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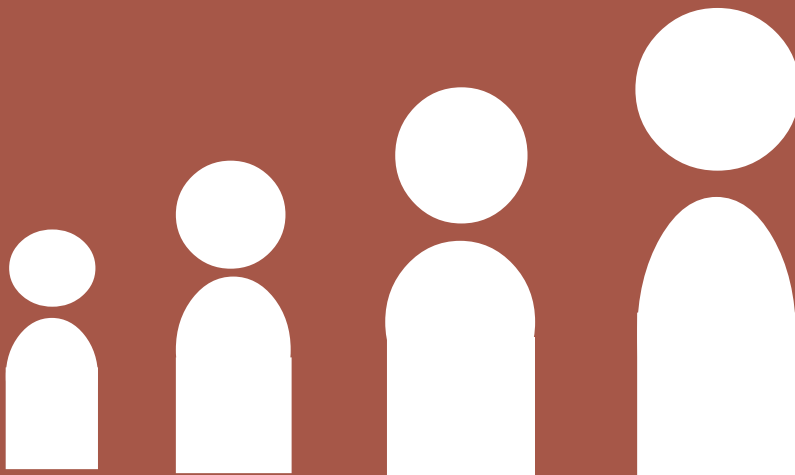
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**BANKING
POLICY****RWAs for Retail Portfolio**

As per extant guidelines of RBI on risk weight for Regulatory Retail Portfolios of Basel III Capital Regulations, claims (including both fund-based and non-fund based) that meet all the 4 criteria may be considered as retail claims for regulatory capital purposes and included in a regulatory retail portfolio.

Claims included in this portfolio are assigned a risk-weight of 75%, 'Low value of individual exposures' is one of the four qualifying criteria which prescribed that the maximum aggregated retail exposure to one counterparty shall not exceed the absolute threshold limit of Rs.5 crore.

In order to reduce the cost of credit for this segment consisting of individuals and small businesses (i.e. with turnover of upto Rs. 50 crore), and also to harmonise with the Basel guidelines, RBI decided (12.10.20) that the above threshold limit of Rs.5 crore for aggregated retail exposure to a counterparty shall stand increased to Rs.7.5 crore. The risk weight of 75% will apply to all fresh exposures and existing exposures where incremental exposure may be taken by banks upto revised limit of Rs.7.5 cr.

Illustrations of revised instructions on Regulatory Retail

Scenario 1 : As on October 12, 2020, a bank has an exposure of Rs.4 crore to borrower A, which qualifies for classification as 'regulatory retail'. Accordingly, it attracts 75% risk weight. If the bank takes an additional exposure to borrower A upto Rs.7.5 crore and which continues to satisfy all other eligibility criteria, the entire revised exposure shall qualify for classification as 'regulatory retail' and attract 75% risk weight.

Scenario 2 : As on October 12, 2020, a bank has an exposure of Rs.6 crore to borrower B. After October 12, 2020, if the bank takes an additional exposure to borrower B, upto Rs.7.5 crore and which otherwise satisfies all other eligibility criteria, the entire revised exposure shall qualify for classification as 'regulatory retail' and attract 75% risk weight. However, if no additional exposure is taken after October 12, 2020, then the existing exposure shall continue to attract risk weight as applicable earlier. The illustrations are tabulated below (Rs. cr).

	Borrower-A		Borrower-B	
	1	2	3	4
A. Existing Exposure	4.0	4.0	6.0	6.0
B. Existing risk weight	75%	75%	100%	100%
C. Additional exposure after Oct 12	0	1.5	0	1.5
D. Total exposure	4.0	5.5	6	7.5
E. Applicable risk weight on D	75%	75%	100%	75%

Digital Payment Transactions – Streamlining QR Code infrastructure

RBI had constituted a Committee (Chairperson : Prof Deepak Phatak) to review the current system of Quick Response (QR) Codes in India and suggest measures for moving towards

interoperable QR Codes.

After examining the recommendations and the feedback received, RBI decided (22.10.20) as under:

- The two interoperable QR codes in existence – UPI QR and Bharat QR – shall continue as at present.
- Payment System Operators (PSOs) that use proprietary QR codes shall shift to one or more interoperable QR codes; process of migration shall be completed by 31.03 2022.
- No new proprietary QR codes shall henceforth be launched by any PSO for any payment transaction.
- RBI shall continue a consultative process to standardise and improve interoperable QR codes, to enable beneficial features identified by the Phatak Committee.
- PSOs may take initiative to increase awareness about interoperable QR codes.

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

On a review, RBI decided (29.09.20) to defer the implementation of NSFR guidelines by a further period of six months. These guidelines shall now come into effect from April 1, 2021.

Basel III Capital Regulations - Review of transitional arrangements

RBI decided on 29.09.20, to defer the implementation of the last tranche of 0.625 per cent of the Capital Conservation Buffer (CCB) from Sept 30, 2020 to April 1, 2021. Accordingly, minimum capital conservation ratios shall continue to apply till the CCB attains the level of 2.5% on April 1, 2021.

The pre-specified trigger for loss absorption through conversion / write-down of Additional Tier 1 instruments (Perpetual Non-Convertible Preference Shares and Perpetual Debt Instruments), shall remain at 5.5 per cent of risk weighted assets (RWAs) and will rise to 6.125 per cent of RWAs from April 1, 2021.

Individual Housing Loans – Rationalisation of Risk Weights

In terms of circular dated 7.6.2017, the capital charge for claims secured by residential

property falling under the category of individual housing loans is assigned differential risk weights based on the size of the loan as well as the loan to value ratio (LTV).

RBI decided (16.10.20) to rationalise the risk weights, irrespective of the amount. The risk weights for all new housing loans to be sanctioned on or after the date of this circular and up to March 31, 2022 shall be as under:

LTV Ratio (%)	Risk Weight (%)
up to 80%	35
> 80% and up to 90%	50

Standard asset provision of 0.25% shall continue to apply. The LTV ratios, Risk Weights and Standard Asset Provision for all loans sanctioned prior to the date of this circular shall continue to be as prescribed on 7.6.2017.

