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Complete Syllabus • Conceptual Flowcharts • Comparative Tables • Solved Practice Questions

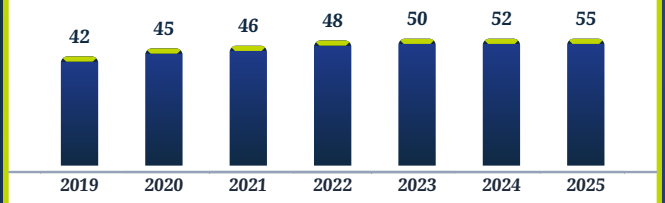
COMPLETE BANKING, FINANCIAL & INSURANCE AWARENESS — STUDY NOTES

RBI Monetary Policy Framework, Banking History, Priority Sector Lending (PSL), NPA & Basel-III Norms, SARFAESI & IBC 2016, NPCI Digital Payment Ecosystem (UPI, IMPS, NEFT, RTGS, CBDC), Money & Capital Markets (SEBI) & Insurance (IRDAI)

Topic-Wise Exam Weightage Distribution (%)



Previous Years' Question Trend Analysis



Target Competitive, Entrance & Departmental Examinations

IBPS PO/Clerk/SO/RRB • SBI PO/Clerk • RBI Grade B & Assistant • NABARD • LIC AAO/ADO • NIACL • JAIIB/CAIIB

Core Syllabus Pillars & Exam Question Weightage (%)

- RBI Structure, MPC & Monetary Policy (Repo, SDF, MSF, CRR, SLR) (24%)
- Banking History, Nationalization, RRBs, SFBs, Payments Banks & PSL (20%)
- NPA Classification, Basel-III Capital Norms, SARFAESI 2002 & IBC 2016 (18%)
- NPCI Digital Payments (UPI, UPI Lite/123Pay, IMPS, NEFT, RTGS, e-Rupee) (20%)
- Money & Capital Markets (SEBI) & Insurance Principles (IRDAI, Schemes) (18%)

Complete Theory
NCERT & Official Sources

Visual Flowcharts
Comparative Matrices

Memory Tricks
Exam Trap Alerts

75+ Solved MCQs
One-Liner Capsules

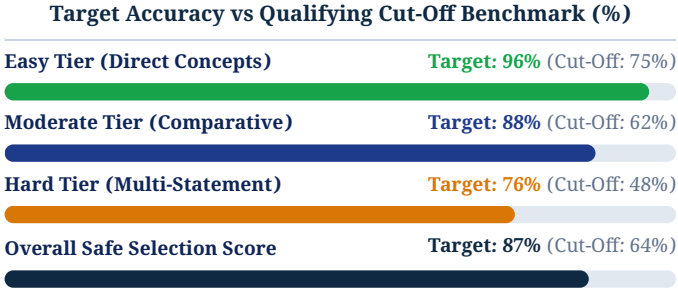
Preface, Exam Weightage Dashboard & Study Strategy — COMPLETE BANKING, FINANCIAL & INSURANCE AWARENESS — STUDY NOTES

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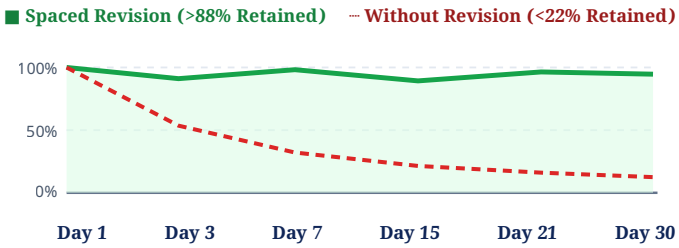
Dear Aspirants,

Modern competitive, entrance, and departmental promotion examinations demand a combination of deep conceptual clarity, statutory precision, and rapid revision tools. Prepared by **Inclusive Universal Careers Academy (IUC Academy — www.iucacademy.com)**, these comprehensive English-medium study notes integrate **structured chapter theory, 4-node conceptual process flowcharts, multi-column comparative tables, inline mathematical/scientific formulas, 'Did You Know?' boxes, 'Exam Trap Alert' callouts, 'Memory Trick' mnemonics, Chapter-End Analytical Synthesis Matrices, 75+ Step-by-Step Solved MCQs, and Rapid-Fire One-Liner Revision Capsules**.

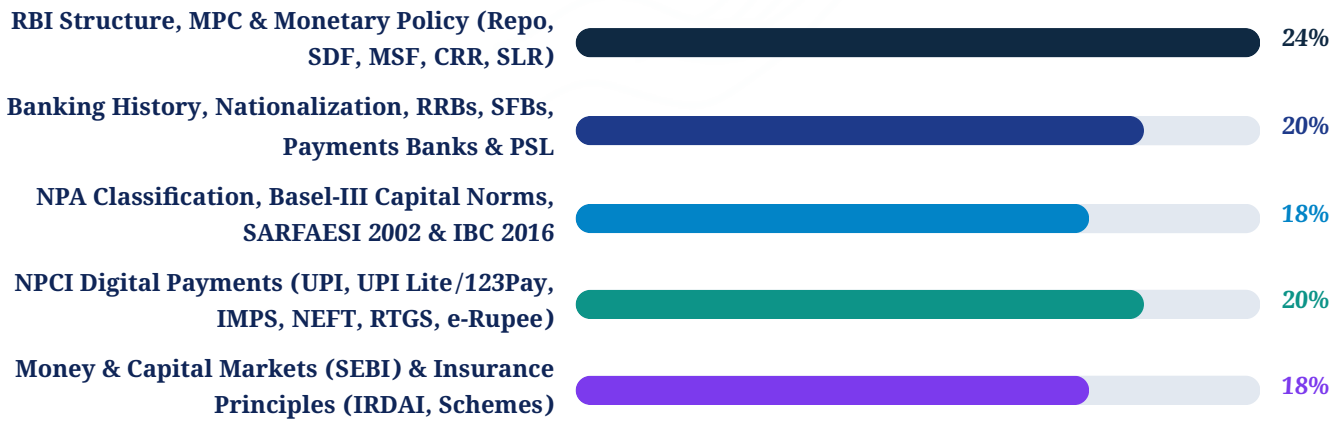
Target Accuracy vs Qualifying Cut-Off Benchmark (%)



Spaced Revision (1-3-7-21 Day Rule) & Retention Curve



Topic-Wise Exam Question Weightage Index (%)



Verified Official Curriculum & Statutory Reference Portals

- **Reserve Bank of India (RBI)** (https://www.rbi.org.in/)
- **National Payments Corporation of India (NPCI)** (https://www.npci.org.in/)
- **Securities and Exchange Board of India (SEBI)** (https://www.sebi.gov.in/)
- **Press Information Bureau (PIB)** (https://www.pib.gov.in/)
- **IUC Academy Official Portal** (https://www.iucacademy.com)

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- 1.1 Historical Evolution of Banking in India & Establishment of RBI

2. Chapter 2: Bank Nationalization, Public Sector Mergers, PSL Norms & Niche Banks

- 2.1 Nationalization Phases, Public Sector Bank Consolidation & Classification

3. Chapter 3: Basel-III Capital Adequacy Norms, Risk-Weighted Assets & PCA Framework

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9. Solved Exam Practice Questions (MCQs)

10. Extended Comparative & Analytical Practice Set (Questions 36–75)

11. Rapid-Fire Last-Minute One-Liner Revision Capsule

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Official Reference Portals: Reserve Bank of India (RBI) | NPCI Official Portal | SEBI Official Portal | IUC Academy Official Portal

Target Examinations: IBPS PO/Clerk/SO, SBI PO/Clerk, RBI Grade B/Assistant, NABARD, SEBI Grade A, LIC AAO/ADO, NIACL, JAIIB/CAIIB, SSC CGL, and UPSC CSE Economy.

