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# Banking events Update

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Those who win, are those, who think they can

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**BANKING  
POLICY****Changes in RBI Policy Rates**

On 22.05.20, RBI made the following changes with immediate effect:

1. Bank Rate from 4.65% to 4.25%.
2. Policy repo rate under Liquidity Adjustment Facility (LAF) reduced by 40 basis points to 4.00% from 4.40%.
3. Standing Liquidity Facility provided to Primary Dealers (PDs) (collateralised liquidity support) from RBI would be available at revised repo rate of 4.00 per cent with effect from May 22, 2020.
4. Reverse Repo rate under LAF stands adjusted to 3.35%.
5. Marginal Standing Facility (MSF) rate stands adjusted 4.25%

**Pre-shipment and Post-shipment Export Credit –  
Extension of Period of Advance**

RBI had permitted the period of realisation and repatriation of the export proceeds to India to be increased from 9 months to 15 months from the date of export in respect of exports made upto July 31, 2020. In line with this relaxation, RBI decided (on 23.05.20) to increase the maximum permissible period of pre-shipment & post-shipment export credit sanctioned by banks from 1 year to 15 months, for disbursements made upto July 31, 2020.

**COVID19 Package – Resolution Timelines under  
Framework on Resolution of Stressed Assets (23.05.20)**

- a. In respect of accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, residual Review Period shall resume from Sept 1, 2020, upon expiry of which lenders shall have the usual 180 days for resolution.
- b. For accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.
- c. Consequently, the requirement of making additional provisions specified in Prudential Framework shall be triggered as and when the extended resolution period, as stated above, expires.

**Large Exposures Framework – Increase in Exposure to a  
Group of Connected Counterparties**

As per RBI circular dated 03.06.19, sum of all exposure values to a group of connected counterparties must not be higher than 25% of bank's available eligible capital base at all times.

To facilitate greater flow of resources to corporates, RBI decided on 23.05.20, as a one-time measure, to increase a bank's exposure to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank.

3. The increased limit will be applicable up to June 30, 2021.

**Import of goods & services- Extension of time limits to  
Settle of import payment**

RBI decided on 22.05.20, to extend the time period for completion of remittances against normal imports (except in cases where amounts are withheld towards guarantee of performance etc.) from six months to twelve months from the date of shipment for such imports made on or before July 31, 2020.

**‘Voluntary Retention Route’ (VRR) for  
Foreign Portfolio Investors (FPIs)  
investment in debt - relaxations**

As per Forex Management (Debt Instruments) Regulations, 2019, Foreign Portfolio Investors (FPIs) shall invest at least 75% of their 'Committed Portfolio Size' (CPS) within three months from the date of allotment. In view of the disruptions caused by COVID-19, RBI decided on 22.05.20, to allow FPIs that have been allotted investment limits, between Jan 24, 2020 (the date of reopening of allotment of investment limits) and April 30, 2020, an additional time of 3 months to invest 75% of their CPS. For FPIs availing the additional time, retention period for investments (committed by them at the time of allotment of investment limit) would be reset to commence from date that FPI invests 75% of CPS.

**Reporting Platform for OTC Derivatives  
– Transactions undertaken by IFSC  
Banking Units (IBUs) and non-  
deliverable derivative contracts  
(involving Rupee or otherwise)**

In terms of RBI circular dated 27.03.20, banks in India having an Authorised Dealer Category-1 license under FEMA, 1999, and operating IBUs have been permitted, with effect from June 1, 2020, to offer non-deliverable derivative contracts (NDDCs) involving the Rupee, or otherwise, to persons not resident in India. Banks can undertake such transactions through their IBUs or through their branches in India or through their foreign branches (in case of foreign banks operating in India, through any branch of the parent bank).

2. All foreign exchange non-deliverable derivative contracts (involving Rupee or otherwise) undertaken by banks in India through their IBUs or through their branches in India or through their foreign branches (in case of foreign banks operating in India,

through any branch of the parent bank), shall be reported to CCIL's reporting platform with effect from June 1, 2020.

3. Earlier on 01.04.15, IBUs were permitted to undertake derivative transactions including structured products that the banks operating in India have been allowed to undertake as per the extant RBI directions. For undertaking any other derivative product, IBUs are required to obtain the prior approval of the RBI.

4. RBI has mandated that all OTC foreign exchange, interest rate and credit derivative transactions, both inter-bank and client, will be reported to CCIL's trade reporting platform. RBI decided on 18.05.20, that IBUs shall report all OTC foreign exchange, interest rate and credit derivative transactions - both interbank and client transactions - undertaken by them to CCIL's reporting platform with effect from June 1, 2020. Additionally, as a one-time measure to ensure completeness of data, all matured and outstanding transactions as on 31.05.20, shall be reported by 31.07.20.

#### **Risk Management and Inter-bank Dealings – Hedging of Foreign Exchange Risk-Date of Implementation**

As per RBI circular dated 07.04.20, the Directions on Hedging of Foreign Exchange Risk were to come into effect from June 1, 2020. RBI decided on 18.05.20, that the Directions will now come into effect from September 1, 2020.

#### **Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit-Extension**

RBI informed banks on 13.05.20, that Government of India approved the extension of Interest Equalization Scheme for pre and post shipment Rupee export credit, with same scope and coverage, for one more year i.e. upto March 31, 2021. The extension shall take effect from April 01, 2020 and end on March 31, 2021 covering a period of one year.

#### **Submission of regulatory returns - Extension of timelines**

In order to mitigate the difficulties in timely submission of various regulatory returns, in view of disruptions on account of COVID-19 pandemic, it has been decided to extend the timelines for their submission.

Accordingly, all regulatory returns required to be submitted by the above entities to the Department of Regulation can be submitted with a delay of upto 30 days from the due date. The extension will be applicable to regulatory returns required to be submitted upto June 30, 2020. Those entities that are in a position to submit returns earlier may continue to do so. It may be noted that no extension in timeline is permitted for submission of statutory returns i.e. returns prescribed under the Banking Regulation Act, 1949, RBI Act, 1934 or any other Act (for instance, returns related to CRR/SLR).

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## RBI Review of Monetary Policy

On 22.05.20, RBI announced the following:

### 1. Refinancing Facility for Small Industries Development Bank of India (SIDBI)

In view of the tightening of financial conditions due to COVID-19 pandemic, and difficulties in raising resources from the market, the RBI had announced a special refinance facility of Rs.15,000 crore to SIDBI for on-lending/refinancing. Advances under this facility were provided at the RBI's policy repo rate at the time of availment for a period of 90 days. RBI decided to roll over the facility at the end of the 90th day for another period of 90 days.

### 2. Investments by Foreign Portfolio Investors (FPIs) under the Voluntary Retention Route (VRR)

VRR introduced in March 2019 facilitates long term and stable FPI investment in debt and offers operational flexibility in terms of instrument choices and exemptions from certain regulatory requirements. In view of difficulties expressed by FPIs and their custodians on account of COVID-19 related disruptions in adhering to the condition that at least 75% of allotted limits be invested within 3 months, RBI decided that an additional 3 months will be allowed to fulfil this requirement.