SLR holdings in HTM category

As per extant guidelines, banks can exceed the limit of 25 per cent of the total investments under Held to Maturity (HTM) category if the excess comprises only of SLR securities and total SLR securities held under HTM category is not more than 19.5% of Net Demand and Time Liabilities (NDTL) as on the last Friday of 2nd preceding fortnight. On 1.9.20, banks were allowed to hold under HTM category, SLR securities acquired on or after September 1, 2020 up to an overall limit of 22% of NDTL, up to March 31, 2021. RBI decided (12.10.20) to extend the dispensation of the enhanced HTM limit of 22%, for SLR securities acquired between Sept 1, 2020 and March 31, 2021, up to March 31, 2022, i.e. banks may hold such excess SLR securities in HTM category upto 31.03.2022. RBI also decided that the enhanced HTM limit shall be restored to 19.5% in a phased manner, beginning from the quarter ending June 30, 2022, i.e. the excess SLR securities acquired by banks during the period Sept 1, 2020 to March 31, 2021 shall be progressively reduced such that the total SLR securities held in the HTM category as a percentage of the NDTL does not exceed 21% as on 30.06.22, 20% as on 30.09.22 and 19.50% as on 31.12.22.:

Further, as per extant instructions, banks may shift investments to/from HTM with the approval of the Board of Directors once a year and such shifting will normally be allowed at the beginning of the accounting year. However, in order to enable banks to shift their excess SLR securities from the HTM category to AFS/HFT to comply with the instructions RBI decided to allow such shifting of the excess securities during the quarter in which the HTM ceiling is brought down. This would be in addition to the shifting permitted at the beginning of the accounting year.

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Regulatory Framework for HFCs

On 22.10.20, RBI approved the revised framework or Housing Finance Companies (HFCs).

Principal business and housing finance

Housing finance company is a company incorporated under the Companies Act, 2013 that fulfils the following conditions:

- It is an NBFC whose financial assets, in the business of providing finance for housing, constitute min 60% of its total assets (netted off by intangible assets).
- Out of the total assets (netted off by intangible assets), min 50% should be by way of housing financing for individuals.
- A company is treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets should be more than 50% of gross income.

Note: Integrated housing project comprising some commercial spaces (e.g. shopping complex, school, etc.) can be treated as residential housing, provided that the commercial area in the residential housing project does not exceed 10% of the total Floor Space Index (FSI) of the project.

Registered HFCs which do not currently fulfil the above criteria, but wish to continue as HFCs, shall be provided with the following timeline for transition:

	1*	2*
March 31, 2022	50%	40%
March 31, 2023	55%	45%
March 31, 2024	60%	50%

*1. Min % age of total assets towards housing finance

*2. Min % age of total assets towards housing finance for individuals

Net Owned Fund (NOF) Requirement

Rs. 20 cr as min NOF required for a company to commence housing finance as its principal business or carry on the business of housing finance as its principal business. Existing HFCs are to achieve NOF of Rs.15 cr by March 31, 2022 and Rs.20 cr, by March 31 2023.

Further, the following instructions, shall apply mutatis mutandis to all HFCs:

a. Implementation of Indian Accounting Standards: HFCs shall maintain a prudential floor in respect of impairment allowances and follow

instructions on regulatory capital.

b. Loans against security of shares: HFCs lending against the collateral of listed shares shall maintain a Loan to Value (LTV) ratio of 50% for loans granted against the collateral of shares. Any shortfall in the maintenance of the 50% LTV occurring on account of movement in the share prices shall be made good within seven working days.

c. Loans against security of single product – gold jewellery: HFCs shall maintain a Loan-to-Value (LTV) Ratio not exceeding 75% for loans granted against the collateral of gold jewellery, and shall put in place a Board approved policy for lending against gold.

d. Levy of foreclosure charges: HFCs shall not impose foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

e. Guidelines on Liquidity Risk Management Framework: All non-deposit taking HFCs with asset size of Rs.100 crore and above and all deposit taking HFCs (irrespective of asset size) shall pursue liquidity risk management, which inter alia should cover adherence to gap limits, making use of liquidity risk monitoring tools and adoption of stock approach to liquidity risk. It will be the responsibility of the Board of each HFC to ensure that the guidelines are adhered to. The internal controls required to be put in place by HFCs as per these guidelines shall be subject to supervisory review.

f. Guidelines on Liquidity Coverage Ratio (LCR): HFCs shall maintain a liquidity buffer in terms of LCR, which will promote resilience of HFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. Guidelines on LCR will be applicable to HFCs as per the following timeline:

i) All non-deposit taking HFCs with asset size of Rs.10,000 crore & above, and all deposit taking HFCs irrespective of their asset size, shall reach min LCR of: 50% by 01.12.21, 60% by 01.12.22, 70% by 01.12.23, 85% by 01.12.24 and 100% by 01.12.25.

ii) All non-deposit taking HFCs with asset size of Rs.5,000 crore & above, but less than Rs.10,000 crore with the timeline as: 30% by 01.12.21, 50% by 01.12.22, 60% by 01.12.23, 85% by 01.12.24 and 100% by

01.12.25.

Exposure of HFCs to group companies engaged in real estate business: In case of companies in a group engaged in real estate business, HFCs may undertake exposure either to the group company engaged in real estate business or lend to retail individual home buyers in the projects of such group companies. In case HFC prefers to undertake exposure in group companies, such exposure by way of lending and investing, directly or indirectly, cannot be more than 15% of owned fund for a single entity in the group and 25% of owned fund for all such group entities. The HFC would in all such cases follow arm's length principles in letter and spirit.

CONTINUED FROM THE NEXT COLUMN.....

development about any Director shall be immediately reported to RBI.

3. At least 1/3rd of members in the Board shall be independent and not associated with member institutions.

4. The Board shall frame a code of conduct to be followed by its members.

5. The SRO should be in a position to monitor adherence to the code of conduct as well as compliance with regulations by its members.

6. It shall follow transparent practices for establishing its governance processes; setting standards, prescribing benchmarks, etc.

Functions and Responsibilities of the Recognised SRO

1. SRO shall serve as the representative voice of its members in public discussions or in interactions with RBI or any other authorities or in any communication with other bodies.

2. SRO shall work towards establishing minimum benchmarks, ethical and behavioural standards and help instil professional and healthy market behaviour among its members. It shall work towards development of not only the entities it represents but also the payment industry as a whole.

3. SRO shall promptly inform RBI about any violation that comes to its notice, of the provisions of the Payments and Settlement Systems Act, 2007 or any other guidelines / regulations / directions issued by RBI.

4. SRO shall establish a uniform grievance redressal and dispute resolution framework across its members, including addressing inter-PSO issues.

5. SRO shall impart training to the staff of its members and others. It shall conduct awareness programmes for spreading awareness about safe payment transactions.

