
Nandyal Banking Coaching Center – Banking Awareness Material (2026 Edition)

Chapterwise Short Notes • Rates & Limits Tables • Exam Tips • Practice PYQs

For SBI PO/Clerk • IBPS PO/Clerk/RRB • RBI Assistant/Grade B • NABARD

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ONE-PAGE SNAPSHOT (13 Oct 2026)

Rate / Limit	Value	Rate / Limit	Value
Repo Rate	5.50%	CRR	3%
SDF	5.25%	SLR	18%
MSF / Bank Rate	5.75%	Inflation target	4% $\pm$ 2%
Fixed Reverse Repo	3.35%	DICGC cover	₹5 lakh
RTGS minimum	₹2 lakh	IMPS maximum	₹5 lakh
UPI general limit	₹1 lakh	UPI Lite (txn/wallet)	₹1,000/₹5,000
UPI 123PAY	₹10,000	Payments Bank deposit	₹2 lakh
RRBs	28	PSBs	12
SFBs	11	Payments Banks	5
Forex reserves	\$734.6 bn	MUDRA max	₹20 lakh

Most Frequently Asked Areas (analysis of SBI, IBPS, RBI, NABARD papers)

Topic	Frequency	What is usually asked
Headquarters & taglines of banks/institutions	Very high	HQ of SIDBI, IRDAI, NDB; tagline of PSBs
RBI – policy rates, MPC, Act sections	Very high	Current repo/CRR/SLR; Sec 22, 24, 42, 45ZB
Payment systems & limits	Very high	RTGS min, IMPS max, UPI Lite, 123PAY, e₹
Govt schemes (PMJDY, PMJJBY, PMSBY, APY, MUDRA)	High	Premium, cover, age, launch year
NPA, Basel, PCA	High	90 days, SMA, CRAR 9%, D-SIBs
Priority Sector Lending	High	Targets 40/18/10/7.5/12; loan limits
Money & capital market instruments	Medium	CD, CP, T-bill tenors; TREPS; NAV
NI Act & cheques	Medium	Sec 138, stale cheque, MICR, Positive Pay
Committees	Medium (Mains/RBI)	Nachiket Mor, P J Nayak, Urjit Patel
Recent heads & appointments	Very high	RBI Governor/DGs, SEBI, IRDAI, SBI, HDFC

EXAM TIP: Revise the snapshot table above on the day before the exam. Static banking questions repeat; numbers that change (rates, limits, heads) are where most marks are lost.

Chapter 1: Evolution of Indian Banking

Pre-Independence Banking

- **Bank of Hindustan (1770)**, Calcutta – started by Alexander & Co.; first bank on European lines; liquidated 1832.
- **General Bank of India (1786)** – failed 1791.
- **Presidency Banks:** Bank of Calcutta (2 Jun 1806, renamed Bank of Bengal 1809), Bank of Bombay (1840), Bank of Madras (1843). Note-issue right ended by Paper Currency Act, 1861.
- **Oudh Commercial Bank (1881)**, Faizabad – first commercial bank with limited liability managed by Indians.
- **Punjab National Bank (1894–95)**, Lahore – first bank with only Indian capital still operating (founded by Lala Lajpat Rai & associates).
- **Central Bank of India (1911)** – first "truly Swadeshi" bank (fully Indian owned & managed).
- **Imperial Bank of India (27 Jan 1921)** – merger of three Presidency banks.
- **Allahabad Bank (1865)** – oldest joint-stock bank; merged into Indian Bank on 1 Apr 2020.
- First co-operative bank: Anyonya Sahakari Mandal, Baroda (1889). Co-operative Credit Societies Act, 1904.
- Hilton Young Commission (1926) → RBI Act 1934 → RBI set up 1 Apr 1935.

Post-Independence Milestones

Year	Event
1949	RBI nationalised (1 Jan); Banking Companies Act (later BR Act) in force 16 Mar 1949
1955	Imperial Bank → State Bank of India (1 Jul 1955) on A D Gorwala Committee (AIRCS) advice
1959	SBI (Subsidiary Banks) Act – 8 associates (later 7 after Bikaner + Jaipur merged in 1963)
1969	14 banks nationalised (19 Jul 1969) – deposits ≥ ₹50 crore each; Lead Bank Scheme (Dec 1969)
1975	First RRBs (2 Oct 1975) – Prathama Bank, Moradabad
1980	6 banks nationalised (15 Apr 1980) – deposits ≥ ₹200 crore

Year	Event
1982	NABARD (12 Jul 1982)
1991–98	Narasimham Committee I & II – banking reforms
1993	New Bank of India merged with PNB (only merger of two nationalised banks till 2019)
2017	5 associates + Bharatiya Mahila Bank merged with SBI (1 Apr 2017)
2019	Vijaya + Dena merged into Bank of Baroda (1 Apr 2019)
2020	Mega-merger (1 Apr 2020) – PSBs reduced to 12
2025	RRBs cut from 43 to 28 ("One State–One RRB", 1 May 2025)

- **1969 – 14 banks:** Central Bank, Bank of India, PNB, Bank of Baroda, United Commercial (UCO), Canara, Dena, United Bank, Syndicate, Allahabad, Indian Bank, Bank of Maharashtra, Indian Overseas Bank, Union Bank.
- **1980 – 6 banks:** Andhra Bank, Corporation Bank, New Bank of India, Oriental Bank of Commerce, Punjab & Sind Bank, Vijaya Bank.

KEY FACT: PM during 1969 nationalisation: Indira Gandhi (by Ordinance). RBI Governor: L K Jha.

2020 Mega Merger (effective 1 Apr 2020)

Anchor Bank	Merged Banks
Punjab National Bank	Oriental Bank of Commerce + United Bank of India
Canara Bank	Syndicate Bank
Union Bank of India	Andhra Bank + Corporation Bank
Indian Bank	Allahabad Bank
Bank of Baroda (2019)	Vijaya Bank + Dena Bank
SBI (2017)	5 Associates + Bharatiya Mahila Bank

- PSBs: 27 (2017) → 21 → 19 → **12 (from 1 Apr 2020)**. Still 12 as on Oct 2026; Finance Minister said (Feb 2026) there is no PSB merger roadmap.
- Independent PSBs (not merged in 2020): Bank of India, Central Bank of India, IOB, UCO Bank, Bank of Maharashtra, Punjab & Sind Bank.

Private Bank Licensing

- **1993–94 (10 licences):** UTI Bank (now Axis), ICICI, HDFC, IndusInd, Global Trust, Centurion, Bank of Punjab, Times Bank, IDBI Bank, DCB.
- **2003–04:** Kotak Mahindra Bank, Yes Bank. **2014 (Bimal Jalan panel):** IDFC Bank, Bandhan Bank.
- **2015–16:** Small Finance Banks (10 in-principle) and Payments Banks (11 in-principle).
- On-tap licensing for universal banks (Aug 2016) and SFBs (Dec 2019).
- **AU SFB** – first SFB to get in-principle approval to become a universal bank (Aug 2025); NOFHC requirement waived Mar 2026.

Recent Ownership Changes

- **SMBC (Japan)** – largest shareholder of **Yes Bank** (~24.2%) after buying 20% from SBI & others (Sep 2025).
- **Emirates NBD (UAE)** – acquired 60% of **RBL Bank** (completed 18 Jun 2026).
- **IDBI Bank** strategic sale (60.72% – GoI 30.48% + LIC 30.24%): bidders Fairfax & Emirates NBD; still under evaluation (Sep 2026).

Banking Firsts (Most Asked)

First	Answer
First Indian Governor of RBI	C D Deshmukh (1943)
First Governor of RBI	Sir Osborne Smith
First ATM in India	HSBC, Mumbai (1987)
First bank to issue credit card	Central Bank of India (1980)
First foreign bank in India	Comptoir d'Escompte de Paris (1860, Calcutta)
First Small Finance Bank	Capital SFB, Jalandhar (2016)
First Payments Bank	Airtel Payments Bank (2017)
First Local Area Bank	Coastal LAB, Vijayawada (1999)
First RRB	Prathama Bank, Moradabad (1975)
First UCB to become SFB	Shivalik SFB (2021)
First mutual fund	UTI (1963)
First white label ATM	Tata Communications Payment Solutions (Indicash), Chandrapada, Thane
First bank with ISO certification	Canara Bank

First	Answer
First Indian bank abroad	Bank of India (London, 1946)
First masala bond (Indian entity)	HDFC Ltd (2016)

EXAM TIP: "Oldest PSB still operating" is now Punjab National Bank / Bank of India type questions – Allahabad Bank no longer exists (merged 2020). Questions on merger anchors are asked almost every year.

Practice PYQs

Q1. In which year were 14 major banks nationalised in India? (a) 1955 (b) 1969 (c) 1980 (d) 1991

Ans: (b) 1969 – on 19 July 1969.

Q2. Which bank was the anchor bank for the merger of Andhra Bank and Corporation Bank? (a) Canara Bank (b) Indian Bank (c) Union Bank of India (d) PNB

Ans: (c) Union Bank of India.

Q3. Imperial Bank of India was renamed State Bank of India in: (a) 1949 (b) 1955 (c) 1959 (d) 1969

Ans: (b) 1955, on the recommendation of the A D Gorwala Committee.

Q4. How many Public Sector Banks are there in India at present? (a) 10 (b) 12 (c) 18 (d) 21

Ans: (b) 12.

Q5. Allahabad Bank was merged with: (a) PNB (b) Indian Bank (c) Bank of Baroda (d) Canara Bank

Ans: (b) Indian Bank.

Q6. The second phase of bank nationalisation (1980) covered how many banks? (a) 4 (b) 6 (c) 8 (d) 14

Ans: (b) 6 banks with deposits above ₹200 crore.

Q7. Which was the first bank in India to be started solely with Indian capital? (a) Central Bank of India (b) Punjab National Bank (c) Allahabad Bank (d) Bank of India

Ans: (b) Punjab National Bank (Central Bank of India was the first fully Indian-owned and managed "Swadeshi" bank).

Q8. Number of Regional Rural Banks after the "One State–One RRB" amalgamation (May 2025)?
(a) 43 (b) 28 (c) 26 (d) 56

Ans: (b) 28.

Chapter 2: Reserve Bank of India

Basics

- Set up on **1 April 1935** under the **RBI Act, 1934**, on the recommendation of the **Hilton Young Commission (1926)**.
- Central office first at **Kolkata**, shifted permanently to **Mumbai in 1937**.
- Started as a private shareholders' bank with paid-up capital of **₹5 crore**; nationalised on **1 January 1949**.
- Emblem: Panther and Palm tree. Financial year: **April–March** (changed from July–June in 2020–21).
- Governor: Sanjay Malhotra** – 26th Governor, since 11 Dec 2024 (3-year term).
- Deputy Governors (4):** Swaminathan J (term extended from 26 Jun 2026), **Dr Poonam Gupta** (monetary policy, since May 2025), Shirish Chandra Murmu (since Oct 2025), **Rohit Jain** (since 4 May 2026, replaced T Rabi Sankar).

KEY FACT: Governor and Deputy Governors are appointed by the Central Government; term up to 5 years, eligible for re-appointment (Sec 8 RBI Act).

Central Board of Directors

- Governor + up to 4 Deputy Governors (official directors).
- 4 directors from the 4 Local Boards (Mumbai, Kolkata, Chennai, New Delhi) + 10 nominated by Government + 2 Government officials. Non-official directors: 4-year term.
- Board for Financial Supervision (BFS) – set up November 1994, chaired by the Governor.

Important RBI Act Sections

Section	Provision
7	Central Government may give directions to RBI
17	Business RBI may transact
20, 21	Banker to Central Government

Section	Provision
21A	Banker to State Governments (by agreement)
22	Sole right to issue bank notes
24	Denominations – up to ₹10,000
26	Legal tender character of notes
42	Cash Reserve Ratio (CRR)
45-IA	Registration of NBFCs
45ZA	Inflation target (set by Centre once in 5 years)
45ZB	Monetary Policy Committee
45ZN	Report to Centre on failure of inflation target

Functions

- Monetary authority; regulator & supervisor of the financial system; manager of foreign exchange (FEMA, 1999); issuer of currency; banker to Government & banks; **lender of last resort**; regulator of payment systems (PSS Act, 2007); developmental role.
- Debt manager of Central & State Governments; Ways and Means Advances (WMA).

Subsidiaries of RBI (Fully Owned)

Subsidiary	Key fact
DICGC	15 Jul 1978; deposit insurance ₹5 lakh
BRBNMPL	1995; note presses at Mysuru & Salboni
ReBIT	IT & cyber security, Mumbai
IFTAS	IT/ network (INFINET, SFMS)
RBIH (Innovation Hub)	Bengaluru, Section 8 company

- SPMCIL** (presses at Nashik & Dewas, 4 mints) is owned by **Government of India**, not RBI.
- NHB and NABARD** were earlier RBI-owned; RBI stake fully transferred to GoI (NHB 2019, NABARD 2019).

Currency Management

- Notes printed at 4 presses: Nashik, Dewas (SPMCIL – GoI); Mysuru, Salboni (BRBNMPL – RBI).
- Coins minted by GoI at **Mumbai, Hyderabad, Kolkata, Noida** under the **Coinage Act, 2011** (coins up to ₹1,000); distributed by RBI.