### 3. Export Credit

RBI had permitted an increase in the period of realization and repatriation of export proceeds to India from 9 months to 15 months from the date of export in respect of exports made up to or on July 31, 2020. RBI decided to increase the maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks from the existing one year to 15 months, for disbursements made up to July 31, 2020.

### 4. Liquidity Facility for Exim Bank of India

RBI decided to extend a line of credit of Rs.15,000 crore to the EXIM Bank for a period of 90 days from the date of availment with rollover up to a maximum period of one year so as to enable it to avail a US dollar swap facility to meet its foreign exchange requirements.

### 5. Extension of Time for Payment for Imports

At present, remittances for normal imports (excluding import of gold/diamonds and precious stones/jewellery) into India are required to be completed within a period of six months from the date of shipment by the overseas supplier, except in cases where amounts are withheld towards guarantee of performance. RBI decided to extend the time period for completion of remittances against normal imports into India (except in cases where

amounts are withheld towards guarantee of performance) from 6 months to 12 months from date of shipment for imports made on or before 31.07.20.

### 6. Moratorium on Term Loan Instalments

On March 27, 2020, RBI permitted all commercial banks (including RRBs, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs (including housing finance companies and micro-finance institutions) to allow a moratorium of 3 months on payment of instalments in respect of all term loans outstanding as on March 1, 2020. RBI decided to permit lending institutions to extend the moratorium on term loan instalments by another three months, i.e., from Jun 1, 2020 to Aug 31, 2020. Accordingly, the repayment schedule and all subsequent due dates, as also the tenor for such loans, may be shifted across the board by another 3 months.

### 7. Interest on Working Capital Facilities

In respect of working capital facilities sanctioned in the form of cash credit/overdraft, lending institutions can allow a deferment of another 3 months, from June 1, 2020 to August 31, 2020, in addition to the 3 months allowed on 27.03.20, on payment of interest in respect of all such facilities outstanding as on March 1, 2020.

### 8. Payment of Interest on Working Capital Facilities for the Deferment Period

Lending institutions can convert the accumulated interest on working capital facilities over the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (i.e., March 31, 2021).

### 9. Asset Classification

(i) As the moratorium/deferment is being provided specifically to enable borrowers to tide over COVID-19 disruptions, the same will not be treated as changes in terms and conditions of loan agreements due to financial difficulty of the borrowers and, consequently, will not result in asset classification downgrade.

(ii) As earlier, the rescheduling of payments on account of the moratorium/deferment will not qualify as a default for the purposes of supervisory reporting and reporting to credit information companies (CICs) by the lending institutions. CICs shall ensure that the actions taken by lending institutions in pursuance of these announcements do not adversely impact credit history of the borrowers.

(iii) In respect of all accounts for which lending institutions decide to grant moratorium/deferment, and which were standard as on March 1, 2020, the 90-day NPA norm shall also exclude the extended moratorium/



deferment period. Consequently, there would be an asset classification standstill for all such accounts during the moratorium/deferment period from 01.03.20 to 31.08.20. Thereafter, normal ageing norms shall apply.

(iv) NBFCs, which are required to comply with Indian Accounting Standards (IndAS), may follow the guidelines duly approved by their Boards and advisories of the Institute of Chartered Accountants of India (ICAI) in recognition of impairments. Thus, NBFCs have flexibility under the prescribed accounting standards to consider such relief to their borrowers.

### 10. Easing of Working Capital Financing

(i) In respect of working capital facilities sanctioned in as cash credit/overdraft, lending institutions can recalculate the 'drawing power' by reducing the margins till the extended period, i.e., August 31, 2020. Lending institutions can restore the margins to the original levels by March 31, 2021.

(ii) Further, lending institutions can reassess the working capital cycle of a borrowing entity up to an extended period till March 31, 2021.

(iii) Such changes in credit terms permitted to the borrowers to specifically tide over COVID-19's fallout will not be treated as concessions granted due to financial difficulty of the borrower and consequently, will not result in asset classification downgrade.

### 11. Extension of Resolution Timeline

Under the Prudential Framework, lending institutions are required to hold an additional provision of 20% in the case of large accounts under default if a resolution plan has not been implemented within 210 days from the date of such default. Given the continuing challenges to resolution of stressed assets, lending institutions can exclude the entire moratorium/deferment period from March 1, 2020 to August 31, 2020 from the calculation of 30-day Review Period or 180-day Resolution Period, if the Review/Resolution Period had not expired as on March 1, 2020.

### 12. Limit on Group Exposures under the Large Exposures Framework

Under the extant guidelines on the Large Exposures Framework, the exposure of a bank to a group of connected counterparties shall not be higher than 25 percent of the bank's eligible capital base at all times. RBI decided, as a one-time measure, to increase a bank's exposure to a group of connected counterparties from 25 per cent to 30 per cent of the eligible capital base of the bank. The increased limit will be applicable up to June 30, 2021.

## Economic Relief Package for Covid19 Challenge

On May 12, 2020, Govt. made announcement of a package of Rs.2097053 cr. (Rupees in crores).

1st Tranche - Firming India's economic backbone	594550
2nd Tranche-Poor, migrants and farmers	10000
3rd Tranche-Agriculture	150000
4th and 5th Tranche	48100
Sub-total	1102650
Earlier measures:	192800
-PM Greet Kalyan Program	170000
-Tax relief revenue lost since 22.03.20	7800
-PM announcement for health sector	15000
RBI Measures	801403
Total	2097053

### Atmanirbhar Bharat

Govt. also announced the concept of Atmanirbhar Bharat with following 5 pillars :

- Economy, Infrastructure, System, Vibrant Demography and Demand
- Special economic and comprehensive package of Rs 20 lakh crores - equivalent to 10% of India's GDP
- Package to cater to various sections including cottage industry, MSMEs, labourers, middle class, industries, among others.
- Bold reforms across sectors will drive the country's push towards self-reliance
- It is time to become vocal for our local products and make them global.

### Trenche-1

### Rs 3 lakh crores Collateral-free Automatic Emergency Loans for Businesses, including MSMEs

Borrowers with outstanding up to Rs. 25 crore outstanding and Rs. 100 crore turnover are eligible.

- Loans to have 4 year tenor with moratorium of 12 months on Principal repayment
- Interest to be capped
- 100% credit guarantee cover to Banks and NBFCs on principal and interest
- Scheme can be availed till 31st Oct 2020
- No guarantee fee, no fresh collateral

### Rs 20,000 crores Subordinate Debt for Stressed MSMEs : Functioning MSMEs which are NPA or are stressed will be eligible.

- Govt. to provide a support of Rs. 4,000 Cr. to CGTMSE
- CGTMSE to provide partial Credit Guarantee support to Banks.
- Promoters of MSME to be given loans by banks, which will then be infused by promoter as equity in the Unit.

Continued on page -7 ...

