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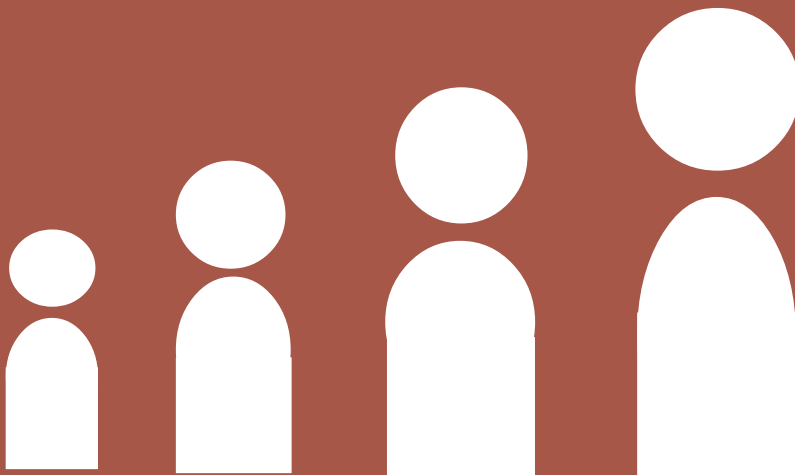
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Banking events Update



Those who win, are those, who think they can

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**BANKING
POLICY****Maintenance of Cash Reserve Ratio**

On 27.03.20, RBI decided to reduce the Cash Reserve Ratio (CRR) of all banks by 100 basis points from 4.00 per cent to 3.00 per cent of their Net Demand and Time Liabilities (NDTL) with effect from the reporting fortnight beginning March 28, 2020 for a period of one year, ending on March 26, 2021.

Further, RBI reduced the minimum daily maintenance of the Cash Reserve Ratio from 90 per cent of the requirement to 80 per cent effective from the fortnight beginning March 28, 2020. This is a one-time dispensation available up to June 26, 2020.

**Section 24 of the Banking Regulation Act, 1949 –
Maintenance of Statutory Liquidity Ratio (SLR) –
Marginal Standing Facility (MSF)**

On 27.03.20, RBI decided to raise the borrowing limit of Scheduled Banks (excluding Regional Rural Bank) under the MSF scheme from 2 per cent to 3 per cent of their Net Demand and Time Liabilities (NDTL) outstanding at the end of the second preceding fortnight with immediate effect. The enhanced limit will be applicable up to June 30, 2020.

**Basel III Capital Regulations - Review of transitional
arrangements**

On 27.03.20, RBI decided that the implementation of the last tranche of 0.625% of Capital Conservation Buffer (CCB) shall stand deferred from March 31, 2020 to September 30, 2020.

Accordingly, minimum capital conservation ratios will also apply for a further period of six months from March 31, 2020 till the CCB attains the level of 2.5% on September 30, 2020.

Further, the pre-specified trigger for loss absorption through conversion / write-down of Additional Tier 1 instruments (PNCPS and PDI) shall remain at 5.5% of RWAs and will rise to 6.125% of RWAs on September 30, 2020.

**Basel III Framework on Liquidity Standards –
Net Stable Funding Ratio (NSFR)**

On 27.03.20, RBI decided to defer the implementation of NSFR guidelines by six months. These guidelines will now come into effect from October 1, 2020 as against April 1, 2020.

**Appointment of Managing Director and Chief Executive
Officer (MD & CEO) / CEO / part-time Chairperson (PTC)
in Banks – ‘Declaration and Undertaking’ and allied
matters**

To complete the appointment of Managing Director and Chief Executive Officer (MD & CEO)/ CEO/ part-time Chairperson (PTC) in Banks in a timely manner, RBI reviewed its guidelines on 31.03.20.

Based on the review, the ‘Declaration and Undertaking’ and specimen of ‘Form A’ as well as ‘Form B’ have been revised.

To enable Reserve Bank to convey the requisite approval in time

on the re-appointment of an MD & CEO/ CEO in banks, the complete applications in the prescribed forms i.e., ‘Form B’ along with ‘Declaration and Undertaking’ from candidate(s), along with the remarks of Nomination and Remuneration Committee of having satisfied itself that the information is true and complete should be submitted to the Department of Regulation, Central Office, Reserve Bank of India, Mumbai, at least six months before the expiry of the term of office of the incumbent.