- ₹1 note is issued by Government of India and signed by the **Finance Secretary**; all other notes signed by the RBI Governor.
- Minimum Reserve System (1956)**: ₹200 crore, of which gold at least ₹115 crore.
- ₹2000 note: introduced Nov 2016; **withdrawn from circulation on 19 May 2023** (still legal tender).
- Rupee symbol (₹) designed by **D Udaya Kumar**, adopted **15 Jul 2010**.

Note	Motif (MG New Series)	Colour
₹10	Konark Sun Temple	Chocolate brown
₹20	Ellora Caves	Greenish yellow
₹50	Hampi with Chariot	Fluorescent blue
₹100	Rani ki Vav	Lavender
₹200	Sanchi Stupa	Bright yellow
₹500	Red Fort	Stone grey
₹2000	Mangalyaan	Magenta

Training Institutes & Funded Bodies

- RBI Staff College – Chennai; College of Agricultural Banking – **Pune** (RBI's, not NABARD's); RBI Academy – Mumbai.
- IDRBT – Hyderabad (1996); NIBM – Pune; IGIDR & CAFRAL – Mumbai; IIBM – Guwahati.

Key Figures (latest)

- Forex reserves: **US\$ 734.61 billion** (week ended 2 Oct 2026).
- Surplus transfer to Government for FY 2025-26: **₹2,86,588 crore** (record; approved 22 May 2026); Contingency Risk Buffer kept at 6.5%.
- RBI balance sheet FY26: ₹91.97 lakh crore (+20.6%); gold holdings 880.52 tonnes.
- RBI@90**: 90th year celebrated from 1 Apr 2024 (PM Narendra Modi chief guest).

List of Governors (Most Asked)

No.	Governor	Note
1	Sir Osborne Smith	First Governor
3	C D Deshmukh	First Indian Governor
15	Dr Manmohan Singh	Later PM
22	D Subbarao	2008–13
23	Raghuram Rajan	2013–16; launched UPI
24	Urjit Patel	2016–18

No.	Governor	Note
25	Shaktikanta Das	2018–24
26	Sanjay Malhotra	Since 11 Dec 2024

EXAM TIP: Benegal Rama Rau was the longest-serving Governor; Amitav Ghosh served the shortest term (20 days).

Practice PYQs

Q1. RBI was established on the recommendation of: (a) Hilton Young Commission (b) Narasimham Committee (c) Gorwala Committee (d) Kelkar Committee

Ans: (a) Hilton Young Commission (1926).

Q2. Under which Section of the RBI Act does RBI have the sole right to issue bank notes? (a) 17 (b) 22 (c) 24 (d) 42

Ans: (b) Section 22.

Q3. Who is the current Governor of RBI? (a) Shaktikanta Das (b) Sanjay Malhotra (c) Poonam Gupta (d) T Rabi Sankar

Ans: (b) Sanjay Malhotra, 26th Governor.

Q4. Which Deputy Governor of RBI is in charge of monetary policy and is an MPC member? (a) Swaminathan J (b) Poonam Gupta (c) Rohit Jain (d) S C Murmu

Ans: (b) Dr Poonam Gupta.

Q5. The ₹1 currency note bears the signature of: (a) RBI Governor (b) Finance Minister (c) Finance Secretary (d) Deputy Governor

Ans: (c) Finance Secretary.

Q6. The motif on the reverse of the ₹100 note (MG New Series) is: (a) Hampi (b) Rani ki Vav (c) Sanchi Stupa (d) Konark

Ans: (b) Rani ki Vav.

Q7. Bharatiya Reserve Bank Note Mudran has presses at: (a) Nashik & Dewas (b) Mysuru & Salboni (c) Noida & Kolkata (d) Mumbai & Hyderabad

Ans: (b) Mysuru & Salboni.

Q8. When was RBI nationalised? (a) 1 Apr 1935 (b) 1 Jan 1949 (c) 19 Jul 1969 (d) 1 Jul 1955

Ans: (b) 1 January 1949.

Chapter 3: Monetary Policy and Policy Rates

Current Policy Rates (as on 13 Oct 2026)

Rate / Ratio	Current
Policy Repo Rate	5.50%
Standing Deposit Facility (SDF)	5.25%
Marginal Standing Facility (MSF)	5.75%
Bank Rate	5.75%
Fixed Reverse Repo Rate	3.35%
Cash Reserve Ratio (CRR)	3.00%
Statutory Liquidity Ratio (SLR)	18.00%
Inflation target (CPI)	4% (band 2%–6%)

KEY FACT: 63rd MPC meeting (5–7 Oct 2026): repo **raised by 25 bps to 5.50%** (unanimous); stance changed from Neutral to **"Calibrated tightening"** (4–2 vote). FY 2026–27 projections: **GDP 7.1%, CPI inflation 5.2%**.

- Corridor: SDF = Repo – 25 bps (floor); MSF = Bank Rate = Repo + 25 bps (ceiling). Width of LAF corridor = 50 bps.
- CRR cut 100 bps (4% → 3%) announced June 2025, in four tranches Sep–Nov 2025; released ~₹2.5 lakh crore.
- From fortnight beginning 16 Oct 2026, banks must keep at least **99%** of required CRR daily (earlier 90%).

Repo Rate Journey 2025–26

MPC (decision date)	Action	Repo
7 Feb 2025	Cut 25 bps	6.25%
9 Apr 2025	Cut 25 bps	6.00%
6 Jun 2025	Cut 50 bps + CRR cut 100 bps	5.50%
Aug & Oct 2025	Pause	5.50%
5 Dec 2025	Cut 25 bps	5.25%
Feb–Aug 2026 (4 meetings)	Pause	5.25%
7 Oct 2026	Hike 25 bps	5.50%

- Next MPC meeting: 2–4 December 2026.

Monetary Policy Framework

- RBI Act amended by **Finance Act, 2016** → statutory basis for **Flexible Inflation Targeting (FIT)**; Urjit Patel Committee (2014) recommended it.
- Target set by Central Government in consultation with RBI **once every 5 years** (Sec 45ZA).
- Target **4% CPI ±2%** retained for **1 Apr 2026 – 31 Mar 2031** (Gazette notification 25 Mar 2026).
- Failure = average inflation above 6% or below 2% for **3 consecutive quarters** → RBI reports reasons to Centre (Sec 45ZN).

Monetary Policy Committee (Sec 45ZB)

- Constituted **29 Sep 2016**; 6 members; meets at least **4 times a year**; quorum 4 (must include Governor or, in his absence, the Deputy Governor).
- Each member has one vote; Governor has a **casting vote** in a tie. Minutes published on the 14th day.
- External members: 4-year term, not eligible for re-appointment.

MPC Member	Category
Sanjay Malhotra (Chairperson)	Governor
Dr Poonam Gupta	Deputy Governor (MP)
Indranil Bhattacharyya	RBI Executive Director
Dr Nagesh Kumar	External (ISID)
Saugata Bhattacharya	External (economist)
Prof Ram Singh	External (DSE)

Quantitative Instruments

- Repo:** RBI lends overnight/term funds to banks against G-secs. **Reverse Repo:** RBI absorbs liquidity against collateral.
- SDF (Apr 2022):** absorbs liquidity **without collateral**; replaced fixed reverse repo as floor (Urjit Patel Committee 2014 had proposed it).
- MSF (May 2011):** banks borrow overnight by dipping up to 2% of NDTL into SLR; penal "safety valve".
- Bank Rate (Sec 49):** rate for rediscounting bills; penal rate on CRR/SLR shortfall.
- CRR (Sec 42, RBI Act):** % of NDTL kept as cash with RBI; no interest paid.

- **SLR (Sec 24, BR Act):** % of NDTL in cash, gold, approved G-secs; maximum 40%.
- **OMO:** outright purchase/sale of G-secs for durable liquidity. **MSS (2004):** sterilisation bonds. Forex swaps also used.
- **LAF:** introduced **June 2000** (Narasimham-II recommendation) ; manages day-to-day liquidity via repo/reverse repo auctions (VRR/VRRR).

Qualitative Instruments

- Margin requirements, credit rationing, selective credit control, moral suasion, direct action, consumer credit regulation.

EXAM TIP: Increase in CRR/SLR/repo = contractionary (dear money). "Neutral" stance allows moves either way; "calibrated tightening" means rate cuts are off the table.

Liquidity – Who Uses What

Tool	Liquidity effect
Repo / MSF / OMO purchase	Injects liquidity
SDF / Reverse repo / OMO sale / CRR hike	Absorbs liquidity

Practice PYQs

- Q1.** What is the current policy repo rate (Oct 2026)? (a) 5.25% (b) 5.50% (c) 6.00% (d) 6.50%
Ans: (b) 5.50% – hiked by 25 bps on 7 Oct 2026.
- Q2.** Under which Section of the RBI Act is the MPC constituted? (a) 45ZA (b) 45ZB (c) 45ZN (d) 42
Ans: (b) Section 45ZB.
- Q3.** Which instrument absorbs liquidity without collateral? (a) MSF (b) Repo (c) SDF (d) Bank Rate
Ans: (c) Standing Deposit Facility.
- Q4.** The current CRR is: (a) 3% (b) 4% (c) 4.5% (d) 18%
Ans: (a) 3% (since Nov 2025).
- Q5.** How many members does the MPC have? (a) 4 (b) 5 (c) 6 (d) 7
Ans: (c) 6 – 3 from RBI and 3 external.

Q6. The inflation target of 4% $\pm$ 2% is notified for the period: (a) 2021–26 (b) 2026–31 (c) 2024–29 (d) 2025–30

Ans: (b) 1 April 2026 to 31 March 2031.

Q7. MSF rate is: (a) Repo – 25 bps (b) Repo + 25 bps (c) Repo + 50 bps (d) same as SDF

Ans: (b) Repo + 25 bps (5.75%).

Q8. SLR is maintained under which Act? (a) RBI Act Sec 42 (b) BR Act Sec 24 (c) FEMA (d) PSS Act

Ans: (b) Banking Regulation Act, Section 24.

Q9. Under the LAF corridor, the floor rate is: (a) Repo (b) MSF (c) SDF (d) Bank Rate

Ans: (c) SDF.

Chapter 4: Banking Laws – BR Act, NI Act and Amendments

Banking Regulation Act, 1949

- Came into force **16 March 1949** as Banking Companies Act; renamed BR Act from 1 March 1966. Applies to co-operative banks under Sec 56 (since 1966).
- Banking Regulation (Amendment) Act, **2020** – brought co-operative banks under stronger RBI control (governance still with RCS).

Section	Provision
5(b)	Definition of banking – accepting deposits repayable on demand or otherwise, withdrawable by cheque, draft, order
6	Forms of business banks may do
7	Use of word "bank"
8	Prohibition of trading
9	Non-banking assets to be disposed within 7 years
10A/10B	Board composition; whole-time chairman / MD
17	Reserve fund – 20% of profit (RBI requires 25%)
22	Licensing of banks by RBI
23	Opening of branches
24	SLR
26A	Depositor Education and Awareness (DEA) Fund – unclaimed 10 years
35	Inspection by RBI
35A	Power of RBI to issue directions
36AA	Removal of managerial persons
45	Moratorium & amalgamation
45ZA–45ZF	Nomination

Section	Provision
47A	Penalty imposed by RBI

Banking Laws (Amendment) Act, 2025

- Notified **15 April 2025**; amends 5 laws (RBI Act, BR Act, SBI Act, Banking Companies Acquisition Acts 1970/1980) through 19 amendments.
- Up to 4 nominees** for deposit accounts – simultaneous or successive; lockers & safe custody – successive only (effective **1 Nov 2025**).
- "Substantial interest"** threshold raised from ₹5 lakh to **₹2 crore**.
- Tenure of directors of co-operative banks (other than chairman/whole-time director): **8 → 10 years**.
- Reporting fortnight** redefined: 1st–15th and 16th–last day of month (earlier alternate Fridays) for CRR/SLR.
- PSBs can transfer unclaimed shares/bond interest to **IEPF**; boards can fix auditors' remuneration.

Negotiable Instruments Act, 1881

- Passed 9 Dec 1881; in force **1 March 1882**. Three instruments: **Promissory Note (Sec 4)**, **Bill of Exchange (Sec 5)**, **Cheque (Sec 6)**.
- Sec 6 amended 2002 – includes **truncated cheque** and **e-cheque**.
- Sec 13 – definition of negotiable instrument; Sec 18 – amount in words prevails over figures.
- Sec 123 – general crossing; Sec 124 – special crossing; Sec 130 – "Not negotiable" crossing.
- Sec 138 – dishonour of cheque** for insufficient funds: imprisonment up to **2 years** and/or fine up to **twice the cheque amount**. Payee must give notice within **30 days**; drawer gets **15 days** to pay; complaint within 1 month thereafter.
- Sec 143A (2018) – interim compensation up to 20% of cheque amount.
- Bank holidays are declared under **Sec 25 of NI Act**.