Chapter 1: Evolution of Indian Banking, Reserve Bank of India (RBI) & Monetary Policy Framework

1.1 Historical Evolution of Banking in India & Establishment of RBI

• **Early Presidency Banks & Imperial Bank of India:**

• **First Bank in India:** *Bank of Hindustan* (established in 1770 at Calcutta by Alexander & Co.; liquidated in 1832).

• **First Bank with Limited Liability Managed by Indians:** *Oudh Commercial Bank* (established in 1881 at Faizabad); **First Purely Indian Bank (owned and managed by Indians):** *Punjab National Bank* (founded on 19 May 1894 in Lahore by Lala Lajpat Rai and Dyal Singh Majithia) (RBI Official Portal).

• **Three Presidency Banks:** Bank of Bengal (1806/1809), Bank of Bombay (1840), and Bank of Madras (1843) were amalgamated in **1921** to form the **Imperial Bank of India**, which was subsequently nationalized on **1 July 1955** under the State Bank of India Act, 1955 (on the recommendation of the **All India Rural Credit Survey Committee** headed by **A.D. Gorwala**) to become the **State Bank of India (SBI)** (RBI Official Portal).

• **Reserve Bank of India (RBI) Statutory Architecture:**

• **Hilton Young Commission (1926):** Recommended the creation of a central bank based on Dr. B.R. Ambedkar's book *The Problem of the Rupee* (RBI Official Portal).

• **Establishment & Nationalization:** Enacted via the **Reserve Bank of India Act, 1934**, the RBI commenced operations on **1 April 1935** with an initial paid-up capital of **₹5 Crore** (divided into 5 lakh fully paid shares of ₹100 each). Originally headquartered in **Calcutta**, its permanent headquarters shifted to **Mumbai (Bombay) in 1937**. It was nationalized on **1 January 1949** via the Reserve Bank (Transfer to Public Ownership) Act, 1948 (RBI Official Portal).

• **Governors of RBI: Sir Osborne Smith** (First Governor, 1935–1937, never signed Indian currency notes); **Sir James Braid Taylor** (First Governor to sign currency notes); **Sir C.D. Deshmukh** (First Indian Governor, 1943–1949, represented India at Bretton Woods); **KJ Udeshi** (First Woman Deputy Governor of RBI) (RBI Official Portal).

• **Monetary Policy Committee (MPC) under Section 45ZB of RBI Act, 1934:**

• Constituted in **2016** on the recommendation of the **Urjit Patel Committee (2014)** to maintain a flexible **Consumer Price Index (CPI-Combined) Inflation Target of 4\% ± 2\%** (Lower tolerance limit: 2\%; Upper tolerance limit: 6\%, notified by Central Government in consultation with RBI every 5 years) (RBI Official Portal).

• **Composition (6 Members): 3 Internal RBI Members** (RBI Governor as *ex-officio* Chairperson, Deputy Governor in charge of Monetary Policy, and one RBI Executive Director) + **3 External Members** appointed by the Central Government for a 4-year non-renewable term. Decisions are taken by majority vote, with the **RBI Governor holding a second or casting vote** in the event of a tie. Required to meet at least **4 times a year** (typically meets bi-monthly, 6 times a year) (**RBI Official Portal**).

1.2 Monetary Policy Transmission Mechanism Flowchart

Step-by-Step Conceptual Process Flowchart

STEP 1
6-Member Monetary Policy Committee Evaluates CPI-Combined Inflation (4% +/- 2%)

STEP 2
Calibration of Policy Repo Rate & LAF Liquidity Corridor (SDF / MSF)

STEP 3
Transmission to Commercial Bank External Benchmark Lending Rates (EBLR) & MCLR

STEP 4
Regulation of Aggregate Credit Demand, Money Supply (M3) & Price Stability

1.3 Master Comparative Table of RBI Quantitative & Qualitative Monetary Policy Tools

Instrument Name & Statutory Provision	Nature & Mechanism	Relationship with Policy Repo Rate / NDTL	Impact of Increase on Money Supply & Inflation (RBI)
Policy Repo Rate (Repurchase Rate)	Short-term rate at which RBI lends overnight/ short-term liquidity to Scheduled Banks against Government Securities (G-Secs) under LAF.	Anchor benchmark rate of the Liquidity Adjustment Facility (LAF) corridor.	**Increase in Repo Rate** makes borrowing costlier → reduces bank credit creation → **curbs demand-pull inflation** (Hawkish/Dear Money Policy).
Standing Deposit Facility (SDF) Rate (Section 17, RBI Act)	Introduced in **April 2022** as the **floor of the LAF corridor** (replacing Fixed Reverse Repo as the floor); RBI absorbs excess overnight liquidity from banks **WITHOUT providing collateral**.	Kept **25 basis points (0.25\ %) BELOW** the Policy Repo Rate.	Drains surplus liquidity from the banking system without any G-Sec collateral constraint on RBI's balance sheet.
Marginal Standing Facility (MSF) Rate & Bank Rate	**MSF** (introduced 2011) is the **ceiling of the LAF corridor** allowing Scheduled Commercial Banks to borrow overnight up to a specified \ % of NDTL by dipping into their SLR portfolio. **Bank Rate** (Section 49) is the long-term penal/ rediscounting rate without collateral.	Both MSF Rate and Bank Rate are aligned **25 basis points (0.25\%) ABOVE** the Policy Repo Rate.	Acts as a safety valve against sharp overnight spikes in interbank Call Money rates; used for calculating penalties on CRR/SLR shortfalls.
Cash Reserve Ratio (CRR) — Section 42(1) of RBI Act, 1934	Minimum fraction of **Net Demand and Time Liabilities (NDTL)** that every Scheduled Bank must maintain with the **RBI solely in Cash**.	No statutory floor or ceiling since the 2006 Amendment; **RBI pays ZERO interest** on CRR balances.	**Increase in CRR** directly immobilizes lendable cash resources with RBI → lowers the Money Multiplier.

Instrument Name & Statutory Provision	Nature & Mechanism	Relationship with Policy Repo Rate / NDTL	Impact of Increase on Money Supply & Inflation (RBI)
Statutory Liquidity Ratio (SLR) — Section 24 of Banking Regulation Act, 1949	Minimum percentage of **NDTL** that banks must maintain with **themselves** in liquid assets (**Cash, Gold valued at market price, or unencumbered RBI-approved Government Securities**).	Statutory **maximum ceiling is 40\% of NDTL** (floor removed in 2007); banks earn yield on G-Sec holdings.	Ensures bank solvency and creates a captive institutional market for Government dated securities and Treasury Bills.
Open Market Operations (OMO) & Market Stabilisation Scheme (MSS)	**OMO:** Outright purchase/sale of G-Secs by RBI. **MSS (2004):** Issuance of special T-Bills/Dated securities to absorb enduring surplus liquidity arising from large foreign capital inflows.	MSS proceeds are sequestered in a separate government account with RBI and not used for routine fiscal expenditure.	**OMO Sale** absorbs Rupee liquidity from the market; **OMO Purchase** injects Rupee liquidity into the banking system.
Currency Note Issuance — Minimum Reserve System (MRS, 1956)	Under **Section 22 of RBI Act**, RBI has the sole monopoly to issue currency notes of ₹2 to ₹10,000 (₹1 *note and all coins are minted by Govt of India under Coinage Act, 2011, signed by the Finance Secretary*).	Since **1956**, RBI maintains a **Minimum Reserve of ₹200 Crore (₹115 Crore in Gold Bullion/Coin + ₹85 Crore in Foreign Currency Assets**).	Replaced the Proportional Reserve System; allows elastic expansion of currency circulation backed by sovereign reserves.

