

JANUARY 2024

IBPS RRB GBO

Scale II & III

GK Digest

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REVIEW OF INSTRUCTIONS ON BULK DEPOSITS FOR URBAN CO- OPERATIVE BANKS (UCBS) - JANUARY 01, 2024

- The Review of Instructions on Bulk Deposits for Urban Co-operative Banks (UCBs) is a notification issued by the Reserve **Bank of India (RBI) on January 01, 2024**. It revises the definition and limit of bulk deposits for different categories of UCBs, based on their tier and scheduled status. The main changes are:
- For Scheduled UCBs in Tier 3 and 4 cities, the bulk deposit limit is **increased from Rs. 15 lakh to Rs. 1 crore** and above.
- For all other UCBs (excluding Scheduled UCBs in Tier 3 and 4 cities), the bulk deposit limit remains unchanged at **Rs. 15 lakh and above**.

INOPERATIVE ACCOUNTS /UNCLAIMED DEPOSITS IN BANKS- REVISED INSTRUCTIONS JANUARY 01, 2024

- The Reserve Bank of India (RBI) issued **revised instructions on inoperative accounts and unclaimed deposits** in banks on January 1, 2024. These instructions aim to assist account holders, consolidate existing guidelines, and streamline the handling of such accounts and deposits.

Here are some key points from the revised instructions:

Classification of Accounts:

- **Savings and current accounts:** Classified as inoperative if no transaction occurs for over two years.
- **Term deposit accounts:** Classified as inoperative if no transaction occurs for one year after maturity.

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Measures for Account Holders:

- Banks cannot impose charges for activating inoperative accounts.
- Interest continues to accrue on savings accounts even if they are inoperative.
- Banks must make efforts to trace account holders, nominees, or legal heirs before transferring funds to the Depositor Education and Awareness Fund (DEA Fund). This includes contacting them through registered email, SMS, and contacting the introducer who helped open the account.

RESERVE BANK OF INDIA (COMMERCIAL PAPER AND NON- CONVERTIBLE DEBENTURES OF ORIGINAL OR INITIAL MATURITY UPTO ONE YEAR) DIRECTIONS, 2024 - JANUARY 03, 2024

The Reserve Bank of India (RBI) has recently reviewed the directions on **commercial papers (CPs) and non-convertible debentures (NCDs)**. The review was done based on the market feedback and a master direction has been issued accordingly. It will come into effect on April 1, 2024.

Key points:

What are commercial papers/ non-convertible debentures?

- **Commercial paper (CP) refers to an unsecured money market instrument issued in the form of a promissory note, notes** the latest master direction released on January 3, 2024.
- **Non-convertible debentures (NCDs) refer to a secured money market instrument** with an original or initial maturity up to one year.

Who can invest?

- **All residents are eligible to invest in commercial papers and non-convertible debentures.** Non-residents are eligible to invest in Commercial Papers (CPs) and NCDs to the extent permitted under FEMA or the rules framed under.

What are minimum denominations?

- **Commercial Papers (CPs) and NCDs are issued in dematerialised form and held with a depository registered with Sebi.** They will be issued in a minimum denomination of ₹5 lakh and in multiples of ₹5 lakh thereafter.

What are tenor & settlement dates?

- The tenor of a **Commercial Papers (CP) cannot be less than seven days or more than a year.** The tenor of an NCD cannot be less than 90 days or more than one year.
- It is not **allowed to issue these instruments with options. The settlement must be done within a period not exceeding T+4 working days** where T represents the deal date.

What can they be used for?

- **Funds raised through Commercial Papers (CPs) and NCDs will be used to finance current assets and operating expenses.** It is important for the issuer to disclose the end use in the offer document. And in case the end purpose is different from financing current assets and operating expenses, it should be disclosed in the offer document.

What are the credit rating requirement?

- The **minimum credit rating assigned by a credit rating agency for the issuance of Commercial Papers (CPs) and NCDs** will be 'A3' as per rating symbol and definition as prescribed by Sebi.

AMENDMENT TO THE MASTER DIRECTION (MD) ON KYC JANUARY 04, 2024

- The Amendment to **the Master Direction (MD) on KYC - January 04, 2024** is a circular issued by the Reserve Bank of India (RBI) **to update the KYC norms for regulated entities (REs) such as banks and financial institutions.** The main changes introduced by the amendment are:
- The definition of Politically Exposed Persons (PEPs) has been revised to include individuals who are or have been entrusted with prominent public functions by a foreign country, such as heads of states, senior politicians, senior

government or judicial or military officers, senior executives of state-owned corporations and important political party officials.

RISK MANAGEMENT AND INTER-BANK DEALINGS – HEDGING OF FOREIGN EXCHANGE RISK JANUARY 05, 2024

- The Reserve Bank of India (RBI) issued a notification on January 5, 2024, titled "**Risk Management and Inter-Bank Dealings – Hedging of foreign exchange risk" (A. P. (DIR Series) Circular No. 13)**". This notification revises the regulatory framework for hedging foreign exchange risks in India.
- **Here are some key points from the notification:**
- **Types of foreign exchange transactions permitted:**
 - Authorised Dealers can offer foreign exchange cash, tom and spot contracts, involving INR or otherwise, to users for permissible current or capital account transactions.
 - Deliverable foreign exchange derivative contracts involving INR can be offered for hedging purposes.
 - Authorised Dealer Category-I banks with an operating IFSC Banking Unit can offer Non-Deliverable Derivative Contracts (NDDCs) involving INR to resident users for hedging and to non-resident users without any restriction in terms of purpose.
- **Hedging effectiveness requirements:**
 - The hedge ratio (i.e., the notional amount of the derivative contract relative to the underlying exposure) must be at least 100% for all exposures, except in certain specified cases.
 - No adjustment to the hedge is required if the change in exposure is not considered material by the Authorised Dealer.
 - For exposures where the value cannot be ascertained with certainty, derivative contracts can be booked based on reasonable estimates, which should be reviewed period.

- **Other key provisions:**
 - The notification consolidates the Directions contained in the Master Direction – Risk Management and Inter-Bank Dealings dated July 05, 2016, as amended from time to time, and in the Currency Futures (Reserve Bank) Directions, 2008 and Exchange Traded Currency Options (Reserve Bank) Directions, 2010.
 - The revised Directions come into effect on April 5, 2024.

CREDIT/INVESTMENT CONCENTRATION NORMS – CREDIT RISK TRANSFER - JANUARY 15, 2024

The guidelines on Large Exposures Framework (LEF) are applicable to NBFC-Upper Layer (NBFC-UL). The NBFC-Base Layer (NBFC-BL) and NBFC-Middle Layer (NBFC-ML) are, however, governed by the credit/investment concentration norms.

Exposure Limits:

Single Borrower Limit:

- NBFC-UL (Upper Layer): 25% of NOF (Net Owned Funds)
- NBFC-ML (Middle Layer): 15% of NOF
- NBFC-BL (Base Layer): No specific limit, but internal policy required

Group Borrower Limit:

- NBFC-UL: 40% of NOF
- NBFC-ML: 25% of NOF
- NBFC-BL: No specific limit, but internal policy required

Credit Risk Transfer Instruments:

Eligible Instruments:

- Guarantees (direct, explicit, irrevocable, unconditional)
- Credit derivatives
- Securitization
- Cash margin/caution money/security deposit (for NBFC-ML only)
- Central/State government guarantees

Applying CRT to Reduce Exposure:

- The exposure amount can be reduced by the notional amount of the CRT instrument used.
- This applies to both single and group borrower limits.