Proposals for appointment of a new MD & CEO/ CEO, should invariably contain a panel of at least two names in the order of preference. The proposals should be submitted to the Reserve Bank at least four months before the expiry of the term of office of the present incumbent.

**Foreign Exchange Management (Export
of Goods and Services) (Amendment)
Regulations, 2020**

As per extant guidelines, the amount representing the full export value of goods / software/ services exported shall be realised and repatriated to India within nine months or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time, from the date of export.

On 31.03.20, RBI modified the period from 9 months to 15 months, till 31.7.20.

**Doorstep Banking Services for Senior
Citizens and differently-abled Persons**

On 09.11.17, banks were advised by RBI to offer certain basic banking services to senior citizens of more than 70 years of age and differently abled persons at the doorstep of such customers.

In order to make the doorstep banking services for senior citizens and differently abled persons effective, on 31.03.20, RBI advised banks to incorporate the following aspects in their Board approved policy for such services:

a) Banks shall offer the doorstep banking services on pan India basis. Banks should develop a Board approved framework for determining the nature of branches/centres where these services will be provided

mandatorily and those where it will be provided on a best effort basis and make the policy public. The list of branches offering such doorstep banking services shall be displayed/updated on the bank's website regularly.

b) Banks shall give adequate publicity to the availability of these services in their public awareness campaigns. The charges, in this regard, shall also be prominently indicated in brochures and published in their websites.

Banks shall report the progress made in this regard to the Customer Service Committee of the Board every quarter.

Short Term Crop Loans eligible for Interest Subvention Scheme (ISS) and Prompt Repayment Incentive (PRI) through KCC

Ministry of Agriculture & Farmers Welfare on Jan 23, 2020 advised that Short Term Crop Loans eligible for Interest Subvention Scheme (ISS) and Prompt Repayment Incentive (PRI) should be extended only through KCC thus making KCC a prerequisite for claiming Interest Subvention and Prompt Repayment Incentive by farmers w.e.f. April 1, 2020. In view of this, RBI advised banks on 26.02.20, to ensure that all Short Term Crop Loans eligible for Interest Subvention (IS) and Prompt Repayment Incentive (PRI) benefit are extended only through KCC w.e.f. April 1, 2020. The existing Short Term Crop Loans which are not extended through KCC shall be converted to KCC loans by March 31, 2020.

Accordingly, reimbursement of interest subvention for Short Term Crop Loans through non-KCC accounts shall not be considered beyond March 31, 2020.

Further, in view of the complete lockdown RBI decided (30.03.20), that the banks may convert the existing Short Term Crop Loans including agriculture gold loans into KCC loans by June 30, 2020 with commensurate extension of Interest Subvention (IS) and Prompt Repayment Incentive (PRI) benefit against such accounts till June 30, 2020.

'Fully Accessible Route' for Investment by Non-residents in Government Securities

In the Union Budget 2020-21, govt. had announced that certain specified categories of Central Govt. securities would be opened fully for non-resident investors without any restrictions, apart from being available to domestic investors as well. Accordingly, a separate route viz., Fully Accessible Route (FAR) for investment by non-residents in securities issued by Govt. of India has been notified by RBI on 30.03.20. The scheme shall operate along with 2 existing routes, viz., Medium Term Framework and Voluntary Retention Route (VRR). The scheme comes into operation on 01.04.20.

RBI notified securities such as Govt. securities of 5-year, 10-year and 30-year tenors shall be eligible for investment under the FAR.

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Covid-19 : Relief Package of RBI

On 27.03.20, RBI announced the following package:

(i) Rescheduling of Payments – Term Loans and Working Capital Facilities

1. For all term loans (including agricultural, retail and crop loans), all commercial banks (including RRBs, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs and housing finance companies, can grant a moratorium of 3 months on payment of all instalments falling due between *March 1, 2020 and May 31, 2020*. The repayment schedule for such loans as also the residual tenor, will be shifted *across the board by three months* after the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.

2. For working capital facilities [cash credit/overdraft], lending institutions can defer the recovery of interest applied in respect of all such facilities during the period from March 1, 2020 upto May 31, 2020 (deferment). The accumulated accrued interest shall be recovered *immediately* after the completion of this period.

(ii) Easing of Working Capital Financing

For working capital facilities (CC/OD), lending institutions may recalculate the 'drawing power' by reducing the margins and/or by reassessing the working capital cycle. This relief shall be available for all such changes effected up to May 31, 2020 and shall be contingent on the lending institutions satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19.

Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

1. Since the moratorium/deferment/recalculation of the 'drawing power' is being provided specifically to enable the borrowers to tide over economic fallout from COVID-19, it will not be treated as concession or change in terms and conditions of loan agreements due to financial difficulty of the borrower under Prudential Framework for Resolution of Stressed Assets) Directions, 2019. Consequently, such a measure, by itself, shall not result in asset classification downgrade.

2. The asset classification of term loans which are granted relief shall be determined on the basis of *revised due dates* and the *revised repayment schedule*. Similarly, working capital facilities where relief is provided, the SMA and the out of order status shall be evaluated considering the application of accumulated interest immediately after the completion of the deferment period

as well as the revised terms, as permitted above.

3. The rescheduling of payments, including interest, will not qualify as a default for supervisory reporting and reporting to Credit Information Companies by the lending institutions. CICs shall ensure that actions taken by banks pursuant to the above announcements do not adversely impact the credit history of the beneficiaries.

Other Conditions

1. Lending institutions shall frame Board approved policies for providing the above-mentioned reliefs.

2. Wherever exposure to a borrower is Rs.5 crore or above as on March 1, 2020, bank shall develop an MIS on the reliefs provided to borrowers which shall include borrower-wise and credit-facility wise information regarding the nature and amount of relief granted.

Limits on exposure and large exposures and revision in the target for priority sector lending for Primary Urban Coop Banks (UCBs)

On 13.03.20, RBI issued following directions to UCBs:

Prudential Exposure Limits

1) In place of previous guidelines, the prudential exposure limits (funded and non-funded exposure) for UCBs for a single borrower/party and a group of connected borrowers/parties shall be 15% and 25%, respectively, of their tier-I capital.

These revised limits shall apply to all fresh exposures. UCBs shall bring down their existing exposures which are in excess of the revised limits to within the aforesaid revised limits by March 31, 2023. Where existing exposure comprises only TLs and non-fund-based facilities and no further exposure shall be taken on such borrowers, these facilities may be allowed to continue as per their respective repayment schedule / till maturity. Tier-I capital as on March 31 of the preceding financial year shall be reckoned for fixing the exposure limits.

2) UCBs shall have at least 50% of their aggregate loans comprising loans of not more than Rs.25 lakh or 0.2% of their tier I capital, whichever is higher, subject to a maximum of Rs.1 crore, per borrower/party. UCBs which do not comply with these threshold shall comply with the above requirements by March 31, 2024.

Revised Priority Sector Lending Target

The overall target shall stand increased to 75% (from 40%) of ANBC or CEOBSE, whichever is higher.

UCBs shall comply with the above target by March 31, 2024 as per the following milestones:

a) by 31.3.21 = 45%, b) by 31.3.22 = 50%, c) by 31.03.23 = 60% and d) by 31.03.24 = 75%

RBI Policy Directions

Legal Entity Identifier: Extension of deadline for participation in non-derivative markets

In the context of the difficulties arising from the outbreak of novel coronavirus disease (COVID-19) and with a view to enabling smoother implementation of the LEI system in *non-derivative markets*, the timeline for implementation (Phase III) has been extended by RBI on 27.03.20, in respect of entities with net worth up to Rs.200 cr from 31.03.20 to 30.09.20.

Standing Liquidity Facility for Primary Dealers

On 27.03.20, the policy repo rate under the Liquidity Adjustment Facility (LAF) has been reduced by 75 basis points to 4.40% from 5.15% with immediate effect.

Accordingly, the Standing Liquidity Facility provided to Primary Dealers (PDs) (collateralised liquidity support) from RBI would be available at the revised repo rate of 4.40 per cent with effect from March 27, 2020.

LAF Repo and Reverse Repo Rates

On 27.03.20, the Monetary Policy Committee (MPC) of RBI decided to reduce the policy Repo rate under the Liquidity Adjustment Facility (LAF) by 75 basis points from 5.15% to 4.40% with immediate effect.

Further, consequent upon the widening of the LAF corridor, the Reverse Repo rate under the LAF stands adjusted from 4.90% to 4% with immediate effect.