Did You Know?: The Reserve Bank of India is the **only central bank in the world** to have served as the monetary authority for **three separate countries**: **India**, **Myanmar (Burma)** (until April 1947), and **Pakistan** (until June 1948) (RBI Official Portal).

Exam Trap Alert: Notice the exact statutory acts governing **CRR** and **SLR**: **CRR** is governed by **Section 42(1) of the Reserve Bank of India Act, 1934** (maintained in cash only with RBI, earning no interest), whereas **SLR** is governed by **Section 24 of the Banking Regulation Act, 1949** (maintained by the bank itself in Cash, Gold, or G-Secs) (RBI Official Portal).

★ **Memory Trick:** To remember the **LAF Corridor Width (50 bps total)**: **SDF Rate = Repo Rate - 0.25\%** (Floor, no collateral) \longleftrightarrow **Policy Repo Rate** (Middle Anchor) \longleftrightarrow **MSF Rate & Bank Rate = Repo Rate + 0.25\%** (Ceiling, penal benchmark) (IUC Academy).

Chapter *1* Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Historical Evolution of Banking in India & Establishment of RBI	**First Bank in India**	*Bank of Hindustan* (established in 1770 at Calcutta by Alexander & Co.; liquidated in 1832).
Monetary Policy Transmission Mechanism Flowchart	**First Bank with Limited Liability Managed by Indians**	*Oudh Commercial Bank* (established in 1881 at Faizabad); **First Purely Indian Bank (owned and managed by Indians):** *Punjab National Bank* (founded on 19 May 1894 in Lahore by Lala Lajpat Rai and Dyal Singh Majithia) (RBI Official Portal).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Master Comparative Table of RBI Quantitative & Qualitative Monetary Policy Tools	**Three Presidency Banks**	Bank of Bengal (*1806/1809*), Bank of Bombay (*1840*), and Bank of Madras (*1843*) were amalgamated in **1921** to form the **Imperial Bank of India**, which was subsequently nationalized on **1 July 1955** under the State Bank of India Act, *1955* (on the recommendation of the **All India Rural Credit Survey Committee** headed by **A.D. Gorwala**) to become the **State Bank of India (SBI)** (RBI Official Portal).
Historical Evolution of Banking in India & Establishment of RBI	**Hilton Young Commission (*1926*)**	Recommended the creation of a central bank based on Dr. B.R. Ambedkar's book *The Problem of the Rupee* (RBI Official Portal).
Monetary Policy Transmission Mechanism Flowchart	**Establishment & Nationalization**	Enacted via the **Reserve Bank of India Act, 1934**, the RBI commenced operations on **1 April 1935** with an initial paid-up capital of **₹5 Crore** (divided into 5 lakh fully paid shares of ₹100 each). Originally headquartered in **Calcutta**, its permanent headquarters shifted to **Mumbai (Bombay) in 1937**. It was nationalized on **1 January 1949** via the Reserve Bank (Transfer to Public Ownership) Act, *1948* (RBI Official Portal).
Master Comparative Table of RBI Quantitative & Qualitative Monetary Policy Tools	**Governors of RBI**	**Sir Osborne Smith** (First Governor, *1935–1937*, never signed Indian currency notes); **Sir James Braid Taylor** (First Governor to sign currency notes); **Sir C.D. Deshmukh** (First Indian Governor, *1943–1949*, represented India at Bretton Woods); **KJ Udeshi** (First Woman Deputy Governor of RBI) (RBI Official Portal).
Historical Evolution of Banking in India & Establishment of RBI	**Composition (6 Members)**	**3 Internal RBI Members** (RBI Governor as *ex-officio* Chairperson, Deputy Governor in charge of Monetary Policy, and one RBI Executive Director) + **3 External Members** appointed by the Central Government for a 4-year non-renewable term. Decisions are taken by majority vote, with the **RBI Governor holding a second or casting vote** in the event of a tie. Required to meet at least **4 times a year** (typically meets bi-monthly, 6 times a year) (RBI Official Portal).

Chapter *1* Multi-Statement Exam Verification Drills

Chapter 1 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (First Bank in India): *Bank of Hindustan* (established in 1770 at Calcutta by Alexander & Co.; liquidated in 1832).

Statement-II (First Bank with Limited Liability Managed by Indians): *Oudh Commercial Bank* (established in 1881 at Faizabad); **First Purely Indian Bank (owned and managed by Indians):** *Punjab National Bank* (founded on 19 May 1894 in Lahore by Lala Lajpat Rai and Dyal Singh Majithia) (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 1 Statement-Verification Drill #2 Both Statements Verified Correct

Statement-I (Three Presidency Banks): Bank of Bengal (1806/1809), Bank of Bombay (1840), and Bank of Madras (1843) were amalgamated in **1921** to form the **Imperial Bank of India**, which was subsequently nationalized on **1 July 1955** under the State Bank of India Act, 1955 (on the recommendation of the **All India Rural Credit Survey Committee** headed by **A.D. Gorwala**) to become the **State Bank of India (SBI)** (RBI Official Portal).

Statement-II (Hilton Young Commission (1926)): Recommended the creation of a central bank based on Dr. B.R. Ambedkar's book *The Problem of the Rupee* (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 1 Statement-Verification Drill #3 Both Statements Verified Correct

Statement-I (Establishment & Nationalization): Enacted via the **Reserve Bank of India Act, 1934**, the RBI commenced operations on **1 April 1935** with an initial paid-up capital of **₹5 Crore** (divided into 5 lakh fully paid shares of ₹100 each). Originally headquartered in **Calcutta**, its permanent headquarters shifted to **Mumbai (Bombay) in 1937**. It was nationalized on **1 January 1949** via the Reserve Bank (Transfer to Public Ownership) Act, 1948 (RBI Official Portal).

Statement-II (Governors of RBI): Sir Osborne Smith (First Governor, 1935–1937, never signed Indian currency notes); **Sir James Braid Taylor** (First Governor to sign currency notes); **Sir C.D. Deshmukh** (First Indian Governor, 1943–1949, represented India at Bretton Woods); **KJ Udeshi** (First Woman Deputy Governor of RBI) (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 2: Bank Nationalization, Public Sector Mergers, PSL Norms & Niche Banks

2.1 Nationalization Phases, Public Sector Bank Consolidation & Classification

• **Two Historic Phases of Bank Nationalization in India:**

• **Phase I (19 July 1969): 14 major private commercial banks** having national deposits of **₹50 Crore or more** were nationalized under the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance/Act, 1969 (RBI Official Portal).

• **Phase II (15 April 1980): 6 additional private commercial banks** having demand and time liabilities of **₹200 Crore or more** were nationalized (*New Bank of India* was later merged into *Punjab National Bank* in 1993) (RBI Official Portal).

• **Present Structure of 12 Public Sector Banks (PSBs) in India:** Following the landmark consolidations (merging 5 Associate Banks + Bharatiya Mahila Bank into SBI in 2017; merging Vijaya Bank and Dena Bank into Bank of Baroda in 2019; and merging 10 PSBs into 4 anchor banks effective **1 April 2020**), India has exactly **12 Public Sector Banks**:

• **1. State Bank of India (SBI)**; **2. Punjab National Bank (PNB)** (merged Oriental Bank of Commerce + United Bank of India); **3. Bank of Baroda (BoB)** (merged Vijaya Bank + Dena Bank); **4. Canara Bank** (merged Syndicate Bank); **5. Union Bank of India** (merged Andhra Bank + Corporation Bank); **6. Indian Bank** (merged Allahabad Bank); **7. Bank of India (BoI)**; **8. Central Bank of India**; **9. Indian Overseas Bank (IOB)**; **10. UCO Bank**; **11. Bank of Maharashtra**; and **12. Punjab & Sind Bank** (RBI Official Portal).