Exemptions:

- Exposure to the government of India and state governments (eligible for 0% risk weight)
- Exposure fully guaranteed by the government

NBFC-BLs must have an internal board-approved policy for managing concentration risks.

Note

- **Credit Risk Transfer Instruments (CRTIs)** are financial tools used by lenders to shift the risk of borrower default to another party. This allows lenders to manage their credit exposure, free up capital for other loans, and potentially improve their risk-adjusted returns.

GUIDELINES ON APPOINTMENT / RE-APPOINTMENT OF STATUTORY AUDITORS OF STATE CO-OPERATIVE BANKS AND CENTRAL CO-OPERATIVE BANKS JANUARY 15, 2024

Applicability

- These guidelines shall be applicable to StCBs and CCBs (hereinafter referred to as the 'bank') with effect from April 1, 2024.

Prior Approval of RBI for Appointment / Re-appointment of Statutory Auditors (SAs)

- The bank shall obtain prior approval of RBI before appointment, re-appointment or removal of SA.
- The bank shall seek prior approval for re-appointment of SA annually.

Procedure

- NABARD shall obtain a list of audit firms [Partnership firms / Limited Liability

Partnerships (LLPs)], on an annual basis, from the Institute of Chartered Accountants of India (ICAI).

- Thereafter, NABARD shall apply the eligibility criteria prescribed for SAs in this circular and prepare an All-India State-wise list of eligible audit firms.
- NABARD shall then share this list with the banks for selection and appointment / re-appointment of SAs.
- The bank shall select the audit firm(s) from this list, obtain the necessary approvals from the Board of Directors (Board) / Audit Committee of the Board (ACB), and submit application for prior approval to Department of Supervision, RBI, before July 31 of the reference financial year.

Monitoring

- Board / ACB of the bank shall monitor and assess the independence of auditors and conflict of interest, if any, guidelines said.
- The Board / ACB of the bank shall review the performance of SA annually.

Appoint of Statutory Auditors

- SAs shall be appointed at a time for a period of one year only and shall be reappointed annually for the succeeding two years subject to them continuing to satisfy eligibility norms stated in these guidelines. During such period, premature removal of the SA shall require prior approval of RBI.
- An auditor / audit firm shall not be eligible for appointment / re-appointment in the same bank for six years (two tenures) immediately after completion of a full or part tenure.

Number of StCBs / CCBs an Audit firm can Audit

- An audit firm can concurrently take up statutory audit of a maximum of five banks (including not more than one StCB) in a year, RBI said. The limit of five banks will be in addition to the limit of 20 Regulated Entities (REs).
- Further, in a year, an audit firm cannot simultaneously take up statutory audit of both StCB and CCBs operating in the same State

MASTER CIRCULAR- EXPOSURE NORMS AND STATUTORY / OTHER RESTRICTIONS – UCBS JANUARY 16, 2024

1. General:

- Applies to all Primary (Urban) Co-operative Banks (UCBs) in India.
- Supersedes and consolidates all previous circulars on the subject.

2. Exposure Norms:

Individual/Group Borrowers:

- Exposure Ceiling:
- Single Borrower: 15% of Tier-I capital.
- Group of Connected Borrowers: 25% of Tier-I capital.
- Computation: Includes all credit facilities (fund-based & non-fund-based) to the borrower and connected parties.
- Thresholds: Loans below ₹1 lakh are excluded from exposure calculation.

Housing, Real Estate & Commercial Real Estate:

- Combined Ceiling: 10% of total assets.
- Additional Housing Loan Limit: 5% of total assets for individual housing loans ≤ ₹25 lakh.

Inter-bank Exposure:

- Deposits placed with a single bank: ≤ 5% of depositor bank's liabilities.
- Total inter-UCB deposits accepted: ≤ 10% of receiving bank's liabilities.

Other Exposure Limits:

- Investments in non-SLR securities: ≤ 10% of previous year's total deposits.
- Unlisted securities investment: ≤ 10% of non-SLR investments.
- Advances against own shares: Prohibited.
- Capital Adequacy Ratio (CAR): Minimum Tier-I CAR of 8%.

Ceiling on Unsecured Advances:

- Individuals: ≤ 10% of owned funds (share capital + reserves).
- Firms: ≤ 20% of owned funds.
- Prohibited Unsecured Advances: To directors, relatives, non-members, stock/commodity brokers.
- Aggregate Ceiling: 25% of owned funds for all unsecured advances.

Credit Card Limits:

- Individual: ≤ 10% of owned funds.
- Aggregate: ≤ 25% of owned funds.

Statutory Restrictions:

- Advances to directors & relatives: Prohibited.
- Maximum advance to nominal members: 10% of owned funds.
- Advances against fixed deposits of other banks: Prohibited.

Restrictions on:

- Bridge loans/interim finance.
- Advances against shares, debentures, and bonds.
- Bank finance to NBFCs.
- Financing equipment leasing and hire purchase financing.
- Financing for agricultural activities.
- Loans to Self Help Groups (SHGs) / Joint Liability Groups (JLGs).
- Advances to defaulters of other banks.

Regulatory Restrictions:

- Lending based on credit assessment and due diligence.
- Diversification of credit portfolio.
- Maintenance of internal control systems.
- Compliance with RBI guidelines and reporting requirements.

**BANKING & FINANCIAL
AWARENESS GK DIGEST:
JANUARY 2024**

RBI EXTENDS PAYMENTS INFRASTRUCTURE DEVELOPMENT FUND SCHEME TILL 2025

Current Context: The Reserve Bank of India (RBI) has extended the Payments Infrastructure Development Fund (PIDF) scheme until December 31, 2025.

- It is **designed to offer financial aid to banks and non-bank financial companies** (NBFCs) for the deployment of point-of-sale terminals and other payment acceptance infrastructure.
- The scheme **aims to encourage the deployment of digital payment infrastructure** in North Eastern states, Jammu & Kashmir, Ladakh, and tier-III to VI centres.
- This extension **aims to continue fostering financial inclusion and supporting the country's payment infrastructure**.

“RBI CANCELS LICENCES OF BOTAD PEOPLES CO-OPERATIVE BANK AND ADARSH MAHILA NAGARI SAHAKARI BANK”

Current Context: On December 29, 2023, the Reserve Bank of India (RBI) cancelled the licences of two cooperative banks, one in Gujarat and one in Maharashtra.

- The **RBI cancelled its licence due to inadequate capital and earning prospects**. The bank had a negative net worth of ₹16.6 crore as of September 30, 2023.
- The **RBI cancelled its licence due to the same reasons** as the Botad Peoples Co-operative Bank.
- **The bank had a negative net worth of ₹63.2 crore** as of September 30, 2023. It had also been classified as a "weak" bank by the RBI since April 2022.

CBI & KISETSU SAISON FINANCE PARTNERS FOR MSME LOAN

Current Context: The Central Bank of India (CBI) and Kisetu Saison Finance have entered into a strategic co-lending partnership to offer loans to Micro, Small, and Medium Enterprises (MSMEs) on 28th December 2023.

