

Banking Awareness May Set-1 by Dr. Gaurav Garg



Q) Who has been appointed as the interim Managing Director and CEO of the **PNB Housing Finance**?

A. Neeraj Vyas
C. Shikha Sharma

B. Sanjaya Gupta
D. Usha Ananthasubramanian

PNB Housing Appoints Neeraj Vyas as Interim MD and CEO

- PNB Housing Finance has appointed **Neeraj Vyas** as its interim Managing Director and CEO.
- The term of incumbent **Sanjaya Gupta** comes to an end on May 4.

Q) The Asian Development Bank (ADB) has approved a **USD 346 million loan** to Indian government to provide reliable power connection in rural areas of which state?

A. Rajasthan
C. Maharashtra

B. Himachal Pradesh
D. Uttar Pradesh

ADB gives \$346 mn loan for power sector in rural Maharashtra

- The Asian Development Bank (ADB) has approved a **USD 346 million** (around Rs 2,616 crore) loan to Indian government to provide reliable power connection in rural areas of **Maharashtra**.
- Maharashtra is the second-most populous state in India, and about half of the state's labour force is engaged in agriculture and related activities in the rural areas.
- Agriculture output, however, has been impacted by lack of irrigation, less-than-efficient use of electricity and water, as well as inadequate storage and connectivity to markets.

Q) The **New Development Bank** pledges to allocate up to \$___billion for loans to BRICS states to boost their economies?

A. \$ 10 billion
C. \$ 20 billion

B. \$ 15 billion
D. \$ 5 billion

BRICS Foreign Ministers meeting: BRICS nations pledge \$15 billion for revival of economies

- The BRICS is considering a proposal to set up a **Vaccine Research and Development Centre** as part of efforts to fight global pandemic and the New Development Bank could allocate up to **\$15 billion** for loans to BRICS states to boost their economies.

Q) Which rating agency has predicted that the total loss to India due to lock down would be **10 lakh crore or Rs 7,000 per person**?

A. Fitch
C. S&P

B. Ind - Ra
D. CRISIL

CRISIL downgrades India growth forecast by half to 1.8 per cent

- Domestic rating agency Crisil has nearly halved its GDP forecast for India to **1.8 per cent for 2020-21** while projecting total losses of Rs 10 lakh crore or Rs 7,000 per person due to "disastrous" lockdowns to control COVID-19 pandemic.

Q) Which regional rural bank has launched a loan scheme called **Vikas Abhaya**?

A. Andhra Pragathi Grameena Bank
C. Karnataka Vikas Grameen Bank

B. Allahabad UP Gramin Bank
D. Himachal Pradesh Gramin Bank

KVGB loan scheme for Covid-19-affected MSME borrowers

- **Karnataka Vikas Grameen Bank (KVGB)**, a regional rural bank headquartered in Dharwad, has launched a loan scheme to provide some relief to borrowers whose business activities are disrupted on account of the Covid-19 pandemic.
- KVGB → **Dharwad** (HQ), P Gopi Krishna (Chairman).
- A maximum loan of up to **₹1 lakh** will be provided and no collateral security.
- The loan is repayable within **36 months**.

Q) Which bank has appointed **Neeraj Dhawan** as its chief risk officer with immediate effect?

- A. Axis Bank
- B. ICICI Bank
- C. **Yes Bank**
- D. Federal Bank

Q) Which bank has released a collaborative song titled **#HumHaarNahiMaanenge** (We will not lose)?

- A. Axis Bank
- B. ICICI Bank
- C. **HDFC Bank**
- D. Kotak Mahindra Bank

#HumHaarNahiMaanenge

- Composed by Oscar and Grammy Award-winning musician **AR Rahman**, with lyrics by **Prasoon Joshi**.
- The song is "a tribute to the indomitable spirit of India and millions of Indians who are standing together to fight the Covid-19 pandemic".
- The bank said it will **contribute Rs 500 each time the song is shared** via social media towards the PM-CARES Fund.

Q) To enhance and safeguard the coastal and marine resources of India which bank has approved **USD 400 million** support?

