



# Hamara Prayas

THE MONTHLY TABLOID OF ANDHRA PRADESH MAHESH CO-OPERATIVE URBAN BANK LTD.

Editor : Ranjana Sharma



Volume - XIII | Issue : 12 | Price : ₹ 1/-

## From the Chairman's Desk

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### CHOOSE TO BE CHEERFUL

Do you envy people who are always smiling, who never seem to have a bad day, who appear to be floating throughout life perched over rainbows and sunshine? Did you ever wonder what problems they could have or just secretly longed to be like them? Get a revelation today: The power to be cheerful at all times, despite your circumstances, is within you. It does not come from an outside source. It is waiting for you to water it, coax it and love it to life!

Take one day at a time. Decide to be cheerful today. Being cheerful is not an emotion you feel; it is a choice you make. Do not make the mistake of thinking that you have no control over your feelings and emotions. You may be going through desperate, trying times, but being sour, bitter and miserable about them will not solve anything.

Make up your mind right now to make the most of every minute, every second, every breath and every heartbeat. Focus on one single thing to be cheerful about and magnify it. It may not be much, but the more you force yourself to find the good in your life and in those around you, the easier it will become to recognise the small miracles in the midst of the ordinary.

You are your own special person, with your own individual traits and strong points. Be proud of these abilities and be happy about who you are. Understand that even though you are not perfect, you can still soar to your full potential.

Many a time, we tend to focus on our problems in life and to take for granted our blessings and achievements in life. It is but natural that we think about the difficulties we face and the challenges we have to overcome, but there is a real danger that when we do this we can become weighed down with worry or negative feelings. It is good to step back for a moment from our day-to-day cares and to list out all the things that are going well in our life. It will give us a positive lift and help to put our problems into perspective. Start by giving yourself one point for being alive. Your life represents a tiny interlude between the vast times when you did not exist and when you will be dead. You are in that tiny moment right now and you can do things to change your life, so be thankful for that at least.

If you are healthy and do not suffer from any major diseases or afflictions, mark up another point. We take our health for granted and only realise how important it is when we become ill. Most of us have some minor ailments, but if you are reasonably healthy, then you

are much better off than people suffering from serious illnesses and you should be deeply thankful for it.

If you are in a stable relationship with another person, then chalk up a point. If you can honestly say that you love them and they love you, then give yourself a bonus point. Many people search for love without success, so if you have found it, then cherish it and count yourself lucky. If you have children, brothers or sisters or your parents alive, then add another point. They may be frustrating and they will have their faults, but they are your flesh and blood. Whatever happens in life, your family remains your family and if you have them around you, then you should be thankful for that.

Give yourself a point if you are working. Even if it is dull and unfulfilling at times, you are still better off than many people who are desperately seeking employment. If you can honestly say that you are doing something that makes life better for other people and adds real value, then give yourself a point. This might involve your work, your volunteering, your parenting or some other aspects of your life. Are you making the world a better? If not, then this is an area to think about.

Do you have something good to look forward to? This might be a holiday, a promotion, a wedding or just a trip to the cinema with your partner. If you have something good coming up, then think about it and smile. Can you look back on something that you are proud of? Did you achieve something worthwhile? This might be at work, in sports, with your colleagues or something else. If you can point to something that people would admire, then give yourself another point.

Do you have a plan for your improvement and success? This might include your career, your education, your finances and your relationships. You are better off than many others. People with plans generally do better than those who just muddle along. Are you financially secured? Are you living within your means? Can you see a reasonably prosperous future? If so, you are much better placed than people who are burdened with excessive debts and who struggle to meet ends meet.

Do you have one or more good friends with whom you can share your joys and problems? Is there someone whose company you enjoy and with whom you can have a good laugh? If so, give yourself a point to be cheerful.

**Ramesh Kumar Bung**

# MD & CEO SPEAKS

## Is your life a warning or an example?

My Dear Colleagues,

Everyone is concerned about the economic slowdown, food shortage, lack of civil amenities, the water table going down, the pollution hazards, the depleting ozone layer, global warming, deforestation... But do we realise that all the suffering in the world stems from scarcity and poverty of role models? How long are we going to show our children the history books? When are we going to have a world where children do not have to look beyond their parents for role models?

In the absence of real life character role models, children helplessly take a cricketer as their icon. Children follow the heroes and heroines of the entertainment world. What the world needs today is not those models whom we can only ADMIRE from a distance, but role models whom we can CHERISH from a closer proximity. Rather than arguing about what is right and what is wrong, ask yourself these questions: Am I willing to do what I like to do in the presence of my parents? Will I be happy seeing my children do what I keep doing? Can I do what I like to do inside my place of work? Let the answers that unfold from your true self guide your sense of right and wrong.

A frail old man went to live with his son, daughter-in-law and four year old grandson. The old man's hands trembled, his eyesight was poor and his steps faltered. The family ate together at the table but the shaky hands and failing sight made eating difficult for the aged man. Rice grains rolled off his spoon onto the floor. When he grasped the glass, milk spilled on the tablecloth. The son and the daughter-in-law became irritated with the mess. 'We must do something about my father', said the son. 'I have had enough of his spilled milk, noisy eating and food on the floor', added his wife. So the husband and wife set a small table in the corner; and since he had broken a dish or two earlier, his food was served in a wooden bowl. There the grandfather ate alone while the rest of the family enjoyed the dinner together. Still, the only words the couple had for the elderly man were sharp admonitions when he dropped a fork or spilled some food. When the grandson glanced at the grandfather's

direction, he sometimes saw tears in his eyes as he sat alone. The four year old watched it all in silence.

One evening, before supper, the father noticed his son playing with some piece of wood on the floor. He asked the child sweetly: 'What are you making?' Just as sweetly, the boy replied, 'Oh, I am making a little wooden bowl for you and Mummy to eat your food when you grow older'. The four year old smiled and got back to work. The words so struck the parents that they were speechless. Tears began to stream down their cheeks. Though no word was spoken, both knew what had to be done. That evening, the husband took his father's hand and gently led him back to the family table. For the remainder of his days he ate every meal with the family. For inexplicable reason, neither the husband nor the wife seemed to care any longer when a fork was dropped, or milk got spilled or the tablecloth got soiled.

Why do we conduct ourselves as though our children are watching us? Children learn more from what they SEE than what they HEAR. Children follow your examples and not your advices. When you ask them to lie FOR you, you have taught them to lie TO you. The role models in the books and scriptures rarely make a greater impact on the child than the one the child sees in action within every home. Moral science is never learnt from books but by watching those who live around us. What we leave for our children is not as important as what we leave in our children. There is not much a 'Father of Nation' can do if the 'Father at Home' is not okay.

We have enough material on business success stories. What we need are more role models to show the younger generation that it is possible to be honest, maintain the integrity; live a value based life and still carry the torch in the Corporate World. We have enough material on parenting. What we need are more parental role models to show the next generation that there are still people who can walk their talk, and you are one of them.

**Cordially Yours,  
Virendra K. Khandelwal**

## 97% OF RS 2,000 NOTES RETURNED, RS 10,000 CRORE YET TO COME BACK

The Reserve Bank of India (RBI) on 01.11.23 said Rs 10,000 crore of Rs. 2000 notes, which were withdrawn from circulation on May 19, 2023 are yet to be returned to the banking system.

As on May 19, 2023, the total value of Rs. 2000 banknotes in circulation amounted to Rs. 3.56 lakh crore. This has declined to Rs. 10,000 crore as at the close of business on October 31, 2023, the RBI said in a release.

"Thus, more than 97 per cent of the Rs. 2000 banknotes in circulation as on May 19, 2023, has since been returned," the RBI said in a press release. It said the Rs.2000 banknotes continue to be legal tender.

RBI said individuals and entities can deposit or exchange Rs. 2000 notes at the 19 RBI Issue Offices.

Initially, the facility for deposit or exchange of the Rs. 2000 banknotes was available at all bank branches in the country up to September 30, 2023, which was later extended upto October 7, 2023. These high

denomination notes were also allowed to be exchanged at the 19 Issue Offices of the RBI (RBI Issue Offices) from May 19, 2023.

