

Testwale Current Affairs PDF

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1. Central Bank of India no longer in PCA of RBI (Sept. 21, 2022)

The Mumbai based Public sector bank, Central Bank of India was removed from the Prompt Corrective Action (PCA) framework by the Reserve Bank of India on 20 September 2022. However, the RBI has said that the bank will still be monitored by it.

The Central Bank of India was put into PCA in June 2017 by the RBI due to deterioration in its asset quality.

RBI had put private sector bank **IDBI Bank** and three public sector banks **Indian Overseas Bank ,UCO Bank** and **Central Bank of India**.

IDBI, Indian Overseas Bank and UCO Bank were removed from the PCA in 2021 by the RBI. At present no banks are in the PCA.

IMPORTANT FACTS

Prompt Corrective Action :

- It was introduced by the RBI in 2017 so that it can intervene in banks which are facing financial problems so that it can be put back on track and restore public confidence in the banking system.
- RBI uses **three parameters** to identify the banks which need to be put under the PCA framework.
- They are **CRAR** (Capital to Risk Weighted Asset Ratio), **Non-Performing Assets (NPA)**, **Return on Assets** (ROA).
- If a bank fails to meet the required CRAR, NPA, ROA criteria stipulated by RBI, then the RBI will deem the bank as risky, facing considerable financial risk and puts it into Prompt Corrective Action for remedial measures.

What happens when a bank is put in PCA ?

- When the Bank is put in PCA the RBI can issue guidelines for the bank and put certain restrictions on the bank.
- The RBI can put restrictions on banks from taking loans from the market and ask the bank to infuse capital in its operation.
- It can also direct the bank to stop new recruitment, stop opening of new branches, new business, reduce or stop giving dividends, change its management , ask the bank to recapitalize or can ultimately close or merge the bank with other banks.

ADDITIONAL INFORMATION -

Central Bank of India :

- It was set up in 1911. It was the first Indian Commercial bank to be owned and managed by Indians.
- The Bank was nationalized in 1969 and now it is owned by the Government of India.
- Tagline of the bank: **Central to you since 1911.**

- Headquarters: Mumbai, Maharashtra
- Managing Director(MD) and Chief Executive Officer (CEO): **M V Rao**

2. RBI approves R Gandhi as the Non-Executive (Part-time) Chairman of Yes Bank (Sept. 21, 2022)

The Reserve Bank of India (RBI) has approved the appointment of Rama Subramaniam Gandhi as the Non-Executive (Part-time) Chairman of Yes Bank with effect from 20 September 2022. He will have a tenure of 3 years.

R. Gandhi was earlier a **Deputy Governor of RBI for three years** from 2014 to 2017.

He was also the Director of the **Institute for Development and Research in Banking Technology (IDRBT), Hyderabad.**

IMPORTANT FACTS

Yes Bank :

- It is a private sector scheduled commercial bank in India founded in 2004.
- It's Headquarters: **Mumbai**
- Chief Executive Officer (CEO) and Managing Director (MD): **Prashant Kumar**
- Tagline: **Experience our expertise.**

3. RBI mandates Chief Compliance Officer for Tier 3 and 4 Urban Cooperative Banks (Sept. 20, 2022)

The Reserve Bank of India (RBI) on 19 September 2022 mandated the Tier 3 and 4 Urban Cooperative Banks (UCB) to appoint chief compliance officers to supervise compliance risk in the bank.

IMPORTANT FACTS -

What is a Compliance Risk ?

- According to the RBI, Compliance risk is the risk of legal or regulatory sanctions, material financial loss or loss of reputation a UCB may suffer, as a result of its failure to comply with laws, regulations, rules, and codes of conduct, etc., applicable to its activities.

