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BANKING

JANUARY-2024

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Banking, Finance & Economy PDF 2024 – January

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Banking, Finance & Economy News: January 2024

RBI IN NEWS

Report on Trend and Progress of Banking in India 2023 : RBI

Recently, Reserve Bank of India (RBI) released the report titled “**Report on Trend and Progress of Banking in India**” (2022-2023).

The report provides comprehensive data about the state of banking system in India.

Key Findings:

Small Finance Banks (SFBs) has the widest gap of remuneration between top executives and average employee

As per the RBI report, the gap in the remuneration between top executives and average employees is widest for Small Finance Banks (SFBs).

i.It mentioned that remuneration of Managing Director(MD) and Chief Executive Officer(CEO) of SFBs was **58.1 times** the average employee pay in 2022.

- Compare to SFBs, remuneration of MD and CEO of Private Sector Banks(PVSBs), Public Sector Banks(PSBs) was **26.1 times and 2.4 times** of average employee pay in 2022.

ii.The report cautioned that huge disparity of remuneration between top executives and average employees may prompt risk-taking behavior, which may further compromise the long-term objectives of bank.

iii.RBI has revised the guidelines that require minimum 50% of the total compensation should be variable.

- This would help to strike a balance between such disparity of remuneration and an incentive-based compensation structure.

RBI Data on Variable Pay(VP) for different banks in India:

- For Private Sector Banks (PVBs), share of variable pay in total remuneration increased **from 31 % (at March-end 2021) to 39 % (at March-end 2022)**.
- For SFBs, it increased slightly from 25% to 26% during the same period.
- The share of non-cash components in the variable pay for PVBs decreased from 78 % (2021) to 57 % (2022).
- Similarly, for SFBs decreased from 41 % (2021) to 34 % (2022).

RBI flagged the interconnectedness of Small Finance Banks (SFBs) with Co-operative Banks

RBI in its report observed higher dependence of SFBs on deposits from the Co-operative banks at higher rate.

i.It showed the higher interconnectedness of SFBs with Co-operative Banks which means any shock to the Co-operative banks would directly impact the SFBs.

ii.One of the main reason for Small Finance Banks to borrow huge amount from cooperative bank is of low **Current account and Savings Account(CASA) deposits**.

- The Report highlighted by March-end2023, Total SFBs deposit is around **91 lakh crore** and out of which **67.53%** term deposits with balance being accounted for by CASA deposits.
- It also mentioned that SFBs credit-deposit ratio remained at around 92% which is higher than Scheduled Commercial Banks(SCBs).

iii.It cautioned entities like NBFCs(Non-Banking Financial Companies) and MFIs(Micro Finance Institutions) which were converted to Small Finance Banks posed a risk as they have higher share of unsecure microloans.

About Small Finance Banks(SFBs):

These banks are regulated and governed by RBI under Banking Regulation Act(1949) and RBI Act(1934).

- They are mainly responsible to provide banking services and credit under-served sections of population such as: micro and small industries, farmers and the unorganized sector units.
- Example of SFBs which are operational in India: Ujjivan Small Finance Bank, Equitas Small Finance Bank

Urban Co-operative Banks need to avoid superannuation of directors: RBI

According to the report, RBI urged the **Urban Co-operative Banks(UCBs)** that they need to discourage very long and continuous tenures of their directors, in accordance with the provisions of the Banking Regulation Act(1949)

- It would help to reduce undue influence as well as bring transparency over the functioning of the board.
- It mentioned that induction of new directors will bring new ideas and perspectives in the Board.

i.It cautioned that in the absence of a comprehensive risk management policy, some UCBs are more prone to external and internal risks.

ii.As per the report, Till March-end 2023, There were **total 1502 UCBs** operating in India.

- But, it also underscored that nearly 33.33% (1/3rd) of newly licensed UCBs turned financially unviable.
- RBI started a process of mergers of unviable UCBs with viable entities in 2004-05.
- The UCB sector witnessed mergers of around 150 UCBs since 2004, including 3 (2022-23).
- Maharashtra and Gujarat, together contributed about 80% of total mergers.
- Total number of cancellations of UCBs since 2015-16 is 46.

RBI: Loans and Advances and Deposits related grievance surge in FY23

The RBI revealed that grievances related to loans and advances, deposits increased exponentially to 60%, 70% respectively at Reserve Bank of Ombudsman.

Key Points:

i.The data indicated that number of grievances related to loans and advances has increased from 30,734(FY22) to 59,762(FY23), which saw an increase of 94% year-on-year basis.

ii.Number of grievances related to deposit accounts has increased from 16,989(FY22) to 34,481(FY23).

iii.Grievances related to Public Sector Banks(PSBs) and Private Sector Banks(PVBs) accounted 43.5%, 31.4% of total complaints received respectively.

iv.Grievances for internet banking increased only by 2%(FY23), decreased by 3% compared to FY21.

v.Insurance, asset management related complaints increased to 73% in FY23.

vi.Report indicated slight growth for recently introduced RBI-Integrated Ombudsman Scheme(RBI-IOS):

- Total 4,68,854 cases were resolved by **CRPC(Centralised Receipt and Processing Centre)** in FY23. It helps to reduce burden of cases of RBI-IOS.
- List of Cases which comes under CRPC:

i.Non-Observance of Fair Practice Code

ii.Levy of charges without prior notice

iii.Direct selling and recovery agents

iv.Non-adherence to Banking Codes and Standards Board of India(BCSBI)

White -Label ATMS drives ATM growth in India

RBI report showed that total number of Automated Teller Machines(ATMs) in India increased by 3.5% in FY22. White-label ATM accounted maximum number of ATMs.

i.Among the ATM operated by Scheduled Commercial Banks(SCBs)(March-end2023):

- Public Sector Banks(PSBs) leads the ATM growth, accounted 63% of total ATMs in India.

ii.Private Sector Banks (PVBs) accounted 35% of total number of ATM in India. PVBs contributed total of 76,975 ATMs, out of which approx. 67.6% of PVB ATMs are in urban and semi-urban areas.

iii.Foreign Banks decreased from 1783 to 1231. They are more inclined towards urban areas for ATM than rural areas. They have bleak presence in rural areas with just 0.3% of their total ATMs.

iv.SFBs increased from 2207 to 2821(both on-site and off-site).

About White-Label ATMs:

- White-label ATMs(WLAs) are established, owned and operated by non-bank entities.
- They get authorization under the Payment & Settlement Systems Act,2007

- WLAs offers various banking services to customers such as: cash deposit, PIN change, account information and many more using either debit or credit cards issued by banks.
- There are different types of ATMs existed in banking system of India are:

National Financial Switch (NFS) manages all ATM network in India. It is administered by **National Payments Corporation of India(NPCI)**.

i.Brown label ATM: these ATMs are given on lease to service providers but cash management and connectivity to banking networks is provided by sponsor bank.

ii.Orange-label ATM: is mainly used for share transactions.

iii.Yellow-label ATM: is mainly used for e-commerce purposes.

iv.Pink-label ATM: is accessed and used exclusively for women customers.

v.Green-label ATM: is used primarily for agricultural transactions.

Additional Information:

About Reserve Bank of India(RBI):

- Established: 1 April, 1935
- Headquarter: Mumbai, Maharashtra
- Governor: Shaktikanta Das(25th Governor of RBI)

Highlights of 28th Financial Stability Report by RBI

RBI(Reserve Bank of India) has released the half-yearly publication of the Financial Stability Report(FSR) 2023, September 2023 which assesses risks to financial stability and the resilience of the Indian financial system.

- The Reserve Bank of India (RBI) released the 28th edition of Financial Stability Report (FSR) on 28th Dec, 2023.

Highlights:

None of the Top 100 Borrower Accounts in the NPA Category for Scheduled Commercial Banks(SCBs)

The Credit of large borrowers has improved and it is welcoming that the top 100 borrower accounts do not fall in the NPA(Non-Performing Assets) category.The share of top 100 borrower accounts was increasing in the NPA category until March 2023 which has seen moderation during 2023-24.

- Their share in Scheduled Commercial Banks' (SCBs) loans decreased to 15.9% as of September-end 2023, down from 17.2% as of March-end 2023.

ii.The reason is the improvement in Asset quality in the large borrower portfolio which contributed to the lowering of the share of large borrowers in GNPA(Gross Non-Performing Assets) of SCB.

- Reserve Bank of India (RBI), the Gross Non-Performing Asset (GNPA) ratio for large borrowers, defined as those with aggregate fund-based and non-fund-based exposure of ₹5 crore and above, decreased to 3.8% as of September-end 2023, compared to 4.5% as of March-end 2023.
- In the large borrower accounts the proportion of standard assets to the total funded amount outstanding has improved over the last 3 years.
- In September 2023, large borrowers held 44.5% of SCBs' loans, down from 46.4% in March 2023.
- Large borrowers' GNPA in SCBs decreased from 53.9% in March 2023 to 51.8%.
- Investment grade advances (rated BBB and above) constituted 90.3% of large borrowers' total externally rated funded advances.

iii.The retail loan growth is greater than the borrowing by large borrowers.

- The gross advances to the large borrowers by SCB have declined further between March 2020 and September 2023.

RBI Report Finds Debt Fund AUM (Asset Under Management) of Rs.1.7- lakh Crore in Stress

According to a study by SEBI, Rs. 1.7 lakh crore of AUM of open-ended debt schemes of 17 mutual funds were under stress as of September.

- However, only 24 out of a total of 299 schemes were under stress as per the Financial Stability Report by RBI

- The survey was conducted for a total AUM of Rs.12.4 Lakh crore for all schemes, of which Rs.1.7 Lakh crore are stressed AUM of the open-ended debt schemes.
- The Asset management companies conduct stress testing of all open-ended debt schemes (except overnight schemes) every month according to the mandate by SEBI.
- And the stress testing is done by evaluating the impact of various risks including redemption risk which comes under Liquidity risk management.
- Liquidity risk management for open-ended debt schemes includes RaR(Redemption at risk) and CRaR(Conditional Redemption at risk) which need to be maintained above the threshold limit. And then the backtesting of these ratios is done every month by mutual funds companies.

Note: An open-ended mutual fund scheme does not have a maturity or lock-in period, which means investors can stay invested for as long as they want. Investors can buy or sell open-ended mutual fund scheme units at any anytime on any working day without any restrictions.

Bank's Capital Adequacy Ratio to Fall 71 bps on Higher Risk Weight

According to the RBI Financial Stability Report, the Capital adequacy ratio may decline to 71 basis points (BPS).

- The increase in risk weights for personal loans and loans to non-banking financial companies (NBFCs) can lead to the decline.
- After adjusting the risk weighs, the Capital to-risk-weighted asset ratio (CRAR) of the SCB is estimated to decline by 71 bps to 16 % and the Common Equity tier 1(CET 1) may fall by 58 bps to 13.2 %
- As of September, The CRAR and CET1 ratio of SCBs stood at 16.8 and 13.7 respectively

RBI extends Deadline for Implementation of Instructions regarding Penal Charges in Loan Accounts to April 1, 2024

On December 29, 2023, the Reserve Bank of India (RBI) extended the deadline for implementation of Instructions regarding Penal Charges in Loan Accounts by three months i.e. from January 1, 2024 to **April 1, 2024**, as a part of fair lending practices.

- In this regard, all Regulated Entities (REs) must implement the new penal charges instructions for fresh loans from April 1, 2024.
- In case of existing loans, the transition to the new regime should be ensured by the next review/renewal date on or after April 1, 2024, but no later than June 30, 2024.

Applicability:

This extension will be applicable to all Commercial Banks (including Small Finance Banks (SFBs), Local Area Banks and Regional Rural Banks (RRBs), **excluding** Payments Banks), All Primary (Urban) Co-operative Banks, All Non-Banking Financial Company-NBFC's (including HFCs-Housing Finance Companies), and All India Financial Institutions.

Reason behind Extension:

In August 2023, the RBI issued guidelines for banks to impose penalties on loan accounts i.e. '[Fair Lending Practice – Penal Charges in Loan Accounts](#)' starting from January 1, 2024. Due to the need for clarifications and additional time required by banks and NBFCs, the implementation date has been extended.

[Click Here for Official Notification regarding Extension](#)

Purpose behind these Guidelines:

Its purpose is to encourage credit discipline, not revenue enhancement beyond the contracted interest rate. The diverse practices among banks lead to customer disputes, therefore RBI instructs banks to avoid adding extra components to interest rates and strictly follow guidelines.

[Click Here to Read about Guidelines](#)

RBI revised guidelines for Inoperative Accounts and Unclaimed Deposits; Enhances Bulk Deposit Limit for Large UCBs to Rs 1cr & above

On January 1, 2024, the Reserve Bank of India (RBI) has issued revised guidelines for classifying accounts and deposits as inoperative accounts and unclaimed deposits by banks which will come into effect from **April 1, 2024**.

- These will be applicable to all Commercial Banks (including Regional Rural Banks/RRBs) and all Co-operative Banks.

These instructions by RBI are issued in exercise of the powers conferred by Sections 35A of the Banking Regulation (BR) Act, 1949 read with Sections 26A, 51 and 56 of the Act *ibid* and all other provisions of this Act or any other laws enabling RBI to issue instructions in this regard.

What is an inoperative account?

A savings or current account is treated as inoperative, if there are no customer induced transactions in the account for a period of over two years.

What are unclaimed deposits?

Balances in savings / current accounts which are not operated for 10 years, or term deposits not claimed within 10 years from date of maturity are unclaimed deposits.

Revised Instructions:

i. Unclaimed credit balances in bank accounts inactive for ten years or more, as per paragraph 3(iii) of the Depositor Education and Awareness (DEA) Fund Scheme, 2014, must be transferred to the RBI's DEA Fund, following the provisions outlined in the DEA Fund Scheme, 2014.

ii. Comprehensive guidelines issued are to be followed by the banks regarding various aspects, including classifying accounts and deposits as inoperative or unclaimed, periodic review, fraud prevention, grievance redressal, and procedures for tracing customers, nominees, or legal heirs.

- These instructions aim to enhance ongoing efforts to reduce unclaimed deposits in the banking system and facilitate their return to rightful owners or claimants.

iii. Banks shall undertake at least **an annual review** in respect of accounts, where there is no customer induced transactions for more than a year.

iv. Banks must notify account holders via letters, emails, or SMS (Short Message Service) on a quarterly basis if there's been no activity in their accounts for the past year.

- Alerts should specify that the account will turn 'inoperative' without activity in the next year, requiring the account holder to submit fresh KYC documents for reactivation.

v. To classify an account as inoperative, only customer-initiated transactions, not bank-initiated ones, will be considered.

- Even if a customer has standing instructions (SI)/auto-renewal instructions with no other account activity, it will be treated as a customer-induced transaction.
- Bank-induced transactions include charges, fees, interest payments, penalties, and taxes initiated by the bank.

vi. To address inactivity of zero balance accounts for government scheme beneficiaries and students receiving scholarships, banks need to segregate these accounts in the core banking solution, exempting them from the 'inoperative' classification after two years of non-operation.

vii. The banks are not permitted to levy penal charges for non-maintenance of minimum balances in any account that is classified as an inoperative account.

- No charges shall be levied for activation of inoperative accounts.

viii. Banks regularly update and display unclaimed deposit details (names, addresses, Unclaimed Deposit Reference Numbers (UDRNs)) on websites or branches.

- Non-individual accounts show authorized individuals' names but hide account number, type, balance, and branch.

viii.RBI mandates the availability of KYC updation for activation of inoperative accounts and unclaimed deposits at all branches (including non-home branches) and through video-customer identification process (V-CIP) if requested by the account holder

ix.No debit transactions allowed in inoperative accounts without customer-induced activation.

x.Banks provide activation details, forms on websites/branches, and conduct public awareness campaigns.

[Click Here for Official Details](#)

About DEA Fund:

The Banking Laws (Amendment) Act, 2012, Section 26A has been inserted in the BR Act, 1949 that empowers RBI to establish Depositor Education and Awareness Fund. Under this, all banks (Scheduled Commercial Banks including Regional Rural Banks and Local Area Banks /Urban Co-operative Banks / State Co-operative Banks /District Central Co-operative Banks) have been advised to transfer inoperative deposit accounts which have not been claimed or operated for a period of ten years or more or any deposit or any amount remaining unclaimed for more than 10 years to the Fund

- The guidelines for the same were issued by RBI in January 2015.

[Click Here for more details about DEA Fund](#)

RBI enhances bulk deposit limit for large UCBs 6.66 times to Rs 1 cr and above

RBI also revises Bulk Deposits limit for Scheduled Primary (Urban) Co-operative Banks in Tier 3 and 4 to Rs 1 crore and above from Rs 15 lakh and above. This is 6.66 times increase.

- The bulk deposit limit for urban co-operative banks not located in Scheduled UCBs in Tier 3 and 4 cities has been increased to Rs 15 lakh and above.

Key Point:

Previously, a deposit of Rs 15 lakh and above was considered a bulk deposit across all UCBs, allowing customers to negotiate interest rates with the banks. However, with the revised threshold set at ₹1 crore and above, customers depositing amounts below this limit will now earn a uniform rate of interest.

Types of UCB:

There are four types of UCBs:

Tier 1: Deposits up to Rs 100 crore

Tier 2: Deposits between Rs 100 crore and Rs 1,000 crore

Tier 3: Deposits between Rs 1,000 crore and Rs 10,000 crore

Tier 4: Deposits of over Rs 10,000 crore

Notes:

i.Tier 1 UCBs operating in a single district should have minimum net worth of Rs 2 crore. For all other UCBs, the minimum net worth should be Rs 5 crore.

ii.Tier 1 UCBs have to maintain a minimum capital to risk weighted assets ratio of 9% of Risk Weighted Assets (RWAs) on an ongoing basis.

- Tier 2 to 4 UCBs have to maintain a minimum capital to risk weighted assets of 12% of RWAs on an ongoing basis.

[Click Here to Read about UCBs](#)

RBI grants Payment Aggregator Licence to Tata Pay & DigiO

Tata Group's digital payments arm, Tata Communications Payment Solutions Limited (**Tata Pay**), has received approval from the Reserve Bank of India (**RBI**) to act as a Payment Aggregator (**PA**).

- The approval from RBI allows Tata Groups to power all their e-commerce transactions within its subsidiary entities through Tata Payments Limited.
- The Groww (financial services platform)-backed identity verification startup, **DigiO**, also has received PA licence from RBI.

About Tata Communications Payment Solutions Limited:

Tata Payments is held through Tata Digital Private Limited, which is the digital business arm of and subsidiary of Tata Group.

Managing Director & Chief Executive Officer – A.S.Lakshminarayanan

Headquarters – Mumbai, Maharashtra

Established in – 2008

RBI Issues Master Direction on Commercial Paper & Non-Convertible Debentures 2024

On January 3, 2024, the Reserve Bank of India (RBI) issued [Master Direction – RBI \(Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year\) Directions, 2024](#) which will come into effect from **April 1, 2024**.

- These Directions have been issued in exercise of the powers conferred under section 45J, 45K, 45L and 45W of RBI Act, 1934 read with section 45U of the Act and of all the powers enabling it in this behalf.

Tenor:

i. Non-Convertible Debenture (NCD) means a secured money market instrument with a tenor between **90 days and one year**.

ii. Commercial Paper (CP) means an unsecured money market instrument issued in the form of a promissory note with maturity between a minimum of 7 days and a maximum of up to one year from the date of issue.

Guidelines:

i. CPs and NCDs must be issued and held in dematerialized form with a Securities and Exchange Board of India (SEBI) registered depository.

ii. The minimum denomination for CPs and NCDs is **Rs 5 lakh**, with multiples of Rs 5 lakh thereafter.

iii. CPs have a tenor between seven days and one year, while NCDs have a tenor between ninety days and one year.

iv. Issuance of CPs/NCDs with options (call/put) is not allowed, and underwriting or co-acceptance is prohibited.

v. Primary issuances of CPs and NCDs, involving both fund payment to the issuer and issuance to investors, must be settled within **T+4 working days** from the deal date.

vi. The date on which the trade details, including price/rate are agreed by the issuer and the investor(s).

vii. Individual subscriptions, including Hindu Undivided Families (HUFs), in any primary CP or NCD issuance cannot exceed 25% of the total amount issued.

