

# SEBI GRADE A 2020 GK DIGEST

## PART-1

# SEBI GRADE A 2020 GK DIGEST (PART-1)

## BANKING AND FINANCIAL AWARENESS: 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.

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- 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.



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## 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.



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## 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.



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- 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.
- 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.





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- 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.



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## 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.

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### WhatsApp pay received NPCI nod to expand its UPI project

- WhatsApp pay has received the approval of National Payments Corporation of India (NPCI) to expand its UPI project to 10 million users.
- This announcement was made by Nandan Nilekani at an IIT industry conclave event.
- WhatsApp pay is a payment feature of Whatsapp that will run on UPI and will allow its users to pay or do transactions through their bank accounts.
- Whatsapp was running this feature as a pilot for 1 million users and was waiting for a license since 2018 and now it has got the approval from NPCI.

### RBI is conducting Financial Literacy Week 2020

- The Reserve Bank of India is conducting a "Financial Literacy Week 2020" from February 10 to 14.
- As RBI is focusing on Micro, Small and Medium Enterprises this year; the theme of the literacy week is "Micro, Small and Medium Enterprises (MSMEs)".
- The basic aim of celebrating literacy week is to create awareness about key topics. Before this, the theme of Financial Literacy Week in 2018 and 2019 was "Consumer Protection" and "Farmers" respectively.

### DICGC raises the insurance coverage for depositors to 5 lakh

- The Deposit Insurance and Credit Guarantee Corporation (DICGC) has raised the insurance coverage limit for depositors in insured banks to 5 lakhs.
- Earlier the limit was 1 lakh. This new limit of insurance coverage will be effective from February 4, 2020.
- The announcement to raise the limit was made in the Union Budget 2020-21.
- DICGC is a wholly-owned subsidiary of RBI.

### Cooperative banks to operate under RBI

- The Union Cabinet has approved the amendments to the Banking Regulation Act in order to bring cooperative banks under the regulatory mechanism of Reserve Bank of India.
- The government has taken this decision after considering the situation of the Punjab and Maharashtra Co-operative (PMC) Bank which are under crisis.
- As per the Information and Broadcasting Minister Prakash Javadekar, this move will ensure greater accountability and transparency in the functioning of cooperative banks.





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## **RBI keeps repo rate unchanged in its 6th Bi-monthly monetary policy review**

- The Reserve Bank of India (RBI) has kept the repo rate and all policy rates unchanged in its 6th Bi-monthly monetary policy review.
- At present, the repo rate is 5.15 per cent while the reverse repo rate is 4.90 per cent.
- Also, RBI has said that it will maintain 'accommodative' policy stance as long as it is necessary to revive growth, while ensuring that inflation remains within the target.

## **Fitch projects India's GDP growth at 5.6% for 2021**

- Fitch Ratings has projected the GDP growth of India to be at 5.6% for the financial year 2021.
- This projection is lower than the government's projection in the Economic Survey.
- Fitch also lowered the growth estimate for 2019-20 in March to 6.8 per cent from 7 per cent projected earlier.

## **Paytm launches Android POS device for SMEs & merchant partners**

- Paytm has launched an all-in-one payment gateway- Android POS device for SMEs and merchant partners in India.
- This device will help the merchants to accept payments through Paytm Wallet, all UPI-based apps, debit and credit cards, as well as cash.
- Along with accepting payments, merchants will also be able to generate GST compliant bills and manage their transactions and settlements through their 'Paytm for Business' app.
- The device was jointly launched by Paytm founder Vijay Sekhar Sharma and Infosys co-founder Nandan Nilekani.

## **RBI Increased Insurance Cover on Bank Deposits**

- The Reserve Bank of India (RBI) said in a statement released on 4th February 2020 said that Insurance cover on bank deposits has been increased to Rs 5 lakh from Rs 1 lakh per depositor.
- The Deposit Insurance and Credit Guarantee Corporation (DICGC), a wholly-owned subsidiary of the Reserve Bank of India provides the insurance coverage to the depositors.
- The DICGC has raised the limit of insurance cover for depositors in insured banks to provide a greater measure of protection to depositors in banks and boost the confidence of people in the banking system.

## **Union Cabinet Approved Amendment to Bring Co-op Banks under RBI**

- The government approved amendments to the Banking Regulation Act, 1949 to ensure greater accountability and transparency in the functioning of Cooperative Banks.
- According to the data released by RBI, Urban cooperative banks (UCBs) reported nearly 1,000 cases of fraud worth more than Rs 220 crore in the last five fiscals.
- After the amendment, such banks will come under RBI's (Reserve Bank of India) regulation.

## **Union Ministry of Finance notifies Rules for Printing of One Rupee Currency, 2020**

- The Government of India will start the circulation of new one rupee note in the market.
- Government has specified and notified "Printing of One Rupee Currency Notes Rules, 2020".
- These new 1 Rs notes will be printed by the Ministry of Finance not by RBI.

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- The note will have the bilingual signature of Atanu Chakraborty who is the Secretary of Ministry of Finance.
- The new one rupee currency notes will be of rectangular size measuring 9.7 x 6.3 cm.
- The color of the new notes will be pink green on obverse and reverse in combination with others.
- The Obverse side of the note will contain words 'भारत सरकार' above the words "Government of India". It will also have replica of New Rupee One coin with '₹' symbol of 2020 issued with 'Satyamev Jayate' and capital Inset letter 'L' in numbering panel.

### **RBI proposes draft framework for setting up An alternative retail payments system**

- The Reserve bank of India has proposed a draft framework for setting up a new umbrella entity (NUE) focused on retail payments system which will work along the lines of National Payments Corporation of India (NPCI).
- It will set up, manage and operate new payments system, methods, standards and technologies especially in the retail space.
- This new entity will be incorporated in India under the Companies Act, 2013.
- The new entity will have a minimum paid-up capital of Rs 500 crore. Along with this, there will be no single promoter/promoter group holding more than 40% investment in the capital.
- As per RBI, a minimum net-worth of Rs 300 crore will be maintained for the entity at all times.

### **PSBs recover Rs.2.03 lakh crore bad loans in last one-and-half years**

- According to the Finance Ministry, the Public Sector Banks have recovered a record Rs 2.03 lakh crore bad loans in last one-and-half years.
- The bad loans have fell down to Rs 7.27 lakh crore at the end of September 2019 from Rs 8.96 lakh crore at the end of March 2018.
- Along with this, Out of 18 PSBs, 12 have reported profit in the first half of the current financial year.

### **IndusInd Bank records highest increase in brand value among Top 500 Banking Brands 2020**

- According to a report titled 'The Banker's Top 500 Banking Brands 2020', IndusInd Bank has topped the list of 'Highest increase in brand value' among global banks.
- As per the report, the brand value of IndusInd Bank has increased by 122% over the last 12 months.

