

22nd Year of Publication

Registration RNI No.67802/98

Volume - XXII No.06 : June 2019

Banking events Update

Contents of this Issue

BANKING POLICY : 2 & 3

- Amendment to KYC-Aadhaar as OVD
- RTGS - Initial cut-off time
- Voluntary Retention Route for FPI
- Charges from non-currency chest
- Extension of relaxation to NBFCs

BANKING FEATURES : 4-6, 20

- Sovereign Gold Bond Scheme 2019-20
- TDS Rates
- Succession Certificate
- Credit Scoring
- Practical Problems-Ombudsman

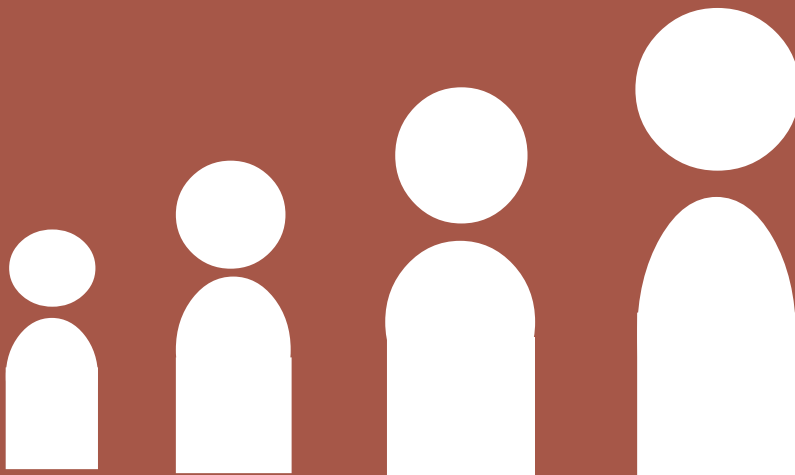
DIARY OF EVENTS : May-2019: 7

- Policy, Economy
- Banking Developments
- Capital Markets & Insurance

General Awareness : 11-12

Multi-Option questions:13-15

Data Bank : 16



Those who win, are those, who think they can

Corporate & Distribution Office

1008, Sector 45-B, Chandigarh

Phone 0172 2665 623

eMail - bankingupdate123 @ gmail.com

www.bankingindiaupdate.com

Executive Editor - S. Chand Singh

Editor in Chief - Sh. N S Toor

**BANKING
POLICY****Amendment to KYC - Aadhaar**

Government of India, on Feb 13, 2019 had notified amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005. Further, an Ordinance, "Aadhaar and other Laws (amendment) Ordinance, 2019", was notified by the Government amending, inter alia, the Prevention of Money Laundering Act, 2002.

Accordingly, following amendments have been made in KYC Directions by RBI, on 29.05.19:

- a) Banks can carry out Aadhaar authentication/ offline-verification of an individual who *voluntarily* uses his Aadhaar number for identification purpose. (Section 16 of the amended MD on KYC)
- b) 'Proof of possession of Aadhaar number' has been added to the list of Officially Valid Documents (OVD) with a proviso that where the customer submits 'Proof of possession of Aadhaar number' as OVD, he may submit it in such form as are issued by the Unique Identification Authority of India (UIDAI). (Section 3 of the amended MD)
- c) For customer identification of "individuals":
 - i. For individual desirous of receiving any benefit or subsidy under any scheme notified under section 7 of the Aadhaar (Targeted Delivery of Financial and Other subsidies, Benefits and Services) Act, 2016, the bank shall obtain the customers Aadhaar and may carry out its e-KYC authentication based on his declaration that he is desirous of receiving benefit/subsidy under the Aadhaar Act, 2016. (Section 16 of the amended MD)
 - ii. For non-DBT beneficiary customers, the Regulated Entities (REs) shall obtain a certified copy of any OVD containing details of his identity and address along with one recent photograph. (Section 16 of the amended MD)
- d) REs shall ensure that the customers (non-DBT beneficiaries) while submitting Aadhaar for Customer Due Diligence, redact or blackout their Aadhaar number in terms of sub-rule 16 of Rule 9 of the amended PML Rules.(Section 16 of the amended MD)
- e) REs other than banks may identify a customer through offline verification under the Aadhaar Act with his/her consent. (Section 16 of the amended MD)
- f) In case OVD furnished by the client does not contain updated address, certain deemed OVDs for the limited purpose of proof of address can be submitted provided that the OVD updated with current address is submitted within 3 months. (Section 3(a) ix of the amended MD)
- g) For non-individual customers, PAN/Form No. 60 of the entity (for companies and Partnership firms – only PAN) shall be obtained apart from other entity related documents. The PAN/Form No. 60 of the authorised signatories shall also be obtained.(Section 30-33)
- h) For existing bank account holders, PAN or Form No. 60 is to be submitted within such timelines as may be notified by the

Government, failing which account shall be subject to temporary ceasing till PAN or Form No. 60 is submitted. However, before temporarily ceasing operations for an account RE shall give the customer an accessible notice and a reasonable opportunity to be heard.(Section 39 of the amended MD)

**Real Time Gross Settlement (RTGS)
System – Extension of Timings for
Customer Transactions**

On 28.05.19, RBI decided to extend the timings for customer transactions (initial cut-off) in RTGS from 4:30 pm to 6:00 pm. Accordingly, the RTGS time window with effect from June 01, 2019 will be as under:

Sr.	Event	Time
1.	Open for Business	8 am
2.	Customer transactions (Initial Cut-off)	6 pm
3.	Inter-bank transactions(Final Cut-off)	7.45 pm
4.	IDL Reversal	7:45 pm - 8 pm
5.	End of Day	8 pm

The time-varying charges for transactions in RTGS from 13:00 hours to 18:00 hours shall be Rs.5 per outward transaction. The time varying charges structure is as under:

	From+	To	Tariff
1	08:00 hours	11:00 hours	Nil
2	After 11:00 hours	13:00 hours	Rs.2
3	After 13:00 hours	18:00 hours	Rs. 5
4	After 18:00 hours		Rs. 10

+Time of Settlement at RBI

Time varying charge per outward transaction(in addition to flat processing charge) (exclusive of tax, if any)

**Voluntary Retention Route (VRR) for
Foreign Portfolio Investors (FPIs)
investment in debt**

RBI drawn attention of (AD Category-I) banks to the following regulations:

- i. Foreign Exchange Management (Permissible Capital Accounts Transactions) Regulations, 2000 notified vide Notification No. FEMA 1/2000-RB dated May 03, 2000;
- ii. Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 notified vide Notification No. FEMA 3(R)/2018-RB dated December 17, 2018;
- iii. Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside

India) Regulations, 2017 notified vide Notification No. FEMA.20(R)/2017-RB dated November 07, 2017; and

iv. Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 notified vide Notification No. FEMA 25/RB – 2000 dated May 03, 2000.

RBI referred (on 24.05.19) to circular dated 01.03.19 on 'Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt. Based on the feedback received, the directions have been revised. These changes include, inter alia, the following:-

- Introduction of a separate category, viz., VRR-Combined.
- The requirement to invest at least 25% of the Committed Portfolio Size within one month of allotment has been removed.
- FPI are provided with an additional option at the end of the retention period, viz., continue to hold their investment until the date of maturity or the date of sale, whichever is earlier.

FPIs that were allotted investment limits under the 'tap' open during March 11, 2019 - April 30, 2019 may, at their discretion, convert their full allotment to VRR-Combined.