Discount/Coupon Rate

i. CPs are issued at a discount to the face value.

ii. NCDs can be issued at a discount to the face value or with a fixed or floating rate coupon.

iii. The coupon on floating rate NCDs is linked to a benchmark approved by Financial Benchmark Administrator or approved by the Fixed Income Money Market and Derivatives Association of India (FIMMDA) ensuring transparency and objectivity, or it can be linked to policy rates published by the Reserve Bank.

Rating Requirement

The minimum credit rating, assigned by a Credit Rating Agency (CRA), for the issuance of CPs and NCDs is '**A3**'.

Credit Enhancement:

i. Banks and AIFs can provide credit enhancement like stand-by assistance or back-stop facility for CP/NCD issues based on commercial judgment and within RBI's prudential guidelines.

ii. Non-bank entities, including corporates, can offer unconditional and irrevocable guarantees for credit enhancement of CPs and NCDs issued by a group entity.

End-use

i. CPs and NCDs funds are primarily for **current assets and operating expenses**.

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- If funds are utilized for purposes other than the specified, the exact end-use must be disclosed in the offer document.

ii.A certificate from the CEO (Chief Executive Officer)/CFO (Chief Financial Officer) confirming proper use and adherence to regulatory provisions and conditions must be submitted to the Issuing and Paying Agent (IPA) within 3 months of CP/NCD issue or maturity, whichever is earlier.

Key Points:

i.CPs and NCDs are tradable on OTC markets, including ETPs, or approved stock exchanges by the Reserve Bank.

ii.Settlement cycle for OTC trades is T+0 or T+1.

iii.IPA reports primary market issuances on F-TRAC Trade Repository Platform of Clearing Corporation of India Ltd (F-TRAC platform) by 5:30 PM on the day of issuance.

iv.Secondary market transactions in CPs and NCDs are reported within 15 minutes on F-TRAC.

v.Buyback details reported by IPA on F-TRAC platform by 5:30 PM on buyback date.

vi.Instances of default and repayment reported by IPA on F-TRAC by 5:30 PM on the day of default or repayment.

vii.Depositories report CPs and NCDs details to RBI fortnightly or as required.

viii.Debenture Trustee reports NCD outstanding amount and default particulars quarterly within 15 days from the quarter-end.

Eligible Issuers:

i.CPs and NCDs may be issued by the following entities:

- Companies; Non-Banking Financial Companies (NBFCs), including Housing Finance Companies (HFCs); Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) ; All India Financial Institutions (AIFIs)
- Any other body corporate with a minimum net-worth of Rs 100 crore, provided that the body corporate is statutorily permitted to incur debt or issue debt instruments in India
- Any other entity specifically permitted by the Reserve Bank.

ii.Co-operative societies and limited liability partnerships with a minimum net-worth of **Rs 100 crore**, may issue CPs under these Directions, subject to the condition that all fund-based facilities availed, if any, by the issuer from banks/ AIFIs / NBFCs are classified as Standard at the time of issue.

Eligible Investors:

All residents can invest in CPs and NCDs.

Non-residents can invest based on Foreign Exchange Management Act (FEMA), 1999 regulations.

RBI doubles Minimum Capital Requirement to Rs 200 cr for SFBs

On January 8, 2024, the Reserve Bank of India (RBI) increased the minimum capital requirement for Small Finance Banks (SFBs) from Rs 100 crore to Rs 200 crore, and permitted **Payments Banks to upgrade as SFBs**.

- The reason behind this is to improve the financial resilience of SFBs and ensure their long-term sustainability.
- It is noted that the net worth of all operational SFBs is in excess of Rs 200 crore.

Key Points:

i.Urban Co-operative Banks (UCBs) transitioning to Small Finance Banks (SFBs) need an initial net worth of Rs 100 crore, to be increased to Rs 200 crore within five years.

ii.Payments Banks, eligible as per guidelines, can apply for SFB conversion after five years of operation.

iii.SFBs will be granted scheduled bank status immediately upon commencement of operations, and will get immediate general permission to open banking outlets.

iv.The key difference between SFBs and Payments Bank is that the latter is not allowed to do lending.

- SFBs can provide basic banking services like lending and accepting deposits. SFBs target customers like small farmers, small businessmen, unorganized workers, and micro small and medium enterprises.

- Payment Banks offer limited banking services, such as debit card issuance, remittances, and deposit accounts.

Reserve Bank of India imposes Rs.2.49 crore Monetary Penalty on 3 Banks

The Reserve Bank of India (RBI) has imposed monetary penalties of about Rs.2.49 crore on **three banks** namely Dhanlaxmi Bank Limited, Punjab & Sind Bank and ESAF Small Finance Bank Limited for contravention of regulatory norms.

Dhanlaxmi Bank Ltd – Rs.1.20 crores:

Reason: Non-compliance with certain directions issued by RBI on

- Loans and Advances – Statutory and Other Restrictions
- RBI (Know Your Customer (KYC) Directions, 2016
- RBI (Interest Rate on Deposits) Directions, 2016'

ESAF Small Finance Bank Limited – Rs.29.55 Lakh:

Reason: Non-compliance with the directions issued by RBI on 'Customer Service in Banks'.

Note- This penalty for the above two banks was imposed under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

Punjab & Sind Bank – Rs.1 crore:

i.Reason: Non-compliance with certain directions issued by RBI on 'Loans and Advances – Statutory and Other Restrictions'

ii.This penalty has been imposed under the provisions of Section 47 A (1) (c) read with Sections 46 (4) (i) and 51(1) of the Banking Regulation Act, 1949.

RBI Imposes Monetary Penalty on Five Co-Operative Banks

RBI has imposed monetary penalties on five cooperative banks for deficiencies in regulatory compliance. All these penalties was imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 56 of the Banking Regulation Act, 1949.

Gujarat-based Navsarjan Industrial Co-operative Bank Limited – Rs 7 lakh:

Headquarters – Ankleshwar, dist. Bharuch, Gujarat

Reason: Non-compliance with the directions on placement of deposits with other banks by primary (urban) co-operative banks, non-compliance with RBI (KYC) Directions, 2016 and contravention of certain norms of the Banking Regulation Act, 1949.

Gujarat-based Mehsana Jilla Panchayat Karmachari Co-operative Bank Limited – Rs 3 lakh:

Headquarters- Mehsana, Gujarat

Reason: Non-compliance with the directions issued by the RBI on 'placement of deposits with other banks by primary (urban) co-operative banks' and contravention of certain provisions of the Banking Regulation Act, 1949.

Gujarat-based Halol Urban Co-operative Bank Limited – 2 lakh:

Headquarters – Halol, Gujarat

Reason: Non-compliance with the directions issued by the RBI on 'loans and advances to directors, relatives and firms/concerns in which they are interested' and 'placement of deposits with other banks by primary (urban) co-operative banks'.

Telangana-based Stambhadri Co-operative Urban Bank Limited – Rs.50,000

Headquarters – Khammam, Telangana

Reason: Non-compliance with the directions issued by the RBI on 'loans and advances to directors, their relatives, and firms/concerns in which they are interested

Tamil Nadu-based Subramanianagar Co-operative Urban Bank Limited – Rs.25,000

Headquarters – Salem, Tamil Nadu

Reason: Non-compliance with the directions issued by the RBI on 'loans and advances to directors, their relatives, and firms/concerns in which they are interested'.

Customer Complaints should be communicated in 30 days: RBI IO for RE Directions, 2023

The Reserve Bank of India (RBI) issued the [Master Direction – Reserve Bank of India \(Internal Ombudsman for Regulated Entities\) Directions, 2023](#), as per which the regulated entities (REs) and their Internal Ombudsmen (IOs) should communicate a final decision to customers **within 30 days** of receiving a complaint.

- This directive aims to enhance consumer grievance redress and customer service standards within RE by **facilitating a thorough review before the rejection of customer complaints by IO.**
- IOs usually deal with customer complaints related to deficiency in service.

This directive by RBI is issued in exercise of its powers conferred by Section 35A of the Banking Regulation Act, 1949, Section 45L read with 45M of the RBI Act, 1934, sub-section (1) of Section 11 of Credit Information Companies (Regulation) Act, 2005 and Section 18 of the Payment and Settlement Systems Act, 2007,

Repeal of Existing Schemes:

With the issue of new Directions, the guidelines contained in Internal Ombudsman Scheme 2018 – Implementation by banks; Internal Ombudsman Scheme for Non-Bank System Participants, 2019; Appointment of IO by Non-Banking Financial Companies, 2021; and RBI (Credit Information Companies- Internal Ombudsman) Directions, 2022 stand repealed.

Key Guidelines:

i. REs must implement a fully-automated Complaints Management Software, escalating all partly or wholly rejected complaints by the internal grievance redress mechanism to the IO within 20 days for a final decision.

ii. If Internal Ombudsman / Deputy Internal Ombudsman (DIO) appointments are contractual, it should **not exceed 70 years** before tenure completion.

- If IO/DIO tenure is fixed, it should not be less than **3 years** and also should not exceed **5 years**, with no eligibility for reappointment or extension in the same RE.

iii. The IO should report to the Competent Authority of the RE administratively, and to the Board of regulated entity functionally.

Applicability:

i. Applicable to banks (meeting specific criteria as per Directions) with 10 or more outlets in India, regardless of incorporation location.

ii. Applicable to NBFCs meeting specific criteria, including deposit-taking NBFCs with 10 or more branches and non-deposit taking NBFCs with an asset size of **Rs 5,000 crore** and above, having public customer interface.

iii. Applies to all Non-bank System Participants (NBSPs) with more than one crore Pre-paid Payment Instruments outstanding as of March 31, 2023, or thereafter.

iv. Mandatory for all Credit Information Companies.

v. REs with these thresholds must establish an IO framework **within 6 months**.

RBI Cancels Licence of Karnataka's Hiriya Urban Co-Op Bank

Reserve Bank of India (RBI) cancelled the licence of Karnataka based The Hiriya Urban Co-operative Bank Limited as the bank does not have adequate capital and earning prospects.

Key Points:

i. The bank also does not comply with the provisions of Section 11(1) Sections 22(3)(a), 22(3)(b), 22(3)(c), 22(3)(d) and 22(3)(e) read with Section 56 of the Banking Regulation Act, 1949.

ii. Upon bank liquidation, each depositor is entitled to a deposit insurance claim of up to Rs.5 lakh from Deposit Insurance and Credit Guarantee Corporation (DICGC), as per the provisions of the **DICGC Act, 1961**.

iii. Registrar of Cooperative Societies (Karnataka) will issue an order for winding up the bank. and appoint a liquidator for the bank.

REC Limited issues inaugural Yen Denominated Green Bonds aggregating to JPY 61.1 Billion

REC Limited (formerly Rural Electrification Corporation Limited), a Maharatna Central Public Sector Enterprise (CPSE) under the Ministry of Power (MoP) has successfully issued its inaugural Japanese Yen (JPY) 61.1 billion worth Green bonds under its USD 10 billion **Global Medium Term Notes Programme**.

- It is the first Yen Green Bonds issuance by any Indian Public Sector Unit (PSU).

About the issuance:

- i. The bond is issued in three tenure namely 5-year, 5.25-year and 10-year at yield of 1.76%, 1.79% and 2.20% respectively.
- ii. It is the largest Yen-denominated issuance from India and the largest ever Euro-Yen issuance in South and South East Asia.
- iii. The proceeds from the issue of the Bonds will be used to fund Eligible Green Projects in line with the REC's Green Finance Framework and Reserve Bank of India (RBI)'s External Commercial Borrowings Guidelines.

RBI's Economic Activity Index Nowcasts Q3FY24 growth at 7%

According to an article titled '[State of the Economy](#)' in the Reserve Bank of India (RBI)'s monthly bulletin i.e. '[RBI Bulletin – January 2024](#)', RBI's economic activity index (EAI) has nowcast India's Gross Domestic Product (GDP) growth for 3rd quarter of 2023-2024 (**Q3FY24**) (October 2023 – December 2023) at **7%**.

- This is higher than the real GDP growth projection of **6.5%** for Q3FY24 in the December 2023 Monetary Policy Statement.
- However, this article do not represent the views of RBI.

Note: EAI is a nowcast (conditional forecast) that uses 27 indicators to measure growth and output by tracking GDP dynamics and documents the impact of recession on various parameters.

Key Points:

- i. India's economy remained resilient in the face of external challenges, driven by strong domestic demand.
- ii. The 2023-24 fiscal year saw better-than-expected growth, supported by a shift from consumption to investment.
- iii. December's 2023 headline inflation increased slightly to 5.7%, driven by higher food inflation.
- iv. Private consumption, constituting 57% of GDP, struggled amid the gradual rural economic revival.
- v. The goal for 2024-25 is to maintain momentum, targeting a real GDP growth of at least 7% in a stable macroeconomic environment.

RBI Report: Panchayats Need to Intensify Their Efforts to Increase Own Revenues

Reserve Bank of India (RBI)'s report titled '[Finances of Panchayati Raj Institutions](#)' states that Panchayats has to boost their efforts to increase their own revenues (which includes tax and non tax revenue) and improve their governance towards sustainable growth.

- According to the report, the own revenues of the panchayats accounts for only 1.1% of their total revenue.

About the report:

- i. The report presents an analysis of Panchayats finances and their role in India's socio-economic development.
- ii. The report has been prepared in the **Division of Local Finances (DLF)** of the **Department of Economic and Policy Research (DEPR)**.
- iii. The assessment covered around 75% of the total number of Rural Local Bodies (RLBs) in India.

Highlights:

- i. Panchayat generates their own revenues by imposing local taxes, fees, and charges on various activities, including land revenue, professional and trade taxes, and miscellaneous fees.
- ii. The non-tax revenue of Panchayats (from Panchayati Raj programmes and interest earning) accounted for 3.3% of its total earning.
- iii. About **95%** of their revenue comes from grants, limiting their spending.
 - Panchayats receive grants from both Central and State governments.
 - These grants may be distributed under specific schemes or based on the Central Finance Commission's (CFC) and State Finance Commissions' (SFC) recommendations.
- iv. Delays in the constitution of SFCs further hinder their financial capabilities.

v.States with higher devolution levels to Panchayats exhibit better outcomes in health, education, infrastructure, water supply and sanitation.

Receipts:

i.Panchayats in Tamil Nadu (TN), Himachal Pradesh (HP), Maharashtra, and Telangana reported higher non-tax revenue than others

ii.The average revenue per Panchayat, encompassing taxes, non-taxes, and grants, was at Rs 21.2 lakh in 2020-21, Rs 23.2 lakh in 2021-22, and **Rs 21.23 lakh** in 2022-23.

iii.The average revenue per Panchayat varied from **Rs 2.7 lakh** in Andhra Pradesh (AP) to Rs 64 lakh in West Bengal (WB).

Expenditure:

i.The average expenditure per Panchayat witnessed a decline from Rs 17.3 lakh in 2020-21 to **Rs 12.5 lakh** in 2022-23.

ii.States of Goa, Karnataka, Odisha, Sikkim, Kerala, and Tamil Nadu recorded the highest average expenditure at the Panchayat level.

iii.The ratio of revenue expenditure of Panchayats to nominal Gross State Domestic Product (GSDP) remained below 0.6% for all states.

iv.The composition of expenditure indicated a consistent rise in spending on water and sanitation, reflecting emphasis on cleanliness and access to clean water supply.

v.Investment in capital projects constituted 29.6% of the total expenditure of Panchayats in 2022-23, on average, across States.

Key Points:

i.The revenue to capital expenditure ratio averaged 3.2 in 2022-23

ii.68.8% of India's population in rural areas, making panchayats crucial for implementing government policies.

iii.Panchayats bridge community-government gap, fostering grassroots development and sustainability.

iv.Panchayati Raj Institutions (PRIs) promote climate-resilient farming, renewable energy, reducing reliance on fossil fuels.

v.There is also a need to raise citizens' awareness about the functions and significance of PRIs by encouraging their increased participation in local governance processes.

vi.Article 243-I mandates SFC every five years to assess Panchayats' financial status and propose tax-sharing frameworks between the State and Panchayats. However, SFC formation is inconsistent across states.

Types of Grants that PRIs get:

i.**Untied Grants:** General-purpose grants without specific conditions, allowing utilization based on local priorities.

ii.**Tied Grants:** Allocated for specific sectors like sanitation or education, ensuring directed funding according to government priorities.

iii.**Performance-based Grants:** Linked to performance criteria, rewarding PRIs with effective governance and successful project implementation.

iv.**Special Category Grants:** Designed to address unique challenges or needs in specific regions, providing additional support based on socioeconomic or geographical constraints.

Panchayats:

i.In 1992, the 73rd Amendment to the Indian Constitution institutionalised the PRIs at three levels in rural India: Gram Panchayats at the village level, Mandal Panchayats at the intermediate/block level, and Zila Parishad at the district level.

ii.There are total of 2.62 lakh PRIs in India, with 2.55 lakh Gram Panchayats, 6,707 Mandal Panchayats, and 665 Zila Parishads as of October 2023.

iii.Article 243-H of the Constitution empowers Panchayats to impose, collect, and allocate taxes, duties, tolls, and fees.

APPOINTMENTS & RESIGNATIONS

RBI Approves Appointment of Praveen Achuthan Kutty as MD & CEO of DCB Bank

The Reserve Bank of India (RBI) has approved the appointment of **Praveen Achuthan Kutty** as the Managing Director (MD) and Chief Executive Officer (CEO) of **DCB Bank Limited** (formerly known as Development Credit Bank) for 3 years with effect from April 29, 2024.

He will succeed Murali M Natrajan, the incumbent MD and CEO of DCB bank, whose tenure is set to end on 28th April 2024. He has been holding the post since 2009.

About Praveen Achuthan Kutty:

- i. He has over 32 years of experience in all aspects of Retail and Small and Medium-sized Enterprises (SME) banking.
- ii. He joined the DCB bank in 2007 as Executive Vice President and Head of Consumer Banking. Currently, he is overseeing Retail, Small and Medium-sized Enterprises (SME), and agri-banking operations.
- iii. Before joining DCB Bank, he served at Citibank as Area Director for Non-Resident Indian (NRI) Business in North America.
 - His worked as the Head of NRI Business, for the United States of America (USA) and Canada.

About DCB Bank Limited:

DCB Bank was established in 1930 as "Development Credit Bank Limited" and was renamed as DCB bank limited w.e.f 2013.

MD & CEO– Murali M Natrajan

Headquarters– Mumbai, Maharashtra

ACC Approved the Reappointment of MD Patra as Deputy Governor of RBI

Appointments Committee of the Cabinet (ACC) headed by Prime Minister (PM) Narendra Modi has approved the reappointment of **Michael Debabrata Patra** as Deputy Governor of the Reserve Bank of India (RBI) for the second time.

- His tenure was extended by **one year** with effect from 15th January 2024 or until further orders, whichever is earlier.

About Michael Debabrata Patra:

i. Patra was initially appointed as RBI Deputy Governor in 2020 for a tenure of three years (till 2023) by replacing **Viral Acharya**.

ii. In 2023, his tenure was extended for one year which expired on 14th January 2024.

ACC Cleared Appointments of 7 Civil Servants to Key Posts Abroad in Foreign Missions

On 5 January 2024, the **Appointments Committee of the Cabinet (ACC)** chaired by Prime Minister (PM) Narendra Modi, cleared the appointment of **7 civil servants** to key posts abroad to represent India in foreign missions and captive posts within the Government of India (GoI) across various multilateral bodies.

7 Appointments:

1. Vikas Sheel:

i. Vikas Sheel, a 1994-batch Indian Administrative Service (IAS) officer of the Chhattisgarh cadre was appointed as Executive Director (ED) of the Asian Development Bank (ADB) in Manila (Philippines) for 3 years.

ii. Currently, he is the Additional Secretary and Mission Director in the Jal Jeevan Mission under the Ministry of Jal Shakti.

2. Senthil Pandian:

i. He is a 2002-batch IAS officer of the Uttar Pradesh cadre and has been appointed as Ambassador/Permanent Representative (PR) at the Permanent Mission of India (PMI) to the Geneva (Switzerland)-based World Trade Organisation (WTO) for 3 years.

ii. He will replace Brajendra Navnit, who will complete his 3-year tenure on 31 March 2024.

Note: The joint secretary-level post in the PMI (Geneva) functions under the Department of Commerce, Ministry of Commerce and Industry.