### **EIU lowers Global Growth Forecast 2020 to 2.2% from 2.3%**

- The Economist Intelligence Unit (EIU) has reduced its Global growth forecast for the year 2020 to 2.2 percent. Earlier, it has forecasted the growth to be at 2.3 percent.
- This decrease has been made due to the impact of Novel coronavirus outbreak in China and its spread in other countries globally.
- EIU has also projected the GDP growth for India to be at 6.1 percent in 2020.

### **Odisha MSME Dept inked MoU with HDFC Bank to boost startups**

- The Micro Small and Medium Enterprises (MSME) Department of government of Odisha has signed an agreement with the Housing Development Finance Corporation (HDFC) Bank Limited to boost startups.



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- The basic aim of this MoU is to provide smart banking solutions to Startups recognised by the "Startup Odisha".

### RBI Report on Bank Loans

- The Reserve Bank of India's (RBI) weekly statistical supplement released on 14th Feb 2020, showed that Indian banks' loans rose 7.1% in the two weeks to 31st January 2020 from a year earlier.
- It also showed that the deposits increased to 9.9%.
- In the fortnight to January 31, the outstanding loans rose Rs 989.26 billion (\$13.86 billion) to Rs 101.03 trillion.

### FinMin Addressed the Central Board of Directors of RBI

- The FinMin outlined the thinking behind the Union Budget 2020-21 and the focus areas of the Government in the meeting.
- Shaktikanta Das, Governor chaired the meeting of the Central Board.
- The finance minister was accompanied by Minister of State for Finance Anurag Singh Thakur, Finance Secretary Rajiv Kumar and Expenditure Secretary T V Somanathan, and Dr. Krishnamurthy Subramanian, Chief Economic Advisor.

### Bajaj Finance Replaced SBI on BSE

- As per the BSE, Bajaj Finance's market capitalization stood at Rs 2.87 trillion whereas the State Bank of India has a market cap of Rs 2.81 trillion.
- The finance company's shares have risen nearly 12% so far this year.
- The SBI stock has fallen nearly 4% in the last two sessions following concerns over its asset quality in Vodafone Idea and Bharti Airtel's in AGR case.
- Currently, Reliance Industries Ltd is the country's most valued company with a market cap of Rs 9.48 trillion.

### SEBI Permitted Use of Regulatory Sandbox

- The regulatory sandbox is a system that will allow live testing of new products, services and business models by market players on select customers.
- The 'regulatory sandbox' will serve as a testing ground for new business models and technologies that benefit investors, Indian markets and the economy at large.
- Under the regulatory framework, the eligible entities will be granted the facility to experiment with fintech solutions in a live environment and on real customers.

### Centre Released Rs 19,950 Cr GST Compensation to States/UTs

- With this release of GST compensation, the Central government has released a total amount of over Rs 1.20 lakh crore towards GST compensation to the states during current fiscal.
- As per Ministry of Finance, total GST compensation cess of Rs 62,611 crore was collected in the FY 2017-18, out of which Rs 41,146 crore was released to the states/UTs that fiscal as GST compensation.
- In FY 2018-19, Rs 95,081 crore was collected as GST compensation cess of which Rs 69,275 crore was released to the states/UTs as GST compensation.



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## RBI approved Appointment of Sunil Gurbaxani for Dhanlaxmi Bank MD

- RBI has approved the appointment of Sunil Gurbaxani as Managing Director and CEO of the Bank for a period of three years from the date of assuming the charge.
- Gurbaxani is working with Axis Bank at present.
- The Bank was removed from the RBI PCA framework, subject to certain conditions and continuous monitoring, as the bank is found to be not breaching any of the risk thresholds of the framework.
- During the third quarter ended December, the bank reported a 26 % rise in net profit to Rs 21.28 crore for the third quarter ended December.

## Uniform GST Rate of 28% on Lotteries

- According to the notification, the GST rate on supply of lotteries has been amended to 14% and a similar percentage will be levied by the states. As a result, the total GST on lotteries will increase to 28%.
- In December 2019, the GST council, led by Finance Minister Nirmala Sitharaman, had decided to impose a single rate of 28% on state run authorised lotteries.
- Currently, a state-run lottery attracts 12% GST, while a state-authorized lottery attracts 28% tax.
- The eight-member group of ministers headed by Maharashtra Finance Minister Sudhir Mungantiwar, was set up to suggest the GST rate on lotteries.

## RBI Issued Norms for CRR

- The clarification is given on CRR calculations for incremental credit extended for automobiles, residential housing and micro, small and medium enterprises (MSMEs).
- RBI clarified that the incremental credit eligible for CRR exemption, which can be set off against the net demand and time liabilities (NDTL) for calculating CRR has to be net of repayments.
- RBI said that to calculate the incremental credit, the outstanding retail loans to the specified segments as on every reporting Friday beginning 14th February up to that of 31st July 2020, will be deducted from the outstanding credit to the specified segments as on 31st January, 2020.
- If the difference between the outstanding credit is positive, the equivalent amount of difference should be deducted from Net Demand and Time Liabilities (NDTL) for the purpose of CRR maintenance.
- RBI said that the window will open for six months ending 31st of July 2020.
- The Net Demand and Time Liabilities (NDTL) will be calculated as of 31st of January.
- RBI asked banks to report the CRR exemption availed at the end of a fortnight under exemptions/others in the Section 42 return, under the provisions of the master circular on CRR and SLR issued on 1st of July, 2015.

## Indian Bank to Stop Using Rs 2,000 Notes in ATMs

- State-owned Indian Bank has announced that it has decided to stop using Rs 2,000 notes in all their ATMs.
- According to a circular issued by the lender's digital banking division on 17th February 2020, cash dispensation from Rs 2,000 currency cassettes would be disabled at all ATMs and cash recyclers on March 1, 2020.



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- The bank has decided to use Rs 500 denominated notes instead of Rs 2000 notes on its own, as there has been no dictate from the Finance Ministry for the same.
- The move is taken to prevent hoarding of the high-value currency (and thus, curb black money) and for the customer ease as they found it hard to exchange those in retail outlets and other places.

### Companies (Auditor's Report) Order, 2020

- The objective of the CARO 2020 is to strengthen the corporate governance framework under the Companies Act, 2013 to attain the national objective of becoming a \$ 5 Trillion economy.
- The CARO, 2020 is applicable for an audit of financial statements of eligible companies for the financial years commencing on or after the 1st April 2019.
- The CARO, 2020 shall be applicable to all those companies on which CARO, 2016 was applicable.