Incentive for improving service to non-chest branches

On 23.05.19, RBI decided to allow the large modern Currency Chests to increase the service charges to be levied on cash deposited by non-chest bank branches from the existing rate of Rs.5/- per packet of 100 pieces to a higher rate subject to a maximum of Rs.8/- per packet. For this purpose, only a Currency Chest fulfilling the Minimum Standards for a Currency Chest as detailed (details given hereunder) shall be eligible to be classified as a large modern Currency Chest.

Banks may approach the Issue Office of Reserve Bank under whose jurisdiction the Currency Chest is located for such classification. The increased rates can be charged only after such classification by the Issue Office concerned. The Non-Chest bank branches linked with such large modern Currency Chests may be advised of the applicability of the increased rates at least 15 days in advance.

Minimum Standards for a Currency Chest (08.04.19)

RBI decided to have following minimum standards for setting up new CCs:

- Area of the strong room/ vault of at least 1500 sq. ft. For those situated in hilly / inaccessible places (as defined by central / state government/ any appropriate authority), the strong room/ vault area of at least 600 sq. ft.
- Processing capacity of 6,60,000 pieces of banknotes per day. For those situated in the hilly/ inaccessible places, capacity of 2,10,000 pieces of banknotes per day.
- Amenability to adoption of automation and adaptability to implement IT solutions.
- CBL of Rs.10 billion, subject to ground realities and reasonable restrictions, at the discretion of the Reserve Bank.

Extension of relaxation on the guidelines to NBFCs on securitisation transactions

On 29.11.18, RBI has allowed relaxation on the guidelines to NBFCs on securitisation transactions. On a review on 29.05.19, RBI decided to extend the dispensation provided therein till December 31, 2019. ●

CORRESPONDENCE COURSE

PROMOTION EXAM

Based on latest trends of IBPS exam. A large no. of bankers already succeeded by using the course material. If unable to attend class room program, this is the best option.

Course Kit : The course kit include:

- subject-wise basic study material,
- assignment to improve retention
- objective type practice exercise
- recalled questions
- mock test papers.

Fee : May differ from bank to bank. May be checked before remittance). Fee to be paid in advance.

How to enrol : To enrol, advise (a) name, (b) address for correspondence (c) Email address, (d) bank name, (e) scale for which appearing, (f) phone / Cell number and (f) details of subjects for the exam (relevant course material, other than internal bank guidelines shall be sent).

CAIB/ JAIIB

Course is based on exam pattern of IIB&F. A large no. of candidate have succeeded in all 3 papers in first attempt with our study material.

Course Kit : The course kit include:

- subject-wise basic study material,
- objective type practice exercise
- mock test papers.

Fee : Fee differs for different papers. Fee payable in advance, for which details may be obtained by calling 01722665623 .

How to enrol : To enrol, advise name, address for correspondence, eMail id, mobile phone, bank name, subjects for enrolment.

DS Institute of Banking

Office:SCO No.32, Sector 33-D,
Chandigarh 160 020

Phone: 0172-2665623, 09988221167
email - banking121@gmail.com

www.bankingindiaupdate.com

Sovereign Gold Bond Scheme 2019-20

On 30.05.19, Govt. announced SGBS 2019-20- Series I/II/III/IV. The terms and conditions of the issuance of the Bonds shall be as follows:

Eligibility for Investment:

The Bonds may be held by a person resident in India, being an individual, or on behalf of minor child, or jointly with any other individual, by a Trust, HUFs, Charitable Institution and University.

Form of Security

The Bonds shall be issued in the form of Government of India Stock. The investors will be issued a Holding Certificate (**Form C**). The Bonds shall be eligible for conversion into de-mat form.

Denomination

The Bonds shall be denominated in units of *one gram of gold* or multiples thereof. Minimum investment shall be one gram with a maximum limit per fiscal year of 4 kg for individuals, 4 kg for Hindu Undivided Family (HUF) and 20 kg for trusts and similar entities notified by the government from time to time, provided that:

- in case of joint holding, the limits shall be applicable to the first applicant only;
- annual ceiling will include bonds subscribed under different tranches during initial issuance by Government and those purchased from the secondary market; and
- the ceiling on investment will not include the holdings as collateral by banks and other Financial Institutions.

Issue Price

The nominal value shall be fixed in Indian Rupees on the basis of simple average of closing price of gold of 999 purity published by the India Bullion and Jewellers Association Limited (IBJAL) for the last 3 working days of the week preceding the subscription period. The issue price of will be Rs.50 per gram less than the nominal value to those investors applying online and the payment against the application is made through digital mode.

Calendar of Issuance- Bonds can be subscribed between Jun 03 to Sep 13 for different series. Date of issue shall be Jun 11 to Sept 17, 2019.

Interest: 2.5% p.a. (fixed) from the date of issue on nominal value. It shall be paid half-yearly and the last interest shall be payable along with principal on maturity.

Receiving Offices: Scheduled Commercial Banks (excluding RRBs, Small Finance Banks and Payment Banks), designated Post Offices, Stock Holding Corporation of India Ltd and recognized stock exchanges viz., NSE and BSE are authorized to receive applications

for the Bonds either directly or through agents.

Payment Options: Payment shall be accepted in Indian Rupees through cash up to a maximum of Rs.20,000/- or Demand Drafts or Cheque or Electronic banking. Where payment is made through cheque or demand draft, the same shall be drawn in favour of the Receiving Office.

Redemption

i) The Bonds shall be repayable on the expiration of 8 years from the date of issue of the Bonds. Pre-mature redemption of the Bond is permitted after 5th year of the date of issue of the Bonds and such repayments shall be made on the next interest payment date.

ii) The redemption price shall be in Indian Rupees based on simple average of closing price of gold of 999 purity of previous 3 working days, published by IBJAL.

Repayment: RBI/depository shall inform the investor about the date of maturity 1 month before its maturity.

Eligibility for SLR: Bonds acquired by the banks through the process of invoking lien/hypothecation/pledge alone shall be counted towards SLR.

Loan against Bonds: The Bonds may be used as collateral for loans. The Loan to Value ratio will be as applicable to ordinary gold loan mandated by the RBI.

Tax Treatment: Interest shall be taxable as per Income-tax Act, 1961. The capital gains tax arising on redemption of SGB to an individual has been exempted.

Applications: Subscription for the Bonds may be made in the prescribed application form (**Form 'A'**). Every application must be accompanied by the 'PAN details'. The Receiving Office shall issue an acknowledgment receipt in **Form 'B'** to the applicant.

Nomination

Nomination of and its cancellation shall be made in **Form 'D'** and **Form 'E'**, respectively, as per Govt. Securities Act, 2006. An individual Non - resident Indian may get the security transferred in his name on account of his being a nominee of a deceased investor provided that:

- the Non-Resident investor shall need to hold the security till early redemption or till maturity; and
- the interest and maturity proceeds of the investment shall not be repatriable.

Transferability: The Bonds shall be transferable by execution of an Instrument of transfer as in **Form 'F'**.

Tradability of bonds: The Bonds shall be eligible for trading from such date as may be notified by RBI.

Commission for mobilizing subscription: It shall be paid @Rs.1 per Rs.100 of the total subscription received. receiving offices shall share at least 50% of the commission so received with the agents or sub-agents.