6. SRO shall provide any information, including data, sought by RBI periodically or as requested.

Framework for Recognition of a Self-Regulatory Organisation for Payment System Operators

RBI circulated the framework on 22.10.20 to encourage the establishment of a Self-Regulatory Organisation (SRO) for Payment Systems Operators (PSOs).

An SRO is a non-governmental organisation that sets and enforces rules and standards relating to the conduct of member entities in the industry, with the aim of protecting the customer and promoting ethical and professional standards.

Regulations, standards, dispute resolution and enforcement by an SRO get legitimacy not just by mutual agreement of its members, but also by the efficiency with which self-regulation is perceived to be administered. Such regulations supplement, but do not replace, applicable laws or regulations.

Eligibility for Recognition of an SRO by RBI

1. The SRO shall be set-up as a not-for-profit company under the Companies Act, 2013.

2. Only regulated payment system entities, viz, banks and non-bank PSOs can be members.

3. It shall be professionally managed .

4. The memorandum / bye laws of the SRO shall specify the criteria for admission of members and the functions it will discharge. It shall also provide for the manner in which the Board of Directors (governing body) would function.

5. RBI may, if it deems necessary, require that the appointment of important positions in Board of Directors be subject to its prior approval.

6. The SRO shall be financially viable to carry on the activities handled or assigned to it. The fee for membership of the SRO shall be reasonable and uniform across all members.

Requirements Related to Management of Affairs of the SRO

1. The Board of Directors and management of the SRO shall satisfy the fit and proper criteria (FPC) on an ongoing basis. (FPC would mean that the person is of high integrity, with blemishless character and having relevant expertise in relevant fields in the payments ecosystem).

2. Any change in directorship or adverse

CONTINUED IN PREVIOUS COLUMN.....

Practical Problems based on Banking Ombudsman Decisions

1) The complainant alleged that the bank had debited his savings account towards payment of premium of 11 insurance policies without obtaining his consent or mandate. During the conciliation meeting, representatives of bank and insurance company stated that the complainant had given his consent over the welcome calls made by the insurance company. Further, a 15 days free look-in period was also offered within which policy could be returned but the complainant did not raise a dispute. The customer reiterated that the premia were deducted without his consent and also informed that the annual premium to be paid for all policies was much more than his annual income. The bank's representative agreed to re-examine the issue and later confirmed that the premium debited from his account was returned.

2) The complainant stated that he deposited a cheque. The proceeds were not credited by bank to his account. Due to this other cheques issued by him were dis-honoured. On taking up with bank, he was informed that his cheque was lost in transit. BO observed that bank had not adhered to extant RBI instructions as it had not informed complainant of loss of cheque and non-credit of proceeds of the disputed cheque. As a result the other cheques issued by the complainant were dis-honoured. Further, bank failed to take any proactive measure and matter was investigated after it was escalated to OBO. BO advised the bank to credit the complainant's account with the amount of the disputed cheque along with compensation of Rs.20,000/- for loss of time, harassment and mental agony caused to the complainant.

3) The complainant after death of her husband claimed insurance amount under Pradhan Mantri Jeevan Jyoti Bima Yojana from the bank and produced an undated acknowledgement receipt issued by bank to submit relevant application form by her husband. The bank informed her that there was no policy in the name of her husband and no premium had ever been deducted from his account. The bank was unable to find the application form for the undated acknowledgement issued to the deceased. BO observed that there was negligence on the part of the bank in issuing an undated acknowledgement receipt and not being able to trace the related application. A conciliation meeting was held wherein the bank accepted its negligence and agreed to reimburse insurance amount to the complainant along with a compensation of Rs.5,000 for mental agony, loss of time and expenses incurred.

4) The complainant had opened a joint savings bank account with her husband and opted for insurance under PMJJBY. After demise of her husband, she claimed insurance amount. Bank rejected the claim stating that premium on policy could not be paid through auto-debit due to insufficient funds. Hence the policy had not been renewed. The complainant alleged that automatic deduction of undue charges for non-maintenance of minimum balance and inoperative account had resulted in insufficient balance. BO observed that bank's contention that charges were recovered automatically without manual intervention was not acceptable as wrong parameters were fed in CBS resulting in erratic deduction of charges from the account. As such, the insurance policy could have been renewed. Had there been no wrong / excessive charges debited to the account, the complainant would have been entitled to receive Rs.0.2 million towards claim against the policy. BO advised the bank to reimburse the entitled amount against the policy to the complainant.

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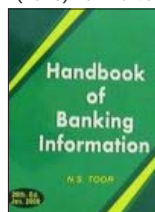
- CBDT ISSUES NORMS FOR TDS AND TCS ON E-COM:** CBDT has issued the norms for Tax Deducted at Source (TDS) by e-Com Operators and Tax Collected at Source (TCS) on sales of goods exceeding Rs.50 Lakh. TDS refers to payment made after deduction of tax at specified rate while TCS is payment received along-with tax amount at a specified rate. Both these intend to curb tax evasion. Rate of TDS by the e-commerce operator will be 1% while rate of TCS would be 0.1%. For TDS, threshold for payment has been kept at Rs.5 Lakh while for TCS, the threshold is Rs.50 Lakh. TDS and TCS will not be applicable on transactions in securities and commodities that are traded through recognised stock exchanges or cleared and settled by the recognised clearing corporation, located in the IFSC.
- SEBI ISSUES NEW FRAMEWORK ON DEPOSITORY RECEIPTS:** SEBI has issued the new framework to monitor foreign holding in Depository Receipts (DRs). Under the framework, a listed company will appoint one of the Indian depositories as the designated depository for the purpose of monitoring of limits in respect of depository receipts. The designated depository in coordination with domestic custodian, other depositories will compute, monitor and disseminate the DR's information as prescribed in the framework. Further, the information will be disseminated on the websites of both the Indian depositories. For this purpose, the designated depository will act as the lead depository and the other depository will act as feed depository.
- CENTRE TO CREATE MULTIPLE APP STORES IN COUNTRY:** The Government will facilitate the creation of multiple app stores in the country to give competition to Google's Play Store. Ultimately, monopoly of one market player is not good. Whether it is Google or anybody else, it has to be fair to all stakeholders. The Government could set up a play store but the real solution will lie in enabling multiple such platforms to ensure competition in the marketplace. The

Government can oversee the interests of App developers.