## BANKING AND FINANCIAL AWARENESS: MARCH 2020

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### GST Revenue Collection: Feb 2020

- The government has settled Rs 22,586 crore to CGST and Rs 16,553 crore to SGST from IGST as regular settlement.
- With this, the total revenue earned by the Central Government and the State Governments after the regular settlement is Rs 43,155 crore for CGST and Rs 43,901 crore for the SGST.
- A growth of 12% is observed in the GST revenue from the domestic transactions in Feb 2020 over the revenue during the month of February 2019.
- GST collected from import of goods increased by 8% in comparison to the revenue during February 2019.

### NABARD Infused Rs 1.46 lakh Crore in Rural Banking

- NABARD has been extending financial support to the banks operating in rural areas to help them deploy their resources effectively for meeting the credit needs of rural people, including farmers.
- The long term credits are aimed at supporting sectors like dairy, poultry, fishery, farm mechanisation, irrigation, and non-farm sector.
- NABARD is also directing its resources to increase institutional credit to rural sectors through non-banking financial institutions (NBFCs) by extending Rs 4,638 crore to NBFCs and MFIs so far in FY20.

### RBI Received Rs 1.71 Trillion in LTRO

- RBI said that, it has received 66 bids in the LTRO of three-year tenor, which has reversal date on 1st March 2023.
- The total bids imply a bid to cover ratio of 6.9, which is the amount of bids received relative to the notified amount.
- RBI has already conducted two LTROs for Rs 25,000 crore each on 17th and 24th February 2020.

### SC Lifted RBI Ban on Crypto Currency

- The bench quashed the central bank's order and said that the curb on crypto currency trade is illegal.



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- Cryptocurrency is an internet-based medium of exchange which uses crypto graphical functions to conduct financial transactions.
- It has no physical counterparts like banknotes or coins that can be carried around, and thus it exists only in electronic form.

### EPFO Lowered Interest Rate on Deposits to 8.5%

- The workers have been making a constant demand that the EPF interest payout should be higher in view of its investments in the stock market via the exchange-traded fund.
- In 2018-19, EPFO had a surplus of Rs 151 crore after an 8.65% payout.
- Post 8.5% payout, the EPFO will have a surplus of Rs 700 crore.
- EPFO invests 85% of its annual accruals in the debt market and 15% in equities through exchange-traded funds.

### Reserve Bank of India Imposes Restrictions on YES Bank

- RBI has allowed to Yes bank customers that they can withdraw only Rs 50,000/- from their accounts. However, an account holder can withdraw more than Rs 50,000/- for following three reasons: A) Medical treatment. B) Educations. C) Marriage. However, it is mandatory to get RBI approval for same.
- The private sector Yes Bank has been banned for 30 days.

### RBI Deputy Governor N S Vishwanathan Quits Ahead of Retirement

- He has quit three months ahead of his retirement in June 2020 due to health reasons.
- He was currently looking after the Key departments such as non-banking regulation, deposit insurance, banking regulation, co-operative banking, financial stability and inspection.
- Vishwanathan has been a lifetime regulator after he joined the RBI in 1981.
- He was first appointed as RBI deputy governor in 2016 for a term of three years.

### India's Forex Reserves Jumped to All-Time High of \$481.5 Billion

- On 20th September 2019, the country's forex reserves stood at \$428.5 billion, and have grown by \$53 billion to a lifetime high of \$481.5 billion on 28th Feb 2020.
- The fall in global crude prices has played an important role as a \$20 drop saves India \$30 billion per annum.
- Due to the coronavirus outbreak, there is a sharp decline in Brent crude oil prices, currently trading at around \$45.2 per barrel, the lowest since June 2017.

### Moody Slashed India's GDP to 5.3% for 2020

- Moody's had reduced India's growth projection for the calendar year 2020 to 5.4% from 6.6% on 17th February 2020.
- In less than a month's time, it has again slashed the growth projection from 5.4% to 5.3% for 2020 in its latest "Global Macro Outlook 2020-2021".
- The major cause of the downward projection is an extensive and prolonged slump as a result of COVID-19 outbreak.





# SEBI Grade A 2020 GK (Part-1)

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- The agency has said that the global spread of the coronavirus is resulting in simultaneous supply and demand shocks.

## Sensex Biggest Single Day Loss

- Sensex and Nifty declined to clock their biggest single-day losses (in terms of points) ever on 9th March 2020.
- While Sensex declined to 1,941 points, Nifty declined to 538 points on the same day.
- The sharpest fall was registered in banking, consumer durables, metal and oil and gas stocks.
- The previous biggest fall for Sensex was on 24th August 2015 when the index closed 1,624 points lower at 25,741.

## SBI Reduced FD Rates for 2nd Time

- State Bank of India (SBI), has cut interest rates on fixed deposits (FDs) for the second time in a month on 10th March 2020.
- Now the FDs maturing between 7 days to 45 days will offer an interest rate of 4% as against 4.50 % earlier.
- Interest rates on FDs maturing in one-year and above have been reduced by 10 basis points.
- An interest rate of 5.90% against 6 % earlier, will be applicable on FD with One-year to less than two-year tenor.

## 2018-19 Recorded Highest FDI Inflow

- Commerce and Industry Minister Piyush Goyal, in a written reply to a question in the Lok Sabha said that the FDI inflow stood at the highest ever for the fiscal year 2018-19.
- In 2018-19, the foreign direct investment (FDI) inflow stood at a record 62 billion US dollars.
- FDI is when a company takes controlling ownership in a business entity in another country.

## India's Current Account Deficit

- According to data released by Reserve Bank of India (RBI) on 12th March 2020, India's current account deficit (CAD) stands just at \$1.4 billion in the October- December quarter of the 2019-20 fiscal year.
- The data showed that the CAD eased to 0.2% of GDP in the December quarter (3rd quarter) from 0.9% of GDP in the September quarter.
- The CAD accounted for 2.7% of the GDP in the year-ago period.
- As per the RBI data, the net foreign direct investment was at \$10 billion in the third quarter while external commercial borrowing-related inflows stood at \$3.2 billion.

## RBI Announced US Dollar Sell/Buy Swap

- The Reserve Bank of India has announced a six month US dollar sell/buy swap in a statement issued on 12th March 2020.
- The US dollar sell/buy swap is announced by RBI observing the mismatch in the US dollar liquidity across the world.
- Due to COVID 19 outbreak, a slump in international crude prices and a decline in bond yields in advanced economies, financial markets worldwide are facing intense selling pressures on extreme risk aversion.



# SEBI Grade A 2020 GK (Part-1)

## GOI will Borrow Rs 51,000 crore in March 2020

- The decision is taken after reviewing the cash position of the Centre, in line with the Revised Estimate announced by the government in the Budget 2020-21.
- The Budget 2020-21 has raised the net borrowing to Rs 4.99 lakh crore from Rs 4.48 lakh crore in the Budget Estimate.
- As per the earlier calendar, the GOI was to borrow Rs 24,000 crore through treasury bills of various tenure.
- The revised calendar has allowed the government to borrow Rs 75,000 crore through the treasury bills in three tranches.