- This co-lending arrangement is expected to result in a greater expansion of the portfolio by both entities.

- Co-lending or co-origination is a setup where banks and non-banks jointly contribute credit for priority sector lending.
- In this arrangement, both banks and Non-Banking Financial Companies (NBFCs) share the risk in a ratio of 80:20, with 80% of the loan with the bank and a minimum of 20% with the non-banks.

RBI PROPOSES NEW DIVIDEND PAYMENT RULE FOR BANKS, LENDERS WITH LOWER NPAs MAY OFFER HIGHER DIVIDENDS

Current Context: The Reserve Bank of India (RBI) recently proposed a new dividend payment rule for banks, aiming to reward lenders with lower non-performing assets (NPAs) with higher dividend payouts. This move is expected to incentivize banks to improve their asset quality and strengthen their financial stability.

- Here are the **key takeaways of the proposed rule:**
- **Lower NPA threshold for dividend eligibility:** Previously, banks needed to have a net NPA ratio of up to 7% to be eligible for dividend declaration. The new rule proposes lowering this threshold to 6%. This means banks with better asset quality will have greater flexibility in distributing profits to shareholders.
- **Graded dividend payout based on NPA:** The proposal introduces a graded dividend payout system. Banks with the lowest NPA ratios (0%) would be allowed to pay out up to 50% of their profits as dividends, while those with higher NPA ratios would face restrictions. This incentivizes banks to actively manage their bad loans and maintain a healthy financial position.
- **Maintaining capital adequacy:** The new rule reiterates the importance of banks meeting the applicable regulatory capital requirements for the past three years before declaring dividends. This ensures that banks prioritize maintaining sufficient capital buffers to absorb potential losses.

RBI HAS ISSUED GUIDELINES FOR INOPERATIVE ACCOUNTS AND UNCLAIMED DEPOSITS

Current Context: The Reserve Bank of India (RBI) has indeed issued fresh guidelines to reduce the quantum of inoperative

bank accounts and unclaimed deposits on January 1, 2024. The revised instructions will come into effect from April 1, 2024.

- Here are **some key points from the guidelines:**
- **Banks are required to undertake at least an annual review of accounts** where there are no customer-induced transactions for more than a year.
- The **guidelines focus on tracing customers and reducing fraud risk.**
- Banks are required **to contact the holder(s) of the inoperative account/unclaimed deposit through letters, email, or SMS.**
- Banks are required **to credit interest on savings accounts regularly irrespective of the fact that the account is in operation** or not.
- **No charges** shall be levied for activation of inoperative accounts.

RBI GRANTS PAYMENT AGGREGATOR LICENCE TO TATA PAY & DIGIO

Current Context: The Reserve Bank of India (RBI) granted the payment aggregator licence to Tata Pay and DigiO on January 1, 2024.

- This licence will **enable Tata Payments to facilitate e-commerce transactions through its platform.**
- **Tata Payments** is held through Tata Digital, the group's subsidiary entity, which houses its digital businesses.
- With **this licence, Tata can power all e-commerce transactions** within its subsidiary entities, which will **help it manage funds better.**
- In addition to **Tata Pay, Bengaluru-based identity verification startup DigiO**, backed by Groww, has also secured the payment aggregator licence as of January 1.
- **DigiO powers digital identification** for multiple fintechs and will be able to bundle in-payment services on top of it.
- This **development places Tata Pay and DigiO** alongside other platforms like **Google Pay, Razorpay, and Cashfree** that have secured the much sought-after licence.

RBI PENALISES FIVE GUJARAT-BASED COOPERATIVE BANKS

Current Context: The Reserve Bank has penalised five Gujarat-based cooperative banks for various lapses in complying with its regulations, with penalties varying from Rs 50,000 to Rs 5 lakh on each of them over the past one month.

- **Shree Bharat Co-operative Bank, Vadodara:** Penalized with Rs. 5 lakh.
- **Bhuj Commercial Co-operative Bank, Kachchh:** Penalized with Rs. 1.5 lakh .
- **Co-operative Urban Bank, Parlakhemundi:** Penalized with Rs. 1.5 lakh for violating various regulatory norms, including:
 - Capital adequacy ratio
 - Net owned funds ratio
 - Statutory provisions
 - Prudential norms on classification of non-performing assets
- **Limdi Urban Cooperative Bank, Dahod:** Penalized with Rs. 50,000 for non-compliance with deposit rate regulations.
- The **Kapadvanj Nagari Sahakari Bank, Kheda:** Penalized with Rs. 50,000 for violating various accounting norms.

RBI ISSUES MASTER DIRECTION ON COMMERCIAL PAPER & NON-CONVERTIBLE DEBENTURES 2024

Current Context: The Reserve Bank of India (RBI) has issued a Master Direction on Commercial Paper and Non-Convertible Debentures for the year 2024.

- This direction **applies to all persons/agencies dealing in Commercial Papers and Non-Convertible Debentures.**
- One of the key highlights of this direction is that issuers of Commercial Papers (CPs) and Non-Convertible Debentures (NCDs) are **required to disclose information on any payment default through various channels, including publicly** disseminating such information through their websites.
- The Reserve Bank of India (RBI) **issued the revised Master Direction on Commercial Paper and Non-Convertible Debentures** on January 3, 2024.

BAJAJ FINSERV LAUNCHED INDIA'S FIRST CREDIT PASS, POWERED BY CIBIL

Current Context: Bajaj Finserv has indeed launched India's first Credit Pass powered by CIBIL on 3rd January 2024. This subscription service allows you to track and monitor your credit health.

- Here are **some key features and benefits of the Credit Pass:**
- **Credit Score Checks:** You can check your updated CIBIL Score every month.
- **Personalised Dashboard:** Get a summary of all your loans and credit cards in one place.
- **Credit Health Report:** You can access features like credit factors, account summary, and more.
- **Credit Score Simulator:** This tool allows you to check how different credit scenarios can potentially impact your existing CIBIL Score.
- The Credit Pass is available in **two subscription plans:**
- **Standard Plan:** Priced at Rs. 59 for 6 months.
- **Premium Plan:** Priced at Rs. 99 for 12 months.

CUSTOMER COMPLAINTS SHOULD BE COMMUNICATED IN 30 DAYS: RBI IO FOR RE DIRECTIONS, 2023

Current Context: As per the Master Direction - RBI (Internal Ombudsman for Regulated Entities) Directions, 2023 issued by the Reserve Bank of India (RBI), customer complaints filed with any regulated entity (RE) must be communicated within 30 days of receipt.

- **This applies to:**
- **Banks:** All commercial banks, cooperative banks, and small finance banks.
- **NBFCs:** Non-banking financial companies, including housing finance companies, microfinance institutions, and investment companies.
- **Non-bank System Participants:** Entities involved in payment systems, financial markets, and other RBI-regulated activities.
- **Credit Information Companies:** CICs responsible for collecting and maintaining credit information about individuals and businesses.
- This mandate emphasizes the RBI's focus on improving consumer grievance redressal within regulated entities and enhancing customer service standards.

SBI RAISES USD 250 MILLION THROUGH GREEN BONDS TO FINANCE GREEN PROJECTS

Current Context: On 4th January 2024, The State Bank of India (SBI) has indeed raised USD 250 million through the issuance of Green Notes to fund sustainable projects.

