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➤ **What concern has the RBI flagged regarding small finance banks (SFBs)?**

- A) Lack of credit growth
- B) Overreliance on CASA deposits
- C) High interconnectedness with co-operative banks via bulk deposit route
- D) Low credit-deposit ratio
- E) Excessive use of government bonds



Answer

C) High interconnectedness with co-operative banks via bulk deposit route



Explanation

- **RBI has flagged the interconnectedness of small finance banks (SFBs) with co-operative banks via the bulk deposit route.**
- **SFBs serve a critical role in delivering credit to under-banked segments.**
- However, many SFBs have low current account and savings account (CASA) deposits and a greater reliance on bulk term deposits, often acquired at higher rates, especially from co-operative banks.
- This suggests a high degree of interconnectedness of SFBs with co-operative banks, with the possibility of any shock to the latter sector spilling over to the former.



Explanation

- **Out of SFBs' total deposits of Rs 1,91,372 crore as at March-end 2023, term deposits accounted for 67.53 per cent, with the balance being accounted for by CASA deposits.**
- With deposit growth slowing down during the year (FY23), SFBs resorted to higher borrowings to fuel credit growth.
- On balance, their credit-deposit ratio remained flat at around 92 per cent, higher than SCBs (scheduled commercial banks).



➤ Which banks were moved to higher buckets in the RBI's list of D-SIBs?

- A) HDFC Bank and ICICI Bank
- B) SBI and ICICI Bank
- C) ICICI Bank and Axis Bank
- D) SBI and HDFC Bank
- E) HDFC Bank and Axis Bank



Answer

D) SBI and HDFC Bank



Explanation

- **The Reserve Bank of India (RBI) issued its list of Domestic Systemically Important Banks (D-SIBs).**
- **It moved State Bank of India (SBI) and HDFC Bank to higher buckets, while ICICI Bank continues to be continues to be in the same bucketing structure as last year.**
- **SBI shifts from bucket 3 to bucket 4 and HDFC Bank shifts from bucket 1 to bucket 2.**
- For SBI and HDFC Bank, the higher D-SIB buffer requirements on account of the bucket increase will be effective from April 1, 2025.



Explanation

- Since the higher D-SIB surcharge for SBI and HDFC Bank will be applicable from April 1, 2025, hence, up to March 31, 2025, the D-SIB surcharge applicable to SBI and HDFC Bank will be 0.60 per cent and 0.20 per cent respectively.
- The D-SIB framework requires the RBI to disclose the names of banks designated as D-SIBs starting from 2015 and place these banks in appropriate buckets depending upon their Systemic Importance Scores (SISs).
- Based on the bucket in which a D-SIB is placed, an additional common equity requirement has to be applied to it, according to the central bank.



Domestic Systemically Important Banks (D-SIBs):

- **Certain banks have systemic importance because of their scale, cross-jurisdictional operations, complexity, lack of substitutability, and interconnection.**
- **The perception of SIBs is that they are "Too Big To Fail (TBTF)" banks.**
- Because of this image of TBTF, people expect the government to help these banks when they are in trouble.
- The RBI had issued the framework for dealing with D-SIB in 2014.
- The following indicators are utilized for evaluation: complexity, substitutability, interconnectivity, and size.



Domestic Systemically Important Banks (D-SIBs):

- Amounts of additional Common Equity Tier 1 Capital (CET1), ranging from 0.20% to 0.80% of risk weighted assets (RWA), are required for banks based on their systemic importance scores, which are divided into four distinct buckets.
- CET1 is the highest quality of regulatory capital, as it absorbs losses immediately when they occur.
- It is a capital measure that was implemented globally in 2014 as a safety measure to guard against a financial disaster for the economy.



Domestic Systemically Important Banks (D-SIBs):

- RWAs are used to connect the risk profile of a bank's lending activities (and other assets) with the minimum capital requirements that banks must meet.
- If a foreign bank with branches in India is designated as a Global Systemically Important Bank (G-SIB), it must maintain an additional capital surcharge in India, equivalent to its Risk Weighted Assets (RWAs) in India, as applicable to it as a G-SIB.



➤ **What recent decision did the Reserve Bank of India (RBI) make regarding IDFC Ltd and IDFC First Bank?**

- A) Approval for an IPO
- B) Approval for a reverse merger
- C) Approval for a merger with another bank
- D) Approval for a stock split
- E) Approval for the sale of a subsidiary

Answer

B) Approval for a reverse merger



Explanation

- **The Reserve Bank of India has given its go ahead for the reverse merger of IDFC Ltd with its banking subsidiary IDFC First Bank.**
- **The decision taken by the Board of Directors of IDFC FHCL, IDFC and IDFC FIRST Bank approving the proposed Scheme under Sections 230 to 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder, subject to receipt of various statutory and regulatory approvals.**
- **RBI has conveyed its 'No Objection' to the composite scheme of amaleamation, subject to compliance with the terms specified therein.**



Explanation

- IDFC Board had Proposed Composite Scheme Of Amalgamation For The Amalgamation Of: (I) IDFC Financial Holding Company Limited ('IDFC FHCL') Into And With IDFC Limited ('IDFC'), And (Ii) IDFC Limited Into And With IDFC FIRST Bank Limited ("IDFC FIRST Bank").
- Under the proposed reverse merger scheme, an IDFC shareholder will get 155 shares for every 100 shares she/he holds in the bank.
- Both stocks have a face value of Rs 10 each.