Instrument	Parties	Note
Promissory note	Maker, Payee	Maker = primary debtor; cannot be bearer
Bill of exchange	Drawer, Drawee, Payee	Needs acceptance

Instrument	Parties	Note
Cheque	Drawer, Drawee (bank), Payee	Always payable on demand

Cheques – Key Facts

- Validity: **3 months** from date (since 1 Apr 2012); older = **stale cheque**. Post-dated, ante-dated, bearer, order, crossed, account-payee cheques.
- MICR code**: 9 digits – city (3) + bank (3) + branch (3).
- CTS (Cheque Truncation System)**: pilot New Delhi 2008; pan-India since 2021.
- Continuous clearing (on-realisation settlement)** – Phase 1 started **4 Oct 2025**; Phase 2 (credit within 3 hours) postponed (Dec 2025).
- Positive Pay System** (1 Jan 2021): for cheques of **₹50,000 and above** (at customer's discretion); banks may make it mandatory for **₹5 lakh and above**.
- Demand drafts of ₹20,000 and above – only by debit to account / cheque, not cash (PMLA rules).

Other Important Acts

Act	Year
RBI Act	1934
BR Act	1949
SBI Act	1955
DICGC Act	1961
RRB Act	1976
NABARD Act	1981
SEBI Act	1992
RDB (DRT) Act	1993
FEMA	1999 (replaced FERA 1973)
PMLA	2002 (in force 1 Jul 2005)
SARFAESI Act	2002
Credit Information Companies Act	2005
PSS Act	2007
IBC	2016
NaBFID Act	2021
Income-tax Act 2025	in force 1 Apr 2026

Practice PYQs

Q1. The maximum number of nominees allowed in a bank deposit account after the Banking Laws (Amendment) Act, 2025 is: (a) 1 (b) 2 (c) 3 (d) 4

Ans: (d) 4 – effective 1 November 2025.

Q2. Dishonour of cheque for insufficiency of funds is dealt with under which Section of NI Act? (a) 131 (b) 138 (c) 143 (d) 123

Ans: (b) Section 138.

Q3. A cheque becomes stale after: (a) 1 month (b) 3 months (c) 6 months (d) 1 year

Ans: (b) 3 months.

Q4. Positive Pay System applies to cheques of: (a) ₹10,000+ (b) ₹50,000+ (c) ₹1 lakh+ (d) ₹5 lakh+

Ans: (b) ₹50,000 and above (banks may make it mandatory for ₹5 lakh and above).

Q5. Under the 2025 amendment, "substantial interest" in a bank company was raised to: (a) ₹50 lakh (b) ₹1 crore (c) ₹2 crore (d) ₹5 crore

Ans: (c) ₹2 crore (from ₹5 lakh).

Q6. How many digits does the MICR code have? (a) 6 (b) 9 (c) 11 (d) 12

Ans: (b) 9.

Q7. In which section of BR Act is unclaimed deposit transferred to the DEA Fund? (a) 24 (b) 26A (c) 35A (d) 45

Ans: (b) Section 26A.

Q8. Who are the parties to a promissory note? (a) Drawer, Drawee, Payee (b) Maker and Payee (c) Maker, Drawee (d) Drawer, Payee

Ans: (b) Maker and Payee.

Chapter 5: Basel Norms, NPA and PCA

Basel Committee (BCBS)

- Set up **1974** by G-10 central bank governors after Herstatt Bank failure; secretariat at **Bank for International Settlements (BIS), Basel, Switzerland** (BIS est. 1930). BIS General Manager: Pablo Hernández de Cos (since Jul 2025).

Accord	Year	Focus
Basel I	1988	Credit risk only; CAR 8%; India adopted 1992

Accord	Year	Focus
Basel II	2004	3 Pillars – Minimum capital, Supervisory review, Market discipline; credit + market + operational risk
Basel III	2010	After 2007-08 crisis; quality of capital, buffers, leverage & liquidity ratios

Basel III in India

Component	Basel III	India
Common Equity Tier 1 (CET1)	4.5%	5.5%
Tier 1 capital	6%	7%
Total capital (CRAR)	8%	9%
Capital Conservation Buffer	2.5%	2.5%
CRAR incl. CCB	10.5%	11.5%
Countercyclical buffer	0–2.5%	0–2.5% (not activated)
Leverage ratio	3%	D-SIBs 4%, others 3.5%

- LCR** (Liquidity Coverage Ratio): HQLA $\geq$ 100% of net cash outflows over 30 days. Revised LCR norms (extra 2.5% run-off on digitally-enabled retail deposits) from **1 Apr 2026**.
- NSFR** (Net Stable Funding Ratio): $\geq$ 100% over one year.
- Final Basel III standardised approach for credit risk & market risk directions (Apr 2026) – effective **1 Apr 2027**.
- Tier 1** = paid-up equity, disclosed reserves (core, going-concern capital). **Tier 2** = revaluation reserves, general provisions, subordinated debt, hybrid instruments.

D-SIBs (Domestic Systemically Important Banks)

Bank	Bucket	Additional CET1
State Bank of India	4	0.80%
HDFC Bank	2	0.40%
ICICI Bank	1	0.20%

- Latest list released 2 Dec 2025. Framework introduced 2014; SBI named 2015, ICICI 2016, HDFC 2017.

NPA (Non-Performing Asset) Norms

- Loan becomes NPA when interest/instalment is **overdue for more than 90 days**. Agriculture: 2 crop seasons (short-duration) / 1 crop season (long-duration).
- Special Mention Accounts:** SMA-0 (1–30 days), SMA-1 (31–60 days), SMA-2 (61–90 days).

Category	Definition	Provision (secured)
Standard	Performing	0.40% (general)
Sub-standard	NPA ≤ 12 months	15%
Doubtful D1	Doubtful up to 1 year	25%
Doubtful D2	1–3 years	40%
Doubtful D3	Over 3 years	100%
Loss	Identified uncollectible	100%

- NBFCs moved to 90-day NPA norm (glide path completed by 31 Mar 2026).
- Expected Credit Loss (ECL)** provisioning replaces incurred-loss model from **1 Apr 2027** (final directions Apr 2026).
- Wilful defaulter** (Master Direction 2024): outstanding **₹25 lakh and above**; to be classified within 6 months of NPA. **Large defaulter:** ₹1 crore and above (suit filed).

Prompt Corrective Action (PCA)

- Introduced **December 2002**; revised framework for banks effective **1 Jan 2022**.
- Indicators:** Capital (CRAR / CET1), Asset quality (**Net NPA**), Leverage (Tier 1 leverage ratio). Profitability (RoA) removed in 2022.
- NNPA thresholds: Risk Threshold 1 = 6% to <9%; 2 = 9% to <12%; 3 = 12% and above.
- Applies to all banks incl. foreign bank branches; **excludes Payments Banks & SFBs**. PCA for NBFCs from 1 Oct 2022; for UCBs from 1 Apr 2025.
- Exit: no breach in 4 continuous quarterly financial statements (one audited) and RBI's supervisory comfort.

EXAM TIP: Exam favourite – "Leverage ratio for D-SIBs is 4%", "India's minimum CRAR is 9% (11.5% with CCB)", "PCA now uses only 3 parameters".

Practice PYQs

Q1. Minimum Capital to Risk-weighted Assets Ratio (CRAR) prescribed by RBI excluding CCB is:
(a) 8% (b) 9% (c) 10.5% (d) 11.5%

Ans: (b) 9%.

Q2. Basel Committee is headquartered at: (a) Geneva (b) Basel (c) Washington (d) Zurich

Ans: (b) Basel, Switzerland (at BIS).

Q3. Which bank is in the highest D-SIB bucket in India? (a) HDFC Bank (b) ICICI Bank (c) SBI (d) Bank of Baroda

Ans: (c) SBI – bucket 4 (0.80% additional CET1).

Q4. A loan account overdue for 61–90 days is classified as: (a) SMA-0 (b) SMA-1 (c) SMA-2 (d) NPA

Ans: (c) SMA-2.

Q5. Which of the following is NOT a PCA indicator for banks? (a) CRAR (b) Net NPA (c) Leverage (d) Return on Assets

Ans: (d) Return on Assets (removed in 2022).

Q6. A sub-standard asset is one which has remained NPA for: (a) up to 6 months (b) up to 12 months (c) 12–36 months (d) over 3 years

Ans: (b) up to 12 months.

Q7. Basel III leverage ratio for D-SIBs in India is: (a) 3% (b) 3.5% (c) 4% (d) 4.5%

Ans: (c) 4%.

Q8. Expected Credit Loss (ECL) framework for banks takes effect from: (a) 1 Apr 2025 (b) 1 Apr 2026 (c) 1 Apr 2027 (d) 1 Oct 2026

Ans: (c) 1 April 2027.

Q9. The three pillars of Basel II do NOT include: (a) Minimum capital (b) Supervisory review (c) Market discipline (d) Liquidity coverage

Ans: (d) Liquidity coverage (introduced in Basel III).

Chapter 6: Banking Structure – PSBs, Private, RRBs, SFBs, Payments Banks

Structure of Banking in India

- Scheduled banks:** listed in **Second Schedule of RBI Act**; paid-up capital + reserves ≥ ₹5 lakh. Non-scheduled banks are outside it.
- Commercial banks: PSBs (12), Private (21), Foreign banks, RRBs (28), SFBs (11), Payments

Banks (5), Local Area Banks. Co-operative banks: UCBs and rural co-operatives.

Public Sector Banks – Heads, HQ, Taglines (Oct 2026)

Bank	Head (MD & CEO)	HQ	Tagline
SBI	C S Setty (Chairman)	Mumbai	The Banker to Every Indian
PNB	Ashok Chandra	New Delhi	The Name You Can Bank Upon
Bank of Baroda	Debadatta Chand	Vadodara	India's International Bank
Canara Bank	Brajesh Kumar Singh	Bengaluru	Together We Can
Union Bank	Asheesh Pandey	Mumbai	Good People to Bank With
Bank of India	Rajneesh Karnatak	Mumbai	Relationship Beyond Banking
Indian Bank	Binod Kumar	Chennai	Your Own Bank
Central Bank	Kalyan Kumar	Mumbai	Central to You Since 1911
IOB	Ajay Kumar Srivastava	Chennai	Good People to Grow With
UCO Bank	R K Saboo (ED, addl. charge)	Kolkata	Honours Your Trust
Bank of Maharashtra	Nidhu Saxena	Pune	One Family One Bank
Punjab & Sind Bank	Swarup Kumar Saha	New Delhi	Where Service is a Way of Life

- Largest bank: **SBI** (also IBA Chairman C S Setty). Largest PSB after SBI: PNB / Bank of Baroda.
- PSB heads selected by **FSIB** (Financial Services Institutions Bureau, 2022; replaced Banks Board Bureau, 2016).

Private Sector Banks (Major)

Bank	MD & CEO	HQ
HDFC Bank	Sashidhar Jagdishan; Anup Bagchi from 27 Oct 2026	Mumbai
ICICI Bank	Sandeep Bakhshi	Mumbai (regd. Vadodara)
Axis Bank	Amitabh Chaudhry	Mumbai
Kotak Mahindra	Ashok Vaswani (Anup Kumar Saha from 1 Jan 2027)	Mumbai
IndusInd Bank	Rajiv Anand	Mumbai (regd. Pune)
Yes Bank	Vinay M Tonse (since Apr 2026)	Mumbai

Bank	MD & CEO	HQ
IDFC First	V Vaidyanathan	Mumbai
Federal Bank	K V S Manian	Aluva (Kerala)
Bandhan Bank	Partha Pratim Sengupta	Kolkata
RBL Bank	R Subramaniakumar	Mumbai
IDBI Bank	Rakesh Sharma	Mumbai

- Other HQs: South Indian Bank & CSB & Dhanlaxmi – Thrissur; Karur Vysya – Karur; City Union – Kumbakonam; Karnataka Bank – Mangaluru; TMB – Thoothukudi; J&K Bank – Srinagar; DCB – Mumbai; Nainital Bank – Nainital.
- IDBI Bank is classified as a private sector bank by RBI (since Jan 2019, LIC majority).

Regional Rural Banks (RRBs)

- Ordinance 26 Sep 1975; first 5 RRBs on **2 Oct 1975**; **RRB Act, 1976**. Recommended by **M Narasimham Working Group (1975)**.
- Ownership: **Centre 50% : Sponsor bank 35% : State 15%**. Regulated by RBI, supervised by **NABARD**.
- **One State–One RRB (Phase IV) from 1 May 2025: 43 → 28 RRBs** in 26 States + 2 UTs, 22,000+ branches.
- PSL target 75% of ANBC. No RRB in Goa & Sikkim. RRB (Amendment) Act 2015 – authorised capital ₹2,000 crore.

Small Finance Banks

- Concept: **Nachiket Mor Committee (2014)**; RBI guidelines Nov 2014; on-tap Dec 2019.
- Minimum paid-up capital: **₹200 crore** (₹100 crore for UCBs converting, to reach ₹200 crore in 5 years).
- **PSL 60% of ANBC from FY 2025-26** (earlier 75%). At least 50% loans up to ₹25 lakh. CRAR 15%.
- Can convert to universal bank: net worth ≥ ₹1,000 crore, listed, 5 years' track record, GNPA ≤ 3% & NNPA ≤ 1% for 2 years, profit in last 2 years.
- **11 SFBs**: AU (Jaipur), Capital (Jalandhar), Equitas (Chennai), ESAF (Thrissur), Suryoday (Navi Mumbai), Ujjivan (Bengaluru), Utkarsh (Varanasi), Jana (Bengaluru), Shivalik (Noida),

Unity (New Delhi), **slice SFB** (formerly North East SFB, Guwahati).