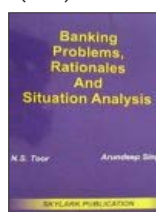
- GOVT. EXTENDS TIME FOR DEPOSIT REPAYMENT RESERVE:** The Government has extended the timeline for another three months up to December 2020 for compliance with creation of a Deposit Repayment Reserve. It has also extended by three months the timeline for investment of a portion of their maturing debentures in 2020-21 in liquid instruments. Two extensions in time has been already allowed by the Government which was valid up to June 30 and then till September 30. Under Company Law, India Inc would have had to create by April-end a Deposit Repayment Reserve of 20% of deposits maturing during Fiscal 2020-21. Corporates are also required to invest or deposit at least 15% of the amount of maturing debentures during the financial year in liquid instruments. With extension of timeline for compliance, corporates will get to use their deposits and resources efficiently for the benefit of their employees and their sustenance. This is expected to ease the liquidity crunch being faced by the entities amid the ongoing Covid-19 disruption.
- BILATERAL NETTING LAW BECOMES OPERATIONAL:** The Centre has operationalised all the provisions of the Bilateral Netting of Qualified Financial Contracts Act from

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October 1. The law now provides an unambiguous legal framework for enforceability of netting of a qualified financial contract. Prior to the legislation, India did not have a legal framework for bilateral netting. Netting enables two counter parties in a bilateral financial contract to offset claims against each other to determine a single net payment obligation due from one counter party to others in event of default. Netting will help in evaluating risks on a far more real time basis and actual risk assessment will happen rather than notional assessment based on gross figure.

- **IR CODE NOTIFIED ALLOWS CONVERTING PERMANENT JOBS:** The Centre has done away with the safeguard provision that deterred employers from converting permanent jobs into fixed term contracts. The Industrial Relations (IR) Code 2020 which has been notified has allowed firms to hire contract workers directly through a fixed term contract. Earlier, firms had to go through a contract to hire contract workers –an expensive and cumbersome process. Fixed term contract workers are entitled to receive all statutory dues that permanent workers in the same unit get. But such workers unlike permanent employees are not entitled to retrenchment compensation.
- **FILING OF GST RETURNS MADE EASY BY GOVT.:** The Government has said that the small tax payers having the aggregate annual turnover less than Rs.5 Crore will be allowed to file returns on a quarterly basis with monthly payments from January 1, 2021. Such quarterly tax payers would for the first two months of the quarter, have an option to pay 35% of the net cash tax liability of the last quarter using an auto-generated challan. An assessee having turnover below Rs.5 Crore will have three options. First, continue with the existing system of filing returns on a monthly basis and pay the tax due. Second, using the quarterly return filing system with payment of a certain percentage of tax due during the first three months and settle the whole amount along-with the return in the third month. Third, if there is no tax due then do not pay on a monthly basis and file NIL return in the third month through SMS bases system.
- **SEBI ISSUES DETAILED FRAMEWORK FOR EVALUATION OF RISK:** SEBI has issued the detailed framework for evaluation and disclosure of risk associated with investing in mutual funds. SEBI has added one more level of risk-“Very High” to the existing five levels of risks. Under the existing system, risk in MF scheme is gauged in terms of the risk to the principal. This essentially boils down to the risk level depending on the scheme category. Once the new methodology takes effect, the risk level of each MF scheme will be evaluated based on its actual portfolio composition and not merely the category to which it belongs. Now the risk will be evaluated after taking into several factors and not simply the risk to the principal.
- **E-INVOICING SYSTEM STARTS AND MADE MANDATORY:** E-invoicing System which has been made mandatory for GST assesses with a turnover of Rs.500 Crore or more from October 1 has started. E-invoicing involves reporting details of specified GST documents to a Government-notified portal and obtaining a reference number. Those registered can continue to create GST invoices on their own accounting/ERP systems. Once the invoices are reported to the invoice registration portal, the IRP, after digitally signing the e-invoice and adding a QR code, returns the e-invoice with a unique IRN. A GST invoice is valid only if it has a valid IRN. It has been clarified that invoices raised by notified taxpayers during October without following the e-invoice procedure, will be deemed to be valid and no penalty will be levied if the IRN is obtained within 30 days of the date of the invoice.
- **SEBI TIGHTENS INTER-SCHEME TRANSFER OF SECURITIES:** SEBI has tightened regulations for inter-scheme transfers (IST) within the same mutual fund house by banning transfer of investment in close-ended schemes after three business days of allotment. Thereafter, no ISTs will be permitted. At present, transfer of securities from one scheme to another scheme in the same mutual fund is allowed only if such transfers are done at the

prevailing market price and the securities so transferred are in conformity with its investment objective. For open-ended schemes, ISTs may be allowed only for meeting liquidity requirements due to unanticipated redemption pressure.

- IRDAI PANEL FOR LOWER ENTRY-LEVEL CAPITAL:** The IRDAI Committee has suggested reduction in entry-level capital requirement for stand-alone micro-insurance companies to Rs.20 Crore from the current Rs.100 Crore with a view to accelerate expansion of this segment of insurance market in the country. The Committee said that like other nations, India too will need to attract multiple players if it wants to substantially increase insurance penetration. This is all the more urgent in the current context of the pandemic when millions of Indians especially in the informal sector have lost their livelihoods and are now leading more unsecure lives and are falling back into poverty. Micro insurance companies should be allowed to act as composite insurers to transact both life and non-life business through a single entity. Their portfolios should have a balance of both life and non-life business.
- SEBI UNVEILS PROCEDURE FOR DEBENTURE TRUSTEES:** SEBI has come out with a uniform procedure that needs to be followed by debenture trustees in case of default by issuers of listed debt securities. The process includes seeking consent from the investors for enforcement of security or for entering into an Inter-creditor Agreement (ICA). International securities identification number (ISIN) is used for uniquely identifying securities like stocks, bonds, warrants and commercial papers. SEBI said the resolution plan in the ICA may involve restructuring, including roll-over of debt securities, requiring consent of the investors.
- ALL FOUR LABOUR CODES TO GO LIVE FROM APRIL:** The Government intends to implement all the four labour codes from April 1. These four codes will subsume all existing 29 Central laws. The four codes are- Industrial Relations Code, Code on Occupational, Safety, Health and Working Conditions, Social Security Code and Code on Wages. These codes have

already been enacted after passed by Parliament and accented by the President earlier this month. These codes will establish transparent, answerable and simple mechanism reducing to one registration, one licence and one return for all codes. Fixed-term employees' service conditions, salary, leave and social security will be the same as a regular employee. In addition, fixed term employee has also been given the right to pro-rata gratuity.