• **Regional Rural Banks (RRBs):** Established on **2 October 1975** (first RRB: **Prathama Bank**, head office in Moradabad, UP, sponsored by Syndicate Bank) on the recommendation of the **M. Narasimham Working Group (1975)** under the RRB Act, 1976. **Shareholding Pattern (35 : 50 : 15): Central Government (50\%)** : **Sponsor Bank (35\%)** : **State Government (15\%)** (RBI Official Portal).

2.2 Priority Sector Lending *(PSL)* Compliance & RIDF Shortfall Flowchart

Step-by-Step Conceptual Process Flowchart

STEP 1
Calculation of Adjusted Net Bank Credit (ANBC) or CEOBE for Previous Year

STEP 2
Mandatory Allocation to 8 Priority Sectors (40% for Domestic SCBs; 75% for RRBs & SFBs)

STEP 3
Trading of Surplus/Deficit via Priority Sector Lending Certificates (PSLCs) on RBI e-Kuber

STEP 4
Unmet Shortfall Transferred to NABARD RIDF / SIDBI / NHB Funds

2.3 Comparative Table of Differentiated Banks, Commercial Banks & PSL Targets

Bank Category	Recommending Committee	Minimum Paid-up Voting Equity Capital	Priority Sector Lending (PSL) Target (% of ANBC)	Key Operational Restrictions & Mandates (RBI)
Domestic Scheduled Commercial Banks (PSBs & Private Banks) & Foreign Banks (≥ 20 branches)	Narasimham Committee I (1991) & II (1998); P.J. Nayak Committee (2014)	**₹1,000 Crore** for Universal Banks under 'On-Tap' Licensing (increased from ₹500 Crore)	**40\% of ANBC** (including **18\% Agriculture** with **10\% Small & Marginal Farmers**, **7.5\% Micro Undertakings**, and **12\% Weaker Sections**)	Full universal banking; must open at least **25\% of new branches in unbanked rural centres** (Tier 5 & Tier 6 centres with population < 9,999).
Foreign Banks with < 20 Branches in India	RBI Foreign Bank Framework	Capital as per host/home regulatory framework	**40\% of ANBC** (up to 32\% can be in Export Credit, and at least 8\% in any other PSL sub-sector)	Subject to RBI's Wholly Owned Subsidiary (WOS) or branch mode norms.
Small Finance Banks (SFBs) (First SFB: *Capital Small Finance Bank*, Jalandhar, April 2016)	**Usha Thorat Committee** (Internal licensing examination by **Nachiket Mor Committee**)	**₹200 Crore** (under On-Tap Licensing guidelines; ₹100 Cr for Urban Co-op Banks converting to SFBs, rising to ₹200 Cr in 5 years)	**75\% of ANBC** across Priority Sector categories	At least **50\% of its loan portfolio** must comprise loans and advances of up to **₹25 Lakh** to promote micro/small financial inclusion.
Payments Banks (PBs) (First live PB: *Airtel Payments Bank*, Nov 2016; also IPPB, Paytm PB, Fino, Jio, NSDL)	**Dr. Nachiket Mor Committee** (2014) on Comprehensive Financial Services	**₹100 Crore** (Promoter's minimum initial contribution is 40\% locked in for 5 years)	**Not Applicable (0% Lending)** — Payments Banks **CANNOT lend loans** or issue **Credit Cards**	Can accept **Demand Deposits (Savings & Current Accounts) up to ₹2,00,000 per customer**; cannot accept NRI deposits or Time Deposits (FDs/RDs); must invest at least **75\% of demand deposits in SLR G-Secs/T-Bills**.

Bank Category	Recommending Committee	Minimum Paid-up Voting Equity Capital	Priority Sector Lending (PSL) Target (% of ANBC)	Key Operational Restrictions & Mandates (RBI)
Regional Rural Banks (RRBs)	**M. Narasimham Working Group (1975); Kelkar Committee (1986)** *(Zero new RRBs since 1987)*	Shareholding: **Central Govt (50\%) : Sponsor Bank (35\%) : State Govt (15\%)**	**75\% of ANBC** (with 18\% Agriculture, 10\% SMF, 7.5\% Micro, 15\% Weaker Sections)	Regulated by **RBI** and supervised by **NABARD** under Section 35(6) of the Banking Regulation Act, 1949.
Primary (Urban) Co-operative Banks (UCBs)	**N.S. Vishwanathan Committee** *(2021 — 4-Tier Regulatory Structure for UCBs)*	Tier-1 (Deposits up to ₹100 Cr) to Tier-4 (Deposits > ₹10,000 Cr)	**60\% of ANBC** (phased increase from 40\% to 60\% for UCBs)	Governed under dual/amended supervision after the **Banking Regulation (Amendment) Act, 2020** empowered RBI over cooperative bank management and reconstruction.

Did You Know?: Every year, the RBI identifies **Domestic Systemically Important Banks (D-SIBs)**—banks whose assets exceed **2\% of India's GDP** and are considered "*Too Big To Fail (TBTF)*". Currently, **three Indian banks** are designated as D-SIBs: **State Bank of India (Bucket 4)**, **HDFC Bank (Bucket 2)**, and **ICICI Bank (Bucket 1)**, requiring them to maintain additional Common Equity Tier 1 (CET1) capital buffers (**RBI Official Portal**).

Exam Trap Alert: NABARD (established on **12 July 1982** on the recommendation of the **B. Sivaraman Committee / CRAFICARD**) **supervises** Regional Rural Banks (RRBs) and State/District Central Co-operative Banks, whereas **Urban Co-operative Banks (UCBs)** are BOTH regulated and directly supervised by the **Reserve Bank of India (RBI)** (**RBI Official Portal**).

★ **Memory Trick:** Remember the **8 Official Priority Sector Lending (PSL) Categories** via **"A-M-E-E-H-S-R-O"**: **A**griculture, **M**SMEs, **E**xport Credit, **E**ducation, **H**ousing, **S**ocial Infrastructure, **R**enewable Energy, and **O**thers (including Start-ups up to ₹50 Crore) (**RBI Official Portal**).

Chapter *2* Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Nationalization Phases, Public Sector Bank Consolidation & Classification	**Phase I (19 July 1969)**	**14 major private commercial banks** having national deposits of **₹50 Crore or more** were nationalized under the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance/Act, 1969 (**RBI Official Portal**).
Priority Sector Lending (PSL) Compliance & RIDF Shortfall Flowchart	**Phase II (15 April 1980)**	**6 additional private commercial banks** having demand and time liabilities of **₹200 Crore or more** were nationalized (*New Bank of India* was later merged into *Punjab National Bank* in 1993) (**RBI Official Portal**).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Comparative Table of Differentiated Banks, Commercial Banks & PSL Targets	**Present Structure of 12 Public Sector Banks (PSBs) in India**	Following the landmark consolidations (merging 5 Associate Banks + Bharatiya Mahila Bank into SBI in 2017; merging Vijaya Bank and Dena Bank into Bank of Baroda in 2019; and merging 10 PSBs into 4 anchor banks effective **1 April 2020**), India has exactly **12 Public Sector Banks**:
Nationalization Phases, Public Sector Bank Consolidation & Classification	**1. State Bank of India (SBI)**	; **2. Punjab National Bank (PNB)** (merged Oriental Bank of Commerce + United Bank of India); **3. Bank of Baroda (BoB)** (merged Vijaya Bank + Dena Bank); **4. Canara Bank** (merged Syndicate Bank); **5. Union Bank of India** (merged Andhra Bank + Corporation Bank); **6. Indian Bank** (merged Allahabad Bank); **7. Bank of India (BoI)**; **8. Central Bank of India**; **9. Indian Overseas Bank (IOB)**; **10. UCO Bank**; **11. Bank of Maharashtra**; and **12. Punjab & Sind Bank** (RBI Official Portal).
Priority Sector Lending (PSL) Compliance & RIDF Shortfall Flowchart	**Regional Rural Banks (RRBs)**	Established on **2 October 1975** (first RRB: **Prathama Bank**, head office in Moradabad, UP, sponsored by Syndicate Bank) on the recommendation of the **M. Narasimham Working Group (1975)** under the RRB Act, 1976. **Shareholding Pattern (35 : 50 : 15): Central Government (50\%)** : **Sponsor Bank (35\%)** : **State Government (15\%)** (RBI Official Portal).