### Practical Problems based on Banking Ombudsman Decisions

1) The complainant alleged that her sister did not receive scholarship of Rs.30,000 granted by the Ministry of Minority Affairs, which had been remitted by issuing bank. Bank informed that the funds could not be credited to beneficiary's account as it was frozen due to non-compliance with KYC norms. The amount was returned to the remitting bank. BO observed that the bank did not observe RBI guidelines which stipulate that banks can impose partial freeze in a phased manner i.e. after giving due notice of 3 months to the customer followed by a reminder giving another 3 months for compliance. The bank was advised to pay Rs.30,000 to the complainant.

2) The complainant had transferred Rs.0.2 million to an account towards advance for franchisee license. He was informed that the amount was credited to a/c number given by complainant. BO observed that complainant was lured by a fake advertisement. It seemed to be a case of fraud by a 3rd party. KYC documents of beneficiary a/c holder indicated discrepancies. As such the beneficiary bank was advised to mark lien in beneficiary's a/c and refund the disputed amount to complainant. The bank reversed Rs.2,498 (funds available in beneficiary's a/c) and marked lien for balance amount until availability of funds in the a/c. The complainant again requested to revisit the case as similar instances of fraudulent transfers having same modus operandi had come to his notice. A meeting was held with beneficiary bank and it was observed that the said beneficiary's a/c was opened only to pool proceeds of such fraudulent transfers. BO advised the bank to compensate the complainant with the balance amount due to non-compliance with RBI's KYC norms.

3) The complainant alleged that he had approached the bank to withdraw money from his mother's pension account as she was bed ridden and had difficulty in speaking but the bank refused. Upon enquiry, the bank informed that the complainant's mother was above 90 years of age, bed ridden and unconscious for last 3 years. As the complainant was not an authorized signatory or a legal heir, the bank could not allow withdrawal. It further informed that payment could be made to the legal heirs, provided the following documents are submitted : (i) a consent letter verified by two outside parties and the branch manager from legal heirs authorising one of them to withdraw the balance in SB account of the complainant's mother; and (ii) a medical certificate from the doctor who has been treating complainant's mother certifying her inability to sign / execute documents. The bank, on receipt of the same later transferred an amount of Rs.16,500 to the complainant's a/c.

4) The complainant, a pensioner on receipt of the revised pension order dated October 28, 2016 requested the bank to release the pension arrears w.e.f. Jan 1, 2006. He alleged that the bank had not credited the arrears and the papers were pending with Central Pension Processing Centre (CPPC) of bank for last one year. The bank submitted that the pensioner had received the arrears on August 31, 2016 as per 7th Central Pay Commission. Upon enquiry regarding the PPO dated October 28, 2016 the bank informed that the same pertained to 6th Central Pay Commission and the arrears had not been paid as its CPPC had not received the revised order from Central Pension Accounting Office (CPAO). The bank on advice of the BO took up with CPAO and credited the arrears on November 27, 2017. BO further advised the bank to pay interest for the delayed period as per extant instructions.

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## Economic Relief Package for Covid19 Challenge

(.....Continued from page -5)

### Rs 50,000 cr. Equity infusion for MSMEs through Fund of Funds

MSMEs that face severe shortage of equity, are eligible.

- Fund of Funds with Corpus of Rs 10,000 crores will be set up.
- Will provide equity funding for units with growth potential & viability.
- FoF will be operated through a Mother Fund & few daughter funds
- Fund structure will help leverage Rs 50,000 cr of funds at daughter funds level
- Will help to expand MSME size as well as capacity.
- Will encourage MSMEs to get listed on main board of Stock Exchanges.

### New Definition of MSMEs

- Distinction between manufacturing and services activities has been withdrawn.
- New classification is based on investment + annual sales turnover.
- Both conditions to be satisfied simultaneously.
- Micro enterprises–Investment up to Rs.1 cr + turnover up to Rs.5 cr.
- Small enterprises - Investment up to Rs.10 cr and turnover upto Rs.50 cr.
- Medium - Investment up to Rs.50 cr and turnover up to Rs.250 cr.

### Global tenders

Indian MSMEs and other companies have often faced unfair competition from foreign companies. Hence, Global tenders will be disallowed in Government procurement tenders upto Rs 200 crores. MSME receivables from Govt. and CPSEs to be released in 45 days.

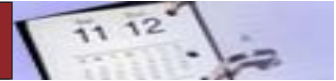
### Rs. 2500 crore EPF Support for Business & Workers for 3 more months

- Under Pradhan Mantri Garib Kalyan Package, payment of 12% of employer and 12% employee contributions was made into EPF accounts of eligible establishments.
- It was provided for salary for months of Mar, April and May 2020
- This support will be extended by another 3 months to salary for months of June, July and August 2020

### EPF contribution reduced for Business & Workers for 3 months

- Statutory PF contribution of both employer and employee will be reduced to 10% each from existing 12% each for all establishments covered by EPFO for next 3 months.
- CPSEs and State PSUs will however continue to contribute 12% as employer contribution.

## Financial Events



- This scheme will be applicable for workers not eligible for 24% EPF support under PM Garib Kalyan Package and its extension.

### Rs 30,000 crore Special Liquidity Scheme for NBFCs/HFCs/MFIs

- Government will launch a Rs 30,000 crore Special Liquidity Scheme
- Under this scheme investment will be made in both primary and secondary market transactions in investment grade debt paper of NBFCs/HFCs/MFIs
- Will supplement RBI/Government measures to augment liquidity
- Securities will be fully guaranteed by GoI

### Rs 45,000 crore Partial Credit Guarantee Scheme 2.0 for NBFCs

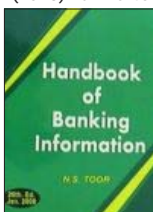
- NBFCs, HFCs and MFIs with low credit rating require liquidity to do fresh lending to MSMEs and individuals
- Existing PCGS scheme to be extended to cover borrowings such as primary issuance of Bonds/ CPs (liability side of balance sheets) of such entities
- First 20% of loss will be borne by the Guarantor ie., Government of India.
- AA paper and below including unrated paper eligible for investment (esp. relevant for many MFIs)

### Rs. 90,000 Cr. Liquidity Injection for DISCOMs

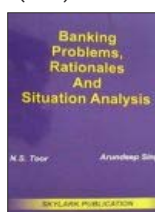
- DISCOM payables to Power Generation and Transmission Companies is currently Rs 94,000 cr.
- PFC/REC to infuse liquidity of Rs 90,000 cr to DISCOMs against receivables
- Loans to be given against State guarantees for discharging liabilities to Gencos.

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### Relief to Contractors

- Extension of up to 6 months (without costs to contractor) to be provided by all Central Agencies (like Railways, Ministry of Road Transport & Highways, Central Public Works Dept, etc)
- Covers construction/ works and goods and services contracts
- Covers obligations like completion of work, intermediate milestones etc. and extension of Concession period in PPP contracts
- Government agencies to partially release bank guarantees, to the extent contracts are partially completed, to ease cash flows

### Extension of Registration and Completion Date of Real Estate Projects under RERA

Treat COVID-19 as an event of 'Force Majeure' under RERA.