- NCLAT RULING ON DEFAULT THRESHOLD:** The Ministry of Corporate Affairs (MCA) notified on March 24 the enhanced minimum amount of default limit of Rs.1 Cr for initiating corporate insolvency process (CIRP). It will provide relief to small and medium businesses as it by and large prevented the start of insolvency proceedings against MSMEs amid the pandemic. Now National Company Law Appellate Tribunal (NCLAT) has ruled that the revised default threshold of Rs.1 Cr for trigger of corporate insolvency applies prospectively from March 24 and not retrospectively. This would mean that those applications before March 24 that had debt default of less than rs.1 Cr but over Rs.1 lakh can be admitted for corporate insolvency process.
- BASE YEAR OF CP INDEX TO BE REVISED:** Govt.plans to change the base year for the Consumer Price

OUR CAIB & JAIB BOOKS

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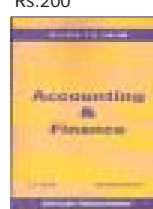
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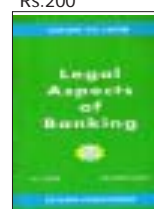
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(CP) Index for Industrial workers to 2016 from 2001. This could mean further increase in Dearness Allowance (DA) and Dearness Relief (DR) when revised from next year. DA as a percentage of basic pay is paid to serving government officers and employees while DR is as a percentage of basic pensions are for retired officers and employees. Amidst the pandemic, the Government had decided to freeze DA/DR at the current 17% of basic pay/pension rates till July next year. The revision will make base year closer to current scenario and thus the rate of inflation more realistic.

- **IRDAI TO OFFER STANDARD TERM LIFE POLICY FROM JANUARY:** IRDAI has come out with a standard individual term life insurance product called Saral Jeevan Bima. This will be mandatorily offered by all the life insurance companies from January 1, 2021 onwards. Insurers have to file the product with the regulator latest by December 1. The minimum sum assured under the product will be Rs.5 lakh and the maximum can go up to Rs.25 lakh. However the insurer will have the option of providing sum assured beyond Rs.25 lakh. While the minimum age of entry is 18 years the maximum has been capped at 65. The maximum maturity age will be 70 years. The policy term will extend from 5 to 40 years. The product will be offered without restrictions on gender, place of residence, travel, occupation or educational qualifications.
- **FINMIN CLEARS AIRCRAFT LEASE FINANCING FROM GIFT CITY:** The Finance Ministry has cleared, making India a Hub for financing aircraft purchasing and leasing activities. It notified "Aircraft Lease" as a financial product that can be transacted at Gujarat's GIFT City, the country's sole international financial services centre. The move is expected to pave the way for "onshoring" aircraft leasing and financing which is the most profitable segment of the aviation value chain. It will support local carriers which had placed orders for more than 1000 aircraft, making it the third largest order

book in the world behind the US and China.

- **CENTRE NUDGES LARGE CORPORATES TO CLEAR DUES OF MSMEs:** Encouraged by the strong response from the top 500 companies to clear dues of MSMEs, the Centre has written to the top management of over 2800 corporates by name asking them to clear the dues of MSMEs by the end of this month. Timely clearance of receivables will help MSMEs better leverage the festive season. Further to solve the cash flow problem of MSMEs, a bill discounting mechanism has been started by RBI, called Trade Receivables Discounting System. It is mandatory for all CPSEs and companies with a turnover of more than Rs.500 Crore to join this platform.
- **FSSAI's NEW COMPLIANCE PLATFORM TO BECOME OPERATIONAL FROM NOVEMBER 1:** The Food Safety and Standards Authority of India (FSSAI) is to launch its cloud-based and upgraded food safety compliance online platform across the country from November 1. The Food Safety Compliance System is conceptualised to provide one-point stop for all engagement of an FBO with the department for any regulatory compliance transaction. For the start, the system will be offering licencing, registration, inspection and annual return modules. Sample management, improvement notices, adjudications, audit management system etc activities/modules will be enabled in a phased manner in future.
- **MFs, AIFs UNDER AMBIT OF NEW TAX NORMS:** Mutual funds (MFs) and Alternative Investment Funds (AIFs) have come under the ambit of new tax collected at source (TCS) regime, which came into effect on October 1. According to the Finance Act, 2020, a seller is to deduct tax equal to 0.1% of the sale proceeds if the value of goods sold exceeds Rs.50 Lakh in a financial year. The collection is to be made at the time of transaction. Since TCS provisions apply to the sale of goods by a seller whose turnover exceeded Rs.10 Crore in the preceding financial year, all MFs and AIFs may fall within its purview. However it would not apply to transactions of securities and commodities traded through recognised stock exchanges or cleared and settled by recognised clearing corporations.

GENERAL AWARENESS

- Tax which is to be collected by the Seller from October 1, 2020 if his turnover exceeds Rs.10 Crore in the last financial year as per directions of CBDT- **Tax Collected at Source (TCS)**.
- Transactions which crossed 1.7 Billion Mark as of September 29 and value of transactions crossed 3 trillion- **UPI Transactions**.
- Limit which has been fixed by RBI for Second Half of this Year at Rs.1.25 Trillion- **Ways and Means Advances (WMA) Limit**.
- SBI Card which has entered into a strategic partnership with American Express to offer a mix of global benefits and privileges for consumers in India- **India's Largest Credit Card Issuer**.
- Sector in which PMI rose to 56.8 in September against 52 in August- **Manufacturing Sector**.
- Stock Exchange against which SEBI has imposed penalty of Rs.6 Crore for picking up stake in six entities without obtaining approval- **National Stock Exchange**.
- Atal Tunnel which will be inaugurated at Rohtang by PM Modi to connect 9.02 KM long Manali and Lahul-Spiti- **World's Longest Highway Tunnel**.
- Report according to which, a total of 269 million Viewers watched IPL in its opening week which is 11 million more viewers per match compared to 2019- **Nielsen Report**.
- Bank in which Three-member Committee of Directors has been formed to exercise the powers of MD&CEO of the Bank- **Dhanlaxmi Bank**.
- Bank whose operations have been banned by RBI after allegations of embezzlement- **Guru Raghvendra Bank**.
- State which has become the First State in the Country to become eligible who can borrow 0.5% over and above the standard 3.5% of GDP- **Andhra Pradesh**.
- Network which is to be set up to assess "Vaccine candidates"- **Global Lab Network**.
- Regulator which is to rope in Consultant for hiving off NPS Trust and Structural Rejig- **PFDA**.
- Law which becomes operational from October 1- **Bilateral Netting Law**.
- Company which has become the First Company after Reliance Industries in India to cross the Market-Capitalisation (M-CAP) of Rs.10 trillion- **Tata Consultancy Services (TCS)**.
- Prize which has been awarded jointly to Dr. Harvey J Alter, Michael Houghton and Charles M Rice for discovery of "Hepatitis C Virus"- **Noble Prize in Medicine**.
- Indian Ride-hailing Firm which has been found "Not Fit and Proper" to hold licence in London- **Ola**.