3.M Balaji:

i.He is a 2005-batch IAS officer of the Tamil Nadu cadre and has been appointed Deputy Chief of Mission at the Embassy of India, Brussels (Belgium) for 3 years.

ii.He replaces Debasish Prusty, who too will complete his tenure on 31 March 2024.

4.Parveen Kumar:

i.He is an Indian Revenue Service (IRS) (Income Tax) officer of the 2004 batch and was appointed as Adviser to the ED of the International Monetary Fund (IMF), Washington DC, the United States of America (USA).

ii.He was appointed, in place of Simanchala Dash for 3 years.

Note: The Joint Secretary level a Captive Post of GoI functions under the Department of Economic Affairs, Ministry of Finance.

5.Smita Sarangi:

i.She is a 2008 batch IAS officer of the Nagaland Cadre and was appointed as Adviser to the ED of the ADB, Manila for 3 years.

ii.She will replace H Atheli, who is a 2000-batch Indian Civil Accounts Service (ICAS) officer.

6.Kalyan Revella:

i.Senior bureaucrat Kalyan Revella, a 2010-batch IRS officer, has been appointed Counsellor (Economic) at the Embassy of India in Beijing, China for 3 years, replacing Lekhan Thakkar.

7.Tanu Singh:

i.Tanu Singh, a 2012-batch Indian Trade Service (ITradeS) officer, has been named as the First Secretary of the PMI to the WTO (Geneva) for 3 years.

ii.She replaces Anwar Hussain Shaik, who is completing his tenure on 31 March 2024.

iii.She is currently the Deputy Secretary of the Department of Justice, under the Ministry of Justice.

About the Appointments Committee of the Cabinet (ACC):

Chairperson– Narendra Modi

Headquarters– New Delhi, Delhi

Nadia Calviño of Spain took over as 1st Woman President of European Investment Bank

On 1st January 2024, **Nadia Calviño Santamaría**, a Spanish economist and civil servant, took over as the 8th President of the European Investment Bank (EIB), the lending arm of the European Union(EU).

i.With this appointment, she became the **first woman President of EIB**.

ii.She succeeds **Werner Hoyer** of Germany, who held the post since 2012.

Note: She has been serving as the First Vice-President(VP) and Minister for Economy, Trade and Companies, Government of Spain since July 2021.

About Nadia Calviño:

i.She started her career as a civil servant in the Ministry for Economy in Spain.

ii.She joined the European Commission in 2006 and served as Assistant Director-General for Competition of the European Commission till 2010.

iii.She also served as Director-General for Internal Market of the European Commission (2010-2014) and Director-General for Budget of the European Commission(2014-2018).

iv.She has also served as the Minister for Economy and Business (2018-2020); Third Vice-President and Minister for Economy and Digitalization (2020-2021) and Second Vice-President and Minister for Economy and Digitalization (March-July 2021).

v.She has also served as the Chair of International Monetary and Financial Committee (IMFC) of the International Monetary Fund (IMF) (since 3rd January 2022).

Honours: In 2015, His Majesty King Felipe VI of Spain bestowed her with the Commendation of the Order of Civil Merit.

About European Investment Bank (EIB):

EIB the biggest multilateral financial institution in the world, and one of the largest providers of climate finance.

President- Nadia Calviño

Headquarters- Boulevard Konrad Adenauer, Luxembourg

Founded in- 1958

OBITUARY

Rana Talwar, 1st Indian & Asian to Head Standard Chartered Bank Passed Away

Veteran banker Gurvirendra Singh Talwar (**Rana Talwar**), the **1st Indian and Asian** to lead a global bank, Standard Chartered Bank (**SCB**) **Plc**, passed away at the age of 76. He was born in 1948.

About Rana Talwar:

- i.** He began his career with Citibank India in 1969 and started heading the retail businesses of Citibank across Asia-Pacific, the Middle East, and then Europe and North America.
- ii.** He was a member of the Citibank/ Citigroup Policy and Operating Committees.
- iii.** In 1997, he joined SCB Plc and later assumed the role of Global Chief Executive Officer (CEO), becoming the 1st Asian to head an FTSE 25 company and a major global bank.
- iv.** After leaving Standard Chartered in 2002, he founded Sabre Capital Worldwide, a private equity firm as its founder Chairman and a majority stakeholder.
- v.** In 2006, he joined DLF and served as a non-executive director on the board of DLF.
- vi.** He also served as the chairman of Centurion Bank, which later merged with the Bank of Punjab and became known as Centurion Bank of Punjab (CBoP).
- vii.** He was the Founding Governor of the Indian School of Business and a former member of the governing body of the London Business School.
- viii.** He also served on the boards of companies like Asahi India Glass and Great Eastern Energy Corporation.

OTHER NEWS

Bandhan Bank Introduces 'Inspire' Programme Exclusively for Senior Citizens

Bandhan Bank Limited has launched a new scheme called '**Inspire**' programme designed to cater to the specific needs and aspirations of **senior citizens**. It offers plans that focus on financial security, healthcare, and convenience of old age people.

Eligibility:

- i.** Individuals residing in India of age 60 years and above.
- ii.** Monthly Average Balance (MAB) should be Rs.1 lakh for Premium Savings Account and Rs.25,000 for Advantage Savings Account.

Benefits:

- i.** The Inspire programme offers benefits like preferential interest rates, priority banking services, and doorstep banking facilities to senior citizen customers.
- ii.** The programme offers Inspire Membership ID Card which carries the details of the customers.
- iii.** The programme also offers life care benefits such as exclusive discounts on medication purchases, diagnostic services, and medical treatments.
- iv.** In collaboration with '**Oxxy**', a New Delhi(Delhi) based health aggregator, the programme offers 360 Degree Health Care Plans.
- v.** It offers preferential rates on retail term deposits(upto 6.60% per annum) & high interest rates on savings account balance(upto 8.05% per annum)

Promoter of Bandhan Bank Limited:

Bandhan Bank Limited is promoted by HDFC Limited. As of September 2023, HDFC Ltd holds 39.98% of paid-up share capital in Bandhan Bank.

Promoters:

As per Section 2(69) of the Companies Act 2013, promoter means,

- i. A person who is specifically named as a promoter in the company's prospectus or identified by the company in its annual return.
- ii. A person who controls the company affairs, indirectly or directly, whether as a director, shareholder or otherwise.
- iii. A person in accordance with whose directions, advice or instructions the Board of Directors of a company are accustomed to act.

India's GDP growth to Exceed 6.5% in FY24: DEA

The "[Half-Yearly Economic Review 2023-24-November 2023](#)" released by the Department of Economic Affairs (DEA), Ministry of Finance, mentioned that India's real Gross Domestic Product (GDP) grew by **7.7%** in the first half (**H1**) of financial year 2023-2024 (**FY24**). With this, India is expected to achieve a growth rate of **over 6.5% in FY24**.

- India's real GDP grew by a 7.6% on a year-on-year (**YoY**) basis in 2nd quarter (Q2) of FY24

Key Points:

- i. The GDP growth during H1 of FY 24 was led by the strong domestic demand for consumption and investment.
- ii. Private Final Consumption Expenditure (PFCE) increased by 4.5%, reaching 60.4% of GDP, the highest since FY12, excluding FY21.
- iii. The share of Gross Fixed Capital Formation (**GFCF**) in GDP (Current Prices) increased from 29.1% in H1 of FY23 to 29.6% in H1 of FY24.
- iv. The Centre's capex grew by 33.7% in April-October FY24 over the corresponding period in FY23.
- v. GVA (Gross Value Added) increased by 7.4% in Q2FY24, registering the H1 growth of 7.6% in FY24. The industry segment (components of GVA) registered a growth of 9.3% in H1FY24.
 - This was driven by solid growth of **7.6%**, **9.3%**, and **10.5%** in the sub-components mining and quarrying, manufacturing, and construction, respectively.
- vi. Index of Industrial Production (IIP) grew by 6.1% in H1 of FY24, with notable growth in capital goods and construction sectors.
- vii. The Services sector grew by 8% in H1 of FY24, with positive performance in services exports.

Highlights:

- i. Continued growth momentum expected in Q3 and Q4 of FY24.
- ii. Unemployment rate decreased to 6.6% in H1FY24 from 7% in H2FY23.
- iii. Merchandise exports contracted by 8.8% in H1FY24.
- iv. Overall trade deficit reduced to USD 39.9 billion in H1FY24 from USD 75.3 billion in H1FY23.
- v. Gross FDI inflows to India were 15.9% lower in H1FY24.
- vi. Artificial intelligence (AI) -related projects accounted for 26.2% of global investments in the sector since 2016.
- vii. Inflation eased to 5.5% in H1FY24 from 7.2% in H1FY23.
- viii. Urban unemployment rate decreased from 7.4% in H1FY23 to 6.6% in H1FY24.
- ix. Government's net tax revenue rose by 11.2% YoY to Rs 13 lakh crore in H1FY24.

About Ministry of Finance:

Union Minister– Nirmala Sitharaman (Rajya Sabha, Karnataka)

Minister of State– Bhagwat Kishanrao Karad; Pankaj Chaudhary

BOI Launched Super Special 175 days FD at 7.5% Interest

Bank of India (BoI), a Public Sector Bank(PSB), has launched a Super Special Fixed Deposit (FD) scheme with a specified maturity period of 175 days, commencing from January 1st, 2024.

- The scheme offers a interest rate of 7.50% per annum for deposits ranging from Rs 2 crore to less than Rs 50 crore.

Key Points:

i.This special fixed deposit is introduced as a limited period offer.

ii.The scheme is exclusively for domestic rupee term deposits.

iii.Senior citizens (aged 60 to 80) will get an additional interest rate of 0.50% on their retail term deposits (below Rs 2 crore) for tenors ranging from 6 months and above up to 3 years.

iv.Super senior citizens(aged above 80) will get an extra 0.65% on same retail term deposits.

Additional info:

At present BoI pays 4.50% interest rate for a 175 day tenor for deposits below Rs 2 crore. 7.25% is the highest interest rate paid by BoI for a 2 year deposit.

About Bank of India:

Managing Director(MD) and Chief Executive Officer(CEO) – Rajneesh Karnatak

Headquarters – Mumbai, Maharashtra

Established in – 1906

Tagline – Relationship Beyond Banking

Gol Constitutes 16th Finance Commission of India with Arvind Panagariya as Chairman

The Government of India, has constituted the **16th Finance Commission of India** with **Dr Arvind Panagariya**, former Vice-Chairman(VC), NITI Aayog(National Institution for Transforming India)(2015 to 2017) as **Chairman**.

- **Ritvik Ranjanam Pandey**, Joint Secretary(Revenue), Ministry of Finance, was appointed as the **Secretary** to the Commission. He is a 1998 batch IAS officer of Karnataka cadre.
- The other members of the 16th commission will be notified separately.

Tenure: The Chairman and other members of the Commission will hold the post from date on which they assume office up to the date of submission of Report or **31st October 2025**.

Note: The 16th commission is set to submit its report by 31st October 2025 covering a period of five years commencing on the 1st April 2026.

About Arvind Panagariya:

i.Arvind Panagariya is a Professor of Economics and the Jagdish Bhagwati Professor of Indian Political Economy at Columbia University, the United States of America (USA).

ii.He has been serving as the chancellor of Nalanda University, Bihar since April 2023.

iii.He has also served as the Chief Economist of the Asian Development Bank (ADB) from 2000 to 2002.

iv.He was honoured with **Padma Bhushan** (Literature and Education) in 2012.

About Finance commission of India:

- The commission was constituted in pursuance of clause (1) of article 280 of the Constitution read with the provisions of the Finance Commission (Miscellaneous Provisions) Act, 1951 (33 of 1951) and was approved by the President of India, Droupadi Murmu.

- The Finance Commission is a Constitutionally mandated body to recommend how tax revenue should be shared between the Union and states. The **1st Finance Commission** was set up in **1951**.

Roles and responsibilities:

The 16th commission will make recommendations on

- i.** Distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under Chapter I, Part XII of the Constitution and the allocation between the States of the respective shares of such proceeds.
- ii.** Principles that will govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India and the sums to be paid to the States by way of grants-in-aid of their revenues under article 275 of the Constitution for the purposes other than those specified in the provisos to clause (1) of that article
- iii.** Efforts that should be taken to increase the Consolidated Fund of a State to supplement the resources of the Panchayats and Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State.
- iv.** The 16th commission will also review the current arrangements on financing Disaster Management initiative, with reference to the funds constituted under the Disaster Management Act, 2005 (53 of 2005) and provide the suitable recommendations.

Govt amends CCS (Pension) rules 2021; Allows Female Govt Servant/Pensioner to Nominate her child for Family Pension

Department of Pension and Pensioners' Welfare (**DoPPW**), under the Ministry of Personnel, Public Grievances & Pensions, has **amended** the **Central Civil Services (CCS) (pension) rules, 2021**, to allow female government servant/pensioner to nominate her child/children for family pension in precedence to her husband.

Note: The sub-rules (8) and (9) of Rule 50 of CCS (Pension) Rules, 2021, states that if a deceased Government servant/pensioner is survived by a spouse, a family pension is initially granted to the spouse, with other family members becoming eligible only after the spouse becomes ineligible or passes away.

Details of the amendment:

i. In case of any marital discord leading to **filing of divorce** proceedings in a Court of Law or **filing of a case** under Protection of Women from Domestic Violence Act or Dowry Prohibition Act or under Indian Penal Code (IPC), the female govt servant/pensioner can make a request to the effect that in the event of her death, the family pension may be granted to her eligible child in precedence to her spouse.

ii. In the event of the death of the female govt servant/pensioner during the pendency of the above proceedings the family pension will be disbursed as following,

(a) Widower without eligible children – family pension is payable to the widower.

(b) Widower with minor children or children with disorder or disability of mind

- The family pension goes to the widower (acting as guardian).
- If the widower ceases to be the guardian, the pension is redirected to the child through the actual guardian.
- Upon attaining the majority, the child receives the pension till the time they are eligible.

(c) Widower with children who have attained majority but are eligible for family pension. – family pension is payable to child/children.

Note:

If a child/children cease to be eligible under Rule 50 of the CCS (Pension) Rules, 2021, the family pension passes to other eligible child/children.

After all, children are ineligible under Rule 50, the widower receives a family pension until death or remarriage, whichever comes first.

LEO1 and NSDL Payment Bank launched the MasterCard Powered LEO1 Card

LEO1 (formerly known as Financepeer), an Edu-fintech startup, in collaboration with NSDL Payments Bank Limited (NPBL), the wholly-owned subsidiary of National Securities Depository Ltd (NSDL), has launched '**LEO 1 Card**' which is India's first numberless Prepaid ID card with **MasterCard** as a network partner.

- The card aims to transform a student ID card into a student utility card.

About LEO 1 Card:

- i. The card acts as a contactless debit card as well as an identity card.
- ii. The card comes with a virtual wallet which can be controlled through the LEO1 mobile application (app).
- iii. Once the money is added to the wallet, it can be used at any point of sales (**POS**) outlet and also be withdrawn from an Automated Teller Machine (ATM) without setting up a bank account.
- iv. The cardholder should be of minimum 18 years old.

Features:

- i. The cardholder can set up spending limits with a maximum of Rs 2 lakh per day.
- ii. The card can be blocked/unblocked from the mobile app.
- iii. The card also comes with a Financial Literacy module to teach better money management.
- iv. By spending through the card, cardholders can earn rewards and LEO Coins in their wallet.

Bank of Baroda launches NCMC RuPay Prepaid Card

The Bank of Baroda (**BoB**), a public sector bank, has launched the National Common Mobility Card (**NCMC**) RuPay Reloadable Prepaid Card in alignment with the '**One Nation, One Card**' initiative.

About the card:

- i. It is a chip-enabled contactless RuPay Platinum Europay, Mastercard and Visa (**EMV**) prepaid card.
- ii. Apart from acting as a traditional ATM card, it can also be used to pay for public transport (such as metro rails, buses, trains, cabs, ferries, tolls and parking).
- iii. The maximum online wallet balance allowed is Rs 1 lakh and the maximum offline wallet balance allowed is Rs 2,000.
- iv. Online wallet can be top-upped through a dedicated portal provided by BoB whereas the offline wallet can be reloaded at designated NCMC terminal operators.

About LEO1:

Leo1 owned by Gajju Technologies Private Limited is a Google incubated Fintech company.

Founder & Managing Director (MD) – Rohit Gajbhiye

Headquarters – Mumbai, Maharashtra

Established in – 2017

About Bank of Baroda (BoB):

Managing Director and Chief Executive Officer (CEO) – Debadatta Chand

Headquarters – Vadodara, Gujarat (Corporate centre is in Mumbai, Maharashtra)

Established in – 1908

Tagline – India's International Bank

HDFC Bank Executed Transactions as part of the 'UPI for secondary market' Facility

HDFC Bank Limited has executed transactions via the National Payments Corporation of India (NPCI)'s Unified Payments Interface (UPI) payments app as a part of the '**UPI for secondary market**' facility.

- This is in line with "Trading supported by Blocked Amount in Secondary Market" which was permitted by the Security and Exchange Board of India (**SEBI**) and Indian Stock Exchanges, on an optional basis.
- This is similar to the Application Supported by Blocked Amount (**ASBA**) facility available for primary markets.

Trading supported by Blocked Amount in Secondary Market:

The funds of the buyer of the share(s) will continue to remain in their savings account with the required funds being blocked.

ICICI Venture to Sell its Entire 42% Stake in Theobroma Food Ltd

Mumbai (Maharashtra) based ICICI Venture Funds Management Company Limited has decided to sell its entire 42% paid-up share capital in Mumbai-based Theobroma Food Private Limited for Rs 1,200 crore.

- It takes six to nine months to complete the deal.
- ICICI Venture on-boarded Theobroma Food Private Limited in 2017 with a commitment to offer USD 20 million to expand it throughout India.

About ICICI Venture Funds Management Company Limited:

ICICI Venture is an alternative investment arm of ICICI Bank Limited.

Managing Director and Chief Executive Officer (CEO) – Puneet Nanda

Established in – 1988

EPFO extends Deadline to Upload Wage Details for Higher Pension Options till May 31

On January 3, 2024, the Employees' Provident Fund Organisation (EPFO) has approved a five months extension for employers for uploading wage details of higher pension options online i.e. till **31st May, 2024** from **31st December 2023**.

- The information for the same was provided by Ministry of Labour and Employment.

Reason behind the extension:

With over 3.6 lakh pending applications for the Validation of Options/ Joint Options, the EPFO has approved an extension to facilitate employers in processing these outstanding submissions.

Background:

i. In response to a Supreme Court order in October 2022, EPFO introduced an online application facility for pension option validation in February 2023, with an initial deadline of May 3, 2023.

ii. Following the representations from the employees, the deadline was extended to June 26, 2023 with subsequent extensions till July 11, 2023.

iii. The deadline was further extended till December 31, 2023 after receiving more representations from Employers & Employers' Associations.

About Employees' Provident Fund Organisation (EPFO)

EPFO works under the administrative control of the Ministry of Labour and Employment (MoLE).

Chief Executive Officer– Neelam Shami Rao

Headquarters– New Delhi, Delhi

Establishment– 1952

Bajaj Finserv launched India's First Credit Pass, Powered by CIBIL

Bajaj Finserv Limited has launched a **Credit Pass**, a first-of-its-kind subscription in India, that enables its customers to get real-time access to their credit dashboard to track and monitor credit health.

- The credit pass is powered by **TransUnion CIBIL Limited** (formerly Credit Information Bureau (India) Limited), a credit information company (CIC) operating in India.

Eligibility:

Any customer who has applied for a loan or credit card in the past or anyone who is looking to apply for a loan in the future is eligible to apply for the Credit Pass.

Credit pass:

i. The credit pass account can be accessed through a **12-digit** unique number.

ii. The pass offers access to the credit dashboard which gives information such as credit enquiries & repayment history.

iii. The credit pass comes with interactive tools like the Credit Score Simulator and Equated Monthly Instalment (EMI) Calculator.

iv. Monthly CIBIL Score checks, Credit Health Report, and Tracking Credit factors are some of the features of credit pass.

What is the CIBIL score?

- i. CIBIL score introduced in 2007 was India's 1st generic risk scoring model for banks and financial institutions.
- ii. A CIBIL score is a three-digit number between **300-900**, 300 being the lowest, that represents an individual's credit-worthiness.
- iii. A higher CIBIL score suggests a good credit history and responsible repayment behaviour.