- Extend the registration and completion date suo-moto by 6 months for all registered projects expiring on or after 25th March, 2020 without individual applications.
- Regulatory Authorities may extend this for another period of upto 3 months, if needed
- Issue fresh 'Project Registration Certificates' automatically with revised timelines.

### Rs 50,000 crores liquidity through TDS/TCS rate reduction

- In order to provide more funds at the disposal of the taxpayers, the rates of Tax Deduction at Source (TDS) for non-salaried specified payments made to residents and rates of Tax Collection at Source (TCS) for the specified receipts shall be reduced by 25% of the existing rates.
- Payment for contract, professional fees, interest, rent, dividend, commission, brokerage shall be eligible for TDS reduced rate.
- This reduction shall be applicable for the remaining part of the FY 2020-21 i.e. from tomorrow to 31st March, 2021.

### Other Direct Tax Measures

Due date of all income-tax return for FY 2019-20 will be extended from 31st July, 2020 & 31st October, 2020 to 30th November, 2020 and Tax audit from 30th September, 2020 to 31st October, 2020

Date of assessments getting barred on 30th September, 2020 extended to 31st December, 2020 and those getting barred on 31st March, 2021 will be extended to 30th September, 2021.

- Period of Vivad se Vishwas Scheme for making payment without additional amount will be extended to 31st December, 2020

### Trenche-2

### Direct Support to Farmers & Rural Economy provided post COVID

- Interest Subvention and Prompt Repayment Incentive on crop loans, due from 1st March, extended up to 31st May, 2020
- 25 lakh new Kisan Credit Cards sanctioned with a loan limit of Rs. 25,000 cr.

### Support for Migrants and Urban Poor during last 2 months

- Government of India permitted State Governments to utilise State Disaster Response Fund (SDRF) for setting up shelter for migrants and providing them food and water etc.
- Central Government also released Rs 11002 crore of its contribution in advance to all States on 3rd April, to augment funds in their SDRF.

### MGNREGS support to returning Migrants

- Average wage rate rose to Rs. 202 from Rs. 182 in last FY
- States/UTs advised to provide works to migrant workers as per the provisions of the Act.

### Affordable Rental Housing Complexes (ARHC) for Migrant Workers / Urban Poor

Government will launch a scheme under PMAY for migrant labour/urban poor to provide ease of living at affordable rent.

### Rs. 1500 crores Interest Subvention for MUDRA-Shishu Loans

Government of India will provide Interest subvention of 2% for prompt payees for a period of 12 months.

### Rs 5000 cr Special Credit Facility for Street Vendors

Government will launch a special scheme within a month to facilitate easy access to credit to street vendors.

Initial working capital loan up to Rs. 10,000, shall be provided.

### Rs 70,000 crore boost to housing sector and middle income group through extension of CLSS

Credit Linked Subsidy Scheme (CLSS) for Middle Income Group (Annual Income: Rs 6–18 lakhs) was operationalized from May 2017. Government will extend the CLSS Scheme up to March 2021.

### Rs 30,000 crores Additional Emergency Working Capital Funding for farmers through NABARD

- NABARD will extend additional refinance support of Rs. 30,000 crore for crop loan requirement of Rural Co-op Banks & RRBs.
- This is over and above Rs 90,000 crore to be provided by NABARD through the normal refinance route during this year



### Rs 2 lakh crore Concessional credit boost to 2.5 crore farmers through Kisan Credit Cards

Special drive to be undertaken to provide concessional credit to PM-KISAN beneficiaries through Kisan Credit Cards

#### Tranche-3

### Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers

Financing facility of Rs. 1,00,000 crore will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organisations, Agriculture entrepreneurs, Startups, etc.)

### Rs 10,000 crores scheme for Formalisation of Micro Food Enterprises (MFE)

- Existing micro food enterprises, Farmer Producer Organisations, Self Help Groups and Cooperatives to be supported
- Cluster based approach (e.g. Mango in UP, Kesar in J&K, Bamboo shoots in North-East, Chill in Andhra Pradesh, Tapioca in Tamil Nadu etc.)

### Rs 20,000 crores for Fishermen through Pradhan Mantri Matsya Sampada Yojana (PMMSY)

- Government will launch the PMMSY for integrated, sustainable, inclusive development of marine and inland fisheries.
- Rs 11,000 Cr for activities in Marine, Inland fisheries and Aquaculture
- Rs. 9000 Cr for Infrastructure - Fishing Harbours, Cold chain, Markets etc.
- Cage Culture, Seaweed farming, Ornamental Fisheries as well as New Fishing Vessels, Traceability, Laboratory Network etc. will be key activities.

#### Tranche – 4

### Policy Reforms to fast-track Investment – Effort towards AtmanirbharBharat

- Fast track Investment Clearance through Empowered Group of Secretaries (EGoS).
- Project Development Cell in each Ministry to prepare investible projects, coordinate with investors and Central/ State Governments
- Ranking of States on Investment Attractiveness to compete for new investments
- Incentive schemes for Promotion of New Champion Sectors will be launched in sectors such as Solar PV manufacturing; Advanced cell battery storage; etc.

### Upgradation of Industrial Infrastructure

- Scheme will be implemented in States through Challenge mode for Industrial Cluster Upgradation of common infrastructure facilities and connectivity.
- Availability of Industrial Land/ Land Bank for promoting new investments and making information available on Industrial Information System (IIS) with GIS mapping.
- 3376 industrial parks/estates/SEZs in 5 lakh hectares mapped on Industrial Information System (IIS)
- All industrial parks will be ranked in 2020-21

#### Tranche-5

### Reforming Governance for Ease of Doing Business

Government is working on a mission mode on the next phase of Ease of Doing Business Reforms relating to easy registration of property, fast disposal of commercial disputes and simpler tax regime for making India one of the easiest places to do business

Rs 40,000 crores increase in allocation for MGNREGS to provide employment boost

### Technology Driven Education with Equity post-COVID

- PM eVIDYA- A programme for multi-mode access to digital/online education to be launched immediately; consisting of:
  - DIKSHA for school education in states/ UTs: e-content and QR coded Energized Textbooks for all grades (one nation, one digital platform)
  - One earmarked TV channel per class from 1 to 12 (one class, one channel)
  - Top 100 universities will be permitted to automatically start online courses by 30th May, 2020.

