

# **Banking and Financial Awareness Digest**

**January 2020**

**BANK  
EXAMS  
Today**

[www.BankExamsToday.com](http://www.BankExamsToday.com)

## TABLE OF CONTENTS

December GST Revenue Collection .....	2
RBI has Launched a Mobile App, MANI .....	2
SBI and NPCI recommendations on Rupay Card .....	3
UCO Bank Debt Resolution under NCLT .....	3
Govt infused Rs 4,360 crore to IOB .....	3
RBI New Norms for UCBs .....	3
Amazon will invest \$1 bn in digitizing small businesses in India .....	4
Michael Patra appointed as RBI's new Deputy Governor .....	4
RBI releases national strategy for financial inclusion .....	4
RBI allows video-based KYC .....	4
World Bank projects India's growth for FY20 at 5% .....	5
SBI lowers India's GDP estimates for FY20 to 4.6% .....	5
State Bank of India announces RBBG scheme .....	5
IBBI (Liquidation Process) (Amendment) Regulations, 2020 .....	5
Adani Capital acquires Essel Finance's MSME lending business .....	6
Government has approved up to 100 per cent FDI in Bharti Airtel .....	6
RBI ranked sixth among central banks in buying gold abroad .....	6
50th Annual Meeting of World Economic Forum began in Davos .....	6
UN's World Economic Situation and Prospects Report 2020 .....	7
Zomato acquires Uber Eats business in India .....	7
South Central Zone of the Indian Railways signs an MoU with SBI .....	7
Government of India and World Bank signs MoU for loan of Assam Inland Water Transport Project .....	7
RBI Issued New Rules for Debit and Credit Card .....	8
IBBI amended Voluntary Liquidation Process Regulations .....	8
Google has announced to grant \$1-million to India for promoting news literacy in the country .....	8

# Banking and Financial Awareness Digest: January 2020

---

Government of India, Government of Maharashtra and World Bank signs a USD 210 million loan agreement .....	8
RBI has cancelled the Certificate of Authorisation of Vodafone's m-pesa .....	9
RBI announced to raise the Investment limit for FPIs in government & corporate bonds.....	9
United Nations lowers India's growth forecast for FY20 .....	9
ICICI Bank introduces cardless cash withdrawal facility through ATMs .....	9
NPCI has launched Blockchain-Based Vajra Platform .....	10
Finance Ministry allows Filing GSTR-3B Returns in a Staggered Manner .....	10
SEBI's Draft Norms for Social Stock Exchange .....	10

---

## BANKING AND FINANCIAL AWARENESS DIGEST: JANUARY 2020

---

### DECEMBER GST REVENUE COLLECTION

---

- A total of **81.21lakh** GSTR 3B Returns have been filed for the month of November up to 31st December, 2019.
- The impressive **growth of 16% is observed in the GST revenues** during the month of December, 2019 from domestic transactions, as compared to the Dec 18 collection.
- The government has settled **Rs 21,814crore to CGST and Rs 15,366crore to SGST** from IGST as regular settlement.

### RBI HAS LAUNCHED A MOBILE APP, MANI

---

- Reserve Bank of India (RBI) has launched a mobile app named **Mobile Aided Note Identifier (MANI)** to **help visually challenged people** to identify denomination of currency notes.
- The RBI launched the mobile app considering the reports of problems faced by visually-challenged people in identifying these **new currency notes due to the significant changes in the sizes and designs after the demonetization in November 2016.**

## SBI AND NPCI RECOMMENDATIONS ON RUPAY CARD

---

- The worry of SBI and other state-run banks who are the main issuers of the RuPay card is that the government decision to scrap the processing charge on transactions with the card **would cause them a revenue loss.**
- NPCI is concerned that the **action would disincentivise banks to issue RuPay cards** and they would instead **prefer international rivals of the home-grown payment gateway.**
- Zero MDR would disincentivise banks to issue RuPay cards and they would instead prefer **Visa and Mastercard.**

## UCO BANK DEBT RESOLUTION UNDER NCLT

---

- State owned United Commercial (UCO) Bank has recovered **Rs 800-900 crore in the 3rd quarter (ending December) by corporate debt resolution** of four accounts under the bankruptcy law.
- The recovery would help the bank to reduce its net losses as the bank had reported net losses for the **last 16 quarters.**
- Due to **high bad loan ratios and negative return on assets,** the UCO bank is still being under Reserve Bank of India's **prompt corrective action.**

## GOVT INFUSED RS 4,360 CRORE TO IOB

---

- The bank has received the amount as **contribution of the government in preferential allotment of equity shares during the financial year 2019-20** as government's investment.
- The Finance Ministry had announced capital infusion of Rs 3,800 crore on August 2019, which was later increased by **Rs 5600 crore.**
- A net loss of **Rs 2,253.64 crore of the bank** was reported for the quarter ending 30th September 2019.