Titbits

IDFC First Bank:

HQ: Mumbai, Maharashtra
MD and CEO: V Vaidhyanathan



- **What is the main focus of the 'Bharat GPT' program launched by Reliance Jio in collaboration with IIT-Bombay?**
- A) Developing a new mobile network technology
 - B) Leveraging large language models and generative AI
 - C) Creating a comprehensive ecosystem of hardware devices
 - D) Establishing a network of 5G towers
 - E) Enhancing cybersecurity measures

The logo for BharatGPT, consisting of a stylized 'B' made of orange and green squares followed by the text "haratGPT" in a bold, black, sans-serif font.

Answer

B) Leveraging large language models and generative AI



Explanation

- **Reliance Jio is launching the 'Bharat GPT' program in collaboration with IIT-Bombay, aiming to leverage large language models and generative AI to transform sectors in India.**
- **The Bharat GPT program is part of Jio's broader vision, known as "Jio 2.0," which focuses on creating a comprehensive ecosystem of development.**
- In addition to the Bharat GPT program, Reliance Jio is working on developing its own operating system (OS) for televisions.
- This operating system is envisioned to enhance the user experience on Jio's devices and contribute to the company's ecosystem of services.



Titbits

Reliance Jio:

Founder: Mukesh Ambani
HQ: Navi Mumbai, Maharashtra
Chairman: Akash Ambani
MD: Sandip Das

IIT Bombay:

Established: 1958
Chairman: Sharad Kumar Saraf
Director: Subhasis Chaudhuri



➤ **What is the name of the indigenously developed guided multi-launch rocket system recently tested by Pakistan?**

- A) Ghauri-I
- B) Shaheen-III
- C) Babur-V
- D) Fatah-II
- E) Ghaznavi-II

Answer
D) Fatah-II



Explanation

- Pakistan conducted a successful flight test of indigenously developed guided multi-launch rocket system 'Fatah-II', which is capable of engaging targets with high precision up to a range of 400 kilometres.
- The 'Fatah-II' is "equipped with state-of-the-art avionics, sophisticated navigation system and unique flight trajectory.



Previous Tests :

- **Pakistan successfully conducted a training launch of the Gauri Weapon System in October 2021.**
- **It conducted the flight test of the ballistic missile Ababeel Weapon System.**
- **It conducted a successful test of indigenously developed Fatah-1 guided multi-launch rocket system (MLRS) in August 2021.**



➤ What is the purpose of POWERGRID Vishram Sadan, recently inaugurated by Union Minister of Power, R K Singh?

- A) Educational institution
- B) Hospital
- C) Accommodation for attendants of patients
- D) Corporate office
- E) Sports complex

Answer

C) Accommodation for attendants of patients



Explanation

- POWERGRID Vishram Sadan was inaugurated by Sh. R.K. Singh, Hon'ble Union Minister for Power, New and Renewable Energy, Govt. of India.
- It was built at a cost of about Rs 23 crore.
- This 2-storey Vishram Sadan has 270 beds.
- The 55 rooms of this Sadan are equipped with all necessary facilities and are capable of providing the maximum possible comfort to the attendants of the patients.
- POWERGRID as a responsible corporate citizen has built similar Vishram Sadans at AIIMS, New Delhi, IGIMS, Patna, DMCH Darbhanga, KGMU, Lucknow, Guwahati and Vsadodara for the benefit of the masses.



Powergrid:

- Power Grid Corporation of India Limited is an Indian central public sector undertaking under the ownership of the Ministry of Power, Government of India.
- It is engaged mainly in transmission of bulk power across different states of India.
- HQ: Gurugram, Haryana
- Chairman and MD: Kandikuppa Srikant



➤ Which organizations have partnered for various initiatives, including courses to enhance skill sets?

- A) BSNL and IIT-Madras
- B) IIT-Madras and Anna University
- C) BSNL and Anna University
- D) BSNL, IIT-Madras, and Anna University
- E) BSNL, IIT-Delhi, and Anna University

Answer

D) BSNL, IIT-Madras, and Anna University



Explanation

- **Bharat Sanchar Nigam Limited (BSNL) partnered with the Indian Institute of Technology - Madras (IITM) and Anna University (AU), Chennai, for various initiatives, including courses to enhance the skill sets of both students and young professionals.**
- **A one-year international course in Telecom Technology & Management led by IITM in collaboration with BSNL in course design and delivery.**



Explanation

- This course serves as a launchpad for students and young professionals, both in India and abroad, to elevate their knowledge and skills in cutting-edge telecom technology and management.
- The MoU also includes expansion of 4G and 5G networks to cover IIT-Madras and AU campuses in Chennai, Coimbatore, Trichy, Madurai, and Nagercoil.