Chapter *2* Multi-Statement Exam Verification Drills

Chapter 2 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (Phase I (19 July 1969)): 14 major private commercial banks having national deposits of **₹50 Crore or more** were nationalized under the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance/Act, 1969 (RBI Official Portal).

Statement-II (Phase II (15 April 1980)): 6 additional private commercial banks having demand and time liabilities of **₹200 Crore or more** were nationalized (*New Bank of India* was later merged into *Punjab National Bank* in 1993) (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 2 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (Present Structure of 12 Public Sector Banks (PSBs) in India): Following the landmark consolidations (merging 5 Associate Banks + Bharatiya Mahila Bank into SBI in 2017; merging Vijaya Bank and Dena Bank into Bank of Baroda in 2019; and merging 10 PSBs into 4 anchor banks effective **1 April 2020**), India has exactly **12 Public Sector Banks**:

Statement-II (1. State Bank of India (SBI)): ; **2. Punjab National Bank (PNB)** (merged Oriental Bank of Commerce + United Bank of India); **3. Bank of Baroda (BoB)** (merged Vijaya Bank + Dena Bank); **4. Canara Bank** (merged Syndicate Bank); **5. Union Bank of India** (merged Andhra Bank + Corporation Bank); **6. Indian Bank** (merged Allahabad Bank); **7. Bank of India (BoI)**; **8. Central Bank of India**; **9. Indian Overseas Bank (IOB)**; **10. UCO Bank**; **11. Bank of Maharashtra**; and **12. Punjab & Sind Bank** (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 3: Basel-III Capital Adequacy Norms, Risk-Weighted Assets & PCA Framework

3.1 Basel Committee on Banking Supervision (BCBS) & Three Pillars of Basel-III

• **Origin at Bank for International Settlements (BIS):** Headquartered in **Basel, Switzerland**, the Basel Committee on Banking Supervision (established in 1974 by G10 central bank governors) issued three successive international banking accords:

• **Basel-I (1988):** Focused exclusively on **Credit Risk**, prescribing a minimum Capital to Risk-Weighted Assets Ratio (CRAR / CAR) of **8\%** (adopted by India in 1992/1999) (RBI Official Portal).

• **Basel-II (2004):** Introduced the **Three-Pillar Framework—Pillar 1: Minimum Capital Requirements** (covering Credit Risk, Market Risk, and Operational Risk), **Pillar 2: Supervisory Review Process**, and **Pillar 3: Market Discipline** (RBI Official Portal).

• **Basel-III (2010, post-2008 Global Financial Crisis):** Strengthened quality and quantity of bank capital by introducing **Common Equity Tier 1 (CET1)**, **Capital Conservation Buffer (CCB)**, **Countercyclical Capital Buffer (CCyB)**, **Leverage Ratio**, **Liquidity Coverage Ratio (LCR)**, and **Net Stable Funding Ratio (NSFR)** (RBI Official Portal).

• **Structure of Bank Regulatory Capital under Basel-III:**

• **Tier-1 Capital (Core / Going-Concern Capital):** Absorbs losses while the bank remains solvent and operational without triggering liquidation. Comprises **Common Equity Tier 1 (CET1)** (paid-up equity share capital, statutory reserves, retained earnings) and **Additional Tier 1 (AT1) Capital** (Perpetual Non-Cumulative Preference Shares [PNCPS] and Perpetual Debt Instruments / AT1 Bonds) (RBI Official Portal).

• **Tier-2 Capital (Supplementary / Gone-Concern Capital):** Absorbs losses in the event of winding up or liquidation. Comprises undisclosed reserves, revaluation reserves (at a 55\% discount), general provisions and loss reserves (up to 1.25\% of Credit RWAs), and subordinated debt instruments with a minimum original maturity of **5 years** (RBI Official Portal).

3.2 Basel-III Capital & Liquidity Compliance Flowchart

Step-by-Step Conceptual Process Flowchart



3.3 Comparative Table: Global BCBS Basel-III Norms vs RBI Mandated Basel-III Norms in India

Basel-III Parameter / Ratio	Global BCBS Standard (% of RWAs)	RBI Norm for Indian SCBs (% of RWAs)	Formula / Core Regulatory Significance (RBI)
Minimum Common Equity Tier 1 (CET1) Ratio	**4.5\%**	**5.5\%**	CET1 / Total RWAs; highest-quality loss-absorbing core equity capital.
Additional Tier 1 (AT1) Capital	**1.5\%**	**1.5\%**	Perpetual instruments with principal write-down or equity conversion triggers.
Minimum Total Tier-1 Capital Ratio (CET1 + AT1)	**6.0\%**	**7.0\%**	Going-concern capital that absorbs losses without bank closure.
Maximum Tier-2 Capital Ratio (within Minimum CRAR)	**2.0\%**	**2.0\%**	Gone-concern capital absorbing losses upon liquidation.
Minimum Capital to Risk-Weighted Assets Ratio (CRAR / CAR)	**8.0\%**	**9.0\%** (for Scheduled Commercial Banks; **15\%** for SFBs & Payments Banks)	$CRAR = (Tier-1 Capital + Tier-2 Capital / Credit RWA + Market RWA + Operational RWA) × 100$.
Capital Conservation Buffer (CCB)	**2.5\%** (purely in CET1)	**2.5\%** (purely in CET1)	Built up during normal economic periods so banks can draw it down during stress; restricting dividend payouts if breached.
Minimum Total Capital + CCB	**10.5\%** (8\% + 2.5\%)	**11.5\%** (9\% + 2.5\%)	Total mandatory capital adequacy benchmark for Indian commercial banks (plus 0.20\% to 0.80\% extra CET1 for D-SIBs).
Countercyclical Capital Buffer (CCyB)	**0\% to 2.5\%**	**0\% to 2.5\%** (activated by RBI based on Credit-to-GDP gap)	Protects the banking sector from periods of excessive aggregate credit growth.
Basel-III Leverage Ratio	**3.0\%**	**4.0\%** for Domestic Systemically Important Banks (D-SIBs) and **3.5\%** for other banks	(Tier-1 Capital / Total On- and Off-Balance Sheet Exposure) (non-risk-based backstop measure).
Liquidity Coverage Ratio (LCR) & Net Stable Funding Ratio (NSFR)	**≥ 100\%**	**≥ 100\%**	**LCR:** Stock of High-Quality Liquid Assets (HQLA) sufficient for a **30-calendar-day** acute stress scenario. **NSFR:** Available Stable Funding / Required Stable Funding over a **1-year** horizon.