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## Financial Events in May 2020

- **MSME SCHEME NORMS RELAXED FOR PROJECT CLEARANCE:** Under the PMEGP scheme, loans up to Rs.25 lakh are given for manufacturing and service industries in which subsidy is provided by KVIC. So far, such proposals were scrutinised by the District Level Task Force. Since the District Collector is often inundated with administrative duties, there was considerable delay in sanctioning of the projects. Hence, Ministry of MSME has done away with district level approval system and eased up the procedure for the scheme that helps fund enterprises in rural and semi rural areas.
- **INDIA OFFERS LAND TO COMPANIES LEAVING CHINA:** India is developing a land pool nearly double the size of Luxemburg to lure businesses moving out of China. Land has been one of the biggest impediments for companies looking to invest in India. The Centre is working with the State governments to change this scenario as investors seek to reduce reliance on China as manufacturing base in the aftermath of the coronavirus outbreak and the resultant supply disruption. A total area of 461, 589 hectare has been identified across the country for the purpose.
- **SEBI ON EASING QIP PRICING NORMS:** Pricing norms for Qualified Institutional Placements (QIP) mandate that the issue price in QIP to be not less than the average of weekly high and low for two weeks preceding the relevant date. A further discount of up to 5% on the floor price can be offered to investors. Investment bankers asked SEBI to allow companies to offer a 10% discount on the floor price as cash strapped firms are struggling to raise money due to earnings uncertainty. But SEBI feels that share prices were already trading at lower levels and so the Regulator has rejected the proposal of the investors.
- **SUPREME COURT RULING ON CO-OP BANKS:** In a landmark ruling, a Supreme Court five-judge Constitution bench has ruled that the Co-operative Banks can use the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFESI Act) for recovery of debts from defaulters and can seize and sell their assets to recover their dues.
- **INDIA TO CONSIDER TAX RELIEF ON FORCED RESIDENCY DUE TO LOCKDOWN:** As per provisions applicable up to FY20 any individual who stays in India for 182 days or more in a financial year or 60 days or more in a financial year and at least 365 days in the past four years is a tax resident in India. His or her global income becomes taxable in India as well. The Finance Act 2020 amended the Income Tax Act in which Indian citizens or persons of India origin who have India-sourced income exceeding Rs.15 Lakh will be regarded as Indian Tax residents in a financial year if their stay is 120 days or more and at least 365 days in the past four financial years. India has been under lockdown since March 25 and stopped international flights even before that. India may provide relief to individuals who have technically become resident in the country because they have been forced to extend their stay due to lockdown.
- **GOVT. TO RAISE GROSS MARKET BORROWING TARGET:** The Government has raised its gross market borrowing target for the current financial year to Rs.12 Lakh Crore from Rs.7.8 Lakh Crore estimated in the budget, attributing the over 50% increase in the borrowing to the Covid-19 pandemic. The higher borrowing is possible due to a combination of lower taxes and more fiscal stimulus to support the economy.
- **PFRDA TO OFFER MORATORIUM ON NCD PAYMENTS:** PFRDA plans to offer companies a three-month moratorium on interest and principal payments on bonds and debentures held by Pension Funds in line with the bank and market regulators offering moratorium on loan and bond payments. Pension Fund Managers will be asked not to treat delayed or skipped payments as defaults between March and May period.
- **GOVT. HIKES STATE GOVT. BORROWING LIMIT:** The Centre acceded to a demand from States that their market borrowing limit be enhanced. The Union Finance Minister has raised the net borrowing limit for state governments from 3% of the Gross State Domestic Product (GSDP) to 5% to make available an additional Rs.4.28 Lakh Crore to all states combined. While 0.5 percentage points (pps) of the extra borrowing window will be available to all states unconditionally, one percentage point will be made available in four equal tranches with each to clearly “specified, measurable and feasible reform actions. The balance 0.5 pps can be accessed if milestones are completely achieved in at least three out of four areas-Universalisation of “One Nation One Ration Card” , ease of doing business, power distribution and augmentation of urban local body revenues.

## GENERAL AWARENESS

- Rating Agency which predicts that India to see a permanent loss of 4% of GDP or Rs.9 Lakh Crore due to disruptions triggered by Covid-19 pandemic- CRISIL.
- Market Research Firm which has revised its outlook for the growth of the FMCG segment downgrading it from 9-10% to 5-6% for this year due to Covid-19-Nielsen.
- India's Richest Person who has decided to forgo his entire Compensation as the company announced salary cuts for its employees in the hydrocarbon business- Mukesh Ambani, Chairman of Reliance Industries.
- Scheme which was launched in January for 12 States now has been extended for more 5 states now totaling 17 states in the country- Scheme for Portability of Ration Cards.
- Indian Government to cap Corona Relief at \$60bn as excess spending could trigger – Sovereign Rating Downgrade.
- For the First Time in History of Independent India, Auto Car-makers posted – Zero Sale in April.
- Co-op. Bank whose licence has been cancelled by RBI- CKP Co-operative Bank Mumbai.
- As, collections of Power Discoms across the country have reduced by 80% barely enough to sustain staff salaries, India faces- Serious Risk of Blackouts.
- Under new FDI norms, for investments from countries sharing land border with it including China, Prior Govt. Nod made- Mandatory.
- Bank which has been allowed by Delhi High Court to deduct Indiabulls' loan instalments from their Fixed Deposit which it holds as security- HDFC Bank.
- Imports which fell to 99.5% to 60 kilogram in April from 13 tonne in month ago- Gold Imports.
- For First Time, Court whose hearing to be Broadcast Live- US Supreme Court.
- Banks whose earnings estimates have been cut by 90% and downgraded them by Bank of American Securities- SBI, ICICI Bank, BOB and IndusInd Bank.
- India to deploy Commercial Jets, Military Transport Planes and Naval warships to bring back 108million Indians from abroad due to Covid-19 disruptions- Biggest Peacetime Repatriation.
- Sector in which the Index plunged to 5.4 in April from 49.3 in March, an unprecedented contraction since the survey started over 14 years ago- Services Sector.
- To ensure health and hygiene measures the “Construction Sector” to have- Covid Marshals.
- State which has emerged as the State with the Highest Fatality Rate of 10% as India crosses 50000 mark in Covid-19 cases- West Bengal.
- Bank whose Licence has been cancelled by RBI has become the First Bank to get benefit from Higher DICGC Cover of Rs.5 Lakh which was raised from Rs.1 Lakh in the Budget- CKP Co-op Bank Mumbai.
- Bank in which loans were given Rs.66000 Crore more than its deposits in FY 20 showing