From October 9, 2023, RBI Issue Offices, in addition to exchanging Rs. 2000 denomination banknotes across the counters, are also accepting Rs. 2000 banknotes from individuals or entities for deposit to their bank accounts, the RBI said.

Individuals from within the country can send Rs. 2000 banknotes through India Post from any post office in the country, to any of the RBI Issue Offices for credit to their bank accounts in India, RBI said.

"The window for deposit and / or exchange of the Rs. 2000 banknotes continues to be available at the 19 Issue Offices of RBI," the release said.

The Central Bank has requested all to avail the facility of sending the Rs. 2000 banknotes through post offices of India Post, which will obviate the need for travel to RBI offices for the same.

# HOW TO ACTIVATE YOUR MIND?

A successful person can distinguish between himself and others. Then he travels in the path enunciated by successful people. Cultivate certain small habits in earlier stages. These are very simple.

1. When you are at leisure, record your thoughts on a piece of paper. Or, draw some pictures, let them be meaningful or meaningless. You need not show them to anybody. Preserve them and look at them after a period of gap. You can throw them later.
2. Write letters to your friends. Try to describe some incidents. You can cultivate the habit of writing diary.
3. When you are free, try to solve some sums orally. For example, calculate mentally the value of  $24 \times 12$  and verify later working on a paper. When you are selecting commodities in the super market, imagine what would be the total sum to be paid and then compare your figure with the amount actually paid at the bill counter.
4. When you are travelling in a train, look at the railway time table. You have a map in it. Observe towards which direction you are travelling. Identify east and west and the rivers flowing on the way. Read out peculiar names of railway stations. Watch the different destinations from

the various railway junctions. In case you are making a journey in a car, observe directions, geographical quarters and sides. Bet with your friends about where Bay of Bengal and Arabian Ocean are located.

5. Play such games at least for half an hour where all the parts of your body will be in motion. Or walk silently thinking yourself.
6. Purchase cheap instruments like bulbul and play ting ting on them. There are several books guiding you how to play songs on bulbul. Try it. It is very easy.
7. Observe how others are behaving. Analyse the reasons for their behaviour and in which circumstances they have acted like that. Think yourself about it.
8. Make it a point to read a new book at least once in three months. You will find the difference yourself if you can follow at least 5 of the above points. Your mind power will increase. You start adoring yourself. That is the beginning. Keep your brain always fresh.

**Ranjana Sharma**

Editor/Dy. General Manager

## BANKS INVESTING HUGELY IN CUSTOMER ACQUISITION BUT NEED TO FOCUS ON RESOLVING GRIEVANCES: RBI DEPUTY GOVERNOR

Reserve Bank Deputy Governor M Rajeshwar Rao on 23.11.23 chided banks for overlooking customer grievance redressal, asking boards and top management to look into the issue.

Addressing the FIBAC summit organised by lobby groupings FICCI and IBA, Rao wondered how a sector which otherwise prides itself as a “service industry” can conduct itself in such a way.

“While banks are hugely invested in forging new and innovative ways of customer acquisition, very little thought seems to be going on improving the customer grievance redress mechanisms,” Rao said.

The DG said there is a need for a “cultural and attitudinal” change among banks to pay attention to such aspects of the business, underlining that an efficient, prompt and cost-effective grievance redress mechanism is essential.

Asking the top leadership and boards of banks to look into the aspect, Rao said, “Unfortunately, it appears that the efforts of the banks to provide timely solutions to customer grievances have not kept pace with the explosion in technology and products”.

He said the banks also need to ensure that their employees to treat senior citizens, people with special needs, those who are technologically challenged or someone who may need help otherwise with “special care and empathy”.

Reminding that an empathetic approach can help banks win customers, he said the banking industry regulator will be taking up such aspects “more vigorously” in its interactions with the lenders.

Rao said the banks also need to serve the needs of Gen Z consumers and listed down a slew of changes, which he sees taking place in the system, including some very radical ones.

“It is likely that the era of exclusiveness in providing banking services by banks is over. With the Banking-as-a-Service (BaaS) model making steady and silent inroads, the banks have to operate as a part of the larger ecosystem with a good number and varieties of non-bank players in the mix,” he said, pointing out that some initial changes towards this are already visible.

Banks will have to transition from a sectoral approach to an ecosystem approach, he said, adding markets are likely to become the central point for intermediation where lenders may become one among the host of other entities interacting in the market place.

The lenders may have to shift from isolated service provisions to hyper-personalised embedded banking, he noted.

It is possible that customer preferences in future may shift from passive saving products like a fixed deposit to more esoteric and market-linked investment products, he said, adding that providing a super app having multiple products may become the norm.

In the remarks that come days after an incident at UCO Bank, he asked lenders to focus on fortifying cyber security and prevention of cyber frauds as well.

Misselling has emerged in a digital avatar called Dark Patterns now, which are design interfaces and tactics used to trick users into desired behaviour like availing high-cost short-term consumer credit masquerading as an instant loan, Rao said.

There are fraudulent apps, breaches of privacy and deep fakes as well, he added.

As the business undergoes a shift, the regulator may have to relook at the risk management frameworks, especially for liquidity and market risk, he said.



# DEBT RECOVERY TRIBUNAL

A Debt Recovery Tribunal (DRT) is a quasi-judicial statutory institution. These are set up under the provisions of the Recovery of Debt and Bankruptcy Act-1993. They adjudicate cases and help in the recovery of loans given by banks and other financial institutions. In 2020, the Government of India revised the minimum limit to file cases under DRTs to 20 lakh rupees.

The Debt Recovery Tribunal (DRT) is headed by a Presiding Officer. The Central Government appoints him. The appeals against the Debt Recovery Tribunal (DRT) orders lie before the DRAT (Debt Recovery Appellate Tribunal). DRAT is headed by a Chairman.

Banks and other financial institutions make loan recovery applications to the DRT under whose jurisdiction the debtor resides or carries on with his business. During the adjudication, the DRT has the powers of the District Court. The Debt Recovery Tribunal (DRT) also has recovery officers that execute the orders passed by it.

## Background of Debt Recovery Tribunal

Before the enactment of the Recovery of Debt and Bankruptcy Act-1993, debt-related cases were filed in the Civil Courts. These cases were decided according to the provisions of the CPC (Civil Procedure Code). These used to take several years to resolve the case. Moreover, there was a lot of pendency in the cases. It would lead to unnecessary delays in the recovery of debts by the Banks.

Observing these issues in the system, in 1981, a committee headed by Mr. T. Tiwari was appointed. It was tasked with recommending reform measures in this system. The committee observed that the Courts were already burdened with regular cases.

This leads to the treatment of loan recovery cases as other ordinary cases. Hence, the problems of pendency and delay are arising. Among different recommendations of the committee, one was the establishment of tribunals (quasi-judicial bodies) that would only handle the recovery cases.

It took a decade to accept the recommendations and establish such a body. The Recovery of Debt and Bankruptcy Act-1993 was introduced to solve the issue of delay and pendency. The legislation was brought after the 1991 Economic liberalisation of the Economy.

## Powers and Functions of DRT

- The Debt Recovery Tribunal (DRT) are empowered to enforce the provisions of the Recovery of Debt and Bankruptcy Act-1993 and the SARFAESI (Securitization and Reconstruction of Financial Assets and Enforcement Of Security Interests) Act 2002.
- DRT gets the authority to entertain debt recovery-related applications from financial institutions and banks from section 17 of the Recovery of Debt and Bankruptcy Act-1993.
- While deciding the cases, the Debt Recovery Tribunal (DRT) acts as a District Court.
- It can pass orders for complete justice that are comprehensive and even go beyond the Civil Procedure Code (CPC).
- Section 18 of the Recovery of Debt and Bankruptcy Act-1993 imposes restrictions on all the Courts from adjudicating on debt recovery-related matters except the Supreme Court and High Courts.
- It means that relief against the orders of DRAT can only be given by the Supreme Court and High Courts.
- Supreme Court, in its judgment, has specified that the DRT and the

DRAT have jurisdiction strictly confined to those cases that are mentioned in Section 17 of the Recovery of Debt and Bankruptcy Act-1993.