Tax Deduction at Source - TDS Rates for FY 2019-20

Sec	Income Type	Limit	Rate
192A	EPF premature withdrawal	Rs.50,000	10%,
	if no PAN, rate shall be 30%	–	
193	Interest on securities	Rs.10,000	10%
193	Interest on debenture	Rs.5,000	10%
194	Dividend other than listed company	NA	
194A	Interest by bank /post (for senior citizen Rs. 50,000)	Rs. 40,000	10%
194A	Interest by others	Rs. 5,000	10%
194B	Winning from lotteries, puzzle, game	Rs. 10,000	30%
194BB	Winning from horses	Rs. 10,000	30%
194D	Payment for insurance commission	Rs. 15,000	5%
194DA	Payment for life insurance policy	Rs. 1,00,000	1%
194EE	Payment of NSS deposits	Rs. 2,500	10%
194G	Commission on sale of lottery tickets	Rs. 15,000	5%
194H	Commission on brokerage	Rs. 15,000	5%
194I	Rent of Land, Building and Furniture	Rs. 2,40,000	10%
194I	Rent of plant & machinery	Rs. 2,40,000	2%
194IB	Rent (per month)	Rs. 50,000	5%
194IA	Transfer of immovable property other than agriculture land	Rs. 50lakh	1%
194LB	Interest from infra bonds	NA	5%
194LD	Interest on govt. securities and bonds	NA	5%
194C	Payment to contractor /subcontractor	Rs. 30,000	1%
194C	Payment to contractor during the year	Rs. 1,00,000	1%
194J	Professional fees/Technical fees etc.	Rs. 30,000	10%
194J	Payment to call centre operator	Rs. 30,000	2%
194IA	Compensation on transfer of certain immovable property other than agriculture land	Rs.2,50,000	10%

Due date for deposit of TDS

1. Months of April to February	7th of following month
2. Month of March	30th April (next year)

Due date for submission of TDS return

1. Quarter ended 30th June	31st July
2. Quarter ended 30th Sep	31st October
3. Quarter ended 31st Dec	31st January
4. Quarter ended 31st March	31st May (next year)

What is Succession Certificate

The succession certificate is a document/ certificate granted to the legal heirs of a deceased person. Such legal heirs, do not have a will executed by the deceased.

It helps to establish a person as the legitimate heir to the deceased and gives him the power to inherit shares, securities, debts and other assets of the deceased.

Validity

The succession certificate is valid throughout India. The Indian Succession Act, 1925 governs the same.

Effects of a succession certificate
The holder of a succession certificate;

1. has a claim over the property and assets of the deceased person.
2. has the authority to represent the deceased in collecting debts and securities due to the deceased or payable in his name.
3. inherits the debts and other liabilities of the deceased person.

Jurisdiction

(Section 380, 381 & 382 of the Indian Succession Act, 1925)

A succession certificate is effective throughout the whole India as per section 380 of The Indian Succession Act, 1925 i.e. it stands valid anywhere within India. However, where a certificate has been granted to a person who is a resident of a foreign country, by an Indian representative (as appointed by the government), of such foreign country, the certificate will stand valid only if properly stamped. This certificate simply affords protection to the parties paying debts. It means there is absolutely no adjudication of title of the deceased.

Practical Problems based on Banking Ombudsman Decisions

1) The complainant received a call that his ATM card had been blocked and his card credentials were required for unblocking the same. He shared his card credentials with caller and instantly Rs.53,900 were debited to his account. He immediately informed bank and requested to block his card. The fraudulent transactions continued with total loss of Rs.6,88,900. BO observed that since the complainant had reported the fraud immediately to the bank, the latter should have taken necessary action to disallow any further transaction. As such, the bank was advised to pay Rs.6,35,000/- i.e. the amount which was withdrawn after reporting the first fraudulent transaction.

2) The complainant alleged that though he had paid Rs.35,000 in settlement of his outstanding dues in respect of two credit cards, but he got a demand notice after 13 years to pay Rs.12.4 million and Rs.15.8 million against each of the settled credit cards. The bank submitted that the credit card accounts were inadvertently sold to an ARC and it had taken up with the ARC to nullify the outstanding dues and carry out necessary amendments in credit status. BO directed the bank to settle the grievance by making the outstanding dues as nil and clean up the complainant's credit history with CIC.

3) The complainant, a Government department claimed that two FDRs duly discharged, were sent to the bank by registered acknowledgement letter with a request to pay the maturity amount along with due interest. It stated that despite having sent the original receipts, the bank was demanding the same. The bank did not send any response to the BO's queries. Considering the that the bank failed to provide any response and documentary evidence submitted by the customer of having sent the FDRs to the bank for encashment, BO inferred that any information if provided, would have been unfavorable to the bank and the bank was advised to pay the maturity amount of FDRs along with accrued interest thereon. As the FDRs were not traceable, the bank paid the proceeds with applicable interest after obtaining an indemnity bond from the complainant.

4) A customer lodged a complaint that 28 fraudulent transactions were carried out using his credit card during a period when he was abroad. He came to know of these when recovery agents visited his residence in India. He also informed that he did not have access to his Indian mobile number during his stay abroad and did not receive any e-mail alerts. On enquiry, the bank informed that the transactions were carried out by validating the customer's card credentials and submitted logs of SMS and email alerts in support of its claim. It further informed that based on the chargeback claim accepted by the merchant banks, the bank had provided credit to the complainant in respect of 18 out of the 28 transactions. The bank however admitted that as per VISA / MASTER guidelines, chargeback can be raised only for 15 transactions and if the number exceeds 15, the transactions are deemed as fraudulent. BO observed that although SMS were sent to the complainant's registered mobile the same could not be accessed overseas by the latter. The bank could not confirm whether the transactions matched that of the profile of the customer and also failed to submit the switch report of remaining 10 transactions. Considering this and that bank had accepted that the transactions were fraudulent in nature, BO advised the bank to refund the amount involved in the remaining 10 transactions along with relevant financial charges. ●

eLearning Study Material

MOCK TEST - CDs Features of CDs

- Explanation for each question/answer.
- Improve understanding and retention.
- Remove confusions. .
- Improve time management. Set your own time during practice.
- Test your preparation before Exam.
- Practice on-line without use of internet.
- Questions are shuffled when used again.
- Large no. of questions based on latest guidelines and memory recalled questions.

Bank Promotion Exam - Rs.300

Bank Promotion Interview - Rs.300

Banking Ready Recknor - Rs.300

CAIIB (New Syllabus)

• Bank Financial Mgmt - Rs.300

• Advanced Bank Mgmt - Rs.300

• Retail Banking - Rs.300

• Risk Management - Rs.300

CAIIB (Case Studies)

• Advanced Bank Mgmt -Rs.300

• Bank Financial Mgmt -Rs.300

JAIIB - All three papers Rs.300 (each)