OUR USEFUL BOOKS FOR BANKERS

Hanbdook of Banking Information - 2018, 46th Edition by N S Toor	Rs. 400
Bank Credit Management (2017) edition by N S Toor	Rs. 300
Banking Problems / Rationals and Situation Analysis (2017) N S Toor & Arundeeep Toor	Rs. 300
Model Test Papers for Bank Promotion (2018) N S Toor	Rs. 225
Analysis of Balance Sheet (2017) N S Toor	Rs. 175
How to Face Bank Interviews? (2018) N S Toor	Rs. 200
Bhartiya Banking (Hindi) (2017) N S Toor	Rs. 275
Model Papers in Hindi N S Toor	Rs. 150
Banking Rationals and Problems (Hindi) N S Toor	Rs. 125
JAIB Objective Type (all books by N S Toor and Arundeeep Toor):	
• Principles of Banking	Rs. 200
• Accounting and Finance for bankers	Rs. 200
• Legal Aspects of Banking	Rs. 200
CAIB Objective Type (all books by N S Toor and Arundeeep Toor):	
• Adv Bank Management	Rs. 175
• Bank Fin Management.	Rs. 200
IBPS Bank PO/Clerk	
• Study Kits	Rs. 3000
• Banking & Financial GK	Rs. 400
• E-Books	Rs. 1500
• E-Learning through Video - DVDs covering reasoning ability, quantitative aptitude, English language, computers awareness, Banking & general awareness	Rs. 3000
To order these books, please call 0172-2665623 (10 am to 6 pm) on any working day. OR	
Call Skylark Publications, New Delhi (Ph 011 23361966)	

- Dinesh Kumar Khara has been appointed by the Centre as- **Chairman of SBI.**
- Prize awarded to three Scientists- Britain's Roger Penrose, Germany's Reinhard Genzel and American Andrea Ghez for their discoveries about one of the most exotic phenomena in the universe, the Black hole- **Noble Prize for Physics.**
- Programme which the finance Minister launched for MSMEs- **Indian Bank's Business Mentoring Programme.**
- Ashima Goel, Jayanth R Verma and Shashanka Bhide have been nominated by the Government to – **Reconstituted Monetary Policy Committee of RBI.**
- Ratio which may hit 15%, Highest since Independence- **Cash-to-GDP Ratio.**
- Prize awarded to two scientists Frenchwoman Emmanuelle Charpentier and American Jennifer for "Work on Gene Editing"- **Noble Prize in Chemistry.**
- M. Rajeshwar Rao, currently ED of RBI has been appointed by the ACC as- **RBI Deputy Governor.**
- UK won Defense Orders worth \$14.2 Billion in 2019 and kept its position as- **World's 2nd Largest Arms Exporter after US.**
- Banks which must have an ED besides MD&CEO in the bank- **Small Banks.**
- RBI facility which will be available for "24X7X365" basis from December onwards- **Real-Time Gross Settlement (RTGS) Facility.**
- Prize which UN Food Agency won – **Noble Peace Prize.**
- Prize awarded to US Duo academics Paul Milgrom and Robert Wilson for "Auction Theory"- **Noble Prize in Economics.**
- International Agency which has slashed "India's GDP Growth Forecast to -10.3%"- **IMF.**
- SJ Mukhopadhyaya, Former First Chairperson of National Company law Appellate Tribunal has joined- **GFG Alliance's Global Advisory Board.**
- Stock Market which tops \$10 trillion- **World's Second Largest Market of China.**
- To make land acquisition easier for public projects besides ending dubious land ownership, Govt to start- **14-digit Unique Land Parcel Identification Number.**
- Govt. has approved for all Ministries and public departments about Mandatory utilisation of services rendered by- **BSNL and MTNL.**
- Bank which approved \$12 Billion for developing countries to finance the purchase and distribution of Covid-19 Vaccines- **World Bank.**
- Council which decided to suspend publishing TRP ratings of News Channels- **Broadcast Audience Research Council.**
- AUM which has crossed the "Rs.5 Lakh Crore Mark"- **Pension Assets under Management**
- Court which has appointed retired Supreme Court Judge Justice Madam B Lokur as one-man Committee to prevent "Stubble-burning" in Punjab, Haryana and UP- **Supreme Court.**
- Rajkiran Rai, MD&CEO of Union Bank of India has been elected as- **New Chairman of IBA.**
- According to S&P Rating Agency, Bank which has sufficient financial headroom to withstand downside risks from tough operating conditions in India- **HDFC Bank.**
- Company on whom SEBI has slapped Rs.30 Crore penalty for Insider Trading- **Kirloskar Brothers.**
- Accounts in which balance surged from Rs.11, 000 Crore as on April 1, 2020 to Rs.1,30,741 Crore on October 14- **Jan-Dhan Accounts.**
- India becomes the Most Indebted Country after Bhutan and Sri Lanka in South Asia as its ratio hit record high of 90%- **Debt-GDP Ratio.**
- After a gap of 35 years, India gets – **Chairmanship in International Labour Organisation (ILO) –**
- The Indian School Of Business' has been ranked First in India in the latest FT 2020 Rankings and also ranked- **53rd Globally.**
- Bank form which SBI has raised Loan worth \$1 billion- **Japan Bank for International Cooperation.**
- Indian Institute of Science, Bengaluru has emerged as the Top Ranked Indian University in- **Times Higher Education's Rankings 2020.**



MOCK-TEST PAPER

Questions on RBI /Govt. Policy

01 The risk weight for a housing loan to individual (sanctioned from 16.10.20 to 31.03.22) is _____ where the loan to value ratio is less than or equal to 80%, irrespective of amount of loan.

- a 25% b 35%
c 50% d 75%

02 The risk weight for a housing loan to individual (sanctioned from 16.10.20 to 31.03.22) is _____ where the loan to value ratio is >80% to 90%, irrespective of amount of loan.