Did You Know?: Under the RBI's revised **Prompt Corrective Action (PCA) Framework** (applicable to Scheduled Commercial Banks and extended to NBFCs), the RBI monitors **three parameters** across Risk Thresholds 1, 2, and 3: **1. Capital (CRAR and CET1 Ratio)**, **2. Asset Quality (Net NPA Ratio: ≥ 6\% for Threshold 1, ≥ 9\% for Threshold 2, ≥ 12\% for Threshold 3)**, and **3. Leverage (Tier-1 Leverage Ratio)**—noting that *Return on Assets (RoA)* was removed as a PCA trigger indicator in the November 2021 revision (**RBI Official Portal**).

Exam Trap Alert: While the minimum **CRAR** for Scheduled Commercial Banks in India is **9\%** (and **11.5\%** including CCB), the RBI mandates a higher minimum CRAR of **15\%** for **Small Finance Banks (SFBs)**, **Payments Banks**, and **Non-Banking Financial Companies (NBFCs)** (**RBI Official Portal**).

★ **Memory Trick:** Remember RBI's **5.5 – 1.5 – 2.0 – 2.5 Rule** for Indian Basel-III Capital: **5.5%** (CET1) + **1.5%** (AT1) = **7.0%** (Total Tier-1) + **2.0%** (Tier-2) = **9.0%** (Minimum CRAR) + **2.5%** (CCB) = **11.5%** (Total Capital with CCB) (IUC Academy).

Chapter 3 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Basel Committee on Banking Supervision (BCBS) & Three Pillars of Basel-III	**Origin at Bank for International Settlements (BIS)**	Headquartered in **Basel, Switzerland**, the Basel Committee on Banking Supervision (established in 1974 by G10 central bank governors) issued three successive international banking accords:
Basel-III Capital & Liquidity Compliance Flowchart	**Basel-I (1988)**	Focused exclusively on **Credit Risk**, prescribing a minimum Capital to Risk-Weighted Assets Ratio (CRAR / CAR) of **8\%** (adopted by India in 1992/1999) (RBI Official Portal).
Comparative Table: Global BCBS Basel-III Norms vs RBI Mandated Basel-III Norms in India	**Basel-II (2004)**	Introduced the **Three-Pillar Framework—Pillar 1: Minimum Capital Requirements** (covering Credit Risk, Market Risk, and Operational Risk), **Pillar 2: Supervisory Review Process**, and **Pillar 3: Market Discipline** (RBI Official Portal).
Basel Committee on Banking Supervision (BCBS) & Three Pillars of Basel-III	**Basel-III (2010, post-2008 Global Financial Crisis)**	Strengthened quality and quantity of bank capital by introducing **Common Equity Tier 1 (CET1)**, **Capital Conservation Buffer (CCB)**, **Countercyclical Capital Buffer (CCyB)**, **Leverage Ratio**, **Liquidity Coverage Ratio (LCR)**, and **Net Stable Funding Ratio (NSFR)** (RBI Official Portal).
Basel-III Capital & Liquidity Compliance Flowchart	**Tier-1 Capital (Core / Going-Concern Capital)**	Absorbs losses while the bank remains solvent and operational without triggering liquidation. Comprises **Common Equity Tier 1 (CET1)** (paid-up equity share capital, statutory reserves, retained earnings) and **Additional Tier 1 (AT1) Capital** (Perpetual Non-Cumulative Preference Shares [PNCPS] and Perpetual Debt Instruments / AT1 Bonds) (RBI Official Portal).
Comparative Table: Global BCBS Basel-III Norms vs RBI Mandated Basel-III Norms in India	**Tier-2 Capital (Supplementary / Gone-Concern Capital)**	Absorbs losses in the event of winding up or liquidation. Comprises undisclosed reserves, revaluation reserves (at a 55\% discount), general provisions and loss reserves (up to 1.25\% of Credit RWAs), and subordinated debt instruments with a minimum original maturity of **5 years** (RBI Official Portal).

Chapter 3 Multi-Statement Exam Verification Drills

Chapter 3 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (Origin at Bank for International Settlements (BIS)): Headquartered in **Basel, Switzerland**, the Basel Committee on Banking Supervision (established in 1974 by G10 central bank governors) issued three successive international banking accords:

Statement-II (Basel-I (1988)): Focused exclusively on **Credit Risk**, prescribing a minimum Capital to Risk-Weighted Assets Ratio (CRAR / CAR) of **8\%** (adopted by India in 1992/1999) (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 3 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (Basel-II (2004)): Introduced the **Three-Pillar Framework—Pillar 1: Minimum Capital Requirements** (covering Credit Risk, Market Risk, and Operational Risk), **Pillar 2: Supervisory Review Process**, and **Pillar 3: Market Discipline** (RBI Official Portal).

Statement-II (Basel-III (2010, post-2008 Global Financial Crisis)): Strengthened quality and quantity of bank capital by introducing **Common Equity Tier 1 (CET1)**, **Capital Conservation Buffer (CCB)**, **Countercyclical Capital Buffer (CCyB)**, **Leverage Ratio**, **Liquidity Coverage Ratio (LCR)**, and **Net Stable Funding Ratio (NSFR)** (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 3 Statement-Verification Drill #3 — Both Statements Verified Correct

Statement-I (Tier-1 Capital (Core / Going-Concern Capital)): Absorbs losses while the bank remains solvent and operational without triggering liquidation. Comprises **Common Equity Tier 1 (CET1)** (paid-up equity share capital, statutory reserves, retained earnings) and **Additional Tier 1 (AT1) Capital** (Perpetual Non-Cumulative Preference Shares [PNCPS] and Perpetual Debt Instruments / AT1 Bonds) (RBI Official Portal).

Statement-II (Tier-2 Capital (Supplementary / Gone-Concern Capital)): Absorbs losses in the event of winding up or liquidation. Comprises undisclosed reserves, revaluation reserves (at a 55\% discount), general provisions and loss reserves (up to 1.25\% of Credit RWAs), and subordinated debt instruments with a minimum original maturity of **5 years** (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 4: Non-Performing Assets (NPAs), SARFAESI Act 2002, IBC 2016 & NARCL

4.1 Asset Classification, SMA Categories & NPA Provisioning Norms

• **Definition of Non-Performing Asset (NPA):** An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank—specifically, when interest and/or installment of principal remains **overdue for a period of more than 90 days** in respect of a Term Loan, or an Overdraft/Cash Credit (OD/CC) account remains "*out of order*" for more than 90 days, or a bill purchased/discounted remains overdue for more than 90 days (RBI Official Portal).

• **Agricultural Loan NPA Exception (Crop Season Rule):** A loan granted for **short-duration crops** (crop season ≤ 1 year) is treated as an NPA if the installment of principal or interest remains overdue for **two crop**

seasons, whereas a loan granted for **long-duration crops** (crop season > 1 year, e.g., sugarcane, banana) becomes an NPA when overdue for **one crop season** (RBI Official Portal).

• **Special Mention Accounts (SMA) Early Stress Classification (Before 90 Days):**

• **SMA-0:** Principal or interest payment not overdue for more than 30 days (**1 to 30 days overdue**) (RBI Official Portal).

• **SMA-1:** Principal or interest payment overdue between **31 and 60 days** (RBI Official Portal).

• **SMA-2:** Principal or interest payment overdue between **61 and 90 days** (RBI Official Portal).

• **Three Sub-Categories of NPAs (After Day 90):**

• **1. Sub-Standard Asset:** An asset that has remained an NPA for a period **less than or equal to 12 months** (RBI Official Portal).

• **2. Doubtful Asset:** An asset that has remained in the Sub-Standard category for a period of **12 months** (sub-divided into D1: up to 1 year, D2: 1 to 3 years, and D3: more than 3 years) (RBI Official Portal).

• **3. Loss Asset:** An asset where loss has been identified by the bank, internal/external auditors, or RBI inspection, but the amount has not been written off wholly (requires **100\% provisioning**) (RBI Official Portal).