- Fincare SFB merged with AU SFB (1 Apr 2024).

Payments Banks

- Recommended by **Nachiket Mor Committee**; licensed under Sec 22 BR Act. Capital **₹100 crore**; deposit limit **₹2 lakh per customer**; cannot lend or issue credit cards; 75% of demand deposits in G-secs/T-bills (SLR).
- **Operating (5)**: Airtel PB (New Delhi, first – Jan 2017), India Post PB (New Delhi), Fino PB (Navi Mumbai), NSDL PB (Mumbai), Jio PB (Navi Mumbai).
- **Paytm Payments Bank**: licence **cancelled by RBI on 24 Apr 2026**; removed from Second Schedule.

Local Area Banks & Co-operative Banks

- LABs: scheme 1996; capital ₹5 crore; operate in 3 contiguous districts; CRAR 15% . First: Coastal LAB (1999). Only a few function today.
- **Rural co-operatives**: Short-term – StCB → DCCB → PACS (3 tier); Long-term – SCARDB → PCARDB.
- **UCBs** – 4-tier regulatory framework (N S Vishwanathan Committee): Tier 1 to Tier 4 by deposit size. Umbrella organisation: NUCFDC (2024).
- Co-operative banks: "one member, one vote"; registered under State Co-op Societies Act / Multi-State Co-op Societies Act 2002.

Foreign Banks & International Financial Institutions

Institution	Year	HQ	Head (2026) {U}
World Bank (IBRD)	1944	Washington DC	Ajay Banga
IMF	1944	Washington DC	Kristalina Georgieva
ADB	1966	Manila	Masato Kanda
AIIB	2016	Beijing	Zou Jiayi
NDB (BRICS)	2015	Shanghai	Dilma Rousseff
BIS	1930	Basel	Pablo Hernández de Cos

- India is a **founding member** of IMF and World Bank (1945).

Practice PYQs

Q1. What is the tagline of Canara Bank? (a) Together We Can (b) Good People to Bank With (c) Honours Your Trust (d) Your Own Bank

Ans: (a) Together We Can.

Q2. Headquarters of Bank of Maharashtra? (a) Mumbai (b) Pune (c) Nagpur (d) Nashik

Ans: (b) Pune.

Q3. Payments Bank deposit limit per customer: (a) ₹1 lakh (b) ₹2 lakh (c) ₹5 lakh (d) ₹10 lakh

Ans: (b) ₹2 lakh.

Q4. The share of the sponsor bank in an RRB's capital is: (a) 15% (b) 35% (c) 50% (d) 26%

Ans: (b) 35%.

Q5. Who is the Chairman of SBI? (a) Dinesh Khara (b) C S Setty (c) Ashok Chandra (d) Debadatta Chand

Ans: (b) C S Setty.

Q6. Which Small Finance Bank received RBI's in-principle approval to become a universal bank? (a) Equitas (b) Ujjivan (c) AU SFB (d) Jana

Ans: (c) AU Small Finance Bank (Aug 2025).

Q7. Headquarters of the New Development Bank is: (a) Beijing (b) Shanghai (c) Moscow (d) New Delhi

Ans: (b) Shanghai.

Q8. Minimum paid-up capital for a Payments Bank: (a) ₹100 crore (b) ₹200 crore (c) ₹300 crore (d) ₹500 crore

Ans: (a) ₹100 crore.

Q9. Which body recommends appointment of heads of PSBs? (a) RBI (b) FSIB (c) IBA (d) DFS

Ans: (b) Financial Services Institutions Bureau (FSIB).

Q10. Whose licence did RBI cancel in April 2026? (a) Fino PB (b) Paytm Payments Bank (c) Jio PB (d) NSDL PB

Ans: (b) Paytm Payments Bank.

Chapter 7: Regulators and Development Financial Institutions

Regulators & Institutions – Heads (Oct 2026)

Body	Head	HQ
RBI	Sanjay Malhotra (Governor)	Mumbai
SEBI	Tuhin Kanta Pandey	Mumbai
IRDAI	Ajay Seth	Hyderabad
PFRDA	S Ramann	New Delhi
NABARD	Shaji K V	Mumbai
SIDBI	Manoj Mittal (CMD)	Lucknow
NHB	Sanjay Shukla (MD)	New Delhi
EXIM Bank	Harsha Bangari (MD)	Mumbai
NaBFID	Rajkiran Rai G (MD)	Mumbai
NPCI	Dilip Asbe (MD & CEO)	Mumbai
IBA	C S Setty (Chairman)	Mumbai
LIC	R Doraiswamy (CEO & MD)	Mumbai
CCI	Ravneet Kaur	New Delhi
Finance Minister	Nirmala Sitharaman	–
DFS Secretary	Sanjay Lohiya (since 1 Jun 2026)	–
Chief Economic Adviser	V Anantha Nageswaran	–
16th Finance Commission	Arvind Panagariya	–

NABARD

- Set up **12 July 1982** under NABARD Act, 1981, on **CRAFICARD (B Sivaraman Committee, 1979)**; took over ARDC and RBI's agri-credit functions. First Chairman: M Ramakrishnayya.
- Fully owned by GoI. Authorised capital ₹30,000 crore (2018 amendment).
- Supervises RRBs, StCBs, DCCBs; refinances; manages **RIDF (1995-96)** – PSL shortfall deposits; NIDA, Micro Irrigation Fund, Watershed & Tribal Development Funds.
- Pioneered **SHG–Bank Linkage Programme (1992)**; EShakti (SHG digitisation).
- Subsidiaries: NABKISAN, NABSAMRUDDHI, NABFINS, NABCONS, NABVENTURES, NABFOUNDATION, NABSanrakshan. Training: BIRD Lucknow.

SIDBI

- Set up **2 April 1990** under SIDBI Act 1989; HQ **Lucknow**; principal FI for MSMEs.
- MUDRA Ltd (2015) is its wholly owned subsidiary. Promoted CGTMSE (with GoI), RXIL (TReDS, with NSE), Acuité (formerly SMERA), ISARC.
- Portals: Udyami Mitra, PSB Loans in 59 Minutes (2018).

EXIM Bank

- Set up **1 January 1982** under EXIM Bank of India Act, 1981; HQ Mumbai; 100% GoI. Extends Lines of Credit to foreign governments; Buyer's credit (BC-NEIA).

National Housing Bank

- Set up **9 July 1988** under NHB Act 1987; HQ New Delhi; 100% GoI (RBI stake transferred 2019).
- Regulation of HFCs moved to RBI from 9 Aug 2019**; NHB continues registration & supervision.
- RESIDEX – housing price index (2007).

NaBFID

- National Bank for Financing Infrastructure and Development; Act **2021**; DFI for infrastructure; first Chairman K V Kamath; authorised capital ₹1 lakh crore. Regulated as **AIFI** by RBI.
- 5 AIFIs**: EXIM Bank, NABARD, NHB, SIDBI, NaBFID.

SEBI

- Set up **12 April 1988**; statutory powers **30 January 1992** (SEBI Act 1992); HQ Mumbai. Appeals go to SAT (Securities Appellate Tribunal).

IRDAI & PFRDA

- IRDAI: IRDA Act **1999** (Malhotra Committee 1993); HQ Hyderabad.
- PFRDA: set up 2003; statutory under PFRDA Act **2013**; regulates NPS & APY.

Other Bodies

- NPCI (Dec 2008)**: umbrella for retail payments; promoted by RBI & IBA; Section 8 (not-for-profit) company.

- **IBA (1946):** association of banks, Mumbai.
- **FSIB (2022):** selects WTDs of PSBs, PSIs and FIs.
- **IBBI (1 Oct 2016):** insolvency regulator, New Delhi.
- **CICs (Credit Information Companies):** TransUnion CIBIL (2000), Equifax, Experian, CRIF High Mark. Score range 300–900.
- **Credit rating agencies:** CRISIL (1987, first; majority owned by S&P Global), ICRA (1991), CARE (1993), India Ratings, Acuité, Brickwork.

EXAM TIP: HQ questions are the most frequent static banking questions. Remember – SIDBI: Lucknow; IRDAI: Hyderabad; NHB, PFRDA, IBBI, CCI: New Delhi; most others: Mumbai.

Practice PYQs

Q1. NABARD was established on the recommendation of: (a) Narasimham Committee (b) CRAFTICARD / B Sivaraman Committee (c) R V Gupta Committee (d) Rangarajan Committee

Ans: (b) CRAFTICARD chaired by B Sivaraman.

Q2. Headquarters of SIDBI: (a) Mumbai (b) New Delhi (c) Lucknow (d) Pune

Ans: (c) Lucknow.

Q3. Who is the chairperson of SEBI? (a) Madhabi Puri Buch (b) Tuhin Kanta Pandey (c) Ajay Seth (d) S Ramann

Ans: (b) Tuhin Kanta Pandey.

Q4. Who heads IRDAI at present? (a) Debasish Panda (b) Ajay Seth (c) Ajay Tyagi (d) Subhash Garg

Ans: (b) Ajay Seth (since Sep 2025).

Q5. Which of these is NOT an All India Financial Institution? (a) NHB (b) SIDBI (c) NaBFID (d) IFCI

Ans: (d) IFCI.

Q6. HFCs are regulated by: (a) NHB (b) RBI (c) SEBI (d) MoHUA

Ans: (b) RBI (NHB supervises).

Q7. MUDRA Ltd is a subsidiary of: (a) NABARD (b) SIDBI (c) RBI (d) SBI

Ans: (b) SIDBI.

Q8. Who was the first Chairman of NaBFID? (a) Rajkiran Rai (b) K V Kamath (c) Urjit Patel (d) N S Vishwanathan

Ans: (b) K V Kamath.

Chapter 8: Payment Systems and Digital Banking

Legal Framework

- **Payment and Settlement Systems Act, 2007** – RBI regulates via **Board for Regulation and Supervision of Payment and Settlement Systems (BPSS)**.
- **NPCI** (2008) operates retail systems: UPI, IMPS, NACH, NFS, AePS, RuPay, NETC, *99#; **Bharat Connect** (formerly BBPS) through NBBL.
- **RBI Payments Vision 2028** – released **27 Mar 2026** (successor to Payments Vision 2025).

NEFT, RTGS, IMPS

Feature	NEFT	RTGS	IMPS
Operator	RBI	RBI	NPCI
Launched	Nov 2005	Mar 2004	22 Nov 2010
Settlement	Deferred net, half-hourly (48 batches)	Real-time gross	Instant, 24x7
Minimum	No minimum	₹2 lakh	₹1
Maximum	No limit	No limit	₹5 lakh
24x7 since	16 Dec 2019	14 Dec 2020	Always

- **Beneficiary account name look-up** for RTGS/NEFT – mandatory from **1 Apr 2025**.
- **IFSC: 11 characters** – first 4 bank code, 5th "0", last 6 branch code. Allotted by RBI.
- **RTGS & NEFT online transactions free** for savings customers (RBI waived its charges from Jul 2019).

UPI – Unified Payments Interface

- Launched **11 April 2016** by Governor Raghuram Rajan (21 banks); BHIM app 30 Dec 2016; **BHIM 3.0** (Mar 2025).

UPI Limit	Amount
General / P2P per transaction	₹1 lakh
New user – first 24 hours	₹5,000
Hospitals, education, IPO, RBI Retail Direct, tax	₹5 lakh per txn
Capital market, insurance, loan EMI, travel, GeM (from 15 Sep 2025)	₹5 lakh per txn; ₹10 lakh per day
Credit card bill payment	₹5 lakh per txn; ₹6 lakh per day
Jewellery	₹2 lakh per txn; ₹6 lakh per day

UPI Limit	Amount
UPI Lite	₹1,000 per txn; wallet ₹5,000
UPI 123PAY (feature phones)	₹10,000 per txn

- **UPI Lite** (20 Sep 2022) – small-value, PIN-less, on-device wallet. Limits raised Oct 2024.
- **UPI 123PAY** (8 Mar 2022) – for feature phones via IVR, missed call, app-based, sound-based. Limit ₹10,000 (from ₹5,000).
- **RuPay credit card on UPI** (2022); **Credit line on UPI** – pre-sanctioned bank credit lines (Sep 2023).
- **UPI Circle** (Aug 2024) – delegated payments to family. **UPI-ICCW** – cash withdrawal at ATMs using UPI.
- **Biometric (face/fingerprint) authentication** on UPI introduced Oct 2025 as an alternative to PIN.
- **UPI abroad – 9 countries:** Bhutan (first), Nepal, Sri Lanka, Mauritius, UAE, Singapore, France, Qatar, **Cambodia (latest, Jun 2026)**.
- Record volume: **24.51 billion transactions (₹29.82 lakh crore) in August 2026**.
- NPCI UPI Consolidated Circular v1.0 issued 18 Sep 2026.