Priority Sector Lending - Lending by banks to NBFCs for On-Lending

As per circular dated 13.08.20, RBI had informed that the bank loans to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories up to March 31, 2020. After undertaking a review, on 23.08.20, RBI decided to extend the priority sector classification for bank loans to NBFCs for on-lending for FY 2020-21. Further, existing loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity.

Bank credit to registered NBFCs (other than MFIs) and HFCs for on-lending will be allowed up to an overall limit of 5% of individual bank's total PS lending.

Settlement system under Asian Clearing Union (ACU) Mechanism

The Board of Directors of ACU have decided to permit Japanese Yen for settling payments among the ACU member countries. Accordingly, clause (a) and (b) of Article IV of the General Provisions of Agreement establishing the Asian Clearing Union have been revised and the Asian Monetary Unit is now denominated as

“ACU Dollar”, “ACU Euro” and “ACU Yen” which shall be equivalent in value to one US Dollar, one Euro and one Japanese Yen respectively.

In order to facilitate transactions / settlements, effective March 06, 2020, participants in the Asian Clearing Union will have the option to settle their transactions either in ACU Dollar or ACU Euro or in ACU Japanese Yen.

Further, AD banks are allowed to open and maintain ACU Dollar, ACU Euro and ACU Japanese Yen accounts with their correspondent banks in other participating countries. All eligible payments are required to be settled by the concerned banks through these accounts.

Notwithstanding the above, it may be noted that operations in ‘ACU Euro’ has been temporarily suspended with effect from July 01, 2016.

Issue of Long Term Bonds by Banks – Financing of Infrastructure and Affordable Housing

Affordable housing is included in the harmonised master list (HML) of infrastructure subsectors issued vide gazette notification dated August 13, 2018. For lending to infrastructure sector, banks/FIs shall continue to follow the definition of affordable housing projects as per the definition in the HML. (Affordable Housing” is defined as a housing project using at least 50% of the Floor Area Ratio (FAR)/Floor Space Index (FSI) for dwelling units with carpet area@ of not more than 60 square meters) Due to inclusion of affordable housing under the HML, on 17.03.20, RBI decided to align the definition of lending to affordable housing with the definition provided in the HML of infrastructure subsectors, as under:

Existing definition : Housing loans eligible under priority sector lending by the RBI, and also housing loans to individuals upto Rs. 50 lakhs for houses of values upto Rs. 65 lakhs located in the six metropolitan centres viz. Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad and Rs. 40 lakhs for houses of values upto Rs. 50 lakhs in other centres for purchase/construction of dwelling unit per family.

Revised definition : Housing loans eligible to be classified under priority sector lending (as updated from time to time) and housing loans to individuals for acquiring dwelling units within the prescribed threshold under the affordable housing definition in the HML.

Classification of

Investment Fluctuation Reserve (IFR)

Some banks enquired RBI whether IFR, forming part of General Provisions and Loss Reserves, can be reckoned as Tier II capital only to the extent of 1.25% of total credit risk weighted assets. On 17.03.20, RBI clarified that there is no such ceiling for IFR.

Practical Problems based on Banking Ombudsman Decisions

1) A customer had deposited a cheque of Rs.24,00,000 in his account. The amount was duly transferred to his account and he withdrew Rs.80,000 on the same day after which the balance in his account was Rs.23,20,008. He claimed that he did not do any further transactions in the account. However, on next day somebody apparently in collusion with some employee of the bank credited Rs.1,00,000 to his account and thereafter, the entire amount of Rs.24,00,000 was credited back to the account of the drawer of the cheque. The bank did not take any action on his complaint. In its reply to BO the bank stated that there was an internal family dispute between the complainant and his wife, who had issued the said cheque. The bank enclosed a representation from the drawer of the cheque wherein she claimed that the cheque had been fraudulently got signed by the beneficiary/complainant. BO observed that the bank had not offered any comment as to how the disputed transactions in the account had been carried out at the bank's end irrespective of the underlying dispute between the drawer and the drawee. In a meeting with bank officials BO asked bank officials to explain whether the reversal of transaction was in conformity with existing banking law and practices. The bank officials had no valid justification. The bank was advised to immediately refund entire amount along with interest at fixed deposit rate for the delayed period to the complainant.

