
BANKING AND FINANCIAL AWARENESS

DECEMBER 2019: WEEK I

NOVEMBER GST REVENUE COLLECTION

- Rs 1,03,492 crore is the amount of gross GST revenue collected in the month of November, 2019.
- The total revenue earned by Central Government and the State Governments after regular settlement in the month of November, 2019 is Rs 44,742 crore for CGST and Rs 44,576 crore for the SGST.
- GST has witnessed a recovery growth of 6% in Nov 19 over Nov 18.

NCLT ADMITS BANKRUPTCY RESOLUTION FOR DHFL

- The Mumbai bench of National Company Law Tribunal (NCLT) has admitted an RBI petition seeking bankruptcy resolution for Dewan Housing Finance (DHFL) under the Insolvency and Bankruptcy Code (IBC), 2016.
- RBI filed a plea under Rule 5 (a)(i) and Section 227 of IBC for bankruptcy proceedings to resolve the credit and liquidity crisis of the company.
- Rule 5 (a) (i) of the Insolvency and Bankruptcy Rules, 2019 prescribes that Corporate Insolvency Resolution Process (CIRP) can be initiated against Financial Service Providers (FSP) committing default upon an application made by the Appropriate Regulator.

RBI 5TH BI-MONTHLY MONETARY POLICY

- The MPC voted unanimously to keep the policy rate unchanged at 5.15%.
- The MPC revised the CPI inflation projection upwards to 5.1-4.7 % for H2:2019-20 and 4.0-3.8 % for H1:2020-21.
- Real GDP growth for 2019-20 is revised downwards from 6.1 % in the October policy to 5.0 % - 4.9-5.5 % in H2 and 5.9-6.3 per cent for H1:2020-21.

RBI TO AMEND REGULATORY GUIDELINES FOR UCBS

- The Reserve Bank of India has announced that it is mulling to amend regulatory guidelines for primary Urban Co-operative Banks (UCBs).
- The guidelines would primarily relate to Exposure norms for single and group/interconnected borrower, promotion of financial inclusion and priority sector lending.
- RBI has also decided to bring UCBS with assets of 500 crore rupees and above under the Central Repository of Information on Large Credits - CRILC reporting framework to strengthen off-site supervision and early recognition of financial distress.

RBI TIGHTENS NORMS FOR ARCS

- The Reserve Bank of India (RBI) has to tighten norms for asset reconstruction companies (ARCs) to acquire financial assets.
- RBI has put restriction on the ARCs from buying financial assets from its sponsor firms and lenders (bank or financial institution) on a bilateral basis.
- Asset Reconstruction Company (India) (Arcil), which is sponsored by State Bank of India (SBI), ICICI Bank, Punjab National Bank (PNB) and IDBI Bank is likely to be affected the most.

AVAILABILITY OF NEFT ON A 24X7 BASIS

- All provisions of NEFT procedural guidelines will be applicable for NEFT 24x7 transactions as well.
- The existing discipline for crediting beneficiary's account or returning the transaction (within 2 hours of settlement of the respective batch) to originating bank will continue.
- NEFT transactions would be done through automated transactions initiated using 'Straight Through Processing (STP)' modes, after the usual banking hours of banks.

RBI IMPOSED MONETARY PENALTY ON ANDHRA BANK

- The Reserve Bank of India (RBI) has imposed a monetary penalty of Rs 25 lakh on Andhra Bank by an order dated 5th December 2019.
- Deficiencies in regulatory compliance of the bank were found in an examination of current accounts opened by two entities in Andhra Bank.
- RBI came to the conclusion of imposing a monetary penalty after considering the reply from the bank and personal hearing as to why penalty should not be imposed for non-compliance with the directions.