- Thus the Debt Recovery Tribunals (DRTs) cannot decide over the cases like property rights, succession issues, issuance of receipts, etc.
- Section 17A was inserted in the act by an amendment in 2000. It specifies the powers of the Chairperson of the DRAT. Its general powers include.
- Superintendence and control of Tribunals under his jurisdiction.
- Reviewing the ACRs (Annual Confidential Reports) from various Presiding Officers.
- Direct Tribunals to present the status of cases under both the RDB Act and the SARFAESI Act.
- Review the performance of Presiding Officers.
- Organise meetings with Presiding Officers.
- Recommend disciplinary action against Presiding Officers to Centre through his report in case of misconduct or incapacity.

## Features of DRT

- The Debt Recovery Tribunal (DRT) is established to settle cases to restore the unpaid amounts of the NPAs (Non Performing Assets). The Banks declare these as per RBI guidelines.
- Under Section 4 of the Recovery of Debt and Bankruptcy Act-1993, the DRT shall have only one member (called Presiding Officer).
- He shall be appointed by the notification of the Central Government.
- The Presiding Officer of one Tribunal can also preside over other Tribunals if the Central Government authorizes it.
- The Presiding Officer will have a term of 5 years or till the age of 65 years, whichever is earlier. He shall be eligible for reappointment.
- He should be qualified enough to be the District Judge.
- For cases of recovery of debt greater than 20 Lakh Rs, Banks, and Financial Institutions can approach the DRT.
- For amounts lower than this, Banks and Financial Institutions approach the Civil Courts.
- DRT and DRAT need to maintain the Principles of Natural Justice.
- However, they can regulate their own procedures. For this, they are not bound by the CPC (Civil Procedure Code) provisions.
- One does not need a degree in Law to argue cases before the DRT.
- DRTs are mandated to resolve the cases within 6 months.
- The appeals against the orders passed by DRT can be made before a DRAT within 45 days of such judgment.
- In the case of the SARFAESI Act, the time duration to dispose of the cases is 60 days to 4 months.
- The appeals before the Appellate Tribunal (DRAT) shall be disposed of within 6 months from the receiving date.
- Before approaching the DRAT against the order of DRT, the aggrieved party needs to deposit 75% of the amount fixed by the order.
- The Centre can appoint one or more Recovery Officers as an

employee of the Tribunal.

- They will discharge their duties under the superintendence of the Presiding Officer of the DRT.

#### Concerns Related to DRT

- One of the significant issues with the Debt Recovery Tribunal (DRT) is a large number of pendency and slow resolution of cases.
- According to the World Bank report, it takes nearly 4.3 years in India to resolve insolvency-related cases under old laws.
- More than 1.6 lakh cases were pending in various DRTs across India till February 2022.
- Procedural Bottlenecks: the Supreme Court held that the jurisdiction of the DRTs is strictly limited to Section 17 of the Act.
- Thus, related matters like succession, KYC issues, issuance of receipts, etc., are taken up by Civil Courts. This leads to unnecessary delay.
- DRTs are overburdened by the ever-increasing cases.
- At the time of inception, it was conceptualized that at any point in time, the average number of cases handled by any DRT would be around 30. But in reality, in major cities, this number went to more than 4000 cases per DRT.
- As per reports, the average loan recovery rate of the DRTs is just around 25%.

- At present, there are only 39 DRTs and 5 DRATs across India. These are insufficient in number to handle a large number of cases.

#### Measures towards Correcting DRT

As corrective measures related to the issues faced by the Debt Recovery Tribunals (DRTs), the Government amended the Recovery of Debt and Bankruptcy Act-1993 in 2016. Following are the significant changes brought in the act:

- The retirement age of the Presiding Officers has been increased from 62 to 65 years. And that of the Chairpersons of DRATs is increased from 65 to 67 years.
- The amended act empowers the Central Government to establish a uniform procedure for all the DRTs and DRATs across India.
- Banks are authorized to file cases in Tribunals having jurisdiction over the area of the Bank's branch where the debt is pending.

The Debt Recovery Tribunals (DRTs) have helped Banks and other Financial Institutions to somewhat solve the problem of NPAs (Non-Performing Assets). But these Tribunals are also facing the same problems earlier faced by regular Courts. These include pendency of cases, low recovery, delay in resolution, etc. There need to be more DRTs and DRATs established in the country.

The Recovery Officials and other staff need to be well-trained and equipped for better execution.

## UPI FRAUD ALERT: YOU MAY FACE 4-HOUR DELAY FOR TRANSACTIONS ABOVE RS. 2,000

At present, a user can send up to Rs. 5,000 within a 24-hour period after creating a new UPI account. Once the account is activated, NEFT users have the flexibility to transact a maximum amount of Rs. 50,000 within the span of 24 hours, whether in a single transaction or through multiple instalments.

**UPI Fraud:** In a bid to control the rising incidents of fraud targeting online transactions conducted through the Unified Payments Interface (UPI), the central government is reportedly considering the implementation of a four-hour delay window for transactions exceeding Rs. 2,000. Once the change is implemented, those making a transaction of more than Rs. 2,000 to another user for the first time, will have to wait for 4 hours to receive the amount, as opposed to the current instant transaction process.

While the four-hour time limit for UPI payments may pose a challenge to the efficiency of digital transactions, the government, according to media reports, insists that it is a necessary step to address cyber security concerns. If implemented, this delay window will be specifically relevant to transactions conducted through UPIs, Real Time Gross Settlement (RTGS), and Immediate Payment Service.

#### How to avoid UPI fraud?

Avoiding UPI fraud requires a combination of vigilance, security practices, and awareness. Here are some tips to help you minimize the risk of UPI fraud:

#### Secure Your UPI PIN:

- Never share your UPI PIN with anyone, including friends or family.

- Avoid using easily guessable PINs like birthdays or simple sequences.

#### Use Secure Apps:

- Only download and use official UPI apps from reputable sources such as the Google Play Store or Apple App Store.
- Keep your UPI app updated to benefit from the latest security features.

#### Beware of Phishing:

- Be cautious of phishing attempts through emails, messages, or calls asking for your UPI details.
- Verify the authenticity of communication before responding or clicking on any links.

#### Two-Factor Authentication:

- Enable two-factor authentication whenever possible to add an extra layer of security to your UPI transactions.

#### Regularly Check Transactions:

- Monitor your UPI transaction history regularly to spot any unauthorized transactions.
- Report any suspicious activity to your bank immediately.

**T. Girish**  
HO : IT

# SHORT PEOPLE, STANDING TALL

Did you ever make a trip to Japan? If so, you will wonder as to what makes them stand out tall when compared to the rest of the world. The way they have shown strength, the resilience with which they recovered after the worst of the disasters in the history are highly commendable. The country and seen the worst of all tragedies, both man-made (nuclear attacks on Hiroshima and Nagasaki) and natural (earthquakes and tsunamis). Every time they have shown great strength, not just to bounce back but to stand tall among other countries and people of the world.

This makes you wonder what makes them so unique, so strong, and seemingly different from the rest of the world. The quest to understand this uniqueness of the Japanese led to discover three distinct traits that were very apparent.

The first and foremost of trait, found commonly among all Japanese folk is the respect they carry for fellow human beings. This is so unique to them, not so commonly found in others. For them all humans are equal and are to be treated with respect and dignity. Whether a person is a sweeper or a top executive in an organisation, there is one quality that stands out – respect for each other and giving one's best at whatever one does. No job is small, no person deserves lesser respect. No one is looked upon or looked down, no matter how poor or rich he is, or to which community or religion he belongs to. They show immense dedication to their job and give their best. There is zero resistance do any work, even the ones that may be perceived to be of lower importance – like as small a task as cleaning the table after lunch, without waiting for anyone else. One would hear the word 'arigato' (meaning 'Thank you') about a thousand times in a week's stay. People are so courteous and have great respect for fellow human beings. Bowing down in respect to other person and always being courteous is an integral part of Japanese culture.