4.2 Stressed Asset Progression and Statutory Resolution Flowchart

Step-by-Step Conceptual Process Flowchart

STEP 1
Default & Early Warning Classification (SMA-0: 1-30d -> SMA-1: 31-60d -> SMA-2: 61-90d)

STEP 2
NPA Classification on Day >90 (Sub-Standard <=12m -> Doubtful >12m -> Loss Asset)

STEP 3
Secured Collateral Enforcement under SARFAESI Act 2002 (60-Day Section 13(2) Notice)

STEP 4
Corporate Insolvency Resolution Process (CIRP) under IBC 2016 via NCLT (180 to 330 Days)

4.3 Comparative Table of Debt Recovery Mechanisms in India *(DRT, SARFAESI, IBC, NARCL)*

Recovery Framework / Institution	Year & Statutory Mandate	Minimum Pecuniary Threshold & Scope	Adjudicating / Regulatory Authority	Core Legal Timeline & Operational Mechanism (RBI)
Lok Adalats (Legal Services Authorities Act, 1987)	1987	Loans up to **₹20 Lakh**	Civil Court status; no court fee; award is final and binding (no appeal lies)	Amicable settlement through mutual consent for small retail and priority sector defaults.
Debt Recovery Tribunals (DRTs) & DRATs	**RDBFI Act, 1993** (Tiwari Committee, 1981; Narasimham Committee I, 1991)	Pecuniary threshold revised from ₹10 Lakh to **₹20 Lakh and above**	Presiding Officer of DRT; appeal lies to **DRAT** within 30 days upon depositing 50\% (reducible to 25\%) of debt	Summary adjudication bypassing slow civil courts for banks and financial institutions.

Recovery Framework / Institution	Year & Statutory Mandate	Minimum Pecuniary Threshold & Scope	Adjudicating / Regulatory Authority	Core Legal Timeline & Operational Mechanism (RBI)
SARFAESI Act, 2002 (*Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act*)	**2002** (Narasimham Committee II & Andhyarujina Committee)	Secured loans where default exceeds **₹1 Lakh** and remaining debt is >20\% of principal+interest; **DOES NOT apply to Agricultural Land**	Secured creditors enforce security interest directly **without court intervention**; appeals go to DRT	Upon NPA classification, bank issues a **60-day demand notice under Section 13(2)**; if unpaid, takes possession of collateral under **Section 13(4)**. Established **CERSAI** (2011) to prevent equitable mortgage fraud.
Insolvency and Bankruptcy Code (IBC), 2016	**2016** (Drafted by Bankruptcy Law Reforms Committee headed by **Dr. T.K. Viswanathan**)	Minimum default threshold for Corporate Insolvency (CIRP) raised from ₹1 Lakh to **₹1 Crore** (Pre-Packaged PIRP for MSMEs: **₹10 Lakh**)	**IBBI** (Regulator); **NCLT** (Adjudicating Authority for Companies/LLPs; appeal to NCLAT); **DRT** (for Individuals & Partnerships)	Creditor-in-control regime via Resolution Professional and Committee of Creditors (CoC — **66\% voting share** needed for Resolution Plan approval); statutory timeline **180 days + 90 days extension (outer limit 330 days)**.
NARCL & IDRCL (National Asset Reconstruction Company Ltd — India's Bad Bank)	**2021** (Incorporated under Companies Act; licensed as ARC by RBI under Section 3 of SARFAESI Act)	Acquires legacy stressed accounts of **₹500 Crore and above** from commercial banks	**NARCL** holds **51\% ownership by PSBs**; **IDRCL** (India Debt Resolution Company Ltd, operational manager) holds **51\% ownership by Private Sector**	**15 : 85 Acquisition Structure:** NARCL pays **15\% in Upfront Cash** and issues **85\% as Government-Guaranteed Security Receipts (SRs)** backed by a **₹30,600 Crore** 5-year sovereign guarantee.

Did You Know?: The **Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)** was established in **2011** under Chapter IV of the SARFAESI Act, 2002, to maintain a central online database of all equitable mortgages (mortgages by deposit of title deeds) and hypothecations, preventing borrowers from taking multiple loans on the same property from different banks (**RBI Official Portal**).

Exam Trap Alert: Remember three strict exclusions under the **SARFAESI Act, 2002 (Section 31)**: SARFAESI **CANNOT** be invoked against **(1) Agricultural Land**, **(2) Unsecured Loans** (such as personal loans or credit card dues without collateral), or **(3) Accounts where the remaining amount due is less than 20\%** of the principal and interest (**RBI Official Portal**).

★ **Memory Trick:** For **NARCL vs IDRCL ownership and payment**, remember **"NARCL = 51% Public (PSBs) & 15% Cash + 85% SRs; IDRCL = 51% Private (Management)"** (**IUC Academy**).

Chapter 4 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Asset Classification, SMA Categories & NPA Provisioning Norms	**Definition of Non-Performing Asset (NPA)**	An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank—specifically, when interest and/or installment of principal remains **overdue for a period of more than 90 days** in respect of a Term Loan, or an Overdraft/Cash Credit (OD/CC) account remains "*out of order*" for more than 90 days, or a bill purchased/discounted remains overdue for more than 90 days (**RBI Official Portal**).
Stressed Asset Progression and Statutory Resolution Flowchart	**Agricultural Loan NPA Exception (Crop Season Rule)**	A loan granted for **short-duration crops** (crop season ≤ 1 year) is treated as an NPA if the installment of principal or interest remains overdue for **two crop seasons**, whereas a loan granted for **long-duration crops** (crop season > 1 year, e.g., sugarcane, banana) becomes an NPA when overdue for **one crop season** (**RBI Official Portal**).
Comparative Table of Debt Recovery Mechanisms in India (DRT, SARFAESI, IBC, NARCL)	**SMA-0**	Principal or interest payment not overdue for more than 30 days (**1 to 30 days overdue**) (**RBI Official Portal**).
Asset Classification, SMA Categories & NPA Provisioning Norms	**SMA-1**	Principal or interest payment overdue between **31 and 60 days** (**RBI Official Portal**).
Stressed Asset Progression and Statutory Resolution Flowchart	**SMA-2**	Principal or interest payment overdue between **61 and 90 days** (**RBI Official Portal**).
Comparative Table of Debt Recovery Mechanisms in India (DRT, SARFAESI, IBC, NARCL)	**1. Sub-Standard Asset**	An asset that has remained an NPA for a period **less than or equal to 12 months** (**RBI Official Portal**).
Asset Classification, SMA Categories & NPA Provisioning Norms	**2. Doubtful Asset**	An asset that has remained in the Sub-Standard category for a period of **12 months** (sub-divided into D1: up to 1 year, D2: 1 to 3 years, and D3: more than 3 years) (**RBI Official Portal**).
Stressed Asset Progression and Statutory Resolution Flowchart	**3. Loss Asset**	An asset where loss has been identified by the bank, internal/external auditors, or RBI inspection, but the amount has not been written off wholly (requires **100\% provisioning**) (**RBI Official Portal**).

Chapter *4* Multi-Statement Exam Verification Drills

Chapter 4 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (Definition of Non-Performing Asset (NPA)): An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank—specifically, when interest and/or installment of principal remains **overdue for a period of more than 90 days** in respect of a Term Loan, or an Overdraft/Cash Credit (OD/CC) account remains "*out of order*" for more than 90 days, or a bill purchased/discounted remains overdue for more than 90 days (RBI Official Portal).