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- disturbing CD ratio and mismatch- YES Bank.
- Bank which has approved a \$500 million Loan to support India's fight against the Covid-19 pandemic- Asian Infrastructure Investment Bank.
- Tribunal which has imposed interim penalty of Rs.50 Crore on LG Polymers India in the "Gas Leak Incident" in Vishakhapatnam- National Green Tribunal.
- India connects Kailas Mansarovar Route to- Actual Line of Control between India and China.
- Rating Agency which has predicted that India's Economy will not grow in FY21 due to Deep Shock caused by Covid-19 and it may grow 0% in FY21- Moody's.
- Authority which has ruled that the salary of a Director in a company is not liable to be taxed under GST- Karnataka Authority of Advanced Rulings.
- Prime Minister cited economy, infrastructure, system, demography and demand- Five Pillars of Self-Reliance.
- Govt. has made "Arogya Setu Mobile App."- Mandatory for Travel.
- Trust from which Govt. decided to allocate Rs.3100 Crore for fight against Covid-19 (Rs.2000 Crore for Ventilators, Rs.1000 Crore for Migrant Labourers and Rs.100 Crore for Coronavirus Vaccine)- PM Cares Fund Trust.
- As per Govt. Decision, Canteens which have to sell only Local Products from June-1- Paramilitary Canteens.
- Report according to which India has moved up two positions to rank 74<sup>th</sup> on Global Energy Transition Index- World Economic Forum Report.
- Report as per which revenue loss for 21 major states in the country has been estimated as Rs.97100 Crore in April due to Lockdown- India Ratings Report.
- Bank which has fully disbursed \$1 Billion Emergency Assistance loan to India to contain spread of Covid-19- New Development Bank of BRICS.
- Pradeep Kumar Dass has been appointed as- CMD of Indian Renewable Energy Development Agency (IREDA)
- Scheme under which the Migrant Workers to get their monthly quota of Foodgrains from any fair Price Shop across the country- One Nation One Ration Card Scheme.
- Indian Exports fell over 60% in April due to Lockdown- Worst in 30 Years.
- Bank which has approved \$1 Billion loan to support India's fight against Covid-19- World Bank.
- Report according to which the cost of Coronavirus pandemic could reach as much as \$8.8 trillion or almost 10% of Global GDP- ADB Report.
- Index which has fallen to 44.2 in April-June quarter from 60.5 in the last quarter- Financial Sector Sentiments Index.
- To improve "Ease of doing business", Govt. allowed Indian Public Companies for- Direct Overseas Listing of Shares.
- India GDP to contract by 5% in FY 21 as predicted by- Goldman Sachs.
- Bank which has launched "Video KYC" for account opening- Kotak Mahindra Bank.
- Bank which has been directed by RBI to cut its stake in Insurance subsidiaries by 50% or below on or before December16- HDFC Bank.
- Stock Exchanges which have cut Listing Fee for SMEs by 25%- BSE and NSE.
- RBI has refused to give Licences to- NBFCs with Mauritius Investments.
- Entities which have been permitted by SEBI to invest additional funds in Govt. Securities and Treasury Bills- Mutual Funds.
- As per CBDT guidelines, Entities which have been exempted from certain digital payment modes- B2B Entities.
- Country which sold Bonds with an average yield below Zero for the First time- Britain.
- Bank which has announced \$160-bn assistance to 100 developing countries to fight the Covid-19 crises- World Bank.
- Country which has passed legislation to bar Chinese Companies from listing on its stock exchanges- US.
- Pension Fund Regulator PFRDA has allowed Aadhar-based Paperless KYC process for on-boarding of new subscribers under-National Payment System (NPS)
- Bank which is to give 7% interest on Savings Account opened via Video KYC- IDFC First Bank.
- As per Govt. Notification, Donations which will be counted as Corporate Social Responsibility (CSR) - PM CARES Donations.
- Paperless Allotment facility has been rolled out by CBDT for applicants possessing valid Aadhar Number and having Mobile Number registered with Aadhar for getting- PAN.
- Bank which has been monetary penalised by RBI with a fine of Rs.4 Crore for contravention of guidelines of Banking Regulation Act- Citi Bank.





## MOCK-TEST PAPER

- 01** As per Govt. of India Covid19 Relief Package, what is the total amount of collateral free Emergency Working Capital facility to be provided to MSME sector?
- a Rs.300000 cr  
b Rs.250000 cr  
c Rs.200000 cr  
d Rs.100000 cr
- 02** As per Govt. of India Covid19 Relief Package, an MSME shall be eligible for collateral free Emergency Working Capital facility where the borrower has outstanding credit of \_\_\_\_ and sales turnover up to Rs.\_\_\_\_?
- a 10 cr, 50 cr  
b 20 cr, 50 cr  
c 25 cr, 100 cr  
d 25 cr, 50 cr
- 03** As per Govt. of India Covid19 Relief Package, what is the tenor of collateral free Emergency Working Capital facility to be provided to MSME sector?
- a 12 months    b 2 years  
c 3 years        d 4 years
- 04** As per Govt. of India Covid19 Relief Package, what is the size of subordinated debt to be provided to stressed MSME sector?
- a Rs.5000 cr  
b Rs.10000 cr  
c Rs.20000 cr  
d Rs.25000 cr
- 05** As per Govt. of India Covid19 Relief Package, what is amount of equity infusion through Fund of Funds to be provided to MSME sector?
- a Rs.50000 cr  
b Rs.10000 cr  
c Rs.20000 cr  
d Rs.25000 cr
- 06** As per Govt. of India Covid19 Relief Package, for MSME sector, global tenders will be disallowed in Govt. procurement tenders for value up to?
- a Rs.50 cr  
b Rs.100 cr  
c Rs.200 cr  
d Rs.250 cr
- 07** As part of Govt. of India Covid19 Relief Package, for MSME sector, a micro enterprise means a unit with investment in plant and machinery up to \_\_\_\_ and fulfilling the turnover criteria:
- a Rs.1 cr    b Rs.10 cr  
c Rs.20 cr    d Rs.100 cr
- 08** As part of Govt. of India Covid19 Relief Package, for MSME sector, a micro enterprise means a unit with annual sales turnover up to \_\_\_\_ and fulfilling the investment criteria:
- a Rs.1 cr    b Rs.5 cr  
c Rs.50 cr    d Rs.100 cr
- 09** As part of Govt. of India Covid19 Relief Package, for MSME sector, a small enterprise means a unit with investment in plant and machinery up to \_\_\_\_ and fulfilling the turnover criteria:
- a Rs.1 cr    b Rs.10 cr  
c Rs.20 cr    d Rs.100 cr
- 10** As part of Govt. of India Covid19 Relief Package, for MSME sector, a small enterprise means a unit with annual sales turnover up to \_\_\_\_ and fulfilling the investment criteria:
- a Rs.1 cr    b Rs.5 cr  
c Rs.50 cr    d Rs.100 cr
- 11** As part of Govt. of India Covid19 Relief Package, for MSME sector, a medium enterprise means a unit with investment in plant and machinery up to \_\_\_\_ and fulfilling the turnover criteria:
- a Rs.1 cr    b Rs.5 cr  
c Rs.50 cr    d Rs.100 cr
- 12** As part of Govt. of India Covid19 Relief Package, for MSME sector, a medium enterprise means a unit with annual sales turnover up to \_\_\_\_ and fulfilling the investment criteria:
- a Rs.1 cr    b Rs.5 cr  
c Rs.50 cr    d Rs.250 cr
- 13** As part of Govt. of India Covid19 Relief Package, Government will launch a Rs. \_\_\_\_ crore Special Liquidity Scheme
- a Rs.10000 cr  
b Rs.20000 cr  
c Rs.30000 cr  
d Rs.50000 cr
- 14** As part of Govt. of India Covid19 Relief Package, PFC/REC to infuse liquidity of Rs. \_\_\_\_ cr to DISCOMs against receivables
- a Rs.30000 cr  
b Rs.50000 cr  
c Rs.60000 cr  
d Rs.90000 cr
- 15** As part of Govt. of India Covid19 Relief Package, in order to provide more funds at the disposal of the taxpayers, the