- a 25% b 35%
c 50% d 75%

03 The provision on standard loan under housing loans to individual scheme shall be __, if loan to value ratio criteria of RBI is complied with.

- a 2% b 1%
c 0.40% d 0.25%

04 Generally banks are allowed to classify _____% of total investments under held to maturity category (HTM):

- a 25% b 20%
c 15% d 10%

05 A non-governmental organisation that sets and enforces rules and standards relating to the conduct of member entities in the industry, with the aim of protecting the customer and promoting ethical and professional standards is called _____:

- a self-guiding organization
b self-regulatory organization

- c autonomous organization
d independent organization

06 Self-Regulatory Organisation (SRO) for Payment Systems Operators (PSOs) need recognition from _____ before they start functioning?

- a Govt. of India
b SEBI
c RBI d NPCI

07 At present, the interoperable quick response (QR) codes include (1) UPI QR 2) Bharat QR 3) India QR 4) NPCI QR

- a 1 and 2 only
b 1 and 3 only
c 1, 2 and 3 only
d 1 to 4 all

08 Payment system operator using proprietary QR codes are to shift to one or more interoperable QRs by:

- a 31.12.20
b 31.03.21
c 30.09.21
d 31.03.22

09 As per revised regulatory framework for Housing Finance Companies, the total assets should have min _____ assets in the form of housing finance?

- a 45% b 50%
c 60% d 75%

10 As per revised regulatory framework for Housing Finance Companies, out of total assets _____ should be housing loans for individuals.

- a 45% b 50%
c 60% d 75%

11 As per revised regulatory

framework for Housing Finance Companies, the net worth of HFC should be min _____?

- a Rs.10 cr b Rs.20 cr
c Rs.50 cr d Rs.100 cr

12 As per revised directions, the amount of individual loan that can qualify as part of retail lending portfolio under Basel III requirement, is restricted to:

- a Rs.2.5 cr b Rs.4 cr
c Rs.5 cr d Rs.7.5 cr

13 As per revised RBI directions, the banks are to implement net stable funding ratio (NFSR) guidelines under Basel III, by:

- a 30.09.20
b 31.12.20
c 01.04.21
d 30.09.21

14 As per revised RBI directions, the banks are to implement capital conservation buffer guidelines under Basel III by:

- a 30.09.20 b 31.12.20
c 01.04.21 d 30.09.21

15 The Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts covers the following period?

- a 1.2.20 to 31.7.20
b 1.3.20 to 31.8.20
c 1.4.20 to 30.9.20
d 1.5.20 to 31.10.20

16 The Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers covers loan accounts

Disclaimer : We have taken every care to provide information, we believe to be accurate and reliable and do not assume responsibility of any kind nor shall be liable for losses & consequence arising from use thereof. Since this information is based on the published reports mostly, correctness or otherwise thereof may be verified by the user with the original sources, in advance.*Editor*



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.

- with amount up to ?
- a Rs.50 lac b Rs.1 cr
c Rs.2 cr d Rs.5 cr
- 17** What is the maximum amount that can be remitted outside India, from NRO account, representing sale proceeds of the immovable property in India
- a Rs.10 lac in a calendar year
b Rs.1 lac in a calendar year
c 1 lac US \$ per financial year
d 1 million US \$ per financial year
e no such remittance is allowed.
- 18** Hindi day is observed on :
- a Jan 26 b Jun 22
c Sept 14 d Nov 11
- 19** The minimum paid up capital of a new Private Universal Bank has to be:
- a Rs.100 cr b Rs.200 cr
c Rs.300 cr d Rs.400 cr
e Rs.500 cr
- 20** Loan under which of the following scheme/purpose, can be allowed within the DRI financing of 4%:
- a housing loans up to Rs.20000 to poor families
b housing loans up to Rs.20000 under National Housing bank Scheme
c housing loans up to Rs.20000 under Indira Awas Yojna
d all the above
- 21** What is the maximum amount that banks can levy as penal charges for non-maintenance of minimum balances in any inoperative account.
- a no charges can be levied
b within the ceiling rate fixed by RBI
c not more than 1%
d at bank discretion under Board approved procedure and policy
- 22** HUF cannot be a partner in a partnership firm as per Supreme Court Judgments. The judgments in based on the premise that :
- a HUF is a legal person with Karta as its head, but other coparceners are not liable
b HUF is not a legal person and cannot enter into such agreement that makes it liable for the action of others.
c HUF is not competent to enter into any contract with outsiders and make it liable for the actions of others
d HUF cannot enter into any contract with outsiders
- 23** A company has to make payment of dividend to large no. of its shareholders through electronic medium. It should use:
- a RTGS system
b EFT system
c SWIFT system
d ECS – Debit clearing system
e ECS – Credit clearing system
- 24** A firm has obtained a term loan of Rs.12 lac and its capital is Rs.4 lac. The firm has created general reserve of Rs.3 lac while it has been showing pre-paid expenses of Rs.1 lac in its balance sheet. The debt equity ratio of the firm is:
- a 1.71:1 b 1.89:1
c 2.00:1
d data incomplete. Calculation not possible
- 25** Data Storage unit of a computer is called
- a random access memory
b hard disk
c memory unit
d compact disk
- 26** X makes a request to the bank to write the name of his nominee on his pass book.
- a This can be done as customer has given his consent
b This cannot be done, since it would amount to disclosure of customer account information
c This cannot be done, as it is a risk-prone proposal.
d Bank can make mention that it is a nomination account but name of the nominee cannot be written.
- 27** Which of the following is correct with regard to the interest on a saving bank deposited
- a it is paid for the average balance maintained during the month, but from 1.4.2009 it is payable on a daily product basis
b it is paid for the minimum balance maintained during 10th day to last day of the month, but from 1.4.2009 it is payable on a daily product basis
c it is paid for the maximum balance maintained during the month, but from 1.4.2009 it is payable on a daily product basis
d from 1.4.2010 it is payable on a daily product basis
- 28** When book debts are recovered by a firm and amount credited to bank account, what is the effect:
- a current ratio increases
b current ratio decrease
c quick ratio increase
d quick ratio decreases
e there is no effect
- 29** A bank has an oversold position in foreign exchange on a particular day. It has to square its position at the end of the day. The foreign exchange rates are