Tenure of Compliance Officer :

- According to the RBI the minimum tenure of the chief compliance officer **shall be 3 years.**

Timeline for the Urban Cooperative banks to appoint compliance officer :

- The tier-4 Urban Cooperative Bank (UCBs) have to appoint a chief compliance officer by April 1, 2023. Tier-4 UCB are banks with a deposit of more than Rs 10,000 crores.
- The tier -3 UCB has to appoint chief compliance officer latest by October 1, 2023. Tier-3 UCB are banks with a deposit of more than Rs 1,000 crores and less than Rs 10,000 crores.
- The tier-1 and tier-2 UCB will continue to be governed under the existing guidelines.
- Tier-2 UCB are banks with a deposit of more than Rs 1, 00 crores and less than Rs 1,000 crores.
- Tier-1 UCB are banks with a deposit upto Rs 100 crores.

What is a Primary Urban Co-operative Bank ?

- Primary Co-operative Banks, popularly known as Urban Cooperative Banks (UCBs) are registered as cooperative societies under the provisions of, either the State Cooperative Societies Act of the State concerned under the provisions of the or the Multi State Cooperative Societies Act, 2002.

Who regulates the UCB ?

- There is a **duality of control** over the UCB. It is regulated by the Registrar of Cooperatives and also by the RBI.
- One agency regulates them for being cooperatives and another regulates its banking function.

Cooperative functions Regulator :

- If they have been set up under the **state cooperative law** then they will be regulated and supervised by the Registrar of Cooperative Societies (RCS) of the concerned State.
- If the UCB has been registered under the **Multi State Cooperative Societies Act, 2002**, then they are regulated by the Central Registrar of Cooperative Societies (CRCS), Government of India.

Regulation of banking function :

- The Banking Regulation Act 1949 was made applicable on these banks from 1 March, 1966.
- The Reserve Bank regulates and supervises the banking functions of UCBs under the provisions of Banking Regulation Act, 1949.

4. Dhar wind project commissioned by Adani Green Energy (Sept. 20, 2022)

The Adani Green Energy Limited has commissioned a 325 megawatt wind energy plant in Dhar district of Madhya Pradesh. In a statement issued by the company on 19 September 2022 the total operational capacity of the company has now increased to 6.1 gigawatt (GW).

IMPORTANT FACTS -

Wind Energy in India :

- India has the **fourth largest** installed wind power capacity in the world after China, U.S and Germany.
- The Government of India has set a target of **140 GW of installed wind power capacity by 2030.**
- According to the Government of India the current installed capacity in India was **40.13 GW** (source PIB).
- **Tamil Nadu** has the largest installed wind power capacity in the country followed by Gujarat and Maharashtra.
- Tamil Nadu has the country's **biggest onshore wind farm** in the form of the **1,500 MW Muppandal facility** located in Kanyakumari district.

5. Jio Cinema OTT platform merger with Viacom 18 approved by CCI (Sept. 20, 2022)

The Competition Commission of India (CCI) on 19 September 2022 has approved the amalgamation of the Jio Cinema OTT (Over the Top) platform with Viacom18 Media, following an investment by BTS Investment and Reliance Projects & Property Management Services.

Over the Top (OTT) refers to a streaming device which delivers media content to consumers through the internet by passing cable, Direct to Home etc. services. For eg Netflix, Amazon Prime Video, Hulu, Disney+ etc.

Under the partnership, Reliance's popular Jio Cinema OTT app will be transferred to Viacom18.

Viacom 18 Media is engaged in providing media and entertainment services through its portfolio of channels and streaming app '**Voot**'.

In April, Reliance Industries Ltd (RIL) and Viacom18 announced a strategic partnership with Bodhi Tree Systems to create India's largest TV and digital streaming company in India.

Bodhi Tree Systems (BTS) is a joint investment venture firm of James Murdoch's Lupa Systems and ex-chairman of Star and Disney India Uday Shankar.