- This **successful placement is part of SBI's USD 10 billion** medium-term note program.
- The Green Notes, which are senior unsecured floating rate notes, **were issued on a floating rate basis of 1.20%** above the **Secured Overnight Financing Rate (SOFR)** and have been listed on the India International Exchange.
- The **proceeds will be allocated to eligible green projects** according to the Bank's Environmental, Social, and Governance (ESG) Financing Framework.
- The **issuance of these green bonds is a step towards building up a green portfolio.**

THE DEFINITION OF POLITICALLY EXPOSED PERSONS HAS BEEN REVISED BY RBI FOR KYC PURPOSES

Current Context: The Reserve Bank of India (RBI) has indeed revised the definition of Politically Exposed Persons (PEPs) for Know Your Customer (KYC) purposes on 4th January 2024.

- **As per the amendment to the Master Direction on KYC,** PEPs are now defined as "individuals who are or have been entrusted with prominent public functions by a foreign country, including the heads of states/governments, senior politicians, senior government or judicial or military officers, senior executives of state-owned corporations and important political party officials".
- **Bank accounts of PEPs have additional KYC norms** under the current provisions and special due diligence has to be undertaken by a senior bank official.

IRDAI EASES NORMS FOR INVESTMENT IN INFRASTRUCTURE BY INSURANCE COMPANIES

Current Context: The Insurance Regulatory and Development Authority of India (IRDAI) has recently relaxed certain norms

on investment in Infrastructure Debt Funds (IDFs) of Non-Banking Financial Companies (NBFCs) by insurance companies on 5th January 2024.

- Previously, **insurers were permitted to invest in IDFs backed by the central government** on a case-by-case basis.
- The new regulation **allows insurers to make investments in IDF-NBFCs which are registered** with the Reserve Bank of India (RBI) and have a **minimum credit rating of AA or its equivalent by a Credit Rating Agency** registered with the Securities and Exchange Board of India (SEBI) to be eligible for the investment.
- This move is **aimed at encouraging investments in the infrastructure sector** and enhancing the ease of doing business.
- It is also in line with the **RBI's decision to enable IDF-NBFCs to play a greater role** in financing the infrastructure sector.

RBI DOUBLES MINIMUM CAPITAL REQUIREMENT TO RS 200 CR FOR SFBS

Current Context: The Reserve Bank of India (RBI) has indeed doubled the minimum capital requirement for Small Finance Banks (SFBs) to Rs 200 crore. This move is part of the revised guidelines issued by the RBI.

- For Primary (Urban) Co-operative Banks (UCBs) that wish **to voluntarily transition into SFBs, the initial net worth requirement will be Rs 100 crore.**
- This **must be increased to Rs 200 crore within five years** from the commencement of business.
- Payments Banks can **apply for conversion into SFBs after five years of operations** if they are otherwise eligible as per the guidelines.
- In fact, Fino **Payments Bank has already applied** for an SFB license as per regulatory guidelines on Payments Bank conversion to SFB.
- SFBs are expected **to offer basic banking services, accepting deposits and lending to unserved and underserved** sections, including small business units, small and marginal farmers, micro and small industries, and entities in the unorganised sector.

INDUSIND BANK INTRODUCES SAMMAN RUPAY CREDIT CARD FOR GOVERNMENT EMPLOYEES

Current Context: IndusInd Bank launched the 'Samman RuPay Credit Card' for government employees on January 9, 2024. This credit card is UPI-enabled and offers a range of exclusive benefits.

- Here are **some key features:**
- **Cashback:** 1% cashback on all retail spends up to Rs. 20,000.
- **Movie Tickets:** Complimentary movie tickets.
- **No Charges on Cash Advances:** No charges for cash withdrawals.
- **Waivers:** Waivers on surcharges for transactions done through IRCTC and fuel purchases.
- **Joining Fee:** No joining fee.
- **Renewal Fee:** Rs. 199, which can be waived by spending Rs. 75,000 in a year
- This card is **designed to provide financial incentives and simplify the day-to-day transactional experience** of government employees.

IOB INTRODUCED SAVINGS ACCOUNT PORTABILITY ONLINE SCHEME TO TRANSFER SAVINGS ACCOUNT ONLINE

Current Context: The Indian Overseas Bank (IOB) has introduced a scheme called 'Savings Account Portability Online'. This scheme is designed to simplify the process of transferring savings accounts for customers who frequently move locations due to various reasons such as career shifts or educational pursuits.

- Here's how it works:
 - Customers **need to log in to the IOB website and access the 'Transfer of Savings Accounts' section.**
 - They then **enter their account number and registered mobile number.**
 - A one-time password (OTP) is sent to the registered mobile number.
 - After entering the OTP, customers can specify the desired branch for transfer and submit.
 - A new page opens, revealing the account number and the name and code of the destination branch, confirming the successful transfer.

- This scheme aims to eliminate the need for filling out numerous forms and waiting for weeks for the account transfer to materialize.

KOTAK MAHINDRA LIFE LAUNCHES UNIT-LINKED TERM INSURANCE PLAN

Current Context: Kotak Mahindra Life Insurance has launched a new product named 'T.U.L.I.P' (Term with Unit-Linked Insurance Plan) on January 11, 2024.

- This plan offers life cover up to 100 times of the annual premium.
- It also provides a customer the opportunity to earn returns like a ULIP and additional protection against critical illnesses and accidental death.
- The T.U.L.I.P plan offers comprehensive protection like a term plan and also the opportunity to grow their wealth like a ULIP.
- It is launched with eight options and is aimed at taking care of customer's core financial needs.
- The plan also comes with the flexibility to withdraw money in case of a financial emergency.
- Unit-linked insurance Plans (ULIPs) are a category of life insurance that offers an opportunity to grow your money over the long term and protect your family through life cover.

ZERODHA FUND HOUSE LAUNCHES INDIA'S 1ST GROWTH LIQUID ETF SCHEME

Current Context: Zerodha Fund House has launched India's first growth liquid ETF named 'Zerodha Nifty 1D Rate Liquid ETF'. This ETF replicates the Nifty 1D Rate Index, which measures the returns generated by market participants lending in the overnight market.

- The scheme opened for public subscription on January 08, 2024, and closed on January 12, 2024.
- The scheme seeks to invest in Tri Party repo on Government securities or treasury bills (TREPS).
- The Scheme aims to provide investment returns that, before expenses, correspond to the returns of the NIFTY 1D Rate Index, subject to tracking error.
- The fund manager of this scheme is Apurv Parikh.
- This ETF offers a simple and effective way to manage cash with low interest and credit risk. It's a

type of ETF that aims to provide easy liquidity with relatively less risk.

KARNATAKA BANK & DIGIVRIDDDHI PARTNERS TO OFFER FINANCIAL SERVICE TO DAIRY FARMERS

Current Context: The partnership between Karnataka Bank and Digivridddhi (DGV) to offer financial services to dairy farmers and milk societies was announced on January 9, 2024.