## RBI NEW NORMS FOR UCBS

---

- The RBI will continue to **monitor asset quality, profitability and capital/net worth of UCBS under the revised SAF.**
- Depending upon the stress severity, the RBI may ask them to **curtail their lending powers, among other safeguards.**
- In case the normal functioning of the UCB no longer considered to be in the **interest of its depositors/public,** RBI can consider the issue of show cause notice for **cancellation of a banking license.**

## AMAZON WILL INVEST \$1 BN IN DIGITIZING SMALL BUSINESSES IN INDIA

---

- Jeff Bezos, the chief of Amazon.com Inc, said that the company will invest USD 1 billion (over Rs 7,000 crore) in India to bring small and medium businesses online.
- He further committed to exporting USD 10 billion worth of India-made goods by 2025.
- Earlier, Amazon had committed USD 5.5 billion investments in India.

## MICHAEL PATRA APPOINTED AS RBI'S NEW DEPUTY GOVERNOR

---

- Michael Debabrata Patra has been appointed as the new Deputy Governor of the Reserve Bank of India (RBI).
- He has replaced Viral Acharya.
- He has been appointed for tenure of 3 years.
- Other three governors of RBI at present are- NS Vishwanathan, BP Kanungo, and MK Jain.

## RBI RELEASES NATIONAL STRATEGY FOR FINANCIAL INCLUSION

---

- Reserve Bank of India has released the National Strategy for Financial Inclusion 2019-2024.
- The document was formally released by the Deputy Governor M K Jain.
- This strategy for financial inclusion aims to provide access to affordable financial services, broadening & deepening financial inclusion and promoting financial literacy & consumer protection.
- The report has also called for increasing the reach of banking services via scheduled commercial banks, payment banks and others to every village within a 5 km radius of 500 households in hilly areas by March 2020.

## RBI ALLOWS VIDEO-BASED KYC

---

- The Reserve Bank of India has amended its norms for KYC (Know Your Customer) and have allowed banks to use video-based Customer Identification Process (V-CIP) for KYC of customers.
- This new V-CIP technology will make it easier for banks to adhere to the RBI's KYC norms by using digital technology.
- RBI also said that the banks will have to ensure that the video recording for KYC is stored in a safe and secure manner with the date and time stamp.

## WORLD BANK PROJECTS INDIA'S GROWTH FOR FY20 AT 5%

---

- The World Bank has reduced India's growth for financial year 2020 to 5% from 6% projected earlier.
- This is the lowest projection of World Bank for India in 11 years.
- This is the slowest growth forecast of India since the 3.1% rate recorded in the year 2008-09.

## SBI LOWERS INDIA'S GDP ESTIMATES FOR FY20 TO 4.6%

---

- The State Bank of India has lowered the growth forecast of India for the financial year to 4.6% from 5% earlier in its latest SBI Eco wrap report.
- The report also predicted that the country's growth rate will remain below 6 per cent for the two years in a row.
- The budgeted nominal GDP growth rate was 12 per cent for the financial year 2020 which has now been revised downwards to 7.5 per cent.

## STATE BANK OF INDIA ANNOUNCES RBBG SCHEME

---

- State Bank of India (SBI) has announced a 'residential builder finance with buyer guarantee' (RBBG) scheme.
- This scheme aims at giving a push to residential sales and to improve homebuyers' confidence.
- Under the RBBG scheme, SBI will issue a guarantee for completion of select residential projects to customers who have availed home loans from it.
- Initially, the scheme will focus on affordable housing projects priced up to 2.50 crore rupees in 10 cities.

## IBBI (LIQUIDATION PROCESS) (AMENDMENT) REGULATIONS, 2020

---

- The Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2020 is notified by the Insolvency and Bankruptcy Board of India (IBBI) on 6th January 2020.
- The amendment is done in the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- The amendment clarifies that a person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of the corporate debtor, shall not be a party in any manner to a compromise or arrangement of the corporate debtor under section 230 of the Companies Act, 2013.

## **ADANI CAPITAL ACQUIRES ESSEL FINANCE'S MSME LENDING BUSINESS**

---

- Adani Capital Pvt. Ltd, which is the non-banking financial company (NBFC) arm of Adani Group, has acquired Essel Finance's micro, small and medium enterprises (MSME) loan business.
- Adani Capital Pvt. Ltd is focussed on small and micro-entrepreneurs.
- After this acquisition, Adani Capital has secured a loan book of around Rs. 145 crore.