- A. New Development Bank
- B. Asian Development Bank
- C. **World Bank**
- D. Asian Infrastructure Investment Bank

World Bank approves USD 400 million to enhance India's coastal resources

- To enhance and safeguard the coastal and marine resources, the **World Bank** has approved USD 400 million multi-year financial support to India.
- **The first phase will cover eight coastal States** -- Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Andhra Pradesh, Odisha, and West Bengal
- along with three coastal Union Territories -- Puducherry, Andaman, and Nicobar and Daman and Diu.
- These states and UTs will get USD 180 million in funding, for **Enhancing Coastal and Ocean Resource Efficiency (ENCORE)**.
- As per the release, improved coastal management is an important element of India's **Nationally Determined Contributions (NDCs)** under the Paris Agreement, whereby India has agreed to create an additional **carbon sink of 2.5 to 3 billion** through additional forest cover.
- The USD 400 million loan from the international bank for Reconstruction and Development (IBRD) has a final maturity of 14.5 years including a grace period of five years.

Q) RBI has decided to extend the regulatory benefits announced under **(SLF-MF) scheme** to all banks. What does SLF stands for?

- A. Statutory Liquidity Fund
- B. Stakeholder Liability Facility
- C. **Standing Liquidity Facility**
- D. Share Liquidation Facility

RBI extends SLF-MF scheme to all banks

- The Reserve Bank of India has decided to extend the regulatory benefits announced under the **Standing Liquidity Facility - Mutual Fund (SLF-MF)** scheme to all banks, irrespective of whether they avail funding from it or deploy their own resources under this scheme.
- This move comes in the backdrop of banks borrowing only Rs 2,000 crore so far (till April 29) under the SLF-MF scheme, which was introduced on April 27, to extend liquidity support to mutual funds, which are facing liquidity pressure.
- The RBI opened the SLF-MF facility of **Rs 50,000 crore** with a view to ease the liquidity pressure facing MFs.
- **Under the SLF-MF**, the RBI conducts repo operations of 90 days tenor at the fixed repo rate.
- Support extended to MFs under the SLF-MF are exempted from banks' capital market exposure limits.
- The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) should not exceed **40 per cent** of its net worth

Q) RBI has cancelled the license of **CKP Co-operative Bank Ltd.** The HQs of the bank is located in which city?

- A. Gurugram
- B. New Delhi
- C. **Mumbai**
- D. Bengaluru

RBI cancels licence of Mumbai-based CKP Cooperative Bank

- Reserve Bank of India (RBI) has cancelled the licence of **Mumbai-based CKP Co-operative Bank Ltd.**
- The licence of CKP Co-operative Bank Ltd has been cancelled with effect from the close of business on April 30, 2020, as the bank's financial position had worsened.
- In its order, the central bank has maintained that the CKP Co-operative Bank Ltd was not in a position to **pay its present and future depositors** due to its financial instability.
- The **Registrar of Co-operative Societies, Pune**, Maharashtra, has been requested to issue an order for winding up the affairs of CKP Co-operative Bank Ltd. and appoint a liquidator for the bank.
- CKP Co-operative Bank has nearly 97 percent of Gross Non-Performing Assets (GNPAs), a lot of which are loans given to small and mid-sized real estate developers.
- The bank will now be liquidated and its nearly 1.5 lakh depositors will be eligible for maximum recovery to the tune of Rs 5 lakh. The limit was increased recently from Rs 1 lakh under the Deposit Insurance and Credit Guarantee Corporation scheme.
- The RBI said that 99.2 percent of The CKP Co-operative Bank's 1.32 lakh customers have accounts with funds less than Rs 5 lakh, and they will be eligible for full recovery under the DICGC scheme when the bank is liquidated.
- Co-operative banks often reach areas where large commercial banks are not present, and serve those who may not be served by the latter.
- As a result, they often make loans at relatively higher interest rates to account for the risk while passing off some of the high rates to depositors, making them an attractive destination for investors.
- **CKP head office - Matunga, Mumbai**, Established in 1915.
- Co-operative banks are for people of small means. Formalities are simple and local initiative.
- The staff know their customers closely.
- KYC is strong in co-operative banks.
- Low shareholdings make easy entry.
- You can get membership and share with Rs 10 or 25.
- One man one vote -irrespective of number of shares .
- Since operative costs are low higher interest for depositors, Low or no service charges .
- These all make co-op banks attractive.
- Regional Rural Banks or Commercial banks can not provide services of co-op banks .
- The movement is strong in many states .
- In Kerala alone co-op banks hold Rs 80000 crores as deposits .
- Since even PSBs and SBI are making losses, no purpose will be served by merging co-op banks with them. Let co-op banks do their service.
- Cooperation is a state subject. These banks come under state co-op societies act and shares can not be listed in stock exchanges and are not governed by Companies Act and merger is not possible.
- RBI in the past allowed some coop banks to be converted into commercial banks. An example is Mumbai based Development Cooperative Bank Ltd was converted as Development Credit Bank Ltd. The co-operative banks are regulated by Govt and RBI and as such merger of coop banks with PSBs serves no specific purpose .