➤ **What is the new name given to the airport in Ayodhya?**

- A) Ayodhya International Airport
- B) Ramayana International Airport
- C) Maryada Purshottam International Airport
- D) Maharishi Valmiki International Airport Ayodhyadham
- E) Ayodhya Heritage Airport



Answer

D) Maharishi Valmiki International Airport Ayodhyadham



Explanation

- **The airport in Ayodhya has been renamed 'Maharishi Valmiki International Airport Ayodhyadham'.**
- **The airport is being named after the legendary poet Valmiki who is celebrated as the author of the epic Ramayana.**
- **The airport was earlier called the 'Maryada Purshottam Shri Ram Ayodhya International Airport'.**
- **The newly-constructed airport will be inaugurated by Prime Minister Narendra Modi on December 30, days before the consecration ceremony of the Ram Mandir in Ayodhya.**



Explanation

- The first flights will be operated by IndiGo and Air India Express.
- The two airlines have already announced flights from Delhi, Mumbai, and Ahmedabad to Ayodhya, commencing in January 2024.
- The cost of the first phase of construction for the airport is estimated to be approximately Rs 1,450 crore. The new terminal building, spanning 6,500 square meters, is designed to accommodate 600 peak-hour passengers, with an annual handling capacity of 10 lakh passengers.
- The second phase of development will include the construction of a new terminal building spanning 50,000 square meters, capable of handling 3,000 passengers during peak hours and 60 lakh passengers annually.



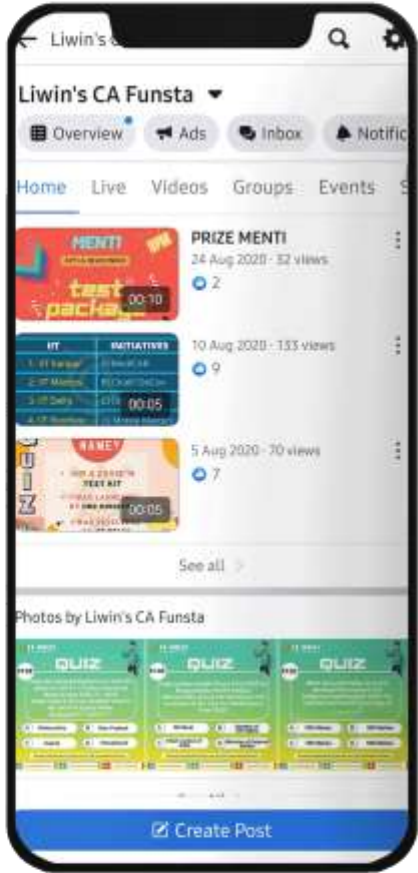
QUICK RECALL



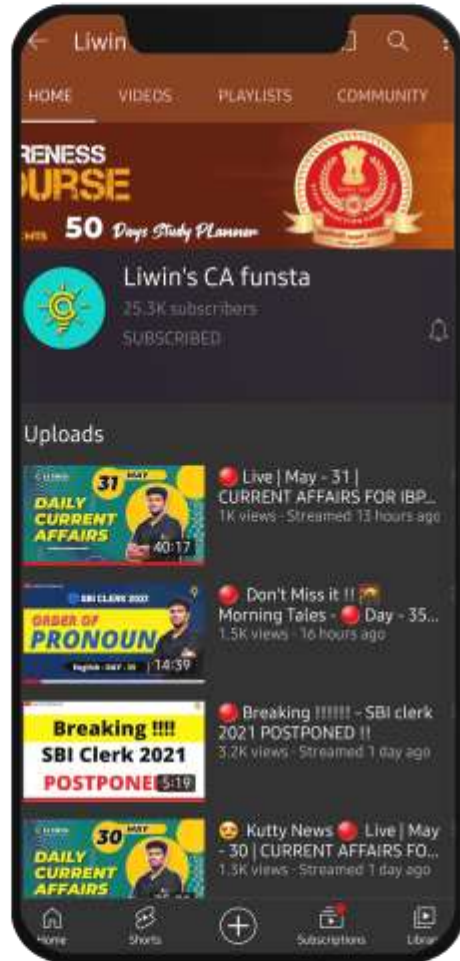
- **RBI flags high degree of interconnectedness of SFBs with co-operative banks**
- **The Reserve Bank of India (RBI) issued its list of Domestic Systemically Important Banks (D-SIBs)**
- **IDFC-IDFC First Bank Merger Approved By RBI**
- **Reliance Jio launches the 'Bharat GPT' program in collaboration with IIT-Bombay**
- **Pakistan conducts successful flight test of Fatah-II**
- **Hon'ble Power Minister inaugurates POWERGRID Vishram Sadan in Bengaluru**
- **BSNL, IIT-Madras, and Anna University collaborate on telecom skill development initiatives.**
- **New airport in Ayodhya to be named after Maharishi Valmiki.**



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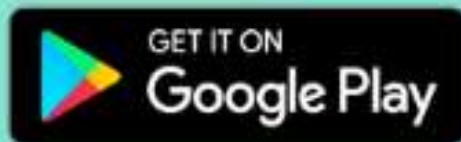
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