## **GOVERNMENT HAS APPROVED UP TO 100 PER CENT FDI IN BHARTI AIRTEL**

---

- The telecom department has approved up to 100 per cent FDI in Bharti Airtel.
- Before this, the FDI was 49% in the company.
- At present, foreign ownership in Bharti Airtel is 44.28 per cent, after the share placement.

## **RBI RANKED SIXTH AMONG CENTRAL BANKS IN BUYING GOLD ABROAD**

---

- According to "Outlook 2020: Global economic trends and their impact on gold" report by World Gold Council (WGC), the Reserve Bank of India (RBI) has become the 6th largest buyer of sovereign gold abroad after it purchased 25.2 tonnes in the first 10 months of the year 2019.
- Other five banks that purchased more gold than RBI are central banks of China, Russia, Kazakhstan, Turkey and Poland.
- In October 2019, RBI bought 7.5 tonnes of gold buttressing its foreign exchange reserves to \$450 billion.
- World Gold Council (WGC) is headquartered in London, UK.

## **50TH ANNUAL MEETING OF WORLD ECONOMIC FORUM BEGAN IN DAVOS**

---

- The 50th Annual Meeting of World Economic Forum began in Davos, Switzerland.
- Commerce and Industry Minister Piyush Goyal will lead the Indian delegation to the meeting.
- Over 100 CEOs, political leaders including Union Ministers and Chief Ministers will take part in this annual event.
- Klaus Schwab is the founder and executive chairman of WEF.

## UN'S WORLD ECONOMIC SITUATION AND PROSPECTS REPORT 2020

---

- United Nations has released the World Economic Situation Prospects (WESP) report 2020.
- According to the report, a global growth rate of 2.5 per cent is expected in the year 2020.
- United Nations has lowered India's GDP growth forecast to 5.7 per cent in the current fiscal from 7.6 per cent projected in 2019.
- Along with this, UN has also lowered India's GDP forecast for the next fiscal to 6.6 per cent from 7.4 per cent estimated earlier.

## ZOMATO ACQUIRES UBER EATS BUSINESS IN INDIA

---

- Zomato has acquired Uber Eats business in India.
- Uber Eats is the food delivery business of the company.
- After the acquisition, Uber Eats will discontinue its operations in India.

## SOUTH CENTRAL ZONE OF THE INDIAN RAILWAYS SIGNS AN MOU WITH SBI

---

- The South Central Zone of the Indian Railways has signed an MoU with the State Bank of India to provide doorstep banking facility to the stations of the zone.
- Under the agreement, doorstep banking facility will be provided at 585 railway stations of the south central zone.
- This facility will allow direct pickup of earnings from the railway stations and will save the complex activity of cash movement through cash safes by trains.

## GOVERNMENT OF INDIA AND WORLD BANK SIGNS MOU FOR LOAN OF ASSAM INLAND WATER TRANSPORT PROJECT

---

- Government of India and the World Bank has signed an agreement for \$88 million loan of Assam Inland Water Transport Project.
- The agreement aims to modernize the passenger ferry sector of Assam by improving the infrastructure and its services.
- Under the agreement, technically better designed terminals and energy-efficient vessels will be provided to make the ferry services more efficient, modern and safe.



## **RBI ISSUED NEW RULES FOR DEBIT AND CREDIT CARD**

---

- RBI asks banks to allow at the time of issue or re-issue, all cards (physical and virtual) should be enabled for use only at contact-based points of usage [ATMs and Point of Sale (PoS) devices] within India.
- The instructions given by the RBI assume significance amid rising instances of cyber frauds.
- Customers will have to separately set up services on their card for international transactions, online transactions, card-not-present transactions and contactless transactions.

## **IBBI AMENDED VOLUNTARY LIQUIDATION PROCESS REGULATIONS**

---

- The amendment provides that a Liquidator shall deposit the number of unclaimed dividends if any, and undistributed proceeds, if any, in a liquidation process along with any income earned thereon into the Corporate Voluntary Liquidation Account before submission of an application for dissolution of the corporate person.
- It also provides a process for a stakeholder to seek withdrawal from the Corporate Voluntary Liquidation Account.
- The amended regulations are effective from 16th January 2020.