Other NPCI Products

- **NACH** – bulk/repetitive payments (salary, DBT, EMI mandates); e-mandate.
- **AePS** – Aadhaar-enabled withdrawals via micro-ATM/BC; new KYC rules for AePS operators from 1 Jan 2026.
- **APBS** – Aadhaar Payment Bridge for DBT.
- **NFS** – largest ATM network (taken over by NPCI in 2009).
- **RuPay** – domestic card scheme (2012); international via Discover, JCB, UnionPay.
- ***99# (NUUP)** – USSD banking without internet.
- **NETC FASTag** – RFID; mandatory from 15 Feb 2021; **FASTag Annual Pass** (15 Aug 2025) ₹3,000 for 1 year/200 trips – ₹3,075 for FY 2026-27.
- **Bharat Connect (BBPS)** – bill payments; operated by NPCI Bharat BillPay Ltd (NBBL).
- **e-RUPI** (2 Aug 2021) – purpose-specific prepaid digital voucher.

Digital Rupee (e₹) – CBDC

- Legal basis: Finance Act 2022 amended RBI Act Sec 2 to include digital form of bank note.
- **Wholesale (e₹-W) pilot: 1 Nov 2022; Retail (e₹-R) pilot: 1 Dec 2022**. Token-based for retail; distributed through banks.
- Retail e₹ in circulation ₹771.66 crore (31 Mar 2026).
- **Offline e₹** (Oct 2025); **programmable e₹** for PDS food subsidy (Gujarat, Puducherry, Chandigarh); cross-border CBDC pilots planned 2026-27.

Prepaid Payment Instruments (PPI)

- Master Directions 2021. Issuers: banks & authorised non-banks (net worth ₹5 crore at application; ₹15 crore by 3rd year).
- **Small PPI:** up to ₹10,000 (no cash withdrawal/fund transfer). **Full-KYC PPI:** balance up to ₹2 lakh.
- **Gift PPI:** up to ₹10,000, non-reloadable. **Transit PPI:** up to ₹3,000.
- Full-KYC PPIs can be linked to **third-party UPI apps** (Dec 2024).
- Types: Closed (issuer's own goods), Semi-closed (identified merchants, RBI authorised – e.g., Amazon Pay, Ola Money), Open (bank-issued).

ATMs

- Types: Onsite, Offsite, **White Label (non-bank owned, e.g., Indiacash)**, Brown Label (bank-branded, third-party hardware), Mobile ATM.
- Free transactions: own bank 5/month; other banks 3 (metro) / 5 (non-metro).
- Charge beyond free limit: **₹23 per transaction from 1 May 2025** (earlier ₹21).
- Failed ATM transaction: auto-reversal within **T+5 days**, else ₹100 per day compensation (TAT framework 2019).
- Cash-out penalty: ₹10,000 per ATM if cash-out exceeds 10 hours in a month.

Digital Payment Security

- **Authentication of Digital Payment Transactions Directions** – from **1 Apr 2026**: two factors, one dynamic; OTP alternatives (biometrics, device tokens) allowed.

- Card tokenisation (Oct 2022); Digital Payments Index (base Mar 2018 = 100) – 516.76 (Sep 2025).

EXAM TIP: Most asked: RTGS minimum ₹2 lakh, IMPS ₹5 lakh, UPI Lite ₹1,000/₹5,000, UPI 123PAY ₹10,000, IFSC 11 characters, e₹ pilot dates.

Practice PYQs

Q1. Per-transaction limit of UPI Lite is: (a) ₹200 (b) ₹500 (c) ₹1,000 (d) ₹2,000

Ans: (c) ₹1,000 (wallet balance limit ₹5,000).

Q2. UPI 123PAY is designed for: (a) Smartphones (b) Feature phones (c) Credit cards (d) Foreign tourists

Ans: (b) Feature phones; limit ₹10,000 per transaction.

Q3. Minimum amount for RTGS: (a) ₹1 lakh (b) ₹2 lakh (c) ₹5 lakh (d) No minimum

Ans: (b) ₹2 lakh.

Q4. Maximum IMPS transaction limit: (a) ₹2 lakh (b) ₹5 lakh (c) ₹10 lakh (d) No limit

Ans: (b) ₹5 lakh.

Q5. Retail digital rupee pilot was launched on: (a) 1 Nov 2022 (b) 1 Dec 2022 (c) 1 Apr 2023 (d) 1 Jan 2023

Ans: (b) 1 December 2022.

Q6. Which organisation operates UPI? (a) RBI (b) NPCI (c) IBA (d) SEBI

Ans: (b) NPCI.

Q7. Which was the latest country to accept UPI (June 2026)? (a) Qatar (b) Cambodia (c) Maldives (d) Thailand

Ans: (b) Cambodia.

Q8. BBPS has been rebranded as: (a) Bharat Pay (b) Bharat Connect (c) BillDesk (d) RuPay Bills

Ans: (b) Bharat Connect.

Q9. How many characters are there in IFSC? (a) 9 (b) 10 (c) 11 (d) 12

Ans: (c) 11.

Q10. Maximum charge per ATM transaction beyond free limit (from May 2025): (a) ₹20 (b) ₹21 (c) ₹23 (d) ₹25

Ans: (c) ₹23.

Chapter 9: Lending – Interest Rate Systems, PSL and Agriculture Credit

Evolution of Lending Rate Benchmarks

System	From	Key point
PLR	1994	Prime Lending Rate
BPLR	2003	Benchmark PLR; lending below BPLR common → opaque
Base Rate	1 Jul 2010	Deepak Mohanty Working Group; no lending below Base Rate
MCLR	1 Apr 2016	Marginal cost of funds + negative carry on CRR + operating cost + tenor premium
EBLR	1 Oct 2019	External benchmark (repo / 3-month or 6-month T-bill / FBIL rate); reset at least once in 3 months

- EBLR mandatory for new floating-rate personal/retail loans and MSE loans (medium enterprises from 1 Apr 2020). **Janak Raj** Internal Study Group (2017) reviewed MCLR.
- Most banks use the **repo rate** as external benchmark → repo hike of Oct 2026 passes quickly to EBLR loans.

Priority Sector Lending (PSL) – Master Directions 2025

- Effective **1 April 2025**. Targets as % of **ANBC or CIOBE, whichever is higher**.

Category	SCBs*	RRBs	SFBs
Total PSL	40%	75%	60% (from FY26)
Agriculture	18%	18%	18%
Small & Marginal farmers	10%	10%	10%
Micro enterprises	7.5%	7.5%	7.5%
Weaker sections	12%	15%	12%

- *Domestic SCBs and foreign banks with 20+ branches. Foreign banks with <20 branches: 40% (up to 32% via exports).
- UCBs: 60%** (earlier glide path to 75% dropped).
- 8 categories:** Agriculture, MSME, Export credit, Education, Housing, Social infrastructure, Renewable energy, Others.

PSL Loan Limits (2025)	Limit
Education	₹25 lakh

PSL Loan Limits (2025)	Limit
Housing – metro (50 lakh+ population)	₹50 lakh (cost ≤ ₹63 lakh)
Housing – 10–50 lakh population	₹45 lakh (cost ≤ ₹57 lakh)
Housing – below 10 lakh population	₹35 lakh (cost ≤ ₹44 lakh)
Renewable energy – others	₹35 crore
Renewable energy – households	₹10 lakh
Export credit (incremental)	Up to 2% of ANBC; ₹40 crore per borrower
Agri infrastructure	₹100 crore per borrower
Start-ups (agri)	₹50 crore
Distressed persons (repay moneylenders)	₹1 lakh

- **No service charges** on PSL loans up to ₹50,000.
- **PSLCs** (Priority Sector Lending Certificates, 2016): 4 types – Agri, SF/MF, Micro, General; traded on RBI's **e-Kuber**; expire 31 March.
- Shortfall: deposited in **RIDF** (NABARD) and other funds (SIDBI, NHB, MUDRA) at low rates.

MSME Classification (from 1 Apr 2025)

Type	Investment ≤	Turnover ≤
Micro	₹2.5 crore	₹10 crore
Small	₹25 crore	₹100 crore
Medium	₹125 crore	₹500 crore

Agriculture Credit

- **Kisan Credit Card (KCC):** Aug 1998, **R V Gupta Committee**; model scheme by NABARD; validity 5 years; extended to animal husbandry & fisheries (2018-19).
- **MISS (Modified Interest Subvention Scheme):** short-term crop loans at **7%** up to **₹3 lakh**; prompt repayment incentive 3% → effective **4%**. Budget 2025-26 announced raising KCC-MISS limit to **₹5 lakh**.
- **Collateral-free agriculture loans** limit raised to **₹2 lakh** (from ₹1.6 lakh) from 1 Jan 2025.
- Farmers: Marginal < 1 hectare; Small 1–2 hectares.
- Lead Bank Scheme (1969) – Gadgil Study Group + Nariman Committee; DCC, SLBC.

Types of Charges on Securities

Loan	Charge
Gold/jewel loan	Pledge (Sec 172, Contract Act)
Vehicle / stock	Hypothecation
Housing / land	Mortgage (Sec 58, TP Act)
Shares / FD	Lien

- **Gold loan LTV (from 1 Apr 2026):** 85% up to ₹2.5 lakh; 80% for ₹2.5–5 lakh; 75% above ₹5 lakh. Pledged gold to be returned within 7 working days of repayment, else ₹5,000 per day.
- **Co-lending Directions (effective 1 Jan 2026):** each lender retains at least 10% of each loan.
- **Digital Lending Directions (May 2025):** loan service providers, KFS, public directory of digital lending apps.
- **LEI** (20-digit Legal Entity Identifier) mandatory for borrowers with exposure of ₹5 crore and above.

Practice PYQs

Q1. MCLR was introduced from: (a) 1 Jul 2010 (b) 1 Apr 2016 (c) 1 Oct 2019 (d) 1 Apr 2003

Ans: (b) 1 April 2016.

Q2. Overall PSL target for domestic scheduled commercial banks: (a) 18% (b) 32% (c) 40% (d) 75%

Ans: (c) 40% of ANBC or CEOBE, whichever is higher.

Q3. PSL target for Small Finance Banks from FY 2025-26: (a) 40% (b) 60% (c) 75% (d) 50%

Ans: (b) 60%.

Q4. Kisan Credit Card scheme was recommended by: (a) Vaghul (b) R V Gupta (c) Nachiket Mor (d) Raghuram Rajan

Ans: (b) R V Gupta Committee (1998).

Q5. Micro enterprise investment limit (from 1 Apr 2025): (a) ₹1 crore (b) ₹2.5 crore (c) ₹5 crore (d) ₹10 crore

Ans: (b) ₹2.5 crore (turnover ₹10 crore).

Q6. PSL housing loan limit in centres with population of 50 lakh and above: (a) ₹35 lakh (b) ₹45 lakh (c) ₹50 lakh (d) ₹63 lakh

Ans: (c) ₹50 lakh.

Q7. PSLCs are traded on which platform? (a) NDS-OM (b) e-Kuber (c) CCIL (d) NSE

Ans: (b) RBI's e-Kuber.

Q8. A charge created on a vehicle loan is called: (a) Pledge (b) Hypothecation (c) Mortgage (d) Lien

Ans: (b) Hypothecation.

Q9. EBLR loans must be reset at least once in: (a) 1 month (b) 3 months (c) 6 months (d) 1 year

Ans: (b) 3 months.

Chapter 10: Money Market, Capital Market and NBFCs

Money Market (up to 1 year; regulated by RBI)

Instrument	Tenure	Key facts
Call money	1 day	Inter-bank; NDS-Call
Notice money	2–14 days	
Term money	15 days–1 year	
T-Bills	91, 182, 364 days	Issued by RBI for Govt; zero-coupon, discounted; min ₹25,000
Cash Management Bills	< 91 days	Since 2010; Govt's temporary mismatch
Certificate of Deposit	7 days–1 year (FIs 1–3 yrs)	Min ₹5 lakh; banks (not RRBs/LABs)
Commercial Paper	7 days–1 year	Unsecured; min ₹5 lakh; issuer net worth ≥ ₹100 crore
TREPS	1 day–1 year	Replaced CBLO (Nov 2018); CCIL
Repo / Reverse repo	Overnight/term	Collateralised

- **CD introduced 1989; CP 1990.** States cannot issue T-bills.
- **Ways & Means Advances (WMA):** temporary RBI loans to Govts (Sec 17(5)); beyond WMA = overdraft.
- Benchmarks administered by **FBIL** (Financial Benchmarks India Ltd): MIBOR, T-bill curves. MIBOR was first launched by NSE (1998).
- **LIBOR** (multi-currency London rate) discontinued; replaced by **SOFR** (USD), **SONIA** (GBP) etc.

Types of Money

- **Hot money** – short-term speculative flows.
- **Dear money** – high interest rates; **Cheap money** – low rates.
- **Fiat money** – legal tender by Govt order, no intrinsic value. **Barren money** – earns no interest (cash in locker).
- Monetary aggregates: M1 (narrow), M3 (broad money = M1 + time deposits). M3 is the main RBI measure.