2) Proprietor of a firm lodged a complaint with the BO office that 5 cheques issued in the name of his firm were deposited by his supervisor in his savings account by writing his savings account number in the pay-in-slip and the proceeds of these cheques were wrongly credited to his personal savings account. The BO called for original documents and the action taken on the earlier complaint received by the bank from the complainant. After due examination of all the documents including the internal investigation report, it was observed that bank was negligent in collecting and crediting the cheques drawn in the name of the firm to the personal account of the supervisor. As the protection of Sec131 of Negotiable Instrument Act was not available to the bank, an advisory was issued directing the bank to credit the amount of cheques to firm's account.

3) The complainant alleged that there was a fraudulent transfer of funds through combo voucher from his account to an unknown account in other bank. The complainant submitted a copy of reply by the bank in response to his RTI query wherein the bank had categorically stated that transfer voucher was meant for internal use of the bank and transfer of fund was being done on written request of the account holder/authorized person. On taking up the matter, the bank replied that the transfer of funds was made on the basis of combo voucher, which had the signature of depositor which tallied with account opening form held on their record. Bank also stated that the authority letter required as per internal circular was not obtained and an internal investigation had been done and disciplinary action initiated against erring officials of the bank. However, the bank pleaded that since general authority and signature tallied, the bank had the mandate to debit the account.

BO observed that the bank's stand that mere signature on the transfer voucher constituted proper mandate was not acceptable, as the bank had been obtaining separate mandate for transfer of funds. A purported mandate on the combo voucher was not complete in as much as the name of the beneficiary was not proper as also the amount was mentioned only in figures and not in words. BO passed an award against the bank directing to pay the value of disputed transaction with interest at extant savings bank rate from the date of transaction till the date of payment to the complainant.

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MOCK-TEST PAPER

Questions on RBI Policy

- 01** As per RBI directions dated 27.03.20, banks can grant moratorium on term loan repayment for a period of 3 months i.e.
- 01.03.20 to 31.05.20
 - 31.03.20 to 30.06.20
 - 01.04.20 to 31.03.20
 - 01.05.20 to 31.07.20
- 02** As per RBI directions dated 27.03.20, in cash credit or overdraft account, the recovery of which of the following can be deferred for 3 months ending 31.05.20:
- all types of charges
 - interest applied to the accounts
 - overdraft allowed
 - all the above
- 03** As per RBI directions on Covid-19 relief, if moratorium on term loan installment repayment is allowed or interest is deferred for recovery in CC/OD accounts, the banks are to make provision ___ % if such accounts are in default but in standard category:
- 15% b 10%
 - 5% d 2%
- 04** On 27.03.20, RBI reduced the cash reserve ratio rate from ___ to ___ as %age of net demand and time liabilities, for a period of one year beginning from 28.03.20:
- 4% to 3%
 - 4.5% to 4%
 - 5% to 4.5%
 - 5% to 4%
- 05** On 27.03.20, RBI reduced the requirement of min daily balance under CRR to ___ % of average fortnightly balance?
- 70% from existing 80%
 - 70% from existing 90%
 - 80% from existing 90%
 - 85% from existing 90%
- 06** On 27.03.20, RBI allowed banks to complete creation of capital conservation buffer (last installment) to bring the CCB to 2.5% of RWAs, by ___ instead of 31.03.20:
- 30.06.20
 - 30.09.20
 - 31.12.20
 - 31.03.21
- 07** On 27.03.20, RBI deferred the implementation of net stable funding ratio under Basle framework to:
- 1.8.20
 - 1.10.20
 - 1.1.21
 - 1.4.21
- 08** As per March 27, 2020 directions of RBI, wherever the exposure of a lending institution to a borrower is _____ as on March 1, 2020, the bank shall develop an MIS on the reliefs provided to its borrowers which shall *inter alia* include borrower-wise and credit-facility wise information regarding the nature and amount of relief granted.
- Rs.1 cr and above
 - Rs.2 cr and above
 - Rs.5 cr and above
 - Rs.10 cr and above
- 09** On 27.03.20, RBI changed the repo rate. What is the new rate?
- 5.15% b 4.40%
 - 4.65% d 3.75%
- 10** On 27.03.20, RBI changed the repo rate. Due to this change, the new marginal standing facility rate is?
- 5.15% b 4.40%
 - 4.65% d 3.75%
- 11** On 27.03.20, RBI changed the repo rate. Due to this change, the new bank rate is?
- 5.15% b 4.40%
 - 4.65% d 3.75%
- 12** As per RBI directions, the exposures shifted to a person resident outside India, will attract a minimum risk weight of ___%.
- 100% b 125%
 - 150% d 200%
- 13** Asian Monetary Unit is denominated as 1) ACU Dollar, 2) ACU Euro 3) ACU Yen 4) ACU GBP
- 1 to 4 all
 - 1 to 3 only
 - 1 and 2 only
 - 1 and 4 only
- 14** Affordable Housing is defined as a housing project using at least ___ of the Floor Area Ratio (FAR)/Floor Space Index (FSI) for dwelling units with carpet area@ of not more than 60 square meters:
- 75% b 60%
 - 50% d 40%
- 15** As part of capital adequacy framework in India, which of the following is part of Tier-2 capital and at the same time, the 1.25% of risk weighted assets ceiling is not applicable on that?
- provisions on standard loans
 - provision on NPA loans
 - floating provisions