Bajaj Finance Ltd announces Digital FD with Interest Rate of 8.85%

Bajaj Finance Limited (**BFL**), a Non-Banking Financial Company (**NBFC**), and a subsidiary of Bajaj Finserv Limited, has launched digital Fixed Deposit (**FD**) which offers interest rates of up to **8.85%**.

About the FD:

- i. The digital FDs can be booked through the Bajaj Finserv mobile application and website.
- ii. The revised rates will be applicable on fresh deposits and renewals of maturing deposits of up to Rs 5 crore for a tenure of 42 months (3.5 years).
- iii. Senior citizens (above 60 years) will be offered 8.85% interest rates whereas other depositors (below 60 years) will be paid interest rates of 8.6%.

Additional Info:

At present there are 4 CICs regulated and authorized by the Reserve Bank of India (RBI). They are,

- i. TransUnion CIBIL Limited
- ii. Equifax Credit Information Services Private Limited,
- iii. Experian Credit Information Company of India Private Limited and
- iv. CRIF High Mark Credit Information Services Private Limited

About Bajaj Finserv Limited:

Bajaj Finserv Limited is the financial arm of the Bajaj group.

Chairman and Managing Director (CMD) – Sanjiv Bajaj

Headquarters – Pune, Maharashtra

Established in – 2007

AU SFB Collaborated With Mastercard To Launch Platinum Debit Card

On 3rd January 2024, AU Small Finance Bank (**SFB**) Limited in partnership with United States of America (**USA**) based Mastercard has launched '**Mastercard Platinum Debit Card**' designed for Corporate Salary Customers. The card was introduced under the theme **#Swipe&Save**.

About the card:

- i. The **contactless** Platinum Debit Card provides exclusive and convenient benefits to Corporate Salary class people in their daily lives.
- ii. The card aims to transform every purchase into a rewarding experience.
- iii. The card comes with entertainment offers, dining offers, online food delivery offers along with providing offers on purchase of groceries, travel bookings and online shopping.

Features:

- i. The cardholders can withdraw and make purchases upto Rs 2 lakh per day.
- ii. The Automated Teller Machine (**ATM**) fund transfer limit made by the card is limited to Rs.20,000 and contactless transactions are limited to Rs.5000.

Insurance Coverage:

- i. The card offers a personal accident insurance cover of Rs.2 lakh and purchase protection benefits up to Rs.25,000.
- ii. The cardholder can also avail card liability cover of Rs.2 lakh.

Additional Info:

With the launch of this card, AU SFB has expanded its card offerings in all the payments network (MasterCard, Rupay and Visa) in India.

About Au Small Finance Bank Limited:

Managing Director(MD) & Chief Executive Officer(CEO) – Sanjay Agarwal

Headquarters – Jaipur, Rajasthan

Established in – 1996

Tagline – Badlaav Humse Hai

WB Issued Bonds in Three Currencies to Finance Social Projects

The World Bank (**WB**) has raised funds by issuing bonds in three different currencies namely Canadian dollars (CAD), Australian dollars(AUD), and United States Dollars (USD) to support the financing of green and social projects, programs and activities in the member countries.

- World Bank's arm International Bank for Reconstruction and Development (IBRD) acts as the issuer.

Launched Bonds:

i.5-year AUD Sustainable Development Bond – AUD 2 billion

ii.7-Year USD Sustainable Development Bond – USD 5 billion

iii.5-year CAD Sustainable Development Bond – CAD 1.4 billion

Note: These bonds are listed on the Luxembourg Stock Exchange (**LSE**) in Luxembourg City, Luxembourg; All the bonds are rated as **Aaa/AAA**.

5-year AUD Sustainable Development Bond:

i.The World Bank has launched a 5-year bond with the value of **AUD 2 billion** which will be maturing on 10th January 2029.

ii.It was the first benchmark transaction as it achieved a transaction size of AUD 2 billion which is the largest AUD Sovereign, Supranational and Agency (**SSA**) transaction.

About the bond:

i.The bond is of Minimum denomination AUD 1,000 and the minimum holding is fixed at AUD 500,000.

ii.Re-offer price of the bond is 99.878% and the Re-offer yield is 4.3275% (semi-annual).

iii.The Joint lead managers of the transaction are Deutsche Bank AG, JP Morgan, Nomura International plc, and Royal Bank of Canada (RBC) Capital Markets.

Investor Distributions:

- **By Type-** Banks/Bank Treasuries (38%), Central Banks / Official Institutions (37%), Asset Managers /Insurance/Pension Funds (25%).
- **By Region-** Asia(56%), Australia (22%), Europe, Middle East, and Africa (EMEA – 22%).

7-Year USD Sustainable Development Bond:

WB has launched a 7-year bond valuing **USD 5 billion** from investors and this transaction is the first in SSA market in 2024 to generate the largest order book.

About the bond:

i.This high-quality liquid bond matures on 10th January 2031.

ii.The denomination of the bond is USD 1,000 and the Coupon rate is fixed at 4.00% which is paid semi-annually.

iii.Issue price of the bond is 99.505% and the Issue yield 4.082% (semi-annual).

iv.Lead managers of the transactions are Barclays Bank PLC, BMO Capital Markets, BNP Paribas, and Citigroup Global Markets.

Investor Breakdown:

- **By Type –** Banks/Bank Treasuries/Corporates (49%), Central Banks/Official Institutions (35%), Asset Managers /Insurance/Pension Funds (16%)
- **By Geography-** Europe / Middle East/ Africa (EMEA -56%), USA (26%), Asia (18%)

5-year CAD Sustainable Development Bond:

The World Bank has launched a 5-year bond valued at **CAD 1.4 billion** to finance sustainable development initiatives in **IBRD** member countries.

- The bond is set to mature on 12th January 2029.

About the bond:

i.The bond is issued at a price of 99.678% and the investors are offered a yield of 3.571% (semi-annual).

ii.Canadian Imperial Bank of Commerce (CIBC), Royal Bank of Canada (RBC) Capital Markets, National Bank Financial, and Toronto Dominion Securities are the joint lead managers.

iii.The denomination of the bond is CAD 1,000.

Investor Distributions:

- **By Type-** Central Banks/Official (55%), Banks/Bank Treasuries/Corporates (34%), Asset Managers /Insurance/Pension Funds (11%).
- **By Region-** Americas (48%), Asia (34%), Europe/Middle East/Africa (18%).

About World Bank:

World Bank Group President – Ajay Banga

Headquarters – Washington DC, United States of America (USA)

Established in – 1944

India Ratings raises India's GDP growth forecast for FY24 to 6.7% from 6.2%

On January 3, 2024, India Ratings and Research (**Ind-Ra**) Private Limited, part of the Fitch Group, increased India's Gross Domestic Product (**GDP**) growth estimate for 2023-2024(**FY24**) to **6.7%** from 6.2%.

Factors:

The increase in GDP forecast is led by various factors like,

i.The resilience of the Indian economy, which grew 7.6% yoy in second quarter growth (Q2FY24), after growing 7.8% yoy in 1QFY24.

ii.sustained government (Capital Expenditure).

iii.the prospect of a new private corporate capex cycle.

iv.sustained momentum in business and software services exports, along with remittances from the rest of the world.

Key Points:

i.Indian economy faces challenges from slowing exports due to weaker global trade and economic growth.

ii.Ind-Ra raised GDP growth projection for FY24 to 6.2% from 5.9% in October 2023.

iii.India Ratings expects current account deficit to narrow to 1.3% of GDP in FY24 from 2.0% in FY23.

iv.Merchandise exports expected to fall 9.3% YoY (Year-on-Year) in FY24; goods imports to fall 7.9% YoY.

viTrade deficit estimated at \$260.7 billion (7.3% of GDP) due to uncertain external demand.

Global Scenario:

i.There is risk to the global growth amid the monetary policy tightening in advanced economies.

- This may result in global inflation declines to 6.9% in 2023 and 5.8% in 2024 (2022: 8.7%).

ii.The volatile geopolitical situation, may impact global growth and trade, especially through disruptions in the supply chain

iii.The World Trade Organization (WTO) expects the world merchandise trade volume to have grown only 0.8% as against the expected 1.7% in 2023.

iv.The International Monetary Fund (IMF) expects the global growth to slow down to 2.9% in 2024 (2023: 3 per cent), lower than the pre-pandemic average growth of 3.8% (2000-19).

IRDAI Eases Norms for Investment in Infrastructure by Insurance Companies

The Insurance Regulatory and Development Authority of India (**IRDAI**) has removed the requirement of case-to-case approval for investment in Infrastructure Debt Funds Non-Banking Financial Companies (**IDF – NBFCs**) by insurance companies.

- The move aims to encourage investment in the infrastructure sector and enhance the ease of doing business.
- This is in line with the updated regulations for IDF-NBFCs provided by the Reserve Bank of India (**RBI**) effective from August 2023.

Criteria:

The investment of insurers in IDF-NBFCs is subjected to the following criteria:

i. IDF – NBFCs should be registered with RBI.

ii. The minimum credit rating of AA or its equivalent by a Credit Rating Agency (**CRA**) registered with the Securities and Exchange Board of India (**SEBI**) to be eligible for the investment.

iii. These debt securities will have a residual tenure of at least five years.

iv. The investment should be in line with Note 3 of Regulation 9 of IRDAI (Investment) Regulations 2016.

Note: The requirement of case-to-case approval was dictated by Note 2 of Regulation 9 of IRDAI (Investment) Regulations 2016.

What is IDF-NBFC ?

i. An IDF can be established either as a trust or a company.

- If established as a trust, it is designated as an IDF-Mutual Fund (IDF-MF) and is regulated by SEBI.
- If established as a company, it's labelled as an IDF-NBFC and is subject to regulation by RBI.

ii. An IDF-NBFC means a non-deposit-taking NBFC which is authorized to the following:

- Refinance post Commencement Operations Date (**COD**) infrastructure projects that have completed at least one year of satisfactory commercial operations.
- They can finance toll operates transfer (TOT) projects as the direct lender.

About Insurance Regulatory and Development Authority of India (IRDAI):

Chairperson – Debasish Panda

Headquarters – Hyderabad, Telangana

Established in – 1999 (But Incorporated in 2000)

ADB Sells USD 5 Billion in Dual Tranche 3Yr and 10Yr Bonds to Promote Development in the Region

The Asian Development Bank (**ADB**) sells a dual-tranche global benchmark bond valued at **USD 3 billion** with a maturity of 3 years and at **USD 2 billion** with a maturity of 10 years to raise USD 5 Billion to promote social and economic development across its member countries in **Asia and the Pacific** region.

- The raised funds will be contributed to ADB's ordinary capital resources.

USD 3 Billion – 3year Bond:

i. This 3 year bond will be maturing on **12th January 2027**.

ii. Bond Details:

- **Coupon Rate:** 4.125% per annum
- **Coupon Payment Frequency:** Semi-annually
- **Priced at:** 99.663%

- **Yield:** 11.9 basis points

iii. The bond's yield is referenced to a benchmark, which is the 4.375% United States (**US**) Treasury notes due December 2026.

USD 2 Billion – 10year Bond:

i. This 10-year bond will be maturing on **12th January 2034**.

ii. Bond Details:

- **Coupon Rate:** 4.125% per annum
- **Coupon Payment Frequency:** Semi-annually
- **Priced at:** 99.530%
- **Yield:** 21.3 basis points

iii. The bond's yield is referenced to a benchmark, which is the 4.5% US Treasury notes due November 2033.

Transaction:

i. BofA Securities, Morgan Stanley, Royal Bank of Canada (**RBC**) Capital Markets, and TD Securities took the lead in managing the transaction.

ii. This is ADB's first US dollar global benchmark outing for 2024.

Additional Info:

i. A syndicate group, including Canadian Imperial Bank of Commerce (**CIBC**) Capital Markets, Daiwa Capital Markets Europe, NatWest Markets, Scotiabank, and Standard Chartered Bank, was also formed.

ii. ADB plans to raise about USD 30 billion to USD 34 billion from capital markets in 2024.

About Asian Development Bank (ADB):

President – Masatsugu Asakawa

Headquarters – Mandaluyong City, Manila, Philippines

Established in – 1966

Members – 68 countries (49 countries are from within Asia and the Pacific and 19 outside)

Individual Income Inequality has declined during FY14-FY22: SBI ERD Report

On January 8, 2024, the State Bank of India (SBI) Economic Research Department (ERD) released a report titled '[SBI Research: Debunking K-shaped recovery](#)' which stated that individual income inequality in India has declined during 2013–2014 (FY14) to 2021–2022 (FY22).

- The Gini coefficient of taxable income, which captured income inequality, dropped from 0.472 to 0.402 during this period.

Note:

The Gini coefficient, a widely used measure of income inequality, is used to calculate the estimate. This coefficient measures inequality on a scale from 0 to 1, with higher values indicating higher inequality.

Highlights:

i. 36.3% taxpayers moved to higher income groups, leading to a 21.3% income increase.

ii. Top 2.5% taxpayers' share dropped from 2.81% to 2.28% (2014–2021).

iii. Taxpayers earning Rs 5-10 lakh increased by 295% (Assessment Years AY 2013–14 to AY 2021–22).

iv. Income disparity of people earning less than 3.5 lakh decreased from 31.8% to 15.8%.

v. Weighted mean income of individuals rose from Rs 3.1 lakh to Rs 11.6 lakh (2014–2021).

vi. The report criticized the K-shaped recovery post-pandemic by stating it was flawed, prejudiced, and concocted.

- K-shaped recovery reflects uneven recovery where certain sectors of the economy thrive while other sectors continue to decline or struggle to recover.

vii. With respect to Micro, Small & Medium Enterprises (MSME), around 19.5% of micro MSMEs shifted income upwards. Of these 4.8% shifted to small, 6.1% to medium, 9.3% to large firms.

viii. 2 crore family members in semi-urban areas use food delivery platforms like Zomato.

ix. Female tax filers are around 15% of the individual tax filers with higher concentrations in states like Kerala, Tamil Nadu, Punjab, and West Bengal.

About State Bank of India (SBI):

Chairman – Dinesh Kumar Khara

Establishment – 1955

Headquartered – Mumbai, Maharashtra

Tagline – The Banker to Every Indian

IndusInd Bank introduces Samman RuPay Credit Card for Government Employees

IndusInd Bank Limited in collaboration with National Payments Corporation of India (**NPCI**) has launched the Unified Payments Interface (UPI)-enabled '**IndusInd Bank Samman RuPay Credit Card**' for government sector employees.

About the card:

- i. The contactless credit card enhances the day-to-day transactional experience of the cardholders thereby offering them a multitude of convenient payment options.
- ii. The card offers 1% cashback on retail spends in every statement cycle.
- iii. The cardholders are eligible for 1% Railway surcharge waivers for transactions made through the Indian Railway Catering and Tourism Corporation (IRCTC).
- iv. The cardholder can also avail 1% Waivers on fuel surcharges.
- v. The cardholders need not pay any additional charges to withdraw cash.

About IndusInd Bank Limited:

Managing Director(MD) & Chief Executive Officer(CEO) – Sumant Kathpalia

Headquarters – Mumbai, Maharashtra

Established in – 1994

Tagline – We Make You Feel Richer

About National Payments Corporation of India (NPCI):

Managing Director(MD) & Chief Executive Officer(CEO) – Dilip Asbe

Headquarters – Mumbai, Maharashtra

Established in – 2008

Established under – Payment and Settlement Systems Act, 2007

IOB Introduced Savings Account Portability Online Scheme to Transfer Savings Account Online

Chennai (Tamil Nadu)-based public sector bank, **Indian Overseas Bank (IOB)** introduced a ‘**Savings Account Portability Online**’ scheme to simplify the savings account portability process for customers who move to different locations (for work or education).

- The scheme aims to streamline the process, eliminating manual paperwork and reducing the waiting period to relocate bank accounts.
- To initiate an account transfer, customers can access the ‘Transfer of Savings Accounts’ section on the IOB website (www.iob.in).

Zerodha Fund House Launches India’s 1st Growth Liquid ETF Scheme Named ‘Zerodha Nifty 1D Rate Liquid ETF’

Zerodha Fund House announced the launch of India’s 1st Growth Liquid Exchange-Traded Fund (ETF) – [Zerodha Nifty 1D Rate Liquid ETF](#), that offer a Growth Net Asset Value (NAV).

About Zerodha Nifty 1D Rate Liquid ETF:

- i. The new scheme follows **Nifty 1D Rate Index**, which measures the returns generated by market participants lending in the overnight market, as its benchmark.
- ii. The scheme is designed to prioritize liquidity while maintaining a relatively low-risk profile.
- iii. The fund is expected to be listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) exchanges by the **24th January 2024**.

Note: It is a simple ETF for effectively parking and managing extra cash. The New Fund Offer (NFO) is open for public subscription until 12 January 2024.

Objective: To mirror the total returns of securities represented by the Nifty 50 Total Returns index before expenses, subject to tracking errors, fees, and expenses.

Key Points:

- i. The scheme invests in overnight instruments such as Tri-Party Repo on Government Securities or Treasury Bills Repurchase (TREPS), T-bills, Reverse repo, Cash and Cash equivalents, and G-Sec(s) traded on the Clearing Corporation of India Ltd (CCIL) platform.
- ii. Unlike other ETFs that face continuous taxation due to dividend payouts, Zerodha Nifty 1D Rate Liquid ETF incurs taxes only when the ETF is sold.

Benefits:

- i. This ETF proves to be an excellent choice for investors/Traders those with surplus funds seeking both liquidity and growth in a short period.
- ii. It offers a simple and effective way to manage cash with a relatively low interest rate and credit risk.
- iii. Investors can initiate their investment in Zerodha Nifty 1D Rate Liquid ETF through their preferred stock brokers.
- iv. Investors can invest under the scheme with a minimum application amount of Rs. 500 per plan/option and in multiples of Re 1.
 - There is no upper limit for investment.
- v. To further enable more retail investors, the ETF will have a lower ticket size, starting with an NAV of 100.

About Zerodha Fund House:

Zerodha Fund House, an Asset Management Company (AMC), is a joint venture (JV) between Zerodha Broking Limited and Smallcase Technologies Pvt Ltd.

Chief Executive Officer (CEO) and Sales Head- Vishal Jain

Headquarters– Bengaluru, Karnataka

Incorporated in– 2021

Karnataka Bank & Digivridhi Partners to offer Financial Service to Dairy Farmers

Karnataka Bank Limited (**KBL**) has partnered with **Digivridhi Technologies Private Limited (DGV)** to offer financial services to support the requirements of dairy farmers and Dairy Societies.

- The services will be offered to the Village Dairy Co-operative Societies, associated with Milk unions of Karnataka Milk Federation (**KMF**).

Key Points:

- i. This partnership with DGV will enable the KBL to offer seamless and innovative end-to-end digital product for dairy farmers.
- ii. This partnership will also provide access to institutional credit, ease and digitise payment across the dairy value chain.
- iii. Initially, the services are now made available to milk societies associated with Chamarajnagar Milk Union and will be expanded to other milk unions in the near future.

Products of DGV:

- i. DGV PAY – Simplify payments value chain for dairy farmers and micro-enterprises
- ii. DGV MONEY – Facilitate digital working capital and bovine loans to farmers using its unique underwriting mechanism.
- iii. DGV CONNECT – address the gaps in bovine discovery, pricing and productivity with embedded financing options

About Karnataka Bank Limited(KBL):

Managing Director(MD) & Chief Executive Officer(CEO) – Srikrishnan Harihara Sarma

Headquarters – Mangaluru, Karnataka

Established in – 1924

Tagline – Your Family Bank Across India

About Digivridhi Technologies Private Limited (DGV):

DGV is India's first integrated dairy fintech and marketplace platform.

Founder and MD & CEO- Ragavan Venkatesan

Headquarters – Bengaluru, Karnataka

Established in – 2019

WB forecasts 2024 Global Growth to slow for 3rd Consecutive Year to 2.4%; India to Grow at 6.4% in FY25

On January 9, 2024, the World Bank (WB) has released its '[January, 2024 Global Economic Prospects](#)' (GEP) report projecting a third consecutive year of slowdown for global Gross Domestic Product (GDP) growth with a decrease to 2.4% in 2024. It was 2.6% in 2023, 3% in 2022 and 6.2% in 2021.