The second most powerful trait you observe is discipline. Everything and everybody are very punctual. Be it attending meetings or departure and arrival times of local trains, there was no delay. This shows the respect and

importance given to time – their own and that of others. They also manage and priorities time to its best. This discipline and their hard-working nature, combined with their innermost desire to do the best clearly make them the leaders in the world in many fields including technology. Whether it is automobiles or electronics, their products and their quality rule the world today, adding a lot of value to the 'Made in Japan' brand. If trains arrive late by more than 17 seconds, the passengers are entitled for full refund of the ticket amount. Such is the development of their infrastructure to meet the needs of their daily commute. You will be able to travel a distance of 600 km in about two hours by the bullet train. What was it about Japan and the people there that made such a difference?

The third and the most important trait is their healthy lifestyle. It is very difficult to find a person with a little extra body fat. Irrespective of whether a person is 30 or 70 years old, one wonders what they eat, how do they live to be so healthy, active and slim! Most of this can be attributed to their active lifestyle, amount of walking that they do and their daily work. Most of the people take the train to work and there is a lot of walking that they do to reach the stations and work places. Even though there are enough elevators, they prefer to the stairs and burn a lot of calories. This healthy choice of commute, pursuit of physical activity and discipline of adhering to a daily routine helps to keep their brain cells active. This is one of the key differences of the east from the west, where people are mostly accustomed to using their cars, elevators etc., and then spend more time in gyms. We all know 'Health is wealth' but the Japanese actively bring it to practice in their daily routine.

Can we learn some of these from our Japanese brethren? We should learn to imbibe these ourselves and also teach it to our next generation, for a better world.

**G. Amarnath**  
H.O.: Estates

## KISAN DIWAS (FARMER'S DAY)

Every year, India observes Farmers' Day or Kisan Diwas on December 23. Farmers are the driving force of the country's economy and deserve to be honoured. The day also celebrates the birth of the fifth Prime Minister of India, Chaudhary Charan Singh, who started as a farmer before earning his seat in the government. This day aims to promote awareness of the importance of farmers and their valuable contribution to the overall social- and economic development of the nation.

### HISTORY OF KISAN DIWAS

Chaudhary Charan Singh is a remarkable testimony to the fact that, despite having humble beginnings and living a plain lifestyle, one can go on to do great things. Kisan Diwas is celebrated on December 23 to honour the anniversary of this great man's birth.

India is primarily an agriculture-based country; the national economy and citizens of India heavily depend on farmers to sustain the country's development. It so happens that one of the great leaders in Indian history, Chaudhary Charan Singh, was himself from a small farmer's family in Uttar Pradesh. Singh went on to become India's fifth Prime Minister, setting a precedent for the reverence of farmers.

From pre-independence to post-independence, Singh played a key role in the shaping of India's agricultural sector by advocating and passing different bills for farmers' reforms. Taking over the seat of Prime Minister Morarji Desai after the demise of the Janata Party, Singh's tenure was from 1979 to 1980. During his short time as prime minister, Singh strived for the welfare and betterment of Indian farmers. Several schemes were introduced to elevate the social status of farmers.

For his exemplary work and journey from farmer to becoming a Head of State, the Government of India decided, in the year 2001, to mark Singh's birth anniversary as the day for celebrating Kisan Diwas.

Annually, on this occasion, several programs are arranged across the country. These events have a significant impact on the farmer community and provide them with platforms for voicing their aspirations and demands. Agricultural scientists showcase the latest in technology and science to assist farmers in maximizing their output. The government also supports farmers by organizing various competitions in which the winners are awarded prizes.

**Sandhya Rani Patnaik**  
H.O.: F & A





- Bollu:** "O, God! I am tired a lot in my life. Please call me to your abode". **Wife:** "O, God, you take me to your place before my husband". **Bollu:** "Then O God, I am cancelling my first prayer".
- Teacher:** "Why rivers are called after female names?" **Bollu (student):** "Because, the rivers flow and inundate us like floods instantly".
- Bollu:** Papa, do you fear the dark? **Father:** No son! **Bollu:** Thunder, Lightning and Blast? **Father:** Of course not! **Bollu:** It means you don't fear anything except mom!!
- Bollu:** I think we need a new teacher. **Mom:** Why's that? **Bollu:** Our teacher doesn't know anything! She keeps asking us for the answers....
- Math Teacher:** If  $a=b$  and  $b=c$  then  $a=c$  now give me the practical example of this principle from real life. **Bollu:** I Love you sir and you love your daughter which means I love your daughter.
- Teacher:** Shoab Akhtar is Male or Female? **Bollu:** Sir, Female. **Teacher:** How? **Bollu:** Commentator always that Beautiful Delivery.
- Wife:** How do I look today..? **Bollu:** Looking Good.. **Wife:** Say a poetry, for me.. **Bollu:** You are looking so cut, out salry gets used on this..
- Bollu:** I lost my wife, she went shopping & hasn't come back yet.

- Inspector:** What is her height? **Bollu:** I never checked. **Inspector:** Slim or Healthy? **Bollu:** Not Slim, can be healthy. **Inspector:** Colour of eyes? **Bollu:** Never noticed. **Inspector:** Colour of hair? **Bollu:** Changes according to season. **Inspector:** What was she wearing? **Bollu:** Not sure whether it was a dress or a suit. **Inspector:** Was she driving. **Bollu:** Yes. **Inspector:** Colour of the car? **Bollu:** Black Audi A8 with supercharged 3.0 litre v6 engine generating 333 horse power teamed with an eight speed tiptronic automatic transmission with manual mode. And it has full LED headlights, which use light emitting diodes for all light functions and has a very thin scratch on the front left door.... and then the Bollu started crying.. **Inspector:** Don't worry sir... we will find you car.
9. **Wife:** Dear, Please come for dinner. **Bollu:** Hell with your English. Now this is afternoon. Food in the afternoon is called lunch. Night food is dinner. **Wife:** Hell with your definitions. I am serving you food which remained yesterday night only.
10. **Teacher:** Answer to my question. We see lightening first and its sound later. What is the reason? **Bollu:** It is simple. Our eyes are in the front and ears are on the backside. The delay is due to this.

**Sarita Joshi**  
Begum Bazar Branch

## RBI TO DIRECTLY REGULATE ENTITIES FACILITATING CROSS BORDER PAYMENT TRANSACTIONS

In a recent circular, Reserve Bank of India (RBI) has announced its decision to directly regulate all entities that facilitate cross-border payment transactions related to the import and export of goods and services. This directive is aimed at ensuring transparency, security, and adherence to financial regulations in these cross-border transactions.

### New Regulation for Cross-Border Payment Aggregators

The RBI, in its circular, introduced a novel category known as Payment Aggregator- Cross Border (PA-CB) to encompass all entities involved in facilitating cross-border payments. This move comes in response to the evolving landscape of cross-border payments, which has witnessed significant growth and transformation in recent years. The RBI now seeks to bring these entities under its direct regulatory purview to maintain the stability and integrity of the financial system.

### Minimum Net Worth Requirements

To strengthen the regulatory framework, the RBI clarified the minimum net worth criteria for non-bank entities providing PA-CB services. According to the circular, entities applying for authorization to operate as PA-CBs must have a minimum net worth of Rs.15 crore at the time of application. Additionally, they are required to maintain a minimum net worth of Rs. 25 crore by March 31, 2026, demonstrating their financial stability and commitment to the industry.

### Procedures for Handling Online Transactions

The circular issued by the RBI also outlines the procedures for handling

online transactions by Payment Aggregator-Cross Border entities. These procedures are designed to ensure that transactions are carried out in a secure and compliant manner, safeguarding the interests of both merchants and customers. This is a crucial step to prevent fraudulent activities and maintain the integrity of the cross-border payment ecosystem.

### Transaction Limits

In a bid to further streamline cross-border transactions, the circular specifies a maximum value per unit of goods or services sold or purchased through PA-CBs. The maximum value has been capped at Rs. 25,00,000, ensuring that smaller transactions are appropriately regulated while larger transactions may require additional scrutiny and due diligence.

### Requirements for Banks

The circular also imposes obligations on banks that engage in Payment Aggregator- Cross Border activities. Banks undertaking these activities must fulfil the regulatory requirements applicable to PA-CBs by April 30, 2024, ensuring that all entities involved in cross-border transactions adhere to the same standards, regardless of their nature.