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We strongly believe that the subscribers are the best consultants, we have. Based on their feed back, we keep on redesigning and restructuring this publication. Kindly send your suggestions and views.

- *d investment fluctuation reserves
- 16** The urban cooperative banks (UCBs) are required to maintain priority sector lending of ___% of adjusted net bank credit or credit equivalent of off-balance sheet exposure, which ever is higher, which is to be achieved by 31.03.24?
- a 40% b 60%
c 75% d 85%
- Recalled Questions from Promotion Exam**
- 17** For which of the following category of loans the risk weight for Capital Adequacy ratio purpose is 125%:
- a exposure to capital market
b exposure to real estate
c loans to strategically important non-deposit taking NBFCs
d exposure to NPA account in housing finance loans
- 18** A bank wants to bring change in the terms and conditions relating to saving bank account. The bank should inform the customer about this ____ month / days before implementation of the change:
- a 2 months
b 45 days
c one month
d 15 days
- 19** A bill dated 1.1.2016 is payable 2 months after sight and it was sighted on 15.1. 2016, but accepted on 18.1. 2016. The due date for payment would be:
- a 15.3. 2016
b 18.3. 2016
c 17.3. 2016
d 21.03.2016
- 20** As per KYC guidelines, the suspicious transactions' report is to be submitted
- a within 3 days of close of the month
b within 7 working days of date of confirmation of suspicion
c within 3 days of date of date of confirmation of suspicion
d within 15 days of close of the month
- 21** If a reporting entity (say a bank) or its designated director on the Board or any of its employees has failed to comply with the obligations under provisions of Prevention of Money Laundering Act then, without prejudice to any other action that may be taken under any other provisions of this Act, for each failure, he may be fined
- a for an amount up to Rs.50000
b for an amount of Rs.10000 to Rs. 1 lac
c for an amount of Rs.1 lac to Rs.10 lac
d for an amount of Rs.1000 to Rs.10000
- 22** A drawee bank is responsible to one of the following for wrongful dishonour of a cheque:
- a The payee, if suffers any loss
b The endorsee, if suffers any loss
c The presenter, if suffers loss
d The account holder, if suffers loss
e any of the above, if suffered loss
- 23** Under Basel III, for calculation of risk weighted assets or for determining amount of capital charge, which of the following approach is used for credit risk and operational risk :
- a credit risk – standard approach, operational risk – standard approach
b credit risk – standard approach, operational risk – basic indicator approach
c credit risk – internal rating based approach, operational risk – basic indicator approach
d credit risk – basic indicatory approach operational risk – internal rating based approach
- 24** In case of payment of cheque with an endorsement, the paying banker gets protection only when:
- a signatures of the endorser are not forged
b endorsement is not without consideration
c endorsement appearing on the instrument is regular
d all the above
- 25** Which of the following groups, can become a partners in a partnership firm:
- a a private company, a public company, a partnership firm, an NBFC
b a public company, an HUF, an individual person, a private company
c an individual person , a private company, a public company, a partnership firm
d a private company, a public company, a partnership firm, a minor
- 26** A power of attorney executed abroad and attested by Notary public in that country:
- a Is valid in India also if stamped in India within 3 months from date of entry into India.
b Not valid in India unless attested in India
c Valid if attested in India also by Chief Justice
d a to c
- 27** Under the cash budget method of working capital assessment, the amount is fixed on the basis of:
- a opening cash deficit
b closing cash deficit
c peak cash deficit
d opening cash balance

Relief Package for poor to tackle the financial difficulties arising from Covid-19 outbreak