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- rates of Tax Deduction at Source (TDS) for non-salaried specified payments made to residents and rates of Tax Collection at Source (TCS) for the specified receipts shall be reduced by \_\_\_\_ % of the existing rates.
- a 10%            b 20%  
c 25%            d 30%
- 16** As part of Govt. of India Covid19 Relief Package, Government of India will provide Interest subvention of \_\_\_\_% to prompt payees for a period of 12 months for Shishu loanees under MUDRA scheme.
- a 1%            b 2%  
c 2.5%          d 3%
- 17** As part of Govt. of India Covid19 Relief Package, special working capital credit facility shall be provided to street vendors up to :
- a Rs.5000      b Rs.7500  
c Rs.10000     d Rs.20000
- 18** As part of Govt. of India Covid19 Relief Package, NABARD will extend additional refinance support of Rs. \_\_\_\_ crore for crop loan requirement of Rural Co-op Banks & RRBs.
- a Rs.30000 cr  
b Rs.25000 cr  
c Rs.20000 cr  
d Rs.15000 cr
- 19** As part of Govt. of India Covid19 Relief Package, a new scheme to provide interest subvention @ \_\_\_\_ % per annum to dairy cooperatives for 20-21.
- a 1%            b 2%  
c 2.5%          d 3%
- 20** As part of Govt. of India Covid19 Relief Package, Financing facility of Rs. \_\_\_\_ crore will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organisations, Agriculture entrepreneurs, Startups, etc.)
- a Rs.30000 cr  
b Rs.50000 cr  
c Rs.75000 cr  
d Rs.100000 cr
- 21** As per RBI monetary and credit policy announcement on May 22, 2020, RBI decided to increase the maximum permissible period of pre-shipment and post-shipment export credit sanctioned by banks from the existing one year to \_\_\_\_ months, for disbursements made up to July 31, 2020.
- a 15 months    b 18 months  
c 21 months    d 24 months
- 22** As per RBI monetary and credit policy announcement on May 22, 2020, RBI decided to extend the time period for completion of remittances against normal imports into India (except in cases where amounts are withheld towards guarantee of performance) from six months to \_\_\_\_ from the date of shipment for such imports made on or before July 31, 2020.
- a 9 months  
b 12 months  
c 15 months  
d 19 months
- 23** As per RBI monetary and credit policy announcement on May 22, 2020, RBI decided, as a one-time measure, to increase a bank's exposure to a group of connected counterparties from \_\_\_\_ to \_\_\_\_ of the eligible capital base of the bank. The increased limit will be applicable up to June 30, 2021.
- a from 25 per cent to 30 per cent
- b from 20 per cent to 30 per cent  
c from 25 per cent to 40 per cent  
d from 20 per cent to 40 per cent
- 24** As per RBI monetary and credit policy announcement on May 22, 2020, RBI reduced the Repo Rate by 40 basis points to:
- a 3.35%          b 4%  
c 4.25%          d 4.5%
- 25** As per RBI monetary and credit policy announcement on May 22, 2020, RBI reduced the Repo Rate by 40 basis points and consequently the new Reverse Repo rate shall be:
- a 3.35%          b 4%  
c 4.25%          d 4.5%
- 26** As per RBI monetary and credit policy announcement on May 22, 2020, RBI reduced the Repo Rate by 40 basis points and consequently the new banks rate shall be:
- a 3.35%          b 4%  
c 4.25%          d 4.5%
- 27** As per RBI monetary and credit policy announcement on May 22, 2020, RBI reduced the Repo Rate by 40 basis points and consequently the new marginal standing facility rate shall be:
- a 3.35%          b 4%  
c 4.25%          d 4.5%
- 28** Government of India approved the extension of Interest Equalization Scheme for pre and post shipment Rupee export credit, with same scope and coverage, upto:
- a 30.09.20  
b 31.12.20  
c 31.03.21  
d 30.06.21
- Recalled Questions**
- 29** In a public limited company, maximum and minimum no. of share-holders is:
- a 50 and 10

- b No limit and 7  
c 100 and 2  
d 1000 and 100  
e any at company discretion
- 30** A uniform margin of \_\_\_\_\_ is to be applied on all advances / financing of IPOs / issue of guarantees on behalf of share and stockbrokers or on behalf of commodity brokers in favour of commodity exchanges viz. National Commodity & Derivatives Exchange, Multi Commodity Exchange of India Ltd. & National Multi Commodity Exchange of India Ltd. :
- a 50%            b 40%  
c 30%            d 25%
- 31** Risk Weightage on Consumer Credit/Credit Cards, for capital adequacy ratio purpose is:
- a 75%            b 125%  
c 100%           d 150%
- 32** In a partnership firm, the no. of partners cannot go beyond 100 depending upon the nature of business. The provision regarding this maximum no. of partners is mentioned in:
- a Indian Partnership Act 1932  
b Indian Contract Act 1972  
c Companies Act 2013  
d Banking Regulation Act 1949
- 33** A kite flying transaction represents which of the following:
- a when overdraft is allowed by a bank to a firm  
b when additional loan is allowed by a bank to a firm to cover the amount of irregularity in the account  
c when a bill is drawn without consideration by seller of goods on buyer of good.  
d when loan is allowed for low amount transaction
- 34** Financial literacy centres are eligible for funding support of maximum Rs. \_\_\_\_ per financial literacy camps?
- a Rs.10000    b Rs.15000  
c Rs.20000    d Rs.25000
- 35** When a loan is given by a bank on the security of railway receipt (RR) or goods receipt (GR) issued by a transport company, which type of charge is created
- a pledge  
b lien  
c hypothecation  
d assignment
- 36** What is the effect of not negotiable crossing:
- a Collecting banker should confirm about genuineness of holder before collection of his cheque  
b The not negotiable cheque cannot be further negotiated.  
c Collection of not negotiable cheque will not get protection under NI Act  
d A transferee cannot get better title than a transferor and he also cannot transfer a better title than he possesses.
- 37** The cause of action has arisen on Jan 22, 2017 under Consumer Protection Act. In this case, the suit can be filed by which of the following dates:
- a Feb 21, 2017  
b Jan 21, 2018  
c Jan 21, 2019  
d Jan 22, 2020
- 38** A fake Demand Draft has been paid. The reporting to RBI for this will be made by:
- a the branch that appears to have issued the DD  
b the branch /bank that has presented the DD for collection  
c the branch that has paid the DD  
d RBI shall decide as to who is to report
- 39** Against which of the following securities, the banks cannot grant loans:
- a shares of approved companies  
b mutual fund units  
c debentures of companies  
d certificate of deposit issued by banks
- 40** A cheque is presented for payment through clearing house but, it is returned unpaid. The returning memo is enclosed to comply with:
- a Negotiable Instruments Act  
b RBI Act  
c Banking Regulations Act  
d It is a practice  
e RBI clearing House rules
- 41** A company has failed to file particulars of charge for a loan raised from bank and a period of 4 months have already lapsed
- a the charge can be filed by the company any time by paying penalty  
b the charge can be filed by the company and bank together  
c the charge can be filed with the permission of RoC by paying penalty  
d the charge can be filed with the permission of Registrar of Companies, by paying penalty
- 42** Investment made by a firm in Debentures is classified in its balance sheet, as:
- a long term liability  
b current liability  
c non-current asset  
d intangible asset