- Notably, the growth in 2020-2024 period is weaker than the years around 2008-2009 global financial crisis, the late 1990s Asian financial crisis and downturns in the early 2000s.
- The report forecasts 2025 global growth slightly higher at 2.7%, but this was marked down from a June forecast of 3% due to anticipated slowdowns among advanced economies.
- GEP is WB's **biannual** report.

Highlights: Global Scenario

i. Growth in **advanced economies** is projected to slow in 2024 to well below its 2010-19 average pace

- It will diminish to **1.2%** in 2024 from 1.5% in 2023.
- In 2025, growth of advanced economies forecasted at **1.6%**.

ii. Output in **Emerging Market and Developing Economies (EMDEs)** will be lower than the pre-pandemic, however, aggregate growth is set to improve slightly in EMDEs with stronger credit ratings, remaining close to pre-pandemic average rates.

- It was reduced to **3.9%** in 2024 from 4% in 2023.
- In 2025, growth of EMDEs forecasted at **4%**.

iii. The real GDP of High Income Countries will be 1.3% in 2024 and 1.8% in 2025.

- It will be 4% for Middle Income Countries in 2024 and 2025.
- Low-income countries to experience weaker-than-expected growth at 5.5% in 2024, and 5.6% in 2025.

iv. By 2024, 25% of developing countries and 40% of low-income countries will be poorer than pre-pandemic levels.

v. The key reasons behind the continued decline in global growth are ongoing Middle East tensions and challenges from the past four years, including the COVID-19 pandemic, the Russian invasion of Ukraine, and the inflation-related tightening of global monetary conditions.

vi. Global recovery post-2020 is slow, making 2020-24 the slowest half-decade of GDP growth in 30 years or since the early 1990s, along with geopolitical strains and a global recession.

vii. The 2021-24 global trade recovery is also predicted to be the **weakest** expansion outside of global recessions in 50 years.

- It grew by a meagre 0.2% in 2023, while, in 2024 it projected to grow by 2.3%.

viii. The WB recommends speeding up the **USD 2.4 trillion annual investment** for clean energy transition to boost growth in EMDEs.

- Sustained investment accelerations of at least 4% per year increases per-capita income, manufacturing, services output, and enhances countries' fiscal positions.

India to Grow at 6.4% in Financial Year (FY)25

The WB has kept India's GDP growth forecast unchanged at 6.3% for FY 2023-24 and **6.4% for FY 2024-25** driven by robust investment and services.

- It will edge up to **6.5%** in FY26.
- India is expected to maintain the fastest growth rate among the world's largest economies, but its post-pandemic recovery is expected to slow.

Highlights: Indian Scenario

i. Investment is envisaged to decelerate marginally but remain robust, supported by higher public investment and improved corporate balance sheets

ii. Consumer spending may slow down as post-pandemic demand diminishes, and rising food prices could limit spending, especially for low-income households. Government spending is expected to increase gradually as part of efforts to reduce current spending.

iii. Growth in South Asian Region (SAR) is expected to edge slightly lower to a still-robust **5.6%** in 2024, before firming to **5.9%** in 2025.

- Domestic demand, including public consumption and investment, will remain major drivers of economic growth.

About World Bank (WB):

President (WB Group)– Ajay Banga

Establishment– 1944

Headquarters– Washington D.C, United States (US)

Members– 189 member states

LIC to pick up to 10% equity stake in NHB promoted 'RMBS' entity

On January 8, 2024, the Board of Directors of Life Insurance Corporation of India (LIC) approved the proposal to acquire up to 10% equity stake in a company promoted by the National Housing Bank (NHB). The investment in the NHB promoted company would focus on residential mortgage-backed securities (RMBS).

- RMBS are debt-based assets/bonds secured by interest from residential loans (Home loans), making them generally considered a safer investment than some other asset types.
- RMBS comprises various tranches with different credit ratings reflecting risk and seniority. Investors receive monthly interest and principal payments from the pooled mortgages.

SBI raising USD 300mn through medium Term bonds; S&P and Fitch assigned BBB Rating

State Bank of India (SBI) is raising around **USD 300 million** through medium-term notes to garner resources for lending international customers.

- The **S&P Global Ratings** assigned its '**BBB-**' long-term issue rating to the proposed dollar-denominated bonds to be issued by the London branch of **SBI**.
- **Fitch Rating** has given an expected rating of '**BBB-(EXP)**' to these senior unsecured notes.

Points to note:

i. The new issues has a green shoe option to raise extra amounts based on market conditions and pricing trends.

ii. SBI is raising fund to meet the requirements of customers of its global business.

iii. SBI has also successfully placed USD 250 million senior unsecured green floating rate notes, known as 'Green Notes', that matures on 29th December 2028.

SBI raises USD 600 million via 5-year senior unsecured fixed rate notes

SBI raised USD 600 million through senior unsecured fixed rate notes having maturity of 5 years at a coupon of **5%**, payable semi-annually, under Regulation-S. Under Regulation-S, offers and sales of securities that happen outside the United States are exempt from Securities and Exchange Commission (SEC) registration requirements.

- The Bonds will be issued through SBI London branch in the United Kingdom (UK) as of January 17, 2024 and will be listed on Singapore Stock Exchange and India International Exchange, Gujarat International Finance Tec-City (GIFT) City in Ahmedabad, Gujarat.

Key Points:

i. This fundraising is on the lines of the bank concluding placement of USD 250 million senior unsecured Green floating rate notes, aka "The Green Notes."

ii. This "Green Notes" issuance, maturing on December 29, 2028, is part of SBI's USD 10 Billion medium-term note program and was conducted through a private placement facilitated by its London branch.

- The Green Notes rated **BBB-** by S&P, were issued on a floating rate basis of 1.20% above SOFR (secured overnight financing rate).

IPPB & Hindustan Zinc Partners to Offer Financial Inclusion Services in Rajasthan

India Post Payments Bank (**IPPB**) and Hindustan Zinc Limited (**HZL**) have signed a Memorandum of Understanding (**MoU**) to transform the financial landscape of rural **Rajasthan**.

Note: IPPB is a 100% government owned entity under the Department of Posts, Ministry of Communication(MoC). HZL is a subsidiary of Vedanta Limited

Signatories: The MoU was signed by Gursharan Rai Bansal, Chief Sales & Marketing Officer, IPPB and **Arun Misra**, Chief Executive Officer(**CEO**) of HZL

About the MoU:

i.The MoU aims to provide financial inclusion services to the beneficiaries of HZL's Corporate Social Responsibility (**CSR**) activities.

- These services include helping people open bank accounts, providing access to pension plans, granting income-generating loans and offering long-term savings and investment options.

ii.The MoU is aligned with IPPB's commitment to providing best-in-class digital banking services to the **unserved and underserved population** of India.

iii.IPPB also empowers over 3.5 lakh beneficiaries, including Self-Help Group (**SHG**) women, farmers, and youth to make them Individual Business Correspondents (**BC**).

iv.IPPB will also support government social welfare programs through its banking channels.

About India Post Payments Bank Ltd (IPPB):

Chief Executive Officer(CEO) – Venkatram Jayanthy

Headquarters – New Delhi, Delhi

Established in – 2018

Tagline – Aapka Bank, Aapke Dwaar

About Hindustan Zinc Limited (HZL):

HZL is India's largest and the world's second-largest integrated zinc producer. At present, Government of India owns 29.5% stake in HZL while Vedanta owns 64.9% stake.

Chief Executive Officer(CEO)- Arun Misra

Headquarters- Udaipur, Rajasthan

Established in 1966

SBI Inks Pact with MoRD to Provide Loan Credit Facility to SHGs

Ministry of Rural Development (MoRD) and State Bank of India (SBI) have signed a Memorandum of Understanding (MoU) to provide loans to rural Self-Help Groups (SHGs).

- The MoU was signed by Charanjit Singh, Additional Secretary Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) and Shantanu Pendsey, Chief General Manager (SBI).

SBI unveils Specialised financial product:

SBI launched **Svyam Siddha**, a specialised financial product developed exclusively for women Self-Help Groups (**SHGs**).

Features of Svyam Siddha:

i.Its main purpose is to provide access of financial assistance up to **Rs 5 lakh** to women entrepreneurs.

ii.It will help to reduce the challenges related to extensive documentation required for bank loan applications and reduce the **Turnaround Time (TAT)**.

iii.It will provide hassle free application process where simple loan application with KYC (Know Your Customer) details can be submitted at local SBI branches.

iv.DAY-NRLM will monitor loan application process as well as loan repayment.

Launch of Training Toolkit Package:

Training Toolkit Package was launched to encourage SHG women entrepreneurs to get access to formal financial assistance in form of loans.

Key Points:

i. It is developed in collaboration with International Finance Corporation (IFC) under World Bank aided National Rural Economic Transformation Project (NRETP).

Aim: To expand the capacities of State Rural Livelihood Mission (SRLM) to provide access to financial assistance by SHG members for their economic enterprises.

About NRETP:

NRETP was launched under DAY-NRLM with the financial assistance from World Bank.

- The Total budget estimated for the project was USD500 million and World Bank will provide loan assistance of USD250 million for its implementation

About DeenDayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM):

DAY-NRLM was launched in 2011 by Union Ministry Rural Development, India. It is a centrally sponsored programme.

Aim: To eliminate rural poverty by promoting various livelihoods and improving access to financial services for the rural households across the country.

Target: It set the target to cover **7 crore poor rural households** across 600 districts, 6000 blocks and 6 lakh villages in India through SHGs and support their livelihoods for a period of 8 to 10 years.

About Ministry of Rural Development:

Union Minister: Giriraj Singh (Lok Sabha Constituency: Begusarai, Bihar)

Minister of State (MoS): Sadhvi Niranjan Jyoti (Lok Sabha Constituency: Fatehpur, Uttar Pradesh) and Faggan Singh Kulaste (Mandla, Madhya Pradesh)

About State Bank of India:

Chairman – Dinesh Kumar Khara

Headquarters – Mumbai, Maharashtra

Established in – 1955

Indian Bank in Collaboration with FPL-tech, VISA & RuPay launches Indian Bank One Co-Branded Credit Card

Indian Bank in partnership with firms namely FPL Technologies Private Limited, Visa & National Payments Corporation of India (NPCI) has launched the '**Indian Bank One co-branded credit card**' to offer customized features to Indian consumers.

- The metal credit card is powered by **Visa** and **RuPay** contactless technology.

About the card:

i. The co-branded card will be issued by Indian Bank and managed by FPL Technologies.

ii. By operating in two networks, the card aims to introduce a new paradigm in credit accessibility and usability.

iii. The card comes with Zero Joining Fees, Zero Annual Fees and Zero Rewards Redemption Fees.

iv. The card can be used across the globe with a 1% forex fee.

v. The card offers features like tracking transactions in real-time, managing expenses, converting purchases into Equated Monthly Installment (EMI), redeeming rewards, making Unified Payments Interface (UPI) payments, planning monthly budgets, adjusting credit limits, and facilitating seamless payments.

vi. The Cardholder can control all aspects of the credit card through the **OneCard mobile application**.

Note: OneCard is a co-branded credit card issued by Reserve Bank of India (RBI) approved Banks and Financial Institutions in partnership with OneCard. **OneReward** is the reward program of OneCard.

About Indian Bank:

Managing Director (MD) and Chief Executive Officer (CEO) – Shanti Lal Jain

Headquarters – Chennai, Tamil Nadu

Established in – 1907

Tagline – Your own bank

SBI Launches Green Rupee Term-Deposit FD Scheme to Support Green Finance Ecosystem

The State Bank of India (SBI) launched a special Fixed Deposit (FD) scheme named **SBI Green Rupee Term Deposit (SGRTD)**, to mobilise funds for environment-friendly projects and initiatives. The SGRTD scheme is open to Resident individuals, Non-individuals, and Non-Resident Indians (NRIs).

- The SGRTD scheme offers 3 distinct tenors: 1,111 days, 1,777 days, and 2,222 days. It is initially available through SBI's branch network.
- The interest rate on SGRTD will be 10 Basis Points (BPS) lower than the card rate for retail and bulk Deposits for respective tenors.
- Senior Citizens/ Staff/ Staff Senior Citizens are eligible for an additional **interest rate** over the applicable rate for the public excluding NRI Senior Citizens NRI Staff.

Note: Green deposits are interest-bearing deposits, received by a Regulated Entity (RE) for a fixed period, and the earmarked proceeds from green deposits are specifically for green finance.

PFC Gets RBI Approval to Set-up Wholly-owned Finance Company in Gujarat

Power Finance Corporation (PFC), a Maharatna Central Public Sector Enterprises (CPSEs) has received approval from the Reserve Bank of India (RBI) to establish a wholly-owned finance company at the International Financial Services Centre (IFSC) in Gujarat International Finance Tec-City (**GIFT-City**), Gujarat.

- This establishment opens up new business opportunities for PFC and contributes to the growth of India's power sector.
- The GIFT City platform is said to provide a favorable environment for international lending activities and world-class infrastructure.
- PFC is an infrastructure finance company under the administrative control of the Ministry of Power.
- PFC is also registered as a Systematically Important Non-Banking Financial Company (SI-NBFC) with the RBI.

ILO Report Increases Global Unemployment Rate to 5.2% in 2024

The International Labour Organization (ILO) has released a report titled "**World Employment and Social Outlook: Trends 2024**". The report projected slight increase in the global unemployment rate to **5.2% in year 2024** as compared to **5.1% in year 2023**.

Report highlighted that unemployment will increase mostly in developed economies.

Key Findings of the Report:

i.The report predicted that the number of unemployed individuals will increase by 2 million at global level in 2024.

ii.As per the report, both the unemployment rate and job rate has decreased to pre-pandemic levels.

Note: Job Rate means numbers of persons without employment are interested in finding a job.

iii.It projected both the labour market outlook and global unemployment will deteriorate further.

iv.The report predicted informal work rate to remain same around 58% of the global workforce in 2024.

v.The report cautioned that real disposable income and real wages are prone to sudden price shocks during the period of slow productivity growth.

vi.Disposable incomes have declined in most of the G-20 countries and it is unlikely to recover quickly.

vii.The report predicted informal work rate to remain same around 58% of the global workforce in 2024.

viii.The report highlighted that labour productivity has decreased to the lowest level as compared to previous decade despite technological advances and increased investment.

Main reasons cited by the report for decrease in labour productivity:

i.Large amount of investments were made in less productive sectors such as services and construction.

ii.Skill shortages and supremacy of large digital monopolies obstructs faster technological adoption especially in developing countries.

iii.Sectors with a predominance of low productivity firms.

Key Findings related to High-Income and Low-Income Countries:

- i. ILO report revealed jobs growth rate for high-income countries in 2023 was 8.2% while, for low-income countries jobs growth rate was 20.5% in 2023.
- ii. For high-income countries, employment growth is expected to turn negative in 2024 and only slight growth can be expected in 2025.
- iii. Unemployment rate remain constant for high-income countries at 4.5 % (2023) while for low-income countries was 5.7 % (2023).

About International Labour Organisation (ILO):

Director-General – Gilbert Fossoun Hounbo

Headquarters – Geneva, Switzerland

Established – 1919

Member nations – 187

India's GDP to surpass USD 4 trillion in 2024-25: PHDCCI report

According to a PHD Chamber of Commerce and Industry (**PHDCCI**) **report**, India's Gross domestic product (GDP) is expected to surpass **USD 4 trillion** in **2024-2025** and reach **USD 5 trillion** by **2026-2027**.

- It also projected India's GDP to reach USD 7 trillion by 2030, as India is committed to attaining the status of a developed economy by 2047 under the initiative of '**Viksit Bharat**'.

Key Points:

- i. The retail inflation in India is expected to be around 4.5% on average in 2024.
- ii. The report recommended the Government to focus more on the informal sector because sometimes the reforms are not made at the ground level.
- iii. It also recommends enhancing banking system resilience to support small business growth in line with demand trends.
- iv. As per the report, the growth promising sectors will be Agriculture and food processing, Infrastructure, Textile and Apparel, Pharmaceutical, Defence Manufacturing, Electronics and Fintech.
- v. PHDCCI also expects the Reserve Bank of India (RBI) to reduce the repo rate by 100 basis points in a calibrated manner by the end of 2024. The repo rate will be brought to the level of 5.5% by the end of 2024.

Assessment:

The analysis is based on lead macroeconomic indicators, including GDP Growth, Export Growth, Gross National Savings, Total Investments and Debt of GDP Ratio.

The analysis for the report has been conducted for four sets of periods, Pre Pandemic Years (2018, 2019), Pandemic Years (2020, 2021), Post Pandemic Years (2022, 2023) and Futuristic Outlook Years (2024, 2025).

Narayana Health Received IRDAI Approval to Launch Health Insurance Business

Bengaluru (Karnataka)-based **Narayana Health Insurance Limited** (Narayana One Health), a subsidiary of Narayana Hrudayalaya Limited, has received a license from the Insurance Regulatory and Development Authority of India (IRDAI) to operate independently as a health insurance company.

- The approval from IRDAI will allow the healthcare provider to diversify its business into the health insurance business through the subsidiary and also offer integrated healthcare.

Points to note:

- i. The IRDAI in its 124th meeting held on 28 December 2023 has granted a Certificate of Registration to a new health insurer Narayana Health Insurance Limited to carry out health insurance business in India after a gap of 5 years.
- ii. Post the approval, the number of Standalone Health Insurance Companies (SAHI) rose to 6 from the existing 5.
- iii. This was the 5th approval from IRDAI in the calendar year 2023 in any line of insurance business.

Key Points:

- i. The license will be renewed on an annual basis in terms of IRDAI (Registration of Indian Insurance

Companies) Regulations, 2000.

ii. Narayana Health operates a network of 38 multi-specialty and super specialty hospitals, heart centers, and primary care facilities across India.

- It also has an international hospital (Included) in the Cayman Islands, a British overseas territory located in the Western Caribbean Sea.

Global Recognition:

Narayana Health stands as the first healthcare group in India and the 6th globally to secure an Enterprise Accreditation from the Joint Commission International (JCI).

- JCI's accreditation extends to 8 individual hospitals within the Narayana Health group.

About Narayana Health

Founder and Chairman– Dr. Devi Prasad Shetty

Headquarters– Bengaluru, Karnataka

Established in– 2000

ICICI Bank Canada Launches “Money2India (Canada)”, a Mobile Banking App

ICICI Bank Canada, a wholly-owned subsidiary of ICICI Bank Limited, launched its mobile banking application, “Money2India (Canada)”.

- The app enables customers of any bank to instantly transfer money to any bank in India without opening an account with ICICI Bank Canada.
- With this launch, ICICI Bank Canada enters into the remittance market of Canada.

About Money2India (Canada):

i. Users can complete their identity verification digitally from anywhere in Canada.

ii. Users can add beneficiaries immediately and transfer their money instantly.

iii. Customers can use Visa or MasterCard debit cards to send money via the app.

iv. The app offers security standards prescribed for digital channels along with two-factor authentication including a one-time password (OTP).

v. This also offers regular updates on transactions through text messages or email.

Points to note:

i. User can transfer up to **CAD (Canadian Dollar) 30,000** in a single transaction with a confirmed exchange rate.

ii. Users can also execute future dated and recurring transfers to beneficiaries in India at a defined frequency.

iii. Users can also execute future dated and recurring transfers to beneficiaries in India at a defined frequency.

About ICICI Bank Canada:

President & CEO– Vikash Sharma

Established in December 2003

Headquarters– Toronto, Canada

Indian Economy will Grow at 6.2% in FY25: UBS Securities

Mumbai (Maharashtra) based UBS Securities India Private Limited has reduced the growth of the Indian economy for the financial year 2024-25 (FY25) to **6.2%** from 6.3%.

- India's Gross domestic product (GDP) is projected to reach USD 3.9 trillion in FY25, up from USD 3.57 trillion in FY24.
- Consumption growth is anticipated to stabilize at 4.7% in FY25, compared to 4.5% in FY24.
- The growth is stimulated by neutral policy settings, positive credit momentum, and manageable macros amid a 15-year high household debt levels.

World Bank's IBRD raises GBP 1.5 billion in 5-year Sustainable Development Bond The World Bank (WB) arm International Bank for Reconstruction and Development (IBRD) has priced a 5-year Sustainable Development Bond in Great British Pound sterling (GBP) to raise **GBP 1.5 billion** from investors,

contributing to finance sustainable development initiatives in World Bank member countries.