Q) Which among the following has launched the **India SME** Services Platform?

- | | |
|--------|---------|
| A.RBI | B.SIDBI |
| C.SEBI | D.BSE |

Sidbi to launch digital platform for SMEs

- **Small Industries Development Bank of India** (Sidbi) will launch a digital platform that will educate stakeholders in the small and medium enterprises (SME) ecosystem and have information on coronavirus-related initiatives for the sector.
- **India SME Services Platform** – the new portal “shall have all MSMEs, stakeholders of the MSME ecosystem, financiers, corporates, government, regulators, employees and associations converging on an interactive platform.

Q) Which bank has become the first bank to **extend the moratorium** to non-banking finance companies (NBFC)?

- | | |
|------------------------|------------------|
| A.Punjab National Bank | B.Bank of Baroda |
| C.State Bank of India | D.Canara Bank |

Q) The Union government has appointed whom as a **director** on the central board of **Reserve Bank of India (RBI)**?

A. Anil Kumar Gupta
C. Samany Goel

B. Rajiv Gauba
D. **Tarun Bajaj**

Tarun Bajaj appointed as director on RBI central board

- The union government has appointed Economic Affairs Secretary Tarun Bajaj as a director on the Reserve Bank of India's central board.
- Tarun Bajaj will succeed Atanu Chakraborty, who retired on April 30.

Names and addresses of the Central Board of Directors of the Reserve Bank of India			
1.	Shri Shaktikanta Das Governor	*8.	Prof. Sachin Chaturvedi
2.	Shri B.P. Kanungo Deputy Governor	@9.	Dr. Ashok Gulati
3.	Shri Mahesh Kumar Jain Deputy Governor	@10.	Shri Manish Sabharwal
4.	Dr. M. D. Patra Deputy Governor	@11.	Shri Satish Kashinath Marathe
*5.	Dr. Prasanna Kumar Mohanty	@12.	Shri Swaminathan Gurumurthy
*6.	Shri Dilip S. Shanghvi	#13.	Shri Tarun Bajaj
*7.	Ms. Revathy Iyer	#14.	Shri Debasish Panda

Q) Who has been appointed as the managing director (MD) and chief executive officer (CEO) of the **Max Bupa Health Insurance**?

A. Atanu Kumar Das
C. Sanjiv Chadha

B. **Krishnan Ramachandran**
D. Vinay Dube

Max Bupa appoints Krishnan Ramachandran as MD, CEO

- Max Bupa Health Insurance has appointed **Krishnan Ramachandran** as its new managing director (MD) and chief executive officer (CEO).
- He succeeds Ashish Mehrotra, who has decided to pursue another opportunity after a successful stint of almost five years.

Q) As per the Supreme Court judgement, which category of banks come under the ambit of **(SARFAESI) Act of 2002**?

A. Small Finance Banks
C. Retail Banks

B. Regional Rural Banks
D. **Cooperative Banks**

Cooperative banks come under SARFAESI Act: SC

- The Supreme Court has held that **cooperative banks** established under a State law or multi-State level societies come within the ambit of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act of 2002.
- The Act prescribes a procedure for faster recovery of dues.
- "Parliament has legislative competence to provide additional procedures for recovery under **Section 13 of the Act with respect to cooperative banks**," the 159-page judgment by a Constitution Bench.
- Court held that recovery was an essential part of banking. **Co-operative banks come within the definition of "Banking Company"** under the Banking Regulation Act, 1949.
- SARFAESI Act is enacted in addition to DRT (RDB Act).
- Under RDB Act, Recovery of debts is made through quasi-judicial bodies called Debt Recovery Tribunals. Whereas, under SARFAESI, collateral security can be recovered by the Bank/NBFC itself without approaching any court or tribunal.
- Under RDB Act, Any debt can be recovered. Whereas, under SARFAESI, only secured debts i.e., debts secured by way of underlying assets can be recovered.
- Minimum debt amount to approach a DRT is 20 lakhs. Whereas, minimum debt amount eligible for recovery under SARFAESI is 1 lakh.