The economic relief package was announced by Central Govt. on 26.03.20. It includes a mix of food security and direct cash transfer benefits which shield poor families during lockdown. Summary of the package is given hereunder:

- Under the Pradhan Mantri Gareeb Kalyan Ann Yojna (PMGKY) which is a part of the relief package, at least 80 crore poor people will be covered.
- Under the scheme, an additional five kilos of rice/wheat will be given to 80 crore individuals (over the 5 kilo they already get) along with a one-kilo pulse per household for a period of three months.
- The Govt. will spend Rs 45,000 crore for undertaking these measures.
- Finance Minister also announced that there will be Rs 50 lakh insurance cover for each healthcare worker for three months.
- “Safai karamcharis, ward-boys, nurses, paramedics, technicians, doctors and specialists and other health would be covered by a special insurance scheme. Any health professional who, while treating Covid-19 patients meets with some accident, then he/she would be compensated with an amount of Rs 50 lakh under the scheme.

Under Direct Benefit Transfer

- 8.69 crore farmers to be immediately benefited through direct cash transfers under Kisan Samman Nidhi. Instalment of Rs 2,000 in the first week of April will be transferred.
- Wages under MNREGA will also be increased by Rs 2000 per worker on an average as additional income to help daily wage labourers.
- 3 crore senior citizens, persons with disabilities (Divyangs) and widows will get one-time additional amount of Rs 1,000 in two instalments, to be given through DBT over a period of three months.
- 20 crore Jan Dhan women account holders will be covered under the relief package and a compensation of Rs 500 per month for the next three months.
- BPL families will get free cylinders for three months under the Ujjawala scheme as well.
- Collateral-free loans have been doubled to Rs 20 Lakh for women self-help groups under the Deen Dayal National Livelihood Mission.
- Government will bear the cost of EPF contribution of both employer and employee (24 per cent) for the next three months. However, this is only for those establishments which have up to 100 employees and 90 per cent of them earn less than Rs 15,000.
- Govt to amend the regulation of EPF due to this pandemic so that workers can draw upto 75 per cent non-refundable advance from credit in PF account or 3 months salary, whichever is lower.

Marginal Standing Facility (MSF)

On 27.03.20, the Monetary Policy Committee (MPC) of RBI decided to reduce the policy Repo rate under the Liquidity Adjustment Facility by 75 basis points from 5.15 per cent to 4.40 per cent with immediate effect. Consequently, MSF rate stands adjusted from 5.40% to 4.65% with immediate effect.

DATA COLUMN

Business of Banks

(Rs.in cr)	Mar31'19	Mar13-20
Aggregate deposits	10805150	13339089
Cash in hand/RBI	570490	632546
Investments	3043660	3795013
Bank Credit:	7881890	10140493
-Food	53930	60392
-Non-Food	7827960	10080101
Cash-Deposit Ratio	5.27	4.63
Investment-Deposit	28.14	28.03
Credit-Deposit	72.95	76.91

Money Stock

(Rs.in cr)	Mar31'19	Mar13-20
M3 (Out of which)	15430870	16526566
(a) Currency with public	2052230	2308312
(b) Demand deposits-Banks	1626310	1576035
(c) Time Deposits - Banks	11720590	12606045
(d) Other deposits with RBI	31740	36175

Sources of Money Supply

(a) Net Bank credit to Govt	4387790	5038798
(b) Bank credit to Comrc'l sectr	10380180	10796486
(c) Net Forex assets of Banks	2977860	3761465

Important Banking Indicators

Statutory Liquidity Ratio	18.00%	(10.04.2020)
Cash Reserve Ratio	03.00%	(28.03.2013)
Overnight LAF (of NDTL)	0.25%	
14days term Repo(of NDTL)	0.75%	
Reverse Repo Rate	03.75%	(17.04.2020)
Repo Rate	04.40%	(27.03.2020)
MSF Rate	04.65%	(27.03.2020)
Bank Rate	04.65%	(27.03.2020)

Small Savings Interest Rates

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

Capital & Money Market Indicators

Parameter	end-Mar19	end-Mar20
Dollar-spot TT (Rs.)	69.22	75.38
BSE - Sensex (points)	38862	28265
NSE - Nifty(S&P CNX)	11666	7895
Foreign reserves (Million \$)	411905	475561
Gold /Oz in USD)	1292	1621

INDIAN ECONOMY-IMPORTANT PARAMETERS

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

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