Answers				
01 a	02 c	03 d	04 c	05 a
06 c	07 a	08 b	09 b	10 c
11 c	12 d	13 c	14 d	15 c
16 b	17 c	18 a	19 b	20 d
21 a	22 b	23 a	24 b	25 a
26 c	27 c	28 c	29 b	30 a
31 c	32 c	33 c	34 b	35 a
36 d	37 c	38 c	39 d	40 e
41 d	42 c			

**PM Garib Kalyan Package of Rs.1.70 lac Crore**

- Insurance cover of Rs 50 Lakh per health worker
- 80 crore poor people given benefit of 5 kg wheat or rice per person for next 3 months
- 1 kg pulses for each household free every month for the next 3 months
- 20 crore women Jan Dhan account holders get Rs 500 per month for next 3 months
- Gas cylinders, free of cost, provided to 8 crore poor families for the next 3 months
- Increase in MNREGA wage to Rs 202 a day from Rs 182 to benefit 13.62 crore families
- Ex-gratia of Rs 1,000 to 3 crore poor senior citizen, poor widows and poor Divyang
- Front-loaded Rs 2,000 paid to farmers under existing PM-KISAN to benefit 8.7 crore farmers
- Building and Construction Workers Welfare Fund allowed to be used to provide relief to workers
- 24% of monthly wages to be credited into their PF accounts for next three months for wage-earners below Rs 15,000 p.m. in businesses having less than 100 workers
- Five crore workers registered under Employee Provident Fund EPF to get non-refundable advance of 75% of the amount or three months of the wages, whichever is lower, from their accounts
- Limit of collateral free lending to be increased from Rs 10 to Rs 20 lakhs for Women Self Help Groups supporting 6.85 crore households.
- District Mineral Fund (DMF) to be used for supplementing and augmenting facilities of medical testing, screening etc.

**Measures taken by Reserve Bank of India**

- Reduction of Cash Reserve Ratio (CRR) has resulted in liquidity enhancement of Rs.1,37,000 crores
- Targeted Long Term Repo Operations (TLTROs) of Rs.1,00,050 crore for fresh deployment in investment grade corporate bonds, commercial paper, and non-convertible debentures.
- TLTRO of Rs.50,000 cr for investing them in investment grade bonds, commercial paper, and non-convertible debentures of NBFCs, and MFIs.
- Increased the banks' limit for borrowing overnight under the marginal standing facility (MSF), allowing the banking system to avail an additional Rs.1,37,000 crore of liquidity at the reduced MSF rate.
- Announced special refinance facilities to NABARD, SIDBI and the NHB for a total amount of Rs.50,000 crore at the policy repo rate
- Announced the opening of a special liquidity facility (SLF) of Rs.50,000 crore for mutual funds to alleviate intensified liquidity pressures.
- Moratorium of three months on payment of instalments and payment of Interest on Working Capital Facilities in respect of all Term Loans
- Easing of Working Capital Financing by reducing margins
- For loans by NBFCs to commercial real estate sector, additional time of one year has been given for extension of the date for commencement for commercial operations (DCCO)

**DATA COLUMN****Business of Banks**

(Rs.in cr)	Mar 31 '19	22.05.20
Aggregate deposits	10805150	13830525
Cash in hand/RBI	570490	521868
Investments	3043660	4054375
Bank Credit:	7881890	10223150
-Food	53930	79416
-Non-Food	7827960	10143734
Cash-Deposit Ratio	5.27	3.75
Investment-Deposit	28.14	28.33
Credit-Deposit	72.95	75.39

**Money Stock**

(Rs.in cr)	31.03.20	22.05.20
M3 (Out of which)	16799930	17231582
(a) Currency with public	2349715	2512850
(b) Demand deposits-Banks	1737692	1567065
(c) Time Deposits - Banks	12674016	13110139
(d) Other deposits with RBI	38507	41528

**Sources of Money Supply**

(a) Net Bank credit to Govt	4906583	5551562
(b) Bank credit to Comrcl sectr	11038644	10874871
(c) Net Forex assets of Banks	3798902	3908662

**Important Banking Indicators**

Statutory Liquidity Ratio	18.00%	(10.04.2020)
Cash Reserve Ratio	03.00%	(28.03.2013)
Overnight LAF (of NDTL)	0.25%	
14days term Repo(of NDTL)	0.75%	
Reverse Repo Rate	03.35%	(22.05.2020)
Repo Rate	04.00%	(22.05.2020)
MSF Rate	04.25%	(22.05.2020)
Bank Rate	04.25%	(22.05.2020)

**Small Savings Interest Rates**

PPF	7.1%	(01.04.2020)
5-year NSC	6.8%	(01.04.2020)
Sukanya Smridhi	7.6%	(01.04.2020)
Senior Citizen Saving	7.4%	(01.04.2020)

**Capital & Money Market Indicators**

Parameter	end-May19	end-May20
Dollar-spot TT (Rs.)	69.39	75.58
BSE - Sensex (points)	38638	34287
NSE - Nifty(S&P CNX)	11620	10142
Foreign reserves (Million \$)	418515	493480
Gold /Oz in USD)	1286	1704

**INDIAN ECONOMY-IMPORTANT PARAMETERS**

Growth estimate for FY 2020-21	: 6-6.5%
GDP@constant mkt prices (cr) 2019-20	: 20442233
GVA@2011-12 basic prices (cr) 2018-19	: 12906936
GDP projected by Govt. for 2020-21	: 22489420
Fiscal Deficit Target (2020-21) 3.5% of GDP	: 796337 cr
Revenue Deficit Target (2020-21) 2.7% of GDP	: 609219 cr
Wholesale Price Index	: 2.7%
Money Supply (M3) expansion - YoY	: 10.3%
Exports during 2018-19	: 331.0 bn
Imports during (2018-19)	: 507.06 Bn
Export target - 2017-18 (in \$)	: 310 bn
India's share in world merchandise export	: 1.70%
India's currency rating (S&P)	: BB Postv
India's external debt (Mar 2019) US \$	: 543.0 Bn
Tax-GDP ratio (2018-19)	: 12.1%
Apr- Jan20:Export \$ 265.3 bn Imports	: 398.5 bn
Per capita Income 2018-19 (Rs.)	: 126406
Indian economy's ranking in PPP terms	: 3rd
Indian economy's ranking in world in value:	: 7th

DATE OF DESPATCH - Jun 7, 2020