- increasing:
- a the bank will gain substantially
b the bank will gain marginally
c there will be no effect on the bank
d the bank will incur loss
- 30** Form 15-H (in terms of Income Tax Act) is used in which of the following cases:
- a issue of tax deduction certificate by the banks
b declaration by senior citizen for non-deduction of tax at source
c declaration by an ordinary customer for non-deduction of tax at source
d exemption for non-quoting of PAN
e: None of the above
- 31** Under RTGS the transactions time 7 am to 6.00 pm is in respect of which of the following category of transactions:
- a inter-bank transactions
b intra-bank transactions
c all transactions
d customer transactions
- 32** What is the time period of the notice which is required to be given by a bank for sale of security charged to the bank after taking possession under the provision of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002:
- a 15 days b 30 days
c 45 days d 60 days
e 90 days
- 33** As per extant instructions of RBI, what is the maximum amount limit that the bank can fix up to which minors may be allowed to operate their deposit accounts independently.
- a max Rs.2 lac
b max Rs.1 lac
c max Rs.50000
d at discretion of banks
- 34** In a loan account, the Central Govt. has given guarantee. The loan account is overdue for the last 2 years and 5 months. What is the provision %age on the loan:
- a 0.40% b 10%
c 20% d 30%
e: No provision is to be made.
- 35** A loan is guaranteed by the Guarantee of State govt. and it is running irregular for the last 5 months. The loan will be classified as ___:
- a standard account
b special mention account
c sub-standard unsecured account
d sub-standard secured account
e: None of the above
- 36** A monetary ceiling of Rs.20 lac (max) has been imposed for entertaining cases by which of the following:
- a Consumer Courts
b Lok Adalat
c District Courts
d Debt Recovery Tribunals
- 37** Which of the following in general, is eligible, as a borrower, under National Rural Livelihood Mission (NRLM)?
- a SC/ST women and non-SC/ST women
b women self help groups
c SC/ST and non-SC/ST men
d any of the above
- 38** A power of attorney executed by an NRI in favour of his mother for obtaining payment from the deceased account in the name of his father has been received. This requires to be stamped as per rates prescribed by ___, within a period of ___
- a Central Govt., 4 months
b Central Govt., 3 months
c State Govt., 3 months
d State Govt., 4 months
e Not require stamping in India
- 39** An NPA has been sold by Bank-B to a bank. What is the minimum period for which the account should have been in the books of Bank-B before sale to the bank:
- a 12 months as NPA
b any NPA account
c 24 months as doubtful account
d 24 months as sub-standard including special mention account status
e sale of ARC is not permitted.
- 40** What will be due date for a bill dated 27.12.2016 payable 30 days after date:
- a Jan 23, 2017
b Jan 25, 2017
c Jan 26, 2017
d Jan 27, 2017
- 41** What type of right the banks are having under SARFAESI Act in case of default by the borrower, in repayment of the loan:
- a take possession of the secured assets,
b takeover management of the assets
c to sell or lease the secured assets
d any of the above

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

**Scheme for grant of ex-gratia payment of different
between compound and simple interest for 6 months to
borrowers in specified loans (1.3.20 to 31.8.20)**

Govt. of India announced the above scheme on October 23, 2020, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective banks/institutions. Summary of provision is provided as under:

Institutions covered :

- Public sector banks and Coop banks
- All India FIs / NBFC / HFC / NBFC-MFIs

Type of loans covered

- MSME loans
- Education / Housing / Consumer durable / Auto loans
- Credit card dues / Personal loans to professionals / consumption loans

Eligibility conditions:

- Outstanding balance in fund based loans max Rs.2 cr. from banking system (non-fund to be excluded)
- Loan should be standard (including SMA) as on 29.02.20
- Loan may be fully or partly availed or moratorium facility availed or not availed or loans has been repaid (payment in SB/CA)

Other conditions

- Difference of CI & SI period : 1.3.20 to 31.8.20 (184 days)
- No request from borrower required to credit the ex-gratia
- Loans against deposits, bonds, shares etc. not eligible.

Rate of interest

Education loans / Home loans / Auto loans / Personal or Consumption loans

- ROI applicable as specified in the loan agreement.

Consumer durable loans :

- ROI applicable as specified in the loan agreement.

Credit card dues:

- Weighted Average Lending Rate

MSMEs:

- For TL , contracted rate. For CC-OD, rate prevailing on 29.02.20

Difference calculation on which amount?

- TLs, o/s balance on 29.02.20 (subsequent repayment to be ignored)
- CC-OD :

1. SI will be calculated on daily product basis.

2. CI will also be calculated on daily product basis, with monthly compounding

Claim

Claim can be made to SBI (Nodal agency), till 15.12.20, after credit of difference to customer account. It should be pre-audited by Statutory Auditors.

DATA COLUMN

Business of Banks

(Rs.in cr)	Mar 31 '19	09.10.20
Aggregate deposits	10805150	14302353
Cash in hand/RBI	570490	522063
Investments	3043660	4464312
Bank Credit:	7881890	10343939
-Food	53930	63393
-Non-Food	7827960	10280546
Cash-Deposit Ratio	5.27	3.75
Investment-Deposit	28.14	28.33
Credit-Deposit	72.95	75.39

Money Stock

(Rs.in cr)	31.03.20	09.10.20
M3 (Out of which)	16799930	17806659
(a) Currency with public	2349715	2609171
(b) Demand deposits-Banks	1737692	1590933
(c) Time Deposits - Banks	12674016	13563682
(d) Other deposits with RBI	38507	42873

Sources of Money Supply

(a) Net Bank credit to Govt	4906583	5629672
(b) Bank credit to Comrc'l sectr	11038644	11009398
(c) Net Forex assets of Banks	3798902	4274652

Important Banking Indicators

Statutory Liquidity Ratio	18.00%	(10.04.2020)
Cash Reserve Ratio	03.00%	(28.03.2020)
Overnight LAF (of NDTL)	0.25%	
14days term Repo(of NDTL)	0.75%	
Reverse Repo Rate	03.35%	(22.05.2020)
Repo Rate	04.00%	(22.05.2020)
MSF Rate	04.25%	(22.05.2020)
Bank Rate	04.25%	(22.05.2020)

Small Savings Interest Rates

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

Capital & Money Market Indicators

Parameter	end-Oct19	end-Oct20
Dollar-spot TT (Rs.)	70.93	73.85
BSE - Sensex (points)	40286	41627
NSE - Nifty(S&P CNX)	11881	12194
Foreign reserves (Million \$)	440751	560532
Gold /Oz in USD)	1493	1913

INDIAN ECONOMY-IMPORTANT PARAMETERS

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

DATE OF DESPATCH - Nov 7, 2020