Capital Market (above 1 year; regulated by SEBI)

- **BSE (1875)** – Asia's oldest exchange; Sensex (1986, base 1978-79 = 100, 30 stocks).
- **NSE (1992)** – Nifty 50 (base 1995 = 1,000); largest by volume.
- Depositories: **NSDL (1996), CDSL (1999)**. Clearing: NSE Clearing, ICCL.
- Settlement cycle **T+1** (fully from 27 Jan 2023); optional T+0 (2024).
- Primary market – IPO, FPO, rights issue, private placement. Secondary market – trading of existing securities.
- **DRHP** – draft offer document filed with SEBI before an IPO.
- ADR/GDR – instruments to raise foreign capital; Masala bonds – rupee-denominated bonds abroad.

Mutual Funds

- **UTI (1963)** – first MF; SBI MF (1987) – first non-UTI fund; private funds from 1993 (Kothari Pioneer).
- Regulated by **SEBI (MF Regulations 1996)**; **AMFI (1995)** – industry body.
- NAV = (Assets – Liabilities) ÷ units; declared daily. Exit load – on early redemption.
- "Dividend option" renamed **IDCW** (Apr 2021).

NBFCs

- Registered under **Sec 45-IA of RBI Act**; minimum NOF ₹2 crore (NBFC-ICC/MFI/Factor: ₹10 crore by Mar 2027).
- Cannot accept **demand deposits**; not part of payment system; no DICGC cover.

- Deposit-taking NBFCs: tenure 12–60 months; maximum interest on deposits **12.5%** (lending rates deregulated).
- **Scale-Based Regulation (1 Oct 2022)**: Base, Middle, Upper, Top layers. Upper layer – top 10 by assets + RBI-identified.
- NBFC-MFI: microfinance loans $\geq$ **75%** of assets; household income up to **₹3 lakh** (rural & urban).
- HFCs: regulated by **RBI** (since 2019), supervised by NHB.
- NBFCs with 10+ branches must adopt **Core Banking Solution** (by Sep 2025).
- Regulators of NBFC-like entities: Chit funds – State Govts; Nidhis – MCA; Insurance – IRDAI; Merchant bankers/VC – SEBI.

Practice PYQs

Q1. Minimum denomination of a Certificate of Deposit: (a) ₹1 lakh (b) ₹5 lakh (c) ₹10 lakh (d) ₹25 lakh

Ans: (b) ₹5 lakh.

Q2. Which instrument replaced CBLO? (a) TREPS (b) CMB (c) CP (d) NDS-Call

Ans: (a) TREPS (Nov 2018).

Q3. Notice money is lent for: (a) 1 day (b) 2–14 days (c) 15 days–1 year (d) over 1 year

Ans: (b) 2–14 days.

Q4. Asia's oldest stock exchange is: (a) NSE (b) BSE (c) Tokyo SE (d) MCX

Ans: (b) BSE (1875).

Q5. NBFCs are registered under which Section of the RBI Act? (a) 42 (b) 45-IA (c) 22 (d) 17

Ans: (b) Section 45-IA.

Q6. Maximum interest rate an NBFC can pay on public deposits: (a) 10% (b) 12.5% (c) 15% (d) No limit

Ans: (b) 12.5%.

Q7. Which is the first mutual fund in India? (a) SBI MF (b) UTI (c) LIC MF (d) Kothari Pioneer

Ans: (b) UTI (1963).

Q8. T-Bills are NOT issued for which tenor? (a) 91 days (b) 182 days (c) 273 days (d) 364 days

Ans: (c) 273 days.

Chapter 11: Foreign Exchange, Inflation and Taxes in Banking

Foreign Exchange Management

- **FEMA 1999** (in force 1 Jun 2000) replaced **FERA 1973**; civil law, administered by RBI; enforcement by ED.
- **Liberalised Remittance Scheme (LRS, 2004)**: resident individuals can remit up to **US\$ 2,50,000 per financial year** (started at US\$ 25,000).
- **TCS on LRS (from 1 Apr 2026)**: no TCS up to ₹10 lakh; education/medical 2% above ₹10 lakh (0% if loan-funded); others 20% above ₹10 lakh.
- Current account convertibility: 1994 (IMF Article VIII). Full capital account convertibility not yet (Tarapore Committees).
- **ECB** (External Commercial Borrowing) – automatic & approval routes; **FCNR(B)** deposits; **SRVA** for rupee trade settlement (Jul 2022).
- Rupee: ₹95.75 per US\$ (RBI reference, 12 Oct 2026); RBI curbed speculative FX hedging (Oct 2026).

FDI Limits in Financial Sector

Sector	FDI limit
Private sector banks	74% (49% automatic; above via Govt route)
Public sector banks	20% (Govt route)
Insurance companies	100% automatic (LIC 20%)
Insurance intermediaries	100%
NBFCs (regulated)	100% automatic
Payments Banks / SFBs	74%
White Label ATMs	100% automatic

- Budget 2026-27: Portfolio Investment Scheme cap for an individual non-resident raised from 5% to **10%**, overall from 10% to **24%**.

Inflation

- **Creeping** (<3%), **Walking/Trotting** (3–10%), **Galloping/Running** (10–50%+), **Hyperinflation** (>50% per month).
- **Demand-pull** (excess demand) vs **Cost-push** (higher costs). **Stagflation** = high inflation + low

growth. **Deflation** = falling prices; **Disinflation** = falling rate of inflation.

- **CPI** (MoSPI/NSO) – RBI's target index. **New CPI series with base year 2024** released 12 Feb 2026 (earlier base 2012).
- **WPI** – Office of Economic Adviser (DPIIT); **new series with base 2022-23 launched June 2026** (earlier 2011-12), along with Producer Price Indices (PPI). No services in WPI. CPI-IW (Labour Bureau) base 2016.
- **GDP deflator** = $\text{Nominal GDP} \div \text{Real GDP} \times 100$ – broadest measure.

Taxes Relevant to Bank Customers

- **Income-tax Act, 2025** in force from **1 Apr 2026** (replaced 1961 Act); TDS on interest now under Sec 393(1) (earlier 194A).
- TDS on deposit interest: above **₹50,000** (others) / **₹1 lakh** (senior citizens, 60+) per year per bank; rate 10% (20% without PAN).
- Form 15G (below 60) / 15H (senior citizens) – no TDS if income below taxable limit.
- PAN mandatory: cash deposit > ₹50,000 in a day; FD > ₹50,000; cash deposits ≥ ₹20 lakh in a year (or PAN/Aadhaar).
- **Sec 269ST**: no cash receipt of ₹2 lakh or more from a person in a day.

Practice PYQs

Q1. Annual limit under the Liberalised Remittance Scheme: (a) US\$ 1,00,000 (b) US\$ 2,00,000 (c) US\$ 2,50,000 (d) US\$ 5,00,000

Ans: (c) US\$ 2,50,000 per financial year.

Q2. FEMA replaced which Act? (a) FCRA (b) FERA (c) PMLA (d) COFEPOSA

Ans: (b) FERA, 1973.

Q3. Maximum FDI permitted in private sector banks: (a) 49% (b) 51% (c) 74% (d) 100%

Ans: (c) 74%.

Q4. The new CPI series released in February 2026 has the base year: (a) 2012 (b) 2017 (c) 2022 (d) 2024

Ans: (d) 2024.

Q5. TDS on deposit interest for senior citizens applies above: (a) ₹40,000 (b) ₹50,000 (c) ₹1 lakh (d) ₹2.5 lakh

Ans: (c) ₹1 lakh per year.

Q6. Inflation rising at more than 50% per month is called: (a) Galloping (b) Hyperinflation (c) Stagflation (d) Walking

Ans: (b) Hyperinflation.

Chapter 12: KYC, AML, Deposits and Customer Protection

KYC (Know Your Customer)

- RBI KYC Master Direction 2016 (amended regularly; latest amendments **12 Jun 2025**). Four elements: Customer Acceptance Policy, Risk Management, Customer Identification Procedures, Monitoring of Transactions.
- **Officially Valid Documents (OVDs)**: Passport, Driving Licence, proof of possession of Aadhaar, Voter ID, NREGA job card, NPR letter. PAN or **Form 60** mandatory.
- **Periodic updation (re-KYC)**: High risk – every **2 years**; Medium – **8 years**; Low – **10 years**. Low-risk customers get time till 1 year after due date / 30 Jun 2026 (whichever later).
- **V-CIP (Video KYC)** permitted since Jan 2020. **CKYCR** run by **CERSAI**; 14-digit KYC Identifier.
- **Small account**: credits ≤ ₹1 lakh/year, balance ≤ ₹50,000, withdrawals ≤ ₹10,000/month.
- Enhanced due diligence for **PEPs** (Politically Exposed Persons) and high-risk customers.

Anti-Money Laundering

- **PMLA 2002** (in force 1 Jul 2005). **FIU-IND (2004)** under Department of Revenue receives reports.
- **CTR** – cash transactions above ₹10 lakh (monthly, by 15th of next month); **STR** – within 7 days of concluding suspicion; records kept **5 years**.
- **FATF** – est. **1989** (G-7, Paris); India member since **2010**; India placed in "regular follow-up" after 2024 mutual evaluation. CFT = Combating Financing of Terrorism.
- PAN required for cash deposit of ₹50,000+ in a day; DDs ₹50,000+ only by account debit/cheque.

Deposit Accounts

- **CASA** (Current + Savings) = low-cost funds. Current account – no interest. Savings –

interest daily product, paid quarterly or more often.

- Term deposits: minimum tenure **7 days**; matured unclaimed TD earns SB rate or contracted rate (lower).
- **Inoperative/dormant**: no customer-induced transaction for **2 years**. **Unclaimed**: 10 years → **DEA Fund** (Sec 26A BR Act, 2014).
- **UDGAM** portal (Aug 2023) – search unclaimed deposits across banks. **"Aapki Punji Aapka Adhikar"** campaign (Oct 2025) to return ~₹1.82 lakh crore unclaimed assets.
- Minor above **10 years** may operate SB account independently. Nominees: up to 4 (Nov 2025).
- **NRI accounts**: NRE (foreign earnings, rupee, fully repatriable, interest tax-free); NRO (Indian income, repatriation up to US\$1 million/year, taxable); FCNR(B) (foreign currency term deposit, 1–5 years).
- **Nostro** – our account with a foreign bank (in their currency); **Vostro** – foreign bank's account with us (in INR); Loro – their account with a third bank. SRVA (Special Rupee Vostro Account, 2022) for INR trade settlement.

Deposit Insurance – DICGC

- DICGC Act 1961; DICGC formed **15 Jul 1978**; wholly owned RBI subsidiary.
- Cover: **₹5 lakh per depositor per bank** (principal + interest), since 4 Feb 2020. Covers savings, current, FD, RD of all commercial banks, RRBs, LABs, SFBs, PBs, co-operative banks (except PACS).
- Not covered: deposits of foreign Govts, Central/State Govts, inter-bank deposits.
- Payment within **90 days** of moratorium/liquidation (DICGC Amendment Act 2021).
- **Risk-based premium from 1 Apr 2026**: 8, 10, 11 or 12 paise per ₹100 (category A–D) instead of flat 12 paise.

Grievance Redressal – Ombudsman

- Banking Ombudsman Scheme (1995) → **RB-Integrated Ombudsman Scheme 2021** (12 Nov 2021; "One Nation One Ombudsman").
- **RB-Integrated Ombudsman Scheme 2026 – effective 1 Jul 2026**: compensation up to **₹30**

lakh for consequential loss + **₹3 lakh** for harassment/time (earlier ₹20 lakh + ₹1 lakh).

- Complaint if bank does not reply within **30 days** or customer unsatisfied; file within 1 year of bank's reply. No fee; no limit on dispute amount.
- **CRPC** at RBI Chandigarh; portal **cms.rbi.org.in**; toll-free **14448**. Appellate Authority: Executive Director in charge of CEPD.
- Covers banks, NBFCs (assets ₹100 crore+), PPI issuers, non-scheduled UCBs (deposits ₹50 crore+), Credit Information Companies (from Sep 2022).
- Internal Ombudsman in banks (2019).

Customer Liability in Digital Fraud

- **Zero liability**: fraud reported within 3 working days. **Limited liability (₹5,000–₹25,000)**: 4–7 days. Bank must credit shadow amount within 10 working days.
- **RBI (Jun 2026)**: small-value digital fraud compensation of 85% of net loss, capped ₹25,000, once in a lifetime.
- **Mis-selling Directions (Jun 2026)**: explicit consent, no forced bundling, no dark patterns.
- National Cyber Crime helpline: **1930**.

Practice PYQs

Q1. Deposit insurance cover per depositor per bank: (a) ₹1 lakh (b) ₹2 lakh (c) ₹5 lakh (d) ₹10 lakh
Ans: (c) ₹5 lakh.

Q2. Re-KYC for high-risk customers is required every: (a) 1 year (b) 2 years (c) 8 years (d) 10 years
Ans: (b) 2 years.

Q3. Under RB-IOs 2026, maximum compensation for consequential loss is: (a) ₹20 lakh (b) ₹25 lakh (c) ₹30 lakh (d) ₹50 lakh
Ans: (c) ₹30 lakh.