## Paytm Bank to Issue Visa Virtual Debit Cards

- PPBL has said that it is targeting to issue over 10 million new digital debit cards in 2020-21.
- The visa virtual debit cards to its customers will enable them to transact at all merchants accepting payments through cards.
- It will make contactless payment through their chip-inserted cards.
- Also, for the first time, the bank's customers will also be able to make international transactions using the card.

## Governance Panel Set Up by IRDAI

- The Insurance Regulation and Development Authority (IRDAI) has announced on 19th March 2020 that it has set up a governance panel/committee.
- The committee will be headed by Pravin Kutumbe, member-finance and investment at IRDAI.
- It will submit its report to IRDAI in 3 months.
- IRDAI is an autonomous, statutory body tasked with regulating and promoting the insurance and re-insurance industries in India.

## RBI Appointed Additional Directors for Yes Bank Board

- RBI former deputy governor R Gandhi and former banker Ananth Narayan have been appointed for a term of two years.
- RBI can appoint one or more persons as additional directors on the board of Yes, under the reconstruction scheme, which came into effect from 14th March 2020.
- These appointments are effective 26th March 2020.
- R Gandhi was earlier appointed to Yes Bank's Board as an additional director till 13th May 2021 and is being reappointed after the board was superseded on 5th March 2020.

## Govt Liabilities Stood at Rs 93.89 Lakh Crore in Q3

- The increase in the Government's liability is about 3.2% as compared to the previous quarter.
- The liabilities, including those under the public account, had stood at Rs 91,01,484 crore at the end of September 2019.
- At the end of December 2019, Public debt accounted for 90.4% of total outstanding liabilities.
- The proportion of debt (dated securities) maturing in less than one year was at 6.64% at the end of December 2019.



# SEBI Grade A 2020 GK (Part-1)

## RBI to Inject Rs 30,000 Crore into Market

- RBI has taken the decision to ensure that all market segments function normally with adequate liquidity and turnover.
- Under this, RBI will conduct the purchase of government securities under open market operations (OMOs) for an aggregate amount of Rs 30,000 crore.
- The OMOs will be conducted in two tranches of Rs 15,000 crore each in March (24th March and 30th March).

## Govt Increased the Threshold for Invoking Insolvency under IBC

- The threshold has been increased in the view to prevent the triggering of such proceedings against small and medium enterprises that are facing problems due to the COVID 19 pandemic.
- The threshold of default has been raised under section 4 of the IBC 2016.
- The Companies Act 2013 prescribed interval of 120 days of holding meetings of the Board of the companies, shall be extended by a period of 60 days till the next two quarters i.e., till 30th September.

## UBS Securities Cut India's FY21 Growth Rate to 4%

- The UBS had earlier estimated India's FY21 growth rate to be 5.1%.
- The UBS said that the economic impact will be determined more by the mobility restrictions on the population, rather than the growth of the affected cases per se.
- UBS Group AG is a Swiss multinational investment bank and financial services company founded and based in Switzerland.

## Government Announced to Pay EPF for 3 months

- Finance Minister Nirmala Sitharaman has announced on 26th March 2020 that the government of India will pay the EPF contribution both of the employer and the employee (12% each) for the next three months i.e. together 24%.
- This will be applicable for establishments with up to 100 employees, where 90% of employees draw less than Rs 15,000 salary.
- The government has also amended the EPFO regulations to allow workers under EPFO to draw up to 75% of their non-refundable advance or 3 months of wages, whichever is lower.

## Cabinet Approved Recapitalization of RRBs

- The Cabinet Committee on Economic Affairs, chaired by Prime Minister Narendra Modi, has given its approval for continuation of the process of recapitalization of Regional Rural Banks (RRBs).
- The recapitalization will provide minimum regulatory capital to RRBs for another year beyond 2019-20, that is, up to 2020-21.
- It will be for those RRBs which are unable to maintain minimum Capital to Risk weighted Assets Ratio (CRAR) of 9%, as per the regulatory norms prescribed by the Reserve Bank of India.

## RBI Announced Measures to Boost Liquidity in the Banking System

- RBI Governor Shaktikanta Das has announced economic measures on 27th March 2020, as decided by the Monetary Policy Committee (MPC), to deal with the hardship caused due to the outbreak of COVID-19.



## SEBI Grade A 2020 GK (Part-1)

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- The 'paramount objective' behind the measures is keeping finance flowing in the lockdown due to coronavirus (COVID-19) outbreak.
- The measures will provide a total liquidity injection of Rs 3.74 lakh crore to the system in the current scenario.

### Forex Reserves Fall by \$12 Billion

- RBI data showed that India's foreign exchange reserves fell by a whopping \$11.98 billion in the week to March 20.
- The rupee hit an all-time low of 76.15 against the US dollar on 23rd March 2020.
- The Reserve Bank continued to supply dollars into the market to stem fall in the rupee that fell by \$11.98 billion to \$469.909 billion.

### Mega Merger of 10 PSBs – Effective from 1st April 2020

- Union Finance Minister Nirmala Sitharaman announced a big consolidation of public sector banks in 2019. As per this 10, public sector banks are to be merged into 4 banks.
- Therefore, Reserve Bank of India has notified with a circular that the mega-merger of 10 PSBs will be effective from the start of the new financial year i.e. 1st April 2020.
- After the amalgamation, the total number of Public Sector Banks in the country will come down to 12 banks.

### ADB to Invest \$100 million in NIIF-to Support India's Private Equity Sector

- ADB will be investing \$100 million in the NIIF's FOF which will ensure that actual money invested will be a few times more than USD 100 million.
- The motive behind the investment is to contribute to greater availability of long term growth financing for private sector companies, job creation, social infrastructure development, and economic growth.
- After this agreement, the total size of NIIF's funds of funds has now raised to USD 700 million.

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## BANKING AND FINANCIAL AWARENESS: APRIL 2020

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### SBI lists USD 100 million green bonds on India INX

- The State Bank of India has listed green bonds of USD 100 million (about Rs. 750 crores) on BSE's India International Exchange (India INX) debt listing platform.
- The bank has done this under its USD 10 billion global medium term note programme on the Global Securities Market Green Platform (GSM) of India INX.
- Earlier also, the bank listed its maiden green bond of USD 650 million on India INX.

### IIM-B & ICICI Securities launch program for fintech startups

- ICICI Securities (I-Sec) has partnered with IIM Bangalore's startup hub N S Raghavan Centre of Entrepreneurial Learning (NSRCEL) to support startups in the fintech space through a program.
- This partnership has been done as a part of its CSR initiative.
- ICICI Securities (I-Sec) is the broking and investment banking arm of ICICI Bank.
- The duration of this structured program to support fintech startups will be 15 months.