# CURIOUS QUESTIONS

Out of their natural eagerness, children ask us several questions. Though we know that these happen obviously, we cannot answer them either logically or scientifically as we don't know the reasons for the same. If you learn and answer them correctly, their knowledge and wisdom increase. Some of them are like this:

**Q.1. Why a spinning top does not fall to the side or tilt as long as it is rotating?**

**A:** A spinning top is governed by the gyroscopic effect. A gyroscope will spin about a constant axis unless acted on by a couple- eg: the Earth's axis is at a constant 23.5 degrees, kept stable by the spin of the Earth. The faster a gyroscope spins, the bigger the gyroscopic effect – i.e., the more resistant the gyroscope is to any disturbing couple. For the top, gravity acts down through its centre and an equal force acts up where the tip sits. If the top is tilted then these two forces are not opposite each other, so generating a couple. This couple is fixed, independent of how fast the top spins, the top is more stable the faster it spins because gyroscopic effects dominate.

**Q. 2. Why fire is extinguished as soon as you pour water on it?**

**A:** There are a couple of things involved here. First of all, when hydrogen burns (combines with oxygen), energy is released. The water molecule exists in a lower energy state than elemental oxygen and hydrogen do. So the water molecule is more stable than the elements which it is made are separately. Water is the "ash" of burning hydrogen. So, it won't burn anymore than the ash of a wood fire will. Second, fire need three things in order burn. It needs a fuel, an oxidizer, and heat. The fuel is that which is combined with the oxidizer to release energy. The oxidizer is in most cases is oxygen, but there are others as well. The heat is needed to break apart the molecules in the fuel and oxidizer so that the components will combine into new compounds thus releasing more energy to keep the reaction going. If any one of these three things is missing, then you will not have a fire. Water puts out fires by disrupting all three of these requirements. When water in smaller quantities is put on a fire it absorbs heat that is needed to initiate combustion. So, it can stop the reaction by removing too much heat. In larger quantities water can separate the fuel from the oxidizer (air) thus also preventing them from combining. This smothers the fire. Finally, all compounds produced by burning can potentially put out fires. The reason is because these products have already combined so

there is no more energy to be derived from them in this way. So, placing them on a fire will tend to interfere in the processes needed to keep the fire going. They would mostly work by smothering the fire if used in sufficient quantities. (Water is the only one of these combustion products that is also able to put out a fire by sapping heat.)

**Q.3. If you switch on the fan during winter, why it is colder?**

**A:** When it's warm, the blades of a turning ceiling fan normally push air downward, causing cool air near the floor to travel outward and mix with air at the edges of the room. The process makes for more even cooling, and just the air movement in the room alone can make it feel cooler by four degrees or more! That means if you're using air conditioning along with your fan, you can set the thermostat at a higher than normal setting to save on energy. If you use ceiling fans in the summer, however, keep in mind that it does little good to run them when you're not around. The fan really isn't cooling the room. Like a breeze on a hot summer day, it's the blowing air moving across your body that makes you feel cooler. The same cooling effect caused by blowing air currents keeps many people from using their ceiling fans in winter. But most fans have a switch on the motor housing that changes the direction in which the blades turn. Instead of forcing air downward, the blades will push air up toward the ceiling, where hot air normally rises, and drive it back down around the edges of the room. That can result in more even heating. And better heat circulation will help to combat the problem of sweating windows that some homes experience in the winter time because of condensation on the glass.

**Q. 4. Why a soda bottle bursts when it is kept in deep refrigerator?**

**A:** Soda is made up almost entirely of water and a soda bottle explodes in the freezer because of the way water behaves. Most substances contract when they are cooled. Heat is molecular motion- the hotter something is, the faster its molecules move and the more they bump into each other and spread apart. When a substance is cooled down, the molecules move more slowly, allowing them to get nearer each other without colliding and spreading apart.

**N. V. Sastry**  
H.O. : Forex

## BANKING AWARENESS

1. Which organization has signed an agreement with the Digital Lenders Association of India (DLAI) to boost the country's fintech sector?
2. Which Deputy Governor of the Reserve Bank of India (RBI) has been given a one year extension in his tenure recently?
3. In which year Employees' Provident Fund Organization (EPFO) was founded?
4. Which of the following company has launched an ALT ID solution for guest checkout transactions?
5. A private life insurer, Max Life Insurance has launched a new health plan 'SEWA' what is the meaning of 'W' in 'SEWA'?
6. Which bank encourages borrowers to make their monthly payments by providing them with a pack of chocolate?
7. The Interest rate on Ways and Means Advances (WMA) is equal to \_\_\_?
8. A Scheduled bank is one that is listed in the \_\_\_ schedule of RBI Act, 1934?
9. Reserve Bank introduces Ombudsman Scheme for Digital Transaction under \_\_\_ of the Payment and Settlement Systems Act, 2007
10. Education loans upto \_\_\_\_\_ are eligible for Priority Sector lending.
11. What is the minimum amount of gold that can be deposited under the Gold Monetisation Scheme?

**(Answers on Page No.15)**



# PERFORMING DEEPAWALI POOJA



**Sri Ramesh Kumar Bung, Chairman, Sri Brijgopal Asawa, Sri Ramakant Inani, Directors, Sri Virendra K. Khandewal, MD & CEO and the Staff members performing Deepawali pooja at Bank's Head Office.**

## SIMPLE LIVING AND HIGH THINKING

If one is truly serious about achieving the ultimate goal of human life by perfecting his spiritual inquiry, he must adopt a life style that is conducive to the cultivation of self-realizing knowledge. This life style can be beautifully summarized in the phrase 'simple living and high thinking'. Here simple living is in relation to maintenance of the body, and high thinking is in relation to the aim of one's intellectual pursuits.

In order to exist in this world it is necessary to maintain one's bodily existence, but as will be shown later, maintenance of the body is not progress towards the goal of life. Maintenance just allows one to perform the activity of existing in a particular body, which does not denote any accomplishment of a goal. This maintenance of the body involving mainly our activities of eating, sleeping, mating and defending is not in itself any great feat or achievement. Even the animals are engaging in these activities of bodily maintenance. The cows also eat, the birds also mate, the hogs also sleep and the dogs also defend. Simply engaging in these activities of maintenance does not actually make one human. For this reason, one who is interested in achieving the real, permanent goal of life does not focus solely on these activities of bodily maintenance, but he rather focuses primarily on the path of perfection. This is why he adopts the process of simple living.

The basic principle of simple living is accepting whatever is necessary for maintaining the body, so that we can use the energized body for higher philosophical pursuits directed towards our pure self identity. One only accepts that which is necessary for existence and does not take anything that is an unnecessary complication to life. In this way, by the process of living simply, one will be able to, if properly directed, arrive at the point of 'high thinking', the actual human essence.

What exactly is the meaning of 'high thinking'? High thinking entails the comprehension of the self as distinct from the temporary material body.

Why should such an understanding be considered high? The first reason is because it is the factual reality of existence.

Secondly, one's vision is not focused simply on the low activities of bodily maintenance but on the higher realm of the eternal self. The soul is the actual energy source of the entire body. The soul is constitutionally superior to the dull, unconscious matter. Thus, the understanding of the superior energy, the conscious soul, is higher than the understanding of the inferior energy, the unconscious matter.

This body that we generally identify with is exactly like a vehicle being driven by a conscious driver. A car by itself is nothing but dead matter, but when a driver operates the vehicle; it appears to produce life symptoms (movement, production of by-products, signs of intellectual control, etc.) In the same manner, when the conscious soul makes contact with the material vehicle known as the body, the body appears to be possessing life. Factually, it is the soul within the body that is producing the life-symptoms.

**P. Venu Gopal Rao**  
H.O.: Estates

**"God lives, feels,  
and suffers in every one of us,  
and in the course of time,  
His attributes, knowledge, beauty and  
love will be revealed in each of us."**

**Dr Sarvepalli Radhakrishnan**

# RBI TO IMPLEMENT A NEW PENALTY FRAMEWORK FOR BANKS

The Reserve Bank of India (RBI) is considering a comprehensive review of its penalty system, Business Standard reported citing a senior regulatory source. The potential changes might involve increasing the penalty amounts, this could be in accordance with the size of the regulated entities, their importance to the system, and the number of repeat offences, it added.