Q4. Toll-free number of RBI's Integrated Ombudsman: (a) 1930 (b) 14448 (c) 14440 (d) 1800
Ans: (b) 14448.

Q5. CKYCR is managed by: (a) RBI (b) UIDAI (c) CERSAI (d) NPCI
Ans: (c) CERSAI.

Q6. An account becomes inoperative after no customer transactions for: (a) 1 year (b) 2 years (c) 5 years (d) 10 years

Ans: (b) 2 years.

Q7. An account held by a foreign bank with an Indian bank in rupees is: (a) Nostro (b) Vostro (c) Loro (d) Escrow

Ans: (b) Vostro.

Q8. FIU-IND functions under: (a) RBI (b) Department of Revenue (c) SEBI (d) Home Ministry

Ans: (b) Department of Revenue, Ministry of Finance.

Q9. Customers have zero liability if unauthorised electronic transaction is reported within: (a) 3 working days (b) 7 days (c) 10 days (d) 30 days

Ans: (a) 3 working days.

Chapter 13: Financial Inclusion and Government Schemes

Financial Inclusion Schemes

Scheme	Launch	Key features
PMJDY	28 Aug 2014	Zero-balance BSBD a/c; RuPay card; accident cover ₹2 lakh (a/c after 28.8.2018); OD ₹10,000
PMJJBY	9 May 2015	Life cover ₹2 lakh; premium ₹436/yr; age 18–50
PMSBY	9 May 2015	Accident cover ₹2 lakh (partial disability ₹1 lakh); premium ₹20/yr; age 18–70
APY	9 May 2015	Pension ₹1,000–5,000/month at 60; join 18–40; PFRDA
PMMY (MUDRA)	8 Apr 2015	Shishu ≤ ₹50,000; Kishore ≤ ₹5 lakh; Tarun ≤ ₹10 lakh; Tarun Plus ₹10–20 lakh
Stand-Up India	5 Apr 2016	₹10 lakh–₹1 crore for SC/ST & women; greenfield
PM SVANidhi	1 Jun 2020	Street vendors; restructured till Mar 2030
PM Vishwakarma	17 Sep 2023	Artisans; ₹1 lakh + ₹2 lakh at 5%
e-RUPI	2 Aug 2021	Prepaid digital voucher

PMJDY – Latest Data (19 Aug 2026)

- **59.09 crore** accounts; deposits **₹3.17 lakh crore**; average balance ₹5,356.

- **55.7%** women account holders; **77.8%** rural/semi-urban; 41.29 crore RuPay cards.
- Life cover ₹30,000 only for accounts opened 15 Aug 2014 – 31 Jan 2015.
- OD ₹10,000 (₹2,000 without conditions), age 18–65.
- Re-KYC & saturation campaign held 1 Jul – 30 Sep 2025.

Jan Suraksha – Latest (May 2026)

- PMJJBY: 27.43 crore enrolments; PMSBY: 58.09 crore enrolments; APY: 9.10 crore+ subscribers (record 1.35 crore added in FY26).
- **APY:** income-tax payers barred from **1 Oct 2022**.
- Insurance year for PMJJBY/PMSBY: 1 June – 31 May; auto-debit.

MUDRA (PMMY)

- MUDRA = Micro Units Development & Refinance Agency; SIDBI subsidiary.
- Limit raised to **₹20 lakh (24 Oct 2024)** via Tarun Plus (for those who repaid Tarun loans).
- 11 years (Apr 2026): ~57 crore loans; ₹40 lakh crore+ disbursed; ~67% women beneficiaries. Guarantee: **CGFMU** (NCGTC).

Other Credit Guarantee & MSME Schemes

- **CGTMSE (2000):** guarantee ceiling raised **₹5 crore → ₹10 crore** (1 Apr 2025).
- **PMEGP (2008):** KVIC nodal; max project ₹50 lakh (manufacturing), ₹20 lakh (service); subsidy 15–35%.
- **TReDS:** platforms for MSME receivables – RXIL, M1xchange, Invoicemart, C2FO, KredX (DTX).
- **Udyam registration** (1 Jul 2020) for MSMEs.

Small Savings Schemes (Oct–Dec 2026)

Scheme	Rate	Limits
Post Office Savings	4.0%	Min ₹500
1/2/3-year Time Deposit	6.9/7.0/7.1%	Min ₹1,000
5-year Time Deposit	7.5%	80C benefit
5-year RD	6.7%	Min ₹100/month
Monthly Income Scheme	7.4%	₹9 lakh single / ₹15 lakh joint
NSC	7.7%	5 years; 80C
KVP	7.5%	Doubles in 115 months

Scheme	Rate	Limits
PPF	7.1%	₹500–₹1.5 lakh/yr; 15 yrs
SCSS	8.2%	Max ₹30 lakh; 60+
Sukanya Samriddhi	8.2%	₹250–₹1.5 lakh/yr

- Rates unchanged since Jan–Mar 2024 quarter; reviewed quarterly (Shyamala Gopinath Committee 2010 formula). Funds go to **NSSF** (1999).
- Mahila Samman Savings Certificate (2023) – closed after 31 Mar 2025.

Gold Schemes

- **Sovereign Gold Bond (Nov 2015)**: issued by RBI for Gol; 8 years (exit after 5th yr); 2.5% interest; limit 4 kg (individual), 20 kg (trust). **No new tranche since Feb 2024.**
- **Gold Monetisation Scheme (2015)**: min 10 g; Medium & Long-term Govt Deposits **discontinued from 26 Mar 2025**; only short-term bank deposit (1–3 yrs) continues.
- **Gold ETF**: units backed by 99.5% pure gold, traded on exchanges.

Practice PYQs

Q1. Annual premium of PMJJBY is: (a) ₹12 (b) ₹20 (c) ₹330 (d) ₹436

Ans: (d) ₹436.

Q2. Maximum loan under PMMY after introduction of Tarun Plus: (a) ₹10 lakh (b) ₹15 lakh (c) ₹20 lakh (d) ₹25 lakh

Ans: (c) ₹20 lakh.

Q3. Entry age for Atal Pension Yojana: (a) 18–40 (b) 18–50 (c) 18–60 (d) 21–45

Ans: (a) 18–40 years.

Q4. Overdraft limit under PMJDY: (a) ₹5,000 (b) ₹10,000 (c) ₹15,000 (d) ₹20,000

Ans: (b) ₹10,000.

Q5. Maximum deposit in a single MIS account (Post Office): (a) ₹4.5 lakh (b) ₹9 lakh (c) ₹15 lakh (d) ₹30 lakh

Ans: (b) ₹9 lakh (₹15 lakh joint).

Q6. Present interest rate on SCSS: (a) 7.1% (b) 7.7% (c) 8.0% (d) 8.2%

Ans: (d) 8.2%.

Q7. Stand-Up India provides loans between: (a) ₹1–10 lakh (b) ₹10 lakh–₹1 crore (c) ₹1–5 crore (d) up to ₹50 lakh

Ans: (b) ₹10 lakh to ₹1 crore.

Q8. Guarantee ceiling under CGTMSE from April 2025: (a) ₹2 crore (b) ₹5 crore (c) ₹10 crore (d) ₹20 crore

Ans: (c) ₹10 crore.

Q9. KVP doubles the money in: (a) 100 months (b) 112 months (c) 115 months (d) 120 months

Ans: (c) 115 months.

Chapter 14: Recovery Laws – SARFAESI, DRT and IBC

SARFAESI Act, 2002

- Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act; based on Narasimham I & II and **Andhyarujina** Committees. In force **21 Jun 2002** (Ordinance), Act Dec 2002.
- Banks can enforce security **without court intervention** for secured loans.
- **Not applicable**: loans below ₹1 lakh; outstanding < 20% of principal & interest; agricultural land; pledge of movables; aircraft/vessels.
- **Sec 13(2)**: demand notice – **60 days** to repay. **Sec 13(4)**: take possession / management. **Sec 14**: assistance of CMM/DM.
- **Sec 17**: borrower appeals to **DRT within 45 days**. **Sec 18**: appeal to **DRAT within 30 days**, with **50% pre-deposit** (can be reduced to 25%).
- Created **CERSAI** (Central Registry, 2011) and **ARCs** (first: ARCIL, 2002-03).
- **NARCL** ("bad bank", 2021): buys NPAs paying 15% cash + 85% security receipts (Gol guaranteed); PSBs own 51%. IDRCL manages resolution.

Debt Recovery Tribunals

- **Recovery of Debts and Bankruptcy Act, 1993** (formerly RDDBFI Act). Pecuniary limit: **₹20 lakh and above** (since 2018).
- 39 DRTs and 5 DRATs (appellate).

Insolvency and Bankruptcy Code, 2016

- Enacted **28 May 2016**; consolidates insolvency laws. **IBBI** set up **1 Oct 2016** (New Delhi).
- Adjudicating Authority: **NCLT** for companies & LLPs; **DRT** for individuals & partnership firms. Appeals: NCLAT, DRAT.
- Minimum default for CIRP: **₹1 crore** (since 24 Mar 2020; earlier ₹1 lakh).
- CIRP: 180 days + 90 days extension; overall limit **330 days** including litigation (2019 amendment).
- Committee of Creditors (CoC) approves resolution plan with **66%** voting share (earlier 75%).
- Pre-packaged insolvency** for MSMEs (Apr 2021), default threshold ₹10 lakh.
- IBC (Amendment) Act, 2026** (assent 6 Apr 2026): creditor-initiated insolvency resolution process, group insolvency & cross-border insolvency frameworks, electronic portal.
- Before IBC: Presidency Towns Insolvency Act 1909, Provincial Insolvency Act 1920 (individuals); SICA 1985 (sick companies).

EXAM TIP: Remember the numbers: SARFAESI ₹1 lakh, DRT ₹20 lakh, IBC ₹1 crore, MSME pre-pack ₹10 lakh, wilful defaulter ₹25 lakh.

Practice PYQs

Q1. SARFAESI Act does NOT apply to loans below: (a) ₹50,000 (b) ₹1 lakh (c) ₹10 lakh (d) ₹20 lakh

Ans: (b) ₹1 lakh.

Q2. Minimum claim for approaching a DRT: (a) ₹10 lakh (b) ₹20 lakh (c) ₹50 lakh (d) ₹1 crore

Ans: (b) ₹20 lakh.

Q3. Minimum default amount to start CIRP under IBC: (a) ₹1 lakh (b) ₹10 lakh (c) ₹1 crore (d) ₹5 crore

Ans: (c) ₹1 crore.

Q4. Adjudicating authority for corporate insolvency: (a) DRT (b) NCLT (c) High Court (d) IBBI

Ans: (b) NCLT.

Q5. Under Sec 13(2) of SARFAESI, the borrower gets how many days to repay? (a) 30 (b) 45 (c) 60 (d) 90

Ans: (c) 60 days.

Q6. Voting share of CoC required to approve a resolution plan: (a) 51% (b) 66% (c) 75% (d) 90%

Ans: (b) 66%.

Q7. CERSAI was set up in: (a) 2002 (b) 2011 (c) 2016 (d) 2021

Ans: (b) 2011.

Q8. Overall time limit for completing CIRP including litigation: (a) 180 days (b) 270 days (c) 330 days (d) 365 days

Ans: (c) 330 days.

Chapter 15: Insurance and Pension

Insurance Basics

- Principles: Utmost good faith, Insurable interest, Indemnity, Proximate cause, Subrogation, Contribution, Loss minimisation.
- Life insurance nationalised **1956** (LIC, 1 Sep 1956); General insurance nationalised **1972–73** (GIC Act 1972).
- IRDAI:** IRDA Act **1999** (R N Malhotra Committee 1993); HQ Hyderabad; Chairman **Ajay Seth** (since Sep 2025).
- FDI in insurance: 100% (automatic route)** – Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act 2025, notified **2 May 2026**; LIC cap remains 20%.
- Free-look period: **30 days** (IRDAI 2024 regulations). Grace period: 30 days (15 days for monthly mode).
- Bima Sugam** – online insurance marketplace (phased launch from Nov 2026). Vision: "Insurance for All by 2047".
- LIC:** CEO & MD R Doraiswamy; FY26 market share (first-year premium) ~56.7%.
- PM-JAY (Ayushman Bharat, 2018):** ₹5 lakh per family per year; extended to all senior citizens 70+ (Oct 2024).
- PMFBY (2016):** farmer premium 2% Kharif, 1.5% Rabi, 5% commercial/horticulture.
- Reinsurer: GIC Re (Mumbai). Insurance Ombudsman under Insurance Ombudsman Rules 2017.

Pension

- PFRDA:** 2003; PFRDA Act 2013; Chairman **S Ramann**.

- **NPS:** Govt employees (joined on/after 1 Jan 2004); all citizens from 1 May 2009. **PRAN** – 12 digits.
- **Unified Pension Scheme (UPS):** from **1 Apr 2025** for Central Govt NPS employees – 50% of average basic pay of last 12 months (25 yrs service).
- **NPS Vatsalya** (18 Sep 2024) for minors; **APY** for unorganised sector.

Practice PYQs

Q1. Headquarters of IRDAI: (a) Mumbai (b) New Delhi (c) Hyderabad (d) Chennai

Ans: (c) Hyderabad.