## SEBI Grade A 2020 GK (Part-1)

- The program will be for startups working in the fields like insurance, banking, payments, personal finance, wealth advisory, trading, etc.

### **PNB Housing Finance signs pact with JICA to raise \$75 million**

- PNB Housing Finance has signed an agreement with Japan International Cooperation Agency (JICA) in order to raise \$75 million which is equal to about Rs 568 crore.
- It will also have co-financing of 25 million dollars (about Rs 190 crore) by Citibank.
- The agreement has been signed to finance mortgage loans in the affordable housing segment.
- This is the first debt funding of JICA in the Indian housing finance sector.

### **Airtel Payments Bank will offer COVID-19 insurance policy**

- Airtel Payments Bank has partnered with Bharti AXA General Insurance to launch insurance policy for protection against covid-19.
- Through this partnership, two different health insurance plans will be offered to savings bank account customers of Airtel Payments Bank who are not suffering from COVID-19 or its symptoms.
- These two insurance plans are- Bharti AXA Group Health Assure and Group Hospital Cash.
- Bharti AXA Group Health Assure will provide a lump sum benefit of Rs 25,000 to the customers.
- Group Hospital Cash will offer fixed day allowance starting from Rs 500 per day on hospitalization.

### **SIDBI to provide emergency working capital to MSMEs**

- The Small Industries Development Bank of India (SIDBI) will provide emergency working capital of up to 1 crores to MSMEs.
- This emergency fund will be provided to fight against corona virus and will be termed as SAFE plus.
- These SAFE PLUS loans will be offered collateral free and will be disbursed within 48 hours.

### **India's fiscal deficit may reach to 6.2% of GDP in FY21**

- According to Fitch Solutions, India's fiscal deficit in 2020-21 may reach to 6.2 per cent of the GDP from the government estimate of 3.5 per cent.
- It also estimated that receipts may contract by 1 per cent from a growth of 11.8 per cent previously due to decrease in revenue collection.

### **RBI increases WMA limit of states, UTs by 30%**

- The Reserve Bank of India has increased the Ways and Means Advances (WMA) limit for state governments and Union Territories by 30 per cent till September 30.
- The bank has also provided an extra time of 6 months to the exporters to realise their export proceeds.

### **PhonePe launches "Corona Care"**

- PhonePe has launched a unique coronavirus hospitalisation insurance policy called "Corona Care" in partnership with Bajaj Allianz General Insurance.
- This policy will provide an insurance cover of Rs 50,000 for a person aged less than 55 years at a price of Rs 156.
- It will also cover expenses related to pre-hospitalisation costs and post-care medical treatment for 30 days.



## SEBI Grade A 2020 GK (Part-1)

### **RBI will put 200 bps penal interest on banks failing to invest TLTRO funds within 30 days**

- The Reserve Bank of India has issued a notice warning the banks it will impose 200 bps additional penal interest on banks if they fail to invest the mandated 50 per cent of the funds raised through TLTRO route in corporate bonds within 30 days.
- TLTRO stands for Targeted long-term repo operations. RBI announced TLTRO on March 27 this year, to ensure sufficient liquidity in the corporate bond market.
- Three such operations worth Rs 25,000 crore each have already been conducted.

### **RBI will be launching Sovereign Gold Bonds Scheme 2020-21 in H1 FY21**

- The Reserve Bank of India has decided to issue Sovereign Gold Bonds on the behalf of Government of India.
- These bonds will be issued in 6 tranches between April to September, 2020.
- These bonds will be in multiples of grams of gold and the basic unit will be 1 gram. It means the minimum permissible investment will be 1 gram of gold.
- It should be noted that these Sovereign Gold Bonds will be restricted for sale to HUFs, Charitable Institutions, Trusts, Universities and resident individuals.
- The mode of payment for these bonds can be cash (Upto 20,000) or demand draft or cheque or electronic banking.

### **India's GDP to decrease by 6.1% in April-June: Nomura**

- Japanese financial holding company, Normura has forecasted that India's GDP is likely to contract by 6.1% in April- June quarter.
- It also projected that any expansion in the economy will be only in December quarter.
- According to Nomura, the Indian economy will grow at 3.2 per cent in the January-March quarter, contract by 6.1% in April-June quarter and will decrease by 0.5% in September quarter.

### **World Bank's South Asia Economic Focus report**

- According to World Bank's South Asia Economic Focus report, Indian economy will grow at 1.5-2.8% in the financial year 2020-21.
- This will be India's worst growth performance since the 1991 liberalization. This decline in growth is due to widespread outbreak of coronavirus.
- The report also estimated that India will grow 4.8 per cent to 5 per cent in the 2019-20 financial year which ended on March 31.

### **India is largest producer and exporter of Hydroxychloroquine**

- In this time of coronavirus outbreak, when a medicine that has become popular to help in the treatment of virus, India has become the largest producer and exporter of that medicine which is Hydroxychloroquine.
- According to Indian Pharmaceutical Alliance (IPA) secretary-general Sudarshan Jain, India manufactures 70% of the world's supply of hydroxychloroquine.
- India has a production capacity of 40 tonnes of hydroxychloroquine (HCQ) every month which is equal to 20 crore tablets of 200 mg each.





# SEBI Grade A 2020 GK (Part-1)

## **Jana Small Finance Bank launches a digital banking platform "DigiGen"**

- Jana Small Finance Bank, which is a scheduled commercial bank, has launched a digital banking platform called "DigiGen".
- It is platform through which customers will be able to digitally open a Savings Account and Fixed Deposit instantly; anytime and anywhere.
- On opening the accounts from this digital platform, customers will get an interest of 4.5 percent on Savings Account and 7.5 percent on Fixed Deposits.
- Jana Small Finance Bank is based in Bengaluru.

## **Flipkart join hands with ICICI lombard& Go Digit to offer two COVID-19 health insurance policies**

- E-commerce Company Flipkart has partnered with two leading insurers of the country - ICICI Lombard & Go Digit to provide two COVID-19 health insurance policies on its platform.
- The names of these two health insurance policies are- 'Covid-19 Protection Cover' & 'Digit Illness Group Insurance'.
- 'COVID-19 Protection Cover' by ICICI Lombard will provide an instant Rs.25, 000 benefit paid to the customer on positive diagnosis of COVID-19. It is priced at an annual premium of just Rs.159.
- 'Digit Illness Group Insurance' which is offered by Digit Insurance will allow the customers to avail a hospitalization cover of up to Rs.1 lakh with an annual premium of Rs.511.