Q) Which bank has approved a **\$500 million loan** to India to help the country to deal with coronavirus pandemic?

A.World Bank

B.Asian Infrastructure Investment Bank

C.International Monetary Fund

D.New Development Bank

China-backed AIIB approves \$500 million loan for India's Covid-19 response

- Beijing-backed **Asian Infrastructure Investment Bank (AIIB)** had approved a \$500 million loan to India to help the country navigate the coronavirus pandemic.
- The loan is intended to help India's government strengthen its public health system, prepare for future outbreaks, and limit the transmission of cases.
- The project, which will be co-financed by the World Bank, will also support medical equipment purchases and research.
- The loan is part of a **\$10 billion** funding facility the AIIB has announced to help public and private sector entities deal with the pandemic.

Q) **NABARD** has disbursed ₹12,767 crore to State Co-operative Banks (StCBs) and Regional Rural Banks (RRBs) across the country. Who is the current chairman of NABARD?

A.Ashok Gulati

B.Debasish Panda

C.Hans Raj Verma

D.Harsh Kumar Bhanwala

Nabard disburses ₹12,767 cr to State Co-op Banks, RRBs

- The **National Bank for Agriculture and Rural Development (Nabard)** has disbursed ₹12,767 crore to State Co-operative Banks (StCBs) and Regional Rural Banks (RRBs) across the country to augment their resources for extending credit to farmers during the ongoing lockdown.
- There are 33 StCBs and 45 RRBs in the country, and they are important intermediaries in the rural credit structure.
- On April 17, the RBI had announced a ₹50,000-crore refinance facility for three AIFs - Nabard, the Small Industries Development Bank of India (SIDBI), and the National Housing Bank (NHB).
- **Chairman** - Dr. Harsh Kumar Bhanwala

Q) The government has increased its **market borrowing estimate** by staggering Rs 4.2 lakh crore to Rs____ lakh crore for the current fiscal?

A.Rs 10 lakh crore

B.Rs 12 lakh crore

C.Rs 9 lakh crore

D.Rs 8 lakh crore

COVID-19 impact: Govt hikes market borrowing limit to Rs 12 lakh cr for FY21

- The government has increased its market borrowing estimate by staggering Rs 4.2 lakh crore to **Rs 12 lakh crore** for the current fiscal to deal with the expected shortfall in revenue due to the impact of COVID-19 crisis on the economy.
- The government resorts to market borrowing to make up for the mismatch between its revenue and expenditure.
- "The estimated gross market borrowing in the financial year 2020-21 will be **Rs 12 lakh crore in place of Rs 7.80 lakh crore as per BE 2020-21.**
- The government has also increased the weekly borrowing target to **Rs 30,000 crore from Rs 21,000 crore fixed on March 31.**
- With the increase in the borrowing estimate, the government would have to revise upwards its fiscal deficit target **from 3.5 per cent pegged** for the current fiscal.

Q) Nirmala Sitharaman has announced how much amount of **collateral-free loans** for businesses?

A.₹2 lakh crore

B.₹3 lakh crore

C.₹5 lakh crore

D.₹7 lakh crore

Nirmala Sitharaman announces ₹3 lakh crore collateral-free loans for businesses

- Finance Minister Nirmala Sitharaman has announced **Rs 3 lakh crore collateral free** automatic loan for businesses, including MSMEs.
- This will benefit 45 lakh small businesses.
- The loan will have **4 year tenure and will have 12 month** moratorium.

- Also, Rs 20,000 crore subordinate debt will be provided for stressed MSMEs. This would benefit 2 lakh such businesses.
- The Finance Minister also said a fund of funds for MSME is being created, which will infuse Rs 50,000 crore equity in MSMEs with growth potentials.
- Also, MSME definition has been changed to allow units with investment up to Rs 1 crore to be called micro units in place of Rs 25 lakh now.
- Also units with turnover up to Rs 5 crore to be called micro units, adding a turnover based criteria is being introduced to define small businesses.