Economics Mock Test - Rs.150

Book-Keeping Mock Test - Rs.150

Online Mock Tests

Promotion,CAIIB/JAIIB, log in
nstoorBankingonline.com

IBPS Bank PO / Clerk Exam

Score High with Latest Study Kits

Anywhere Anytime Learning

E-Books CDs, Videos

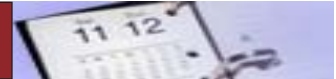
Contact

09814 331 661

01722665623

- SBI SAVINGS ACCOUNT HOLDERS TO HAVE REPO-LINK EFFECT:** SBI, which controls nearly a quarter of the banking system, was giving at rate of 3.5% for savings bank deposits up to Rs.1 Crore and 4% for deposits above Rs.1 Crore. Now, savings bank account holders with more than Rs.1 Lakh balance will earn a quarter percentage points less interest after linking the rate to RBI's REPO or short-term lending rate. However, SBI savings bank account holders with less than Rs.1 Lakh balance will continue to get 3.5% interest on deposits.
- GOVT. NOTIFICATION ON DOCUMENTS ON DIGILOCKER:** The Government has issued a notification that a digital copy of vehicle-related papers which are stored in DigiLocker will be accepted legally as originals. DigiLocker is similar to a Demat account that holds dematerialised shares. In DigiLocker, a user can get different Government departments to issue documents in digital format. At present, there are 117 such issuers.
- NSE FOUND GUILTY IN CO-LOCATION SCAM:** SEBI has declared the National Stock Exchange (NSE), India's Largest Equity Bourse, guilty of not exercising due diligence in the co-location case. The Exchange has been asked to pay a fine of Rs.625 Crore plus 12% interest for five years. Additionally, the NSE has been barred from accessing the capital market in terms of public issue and launching new product for six months. SEBI also said that the disgorged amount has to be deposited in the Investor Protection and Education Fund within 45 days. Further SEBI found former NSE MD Ravi Narain and Chitra Ramakrishna, guilty in the case and prohibited both from associating with listed company/market infrastructure for three years. Also, Narain has to give away 25% of his salary drawn for the period FY 2011 to 2013 and Ramakrishna 25% of FY 2014 salary to the Investor Protection Fund.
- NCLAT ALLOWS BANKS TO DECLARE IL&FS ACCOUNTS AS NPA:** The Supreme Court had recently lifted the freeze on banks from declaring defaulting accounts of IL&FS and its 300 entities as NPAs. RBI had also last week asked the banks to declare details of their exposure and provisions related to IL&FS as part of their quarterly results. Now NCLAT has allowed the banks to declare defaulting IL&FS accounts as NPA. However the banks can not initiate the recovery process and debit money and must not withdraw support until a resolution is found.

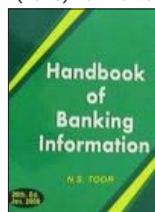
Financial Events



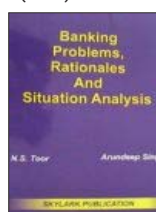
- BIG 4 GLOBAL AUDIT FIRMS BARRED FROM LAW PRACTICE:** Acting on charges of surrogate law practice, the Bar Council of Delhi has directed the big four global audit firms-KPMG, PWC, EY and Deloitte-to refrain from providing legal services with immediate effect and until further orders. The firms have also been asked to furnish a list of all the advocates who have been engaged by them in any capacity and in any of their offices. There is no justification for accounting and audit firms to enter legal practice and offer non-litigation services.
- AMFI'S NEW BEST PRACTICES NORM ON "HAIRCUT":** The Association of Mutual Funds in India (AMFI), the nodal industry body has advised the Assets Management Companies to be proactive in applying the standard hair-cut matrix on sub-standard and investment grade debt securities without waiting for rating agencies to downgrade them. Last December, SEBI announced a set of norms that allow mutual funds to set aside bad debts with the approval of the Trustees and investors. As per new SEBI's circular of March 22 and AMFI's best practices circular of April 30, all mutual funds have to apply a standard hair-cut of 50% for sub-investment-grade securities in the infrastructure sector with a current rating of "D". The hair-cut will remain in force till the rating agencies compute the valuation of the sub-standard asset.
- RBI TO BANKS ON "HOLDING COMPANY MODEL":** The Working

**OUR
WIDELY
READ
BANKING
PROMOTION
BOOKS**

Most-used book
by bankers 47th
(2018) Edn Rs.400



Banking Problems
& Rationales 13th
(2016) Edn Rs.300



Practice Sets
Mock Tests 17th
Edn Rs.225



For Banking information in Hindi
11th Edn Rs.275



For all types of
bank interviews
11th Edn Rs.200



Group led by then RBI Deputy Governor Shyamala Gopinath had in May 2011 had suggested the Holdco model for financial conglomerates. RBI has formally started discussions with banks on the Holding Company Model, which will lead to cleaner equity holding structures within banking conglomerates. The new regime will entail banks unwinding their shareholding in their subsidiaries which will come to reside in the Holdco. Then the Holdco will decide the terms of engagement with its subsidiaries. This will act as bulwark for the bank –from the direct impact of the losses in the subsidiaries when it is upstreamed to the consolidated balance sheet (of the bank). Bank Boards too need not be burdened with the hassles of managing the subsidiaries.



- **DPIIT TO HELP START-UPS RAISING FUNDS:** With a view to facilitate fundraising by Start-ups, the Department for Promotion of Industry and Internal Trade (DPIIT) has proposed relaxation in the income tax laws pertaining to sale of residential properties and carrying forward of losses. It has suggested exempting proceeds on sale of residential properties from capital gains tax if it is used to fund a start-up. Budding entrepreneurs often sell their residential properties to support their business activities. It has also been proposed to reduce founders' shareholding requirements from 50% to 20% and mandatory holding period from 5 years to 3 years as it would enhance flexibility of founders to raise capital by selling the properties.
 - **RBI ENHANCES HOUSING LOAN LIMITS UNDER PSL FOR RRBs:** RBI has decided to enhance the housing loan limits for RRBs and Small Finance Banks (SFBs) for eligibility under Priority Sector Lending (PSL) in a bid to give them a level-playing field with other scheduled commercial banks. Henceforth, housing loans given by RRBs and SFBs to individuals up to Rs.35 Lakh in metropolitan centres with population of Rs.10 Lakh and above and Rs.25 Lakh in other centres provided the overall cost of the dwelling unit in the metropolitan and other centres does not exceed Rs.45 Lakh and Rs.35 Lakh respectively will be eligible for classification under PSL.
 - **IRDAI TO COMPANIES FOR VARIABLE PAY TO PERFORMANCE:** IRDAI has said that the variable pay of CEOs, MDs and EDs of insurers must be based on their performance vis-a-vis that of the industry and asked them to fix an upper limit for bonuses so that boards do not hand out sweet heart deals to top executives. IRDAI has issued a fresh circular asking the companies to comply with the compensation structure and does not want them to approach the regulator after the end of the financial year.
 - **JALAN PANEL TO SUBMIT REPORT ON RBI CAPITAL SIZE:** The six-member panel headed by former RBI Governor Bimal Jalan, appointed on December 26, 2018 will submit its report on the Economic Capital framework. The Panel will propose a suitable profit distribution policy, taking into account
- all the likely situations of the RBI, including the situation of holding more provisions than required. The Finance Ministry was of the view that the buffer of 28% of gross assets maintained by the RBI is well above the global norm of around 14%.
- **FINMIN CLARIFIES GST FOR HOME BUYERS:** The Finance Ministry has clarified that it is the builder who can exercise the option to pay tax on construction of apartments at the old rate of 12%. This can be opted for by May 10 at the latest. If the builder does not exercise his option to continue to pay tax at the old rate-the effective GST rate applicable on all instalments payable to the builder on or after April 1, 2019 shall be either 1% or 5% depending on whether the apartment is an affordable or other-than affordable residential apartment. If the builder chooses to stick to the old rates the buyer will have to pay 8% (for affordable) or 12% (for others).The builder in this case gets input tax credit (ITC) which should be passed on to the buyer.
 - **SEBI ALLOWS FPIs TO INVEST IN MUNICIPAL BONDS:** SEBI has said in the circular that the foreign portfolio investors (FPIs) can now invest in municipal bonds. Previously RBI had permitted FPIs to invest in municipal bonds as a measure to broaden access of non-resident investors to debt instruments in the country. As per RBI, foreign investment in municipal bonds should be within the limits set for FPI investment in State Development Loans (SDLs). The limits for FPI investment in SDLs is 2% of outstanding stock of securities.
 - **RBI FOR GLOBAL TRADE-FINANCE INSTRUMENTS:** RBI has said that the banks need to expand their global banking relationship and shift towards globally accepted trade finance instruments instead of indigenous instruments such as (Letter of undertakings/ Letter of Credit) . Domestic banks largely depend on their own branches or branches/ subsidiaries of other domestic banks which have been accepting non-

standardised trade instruments- LOUs and LOCs-for arranging trade credit. The overdependence of domestic banks on their overseas branches through less standardised trade credit instruments limits the scope of their trade credit operations.