## **Bank of Baroda initiated four schemes for Agri- sector to tackle coronavirus impact**

- Bank of Baroda (BoB) has initiated four agro schemes for farming community, Farmer Producer Organizations (FPO/FPC) and Women Self Help Groups (SHGs) in order to tackle the impact of coronavirus outbreak.
- **Name of these schemes are-**
  - Baroda Emergency Credit Line for Farmer Producer Organizations (FPO/FPC)
  - Baroda Special Scheme for the existing Agriculture Investment Credit borrowers
  - Additional Assurance to SHGs- COVID19
  - Baroda Special Scheme for existing BKCC borrowers that have been impacted by COVID-19

## **Goldman Sachs lowers India's growth forecast for 2020-21**

- Goldman Sachs has lowered its growth forecast for India in the fiscal year 2020-21 to 1.6%.
- Earlier, the bank projected India's growth to be 3.3% in March 2020.

## **India's Growth at 1.5% to 2.8%---By World Bank**

- World Bank has released its report called 'South Asia Economic Focus'. In that, it has forecasted the India's growth for FY21 at 1.5% to 2.8%.
- Initially, World Bank had projected the growth of India to be 6.3% about 6 months ago, but it has now projected a fall to 1.5% to 2.8%.
- It also stated that growth is expected to rebound to 5% in the Fiscal year 2022 (FY 2021-22) when the impact of COVID-19 dissipates.



# SEBI Grade A 2020 GK (Part-1)

## **RBI Launches Sovereign Gold Bond Scheme 2020-21**

- Reserve Bank of India has launched Sovereign Gold Bond Scheme for 2020-2021. The Bonds will be issued in six tranches from April 2020 to September 2020.
- The schemes describes the assured return of 2.5 per cent to investors along with appreciation in the price of the bond in line with movement of gold prices.

## **IMF Forecasted a 7.6% Expansion in Asian Economic Growth in 2021**

- International Monetary Fund reported that the COVID-19 pandemic will lead to a halt in the economic growth all over Asia for 2020. The organization has forecasted a 7.6% expansion in Asian economic growth in 2021.
- Also, the IMF has asked targeted support from policymakers to the ones who are hardest hit by this pandemic due to halt taken place in travel bans and other important economic growth activities.

## **RBI Eases Fund Flow for Cash-Starved Real Estate Sector**

- RBI has allotted Rs 10,000 crore to National Housing Bank.
- The reverse repo rate has been reduced and currently, it is 3.75%. This step in the reverse repo rate will now enable banks to lend even more.
- The RBI has also extended the date of commencement of commercial operations (DCCO) of project loans for commercial real estate projects that are delayed for reasons beyond the control of promoters. This will bring much-needed relief to cash-starved developers.

## **AIIB grants \$500 million to India to Combat COVID-19**

- Asian Infrastructure Investment Bank (AIIB) has announced a financial help of \$500 million projects to India to improve its health care systems.
- With this, AIIB has doubled its funds under the COVID-19 Crisis Recovery Facility.

## **RBI Launched 49th Round of OBICUS of Manufacturing Sector**

- RBI launched the 49th round of quarterly OBICUS (Order books, inventories, and capacity utilization survey) of the manufacturing sector which includes the reference period January-March 2020.
- In this OBICUS a total of 704 manufacturing companies were considered to manipulate the data.

## **RBI Cancels License of Mapusa Co-operative Bank**

- Reserve Bank of India has canceled the license of Goa-based Mapusa Urban Co-operative Bank.
- The central bank has restricted Mapusa Urban Co-operative Bank from carrying out any banking operations and businesses with an effect from 16th April 2020.
- The Central Registrar of Co-operative Societies, Government of India has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

## **CBDT Refunds Five Thousand 204 crore Rupees to MSMEs**

- Central Board of Direct Taxes has announced that income-tax refunds are obtained over eight lakh small businesses worth over five thousand 204 crore rupees issued in the last ten days.
- The organization has announced that it will be issuing refunds worth of Rs.760 crore, which will provide relief to small scales in the MSME sector.



# SEBI Grade A 2020 GK (Part-1)

## RBI Raises Ways and Means Advances (WMA) Limit for States

- The Reserve Bank of India (RBI) has increased WMA for state government by another 30%.
- Initially, on 1st April 2020, RBI had raised the WMA limit by 30%, but the central bank has now made a new announcement to increase the WMA by another 30%.

## India's GDP at 1.8%---By Fitch

- Fitch Solutions has forecasted India's economic growth forecast to 1.8% for FY 2020-21.
- It has lowered the economic growth forecast from 4.6% stating the reason for the COVID-19 pandemic situation has resulted in the stepping down of economic activities in the country.

## RBI 3-Month EMI Moratorium to Provide Rs 2.1 lakh crore Liquidity to Corporates

- The Reserve Bank of India has announced a moratorium, in which the bank will provide Rs 2.1 lakh crore liquidity to the corporate sectors who are ready to avail the offer.
- "The moratorium announced by RBI on interest and principal obligations due between March 1 and May 31, 2020, would tantamount to a liquidity breather of Rs 2.10 lakh crore if all companies opt for it," the Crisil rating agency said in a report. The findings by Crisil Ratings are based on an assessment of 9,300 of its rated non-financial sector companies across 100 sectors.

## ICICI Bank Launched Voice Banking Services

- ICICI (Industrial Credit and Investment Corporation of India) Bank has started a voice banking services on Amazon Alexa and Google Assistant for its customers.
- The voice banking service of ICICI bank enables customers to #BankWith their voice and to get avail with banking services like checking account balance, perform transactions, check credit card due date ask queries about the Bank's products and services.

## RBI Allows Banks to Issue Electronic Cards for Overdraft Accounts

- The Reserve Bank of India has granted permission to all banks to issue electronic cards to natural persons having Overdraft Accounts that are only in the nature of personal loan without any specific end-use restrictions.
- However, RBI has put the limit that the card should be issued for a period not exceeding the validity of the facility and should also be subject to the usual rights of the banks as lenders.
- This will allow the user to use it for domestic transactions only.

## Sri Lanka to Get \$400 million Debt Facility from RBI

- Sri Lanka signs an agreement with Reserve Bank of India for a Bilateral Currency Swap Arrangement worth \$400 million.
- The Cabinet has approved a proposal made by Prime Minister Mahinda Rajapaksa as the Finance Minister to enter into an agreement with the RBI for the financing facility to meet short-term international liquidity requirements.

## Rs 50,000 crore Liquidity for Mutual Funds by RBI

- Reserve Bank of India has come up with an announcement to provide easiness to liquidity pressures on mutual funds (MFs) by granting Rs. 50,000 crore Special Liquidity Facility (SLF) for mutual funds.



## SEBI Grade A 2020 GK (Part-1)

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- Under this scheme, the RBI will conduct repo operations of 90 days tenor at the fixed repo rate.

### Indian Overseas Bank Launched Special Borrowing Scheme for SHGs

- Indian Overseas Bank (IOB) introduced a special borrowing scheme for self-help groups to help them tide over the challenges inflicted by COVID-19.
- In this scheme, each member of SHG will be able to avail a loan of Rs 5000/- with a cap of Rs 1 lakh for the group.
- Also, a SHG with a good track record and a history of minimum two loans from IOB will be eligible for this loan facility, which can be availed till June 30, 2020.