EXISTING AND REVISED DEFINITION OF MSMEs			
EXISTING MSME CLASSIFICATION			
CRITERIA: INVESTMENT IN PLANT & MACHINERY EQUIPMENT			
Classification	Micro	Small	Medium
Manufacturing Enterprises	Investment < ₹25 lakh	Investment < ₹5 crore	Investment < ₹10 crore
Service Enterprise	Investment < ₹10 lakh	Investment < ₹2 crore	Investment < ₹5 crore
REVISED MSME CLASSIFICATION			
COMPOSITE CRITERIA: INVESTMENT & ANNUAL TURNOVER			
Classification	Micro	Small	Medium
Manufacturing & Services	Investment < ₹1 crore & Turnover < ₹5 crore	Investment < ₹10 crore & Turnover < ₹50 crore	Investment < ₹20 crore & Turnover < ₹100 crore

- Q) Which has become the first state in India to provide free and cashless insurance protection to its people?
- A.Rajasthan
B.Madhya Pradesh
C.Maharashtra
D.Gujarat

Maharashtra government announced free health insurance scheme to all its citizens

- Maharashtra government announced free health insurance scheme to all its citizens. It is the first state in India to take such initiative.
- Under the Mahatma Jyotiba Phule Jan Arogya Yojana, people in the state can avail the benefits of free and cashless health insurance.
- The Scheme shall provide coverage for meeting all expenses relating to hospitalization of beneficiary up to Rs. 1, 50,000/- per family per year in any of the Empanelled Hospital subject to Package Rates on cashless basis through valid Ration Card.
- Documents such as ration cards and domicile certificates are essential to apply for the scheme.
- At present, the scheme covers 85% of the population; but benefits are now extended to the remaining 15.
- From now on, the state government, semi-government employees and white ration card holders will be able to apply for this scheme.

PNB Housing Finance signs MoU with IIT Delhi

- PNB Housing Finance has signed a Memorandum of Understanding (MoU) with IIT Delhi (Indian Institute of Technology) to support R&D for reusable PPE to be supplied to government hospitals.

- Q) Which bank has provided one billion emergency assistance loan to India?

- A.World Bank
B.New Development Bank
C.Asian Development Bank
D.Asian Infrastructure Investment Bank

BRICS' New Development Bank provides USD 1 billion loan to India to fight COVID-19

- The New Development Bank of the BRICS countries has fully disbursed USD one billion emergency assistance loan to India to help it contain the spread of COVID-19 and reduce human, social and economic losses caused by the coronavirus pandemic.
- The Shanghai-based New Development Bank (NDB) was established by the BRICS (Brazil, Russia, India, China, South Africa) countries in 2014 and is headed by veteran Indian banker K V Kamath.
- The 'Emergency Assistance Program Loan' to India was approved by the NDB Board of Directors on April 30, and it is aimed at supporting the Indian government to contain the spread of COVID-19 and reduce human, social and economic losses caused by the coronavirus outbreak

RBI extends interest subsidy scheme for exporters till March 31, 2021

- The Reserve Bank said a scheme providing interest subsidy for post and pre-shipment export credit has been extended by a year till **March 31, 2021**.
- Exporters get the subsidy under the **"Interest Equalisation Scheme** for pre and post shipment Rupee Export Credit".
- The scheme ended on March 31 this year. The extension shall take effect from April 1, 2020 and end on March 31, 2021, covering a period of one year.
- In November 2018, the interest subsidy was increased **to 5 per cent from 3 per cent** with an aim to boost MSME sector exports.
- Later, the government included other merchant exporters too under the scheme and allowed them interest equalization at the rate of 3 per cent on credit for export of certain products.
- The scheme, earlier called interest subvention scheme, was announced for a period of five years, from April 1, 2015 to March 31, 2020, for 416 selected tariff lines, many of them involving labour-intensive production, such as readymade garments, automobile parts, processed agriculture/food items, handicrafts, glass and glassware, medical and scientific instruments and pharmaceuticals. The scheme also covered all items exported by the MSME (micro, small & medium enterprises) sector.
- While the scheme initially offered a 3 per cent subsidy on pre- and post-shipment export credit to all beneficiaries, the rate was enhanced to 5 per cent for the MSME sector in 2018.
- India's exports of goods in March 2020 plummeted 34.57 per cent to \$21.41 billion (year-on-year) as the spread of Covid-19 across countries disrupted production and supply chains globally.
- This pulled down **overall export figures for financial year 2019-20 by 4.78 per cent to \$314.31 billion**.