- IBBI PROPOSES LEGAL REGIME ON WITHDRAWAL OF RA:** The Insolvency and Bankruptcy Board of India (IBBI) proposes to make the legal regime around withdrawal of resolution applications (RA) under the IBC more practical. This will give the original promoters a wider opportunity to seek resolution outside the IBC process and thereby gain back control of their companies. IBBI plans to change the norms to the effect that applications for withdrawal may be allowed in “exceptional cases” even after invitation of expression of interest. Currently, no application for withdrawal of resolution application is allowed once the expression of interest has been invited. This had proved to be a hurdle for many defaulting promoters.
- GOVT. FOR UNIVERSAL DEBT RELIEF SCHEME:** India has begun work on a universal debt relief scheme for small borrowers aimed at micro enterprises, small farmers and artisans which should be ready for implementation when the next Government is in place. Individuals below a specified income and asset threshold will be eligible for debt relief. People with annual income of Rs.60, 000 or less, outstanding loans of Rs.35, 000 or less and assets worth Rs.20, 000 or less may be eligible. This will be a well-structured loan waiver programme across sectors for small farmers, artisans, micro-enterprises or other individuals. It will be a universal debt relief scheme for the poor.
- IBBI FOR SECURED INSTITUTIONAL FINANCIAL CREDITORS:** The Insolvency and Bankruptcy Board of India (IBBI) has proposed that the secured institutional financial creditors may have to bear liquidation expenses upfront. The proposal states that the upfront expenses should be paid if the debtor company has no liquid assets available to defray the costs. Now the IBBI has rejected the suggestion of stakeholders that the cost of liquidation may be borne by all the financial creditors up front and the same may be recovered from sale of assets. The IBBI felt this may prove to be burdensome for the retail individual creditors. It preferred that the liquidation costs be borne by the secured institutional financial creditor and recovered from sale of assets.
- TReDS PLATFORM SHOWS EXPLOSIVE GROWTH:** The

Trade Receivables Discounting System (TReDS) an online bill discounting platform that helps cash-starved MSMEs raise funds by selling their trade receivables to corporates, has been witnessing explosive growth. The concept of TReDS was introduced by RBI in 2014. Accordingly, RBI issued licence in 2017 to three players- Receivables Exchange of India Ltd. (RXIL), Invoicemart and M1Exchange. All three Exchanges put together touched the business of about Rs.7000 Crore in FY 2019 against Rs.800 Crore in 2018.

- SUPREME COURT RULING ON RESERVATION:** The Supreme Court has ruled in the case hearing a plea seeking 10% quota for the economically weaker section in Central Teacher Eligibility Test (CTET) 2019 that “The issue of reservation will come up only at the time of admission. For qualifying examinations there can not be any reservation”.
- PAYTM JOINS HANDS WITH CITIBANK FOR CREDIT CARD:** Digital Wallet Paytm has launched a Credit Card in partnership with the Global Payments Company Citibank. Paytm first Card is the first-of-its kind Card that has been launched in India by the American Company, which are similar exclusive partnerships across sectors in the United States. It is also the First White-label credit card to offer unlimited 1% cash-back without restrictions that get auto-credited every month. The card will also be accepted internationally and is contactless-enabled. There is also a full waiver of annual fee of Rs.500 on spends of over Rs.50, 000 a year.

OUR CAIB & JAIB BOOKS	Bank Fin Mgmt 4th Edn Rs.200	Adv Bank Mgmt 4th Edn Rs.175	Banking/General Awareness	Accounting & Finance 8th Edn Rs.200	Legal Aspects of Banking 8th Edn Rs.200	Principles of Banking 8th Edn Rs.200
						

- **IBBI TO INTRODUCE THE CONCEPT OF COP FOR IPs:** Insolvency Regulator IBBI proposes to amend the existing regulations for Insolvency Professionals (IPs). It is to introduce the concept of “Certificate of Practice” (COP) for IPs. Every registered IP needs to have a COP and get it renewed every year from its Insolvency Professional Agency (IPA). It will enable a registered IP to commence and quit practice as and when he wishes. IBBI is of the view that the arrangement of COP will improve monitoring and practising IPs and avoid unnecessary disciplinary process.
- **RBI TO INCLUDE CRYPTO IN SANDBOX FRAMEWORK:** Technology industry lobby groups and founders of StartUps have asked RBI to include crypto-currency and crypto assets in its proposed Sandbox Framework for the Finetech Industry. RBI’s Draft Enabling Framework for Regulatory Sandbox put out on April 18, had excluded the crypto-currency, initial coin offerings, credit registry and other related sectors. Distributed ledger, the technology on which crypto-currency and block-chain is based, is considered the future of finance, but applications under block-chain technologies have been included for testing under the proposed framework. Since crypto coins and tokens are an important component of the block-chain technology, the draft regulations appear to exclude testing of smart contracts and other approved block-chain technology under the sandbox.
- **SIDBI’s PILOT SCHEME FOR FINTECH NBFCs:** To give a fillip to digital lending, SIDBI has launched a Pilot Scheme to extend financial assistance of up to Rs.10 Crore to new-age Fintech NBFCs which are “Digital Loan Companies”. To be eligible for funding assistance RBI registered new-age Finetech NBFCs have to meet prescribed parameters including minimum capital risk-weighted assets ratio of 15%, NPA less than or equal to 4%, minimum net-owned fund (NOF) of Rs.20 Crore and minimum asset size of Rs.50 Crore and at least two audited annual reports, positive net worth and leverage ratio within 5:1. SIDBI has set the exposure cap for lending to a single new-age Finetech NBFC at 30% of NOF of the new fine-tech NBFC subject to maximum cap of Rs.10 Crore.
- **RBI TELLS NBFCs TO APPOINT “CHIEF RISK OFFICER”:** RBI has asked the NBFCs with assets size of more than Rs.5000 Crore to appoint a Chief Risk Officer (CRO) with clearly specified role and responsibilities in view of increasing role in direct credit intermediation of these companies. The RBI directive comes in the backdrop of the IL&FS imbroglio and its ripple impact on NBFCs. RBI said that the CRO should be a senior official in the hierarchy of an NBFC. The CRO should possess adequate professional qualification/experience in the area of risk management. The CRO can be appointed for a fixed tenure with the approval of the Board. The CRO should not have any reporting relationship with the business verticals of the NBFC and should not be given any business targets.
- **AMCs ALLOWED TO DIRECTLY MANAGING OFFSHORE FUNDS:** The Central Board of Direct Taxes (CBDT) has removed a taxation-related constraint that prevented Indian Asset Management Companies (AMCs) from taking up direct fund management activity of offshore funds. The CBDT has clarified that SEBI-approved AMCs will be designated as “Eligible Fund Manager” and therefore entitled for benefits under section 9A of the Income Tax Law. Hence, AMCs can now graduate from being mere “Advisors” to offshore funds to becoming a direct “Full-fledged Manager” of such funds from India.
- **SUPREME COURT RULING ON CENTRAL ARBITRATION LAW:** Some states have their own arbitration legislation. This situation has raised legal questions as there could be a conflict between the state law and the Central Arbitration and Conciliation Act. In a Madhya Pradesh case there was a difference of opinion among Supreme Court judges and it was resolved by a larger bench that the Central Law will apply.
- **SEBI SETS RULES FOR STAT-UPS TO MOVE TO MAIN BOARD:** SEBI has proposed for allowing a start-up listed on the Innovators Growth Platform (IGP) to trade under the regular category of the main board. According to the proposal, a company should have had listed on the IGP for a year and have a minimum of 200 shareholders for making the shift. The company or any of its promoter or director should not have been debarred or been a wilful defaulter. Minimum promoter’s contribution should be 20% of the total capital. This capital shall be locked in for three years from the date on which trading approval on the main board is granted. The lock-in would not apply for companies listed on the IGP for three years or more.