### Axis Bank to Acquire 29% Stake in Max Life Insurance

- Axis bank is set to acquire an additional 29% stake in Max Life Insurance with an estimated price of Rs 1,592 crore.
- After this additional acquisition, the deal will increase the Axis Bank's stakes in Max Life Insurance to 30%. Max Financial Services will hold the remaining 70 percent in the joint venture.

### RBI Extended Restrictions Imposed on Mumbai based Coop Banks

- Reserve Bank of India extended restrictions imposed on Mumbai based Co-operative banks for 6 months that is till 31st October 2020.
- The Reserve Bank in October 2018 had barred the bank from granting or renewing any loan for six months and later extended the curbs twice.

## BANKING AND FINANCIAL AWARENESS: MAY 2020

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### AIIB to provide \$500 mn loan to India fight COVID-19

- Asian Infrastructure Investment Bank (AIIB) will provide a loan of \$500 million for fighting against the pandemic COVID-19.
- This loan will be provided under AIIB's Covid-19 Crisis Recovery Facility to help countries to counter the situation due to coronavirus.

### Moody's decreases India's GDP growth forecast to 2.5%

- Moody's Investor Service has cut its GDP forecast for India to 2.5% in 2020.
- Earlier, Moody's projected India's GDP growth to be 5.3%.
- This decrease in the growth forecast is due to the COVID-19 and lockdown in the country.
- However, the agency expects India's GDP to recover in 2021 and the growth rate can be 5.8%. But this rate is subject to the situations due to coronavirus.



## SEBI Grade A 2020 GK (Part-1)

### **PNB Housing Finance Limited signed an agreement with IIT Delhi to develop reusable PPE kits**

- Punjab National Bank Housing Finance Limited has joined hands with the Indian Institute of Technology Delhi for providing support in the research and development of unique prototype material that is used in the manufacture of reusable Personal Protective Equipment(PPE) surgical gowns and masks.
- These kits are being used by the doctors, nurses and other healthcare workers across the country.
- Jacquard knitting technology will be used for the designing and development of PPE kits.

### **Bharat Dynamics signed an agreement with IIT Kanpur to manufacture ventilators**

- A defence public sector undertaking, Bharat Dynamics has entered into an agreement with Indian Institute of Technology Kanpur in order to manufacture ventilators for COVID-19 patients.
- The agreement was actually signed between Bharat Dynamics, IIT Kanpur, its incubator Foundation for Innovation and Research in Science and Technology (FIRST) and Nocco Robotics Pvt Ltd. (NRPL).
- The basic aim of the agreement is to manufacture affordable ventilators.

### **SIDBI to launch India SME Services Platform**

- Small Industries Development Bank of India (SIDBI) has announced to launch India SME Services Platform.
- It is an initiative to digitize inclusive access to the enterprise ecosystem.
- The bank said that looking at the current situation due to COVID-19, it is important that Micro, Small and Medium Enterprises (MSME) employ digital platforms and digital payment methods.

### **DBS Bank cuts India's GDP growth forecast to 1% for FY21**

- Singapore's DBS Bank has revised its forecast for India's GDP growth for the FY21 to 1% from 1.5% earlier.
- The growth forecast of 1.5% was made on April 9 by the bank.
- This is due to the impact of COVID-19.

### **RBI cancelled CKP Co-op Bank's license**

- The Reserve Bank of India has cancelled the license Mumbai's 105-year old co-operative bank - The CKP Cooperative Bank Ltd.
- The license of the bank is not valid after April 30.
- This has been done because the financial condition of the bank has deteriorated and it was unable to repay its depositors.
- The depositors of the bank will get a maximum amount of 5 Lakh from the Deposit Insurance and Credit Guarantee Corporation (DICGC) according to the law.
- The law was changed this year only to increase the DICGC limit from 1 lakh to 5 lakh.

### **'Vikas Abhaya'—By Karnataka Vikas Grameena Bank**

- Karnataka Vikas Grameena Bank (KVGB) which is a regional rural bank has launched 'Vikas Abhaya' a loan scheme to provide some relief to Micro, Small, and Medium Enterprise (MSME) borrowers.
- The loan scheme is launched for those borrowers whose business activities are disrupted because of the COVID-19 pandemic in Dharwad, Karnataka.

# SEBI Grade A 2020 GK (Part-1)

## RBI Extends Regulatory Benefits under SLF-MF Scheme

- The Reserve Bank of India (RBI) extended the regulatory benefits announced under the special liquidity facility for mutual funds (SLF-MF) scheme to all banks, irrespective of whether they avail funding from RBI or deploy their own resources under the scheme.
- Any bank that meets with the liquidity requirements of mutual funds by extending loans and undertaking outright purchase or repos against the collateral of investment-grade corporate bonds, commercial papers, debentures and certificates of deposit held by mutual funds will be eligible to claim all regulatory benefits.

## Atmanirbhar Bharat Abhiyan Economic Package

- Prime Minister Narendra Modi announced a special "Atma nirbhar Bharat Abhiyan economic package" while addressing the nation.
- Stressing on being vocal for local products in India, Modi said that the package is of Rs. 20 lakh crore which is 10 per cent of GDP of the country in this financial year.
- This package is for achieving economic self-reliance. The package aims to provide relief to MSMEs, laborers, street vendors, small traders, farmers and many more.

## RBI extended Interest Subsidy Scheme for Exporters till 31 March 2021

- The Reserve Bank of India has extended the interest subsidy scheme for exporters till 31 March 2021.
- This interest subsidy is provided on export credit both before and after shipment of goods to exporters.
- The subsidy scheme named as "Interest Equalization Scheme for pre and post shipment Rupee Export Credit" was ended on March 31, 2020.

## Federal Bank, MoneyGram joined hands for Direct Bank Deposits in India

- Private sector Federal Bank and MoneyGram Payment System have joined hands to provide a facility for direct bank deposits to the customers.
- They have partnered to provide a way to get deposits directly into the bank accounts of customers in India.
- So, non-resident Indians can easily use the service for transferring money to India.

## Government raises its Market Borrowing Estimate for 2020-21 to Rs 12 Lakh Crore

- The Indian government has raised its market borrowing limit for 2020-21 to Rs 12 lakh crore.
- Earlier, this market borrowing estimate was Rs 7.80 lakh crore. So, the government has increased the limit by Rs 4.2 lakh crore.
- This limit has been increased to deal with the current COVID-19 situation.

## Goldman Sachs and Nomura Decrease their FY21 GDP Forecasts for India

- American Investment Bank Goldman Sachs and Japanese Investment Bank Nomura have decreased their GDP growth forecasts for India for FY21.
- Nomura has decreased its GDP forecast for India to a negative 5 per cent (from -0.5 per cent forecast earlier) for 2020. However, it has increased its forecast for 2021 for the country to 7.9 per cent from 7.3 per cent earlier.