Note: IBRD has maintained a **triple-A(AAA) rating** (investment grade ratings) since 1959.

About the bond:

i.The bond will mature on **2nd October 2028**.

ii.The bond is listed on the Luxembourg Stock Exchange (**LSE**) in Luxembourg City, Luxembourg.

iii.Transaction details:

- Issue price: 99.955%
- Issue yield: 3.889% annual
- Denomination: GBP 1,000
- Coupon: 3.875% per annum
- Coupon payment dates: 2 October of each year

v.Citigroup Inc., NatWest Markets Plc, Santander Bank and Toronto Dominion Securities are the **joint lead managers** of the transaction.

vi.Belgium based **Euroclear** and Luxembourg based **Clearstream** will offer Clearing systems service for the transaction.

vii.The transaction marks the largest GBP benchmark bond for Supranational Sovereign and Agency (SSA) issuers since 2022.

Investor Distribution:

- **By Investor Type-** Central Banks / Official Institutions (53%), Banks/Bank Treasuries/Corporates (25%), Asset Managers /Insurance/Pension Funds (22%).
- **By Geography** – United Kingdom (UK – 59%), Asia (32%), Europe / Middle East (6%), Americas (3%).

About Arms of World Bank Group(WBG):

WBG consists of five development institutions namely,

i.International Bank for Reconstruction and Development (**IBRD**)

ii.International Development Association (**IDA**)

iii.International Finance Corporation (**IFC**)

iv.Multilateral Guarantee Agency (**MIGA**)

v.The International Centre for the Settlement of Investment Disputes (**ICSID**)

SBI raises USD 250 million through Green Bonds to Finance Green Projects

State Bank of India (**SBI**),the largest public sector bank in India, has raised **USD 250 million** by issuing 5-year green bonds (also known as green notes) which will mature on **29th December 2028** to fund green projects which are in line with SBI's Environmental, Social and Governance (**ESG**) Financing framework.

Key Points:

i.The issued senior, unsecured, green floating rate notes are rated as '**BBB-**' by Standard & Poor's (S&P).

ii.The bonds were issued as part of SBI's USD 10 billion medium-term note programme.

iii.The bonds were issued on the floating rate basis of 1.20% above the Secured Overnight Financing Rate (**SOFR**).

iv.The bond was issued via private placement facilitated by SBI's London Branch, the United Kingdom (UK).

v.It was listed on the India International Exchange Limited (**India INX**) located in the International Financial Services Centre (IFSC) in Gujarat's International Finance Tec-City (GIFT City).

vi.Tokyo(Japan) based – Mitsubishi UFJ Financial Group Inc.(MUFG) acted as the sole green note coordinator and placement agent for this placement.

SBI's Syndicated Social Loan of USD 1 Billion:

i.SBI has successfully raised USD 1 Billion through Syndicated Social Loan to cater to the domestic ESG financing market.

ii.The raised USD 250 million is the part of this Syndicated Social Loan.

iii.The funds were raised through two tenures: a three-year and a five-year loan.

Note:

SOFR is a benchmark interest rate for dollar-denominated derivatives and loans which replaced the London Interbank Offered Rate (**LIBOR**) in June 2023.

About State Bank of India (SBI):

Chairman – Dinesh Kumar Khara

Headquarters – Mumbai, Maharashtra

Established in – 1955

India's GDP likely to grow by 7.3% in FY24: First Advance Estimated by NSO

On January 5, 2024, the National Statistical Office (**NSO**), Ministry of Statistics and Programme Implementation (**MoSPI**) released the [First Advance Estimates \(FAE\) of National Income for the financial year 2023-24](#), both at Constant (2011-12) and Current Prices.

- As per it, Indian economy growth in real GDP will be at **7.3%** in FY24 as compared to the 7.2% in FY23.
- While in nominal terms, the projected GDP growth for India in FY24 is 8.9%, a deceleration from the 16.1% recorded in FY23.

Notes:

i. India will retain as the fastest-growing major economy.

ii. It should be noted that the India's 7% growth rate in FY24 is a the third year in a row.

iii. The higher GDP growth is driven by government expenditure along with a pickup in sectoral outputs of mining, manufacturing, construction and financial services.

- Agriculture and trade, hotels, transport and communication services are slow paced.

iv. This Central Government estimate is higher than the Reserve Bank of India's (RBI) upgraded forecast of 7%.

Highlights:

i. Real GDP or GDP at Constant (2011-12) Prices FY24 is estimated at **Rs 171.79 lakh crore**, as against the Provisional Estimate of GDP for FY23 of Rs 160.06 lakh crore, released on 31st May, 2023.

ii. Nominal GDP or GDP at Current Prices in FY24 is estimated at **Rs 296.58 lakh crore** as against the Provisional Estimate of GDP for FY23 of Rs 272.41 lakh crore.

- Nominal GDP includes the impact of inflation, and hence the data shows the drop in inflation

iii. Consumption demand is weak in FY24. The Private final consumption expenditure (PFCE) is expected to grow at 4.4% in 2023-24.

- The previous low for PFCE growth rate was 2.9% in 2002-03, while it grew at 7.5% in FY23.

iv. In contrast, Government Final Consumption Expenditure (GFCE) is projected to increase sharply at 4.1% in FY24, compared to 0.1% in the previous year.

v. Growth in investment demand as represented by gross fixed capital formation (**GFCF**) is estimated to ease to 10.3%, from 11.4% in FY23

vi. The growth in net taxes on products is projected at 12.5% in FY24, as against 10.1% in FY23.

Basic Prices by Economic Activity (at 2011-12 Prices)

Industry	% change over previous year	
	2022-23	2023-24
Manufacturing	1.3	6.5
Construction	10	10.7
Mining & Quarrying	4.6	8.1

Agriculture, Livestock, Forestry & Fishing	4	1.8
Trade, Hotels, Transport, Communication & Services related to Broadcasting	14	6.3
Financial, Real Estate & Professional Services	7.1	8.9

Assessment:

The Advance Estimates of National Income are derived using data from the first seven-eight months of FY24, and FY23 data. This early release aids officials in the Union Ministry of Finance and other departments in shaping the key aspects of the upcoming Union Budget for FY2025, scheduled for presentation in Parliament on February 1, 2024.

About Ministry of Statistics and Programme Implementation (MoSPI):

Minister of State (Independent Charge)– Rao Inderjit Singh (Constituency- Gurugram, Haryana)

Secretary– DR. G P Samanta

SEBI Appoints G Ram Mohan Rao as Executive Director for 3 years

The Securities and Exchange Board of India (SEBI), has appointed **Govindayapalli Ram Mohan Rao** as Executive Director (ED) of SEBI for a period of three years.

- He will handle Investigation Department and Internal Inspection Department in SEBI headquarters in Mumbai, Maharashtra.

About Govindayapalli Ram Mohan Rao:

i. Prior to joining SEBI, G Ram Mohan Rao served as Regional Director of the Eastern Regional Office (ERO) of SEBI in Kolkata, West Bengal.

ii. He also served at the Northern Regional Office (NRO) and Serious Fraud Investigation Office (SFIO) in New Delhi, Delhi.

iii. Rao is a certified fraud examiner from the Association of Certified Fraud Examiners (ACFE).

REC & BoB sign MoU to Finance Power, Infra and Logistics Projects

REC Limited (formerly Rural Electrification Corporation Limited) signed a Memorandum of Understanding (MoU) with Bank of Baroda (BoB) to jointly offer loans for power, infrastructure and logistics projects for a duration of three years (till 2026).

The MoU was signed in presence of Vivek Kumar Dewangan, Chairman and Managing Director (CMD), REC Limited and Debadatta Chand, MD and CEO, Bank of Baroda

i. The MoU aims to catalyse transformative projects that will positively impact communities and drive socio-economic progress in India.

ii. The MoU integrates REC's expertise in the power sector with BoB's financial prowess.

Note: REC Limited is a Maharatna Central Public Sector Enterprise (CPSE) under the Ministry of Power (MoP).

NITI Aayog Report: Over 24.8 Cr People Moved Out of Multidimensional Poverty in 9 Years

The National Institution for Transforming India's (NITI Aayog) discussion paper on the National Multidimensional Poverty Index (MPI), '[National Multidimensional Poverty: A Progress Review -2023](#),' has reduced India's Multidimensional poverty from 29.17% (2013-14) to **11.28%** (2022-23), with about 24.82 crore individuals emerged from poverty during this transformative period.

- At the State level, Uttar Pradesh leads the list with 5.94 crore people escaping poverty, followed by Bihar at 3.77 crore and Madhya Pradesh at 2.30 crore.

Point to note:

i. The report on the National MPI was based on the data from the National Family Health Surveys (NFHS) 4 (2015-16) and 5 (2019-21), showing that 13.5 crore people escaped poverty between 2015-16 and 2019-21.

- Multidimensional poverty for India for the years 2005-06, 2015-16, and 2019-21, was estimated using data from the corresponding NFHS rounds 3 to 5.

ii.With this rate of decline in India's Multidimensional Poverty, India is expected to reach a single-digit level of poverty by the year 2024-25.

iii.The progress in MPI demonstrates India's dedication to achieving the United Nations (UN) Sustainable Development Goals (SDGs) target of 1.2 (reducing multidimensional poverty by at least half) much ahead of 2030.

About the National Multidimensional Poverty Index (MPI):

i.The National MPI by NITI Aayog utilizes the internationally acclaimed Alkire and Foster (AF) methodology, diverging from the global MPI (covers 10 indicators) by encompassing 12 indicators.

- The indicators include Nutrition, Child and Adolescent Mortality; Maternal Health; Cooking Fuel; Sanitation; Drinking Water; Electricity, etc.

ii.The national MPI retains all the 10 indicators from the global MPI and incorporates 2 additional indicators namely Maternal Health and Bank Accounts, aligning with India's national priorities.

iii.This analysis delves into the decline of poverty rates and the number of multidimensionally poor people in India over different periods.

iv.MPI is considered a profound measure, offering a direct and comprehensive measure of people's deprivation and poverty.

- It captures and reveals the outcome of economic growth and development, income and distribution, and various development initiatives of the State.

Constructing India's MPI:

i.As part of the Global Indices for Reform and Action (GIRG) initiative, NITI Aayog has taken on the task of constructing an indigenized index for measuring multidimensional poverty.

ii.The National MPI adopts the dual-cutoff approach of the AF methodology, aligning with the global MPI report.

Substantial Reductions in Poverty:

i.As per the report, between 2015-16 and 2019-21, 13.5 crore people escaped poverty.

ii.Rural areas witnessed a more significant decline in poverty compared to urban regions.

- Rural poverty dropped from 32.59% to 19.28%, while urban poverty decreased from 8.65% to 5.27%.

Improvements in Indicators:

Significant reductions (improvement) were observed in all 12 indicators over the two periods between 2015-16 and 2019-21.

Notable decreases: 21.8% points in sanitation, and 14.6% points in cooking fuel.

Regional Observations:

i.States showing the fastest reduction in multidimensional poverty: Uttar Pradesh, Bihar, Madhya Pradesh, Odisha, and Rajasthan.

ii.Bihar, with the highest MPI value in NFHS-4 (2015-16), experienced the largest decline in the headcount ratio.

iii.Uttar Pradesh led with 3.43 crore people escaping multidimensional poverty;

- Bihar and Madhya Pradesh followed with 2.25 crore and 1.36 crore individuals, respectively.

Estimates and Projections:

i.In 2013-14, the headcount ratio was 29.17%, while the projected ratio for 2022-23 stands at 11.28%.

ii.Absolute change over 9 years indicates a remarkable 17.89% point reduction, liberating approximately 24.82 crore individuals from multidimensional poverty.

Global Perspective:

World Bank's international poverty line at USD 2.15 a day (2017 Purchasing Power Parity (PPP) terms) indicates a decline in the poverty headcount ratio in India from 18.73% (2015) to 11.9% (2021).

About National Institution for Transforming India (NITI Aayog):

Chairperson– Narendra Modi

Chief Executive Officer (CEO)- B.V.R. Subrahmanyam

Headquarters- New Delhi, Delhi

NITI Aayog was formed via a resolution of the Union Cabinet on 1 January 2015. It is a policy think tank for the Indian government. It came into effect on 16 February 2015 via a notification by the Cabinet Secretariat.

Max Life launches first-of-its-kind Midcap Momentum Index Fund in ULIP Segment

Max Life Insurance Company Limited has introduced the **Midcap Momentum Index Fund**, a first-of-its kind in the Unit Linked Insurance Plan (**ULIP**) segment.

- The new fund offering (**NFO**) aims to invest in a basket of stocks drawn from the constituents of **NSE Midcap 150 Momentum 50 index**.

About Midcap Momentum Index Fund:

- i. The NFO will invest in stocks which have witnessed 175% Compound Annual Growth Rate (**CAGR**) in asset under management (**AUM**) over the last three financial years (FY20-FY23).
- ii. NFO targets the growth potential of **mid-cap** companies.
- iii. The fund provides broad diversification benefits by investing in proven, high-performing Midcap stocks, minimizing reliance on fund managers.
- iv. During the launch period, the fund is available with the Max Life Online Savings Plan with zero allocation and admin charges.
 - It is also offered with Max Life Fast Track Super and capital guarantee solutions that offer OSP as the market-linked product.
- v. Investors can participate in the NFO until 29th January 2024.

What is NFO?

- i. NFO is the first subscription offering for any fund being launched by an investment company.
- ii. During an NFO, investors can purchase units of the mutual fund scheme at the face value, which is typically set at a fixed price usually of Rs. 10 per unit.

Mid-Caps:

- i. According to the Securities and Exchange Board of India (SEBI), companies that are ranked from 101 to 250 in terms of market capitalization are known as mid-cap companies.
 - Mutual funds that hold stocks from the mid-cap are called '**Mid-cap funds**'.
- ii. Mid-cap funds are involved with more risk than large-cap funds but will yield good returns in the long run.
- iii. Mid-cap stocks can complement both high-risk and low-risk investment strategies, offering investors a balance of stability and growth.

Note- ULIPs offer the double benefit of investment and life insurance.

About Max Life Insurance Company Limited:

Max Life Insurance Company Limited is a Joint Venture between Axis Bank Limited (holding 30% stakes) and Max Financial Services Limited (holding 70% stakes)

Managing Director (MD) & Chief Executive Officer (CEO) - Prashant Tripathy

Headquarters - Gurugram, Haryana

Established in - 2000

Google Pay India signs MoU with NPCI International to expand UPI Globally

On January 17, 2024, a Memorandum of Understanding (**MoU**) was signed between the **Google India Digital Services (P) limited** (Google Pay India) and NPCI International Payments Ltd (NIPL), a wholly-owned subsidiary of the National Payments Corporation of India (NPCI) to expand the Unified Payments Interface (UPI) globally.

- This MoU has three main goals viz. Expand UPI payments for Indian travelers globally, facilitate the establishment of UPI-like systems in other countries, and simplify cross-border remittances using UPI infrastructure.

Key Points:

- i.**This MoU enhances UPI's global reach by establishing UPI-like systems in other countries, and providing foreign merchants access to Indian customers.
- ii.**Indian travellers can now use UPI-powered apps, like Google Pay, for digital payments globally instead of relying only on foreign currency and/or, credit or forex cards for international transactions.
- iii.**This also simplifies cross-border remittances by reducing dependence on traditional money transfer channels.
- iv.**As of April 30, 2023, international mobile numbers from these countries can access the UPI transaction facility: Singapore, Australia, Canada, Hong Kong, Oman, Qatar, the United States of America(USA), Saudi Arabia, the United Arab Emirates (UAE), and the United Kingdom (UK).
 - The feature allows Non-Resident Accounts that have international mobile numbers to transact with UPI.

[Click Here for Official Notification](#)

About NPCI International Payments Ltd (NIPL):

CEO– Ritesh Shukla

Headquarters– Mumbai, Maharashtra

Establishment– 2020

IndusInd Bank & EazyDiner partners to launch EazyDiner IndusInd Bank Platinum Credit Card

IndusInd Bank Limited, in collaboration with **EazyDiner**, has launched the '**EazyDiner IndusInd Bank Platinum Credit Card**,' offering a unique and enhanced dining experience with no joining fees, making it accessible to all.

Note: Gurugram(Haryana) based EazyDiner is India's leading food discovery, table reservation, and restaurant payment platform.

Key Features:

Complimentary EazyDiner Prime Membership:

- i.**This co-branded card comes with a joining bonus of 500 EazyPoints with a complimentary EazyDiner Prime membership for 3 months.
 - The card provides an additional discount of Rs 500 for payments through the EazyDiner App via PayEazy for both dining and takeaway at select restaurants.
 - It would enable up to 50% discount on every dining experience.
- ii.**This 3-month membership provides guaranteed discounts from 25% to 50% at over 2000 premium restaurants.
 - No joining or annual fees for Prime membership.
- iii.**Cardholders can renew their Prime membership upon spending Rs. 30,000 every 90 days.

Reward Benefits:

- i.**The card offers to earn up to 2 reward points on every Rs. 100 spent.
- ii.**The reward points can be instantly redeemed against dining bills on the EazyDiner app.
- iii.**Additionally, cardholders can earn 2,000 reward points upon spending Rs. 30,000 every 90 days.

Additional info: In 2023, the Indian Foodservice Market size is estimated at USD 69.78 billion and it is estimated to reach USD 125.06 billion by 2029.

About IndusInd Bank Limited:

MD & CEO– Sumant Kathpalia

Headquarters– Mumbai, Maharashtra

Established in– 1994

Tagline– We Make You Feel Richer

CCI Approves Amalgamation of Shriram LI Holdings with Shriram Life Insurance

The Competition Commission of India (CCI) has approved the proposed amalgamation of Shriram LI Holdings Private Limited (SLIH) with Shriram Life Insurance Company Limited (SLIC).

- The primary objective of SLIH is to undertake investment business of SLIC.

CCI approves Amalgamation of Shriram GI Holdings with Shriram General Insurance

The Competition Commission of India (CCI) has approved the proposed amalgamation of Shriram GI Holdings Private Limited (SGIH) with Shriram General Insurance Company Limited (SGIC).

SGIH:

i. SGIH is involved in the business of investments, facilitating strategic, private equity, and third-party investors.

ii. The approval also extends to SGIC's consultancy business, particularly in relation to the general insurance products sector.

About Shriram General Insurance Company Limited (SGIC):

SGIC is a joint venture (JV) between Shriram Capital Limited and Sanlam Limited (South Africa).

Managing Director (MD) and Chief Executive Officer (CEO) – Anil Kumar Aggarwal

Headquarters – Jaipur, Rajasthan

Established in – 2006

About Shriram Life Insurance Company Limited (SLIC):

Managing Director (MD) and Chief Executive Officer (CEO) – Casparus Jacobus Hendrik Kromhout

Headquarters – Hyderabad, Telangana

Established in – 2005

IREDA & IOB Signed MoU for Co-lending Renewable Energy Projects

The Indian Renewable Energy Development Agency Limited (IREDA) and Indian Overseas Bank (IOB) signed a Memorandum of Understanding (MoU) to establish a platform for co-lending and loan syndication for a wide range of **renewable energy** projects across India.

- The MoU encompasses provisions for co-lending and co-origination support for all Renewable Energy projects.
- The MoU was signed at IREDA's Business Centre in New Delhi, Delhi.

Note: IREDA is a Mini Ratna (Category – I) Government of India Enterprise under the administrative control of the Ministry of New and Renewable Energy (MNRE).

Objective:

The partnership aims to streamline loan syndication and underwriting processes, and management of Trust and Retention Account (TRA) for IREDA borrowers.

- Aiming for stability, the collaboration works towards fixed interest rates over a **3–4** year period for IREDA borrowings.

Signatories:

The MoU was signed by Dr. RC Sharma, General Manager of IREDA and Ajay Kumar Srivastava, Managing Director (MD) and Chief Executive Officer (CEO) of IOB.

About the Partnership:

i. It aims to provide robust financial support to a diverse range of Renewable Energy projects, fostering sustainability and environmental awareness.

ii. The collaboration aligns with the Government of India's goal of achieving a 500 Gigawatt (GW) Non-Fossil-based electricity generation capacity by 2030.

iii. This collaboration adds to IREDA's similar successful partnerships with other prominent financial institutions, including Bank of Baroda, Bank of India, Union Bank of India, India Infrastructure Finance Company Limited, and Bank of Maharashtra.