Additionally, the review may explore clawback of payouts to CEOs and Key Management Personnel (KMP), it said. This aspect, in particular, could hit state-run banks, whose compensation packages have already been under debate when considered against those offered by private banks.

There is also speculation about the possibility of imposing additional capital charges on regulated entities, as per the report.

The initiative comes as the Central Bank looks to enhance corporate governance standards within regulated entities and emphasize its importance, it added.

In a meeting with the boards of state-run and private banks in May, RBI Governor Shaktikanta Das discussed governance issues, ethics, the role of boards, and supervisory expectations. This is being viewed as an extension of that focus.

Recent penalties imposed

On November 16, the RBI imposed a monetary penalty of Rs.90.92 lakh on Axis Bank for non-compliance with certain directions issued by the apex bank on 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016', 'Loans and Advances – Statutory and Other Restrictions', 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks' and 'Code of Conduct for Opening and Operating Current Accounts'.

The Reserve Bank said after examination of the Risk Assessment Report/Inspection Report pertaining to ISE 2022, Scrutiny Report, and all related correspondence in that regard, it observed that the Axis Bank failed to preserve records pertaining to the identification of customers and

their address in certain cases, and made persistent calls to some of the customers.

On the same day, monetary penalties were also imposed on Manappuram Finance and Anand Rathi Global Finance for deficiencies in regulatory compliance.

The banking regulator in a release said it has imposed a monetary penalty of Rs.42.78 lakh on Manappuram Finance, Thrissur for non-compliance with certain provisions of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016".

Separately, the RBI also imposed a monetary penalty of Rs.20 lakh on Anand Rathi Global Finance Limited, Mumbai, for non-compliance with certain provisions of the Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016.

On November 6, the country's Central Bank imposed monetary penalties on four cooperative banks and a non-banking financial company (NBFC) for deficiencies in regulatory compliance.

The co-operative banks are: Shree Lodra Nagarik Sahakari Bank Ltd, Malpur Nagarik Sahakari Bank Ltd, Jolarpet Co-operative Urban Bank Ltd, Limbasi Urban Co-operative Bank and the NBFC is Early Salary Services Private Ltd.

RBI said its actions were based on deficiencies in regulatory compliance and were not intended to pronounce upon the validity of any transaction or agreement entered into by the banks or the NBFC with its customers.

Even the largest public sector lender has not been immune. Earlier this year, penalties were imposed on the State Bank of India (SBI), Indian Bank, and Punjab and Sindh Bank.

It imposed a monetary penalty of Rs.1.30 crore on SBI for non-compliance with certain directions issued by RBI on 'Loans and Advances – Statutory and Other Restrictions' and 'Guidelines on Management of Intra-Group Transactions and Exposures'.

## SIDDIPET'S ARCHITECTURAL TRIUMPH: TELANGANA UNVEILS WORLD'S FIRST 3D-PRINTED TEMPLE



Siddipet, Telangana, is now home to the world's first 3D-printed temple, a collaboration between Hyderabad Apsuja Infratech and Simpliforge Creations. The 35.5 feet tall, 4,000 sqft structure features three sanctums dedicated to Lord Ganesha, Lord Shankar, and Goddess Parvati. Simpliforge utilized its robotics construction 3D printing facility, along with in-house technology, to complete the gopurams and sanctums on-site in 70-90 days. This pioneering project not only showcases innovation in temple design but also demonstrates the potential for 3D printing in challenging terrains and disaster-hit areas. The temple, a proof-of-concept, took around five and a half months to complete.



# PANCHATANTRA

## THE FROG AND THE RAT

In a dense forest, a rat lived under a tree by making a hole. The mouse was very good who treated people very well and he also made friendships with others quickly.

Near that rat's hole there was a small reservoir. A frog lived in that reservoir. All day the frog was thinking that his reservoir is very small. Because of which not many people live there. In this case, he had no friend. He used to remain unhappy about this.

One day when he was sitting silently unhappily on the banks of the reservoir, the mouse noticed him. Seeing the frog sad, the rat wondered why he was so sad? In such a situation, he went to the frog and asked, "What is the matter, my friend? Why are you so sad? I was watching you from a distance. Seeing you sad, I could not keep me away, that's why I came here."

The frog liked the rat. Then he share him his problem, "Actually, the reservoir in which I live is small. No one lives in that reservoir except me. I am alone. I have no friends. That's why I am sad."

Hearing this, the rat said, "That's all. I become your friend from today."

Hearing this, the frog was very happy because now he also had a friend with whom he could talk and share his feelings. From that day onwards the frog and the rat became very good friends. They both sat together and talked for hours. The friendship of both of them was increasing day by day.

Most of the time frog would go to the hole of rat and talk with him. One day, a thought came in the frog's mind. The frog thought that he goes to the hole of a rat to meet his friend, but that rat does not come to visit the frog's reservoir. In such a situation, he started making the idea that somehow he would bring the rat inside the reservoir.

The very next day he went to the rat and said to him, "Dude how nice it would have been when we remembered each other and we could know it. You would have known if I had missed you and you had known when I would miss you."

Hearing this, the rat said, "Yes, you are right."

In such a situation, the frog said again, "Why don't we tie each other with a rope? When I stay in the reservoir and remember you, then I will pull the rope, then you will know that I am missing you. That's when you will you remember me while living in hole, then you pull the rope, then I will know that you are missing me."

The rat liked the idea of a frog. After this the frog tied the rope in his leg and the rat tied the rope in his leg. After doing this, the frog pulled the rope and brought the rat inside the reservoir. The rat was fluttering because he could not swim. After some time, that rat died.

When this was happening, an eagle was watching the rat from the sky. He flew straight and came down and pressed the rat into his feet and flew up. The frog was also tied to the rope with a rat. As soon as the eagle flew with the rat, the frog also started flying in the air. The frog could not understand what was happening to him?

Then he saw that he was tied with a rope and the rat was pressed into the eagle's feet. In such a situation, the frog got scared because he knew that the eagle would not leave him and would kill and eat him. The eagle did the same. The eagle first ate the rat and then killed the frog.

### Moral of the Story

This story teaches us that we should not do bad things to others. When we do bad things to others, same thing can be happen with us.

**T. Gangadhar Rao**  
Head Office

Rights of all consumers are celebrated and promoted across India annually on National Consumer Rights Day, December 24. Consumers hold the most power in buying and selling of goods and, where the west has properly established consumer rights, India is still striving to highlight its national consumer movement and stand in solidarity with it. With e-commerce gaining more and more popularity, it is important for consumers to be aware of and exercise their rights, as well as their responsibilities.

In India, the rights of consumers were taken seriously when the Consumer Protection Act of 1986 was enacted. The aim of this bill was to safeguard the consumer against exploitation like the selling of defective goods, unfair trade, fraudulence, and deficiency in services.

Over the years, India's economy has undergone a transformation, significantly altering how many Indians shop and travel. This was a result of the rising market competition, innovations, and increasing presence of e-commerce services, which expanded the options available to consumers. So the tried-and-trusted habits of the consumer have been disrupted, which created a need for the Consumer Protection Act to be revised and revamped. Taking this dynamic and advanced marketplace into perspective, India's parliament passed the updated Consumer

## NATIONAL CONSUMER RIGHTS DAY

Protection Bill on August 6, 2019.

The bill, commonly known as CPA 2019, received approval from the President of India on August 9, 2019. Thereafter, the Ministry of Consumer Affairs, Food and Public Distribution declared July 20, 2020, for the CPA 2019 to come into effect.

The Consumer Protection Acts of both 1986 and 2019 are complemented by the Right to Information Act, which made the governance processes of India transparent to the citizens and

included vast implications for consumer rights. These include the right to safety, the right to information, the right to choose, and the right to consumer education.

Themes are also observed every year on this holiday. The latest theme was 'alternate consumer grievance/dispute redressal'.

The idea of a Consumer Rights Day is also observed on a global level. Inspired by President John F. Kennedy, general guidelines were set out by the United Nations for consumer protection. In 1983, March 15 was marked as the annual celebration of World Consumer Rights Day.