- The services will be made available at village dairy co-operative societies associated with milk unions of the Karnataka Milk Federation (KMF).
- Initially, these services are being made available to milk societies associated with the Chamarajanagar Milk Union, and will be rolled out to farmers of other unions in rapid succession.
- The partnership aims to provide seamless and innovative end-to-end digital product offerings to the dairy farmers and provide access to institutional credit, while easing and digitizing payments across the dairy value chain.
- H. Srikrishnan, the Managing Director and Chief Executive Officer of Karnataka Bank, mentioned that this partnership is part of their efforts to accelerate fintech initiatives and collaborations across various verticals to enhance access to markets and customer experience.

RBI IMPOSES PENALTIES ON DHANKAXMI BANK, PUNJAB & SIND BANK AND ESAF SMALL FINANE BANK

Current Context: The Reserve Bank of India (RBI) imposed penalties on Dhanlaxmi Bank, Punjab & Sind Bank, and ESAF Small Finance Bank on January 12, 2024.

- **Dhanlaxmi Bank:** The RBI has levied a penalty of Rs 1.2 crore on Dhanlaxmi Bank for three violations. The bank did not offer higher interest rates to some senior citizens against the regular norm, did not obtain PAN for some deposits, and extended gold loans for non-agriculture purposes exceeding 75% of the value of gold pledged against rules.

- **Punjab & Sind Bank:** The central bank has imposed a penalty of Rs 1 crore on Punjab & Sind Bank for violating lending rules.
- **ESAF Small Finance Bank:** ESAF Small Finance Bank will have to pay a penalty of Rs 30 lakh for deficiencies in customer service.

SBI RAISING USD 300MN THROUGH MEDIUM TERM BONDS; S&P AND FITCH ASSIGNED BBB RATING

Current Context: The State Bank of India (SBI) issued the \$300 million medium-term bonds on Thursday, January 10, 2024. This fundraising round comes after SBI mopped up \$1 billion last week.

- The new issue is likely to be concluded soon and it has a green shoe option **to raise extra amounts based on market conditions and pricing trends.**
- **S&P Global Ratings and Fitch Ratings have assigned a 'BBB-' long-term issue rating to these US dollar-denominated senior unsecured notes.**
- The ratings reflect **SBI's dominant market position, its strong deposits, and India's robust economic growth** that supports SBI's loan growth, asset quality, and profitability.

SBI LAUNCHES GREEN RUPEE TERM-DEPOSIT FD SCHEME

Current Context: The State Bank of India (SBI) launched the SBI Green Rupee Term Deposit (SGRTD) scheme on Friday, January 12, 2024.

- Here are some **key features of the scheme:**
 - **Purpose:** It is an initiative to mobilize funds for financing green activities and projects and developing a green finance ecosystem in the country.
 - **Eligibility:** The scheme is open to Resident Individuals, Non-Individual, and NRI Customers.
 - **Tenor:** The scheme offers three distinct tenors: 1111 Days, 1777 Days, and 2222 Days.
 - **Rate of Interest:** The interest rate is 10 bps below the Card Rate for Retail and Bulk Deposit for the respective tenor.
- Here are the present effective interest rates:
 - 1111 Days: General Public - 6.65%, Senior Citizen - 7.15%

- 1777 Days: General Public - 6.65%, Senior Citizen - 7.15%
- 2222 Days: General Public - 6.40%, Senior Citizen - 7.40%
- **Additional Benefits:** Senior Citizens/ Staff/ Staff Senior Citizens are eligible for additional Interest Rate over the applicable Rate for the public under the Scheme.
- **Pre-mature withdrawal:** Allowed.
- **Loan facility:** Loan/ Overdraft facility is available against the Deposit.
- **TDS:** TDS is applicable as per Income Tax Rules.
- **Others:** Conversion from existing TDR to SGRTD and vice – versa is not allowed. The scheme is available through branch channel and will be made available through YONO & INB shortly.

ISB'S DLABS, RBI INNOVATION HUB, AND UNION BANK LAUNCH 'BUILD FOR BILLIONS'

Current Context: On 13th January 2024, DLabs at the Indian School of Business (ISB), in partnership with the Reserve Bank Innovation Hub (RBIH) and Union Bank of India, launched a startup accelerator program called 'Build for Billions'.

- This program is **themed around financial inclusion for the informal economy.**
- The informal economy **includes gig workers, migrant workers, domestic workers, street vendors, carpenters, plumbers, electricians, and construction laborers.**
- These workers **face challenges such as low and volatile income, irregular income streams, limited access to credit** and savings, and a lack of social security nets.
- 'Build for Billions' **aims to support visionary fintech startups dedicated to addressing these issues.**
- The **50-day equity-free accelerator offers comprehensive support**, including mentorship, capacity building, resources, networking opportunities, the chance to pitch to banks and investors, and a unique piloting opportunity with Union Bank.

ICICI BANK CANADA LAUNCHES "MONEY2INDIA (CANADA)", A MOBILE BANKING APP

Current Context: ICICI Bank Canada launched a mobile banking app called "Money2India (Canada)" on 12th January 2024. This app offers one of the most trusted and reliable instant money transfer services in India.

- Here are **some key features of the app:**
- **Paperless On-boarding:** Seamless and instant online/selfie-based KYC.
- **Transfer Money:** From any bank in Canada to any bank in India.
- **Payment Gateway:** Option to transfer through any of your Canadian Bank Debit Card.
- **Secured Transfers:** Peace of mind through secured and trusted ways of transfers.
- 24/7 Customer Contact Centre.
- **Instant Updates:** On your money transfers.
- The **app can be used by anyone, not just ICICI Bank Canada account holders.** Users can send up to CAD 30,000 in a single transaction using this service.

KBL AND NBFC CLIX CAPITAL ENTER CO-LENDING PARTNERSHIP FOR MSME

Current Context: Karnataka Bank (KBL), a leading private sector bank, and Clix Capital, one of India's fastest-growing new-age NBFCs, have entered into a strategic digital co-lending partnership on 16th January 2024.

- This partnership is **focused on providing loans to the Indian MSME sector, which is one of the biggest contributors** to India's GDP and employment growth.
- The collaboration **leverages Karnataka Bank's cost-effective funding, comprehensive digital capabilities, and proficiency** to provide credit facilities to the specified segment.
- **Paired with Clix Capital's robust and user-friendly lending technology platform**, the partnership aims to offer seamless, economical digital financing solutions.
- The agreement, signed in Bengaluru, **emphasizes leveraging each other's strengths to cater to the unserved MSME segment.**
- Srikrishnan H, Managing Director & CEO, Karnataka Bank, **highlighted, "Our co-lending partnership will ensure much-needed liquidity at affordable rates, contributing to the sustainable economic growth of the country."**

RBI CANCELS LICENCE OF KARNATAKA'S HIRIYUR URBAN CO-OP BANK

Current Context: The Reserve Bank of India (RBI) has indeed cancelled the licence of The Hiriya Urban Co-operative Bank Ltd., Hiriya, Karnataka.

