

BANKING

The Reserve Bank of India (RBI) has extended the relaxation relating to Marginal Standing Facility (MSF) scheme till 30th September 2020.

It has also extended the relaxation relating to maintenance of Cash Reserve Ratio (CRR) up to 25th September 2020.

This was done in view of the hardships being faced by banks in terms of social distancing at work and consequent strain on reporting requirements.

Marginal Standing Facility:

- The RBI, as a temporary measure, had increased the borrowing limit of scheduled banks under the MSF scheme from 2% to 3% of their deposits with effect from 27th March 2020.
- Earlier, the above relaxation was granted till 30th June 2020.
- MSF is a window for scheduled banks to borrow overnight from the RBI in an emergency situation when interbank liquidity dries up completely.
- Under interbank lending, banks lend funds to one another for a specified term.
- Banks borrow from the RBI by pledging government securities at a rate higher than the repo rate under Liquidity Adjustment Facility (LAF).
- Repo rate is the rate at which the RBI lends money to commercial banks against the securities in the event of any shortfall of funds.
- Loans provided at repo rate are provided for a specified period with an obligation that the bank will repurchase the securities back at a predetermined rate.
- Differences between Repo Rate and MSF
- Repo rate is the rate at which RBI lends money to commercial banks, while MSF is a rate at which RBI lends money to scheduled banks.
- The repo rate is given to banks that are looking to meet their short-term financial needs. While, the MSF is meant for lending overnight to banks.
- Lending at repo rates involves a repurchase agreement of securities. While it is not so in MSF.
- Under MSF, banks are also allowed to use the securities that come under Statutory Liquidity Ratio (SLR) in the process of availing loans from RBI.
- Under SLR, commercial banks are mandated by RBI to maintain a stipulated proportion of their deposits in the form of liquid assets like cash, gold and unencumbered (free from debt) securities.

Cash Reserve Ratio:

- On 27th March, 2020 the minimum daily maintenance of the CRR was reduced from 90% of the prescribed CRR to 80%.
- The above facility was available till 26th June 2020.
- CRR is the amount of liquid cash that banks have to maintain with the RBI, as a percentage of

their total deposits.

Scheduled Banks:

- Any bank which is listed in the 2nd schedule of the RBI Act, 1934 is considered a scheduled bank.
- The banks included in this category should fulfil two conditions:
- The paid up capital and collected fund of the bank should not be less than Rs. 5 lakh.
- Any activity of the bank shall not adversely affect the interests of the depositors.

Commercial Banks:

It refers to both scheduled and non-scheduled commercial banks which are regulated under the Banking Regulation Act, 1949.

Liquidity Adjustment Facility (LAF) is a tool used in monetary policy by the RBI, that allows banks to borrow money through repurchase agreements (repos) or for banks to make loans to the RBI through reverse repo agreements.

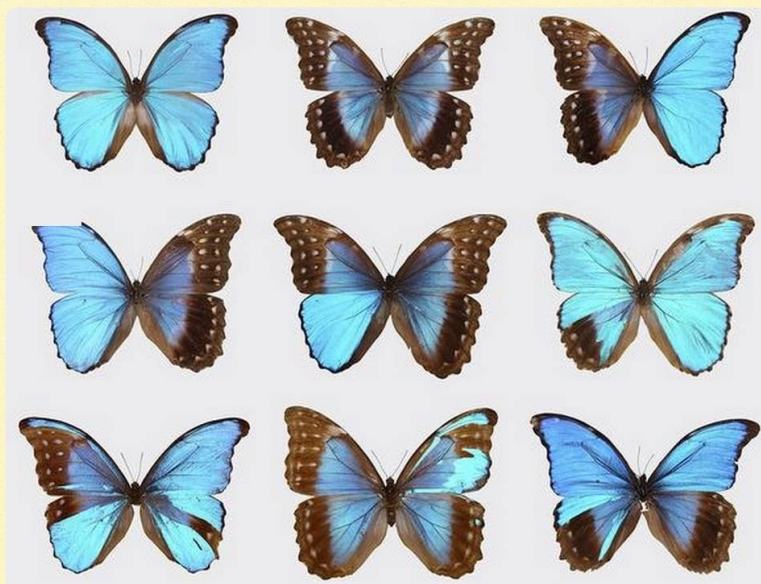
Reverse repo rate is the rate at which the RBI borrows money from commercial banks within the country.

Gynandromorphism

A rare biological phenomenon i.e. Gynandromorphism has been spotted in a dragonfly, the Scarlet Skimmer (*Crocothemis servilia*), which is found in the Kole wetlands, Kerala.

The dragonfly had both male and female characteristics.

- Gynandromorphism is a characteristic of an organism that contains both male and female tissues and characteristics. Such organisms are also called gynandromorphs.
- The term is derived from the Greek words (gyne = woman; aner = man and morphe = form).
- The phenomenon has been documented in birds, crustaceans and butterflies.