**Deepthi Panchagnula**  
H.O.: Forex



# DO YOU KNOW?

1. 3000 years ago, many of the Egyptians used to die at the age of 30 only.
2. 65% of autistic kids are left-handed, and only 10% of people, in general, are left-handed.
3. Until 2016, the "Happy Birthday" song was not for public use. Meaning that prior to 2016, the song was copyrighted, and you had to pay a license to use it.
4. When mice live in the wild, they typically only live for about six months.
5. An earthworm in Australia grows up to 10 feet.
6. Giraffes and human beings have only 7 bones in their necks.
7. A cluster of bananas is called a "hand." Along that theme, a single banana is called a "finger."
8. For nearly 60 years, Texas didn't have an official state flag between 1879 & 1933. During that time, the Lone Star flag was active, but the unofficial flag.
9. An elephant can smell existence of water even it is 3 miles away.
10. A cat has 33 muscles in its ears. As a result, it can hear every small sound.
11. In winter, our nails grow faster.
12. We think that Rice Paper means paper made out of rice. But it is small plant grown in Taiwan.
13. We think that the lemon is sour and strawberry is sweet. In fact, lime has more sugar in it.
14. The colour red doesn't really make bulls angry; they are colour-blind.
15. If you throw anything towards west, it goes more distance. The reason is, earth rotates from east to west.
16. It is Indians who eat the least meat in the world.
17. Virus attacks even Virus.
18. Horses can sleep even while they stand.
19. The Holy Bible is translated to 2454 languages.
20. Nobody could find out so far the colour of dinosaurs.

**P. Venugopal Reddy**  
H.O. : F & A

## RBI TIGHTENS CAPITAL NORMS FOR UNSECURED RETAIL LOANS

India's banking regulator on 16.11.23 slammed the brakes on the unbridled growth in consumer loans that lately expanded faster than less risky lending assets, directing banks to set aside more capital and establish board-monitored processes on such advances to prevent risk escalation in the financial system.

The Reserve Bank of India (RBI) increased risk weights on consumer loans from banks, non-banking finance companies (NBFCs) and credit card providers, making it more expensive for lenders across the spectrum to offer loans in these segments. That will mean higher interest rates for all borrowers.

Furthermore, bank lending to NBFCs will also become more expensive as risk weights on these loans have also been raised beyond a specified threshold. The new risk weighting will apply to all existing loans in the consumer segment as well, potentially requiring banks to advance their capital-raising timelines as they need more money now as cover against risky exposure.

Risk weights refer to the amount of capital lenders have to set aside to cover for credit risk from a particular loan segment. A higher risk weighting requires banks to set aside more capital for those loans.

In its latest move, RBI increased the risk weight on consumer credit for banks and NBFCs to 125% from 100%. Under existing rules, banks must set aside 8 for every 100 lent for personal loans. Now, they will need to keep aside 25% higher, or 10, on every 100 lent.

The new rules are not applicable to housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery, the RBI said.

Thursday's intervention follows repeated warnings from Governor Shaktikanta Das and his deputies over the past few months about rising credit risks in the system. An explosive growth in fintech firms and the increasing ability of lenders to reach hitherto unbanked customers have

led to instant disbursal of loans - at times oblivious of the borrowers' ability to repay. Defaults have also been rising in the below-Rs. 50,000 credit segment.

"Certain components of personal loans are recording very high growth," Das had said after the monetary policy committee's (MPC) last review meeting in October. "These are being closely monitored by the Reserve Bank for any signs of incipient stress. Banks and NBFCs would be well advised to strengthen their internal surveillance mechanisms and address the build-up of risks."

Risk weights on credit cards have been increased by 25 percentage points to 150% for banks and 125% for NBFCs, respectively. Loans to NBFCs could also attract a higher risk weighting. So far, bank loans to NBFCs were risk weighted as per ratings of external agencies. New norms will require banks to increase the risk weights by 25 percentage points over and above the risk weight given by the external rating agency where the risk weight as per external rating of an NBFC is below 100%.

### 'Move to Slow Down Lending'

"The Reserve Bank move was expected as the central bank has been indicating its discomfort with the high growth rate of this segment," said Kuntal Sur, leader, financial services and treasury risk, PwC India. "The high-risk weight will no doubt slow down lending and tighten risk for this segment. By increasing risk weights on bank loans to NBFCs, the RBI is also pushing banks to lend on the basis of their own credit assessment rather than on-lend to NBFCs."

All top-up loans by lenders against depreciating movable assets, such as vehicles, will be treated as unsecured loans for credit appraisal, prudential limits and exposure purposes, the RBI said.

# FISCAL DEFICIT

Fiscal deficit refers to the amount by which a government's spending exceeds its revenue in a given fiscal year, leading to increased borrowing and accumulation of debt. It represents the amount of borrowing required by the government to meet its spending obligations when its expenses surpass its income.

When a government spends more than it generates through sources like taxes, fees, and other revenue streams, it incurs a fiscal deficit. The deficit is typically financed through borrowing from various sources, such as issuing government bonds or seeking loans from domestic or international entities. Accumulated fiscal deficits contribute to a country's overall public debt burden.

Fiscal deficits can occur due to several factors, including increased government spending, economic downturns, tax cuts, subsidies, or inefficient revenue collection.

Governments often employ deficit financing to stimulate economic growth, support social welfare programs, or address emergencies. However, prolonged and excessive deficits can lead to concerns about fiscal sustainability, inflation, and high-interest payments on the accumulated debt.

Managing the fiscal deficit is a critical aspect of fiscal policy, and governments strive to strike a balance between promoting economic growth and maintaining fiscal discipline. The aim is to keep the deficit at a sustainable level while ensuring that public debt remains manageable, allowing the government to meet its financial obligations and maintain economic stability in the long term.

## India's current fiscal deficit

India's fiscal deficit amounted to Rs. 6.43 trillion for the first five months of the current fiscal year. It is 36 percent of the annual estimates of Rs. 17.87 trillion. The current fiscal deficit is 6.5 percent of GDP. The central government aims to reduce the fiscal gap to 5.9 percent of GDP in the fiscal year 2024.

## Calculating Fiscal Deficit

The calculation of fiscal deficit is simple-

Fiscal deficit = Government Income – Government Expenditure

This can be elaborated upon for a clearer comprehension as follows:

**Fiscal Deficit = (Revenue Expenditure + Capital Expenditure) – (Revenue Receipts + Capital Receipts Excluding Borrowings)**

After some rearrangement of the phrases, we have,

**Fiscal Deficit = (Revenue Expenditure – Revenue Receipts) + Capital Expenditure – (Recoveries of loans + other Receipts)**

## Let's take the following example:

Let's say the total expenditure is Rs.500 crores and the total revenue is Rs. 400 crores, which implies,

Fiscal Deficit = Rs. 500 crores – Rs. 400 crores

Fiscal Deficit = Rs. 100 crores

Therefore, the fiscal deficit, in this case, is Rs. 100 crores.

A budget deficit is an issue for many economies, including India. However, it's important to remember that a country's fiscal imbalance does not automatically indicate its economy is in bad shape.

A large budget deficit may be justified if the government invests heavily in long-term growth initiatives like the construction of highways, airports, and so on, or industries that will provide revenue in the years to come. Therefore, the revenue and spending portions must also be carefully examined while looking at the fiscal deficit statistic.

## What Causes Fiscal Deficit?

When a country's expenditures surpass its revenues, this is known as a fiscal deficit. There is a wide range of possible causes for this:

- 1. Increased Government Spending:** If tax revenues don't rise proportionately, a government's increased spending on programs and initiatives could increase the deficit.
- 2. Lower Revenue:** Declining tax revenues or natural resource income are two examples of revenue decreases that might lead to a worsening deficit.
- 3. Economic Downturns:** An increase in the deficit is possible if government revenues fall while expenditures rise during a recession.
- 4. War or Natural Disasters:** The government may need to boost spending to deal with the aftermath of a war or a natural disaster, adding to the deficit.
- 5. Social Welfare:** The deficit of a country may increase if it has many costly social welfare programs.
- 6. Interest on Debt:** It's possible that interest payments on a government's debt may be large, adding even more to the deficit.

The fiscal imbalance in India remains a top priority for government officials and financial analysts. Although measures have been taken to lower the deficit, it remains a significant problem for the Indian economy still.