- The bank **ceased to carry on banking business** from the close of business on January 12, 2024.
- The **RBI cancelled the licence due** to the following reasons:
- The **bank did not have adequate capital and earning prospects**, hence it did not comply with the provisions of Section 11 (1) and Section 22 (3) (d) read with Section 56 of the Banking Regulation Act, 1949.
- **Public interest would be adversely affected** if the bank were allowed to carry on its banking business any further.
- **Consequently, the bank is now prohibited from conducting the business of 'banking'**, which includes, among other things, **acceptance of deposits and repayment of deposits.**

CCI APPROVES AMALGAMATION OF SHRIRAM LI HOLDINGS WITH SHRIRAM LIFE INSURANCE

Current Context: On 16th January 2024, The Competition Commission of India (CCI) has approved the proposed amalgamation of Shriram LI Holdings Private Limited with Shriram Life Insurance Company Limited.

- The main **objective of Shriram LI Holdings Private Limited (SLIH) is to undertake investment business.**
- Shriram Life Insurance Company Limited (SLIC) is a life insurance **company, registered with IRDAI.**
- SLIC is a part of the Shriram Group of Companies and is **engaged in the business of effecting contracts of insurance upon human life, developing and marketing a variety of products in life insurance business**, unit-linked life insurance products and any other activity within the ambit of provisions of Insurance Act, 1938.

RBI'S WORKING GROUP HAS PROPOSED FRAMEWORK FOR STATE GUARANTEES

Current Context: On 16th January 2024, The Reserve Bank of India's (RBI) working group on State Government Guarantees has proposed a framework.

- Here are the **major recommendations:**
- The term '**Guarantee**' should include all instruments that create an obligation, contingent or otherwise, on the part of the State Government.
- State Governments may consider fixing a ceiling for incremental guarantees issued during a year at **5 per cent of Revenue Receipts or 0.5 per cent of Gross State Domestic Product, whichever is less.**
- State Governments may consider charging a **minimum guarantee fee for guarantees extended and additional risk premium may be charged** based on the risk category and the tenor of the underlying loan.
- The implementation of these **recommendations is expected to facilitate better fiscal management** by the State Governments.

BANK OF BARODA LAUNCHED 'BOB 360 TERM DEPOSIT SCHEME' WITH HIGH-INTEREST RATES

Current Context: Bank of Baroda has launched a new fixed deposit scheme called 'BoB 360 Term Deposit Scheme' on 15th January 2024.

- Here are **some details about the scheme:**
 - It is a **special short-term retail** deposit product.
 - The **scheme offers a high rate of interest for Domestic Term Deposits** to Residents/NRO and Resident Senior Citizens.
 - The **rate of interest for the general public and NRO is 7.10%**, while for senior citizens it is 7.60%.
 - The scheme is **applicable for a period of 360 days.**
 - The **minimum investment** amount is **Rs 1,000** and the **maximum limit is Rs 2 crore.**

ICICI PRUDENTIAL LIFE LAUNCHED ICICI PRU GUARANTEED PENSION PLAN FLEXI

Current Context: ICICI Prudential Life Insurance has launched the ICICI Pru Guaranteed Pension Plan Flexi with Benefit Enhancer on 17th January 2024.

- This is an **industry-first annuity plan** that provides **customers with the option to receive a 100% refund of premiums paid** at any time starting from the date of purchase.
- **Key features of this plan include:**
- **Flexibility of regular savings** for a lifelong guaranteed income.
- **Flexibility to choose** how long you want to pay premiums.
- **Flexibility to choose** when to start your annuity/income.
- **Flexibility to receive annuity** on a **Monthly, Quarterly, Half-yearly, or Yearly** basis.

CCI APPROVES MERGER OF FINCARE SMALL FINANCE BANK WITH AU SMALL FINANCE BANK

Current Context: The Competition Commission of India (CCI) did indeed approve the proposed merger of Fincare Small Finance Bank (Fincare SFB) with AU Small Finance Bank (AU SFB) on January 23, 2024.

- This is a significant **development in the Indian banking sector, and it's expected to have a number of implications** for both banks and the industry as a whole.
- Here are **some of the key details about the merger:**
 - **Type of merger:** All-stock merger, meaning Fincare SFB shareholders will receive shares of AU SFB in exchange for their holdings.
 - **Share exchange ratio:** 579 AU SFB shares for every 2,000 Fincare SFB shares.
 - **Valuation:** Fincare SFB is valued at around three times price to book based on Q2 FY24 financials, while AU SFB is valued at approximately four times price to book.
 - **Expected completion date:** February 1, 2024, subject to necessary approvals.
 - **Next step:** The merger is now awaiting final approval from the Reserve Bank of India (RBI).

HDFC BANK IS THE FIRST BANK TO CROSS THE MILESTONE OF 2 CRORE CREDIT CARDS-IN-FORCE

Current Context: HDFC Bank has indeed become the first bank to cross the milestone of 2 crore credit cards-in-force on 23rd January 2024.

- The **private sector lender started the credit card business in 2001 with the launch of its first credit card**, reaching the mark of 1 crore cards-in-force in 2017.
- The **bank doubled this to 2 crore cards in another six years.**
- As of March 2023, **HDFC Bank has the largest market share of the credit card business in India, accounting for 28.6 percent** of the market.
- According to the latest RBI data, the **bank added 3.2 lakh cards in November, taking the total number of cards outstanding to 1.95 crore.**
- **Monthly card spends for the bank are in the range of ₹35,000-45,000 crore.**
- The **bank's payments business, including consumer durable loans and credit cards, accounted for 8 percent of retail assets** as of December 2023.

SBI LIFE HAS LAUNCHED 'SARAL SWADHAN SUPREME' AND 'SMART SWADHAN SUPREME'

Current Context: SBI Life Insurance launched two products, 'Saral Swadhan Supreme' and 'Smart Swadhan Supreme' on Tuesday, January 23.

- Here's a brief about these two products:
 - **Saral Swadhan Supreme:** It is an **individual, non-linked, non-participating, life insurance savings product** with return of premium
 - **Smart Swadhan Supreme:** This product **provides life insurance cover at an affordable cost and also returns total premium paid at the end of the policy term**, upon survival. It offers the convenience to pay premium regularly or for a limited period (7/10/15 years). You can choose the policy term from 10 years to 30 years.
- Both these plans **offer a lumpsum benefit on the policyholder's demise** during the policy term and also pays back the total premiums paid in case the life assured survives the policy term.

SEBI RELEASES FRAMEWORK FOR OFFER FOR SALE TO EMPLOYEES THROUGH STOCK EXCHANGE

Current Context: The Securities and Exchange Board of India (SEBI) released the new framework for the Offer for Sale (OFS) of shares to employees through the stock exchange mechanism on January 23, 2024.

- The purpose of this framework is **to streamline the existing process, enhance efficiency, and reduce costs** associated with the current procedure.
- As per the new procedure, **the OFS to employees must be on T+1 day along with the retail category under a new category called 'Employee'.**
- A certain **number of shares must be reserved for employees**, and the same should be indicated in the OFS notice to the **stock exchanges from the promoters.**
- **Bidding must be allowed during trading hours on T+1 day only.**

RELIANCE HOME FINANCE HEADED FOR VOLUNTARY LIQUIDATION, SURRENDERS COR

Current Context: Reliance Home Finance's application for surrender of its Certificate of Registration on account of voluntary exit from the housing finance business was approved by the Reserve Bank of India on January 25, 2024.