Blue morpho butterflies (top left, a male blue morpho butterfly and top middle, a female; the others are gynandromorphic)

Reason:

- Gynandromorphs are usually born due genetic aberration.
- Genetic aberrations are chromosomal disorder or mutation which is due to a missing, extra, or irregular portion of chromosomal DNA.
- Importance of the Study of gynandromorphism:
- It helps in finding the genetic diversity in related species which further contributes to the conservation and preservation.
- It also aids in discovery of disease and other changes in the specific species due to factors like climate change and ecological evolutions.
- Further, the study of gynandromorphs could offer clues as to why some human diseases strike one gender more than the other.

Kole Wetlands

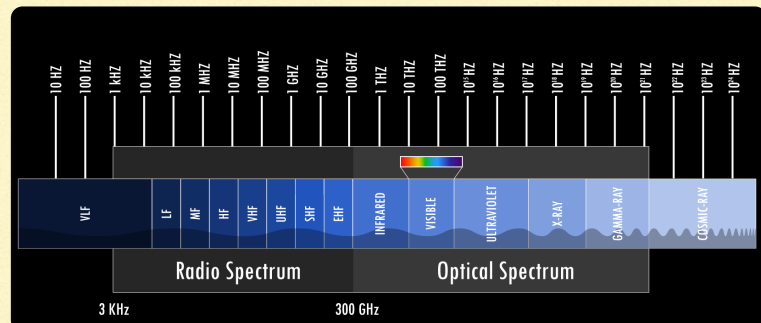
- Kole Wetlands is a wetland lying in Thrissur District in Kerala.
- It gives 40% of Kerala's rice requirement and acts as a natural drainage system.
- It is a part of Vembanad-Kole wetlands, a Ramsar site and has been colonised by invasive species.
- The Society for Odonate Studies (Kerala) has been conducting Odonate surveys at the Kole wetlands since 2018, and 37 species of dragonflies and damselflies have been reported from the wetlands so far.

Dragonfly

- A dragonfly is an insect belonging to the order Odonata, class Insecta.
- Adult dragonflies are characterized by large, multifaceted eyes, two pairs of strong, transparent wings, sometimes with coloured patches, and an elongated body.
- They are ecologically significant as they act as bioindicators.
- Bioindicators are living organisms such as plants, plankton, animals, and microbes, which are used to assess the health of the natural ecosystem in the environment.

HAM RADIO OPERATORS

HAM (amateur) radio operators have volunteered to help a special task force that has been constituted in Bengaluru to ensure that citizens placed under home



quarantine follow the protocol for it.

- Amateur radio, also called ham radio, is a noncommercial two-way radio communications. They use many frequency bands across the radio spectrum.
- HAM radio is a real-time communication network. This is much like wireless communication which is quick and transparent.
- Amateur Radio operators set up and operate organized communication networks locally for governmental and emergency officials, as well as non-commercial communication for private citizens affected by the disaster.
- Amateur Radio operators are most likely to be active after disasters that damage regular lines of communications due to power outages and destruction of telephone, cellular and other infrastructure-dependent systems.

Indian Scenario

- According to the Indian Wireless Telegraphs (Amateur Service) Amendment Rules, 1984, 'Amateur service' means a service of self training intercommunications and technical investigation carried on by Amateurs that is, by persons duly authorized under these rules interested in radio technique solely with a personal aim and without pecuniary interest.
- It is a non-commercial radio communication service.
- Amateur radio operators are commonly known as hams. The term "Ham radio" is used to describe the hobby of Amateur radio and not the equipment.
- Similarly the term "Ham" is used to describe a radio amateur enthusiast and not the equipment.
- Any citizen of India who is above 12 years of age can become a ham by qualifying in the Amateurs Station Operators' examination (ASO) and obtaining a valid Amateur wireless telegraph station license.

Radio Waves

- Radio waves have the longest wavelengths in the electromagnetic spectrum.
- These were discovered by Heinrich Hertz in the late 1880s.
- These are produced by the accelerated motion of charges in conducting wires. They are used in radio and television communication systems.
- They are generally in the frequency range from 500 kHz to about 1000 MHz.
- The AM (Amplitude Modulated) band is from 530 kHz to 1710 kHz. The FM (Frequency Modulated) radio band extends from 88 MHz to 108 MHz.
- Higher frequencies up to 54 MHz are used for short wave bands. TV waves range from 54 MHz to 890 MHz.
- Cellular phones use radio waves to transmit voice communication in the Ultra High Frequency (UHF) band.
- Radio-wave communications signals travel through the air in a straight line, reflect off of clouds or layers of the ionosphere, or are relayed by satellites in space.