GENERAL AWARENESS

- Index in which India has moved one place to rank 43rd Position while Singapore tops the Chart- World Competitiveness Rankings.
- List from which US has removed India- Currency Watch List.
- India's Largest Equity Bourse which has been found guilty in "Co-location Case Scam" and also asked to pay a fine of Rs.625 Crore plus 12% interest for five years-National Stock Exchange.
- Scheme under which total subsidy of Rs.12, 000 Crore has been released to Home Buyers till March-Credit Linked Subsidy Scheme under PMAY.
- Iraq has for the second year in a row becomes India's- Top Crude Oil Supplier.
- Sectors in which China has announced to remove limits on ownership in local banks and scrap size requirements for foreign firms that operate onshore- Banking and Insurance Sector.
- Number of daily average transactions has seen increase of 312.69% from April 2018 to April 2019 in- Unified Payments Interface of NPCI.
- The United Nations has designated Pakistan-based Jaish-e-Mohammad Chief Massod Azhar as- Global Terrorist.
- Survey according to which the performance of Govt. with regard to three top priorities-Traffic Congestion, Pollution and better employment opportunities has been "Below Average"- Survey By ADR.
- Rakesh Singh has assumed the charge as- Vice Chief of Air Staff.
- State-run Steel Maker Company which has introduced Pension Scheme for present and former employees- SAIL.
- As per Top 50 of the Latest Times Higher Education Asia University Rankings, Indian University which leads and ranked 29th- Indian Institute of Science Bangalore.
- Five Issuers on whom RBI has imposed penalty of Rs.6.10 Crore for compounding of the contraventions under Payment and Settlement Systems Act 2007- Prepaid Payment Instrument Issuers.
- In a first in recent history of tax filings, the same have dropped by more than 6.6 Lakh- Income tax e-filings.
- FPI investment in Unlisted companies to be allowed as per SEBI Panel headed by- HR Khan, Deputy Governor of RBI.
- Tribunal which ruled that "Loss-making company can sell its stake at a valuation higher than the fair market value if valuation is computed through Discounted Cash Flow Method"- Income Tax Appellate Tribunal.
- Invoices which will have to generated by September on Centralised Govt. Portal- B2B (Business to Business) invoices.
- Canada has become the First Country to celebrate April month as- Sikh Heritage Month.
- Borrowings which touched a historic high in 2018-19 by having \$41 billion against \$26 billion registering 58% increase- External Commercial Borrowings.
- Bank for which RBI issued fresh directives that depositors will be allowed to withdraw a sum not exceeding Rs.1000 in total balance in the accounts- Shivajirao Bhisale Bank
- Jagjit Pavadia who has held

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

JAIBB 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

CAIBB 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 Rs. 3000

- DVDs covering reasoning ability, quantitative aptitude, English language, computers awareness, Banking & general awareness

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)

- several senior positions in the Indian Revenue Service for 35 years, has been re-elected as- Member of International Narcotics Control Board.
- The Statistics Ministry is embarking on the 7th Economic Census for all economic establishments and also to form- National Business Register.
 - Bank which has donated Rs.10 Crore to Odisha State for “Cyclone Fani relief”- ICICI Bank.
 - Report according to which debit cards continues to be the Most Preferred Payment Instrument for shoppers on ecommerce websites- Report by Financial Software and Systems.
 - Bank whose long term ratings has been downgraded with “Negative Outlook” by India Ratings- YES Bank.
 - As per Survey by Max Life Insurance, the City whose population owns life insurance making it one of the Least insured Cities in the Country- Pune.
 - Watchdog which has ordered an investigation into Google for allegedly abusing the dominant position of its popular Android mobile operating system to block rivals- Competition Commission of India.
 - Bank which has sold Electoral Bonds worth Rs.3622 Crore in March and April this year- SBI.
 - PS Reddy, MD&CEO of CDSL has taken over charge of – MD&CEO of Multi Commodity Exchange.(
 - To help check evasion through cash transactions, Mechanism which the Govt. may opt at all shops and establishments- QR Code-based Payment Option.
 - Bank which joins hands with Travel Portal Goibibo to launch Multi-currency card which is accepted across 200 countries and 4.6 Crore merchants globally and can be loaded with up to 15 currencies- ICICI Bank.
 - RBI issued Licence only to 3 Players in the Country for acting on Trade Receivables Discounting System (TReDS)- RXIL, Invoicemart and M1Exchange.
 - Venture Capital Fund of Rs.700 Crore has been announced for equity investments in Agriculture and Rural-focused Startups by- NABARD.
 - Cyclone disaster for which the Odisha government has pegged the loss of Rs.12, 000 Crore – FANI Cyclone .
 - Bank whose elevated credit costs and provisions of bad loans will continue to weigh on its earning profile, adversely impacting capital position as per report of Rating Agency Standard & Poor’s- Union Bank of India.
 - Report has been submitted to RBI Governor by the Committee on Digital Payments which was headed by- Nandan Nilekani, Former Chairman of UIDAI.
 - To reconcile the contradictory orders on similar issues passed by Authority for Advance Rulings (AARs) in different states, GST Council has proposed to set up- National Bench of AAAR.
 - Bank whose MD&CEO Chanda Kochar has served legal notice to the Bank objecting to the way her Resignation was treated as Termination- ICICI Bank.
 - There is the Biggest One-day Gain in 10 years in point terms and the Most since September 2013 in percentage terms after Exit Polls in- Benchmark Sensex and NIFTY.
 - En Aromatic & Petro Chemicals who has indulged in illegal fund raising and failing to comply with public issue norms has been fined by SEBI with- Monetary Penalty of Rs.1 Crore.
 - The Biggest Company by revenue which has emerged toppling state-owned Indian Oil corporation- Reliance Industries Ltd.
 - OECD cuts its forecast from 3.3% to 3.2% this year for- World Economy.
 - Bank whose Long-term Rating has been downgraded by Rating Agency ICRA- IDFC First Bank.
 - Tribunal which has ruled that in the matter of collective investment schemes the overriding nature of Indian Bankruptcy Code (IBC) may prevail over the SEBI Act- National Company Law Tribunal.
 - Bonds for which the Govt.-appointed Panel has suggested that these may be used by persons for investing half of undisclosed income- Elephant Bonds.
 - ADB has agreed to provide long-term loan of \$750 million to IRFC to fund its track electrification project-Largest Single Non-sovereign Loan ever committed.
 - Out of Social Media Platforms, Bank, which is already present on YouTube and Twitter has also entered on Facebook and Instagram- Canara Bank.
 - Private Life Insurer which has been conferred with the FICCI Claims Excellence Award- Bharti AXA Life insurance.
 - Jokha Alharthi has become the First Arabic Author for her Novel “Celestial Bodies” to win- Man Booker Prize.
 - Citizens with a taxable income of up to Rs.5 Lakh can now submit Form-H to claim exemption from TDS on interest income on deposits as per notification of CBDT- Senior Citizens.