Q2. Present FDI limit in Indian insurance companies (excluding LIC): (a) 49% (b) 74% (c) 100% (d) 26%

Ans: (c) 100%.

Q3. Free-look period for insurance policies is: (a) 15 days (b) 21 days (c) 30 days (d) 45 days

Ans: (c) 30 days.

Q4. Who is the chairperson of PFRDA? (a) Deepak Mohanty (b) S Ramann (c) Ajay Seth (d) Tuhin Kanta Pandey

Ans: (b) S Ramann.

Q5. The Unified Pension Scheme came into effect from: (a) 1 Jan 2025 (b) 1 Apr 2025 (c) 1 Apr 2026 (d) 1 Oct 2024

Ans: (b) 1 April 2025.

Q6. Which principle allows the insurer to step into the shoes of the insured after paying the claim? (a) Contribution (b) Subrogation (c) Indemnity (d) Proximate cause

Ans: (b) Subrogation.

Chapter 16: Important Banking Committees

Committee	Subject
Hilton Young (1926)	Establishment of RBI
A D Gorwala (1951)	Rural credit survey → SBI
Narasimham I (1991)	Financial system reforms
Narasimham II (1998)	Banking sector reforms; ARCs, CRAR 9%
M Narasimham Working Group (1975)	Regional Rural Banks

Committee	Subject
D R Gadgil (1969)	Area approach → Lead Bank Scheme
F K F Nariman (1969)	Lead Bank Scheme (named)
B Sivaraman / CRAFTCARD (1979)	NABARD
R V Gupta (1998)	Kisan Credit Card
R N Malhotra (1993)	Insurance reforms → IRDA
Nachiket Mor (2013-14)	Financial inclusion; Payments Banks & SFBs
Usha Thorat	Financial inclusion; screened SFB applications
P J Nayak (2014)	Governance of bank boards → BBB
Urjit Patel (2014)	Monetary policy framework, inflation targeting
Deepak Mohanty (2009)	Base Rate
Janak Raj (2017)	Review of MCLR → EBLR
Bimal Jalan (2018-19)	RBI Economic Capital Framework (surplus transfer)
Y H Malegam (2010)	Microfinance
N S Vishwanathan (2021)	UCB regulation (4-tier)
S S Tarapore (1997, 2006)	Capital account convertibility
C Rangarajan	Computerisation (1984, 1988); financial inclusion (2008)
K V Kamath (2020)	COVID loan restructuring
U K Sinha (2019)	MSME
Nandan Nilekani (2019)	Deepening digital payments
Ratan Watal (2016)	Digital payments
Sudarshan Sen (2020)	Asset Reconstruction Companies
Jayant Kumar Dash (2021)	Digital lending (RBI WG)
Y M Deosthalee (2017)	Public Credit Registry
Ghosh (1992)	Bank frauds
Krishnaswamy (1980)	40% PSL target
Damodaran (2010)	Customer service in banks
Shyamala Gopinath (2010)	Small savings rates
Vaghul (1987)	Money market
Sunil Mehta (2018)	Project Sashakt (NPA resolution)
Andhyarujina (1999)	SARFAESI legal framework
B Sambamurthy (2014)	Mobile banking

Committee	Subject
Kelkar (2002)	Direct & indirect taxes
S Padmanabhan (1995)	CAMELS rating

- **2026:** Budget 2026-27 announced a **High Level Committee on Banking for Viksit Bharat** to review the financial sector.

EXAM TIP: Committees are asked in RBI Grade B, NABARD and SBI PO mains. Learn pairs: Nachiket Mor – Payments Banks; P J Nayak – BBB; Urjit Patel – inflation targeting; Bimal Jalan – RBI surplus.

Practice PYQs

Q1. Which committee recommended the setting up of Payments Banks? (a) Usha Thorat (b) Nachiket Mor (c) P J Nayak (d) Rangarajan

Ans: (b) Nachiket Mor Committee.

Q2. Bimal Jalan Committee dealt with: (a) Bank licensing (b) RBI's Economic Capital Framework (c) NPAs (d) MSME

Ans: (b) RBI's Economic Capital Framework.

Q3. Which committee led to the creation of the Banks Board Bureau? (a) Narasimham (b) P J Nayak (c) Kamath (d) Malegam

Ans: (b) P J Nayak Committee.

Q4. Inflation targeting framework was recommended by: (a) Urjit Patel (b) Raghuram Rajan (c) Bimal Jalan (d) Subbarao

Ans: (a) Urjit Patel Committee (2014).

Q5. Project Sashakt for NPA resolution came from: (a) Sunil Mehta Committee (b) Sudarshan Sen (c) U K Sinha (d) Malegam

Ans: (a) Sunil Mehta Committee.

Q6. R V Gupta Committee is associated with: (a) KCC (b) RRBs (c) Microfinance (d) Insurance

Ans: (a) Kisan Credit Card.

Q7. Base Rate system was recommended by: (a) Deepak Mohanty Working Group (b) Narasimham II (c) Janak Raj (d) Tarapore

Ans: (a) Deepak Mohanty Working Group (2009).

Chapter 17: Recent Banking Developments 2025–26

Timeline

Date	Development
Feb 2025	First repo cut in ~5 years (6.50% → 6.25%)
1 Apr 2025	Revised MSME definitions; PSL Master Directions 2025; UPS starts; CGTMSE cover ₹10 crore
15 Apr 2025	Banking Laws (Amendment) Act 2025 notified
1 May 2025	43 RRBs merged into 28; ATM charge ₹23
Jun 2025	Repo cut 50 bps to 5.50%; CRR cut to 3% (in 4 tranches); gold & silver loan directions
15 Aug 2025	FASTag Annual Pass
Aug 2025	AU SFB gets in-principle nod for universal bank
1 Sep 2025	Ajay Seth takes charge as IRDAI Chairman
15 Sep 2025	Higher UPI limits for capital market, insurance, credit card bills etc.
4 Oct 2025	CTS continuous clearing Phase 1; "Aapki Punji Aapka Adhikar" campaign
Oct 2025	Biometric authentication on UPI; offline e₹
1 Nov 2025	Up to 4 nominees in bank accounts
28 Nov 2025	RBI consolidates ~9,400 circulars into ~240 Master Directions
2 Dec 2025	D-SIB list – SBI, HDFC Bank, ICICI Bank
5 Dec 2025	Repo cut to 5.25%
Dec 2025	Sabka Bima Sabki Raksha Act – 100% FDI in insurance
1 Feb 2026	Budget 2026-27: High Level Committee on Banking for Viksit Bharat; Income-tax Act 2025 from 1 Apr 2026
12 Feb 2026	New CPI series (base 2024) released
25 Mar 2026	Inflation target 4% ±2% retained for 2026–31
27 Mar 2026	RBI Payments Vision 2028
1 Apr 2026	DICGC risk-based premium; revised LCR; new digital payment authentication rules; gold loan LTV tiers
6 Apr 2026	IBC (Amendment) Act 2026
24 Apr 2026	Paytm Payments Bank licence cancelled
2 May 2026	100% FDI in insurance notified
4 May 2026	Rohit Jain becomes RBI Deputy Governor
22 May 2026	Record RBI surplus ₹2.87 lakh crore to Govt

Date	Development
Jun 2026	New WPI series (base 2022-23) and PPI launched
Jun 2026	UPI goes live in Cambodia (9th country); Emirates NBD completes RBL Bank deal
1 Jul 2026	RB-Integrated Ombudsman Scheme 2026
Aug 2026	UPI record: 24.51 bn transactions
7 Oct 2026	Repo hiked to 5.50%; stance "calibrated tightening"
27 Oct 2026	Anup Bagchi takes over as MD & CEO, HDFC Bank

Important Banking Abbreviations

Short	Full form
ANBC	Adjusted Net Bank Credit
CEOBE	Credit Equivalent of Off-Balance Sheet Exposure
NDTL	Net Demand and Time Liabilities
CRAR	Capital to Risk-weighted Assets Ratio
HQLA	High Quality Liquid Assets
CASA	Current Account Savings Account
NOF	Net Owned Fund
MCLR	Marginal Cost of Funds based Lending Rate
EBLR	External Benchmark Lending Rate
PSLC	Priority Sector Lending Certificate
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest of India
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
NCGTC	National Credit Guarantee Trustee Company
TReDS	Trade Receivables Discounting System
FBIL	Financial Benchmarks India Ltd
TREPS	Tri-Party Repo Dealing System
SFMS	Structured Financial Messaging System
NFS	National Financial Switch
NACH	National Automated Clearing House
AePS	Aadhaar Enabled Payment System
LEI	Legal Entity Identifier (20 digits)
PRAN	Permanent Retirement Account Number (12 digits)
UDGAM	Unclaimed Deposits – Gateway to Access inforMation
FSIB	Financial Services Institutions Bureau
NARCL	National Asset Reconstruction Company Ltd

Short	Full form
SDF	Standing Deposit Facility
MSF	Marginal Standing Facility
FATF	Financial Action Task Force
SWIFT	Society for Worldwide Interbank Financial Telecommunication
CVV	Card Verification Value
ECL	Expected Credit Loss

Types of Banking (Quick Recall)

- **Universal banking** – commercial + investment banking under one roof (S H Khan Committee). **Narrow banking** – deposits invested only in risk-free G-secs.
- **Retail** (individuals) vs **Wholesale** (corporates). **Neo/virtual banks** – digital only. **Shadow banking** – NBFC-type credit outside bank regulation.
- **Para-banking** – leasing, mutual funds, insurance, cards by banks. **Bancassurance** – banks selling insurance.
- **Green banking** – environment-friendly practices; RBI framework for **green deposits** (2023).

Practice PYQs

Q1. Which is the latest country to adopt UPI (2026)? (a) Cambodia (b) Qatar (c) France (d) Mauritius

Ans: (a) Cambodia.

Q2. When did the provision for up to 4 nominees in bank accounts come into force? (a) 1 Apr 2025 (b) 1 Aug 2025 (c) 1 Nov 2025 (d) 1 Jan 2026

Ans: (c) 1 November 2025.

Q3. RBI's Payments Vision released in March 2026 is: (a) Payments Vision 2025 (b) 2027 (c) 2028 (d) 2030

Ans: (c) Payments Vision 2028.

Q4. Who took over as MD & CEO of HDFC Bank in October 2026? (a) Sashidhar Jagdishan (b) Anup Bagchi (c) Sandeep Bakhshi (d) Ashok Vaswani

Ans: (b) Anup Bagchi (from 27 Oct 2026).

Q5. What does ANBC stand for? (a) Average Net Bank Credit (b) Adjusted Net Bank Credit (c) Annual Net Bank Credit (d) Adjusted Non-Bank Credit

Ans: (b) Adjusted Net Bank Credit.

Q6. Record surplus transferred by RBI to Government for FY26: (a) ₹2.11 lakh crore (b) ₹2.69 lakh crore (c) ₹2.87 lakh crore (d) ₹3.10 lakh crore

Ans: (c) ₹2.87 lakh crore (₹2,86,588 crore).

ప్రియమైన విద్యార్థులారా,

నంద్యాలలో జరుగుతున్న దుర్ఘాటాలు:

1. తమ సంస్థ తప్ప ఇతర సంస్థలన్నీ ఫేక్ మరియు డమ్మీ కోచింగ్ సెంటర్లని అసత్య ప్రచారం చేయడం.
2. వారి సంస్థ విద్యార్థులు తప్ప ఇతర కోచింగ్ సెంటర్ల విద్యార్థులు నంద్యాలలోని హాస్టల్లో ఉండకూడదని బెదిరించడం; దీనిని అమలు చేయడం కోసం తమ సెక్యూరిటీ గార్డులను హాస్టల్లకు పంపి ఐడీ కార్డులు తనిఖీ చేయించడం.

ఇటువంటి దుర్ఘాటాలను తట్టుకొని నిలబడి **NBCC** అద్భుతమైన ఫలితాలను సాధిస్తోందంటే, దాని వెనుక ఉన్న కష్టాన్ని అర్థం చేసుకోండి. సామాజిక స్పృహ, సామాజిక బాధ్యత మరియు వివేకంతో ఆలోచించండి. రాముడెవరో, రావణుడెవరో గుర్తించి **NBCC**ని ప్రోత్సహించాలని మా మనవి.

ఆత్మీయ విద్యార్థిగళే,

నంద్యాలదల్లి నడయుత్తిరువ అన్యాయగళు:

1. తమ్మ సంస్థేయన్ను హోరతుపడిసి ఇతర సంస్థగళల్లవూ నకలీ ఠాగూ డమ్మీ కోచింగ్ సెంటర్గళేందు సుళ్ళు ప్రచార మాడువుదు.
2. తమ్మ సంస్థేయ విద్యార్థిగళన్ను బిట్టు బేరే యావుదే కోచింగ్ సెంటర్న విద్యార్థిగళు నంద్యాలద ఠాస్వేల్గళల్లి ఇరబారదేందు బేదరిసువుదు; ఇదన్ను జారిగొళిసలు తమ్మ సేక్యూరిటీ గార్డ్గళన్ను ఠాస్వేల్గళిగే కళుహిసి ఐడి కార్డ్గళన్ను పరిశీలిసువుదు.

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