chandrayaan-3.**

●GST Council has decided to impose a 28% tax on the full face value of bets placed on _______ w.e.f. 1st October 2023: **Online Gaming.**

●India to host the _________in Bengaluru from Sept. 25 to 28: **5th World Coffee Conference (WCC).**

●The Ministry of education has selected ______ to modernize the national education technology platform Digital Infrastructure for Knowledge Sharing (DIKSHA): **Oracle Cloud Infrastructure.**

●Ministry of Home Affairs has introduced a new ______ for foreign nationals for treatment under Ayush systems/Indian systems of medicine: **Ayush Visa.**

●Finance Ministry has elevated two major oil sector Co's, ______ to Maharatna & Navratna categories respectively: **Oil India and ONGC Videsh.**

●To improve the highway user experience, the National Highways Authority of India (NHAI) has introduced the ______ mobile application: **'Rajmargyatra'.**

●The Ministry of Finance has launched ____ to settle long-standing contractual disputes involving the Govt. and Govt. undertakings: **Vivad se Vishwas 2.0.**

●PM Modi has launched the _______ to initiate the rejuvenation of 13 railway stations across the country: **Amrit Bharat Station Scheme.**

●________ an autonomous underwater vehicle designed to detect mines, has been launched to undergo user trials by the Indian Navy, Coast Guard and Army: **"Neerakshi".**

● _______ became the first Indian Bank to launch an eco-friendly debit card for its customers with a savings bank account: **Airtel Payment Bank**

●________ district has become the highest-performing district under the Jal Jeevan Survekshan (JJS-2023), outshining 114 Har Ghar Jal certified villages across India: **Srinagar**

●In the fiscal year 2022-23, __________ emerged as the leading three states in terms of the most number of beneficiaries under the Pradhan Mantri Jan Dhan Yojana: **Bihar, Uttar Pradesh, and Tamil Nadu.**

●_____has achieved a score of 43% in the Internet Resilience Index (IRI) and positioned as the 6th ranked country in the South Asian region: **India.**

●CJI Chandrachud has launched QR Code-Based E-Pass for entry at Supreme Court by unveiling the: **'SuSwagatam' portal**.

●Gujarat Govt. has introduced a new mobile application called _____ for tracking lions: **'Sinh Suchna'**

●____ becomes 3rd station within the Central Railway to be designated as "Pink Station" - wholly managed by women staff: **New Amravati Railway Station.**

●The National Payments Corporation of India has introduced the third edition of its UPI Safety Awareness Campaign named: **"UPI Chalega."**

● Goa has unveiled the first ______ of Mayem Village which offers a socio-cultural, historical and ecological knowledge: **Biodiversity Atlas.**

●In Bengaluru, India's first ______ has set a new benchmark for efficiency, sustainability, and design: **3D-Printed Post Office**

●The Council of Scientific and Industrial Research (CSIR) has introduced a new lotus species called ______ in lieu of leadership of PM Modi: **'Namoh 108'**

●The Indian Space Research Organisation (ISRO) revealed that Chandrayaan-3's Pragyan rover module has successfully confirmed the presence of _____ on the surface of the Moon: **Sulphur.**

●Guwahati's Lokpriya Gopinath Bordoloi International Airport (LBBI) has become the first airport in the area to introduce _______ facility: **'Digi Yatra'.**

● Border Roads Organisation has embarked on a project to construct the _____ road in Demchok sector of Ladakh: **'Likaru-Mig La-Fukche'**

●The Indian Navy's submarine, ______, has made history by covering a distance of 7,000 kilometers on its journey to Australia and now for the longest-ever deployment of any Scorpene-class submarine: **INS Vagir.**

●______ has introduced its mobile banking app 'IRIS' with over 100 features and services available at the touch of a button: **YES Bank.**

●The Khelo India Women's League will be recognized as the _______ in which ASMITA stands for "Achieving Sports Milestone by Inspiring Women Through Action": **'Asmita Women's League'**

● ________ Mission Soft-landing LIVE Telecast, on August 23, 2023, captured the attention of over 80 lakh peak concurrent viewers, making it the most-watched live stream globally: **The Chandrayaan-3**

●HDFC Bank, has partnered with Marriott Bonvoy, the acclaimed travel program by Marriott International, to unveil the: **'Marriott Bonvoy HDFC Bank Credit Card'.**

●_______ has clinched the top spot in the Swachh Vayu Sarvekshan - 2023 conducted by the Central Pollution Control Board, in the category of cities with a population exceeding 10 lakhs: **The city of Indore**

●The India Smart Cities Awards 2022, organized by the Union Govt. have recognized ____ as the best city and _____ as the best state in the Smart Cities Mission: **Indore ; Madhya Pradesh.**

●Govt. has announced to celebrate August 23, when India's Chandrayaan-3 landed on the Moon, as: **National Space Day**.

●______ has won gold medal in the men's javelin throw event at the World Athletics Championships and became the first-ever Indian athlete to achieve this feat: **Neeraj Chopra**

●After the remarkable success of the Chandrayaan-3, the Indian Space Research Organisation (ISRO) is embarking on a new venture named ____which is all set to journey towards the Sun on September 2: **Aditya L1 mission.**

●The Indian Space Research Organisation (ISRO) has successfully tested its innovative device named _______ which aims to enhance the safety of fishermen during their sea expeditions: **'Nabhmitra'**

●Chokuwa rice, fondly known as ______ has recently been bestowed with the prestigious Geographical Indication (GI) tag: **Magic rice**

●As per the new guidelines of Central Board of Indirect Taxes and Customs, companies with a turnover of more than Rs.5 crore will be required to generate _____ for their business-to-business transactions or exports: **Electronic invoices. (e-invoices).**

●The Indian Army has recently implemented a significant change in its uniform regulations for senior officers with the rank of: **Brigadier and above.**

●The Assam Govt. has announced an initiative called _____, which aims to plant 1 cr saplings in a single day, to fight against global warming: **'Amrit Brikshya Andolan'**

●Odisha Government expanded the coverage of Social Security Scheme to ___ more categories of unorganised workers which include delivery boys, boatmen and photographers; to provide financial assistance in case of accidental or natural death: **Fifty**

●The Ministry of Railways and the Indian Institute of Technology Madras have signed a memorandum of understanding to establish the _____ at the Indian Railway Institute of Signal Engineering and Telecommunications in Secunderabad: **India 5G test bed.**

●_____17-year-old chess prodigy, has dethroned Grandmaster Viswanathan Anand as India's top-ranked chess player in the live world rankings: **D. Gukesh.**

KEY INDICATORS

REPO RATE	**6.50%**	**FOREX RESERVES- Rs. (in Cr)**	**4953552**
CRR	**4.50%**	**FOREX RESERVES US ($ Million)**	**598897**
SLR	**18.00%**	**SCB's AGGREGATE DEPOSITS - (Cr)**	**19232174**
BANK RATE & MSF	**6.75%**	**SCB's BANK CREDIT - (Cr)**	**14920147**
SDF	**6.25%**	**FIXED RATE REVERSE REPO**	**3.35%**

CTDI, GURUKUL FOR BANKERS
SCO 91, (1ST & 2ND FL) SEC. 47-D,
CHANDIGARH-160047, 9317723230