About Indian Renewable Energy Development Agency Limited (IREDA):

Chairman and Managing Director (CMD)– Pradip Kumar Das

Headquarters– New Delhi, Delhi

It is a Public Limited Government Company established as a Non-Banking Financial Institution in 1987.

Motto – Energy For Ever

Bank of Baroda Launched 'BoB 360 Term Deposit Scheme' with High-Interest Rates

Bank of Baroda (BoB), one of India's leading public sector banks launched a special retail short-term deposit scheme named **Bob 360 Term Deposit Scheme**. The scheme offers higher interest rates for Domestic Term Deposits to Residents/Non-Resident Ordinary (NRO) and Resident Senior Citizens for 360 days.

About Bob 360 Term Deposit Scheme:

- i. It offers a high rate of interest of up to 7.60% per annum (for 360 days), which includes 0.50% per annum for senior citizens.
- ii. These rates are applicable on retail deposits below Rs 2 crore and are effective from 15th January 2024.
- iii. This scheme caters to depositors seeking higher returns on deposits with less than 1-year maturity.
 - Among large banks, Bob 360 offers one of the most attractive rates for fixed deposits (FDs) with less than 1 year of maturity.
- iv. As per Reserve Bank of India (RBI) guidelines, this scheme is not available for Non-Residential External (NRE) Deposits.

Key Features:

- i. **Interest Rates:** 7.10% per annum for the Residents/General public and NRO and 7.60% per annum for Senior citizens.
- ii. The scheme allows minimum deposit amount of **Rs 1,000** (and further in multiples of Rs 1) for Callable deposits (non-callable deposits are not applicable) and Maximum deposit amount upto **Rs 2 crore**.
- iii. The Tenor of Deposit is 360 Days with nomination and an auto-renewal facility will be available.

About Bank of Baroda:

MD and CEO– Debadatta Chand

Headquarters– Vadodara, Gujarat

Founded on– 20 July 1908

Tagline– India's International Bank

DBS Bank India Collaborates with StartupTN to Foster Entrepreneurship in Tamil Nadu

On January 18, 2024, DBS Bank India Limited announced collaboration with StartupTN, a nodal agency of Tamil Nadu (TN) Government, to foster entrepreneurship in TN.

About the partnership:

- i. This partnership will engage with over 1,000 early-stage startups in TN through StartupTN's eight regional hubs in metros. The partnership focuses on startups in **Tier 2** and **Tier 3 cities**.
- ii. The collaboration aims to foster innovation by offering vital support to startups by sharing knowledge in forums and connecting startups with potential investors.
- iii. Under this, startups linked with StartupTN can utilize DBS Bank India's extensive network of over 30 accelerators, incubators, and ecosystem enablers, thus benefitting from broader entrepreneurial community.
- iv. DBS Bank India will also offer a range of value added services like trademark registration assistance to protect intellectual property through its partner network.

Points to note:

- i. StartupTN promotes entrepreneurship and innovation.
- ii. It presently supports 7,400 startups registered with the **Department for Promotion of Industry and Internal Trade (DPIIT)**, Ministry of Commerce and Industry (MoCI), across 30 sectors.
 - It aims for 10,000 new startups by 2026
- ii. DBS Bank India is a subsidiary of the financial services group DBS Singapore.
 - In November 2020, Lakshmi Vilas Bank (LVB) was amalgamated with DBS Bank India Limited.

About DBS Bank India Limited:

Managing Director & CEO– Surojit Shome

Headquarters– Mumbai, Maharashtra

Establishment– 1994

Tagline– Live More Bank Less

ICICI Prudential Life Launched ICICI Pru Guaranteed Pension Plan Flexi with Benefit Enhancer

ICICI Prudential Life Insurance Company Limited launched a retirement annuity plan named the **ICICI Pru Guaranteed Pension Plan Flexi** with “Benefit Enhancer”, offering policyholders the option to receive a **100% refund** of premiums paid at any time after the purchase if they are unable to continue paying premiums.

- **ICICI Pru Guaranteed Pension Plan Flexi** is claiming it to be the industry’s 1st annuity plan.

Benefits:

i. It provides a loan facility to assist policyholders in overcoming unexpected financial obligations.

- It enables them to stay invested in the product and achieve their retirement planning goal.

ii. This deferred annuity plan allows policyholders to create a guaranteed lifelong income post-retirement and also offers a variety of annuity options.

Key Features:

i. The options of Premium payment frequencies can be annual, half-yearly, and monthly, while the Premium Payment Term (PPT) ranges from 5 to 15 years.

ii. The minimum entry age is 40 years (primary annuitant) and 30 years (secondary annuitant), with the maximum entry age capped at 70 years, except for the booster option.

iii. The deferment period will be for a minimum of 5 years to a maximum of 15 Years, which starts from the inception of the policy.

iv. The minimum annuity to be paid is Rs 12,000 per annum (Rs 1,000 per month)

Key Points:

i. In the Single plan, the Annuity begins after the chosen deferment period and the amount will be paid throughout the Annuitant’s lifetime.

ii. The Joint plan extends income to a secondary annuitant after the primary annuitant’s demise.

- The secondary annuitant can be the spouse, child, parent, or sibling, of the primary annuitant.

Premium Waiver Feature:

The joint-life option includes a waiver of the premium feature. In case of the primary annuitant’s untimely demise, all future premiums are waived, guaranteeing the secondary annuitant continues to receive a lifelong regular income.

About ICICI Prudential Life Insurance Company Limited (ICICI Prudential Life):

Managing Director (MD) & CEO– Mr. Anup Bagchi

Headquarters– Mumbai, Maharashtra

Incorporated in – 2000

Started Operations – 2001

NSE Remains World’s Largest Derivatives Exchange in 2023 for 5th Consecutive Year; 3rd in Equity Segment

According to the statistics published by the Futures Industry Association (FIA), the National Stock Exchange of India Ltd (NSE) has emerged as the **world’s largest derivatives exchange** in **2023** in terms of the number of contracts traded. NSE has retained the title for the 5th consecutive year.

- As per the statistics maintained by the World Federation of Exchanges (WFE), NSE ranks 3rd in the world in equity segment by number of trades (electronic order book) in 2023.

Note: NSE was the first exchange in India to implement electronic or screen-based trading.

2023 Milestones:

i. A Market capitalization of listed companies exceeded USD 4 trillion;

ii. Small and Medium-sized Enterprise (SME) listed companies exceeded the Rs 1,00,000 crore mark; and

iii. For the 1st time, the Nifty 50 index exceeded the 20,000 index levels.

iv. The number of unique registered investors on the exchange exceeded 8.5 crores at the end of the calendar year 2023.

Turnovers:

i. In its equity segment, NSE witnessed continuous Year-on-Year (Y-o-Y) growth in the number of clients traded, for the 10th consecutive year from 2014 to 2023.

ii. Despite a marginal decline from 2.86 in 2022, the equity derivatives to cash market turnover ratio stands at 2.64 in 2023.

Market Evolution:

i. The equity segment completes its transition for settlement of all securities on a T+1 basis, enhancing efficiency.

ii. In the primary market, the timeline for listing of securities has been shortened to T+3 days, facilitating quicker access for investors.

Innovative Offerings:

NSE launched the Social Stock Exchange, providing a platform for social enterprises such as Non-Profit Organizations (NPOs), and Funded Philanthropic Enterprises (FPEs).

- It is to showcase their work and raise funds through the issuance of instruments such as Zero Coupon Zero Principal Bonds.

Note: This segment witnesses registrations by 42 NPOs and successful fundraising by one NPO.

Commodity Derivatives Expansion:

NSE introduced 21 new commodity derivatives contracts, including commodity options on futures contracts for commodities like WTI Crude Oil, Natural Gas, Gold, Silver, and Base metals.

International Expansion:

NSE International Exchange (NSE IX) commenced full-scale operations of the NSE IX-SGX GIFT Connect, expanding Nifty product trading to almost 21 hours, covering Asia, Europe, and the United States (US) trading hours.

About National Stock Exchange of India Limited (NSE):

NSE was incorporated in 1992; recognised as a stock exchange by the Securities and Exchange Board of India (SEBI) in April 1993; and commenced operations in 1994.

MD & CEO – Ashishkumar Chauhan

Headquarters– Mumbai, Maharashtra

Unity Bank Join Hands with Uncia for its SCF Platform Uncia Chain

Unity Small Finance Bank Limited (**Unity Bank**) has collaborated with Uncia Technologies Private Limited for its State-of-the-Art Supply Chain Finance (SCF) Platform '**Uncia Chain**' to facilitate efficient processing and accurate daily lending transactions.

About Uncia Chain:

i. Uncia Chain offers a feature-rich product suite that houses all business constructs of the physical supply chain industry, which looks up to its financing needs.

ii. The platform unites buyer, seller and lender under one umbrella.

iii. It provides templated variations of all onboarding and transaction journeys that occur between above three parties.

iv. The platform acts as a highly configurable, rapid deployment framework.

v. The platform was launched at Unity Bank in less than 100 days.

About Uncia Technologies Private Limited:

Chairman – Hari Padmanabhan

Headquarters – Chennai, Tamil Nadu

Established in – 2020

About Unity Small Finance Bank Limited:

Managing Director(MD) & Chief Executive Officer (CEO) – Inderjit Camotra

Headquarters – Mumbai, Maharashtra

Established in – 2021

AIIB Invested Rs.486 Crore in SEIT for the Project Meridian

Asian Infrastructure Investment Bank (AIIB) has invested **INR 486 Crore** (approximately USD 58.4 million) in Sustainable Energy Infra Trust (SEIT) for AIIB's project '**India: Project Meridian**'.

Key Points:

- i.** SEIT is India's largest renewable energy Infrastructure Investment Trust (**InvIT**).
- ii.** The InvIT (SEIT) has eight operating solar power generation assets of 1.54 gigawatt-peak total capacity located nationwide in India.
- iii.** SEIT was set up by Mahindra Susten Private Limited (MSPL), backed by Mahindra Group and Ontario Limited (a 100% subsidiary of the Ontario Teachers' Pension Plan Board (OTPPB)).
- iv.** SEIT is registered under the Securities and Exchange Board of India (**SEBI**) InvIT Regulations.
- v.** SEIT focuses on renewable energy, supporting India to achieve its Net Zero targets.

About Project Meridian:

- i.** The project aims to support the development of InvIT as an infrastructure asset class in India by financing the InvIT's acquisition of renewable energy assets.
- ii.** The total funding of the project is **USD 73 million**.
- iii.** AIIB's Environmental and Social Policy (**ESP**) applies to this Project.
 - This includes the Environmental and Social Exclusion List and Environmental and Social Standards.

Additional Info:

- i.** The above funding is AIIB's second investment in InvITs in India.
- ii.** The first investment in InvITs was made in 2019 to the project **India: OSE InvIT**

About Asian Infrastructure Investment Bank (AIIB):

President and Chair of the Board of Directors – Jin Liqun

Headquarters – Beijing, China

Established in – 2016

Yes Bank becomes First Indian Bank to Conduct Export Finance Transaction on RXIL's ITFS Platform

Yes Bank Limited, has become the first Indian bank to execute an export finance transaction on the International Trade Financing Services Platform (**ITFS**) of RXIL Global IFSC Limited (**RXIL Global**), a subsidiary of Receivables Exchange of India Limited (**RXIL**).

Key Points:

- i.** The collaboration empowers both Indian and global exporters and importers to access competitive financing options like factoring, forfeiting, and other trade finance services through the platform.
- ii.** The collaboration is in line with the Government of India's aim to make India a global trade finance powerhouse.

About ITFS platform:

- i.** ITFS functions as a financial platform for the full range of international financial services at the regional and global levels.
- ii.** The platform was set up in the International Financial Services Centre (**IFSC**), Gujarat International Finance Tech(GIFT)-City in Gujarat.

Yes Bank in Collaboration with Veefin launched SmartFin for MSME

Yes Bank Limited has launched **SmartFin**, an end-to-end digital supply chain finance (**SCF**) platform powered by Mumbai (Maharashtra)- based Veefin Solutions Limited (**Veefin**) to cater to the financial needs of Micro, Small, and Medium Enterprises (**MSMEs**).

- SmartFin also facilitates digital SCF loans for dealers and suppliers of corporate clients.

About Yes Bank Limited:

Managing Director(MD) and Chief Executive Officer(CEO) – Prashant Kumar

Headquarters – Mumbai, Maharashtra

Established in – 2004

Tagline – Experience Our Expertise

SEBI Chairperson Launched Two Unique Multi-Lingual Initiatives for CDSL

The Chairperson of the Securities and Exchange Board of India (**SEBI**), Madhabi Puri Buch, has launched two unique multi-lingual initiatives namely **Multi-Lingual CAS** and **CDSL Buddy Sahayta 24×7 Chatbot** for Central Depository Services (India) Limited (**CDSL**). These initiative aims to promote ease of doing business among investors.

- The initiatives were launched in the **25th** anniversary (Silver Jubilee year) event of CDSL which was held in Mumbai, Maharashtra.

Multi-Lingual CAS:

i.The investors can generate their Consolidated Account Statement (CAS) of the securities held in CDSL in any of the 23 Indian languages.

ii.The initiative is named **Apka CAS – Apki Zubaani**.

CDSL Buddy Sahayta 24×7 Chatbot:

i.The chatbot offers round-the-clock assistance to the investor in four languages.

ii.The chatbot aims to simplify investors' journeys toward 'Atmanirbharta' or self-sufficiency.

Neev campaign:

i.25th-anniversary celebrations witnessed the conclusion of CDSL's 'Neev' campaign.

ii.The campaign aims to spread financial literacy among diverse communities, including armed forces and rural areas across 25 cities of India.

Thought Leadership Report:

i.Thought Leadership Report on '**Reimagine Digital Trust in Capital Markets**': **The report** was unveiled at the event.

ii.The report was prepared by CDSL in collaboration with knowledge partners KPMG.

iii.The report speaks about CDSL's digital trust, global financial interconnectedness, and resilience against emerging cyber threats.

About Central Depository Services (India) Limited (CDSL):

Central Depository Services (India) Limited (CDSL) is Asia's first listed depository and India's only listed depository.

Managing Director(MD) & Chief Executive Officer(CEO) – Nehal Vora

Headquarters – Mumbai, Maharashtra

Established in – 1999

LIC launches a New Annuity Plan 'Jeevan Dhara-2 plan 872'

Life Insurance Corporation of India (LIC) has launched a new individual, savings, deferred annuity (pension) plan '**Jeevan Dhara-2 plan 872**'.

- The plan will be available for sale from **22nd January 2024**.

About Jeevan Dhara II:

i.The plan offers 11 annuity options to policyholders and the annuity is guaranteed from the start of the plan.

ii.The policyholder gets two options namely '**Regular Premium**' and '**Single Premium**' to pay their premium.

iii.**Eligibility:** The minimum age at entry is 20 years (last birthday) and Maximum 80, 70, 65 years minus the deferment period.

iv.**Deferment period:** The available deferment period is from 5 years to 15 years in the case of regular premium and from 1 year to 15 years for single premium.

v.The plan offers annuity in two options namely 'Single Life Annuity' and 'Joint Life Annuity'. The plan offers

higher annuity rates at higher ages.

vi. The annuity can also be increased by paying an additional premium.

vii. The plan can also be revived within 5 consecutive years from the date of the First Unpaid Premium.

About Life Insurance Corporation (LIC) of India:

Interim Chairman – Siddhartha Mohanty

Headquarters – Mumbai, Maharashtra

Established in – 1956

ICRA Projects GDP Growth to Moderate to Below 6% in Q3 FY 2023-24

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited), predicts that India's Gross Domestic Product (GDP) growth may have slowed to **under 6%** in the third quarter (Q3) of FY 2024 (October to December 2023) from 7.6% in the second quarter (Q2) of FY 2024.

- This downturn is primarily attributed to a significant decline in the output of kharif crops and weak progress in rabi sowing for some crops.

Factors Impacting GDP Growth:

Capital Expenditure Downturn: ICRA notes an -8.8% year-on-year (YoY) decline in the government's capital expenditure (capex) in October-November 2023 (in Q3).

Agricultural GVA Projections: Anticipation of little-to-no growth in agricultural Gross Value Added (GVA) due to the sharp decline in Kharif crop output and weak progress in rabi sowing.

Economic Indicators Overview:

i. Average daily vehicle registrations from January 1-16, 2024 were 39.2% higher than the year ago period..

ii. However, they were 1.8% lower than the registrations of 6,46,000 units/day in December 2023, attributed to the inauspicious Kharif period and seasonality.

iii. Y-o-Y growth in electricity demand increased modestly to 3.4% in January 2024 (up to January 15) from 1.6% in December 2023, remaining subdued due to an elevated base.

ICRA Business Activity Monitor Analysis:

Growth Decline: Y-o-Y growth in ICRA Business Activity Monitor reached a 6-month low of 8.1% in December 2023, down from 7.9% in December 2022 and 9.6% in November 2023.

Factors Contributing to Decline: Reduction in activity momentum post-festive period; decreased demand for electricity and petrol due to winter onset in North India; and unfavourable base effects for some indicators.

Sequential Increase in Business Activity:

i. Despite the moderation in Y-o-Y growth, the Business Activity Monitor experienced a sequential increase of 1.4% in December 2023, driven by 8 of the 14 non-financial indicators.

ii. ICRA noted healthy economic activity in Q3 of the ongoing fiscal year, but acknowledges softness compared to the previous quarter, partly due to base normalization.

Govt Expands Scope of Financial Services at IFSC GIFT city; Notified 4 Additional Services

The Ministry of Finance, Government of India (GoI) has expanded the scope of financial services offered at India's 1st International Financial Services Centre (IFSC) at Gujarat International Finance Tec-City (GIFT City) in Gandhinagar, Gujarat.

- **Notified 4 additional services** – Financial crime compliance, taxation, accounting, and bookkeeping – as a part of financial services.

Key Points:

i. These 4 additional services will be provided through units in GIFT City or IFSC, regulated by the International Financial Services Centres Authority (IFSCA) with tax benefits available to the entities.

ii. These services can be rendered to non-residents (persons resident outside India under the Foreign Exchange Management Act, 1999) whose business is not set up by splitting up or reconstructing or reorganising an existing business in India.

iii. Existing units within the IFSC at GIFT City can also avail of these services.

Additional info:

i. The financial crime compliance services include services rendered towards compliances of anti-money laundering (AML) and countering the financing of terrorism (CFT) measures and Financial Action Task Force (FATF) recommendations, and other related activities.

ii. This is expected to boost the Big Four firms – Deloitte, KPMG, EY (Ernst & Young), and PwC (PricewaterhouseCoopers) to provide some of their services through arms in GIFT City.

About Gujarat International Finance Tec-city co. Ltd. (GIFT-City):

MD & Group CEO – Tapan Ray

Chairman – Dr. Hasmukh Adhia

Headquarters– Gandhinagar, Gujarat

India became Fourth-Largest Stock Market, Overtakes Hong Kong

India has become the world's fourth-largest stock market by market capitalization with the combined value of shares listed on Indian exchanges reaching USD 4.33 trillion.

- India has thereby surpassed **Hong Kong** whose combined value of shares is USD 4.29 trillion.
- The top three stock markets are the United States of America (USA), China, and Japan respectively.

SBI Life has Launched 'Saral Swadhan Supreme' and 'Smart Swadhan Supreme'

SBI Life Insurance Company Limited (**SBI Life**) has launched two new products '**SBI Life – Saral Swadhan Supreme**' and '**SBI Life – Smart Swadhan Supreme**'.

- These products cater the insurance needs of individuals and fulfill their financial commitments.

Features:

i. Premium Flexibility – Regular premium payments or limited premium payment term options of 7, 10, or 15 years.

ii. Flexible Policy Term- Ranging from 10 to 30 years.

iii. Minimum sum assured- Rs.25 lakh for both policies.

iv. Maximum sum assured – For Saral Swadhan Supreme the maximum sum is capped at Rs.50 lakh whereas for Smart Swadhan Supreme there is no upper limit for the maximum sum assured.

v. Age criteria –**SBI Life – Saral Swadhan Supreme**

A person with minimum age of 18 years and maximum (max) age of **50** years can enroll for the insurance product. And **65** years would be the max age for its maturity.