MOCK-TEST PAPER

Questions on Latest RBI Policy

01 Who can invest in Sovereign Gold Bond Scheme (SGB) 2019-20- Series I/II/III/IV?

- a Individuals only
- b HUF only
- c Trust only
- d all

02 What is denomination of Sovereign Gold Bond Scheme (SGB) 2019-20- Series I/II/III/IV?

- a One gram of gold or multiple
- b 2 grams of gold or multiple
- c 5 grams of gold or multiple
- d 10 grams of gold or multiple

03 The issue price of gold bonds under Sovereign Gold Bond Scheme (SGB) 2019-20- Series I/II/III/IV, is Rs. ___ per gram, less than nominal value?

- a Rs.10 b Rs.50
- c Rs.100 d Rs.200

04 What is rate of interest on gold bonds under Sovereign Gold Bond Scheme (SGB) 2019-20- Series I/II/III/IV?

- a bank rate
- b repo rate
- c 2.5%
- d 3.5%

05 What is redemption period of gold bonds under Sovereign Gold Bond Scheme (SGB) 2019-20- Series I/II/III/IV?

- a 5 years b 7 years
- c 8 years d 10 years

06 What is max limit of subscription per individual, to gold bonds under Sovereign Gold Bond Scheme

(SGB) 2019-20- Series I/II/III/IV?

- a 5 kg per financial year
- b 4 kg per financial year
- c 2 kg per financial year
- d 1 kg per financial year

07 What has been added to list of official valid documents (OVD) under RBI KYC Directions 2019?

- a Passport
- b Aadhaar
- c Driving license
- d Voter I-Card

08 Under RTGS, what is the initial cut-off period i.e. period for customer transactions?

- a 8 am to 4.30 pm
- b 8 am to 6 pm
- c 7 am to 4.30 pm
- d 7 am to 6 pm

09 Time varying charges under RTGS per outward transaction, in addition to flat processing charges, after 6 pm, are?

- a Rs.1 b Rs.2
- c Rs.5 d Rs.10

10 Large modern currency chest can recover commission of ___ per packet of 100 pieces, from non-currency chest bank branches

- a Rs.10 b Rs.8
- c Rs.5 d none

Memory Recalled Questions

11 Under NEFT, once a request for transfer of funds is received from a customer, the remitter bank prepares SFMS, which stands for:

- a standard financial monitoring system

b standard financial messaging system

c structured financial messaging system

d structured financial monitoring system

12 Firm-A and Firm-B have all the partners as common partners named A, B and C. Firm A has a current account at one branch of the bank while Firm B has an OD at another branch of the bank. Bank wants to exercise right of set off to adjust the OD account.

- a the OD can be recovered by using right of set off
- b the OD cannot be recovered since these are two firms
- c the OD cannot be recovered since the accounts are at different branches
- d the OD can be recovered with consent of both the firms only

13 Which of the following meets the criteria of a material alteration in a cheque:

- a alteration which changes the instrument altogether
- b alteration which dilutes the basic mandate of the drawer
- c alteration in which the name of the payee has been written by the payee himself and not by the drawer
- d alteration in which the amount has been written by the bearer and not by the drawer

14 Which method of lending of which committee provides for current ratio of 1.33:1:

- a 2nd method, Tandon Committee
- b 1st method, Tandon Committee

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.

- c Turnover method, Nayak Committee
- d Cash budget method, Shetty Committee
- 15** In terms of recommendations of Prime Minister's Task Force on MSMEs, the banks are required to ensure a ____ year on year growth of credit to ____:
- a 20%, micro and small enterprises
- b 20%, micro, small and medium enterprises
- c 10%, micro and small enterprises
- d 10%, micro, small and medium enterprises
- 16** A demand draft is presented for payment in clearing but it is unsigned. What the bank will do:
- a bank will return it as it may be fraud
- b bank will return it as it is not a demand draft at all
- c bank will pay it
- d bank will pay it if bank is able to confirm from the drawee branch about issue of the DD by them.
- 17** Dry land farming is farming in:
- a irrigated lands
- b flooded lands
- c around sea-shore
- d drought prone area
- e Unirrigated land
- 18** Which of the following documents can be accepted as an officially valid document for opening bank accounts without the limitations applicable to 'Small accounts' as prescribed by Govt. /RBI
- a Letter issued by UIDAI
- b Ration Card
- c Telephone bill
- d all the above
- 19** A usance bill of exchange is made on Sep 01, 2016, by a drawer, payable 60 days after date without days of grace. The bill is accepted on Sep 02, 2016. What will be date of payment of the bill if due to Diwali there are holidays from November 04 to Nov 07, 2016.
- a Oct 31, 2016
- b Nov 08, 2016
- c Nov 03, 2016
- d Nov 04, 2016
- 20** What will be due date for a bill dated Nov 10, 2016 payable 4 months after date and accepted on Nov 15, 2016:
- a March 12, 2017
- b March 13, 2017
- c March 15, 2017
- d March 11, 2017
- 21** With effect from 15.09.2018, while issuing demand draft, pay order, banker's cheque, etc., the issuing bank shall include:
- a name of the purchaser
- b date of expiry
- c name of the persons who sign on behalf of the bank clearly
- d mode of payment by purchaser for purchase of DD
- 22** X, a loan customer of the bank, had purchased a demand draft for purchase of goods from Y. The goods have been received but these have been found defective. The DD has not been presented by Y so far and X wants the bank to stop the payment.
- a bank cannot stop the payment
- b bank can stop the payment on the request of purchaser
- c bank can stop the payment on the request of purchaser if the purchaser proves defect
- d bank cannot stop the payment as there is no proof of defect in the same goods
- 23** An enterprise engaged in manufacturing, production or preservation of goods is a small enterprise, where its investment in _____ is up to ____:
- a Plant and Machinery, above Rs. 10 lac up to Rs. 200 lac
- b Plant and Machinery, above Rs.25 lac up to Rs.500 lac
- c Equipment, above Rs. 10 lac up to Rs. 200 lac
- d Equipment, above Rs.25 lac up to Rs.500 lac
- 24** Banks can take deposit from the customer, maximum to the extent of ____, while allotting locker to a customer:
- a up to Rs.50000
- b covering a rent for 6 months
- c covering a rent for 3 years and locker breaking open charges
- d covering a rent for 5 years and locker breaking open charges
- 25** Which of the following can not be appointed as a nominee:
- a a minor aged 5 years
- b an insolvent person
- c an NRI living in UK
- d a Trust
- 26** A firm has capital of 200, reserves of 300, debentures 50, goodwill 30, pre-paid expenses of 10. What is net worth and tangible net worth:
- a 500, 500
- b 500, 470
- c 470,470
- d 500, 530
- 27** A firm has stocks of 30, debtors 50, creditors 20, preliminary expenses 10, bank overdraft 30. What is the current ratio
- a 1.33.:1 b 1.50:1
- c 1.60:1 d 1.75:1
- 28** Customer day is observed by the bank branch on:

- a 1st of every month
b 15th of every month
c last day of each month
d 1st day of the quarter
- 29** Which of the following is not a domestic rating agency that has been accredited by RBI/SEBI for the purpose of risk weighting the claims of banks for capital adequacy purpose:
a Fitch India
b ICRA
c CARE
d Standard and Poors'
- 30** The applicable system wide average figure for computing achievement under priority sector lending with regard to overall direct lending to non-corporate farmers, for the FY 2018-19 is ___ percent.
a 13.10% b 11.09%
c 12.32% d 11.99%
- 31** Banks can open branches without RBI permission in Tier 3 to Tier 6 centres. These centres have population up to ___ as per census 2011:
a 9999
b 49999
c 99999
d 100000
- 32** Which of the following features is not present in a non-negotiable crossed cheque:
a it can be endorsed any no. of times
b it can be transferred from one person to another any no. of times
c this cheque has only a holder and not holder in due course
d none of the above
- 33** Your branch has a locker in the joint names of A and B operated as either or survivor. You receive information of death of B
a A can operate the locker with legal heirs of B
b For operations of locker permission of court is needed
c A can operate the locker
d a and b
- 34** The minimum and maximum court fee that is required to be paid for filing a suit in a Debt Recovery Tribunal is:
a Rs.5000, Rs.1 lac
b Rs.10000, Rs.1.50 lac
c Rs.12000, Rs. 1.50 lac
d Rs. 12000, no maximum
e Rs.150 per Rs.1 lac without any minimum and maximum
- 35** What is the stipulated time requirement for giving a notice to the drawer by the holder of a cheque where he wants to lodge a complaint u/s 138 of Negotiable Instrument Act against the drawer?
a within 15 days from date of dishonour
b within 15 days from date of intimation from the bank to the holder about dishonour
c within 30 days from date of intimation by the bank to the holder about the dishonour
d within 30 days of date of receipt of information from the bank by the holder
e within 15 days of date of receipt of information from the bank by the holder
- 36** Which of the following is not a material alteration:
a the payee changes the amount from Rs.5000 to Rs.55000
b the payee cancels the crossing
c the payee converts a bearer cheque into an order cheque
d the payee forges the signatures of the drawer, to confirm change in name of payee
- 37** Jurisdiction of Distt. Forum under Consumer Protection Act is for cases an amount of:
a Less than Rs. 20 lac
b Less than Rs. 10 lac
c Less than Rs..5 lac
d up to Rs.20 lac
e up to Rs.100 lac
- 38** With effect from July 10, 2017, what is the no. of batches in NEFT settlements:
a 11
b 12
c 23
d 25
- 39** The participatory note are:
a derivative instruments
b shares
c debentures
d global depository receipts
e Indian depository receipts
- 40** X has a current account with the bank and he agrees to receive a cheque of Rs.10 lac from B and on the strength of this amount of Rs.10 lac, he issues 5 cheques of Rs.1.90 each in the name of 5 different persons and retains the balance amount as his commission. Such type of transaction is known as:
a money agency transaction
b money pipe transaction
c money mule transaction
d money flow transaction

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

All important about a Credit Score

A credit score is a number, which reflects the creditworthiness of a person (consumer in case of consumer loans). It is based on credit history and other factors. The lenders make use of credit scores for evaluation of an individual with regard to repayment of loan. Generally, higher the score, the more financially trustworthy a person is considered to be.

In United States, credit score model was created by the Fair Isaac Corporation (FICO) and it is used by lenders, almost around the globe. There are other credit-scoring systems also but FICO score is popular.

How credit score is used?

Credit scores play a key role in a lender's decision to offer credit and terms of credit. Those having lower credit scores say, below 640 are generally considered to be subprime borrowers. They are charged higher interest rate on mortgage loans, personal loans, consumer loans etc. By charging higher interest, the lending institutions compensate themselves for carrying more risk. Such borrowers can also be offered shorter repayment term or may be asked to bring in co-obligants. On the other hand, a borrower having credit score of 700 or above is generally considered good. Such borrowers are offered lower interest rate and favourable terms and conditions.

A person's credit score may also determine the size of an initial deposit required to obtain a cellphone, cable service or utilities, or to purchase an apartment. Lenders frequently review borrowers' credit scores, especially when deciding whether to change an interest rate or credit limit on a credit card.

While every creditor defines its own ranges for credit scores (many lenders think anything over 720 is excellent), here is the average score range, according to Credit Sesame:

- Excellent: 750 and above
- Good: 700 to 749
- Fair: 650 to 699
- Poor: 550 to 649
- Bad: 550 and below

Credit Score agencies and factors

There are 7 credit rating agencies in India names (1) Brickwork Ratings India Pvt. Limited (Brickwork); (2) Credit Analysis and Research Limited; (3) CRISIL Limited; (4) ICRA Limited; (5) India Ratings and Research Private Limited and (6) SME Rating Ltd. (SMERA) (7) Infomercials Valuations and Rating. International rating agencies include Fitch, Moody's; and Standard & Poor's.

While there can be differences in the information collected by the these bureaus, there are five main factors evaluated by them, when calculating a credit score:

1. Payment history (35% weightage)
2. Total amount owed (30% weightage)
3. Length of credit history (15% weightage)
4. Types of credit (10% weightage)
5. New credit (10% weightage)

DATA COLUMN

Business of Banks

(Rs.in cr)	Mar31'18	May10'19
Aggregate deposits	10805150	12517450
Cash in hand/RBI	570490	582210
Investments	3043660	3508710
Bank Credit:	7881890	9626010
-Food	53930	61700
-Non-Food	7827960	9564310
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	May10'19
M3 (Out of which)	15430870	15439920
(a) Currency with public	2052230	2117810
(b) Demand deposits-Banks	1626310	1425330
(c) Time Deposits - Banks	11720590	11868030
(d) Other deposits with RBI	31740	27740

Sources of Money Supply

(a) Net Bank credit to Govt	4387790	4599660
(b) Bank credit to Comrcl sectr	10380180	10234840
(c) Net Forex assets of Banks	2977860	3054100

Important Banking Indicators

Statutory Liquidity Ratio	19.00%	(13.04.2019)
Cash Reserve Ratio	04.00%	(15.02.2013)
Overnight LAF (of NDTL)	0.25%	
14-days term Repo(of NDTL)	0.75%	
Reverse Repo Rate	05.50%	(06.06.2019)
Repo Rate	05.75%	(06.06.2019)
MSF Rate	06.00%	(06.06.2019)
Bank Rate	06.00%	(06.06.2019)

Small Savings Interest Rates

P PF	8.0%	(01.10.2018)
NSC	8.0%	(01.10.2018)
Sukanya Smridhi	8.5%	(01.10.2018)
Senior Citizen Saving	8.7%	(01.10.2018)

Capital & Money Market Indicators

Parameter	end-May18	end-May19
Dollar-spot TT (Rs.)	67.14	69.68
BSE - Sensex (points)	35113	39714
NSE - Nifty(S&P CNX)	10661	11923
Foreign reserves (Million \$)	412824	419992
Gold /Oz in USD)	1293	1283

INDIAN ECONOMY-IMPORTANT PARAMETERS

RBI's growth estimate for FY 2019-20	: 7.2%
GDP@constant mkt prices (cr) 2017-18	: 12985363
GVA@2011-12 basic prices (cr) 2017-18	: 11871321
GDP projected by Govt. for 2019-20	: 21007439
Fiscal Deficit Target (2019-20) 3.4% of GDP	: 703999 cr
Revenue Deficit Target (2019-20) 2.2% of GDP	: 470214 cr
Wholesale Price Index	: 3.2%
Money Supply (M3) expansion - YoY	: 9.6%
Exports during 2018-19	: 331.0 bn
Imports during (2016-17)	: 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 (Jun 2018) US \$: 514.4 Bn
Tax-GDP ratio (2014-15)	: 9.93%
Apr- Mar19:Export \$ 331.0bn\$ Imports	: 507.0 bn
Per capita Income 2017-18 (Rs.)	: 111782
Indian economy's ranking in PPP terms	: 3rd
Indian economy's ranking in world in value:	: 6th

OUR PUBLICATIONS : REFER PAGE 9,11

● DATE OF DESPATCH - June 7 / 10, 2019