IMPORTANT FACTS -

Competition Commission of India (CCI) :

- The Competition Commission of India (CCI) is the chief national competition regulator in India.
- It was set up under the Competition Act, 2002
- It comes under the Ministry of Corporate Affairs.
- It promotes healthy market competition and prevents activities that have an adverse effect on competition in India.
- CCI also approves merger and acquisitions of companies in India so that the two merging entities do not dominate the market unfairly

Headquarter - **New Delhi**

Current Chairman - **Ashok Kumar Gupta**

6. Nirmala Sitharaman urges IFC Managing Director Diop to increase Investment in India (Sept. 20, 2022)

The International Finance Corporation (IFC) Managing Director Makhtar Diop, who is on a visit to India met the Finance Minister Nirmala Sitharaman on 19 September 2022 in New Delhi.

In a series of tweets by the finance ministry, Sitharaman said that India expects an increase in IFC lending in India.

She said that India expects IFC to increase its lending to USD 2-2.5 billion in the next 1-2 years and further to USD 3-3.5 billion in next 3-4 years.

IMPORTANT FACTS -

International Finance Corporation :

- It is a part of the World Bank Group and was set up in 1956.
- It does not provide loans to the government but invests in the private sector companies of the member countries. It invests in the shares and the debt instruments of private companies.
- Headquarters: **Washington DC, United States of America.**
- **Director General:** Makhtar Diop
- Member Countries: **186**

7. SBI directs its branches to settle trade in local currency with Bangladesh (Sept. 20, 2022)

India's largest bank, State Bank of India (SBI) has asked its branches to avoid settling trade deals with Bangladesh in foreign currencies as the country is facing a major economic crisis and shortage of foreign exchanges. The SBI has instead asked its branch to settle trade in Indian Rupees and Bangladeshi Taka.

SBI fears large-scale defaults by Bangladeshi importers, if the country's foreign exchange situation exacerbates.

IMPORTANT FACTS -

Economic crisis in Bangladesh :

- Bangladesh is the latest neighbouring country which is facing an economic crisis after Sri Lanka and Pakistan.

- According to the Bangladesh Bank (the Central Bank of Bangladesh), the country's foreign exchange reserves declined to \$37 billion on 16 September 2022 from \$48 billion a year earlier.
- It is barely enough to cover Bangladesh's five month import.
- Bangladesh's foreign exchange reserves started dwindling after a sharp increase in the global commodity prices, especially of oil and gas due to the Russia-Ukraine war.
- Bangladesh has approached the International Monetary Fund (IMF) for a \$4.5 billion loan to deal with its foreign exchange crisis.

Bangladesh an important Trade Partner of India :

- Bangladesh was the **4th largest export market of India** in 2021-22 after the USA, UAE and China.
- According to the government of India's data, India's export to Bangladesh in the April to July 2022 period increased to \$4.94 billion, a growth of 17% as compared to last year. The import in the same period from Bangladesh was \$580.7 million.

ADDITIONAL INFORMATION -***People's Republic of Bangladesh :***

- Capital: **Dhaka**
- Prime Minister: **Sheikh Hasina Wazed**
- President: **Abdul Hamid**
- Currency: **Taka**

8. Union Bank and Federal Bank starts RBI Digital KCC pilot Project in MP and Tamilnadu respectively (Sept. 20, 2022)

The public sector bank Union Bank of India and the private banks Federal Bank have launched a pilot project to digitize Kisan credit Card (KCC) to transform rural credit delivery systems and to improve the quality of credit delivery in the rural areas .

Public sector lender Union Bank of India started the pilot from **Harda district in Madhya Pradesh** while private sector lender **Federal Bank** began the project from **Chennai, Tamilnadu**.

The pilot project of the banks is part of the RBI initiative for end-to-end digitalisation of Kisan Credit Card (KCC) lending, developed by the [Reserve Bank Innovation Hub \(RBIH\) Bengaluru](#).

Under the project the banks will issue KCC to the eligible farmers without insisting on physical records such as land documents and in person visits to the branch.