## SEBI Grade A 2020 GK (Part-1)

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- Goldman Sachs also predicted that Indian economy will contract by 0.4 per cent in FY21.

### **FM Nirmala Sitharaman launches INR-USD Futures and Options Contracts at Two Exchanges**

- Union Finance Minister Nirmala Sitharaman launched the Rupee Derivatives (INR-USD) for two exchanges- NSE IFSC and BSE-India INX through video conferencing.
- NSE is the National Stock Exchange while BSE-India INX is India International Exchange Limited which was previously known as Bombay Stock Exchange.

### **State Bank of India Cuts Benchmark Lending Rate by 15 bps**

- State Bank of India (SBI) cuts its Marginal Cost of Funds based Lending Rate (MCLR) by 15 basis points (bps) across all tenors.
- It also reduced interest rates on retail term deposits by 20 bps for a tenor of up to three years.
- With the newly announced cut, the MCLR (Marginal Cost of Funds based Lending Rate) reduced to 7.25%, from 7.40% with effect from 10 of May.

### **IBM Joined Hands with Intellect Design Arena for Launching Cloud Services for Banks**

- IBM has signed an agreement with Intellect Design Arena Ltd to launch Intellect iTurmeric FinCloud on the public cloud of IBM.
- It is a platform that will help the banks and other financial institutions to modernise.
- It is an API-first and cloud-ready microservices-based platform that will provide cloud-based solutions to banks and financial institutions to increase digital transformation.

### **ICRA Projects India's GDP Growth Forecast to be Minus 5% for FY21**

- Credit Rating Agency ICRA has forecasted that the GDP growth rate of India will be minus 5% in the current fiscal year.
- The agency has warned for deep recession in the country.
- The agency has also revised its forecasts for Q1 and Q2. As per revised forecast, growth contraction will be 25% in Q1 which was earlier forecasted as 16-20% while the growth rate will be minus 2.1 per cent in Q2 as compared to previous forecast of 2.1 per cent growth.

### **Kotak Mahindra Bank Introduces Video-KYC Facility for Savings Account Holders**

- Kotak Mahindra Bank has become the first bank in the country to launch video-KYC facility for its Savings Account holders.
- This facility will be provided through the digital banking platform of the bank- Kotak 811.
- Under this video KYC facility, verification of documents and signature will be done through video call.

### **Flipkart Join Hands with Bajaj Allianz General Insurance Company for Digital Motor Insurance**

- E-commerce Company Flipkart has entered into an agreement with Bajaj Allianz General Insurance Company for providing digital motor insurance to the customers on its platform.
- Through this agreement, customers will be able to buy insurance for their two-wheelers and four wheeler vehicles through Flipkart.



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### **Goldman Sachs Revises India's GDP Growth Forecast; says Country's Economy to Contract by 5%**

- American investment bank and financial services company, Goldman Sachs has revised its GDP growth forecast for India.
- The bank has projected that country's GDP growth will be contract by 5% in the current financial year.
- Bank has revised this growth rate because of two factors- poor economic growth of the country in March and extension of lockdown till May end.

### **Canara Bank Launches Special Business Vertical for Gold Loans**

- Canara Bank has launched a special business vertical for gold loans.
- The bank has launched this special vertical to provide quick, hassle-free gold loans to customers at low interest rates.
- The bank also launched a special gold loan campaign valid till June 30. Interest rate during this campaign is 7.85% per annum.

### **Centre Government, WB signed Loan Agreements with World Bank and AIIB**

- Government of India and West Bengal government has signed loan agreements with the World Bank and Asian Infrastructure Investment Bank (AIIB) for West Bengal Major Irrigation and Flood Management Project.
- The project is aimed to improve irrigation services and flood management in West Bengal's Damodar Valley Command Area.
- The total expenditure of the project is \$413.8 million. Both World Bank and AIIB will provide \$145million loan under this agreement and West Bengal Government will infuse \$123.8 million in this project.

### **World Bank Approves \$1 Billion Support for India for Fighting Against COVID-19**

- World Bank has approved USD 1 billion as a support for India in fighting against COVID-19.
- This support will be provided under Accelerating India's COVID-19 Social Protection Response Program.

### **NABARD Sanctioned Rs 1,500 crores to the Farmers of Punjab**

- The National Bank for Agriculture and Rural Development (NABARD) has sanctioned an amount of Rs 1,500 crores to the farmers of Punjab state.
- The amount will help to ensure the continuous credit flow to the farmers in the lockdown situation of COVID-19.

### **RBI Announced Rs 15,000 crore to EXIM Bank**

- Reserve Bank of India has announced a Rs 15,000 crore line of credit (LoC) to the Export-Import Bank of India (EXIM).
- RBI has decided to offer the support to EXIM Bank as it has failed to raise its operation due to pandemic situation of COVID-19.
- The LoC of Rs.15,000 crore for a period of 90 days from the date of availing with rollover up to a maximum period of one year will be granted to EXIM Bank by RBI.



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### Increase in Trade Credit Policy Cover Limit from 85% to 90%-- IRDAI

- Insurance Regulatory and Development Authority of India (IRDAI) has recommended an increase in protection against finances granted to the policyholders under Trade Credit Insurance (TCI) from 85% to 90%.
- This recommendation has been made by the committee consisting of 9 members expert panel headed by Atul Sahai, New India Assurance Chairman and MD.
- Also, the committee proposed protection against finances for MSMEs to be 95%, in order to grant relief in the event of loss situation.

### GOI to Cease 7.75% Saving Bonds

- 7.75% Saving Bonds or Taxable bonds are to be ceased by the Government of India due to the fact of declining interest rates as RBI has lowered the repo rate (repo rate is 4%).
- The 7.75% Saving Bonds or Taxable bonds as commonly known as Reserve Bank of India Bonds or Government of India Bonds.
- These bonds offer higher interest rates as compared to Fixed deposits of banks.

### Indian Economy to Contract @ 5% in FY21

- S&P Global Ratings, which is an American credit rating agency has projected that Indian economy to contract @ 5% in FY21.
- However, for fiscal year 2021-22, the growth is predicted at 8.5%.
- Previously, Fitch and Crisil has also predicted a negative growth of 5% in Indian Economy.

### India's GDP to be 4.2% in 2019-20

- National Statistical Office has released the data describing that economic growth for India has slowed to an 11 year low of 4.2% for FY 2019-2020.
- The GDP was 6.1% in 2018-2019, whereas for 2019-2020 it is marked to be 4.2% and has been marked as the slowest GDP in the 11 years.
- The GDP for the fourth quarter is estimated to be 3.1%.



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