Measures must be taken to cut wasteful spending and boost funding for crucial public programs. India can only achieve long-term economic growth and stability by taking a holistic strategy to address the fiscal imbalance.

*Let us sacrifice our  
today so that our children  
can have a better tomorrow.*

**APJ Abdul Kalam**

# KNOW A FEW BUSINESS WORDS

**ECONOMICS OF SCALE:** The reduction in long-run average and marginal costs arising from an increase in size of an operating unit (a factory or plant, for example). Economics of scale can be internal to an organization (cost reduction due to technological and management factors) or external (cost reduction due to the effect of technology in an industry). See also diseconomies of scale.

**EXAMPLE:** Big companies are often more profitable than smaller ones because of economies of scale: suppliers may offer discounts for larger orders, shippers may decrease per trip costs to compete for a large volume of business, and necessary production management staff may increase internal manufacturing efficiency.

**INTEGRITY:** 1. Strict adherence to a moral code, reflected in transparent honesty and complete harmony in what one thinks, says, and does.

2. State of a system where it is performing its intended functions without being degraded or impaired by changes or disruptions in its internal or external environments.

3. Stored or transmitted data that is free from any unauthorized change. See also data integrity.

**EXAMPLE:** I would question the integrity of the company CEO if I happened to find out that he discriminated against women.

**PREAMBLE:** Introductory part (recital) of a bill, constitution, or statute that sets out in detail the underlying facts and assumptions, and explains its intent and objectives. Its objective is to clarify the meaning or purpose of the operative part of the text in case of an ambiguity or dispute. However, preamble prevails only where it provides a clear and definite interpretation.

**EXAMPLE:** The senator started the meeting by reading the short preamble to the bill that he was there to get passed into law.

**ACCULTURATION:** Socialization process through which new employees learn, adjust to, and internalize the corporate culture.

Progressive organizations allow for sufficient acculturation time and help newcomers through orientation sessions and by facilitating learning.

**Example:** When the worker went from being a Wal-Mart greeter to a bank executive, the process of acculturation was rather extensive as the corporate culture was completely different.

Newer employees are expected to go through a probationary period of acculturation so they can become more familiar with company procedures and expectations to be better workers.

All new employees must go through our acculturation process before they are fully hired, unless they have previous business experience.

**PARAMETER:** Definable, measurable, and constant or variable characteristic, dimension, property, or value, selected from a set of data (or population) because it is considered essential to understanding a situation (or in solving a problem). Not to be confused with a perimeter, which sets the external boundary of a situation but does not help in assessing it, and a statistic is a measure of a sample.

**LEGACY:** Gift of personal property through a will by the writer of the will (the 'testator') to an individual or organization (the 'legatee').

Legacies are generally classified as (1) Demonstrative: paid out of specific funds, or portioned out of a specific property. (2) General: not clearly identified, such as, "a house." (3) Pecuniary: specified sum of money or an annuity. (4) Residuary: what is ...

**EXAMPLE:** When my grandmother passed away, she left me a legacy in her will, including some of her money and her summer house.

**TYPE A PERSONALITY:** A temperament characterized by excessive ambition, aggression, competitiveness, drive, impatience, need for control, focus on quantity over quality and unrealistic sense of urgency. It is commonly associated with risk of coronary disease and other stress related ailments. See also type B personality.

**EXAMPLE:** My new employee must have a type A personality because she always works hard, long hours and goes above and beyond what is required.

**IMPERATIVE:** 1. Absolutely necessary or crucial. "It is imperative that the report is finished by Friday, so we can send it to the client."

2. An order or command. "The workers were left with the imperative from their boss to work hard and try your best."

**EXAMPLE:** Kant's moral theory comes down to what is called "the moral imperative," which states that one ought not perform an action unless one feels it is permissible for everyone to perform that same action.

**VARIANCE:** 1. The difference between an expected and actual result, such as between a budget and actual expenditure.

2. Statistics: The arithmetic mean of the squares of the deviations of all values in a set of numbers from their arithmetic mean. Variance and its square root (the standard deviation) are of fundamental importance as a measure of dispersion.

**Ex:** There was a lot of variance in our budget this year, so we will have to cut back on the number of yacht trips that we take.

**FIDUCIARY:** Person or a legal entity (firm, bank, credit union) holding assets (cash, property, securities) or information as an agent-in-trust for a principal (stockholder, customer, member). A fiduciary owes (among other obligations) the duty of loyalty, full disclosure, obedience, diligence, and of accounting for all monies handed over, to the principal.

A fiduciary must not exploit his or her position of trust and confidence for personal gain at the expense of the principal. Law demands a fiduciary to exercise highest degree of care and utmost good faith in maintenance and preservation of the principal's assets and rights, and imposes compensatory as well as punitive damages on the erring fiduciary.

**Ex:** When choosing a fiduciary to handle your personal funds and loans, you want someone who is very trustworthy and has your goals in mind.

Banks, mortgage companies, and many other organizations that deal in the financial industry by holding, managing, or administering property or money are part of the fiduciary industry and have to answer to specialized government rules.

**Prabhakar**  
H.O. : GST



# FROM BOOSTING IMMUNITY TO PREVENTING DIABETES, 7 BENEFITS OF GUAVA YOU NEVER KNEW ABOUT

If you've been ignoring guava all this while, then it's time to give this 'wonder fruit' the attention it deserves. Read on to know more about its amazing benefits.

You see our ancestors were always right, when they told us to eat guava every single day. After all, it is rich in nutrients and tastes delicious too. No wonder, it is called the 'queen of fruits'. This not so ordinary-looking fruit has a unique flavour and texture that is loved by many.

Guava has also been hailed as one of the best superfoods, when it comes to offering health benefits. And we're sure, after knowing all the benefits, even if you don't like this fruit you'll develop a taste for it. So how about saying: a guava a day keeps the doctor away?

## 1. Boosts your immunity

We all know how important vitamin C is to strengthen the immune system. Guava does exactly that! It is packed with vitamin C, and shields you from common infections and pathogens. In fact, you'll be surprised to know that guava contains almost two times more vitamin C than oranges!

## 2. Has anti-cancer components

Guava is rich in lycopene, a powerful antioxidant that is effective in neutralising and lowering the cancer cells in your body. In a study conducted on animals and published in the journal Nutrition and Cancer, it was found that guava extract can prevent the growth of cancer cells.

## 3. Prevents diabetes

Guava has a low glycemic index, which prevents your blood sugar levels from shooting up. Moreover, the high fibre content also



ensures that blood sugar levels are in control.

## 4. Keeps your heart healthy

The high content of sodium and potassium present in guava regulates your blood pressure, and is particularly helpful for those who suffer from hypertension. Moreover, the fruit also contains good cholesterol that helps in the prevention of any heart disease.

## 5. De-stresses you

What if we tell you that after a long tiring day, you can rely on guava to de-stress you? Yes, guava can definitely release your stress. The magnesium content in this wonder fruit helps combat day-to-day stress by relaxing your muscles and calming you down.

## 6. Helps you during pregnancy

Guava is called a superfood for a reason, it is rich in several nutrients that can benefit you in unimaginable ways. The folic acid and vitamin B9 present in guava facilitates the development of your baby's nervous system

and prevents any neurological disorder in them. So, keep guava handy when pregnant.

## 7. Helps you lose weight

Guava is loved by every fitness expert, because of its low calorie and high fibre content. This fruit not only curbs your hunger, but also boosts your metabolism. When compared to other healthy fruits, such as apple and oranges, guava has relatively less sugar content too.

The plus point? Though it is low in calories, it is not low in nutrients. So it makes your snacking a guilt-free affair!

# ANSWERS

1. SIDBI
2. M. Rajeshwar Rao
3. 1952
4. Mastercard
5. Wellness
6. SBI

7. Repo Rate
8. 2nd (Second Schedule)
9. Section 18
10. 20 Lakh
11. 10 gm

# BANK LAUNCHES

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Printed & Published by **Smt. Ranjana Sharma** on behalf of  
**Andhra Pradesh Mahesh Co-operative Urban Bank Ltd.,**  
**Head Office :** 8-2-680/1&2, Road No. 12, Banjara Hills,  
Hyderabad - 500 034, Telangana State, INDIA  
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