- Under the resolution plan, **Authum acquired Rs 11,540 crore debt of Reliance Home Finance for Rs 3,351 crore.**
- The housing finance company has proposed a **slump sale of all its assets to unlisted Reliance Commercial Finance Ltd**, which was also acquired by Authum Investment.
- This decision has **impacted the stock price of Reliance Home Finance.**
- On January 22, 2024, the **stock price went down by - 1.88%, closing at 5.33 per share.**

ZOMATO HAS RECEIVED FINAL APPROVAL FROM RBI TO OPERATE AS ONLINE PAYMENT AGGREGATOR

Current Context: Zomato Payments Private Limited, a wholly-owned subsidiary of Zomato Limited, has indeed received approval from the Reserve Bank of India (RBI) to operate as an online payment aggregator.

- **Zomato Payments** was created to provide digital payment services, including wallets and payment gateway services.
- This aligns **Zomato Payments with other notable entities like Tata Pay, Razorpay, and Cashfree**, which have also acquired the coveted payments license from the RBI.

RBI HAS REVISED ELIGIBILITY NORMS FOR URBAN CO-OPERATIVE BANKS (UCBS)

Current Context: The Reserve Bank of India (RBI) has recently issued several notifications regarding the revised eligibility norms for Urban Co-operative Banks (UCBs).

- These include:
 - Rationalization of Branch Authorisation Policy for UCBs.
 - Compliance Function and Role of Chief Compliance Officer (CCO) for UCBs.
 - Eligibility of UCBs for Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).
- These **notifications are aimed at enhancing the governance, risk management and operational efficiency of UCBs**, as well as aligning them with the Revised Regulatory Framework for UCBs released by RBI on July 19, 2022.
- The revised **eligibility norms apply to UCBs under Tier 3 and Tier 4 categories**, except those under All Inclusive Directions (AID).
- The **UCBs under Tier 1 and Tier 2 categories shall continue to be governed** by the existing guidelines.

CANARA HSBC LIFE INSURANCE LAUNCHES ISELECT GUARANTEED FUTURE PLUS

Current Context: Canara HSBC Life Insurance launched a new plan called iSelect Guaranteed Future Plus on 24th January 2024. This plan is designed to provide life insurance coverage and guaranteed benefits to secure your financial goals.

- Here are some **key features of the iSelect Guaranteed Future Plus plan:**
 - It **provides an alternate source of savings** to take care of your financial goals.

- It **includes a Payor Premium Protection Cover**, which ensures that your loved ones are taken care of even if you are not around.
- It provides **financial security and stability for different life stages and milestones**.

WB INTRODUCES USD 100MN PLASTIC WASTE REDUCTION-LINKED BOND TO TACKLE PLASTIC POLLUTION

Current Context: The World Bank (International Bank for Reconstruction and Development, IBRD) has indeed introduced a seven-year \$100 million, principal-protected Plastic Waste Reduction-Linked Bond on 24th January 2024.

- This **innovative bond provides investors with a financial return linked to Plastic Waste Collection Credits, Plastic Waste Recycling Credits (collectively, plastic credits), and Voluntary Carbon Units (carbon credits)** expected to be generated by two projects.
- The **selected projects in Ghana and Indonesia aim to reduce and recycle plastic waste in vulnerable communities, cutting plastics** leaking into nature and oceans.
- The **bond is 100% principal protected with the \$100 million proceeds used to support the World Bank's sustainable** development activities globally.
- The **plastic collection and recycling projects in Ghana and Indonesia are not World Bank projects**.

BOB FINANCIAL SOLUTIONS REBRANDED AS "BOBCARD LIMITED"

Current Context: BOB Financial Solutions Limited (BFSL), a wholly owned subsidiary of Bank of Baroda, has rebranded itself as BOBCARD Limited.

- This rebranding is accompanied by the unveiling of a new logo and a positioning statement "Credit Reimagined".
- The company describes this as a creative showcase of products and services that have been reimagined to suit the ever-changing needs and preferences of everyone across the country.

- The new brand promise “Credit Reimagined” is a conviction of a customer-centric, solution-driven assistance that assures service through innovation.
- The strategic rebranding not only embodies adaptability but positions BOBCARD as a forward-thinking financial partner.

NSRCEL IIM-B AND SIDBI LAUNCH ACCELERATOR FUND FOR STARTUPS

Current Context: The Nadathur S. Raghavan Centre for Entrepreneurial Learning (NSRCEL) at IIM Bangalore and the Small Industries Development Bank of India (SIDBI) have indeed launched a pre-seed Deep Tech accelerator fund on 30th January 2024.

- This **fund is specifically for startups in the Deep Tech and emerging business areas.**
- The MoU signed between **NSRCEL and SIDBI laid the foundation for a multi-year relationship to nurture startups and lead** them towards scaling up their business activities.
- Over the last twenty years, **NSRCEL has been supporting early-stage ventures in India, incubating more than 1600 startups** and mentoring many more.
- The **center’s singular focus has been on supporting founders who are building disruptive solutions in their early stages.**
- It provides **support to startups and entrepreneurs through various programs, including incubation, mentorship, and educational initiatives.**

RBI BARS PAYTM PAYMENTS BANK FROM ACCEPTING DEPOSITS AFTER FEBRUARY 29

Current Context: The Reserve Bank of India (RBI) did indeed bar Paytm Payments Bank (PPBL) from accepting deposits and credit transactions after February 29, 2024.

- This was **due to "persistent non-compliance" and "material supervisory concerns"** identified by the RBI.
- Here are **some key points to remember:**
- **Effective date:** The restriction on deposits and credit transactions took effect on March 1, 2024.

- **Reason for the ban:** The RBI cited non-compliance with regulations and supervisory concerns identified in an external audit report.
- **What's affected:** PPBL cannot accept new deposits, top-ups, or carry out credit transactions in any customer accounts, wallets, FASTags, etc. However, withdrawals and utilization of existing balances are permitted.
- **Future of PPBL:** The current status of PPBL is unclear. The future course of action will depend on how PPBL addresses the RBI's concerns and seeks regulatory approval.

GOVERNMENT SCHEMES

ODISHA CM NAVEEN PATNAIK LAUNCHED 3RD PHASE OF BSKY HEALTH SCHEME

- **Key features** of the third phase of BSKY:
- **Coverage:** The scheme will now cover nearly 90% of the state's population, including all rural families except regular government employees and income tax payees. This translates to over 1.10 crore families.
- **Benefits:** Beneficiaries will be entitled to cashless care worth Rs 5 lakh per annum for critical illnesses in empanelled private hospitals both inside and outside Odisha. The coverage amount for women is higher, at Rs 10 lakh.
- **BSKY Nabin Card:** New beneficiaries will receive a 'BSKY Nabin Card' which will serve as their identity card for availing treatment under the scheme.