SBI Life – Smart Swadhan Supreme

A person with minimum age of 18 years and max age of **60** years can enroll for the insurance product. And **75** years would be the max age for its maturity.

Key Points:

i. Policyholders receive 100% of total premiums paid (excluding extra premiums, rider premiums, and taxes) upon maturity.

ii. These plans also offer a lump sum benefit when the policyholder passes away during the policy term.

iii. These plans provide the flexibility to choose premium payment terms, policy duration, premium payment frequency etc.

iv. The policyholders are eligible for tax benefits as per the prevailing norms under the Income Tax Act, 1961.

About SBI Life Insurance Company Limited:

Managing Director and Chief Executive Officer (CEO) – Amit Jhingran

Headquarters – Mumbai, Maharashtra

Incorporated in – 2000

Tagline – Apne Liye. Apno Ke Liye

Japan's Softbank Sold Another 1.95% Stake in Paytm

Japan-based **Softbank Group Corp** has sold another **1.95%** of paid-up share capital in Paytm's parent company **One97 Communications** for approximately Rs 950 crore. This reduced Softbank's share in Paytm to **5.06%** from 7.01%.

Key Points:

- i.** For this purpose, SVF India Holdings (Cayman) Limited a subsidiary of Softbank, sold a total of 12.7 million equity shares of Paytm through open market transactions.
- ii.** According to the Regulations 29(2) of the Securities and Exchange Board of India (**SEBI**) (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 any firm holding more than 5% of shares or voting rights in a company must disclose to SEBI about the change in shareholding or voting rights, provided such change exceeds 2%.

HDFC Bank Disposes 2.01% stake in CAMS for Rs.252.34 Cr

HDFC Bank Limited has sold **2.01%** of the paid-up share capital in Chennai (Tamil Nadu) based Computer Age Management Services Limited (**CAMS**) for all cash consideration of **Rs.252.34 crore**.

- This reduced the HDFC Bank's shareholding in CAMS to **3.94%** from 5.95% between 25th August 2023 and 23rd January 2024.
- The disposal happened through the secondary market route on BSE Limited (formerly Bombay Stock Exchange) and National Stock Exchange of India Limited (**NSE India**).
- The HDFC Bank sold 9,86,315 shares with an average sale price of Rs.2,558.43 per share.

Max Life Insurance Launches 'SWAG Pension Plan' with Customisable Annuity Options

Max Life Insurance Company Ltd. (**Max Life**) launched "[Max Life Smart Wealth Advantage Guarantee Plan](#)" (**SWAG Pension Plan**), that offers customers to tailor their policies, choosing from a range of annuity options according to their unique requirements.

- SWAG Pension Plan is a non-linked, non-participating individual/group general annuity savings plan.

About SWAG Pension Plan:

- i.** SWAG Pension Plan revolutionizes retirement planning, offers a unique blend of flexibility, security, and personalization.
- ii.** With this plan, customers can also have the freedom to select from a range of 'Return of Premium' options.

Features:

The plan offer a set of features which includes,

- i.** wide range of Annuity options to cater customer's retirement needs.
- ii.** Immediate annuity with flexibility to decide the return of a selected proportion of premiums paid for the surviving annuitant or nominee.
- iii.** Increasing annuity up to 6% per annum ensures readiness for the rising inflation.
- iv.** Attain flexibility with early return of premiums, varying milestone ages from 70 to 85 years (in 5-year blocks).
- v.** Provide the surviving annuitant the choice to withdraw a selected proportion of the annuity in advance upon the death of the first annuitant.
- vi.** Customers can plan early and get a higher annuity on retirement by deferring the first annuity payment for up to 12 years from the first month.

About Max Life Insurance Company Limited (Max Life):

Max Life is a Joint Venture (JV) between Max Financial Services Limited and Axis Bank Limited.

Managing Director (MD) & Chief Executive Officer (CEO)– Prashant Tripathy

Headquarters– Gurugram, Haryana

SEBI releases Framework for Offer for Sale to employees through Stock Exchange

On January 23, 2024, the Securities and Exchange Board of India (SEBI) has released the Framework for Offer for Sale (OFS) of Shares to Employees through Stock Exchange Mechanism such as BSE(formerly Bombay Stock Exchange) and NSE(National Stock Exchange of India Ltd).

- The notified provisions will come into effect from 30th day(**February 22, 2024**) of issuance of the circular.

Note:This information by SEBI is provided in exercise of the powers conferred under Section 11(1) of the SEBI Act 1992 read with Regulation 51 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 to protect the interests of investors and to promote the development of the securities market.

OFS: An OFS is an instrument where promoters in a listed company sell their shares directly to the public. It was initiated by SEBI in 2012.

Reason behind this framework:

i.The current procedure of OFS to employees of the eligible company is happening outside the stock exchange mechanism which is time consuming, involves additional costs and multiple activities.

ii.Following the feedback and discussions with stakeholders, SEBI has decided that the promoters can offer shares to employees in OFS through the stock exchange mechanism.

iii.This framework has been made with an aim to enhance efficiency, ease compliance, and reduce costs.

Key Points:

i.OFS to employees will be on **T+1 day** along with the retail category under a new category called as "Employee"

- T+1 day means trade-related settlements completed within one day from the day of transaction i.e. 24 hours.

ii.Bidding will be allowed during trading hours on T+1 day only.

iii.The maximum bid amount shall be **Rs 5 Lakh**. Each employee is eligible for allotment of equity shares **up to Rs 2 Lakh**.

iv.If the employee portion is under subscribed, the remaining portion may be allocated proportionally to employees with bids **over Rs 2 Lakh**, up to a maximum allotment of **Rs 5 Lakh** per employee.

v.Employees must pay 100% of the order value as upfront margin in cash or cash equivalents.

vi.Stock exchanges and clearing corporations are mandated to implement the advised changes, make necessary amendments to bye-laws, rules, and regulations as needed, and inform market participants through their websites.

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About Securities and Exchange Board of India (SEBI):

Chairperson- Madhabi Puri Buch

Headquarters - Mumbai, Maharashtra

Establishment- 12 April 1992

General Insurance Council Launches "Cashless Everywhere" Initiative

The General Insurance Council (**GIC**) has launched the '**Cashless Everywhere**' initiative in consultation with general and health insurance companies. The initiative aims to extend cashless treatment at all hospitals, thereby making the whole claims journey a frictionless process.

- The initiative extends cashless hospitalization benefits to all hospitals, including those not in tie-ups with insurance companies.
- To claim the insurance under the initiative, the customer should notify their insurer **48 hours** before admission for elective procedures, and 48 hours post admission in case of emergency treatment.
- The initiative applies to hospitals with 15+ beds registered under the Clinical Establishment Act 2010.

- The cashless facility is subjected to the operating guidelines of the insurer.

Merger of Fincare Small Finance Bank & AU Small Finance Bank

CCI has approved the merger of Bengaluru (Karnataka) based Fincare Small Finance Bank Limited (Fincare SFB) and Jaipur (Rajasthan) AU Small Finance Bank Limited (AU SFB) with AU being the merged entity.

- The shareholders of Fincare SFB will be allotted shares in AU SFB.

Canara HSBC Life Insurance Launches iSelect Guaranteed Future Plus

Canara HSBC Life Insurance Company Limited has launched 'iSelect Guaranteed Future Plus', a Non-Linked, Non-Participating, Individual Savings Life Insurance Plan.

About the plan:

The policy offers four different plans namely Endowment Option, Regular Income Option, Early Income Option and Long Term Income with Return of Premium Option.

Eligibility:

- i. Minimum Entry Age- NIL
- ii. Maximum Entry Age- 65 years
- iii. Minimum Maturity Age – 18 years
- iv. Maximum Maturity Age – 99 years

Endowment Option:

- i. The plan offers life insurance to policyholders along with a Guaranteed Maturity Benefit.
 - Additional Guarantees will also be offered during the last five years of the policy term
- ii. The plan also offers Flexible Premium Payment Term(PPT)/ Policy Term(PT).
- iii. The policyholder can choose one of the optional benefits – Payor Premium Protection Cover or Accidental Death Benefit(ADB).

Regular Income Option:

- i. The plan offers life insurance services along with Guaranteed Income and Maturity Benefits.
- ii. The plan offers Guaranteed Income payouts after PPT.
- iii. The policyholder can choose either Payor Premium Protection Cover or ADB.
- iv. The plan also offers Flexible PPT/ PT.

Early Income Option:

- i. The plan provides Life insurance coverage in addition to guaranteed income from 2nd Policy year.
- ii. ADB comes with the plan by default.
- iii. The policyholders are allowed to choose their Income period and PPT.

Long-Term Income with Return of Premium Option:

- i. The plan offers Life insurance along with Guaranteed Income (after the consolidation period) with an inbuilt ADB facility.
- ii. 100% of Total Premiums Paid will be returned when the policy matures.
- iii. The policy offers the freedom to choose the income period and income commencement period.

Note- All these plans offer tax benefits under the provision of the Income Tax Act, 1961 as amended from time to time.

About Canara HSBC Life Insurance Company Limited:

Canara HSBC Life Insurance Company Limited is a joint venture (JV) promoted by Canara Bank (51%) and HSBC Insurance (Asia Pacific) Holdings Limited (26%).

Managing Director (MD) & Chief Executive Officer(CEO) – Anuj Mathur

Headquarters – Gurugram, Haryana

Established in – 2008

SEBI extends Deadlines for listed entities to Verify Market Rumours

On January 25, 2024, the Securities and Exchange Board of India (SEBI) has extended the timeline for market rumor verification for the 2nd time. The deadlines were extended to June 1, 2024 from February 1, 2024 for the top 100 companies and to December 31, 2024 from August 1, 2024 for the top 250 companies.

- The market rumor verification is under the provision to regulation 30(11) of the LODR Regulations.

Note:

This Circular by SEBI is issued in exercise of the powers conferred under Section 11 of the SEBI Act, 1992 read with Regulation 101 of the LODR(Listing Obligations and Disclosure Requirements) Regulations.

Details of extension:

i. Initially it was supposed to be effective from 1st October 2023 for top 100 firms and from 1st April 2024 for Top 250 firms. This was extended to February 1, 2024, and August 1, 2024 respectively.

ii. This extension will provide listed entities the necessary time to adapt to impending changes, ensuring a smoother transition and effective compliance with the regulatory framework.

Key Points:

i. As per SEBI, Top 100 and Top 250 listed entities by market capitalization must promptly confirm, deny, or clarify any specific material event reported in the media within 24 hours of the information being disclosed.

ii. These regulations by SEBI aims to avoid false market sentiment or impact on the securities of any listed entity.

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About Securities and Exchange Board of India (SEBI):

Chairperson– Madhabi Puri Buch

Headquarters– Mumbai, Maharashtra

Establishment– 12 April 1992

Zomato Payments Gets Nod from RBI to Operate as Online Payment Aggregator

New Delhi(Delhi) based Zomato Payments Private Limited (**ZPPL**) has been granted a certificate of authorisation from the Reserve Bank of India (**RBI**) to operate as an '**Online Payment Aggregator(PA)**' with effect from 24th January 2024.

- The authorization allows ZPPL to facilitate e-commerce transactions through its platform, thereby expanding its role beyond food delivery and restaurant discovery.
- ZPPL is a wholly-owned subsidiary of Online food delivery platform **Zomato Limited** (formerly known as Zomato Private Limited and Zomato Media Private Limited) which was incorporated in **2021**.

Note: California, United States of America(USA) based international financial infrastructure provider **Stripe, Inc.** also received approval from RBI to act as a online PA with effect from **15th January 2024**.

WB introduces USD 100mn Plastic Waste Reduction-Linked Bond to Tackle Plastic Pollution

On 24th January 2024, World Bank launched 7-year **USD 100 million** principal-protected Plastic Waste Reduction-Linked Bond to support the World Bank's sustainable development activities globally.

- The bond's focus is on preventing plastic waste leakage into nature and oceans.
- **Citi** served as the Lead Manager for this bond.

About Bond:

i. This bond has a unique feature of linking investors' return to the issuance and monetization of Plastic Waste Recycling Credits, Plastic Waste Collection Credits (collectively known as Plastic Credits), and Verified Carbon Units ("VCUs") from two plastic waste collection and recycling projects in **Ghana** and **Indonesia**.

ii. The Bond will be listed on the **Luxembourg Stock Exchange** in Luxembourg, and is expected to be rated AAA by Standard & Poor's.

iii. The bond was issued at par providing investors with a minimum guaranteed return of approx. 1.75%.

iv. IBRD has entered into a **Forward Flow Agreement** (FFA) with **Citi** to hedge any plastic credit or VCU

exposure.

About World Bank (WB):

President (WB Group)– Ajay Banga

Establishment– 1944

Headquarters– Washington D.C, United States of America (USA)

Members– 189 member states

REC & NIIFL signed a MoU on funding solutions for renewable energy projects and large infra projects

On January 26, 2024, **REC Limited** (formerly Rural Electrification Corporation Limited) has signed a Memorandum of Understanding (**MoU**) with the National Investment and Infrastructure Fund Limited (**NIIFL**) to boost renewable energy and infrastructure financing in India.

Note: REC Limited is a Maharatna Central Public Sector Enterprise (**CPSE**) under the Ministry of Power (MoP).

Signatories: **Daljeet Singh Khatri**, Executive Director (Finance), REC; and **Prasad Gadkari**, Executive Director & Chief Strategy Officer, NIIFL in the presence of **Vivek Kumar Dewangan**, Chairman and Managing Director (CMD); and **Rajiv Dhar**, Chief Executive Officer (CEO) and Managing Director (MD), NIIFL.

About the MoU:

i. Under this MoU, REC and NIIFL will work together on funding solutions for renewable energy and large-scale infrastructure projects in India.

ii. The MoU is in line with the NIIF's broader strategy to enhance financing and attract private capital into the infrastructure sector.

About REC Limited (formerly Rural Electrification Corporation Limited):

It is registered with the Reserve Bank of India (RBI) as Non-Banking Finance Company (NBFC), and Infrastructure Financing Company (IFC).

CMD– Vivek Kumar Dewangan

Headquarter– New Delhi, Delhi

Establishment– 1969

BOB Financial Solutions rebranded as “BOBCARD Limited”

BOB Financial Solutions Limited, the wholly-owned card company of Bank of Baroda (BoB), has been rebranded as 'BOBCARD Limited', with the tagline “Credit Reimagined”.

- It is a non-banking Financial Company(**NBFC**) established in 1994.
- The new logo called '**Baroda Sun**' was also unveiled for the 'BOBCARD Limited'.The logo comprises dual 'B' letterforms that hold the rays of the rising sun.
- BOBCARD offers an array of consumer and commercial credit cards and caters to all segments of customers including Defence Personnel like Indian Army, the Indian Navy, the Indian Coast Guard, and Assam Rifles.
- As per the Reserve Bank of India(RBI), BOBCARD Limited had 22.4 lakh outstanding credit cards in force as of December 2023.

LIC Gets RBI Nod to Raise Up to 9.99% Stake in HDFC Bank

Life Insurance Corporation of India (**LIC**) has got the Reserve Bank of India (**RBI**)'s approval to raise its stake up to 9.99% in the Housing Development Finance Corporation (**HDFC**) Bank.

- As of January 2024, LIC holds a 5.19% share of HDFC Bank.
- The RBI has also advised LIC to acquire the additional HDFC Bank shares within a year.
- Under RBI regulations, any acquisition of 5% or more of a private sector bank's paid-up share capital or voting rights will require prior RBI approval.

DLabs at ISB launches 'Build for Billions' jointly with RBIH & UBI

DLabs at the Indian School of Business (ISB) in Hyderabad, Telangana launched "Build for Billions", a startup accelerator program, in collaboration with the **Reserve Bank Innovation Hub (RBIH)** and **Union Bank of India (UBI)**.

- It is themed around financial inclusion for the informal economy by address the gap between financial services and the informal economy.

Reason behind the Program:

Informal economy is represented by Gig workers, migrant workers, domestic workers, street vendors, carpenters, plumbers, electricians, and construction labourers. Their challenges include low and volatile income; irregular income streams; limited access to credit and savings; and a lack of social security nets.

- Now, Build for Billions Program will support fintech startups dedicated to addressing these issues.

What is in the accelerator program?

This **50-day equity-free accelerator** by DLabs, 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.

- DLabs, a business incubator at the Indian School of Business (ISB), specialises in incubation, acceleration, and funding for startups.

Eligibility:

Startups aiming to improve access, usage, and quality of financial services in the informal economy can apply for the program until January 21, 2024. Following the submission period, selected startups will undergo evaluation, with customized goals set for each.

SEBI allowed Voluntary Freezing Of Clients' Trading Account from July 1, 2024

On January 12, 2024, the Securities and Exchange Board of India (SEBI) notified that Investors will be allowed to freeze or block their trading account any suspicious activity is detected. The framework for the same will be laid down by stock brokerages on or before 1st April 2024 and will be implemented from 1st July 2024.

- This information was SEBI is provided in its exercise of powers conferred under Section 11(1) of SEBI Act, 1992 read with Regulation 30 of SEBI (Stock Brokers) Regulations, 1992, to protect the interests of investors in securities and to promote the development of securities markets.

About the framework:

i.The framework will be developed by the Brokers' Industry Standards Forum (ISF) under the aegis of stock exchanges, and in consultation with SEBI.

ii.The framework outlines the process for voluntarily freezing online access to trading accounts. It includes details on how clients can request account blocking, the processing timeframe, and communication protocols. Stock exchanges are mandated to ensure the implementation of these guidelines by Trading Members starting from July 1, 2024.

iii. Stock Exchanges shall also put in place an appropriate reporting requirement by Trading Members to enforce the above system. A compliance report to this effect shall be submitted to SEBI by Stock Exchanges latest by August 31, 2024.

Reason:

Investor concerns over suspicious activities in trading accounts resulted to propose a facility for blocking such accounts, While voluntary blocking of demat accounts is already in place for investors, the proposal now extends this option to their trading accounts as well.

- Demat accounts allow investors to hold their financial instruments in an electronic form, while, trading accounts, actually carry out trades in the stock market.

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Trading Account: A trading account is an investment account which helps retail investors to buy or sell securities. Trading account is opened with a stock broking firm which, in turn, provides access to the trading

platform of a stock exchange, and allows the execution of trades on behalf of the account holder. It works as a link between the demat account and the bank account.

About Securities and Exchange Board of India (SEBI):

SEBI is the regulatory authority for the capital market. It was established as a statutory body in 1992 and the provisions of the SEBI India Act, 1992 (15 of 1992) came into force on January 30, 1992.

Chairperson– Madhabi Puri Buch

Headquarters– Mumbai, Maharashtra

KBL and NBFC Clix Capital Enter Co-Lending Partnership for MSME

Karnataka Bank Limited (**KBL**) and Gurugram (Haryana) based Non-Banking Financial Company (NBFC) **Clix Capital Services Private Limited** have entered into a digital co-lending partnership.

- The partnership aims to provide loans to the Indian Micro, Small & Medium Enterprises (MSME) sector through the **Yubi Co.lend Platform**.
- The agreement is in line with the Reserve Bank of India (**RBI**)'s guidelines on co-lending by banks and NBFCs to priority sectors.

NSRCEL IIM-B and SIDBI Launch Accelerator Fund for Startups

Nadathur S Raghavan Centre for Entrepreneurial Learning (**NSRCEL**) at Indian Institute of Management Bangalore (**IIMB**) in Bengaluru, Karnataka, established in 2000, signed a Memorandum of Understanding (MoU) with Small Industries Development Bank of India (**SIDBI**) to provide a pre-seed fund support for technology-oriented startups in India.

i.NSRCEL is providing financial support to early-stage ventures in India for last two decades and incubating 1600 startups with its direct investment.

ii.SIDBI has partnered with various Indian incubators for seed funding of tech startup in several fields such as healthcare, defence innovations, rural impact, and Research & Development (R&D).

- SIDBI ,formed in 1990 ,is the regulatory body responsible for the overall licensing and regulation of Micro, Small and Medium Enterprise (MSME) finance companies in India.
- Chairman & Managing Director (MD) of SIDBI is Shri Sivasubramanian Ramann.