## **GOOGLE HAS ANNOUNCED TO GRANT \$1-MILLION TO INDIA FOR PROMOTING NEWS LITERACY IN THE COUNTRY**

---

- Google has announced to provide a grant of \$1-million for promoting news literacy in India.
- The company will provide the grant for a news literacy organisation "Internews" which will be formed under Google News Initiative (GNI).
- It will be done with an aim to counter fake news and misinformation in India.
- This grant of \$1-million is a part of total \$10-million commitment made by the company for media literacy in India.

## **GOVERNMENT OF INDIA, GOVERNMENT OF MAHARASHTRA AND WORLD BANK SIGNS A USD 210 MILLION LOAN AGREEMENT**

---

- The Government of India, the Government of Maharashtra and the World Bank have signed a loan agreement of USD 210 million on January 24, 2020.
- This agreement has been signed to support small farmers' participation in competitive agriculture value chains, increase market access and productivity in focus commodities, facilitate agri-business investments and build resilience of crops to recurrent floods or droughts in Maharashtra.

## **Banking and Financial Awareness Digest: January 2020**

---

- This will be termed as Maharashtra Agribusiness and Rural Transformation Project and will be implemented in all 36 districts of Maharashtra.

### **RBI HAS CANCELLED THE CERTIFICATE OF AUTHORISATION OF VODAFONE'S M-PESA**

---

- The Reserve Bank of India has cancelled the Certificate of Authorisation (CoA) of Vodafone's m-pesa.
- This cancellation has been done after the voluntary surrender of authorisation by the company itself.
- Last year, Vodafone Idea decided to close its mobile-based money transfer platform "m-pesa" after the closure of Aditya Birla Idea Payments Bank Ltd (ABIPBL).
- m-pesa was to be merged in ABIPBL and because of its closure, Vodafone decided to close it as well.

### **RBI ANNOUNCED TO RAISE THE INVESTMENT LIMIT FOR FPIs IN GOVERNMENT & CORPORATE BONDS**

---

- The Reserve Bank of India has increased the investment limit for foreign portfolio investors (FPIs) in government and corporate bonds to 30%.
- Before this, the investment limit of FPIs in government & corporate bonds was 20%.
- Thus, RBI has increased the investment limit by 10%.
- In addition to this, RBI has also made a relaxation in the voluntary retention route (VRR) for FPI investments in debt. Now, the FPI investment cap through VRR has been doubled to Rs 1.5 lakh crore.

### **UNITED NATIONS LOWERS INDIA'S GROWTH FORECAST FOR FY20**

---

- United Nations has lowered the growth forecast of India for the year 2020-21 to 5.7%.
- This forecast has been made in the United Nations World Economic Situation and Prospects (WESP) 2020 report.
- UN has also lowered its growth forecast for India in the next fiscal to be at 6.6 per cent. Earlier, it was projected to be 7.4 per cent.

### **ICICI BANK INTRODUCES CARDLESS CASH WITHDRAWAL FACILITY THROUGH ATMS**

---

- ICICI Bank has launched a new service "Cardless Cash Withdrawal" through ATMs.
- According to this new service, there will be a cash withdrawal facility from its ATMs with a per day transaction limit of Rs 20,000.
- Through this service, customers will be able to withdraw cash from over 15,000 ATMs of the bank by simply raising a request on iMobile which is a mobile banking application of the bank.

## **NPCI HAS LAUNCHED BLOCKCHAIN-BASED VAJRA PLATFORM**

---

- The National Payments Corporation of India (NPCI) has launched 'Vajra Platform'.
- It is a blockchain-technology based payment system that will make payments fast and secure.
- The platform has been launched to offer automatic clearing and settlement of payments on NPCI products such as Rupay card and unified payments interface (UPI).
- It will also reduce the need for manual reconciliation.

## **FINANCE MINISTRY ALLOWS FILING GSTR-3B RETURNS IN A STAGGERED MANNER**

---

- The Finance Ministry on 22nd January 2020 has decided to allow GST taxpayers to file their GSTR-3B returns in a staggered manner.
- The decision is taken towards easing the process as presently, the last date of filing GSTR-3B returns for every taxpayer is 20th of every month.
- After the change, now the last date for filing of GSTR-3B for the taxpayers having annual turnover of Rs 5 crore and above in the previous financial year would be 20th of every month without late fees.

## **SEBI'S DRAFT NORMS FOR SOCIAL STOCK EXCHANGE**

---

- The creation of a social stock exchange and electronic transparent fundraising platform for organisations working on social welfare was mooted in the 2019-20 budget proposal.
- Considering the proposal, the Institutional Trading Platform (ITP) is envisaged with limited trade-ability to select investors.
- ITP is a trading platform that will allow listing and trading of specified securities for informed investors.