IMPORTANT FACTS -***Union Bank of India :***

- It is a public sector bank owned by the government of India
- It was set up as a private bank in 1919 and was nationalized in 1969.
- Andhra Bank and Corporation bank was merged with Union Bank on 1 April 2020.

- Headquarters : **Mumbai, Maharashtra**
- MD and CEO: **A. Manimekhalai**
- Tagline of the Bank : **Good people to Bank with**

ADDITIONAL INFORMATION -

Federal Bank :

- It is a private sector bank which was set up in 1931.
- Headquarters : Aluva, Kochi, Kerala
- Chief Executive Officer : Shyam Srinivasan
- Tagline : **Your Perfect Banking Partner**

9. 30 startups identified through 'Swachhata Startup Challenge' (Sept. 20, 2022)

On 19 September, the Ministry of Housing and Urban Affairs (MoHUA) organized a Startup Conclave at the Ambedkar International Center in New Delhi.

IMPORTANT FACTS -

- The Ministry of Housing and Urban Affairs (MoHUA) will felicitate 30 startups identified through the **Swachhta Startup Challenge** to help strengthen the sanitation and waste management sector.
- The day-long conclave will provide a platform to startups to gain experience, knowledge and learning that will help them find their way into the sector to successfully scale up their solutions.
- Some Urban Local Bodies (ULBs) will engage in a 'reverse pitch' to highlight specific grassroots challenges, to motivate startups to work towards finding innovative solutions to the challenges.
- **Swachh Bharat Mission - Urban**, implemented by MoHUA, focuses on innovation and encouragement for startups to adopt locally innovative, implementable solutions and business models and promote waste management.

About Swachhta Start-up Challenge ?

- It was launched to increase innovation in waste management.
- It was launched by the **Agence Francaise de Developpement (AFD)** and the **Department of Promotion of Industry and Internal Trade, DPIIT.**
- The AFD is a **French public financial institution** that implements the policies of the French government.

- The objective of this challenge is to harness the entrepreneurial potential of the waste management sector in India and promote an enabling environment for enterprise development.
- The top ten winners of this challenge will be given a prize money of **Rs 25 lakh**.
- **Union Ministry of Housing and Urban Affairs (MoHUA) - Hardeep Singh Puri**

10. MAS and IFSCA sign agreement to advance cross-border fintech innovations (Sept. 19, 2022)

The Monetary Authority of Singapore (MAS) and the International Financial Services Centres Authority (IFSCA) on 18 September signed a FinTech Co-operation Agreement (CA) to facilitate regulatory collaboration and partnership in FinTech.

IMPORTANT FACTS -

- This formal treaty is called the **Fintech Cooperation Agreement (CA)**.
- Sopanendu Mohanty, Chief Fintech Officer, MAS and Joseph Joshi, Chief Technology Officer, IFSCA were present at the signing of the agreement.

Objectives of agreement :

- Through the CA, the two collaborating bodies aim to overlook sandbox collaboration and promote objectives such as the dissemination of information.
- MAS and IFSCA will maximise the use of existing sandboxes in their respective jurisdictions.
- This is to support the use of technological innovations.

What steps will be taken to achieve this ?

- Both bodies will refer and connect companies to each others' sandboxes.
- They will innovatie cross-border experimentation in both jurisdictions.
- This agreement will allow IFSCA and MAS to determine suitable use cases which could benefit from these kinds of cross-border experiments.
- Inviting relevant jurisdictions to participate in this global regulation would be another initiative taken under this agreement.

ADDITIONAL INFORMATION -

What is Financial Technology (Fintech) ?

- Fintech refers to the integration of technology by financial services companies to improve their use and delivery to consumers.
- Fintech is used to help companies, business owners and consumers to better manage their financial operations and processes etc.
- Examples of fintech applications are - robo advisors, payments apps, peer-to-peer (P2P) lending apps, investment apps, and crypto apps etc.