UNION CABINET HAS APPROVED “PRITHVI VIGYAN (PRITHVI)” SCHEME

- The scheme is **set to be implemented** from 2021-26 at **an overall cost of Rs. 4,797 crore.**
- The scheme **encompasses five ongoing sub-schemes:**
- Atmosphere & Climate Research-Modelling Observing Systems & Services (**ACROSS**)
- Ocean Services, Modelling Application, Resources and Technology (**O-SMART**)
- Polar Science and Cryosphere Research (**PACER**)
- Seismology and Geosciences (**SAGE**)

- Research, Education, Training, and Outreach (REACHOUT)

ASSAM CM UNVEILS 'MUKHYA MANTRI MAHILA UDYAMITA ABHIYAN' SCHEME

- The limit is **four children** for women from Scheduled Tribes (STs) and Scheduled Castes (SCs).
- The scheme **aims to help women** who are **part of self-help groups in rural parts** of the state develop into "rural micro-entrepreneurs," with the **target being an annual income of Rs 1 lakh for each member.**
- In the first year, the **government will provide** them with **Rs 10,000** if they fulfill the **basic eligibility criteria.**
- **Subject to whether these funds are utilized, over the next two years,** they will be **given Rs 12,500 by the government and a Rs 12,500 loan from a bank.**

SMALL SAVING SCHEMES: RETURN & TAXATION

- Here are **some of the schemes:**
- **Public Provident Fund (PPF):** The PPF is a long-term investment scheme with a maturity period of 15 years. The current interest rate is 7.1% per annum. The PPF is exempt from tax under Section 80C of the Income Tax Act.
- **Senior Citizen Savings Scheme (SCSS):** The SCSS is a savings scheme for senior citizens aged 60 years and above. The current interest rate is 8.2% per annum. The SCSS is exempt from tax under Section 80C of the Income Tax Act.
- **Sukanya Samriddhi Yojana (SSY):** The SSY is a savings scheme for girls below the age of 10 years. The current interest rate is 8.2% per annum. The SSY is exempt from tax under Section 80C of the Income Tax Act.
- **National Savings Certificate (NSC):** The NSC is a fixed-income investment scheme with a maturity period of 5 to 10 years. The current interest rate is 7.7% per annum. The NSC is exempt from tax under Section 80C of the Income Tax Act.
- **Kisan Vikas Patra (KVP):** The KVP is a savings scheme for rural investors. The current interest rate is 7.5% per annum. The KVP is exempt from tax under Section 80C of the Income Tax Act.

'YUVA NIDHI' SCHEME LAUNCHED BY SIDDARAMAIAH FOR UNEMPLOYED YOUTH

- Here are **some key details about the scheme:**
- The scheme was **launched on the birth anniversary of Swami Vivekananda.**
- The **financial assistance is credited directly to the bank accounts** of the beneficiaries.
- **Graduates receive ₹3,000 per month,** while **diploma holders receive ₹1,500 per month.**
- Nearly **70,000 graduates and diploma holders** have registered for the scheme so far.
- The scheme was launched with the **focus on strengthening people's purchasing power,** especially **at a time when inflation is high.**
- This initiative is **part of the Congress party's five guarantees to the public,** with 'Yuva Nidhi' being the fifth guarantee. The scheme **aims to empower the youth economically and socially.**

MNRE LAUNCHES RS 515-CR SOLAR SCHEME FOR ELECTRIFICATION OF HOUSES IN PVTG AREAS

- Here are the key details:
- The scheme **targets the electrification of 100,000 un-electrified households** in tribal areas by **providing off-grid solar solutions free of cost.**
- The **solutions will be installed in areas where electricity supply through the grid is not techno-economically feasible.**
- The scheme also **includes a provision for providing solar lighting in 1500 multi-purpose centres (MPCs) in PVTG areas** where electricity through the grid is not available.
- The **overall approved financial outlay of the scheme is INR 515 crore.** The **year-wise fund allocation is INR 20 crore in 2023-24, INR 255 crore in 2024-25, and INR 240 crore in 2025-26.**

PM MODI LAUNCHED THE PRADHAN MANTRI SURYODAYA YOJANA

- Here are **some key points about the scheme:**
- **Aim:** The scheme aims to equip one crore poor to middle-class households with rooftop solar panels. This is intended to provide electricity from solar energy.

- **Benefits:** The scheme would not only reduce the electricity bill of the poor and middle class but would also make India self-reliant in the energy sector.
- **Implementation:** PM Modi has urged the officials to start a massive national campaign to mobilize residential segment consumers to adopt rooftop solar in large numbers.
- **Current Status:** As of December 2023, India's total installed solar capacity stands at around 73.31 GW. However, rooftop solar accounts for only around 11.08 GW out of this.
- **Challenges:** Regulations, financing frameworks, and lack of consumer awareness have been some key challenges. Sustained policy support and innovative business models will be needed to enable widescale adoption of rooftop solar across Indian households.

ODISHA GOVERNMENT LAUNCHED THE LAGHU BANA JATYA DRABYA KRAYA SCHEME

- It is a **100% State-funded minimum support price (MSP) scheme** for minor forest produce (MFP).
- This initiative is likely to **help the ruling BJD make further inroads into tribal pockets and forest fringe areas.**
- The scheme will **provide a minimum support price to all the workers in Odisha state who are involved in forest minor produce work.**

GOVERNMENT SCHEMES QUIZ : JANUARY 2024

Q.1 Who launched the third phase of the Biju Swasthya Kalyan Yojana (BSKY) health scheme?

- Naveen Patnaik
- Narendra Modi
- Mamata Banerjee
- Uddhav Thackeray
- None of these

Answer (a): Odisha Chief Minister Naveen Patnaik launched the third phase of the Biju Swasthya Kalyan Yojana (BSKY) health scheme on December 30, 2023.

Q.2 What is the overall cost of the PRITHvi Vlgyan (PRITHVI) scheme?

- Rs. 4,797

- Rs. 479.7
- Rs. 47,970
- Rs. 4,797 crore
- None of these

Answer (d): The scheme is set to be implemented from 2021-26 at an overall cost of Rs. 4,797 crore.

Q.3 What is the annual income target for each member under the new financial support scheme in Assam?

- Rs 50,000
- Rs 1 lakh
- Rs 2 lakhs
- Rs 5 lakhs
- None of these

Answer (b): The scheme aims to help women who are part of self-help groups in rural parts of the state develop into "rural micro-entrepreneurs," with the target being an annual income of Rs 1 lakh for each member.

Q.4 What is the current interest rate for the Sukanya Samriddhi Yojana (SSY)?

- 7.1%
- 7.5%
- 7.7%
- 8.2%
- None of these

Answer (d): The SCSS is a savings scheme for senior citizens aged 60 years and above. The current interest rate is 8.2% per annum. The SCSS is exempt from tax under Section 80C of the Income Tax Act.

Q.5 Under which campaign will the new solar power scheme be implemented?

- Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan
- Pradhan Mantri Jan Dhan Yojana
- Pradhan Mantri Ujjwala Yojana
- Pradhan Mantri Awas Yojana
- None of these

Answer (a): The scheme will be implemented under Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM JANMAN).

Q.6 What is the aim of the 'Pradhan Mantri Suryodaya Yojana'?

- a) To equip one crore rich households with rooftop solar panels
- b) To equip one crore poor to middle-class households with rooftop solar panels
- c) To equip one crore businesses with rooftop solar panels
- d) All of the above
- e) None of the above

Answer (b): The scheme aims to equip one crore poor to middle-class households with rooftop solar panels. This is intended to provide electricity from solar energy.

Q.7 Who launched the LABHA Yojana?

- a) The Punjab government
- b) The Odisha government
- c) The Kerala government
- d) The Maharashtra government
- e) None of these

Answer (b): The LABHA (Laghu Bana Jatya Drabya Kraya) Yojana was launched by the Odisha government on January 29, 2024.