Statement-II (Agricultural Loan NPA Exception (Crop Season Rule)): A loan granted for **short-duration crops** (crop season ≤ 1 year) is treated as an NPA if the installment of principal or interest remains overdue for **two crop seasons**, whereas a loan granted for **long-duration crops** (crop season > 1 year, e.g., sugarcane, banana) becomes an NPA when overdue for **one crop season** (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 4 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (SMA-0): Principal or interest payment not overdue for more than 30 days (**1 to 30 days overdue**) (RBI Official Portal).

Statement-II (SMA-1): Principal or interest payment overdue between **31 and 60 days** (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 4 Statement-Verification Drill #3 — Both Statements Verified Correct

Statement-I (SMA-2): Principal or interest payment overdue between **61 and 90 days** (RBI Official Portal).

Statement-II (1. Sub-Standard Asset): An asset that has remained an NPA for a period **less than or equal to 12 months** (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 4 Statement-Verification Drill #4 — Both Statements Verified Correct

Statement-I (2. Doubtful Asset): An asset that has remained in the Sub-Standard category for a period of **12 months** (sub-divided into D1: up to 1 year, D2: 1 to 3 years, and D3: more than 3 years) (RBI Official Portal).

Statement-II (3. Loss Asset): An asset where loss has been identified by the bank, internal/external auditors, or RBI inspection, but the amount has not been written off wholly (requires **100\% provisioning**) (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter *5:* NPCI Digital Payment Architecture, UPI, RTGS, NEFT, IMPS & CBDC *(e-Rupee)*

5.1 Payment and Settlement Systems Act, *2007* & Institutional Birth of NPCI

• **National Payments Corporation of India (NPCI):** Incorporated in **December *2008*** by the **Reserve Bank of India (RBI)** and the **Indian Banks' Association (IBA)** under the provisions of the **Payment and Settlement**

Systems Act, 2007, as a **"Not-for-Profit" Section 8 Company** (formerly Section 25 of the Companies Act, 1956) headquartered in **Mumbai** (NPCI Official Portal).

• **Wholly Owned Subsidiaries of NPCI:**

• **1. NIPL (NPCI International Payments Limited):** Established in April 2020 to deploy **UPI** and **RuPay** internationally across countries such as UAE, Singapore (PayNow linkage), France (Eiffel Tower/Lyra), Sri Lanka, Mauritius, Nepal, Bhutan, and Peru (NPCI Official Portal).

• **2. NBSL (NPCI Bharat BillPay Limited):** Operationalizes the **Bharat Bill Payment System (BBPS)** for interoperable recurring bill payments (NPCI Official Portal).

• **Unified Payments Interface (UPI) Innovations (Launched 11 April 2016):**

• **Standard UPI Transaction Limit: ₹1,00,000 (₹1 Lakh)** per transaction for general P2P and P2M payments; **₹2,00,000** for Capital Markets, Insurance, Collections, and Foreign Inward Remittances; and enhanced by RBI to **₹5,00,000 (₹5 Lakh)** for **Hospitals/Healthcare, Educational Institutions, Tax Payments (Direct/Indirect), and IPO/RBI Retail Direct subscriptions** (NPCI Official Portal).

• **UPI 123PAY (March 2022):** Enables UPI payments for **Feature Phone users without internet** through 4 channels: IVR number, App functionality on feature phones, Missed Call approach, and Proximity Sound-based payments (per-transaction limit enhanced by RBI from ₹5,000 to **₹10,000** in October 2024) (NPCI Official Portal).

• **UPI Lite (September 2022):** On-device wallet for small-value PIN-less instant transactions; in October 2024, the RBI increased the **UPI Lite per-transaction limit from ₹500 to ₹1,000** and the **overall on-device wallet limit from ₹2,000 to ₹5,000** (RBI Official Portal).

5.2 Four-Party Unified Payments Interface *(UPI)* Settlement Flowchart

Step-by-Step Conceptual Process Flowchart

STEP 1
Payer Initiates Payment via Third-Party App Provider (TPAP) / PSP Bank using VPA or QR

STEP 2
Encrypted Request Routed via NPCI UPI Central Switch for Authentication

STEP 3
Remitter Bank Debits Account after MPIN Verification & Sends Response to NPCI

STEP 4
Beneficiary PSP & Acquiring Bank Credit Payee Account in Real Time + SMS Confirmation

5.3 Comparative Table of RBI & NPCI Payment Systems *(NEFT, RTGS, IMPS, UPI, AePS, NACH, e-RUPI)*

Payment System	Operating Agency & Launch Year	Minimum & Maximum Transaction Limit	Settlement Mechanism & Availability	Key Identifier / Technical Exam Facts (RBI / NPCI)
NEFT (National Electronic Funds Transfer)	**RBI** (Launched Nov 2005; made 24 × 7 × 365 in Dec 2019)	**Minimum:** ₹1 (No limit) **Maximum:** No statutory upper limit (Walk-in cash remittance capped at **₹50,000**)	**Deferred Net Settlement (DNS)** in **48 half-hourly batches** every day (24 × 7 × 365)	Requires **11-character alphanumeric IFSC** (first 4 alphabets = Bank Code; **5th character is always** `0`; last 6 characters = Branch Code). Indo-Nepal Remittance up to **₹2 Lakh**.
RTGS (Real Time Gross Settlement)	**RBI** (Launched March 2004; made 24 × 7 × 365 in Dec 2020)	**Minimum: ₹2,00,000 (₹2 Lakh)** **Maximum: No upper limit**	**Real-Time** (continuous) & **Gross** (transaction-by-transaction, without netting) (24 × 7 × 365)	Used for high-value wholesale/institutional fund transfers; zero MDR/processing charges for online NEFT/RTGS by savings account holders.
IMPS (Immediate Payment Service)	**NPCI** (Launched Nov 2010)	**Minimum:** ₹1 **Maximum: ₹5,00,000 (₹5 Lakh)** (increased from ₹2 Lakh)	Real-Time interbank electronic fund transfer (24 × 7 × 365)	Uses **7-digit MMID (Mobile Money Identifier)** + Mobile Number, or Account Number + IFSC. Simplified IMPS allows transfer up to ₹5 Lakh using only Mobile + Bank Name.
UPI (Unified Payments Interface)	**NPCI** (Launched 11 April 2016)	**Standard:** ₹1 Lakh **Hospitals/Education/Tax/IPO: ₹5 Lakh** **UPI Lite:** ₹1,000/txn (₹5,000 wallet) **UPI 123PAY:** ₹10,000/txn	Real-Time immediate push and pull payment (24 × 7 × 365)	Uses **Virtual Payment Address (VPA / UPI ID)** without exposing bank account or IFSC; supports **RuPay Credit Card on UPI** and **Credit Line on UPI**.
AePS (Aadhaar Enabled Payment System)	**NPCI**	Determined by issuing banks (typically ₹10,000 per biometric transaction)	Biometric authentication at Micro-ATMs via Business Correspondents (BCs)	Requires only **Bank Name, 12-digit Aadhaar Number, and Biometric (Fingerprint/Iris)**; offers Cash Withdrawal, Balance Enquiry, Mini Statement, and Aadhaar-to-Aadhaar fund transfer.
CTS, NACH & NETC (FASTag)	**NPCI**	**CTS:** Positive Pay System mandatory for cheques **≥ ₹50,000** (re-confirmation for ≥ ₹5 Lakh)	**NACH:** High-volume Direct Benefit Transfer (DBT), dividends, ECS mandates. **NETC: RFID (Radio Frequency Identification)** technology for FASTag toll collection.	A cheque (Negotiable Instruments Act, 1881 — Section 6) remains valid for **3 months** from the date of issue (after which it becomes a *Stale Cheque*).
CBDC (Central Bank Digital Currency — Digital Rupee / e₹)	**RBI** (Pilot launched in Nov–Dec 2022)	Issued in two variants: **e₹-W (Wholesale)** for interbank G-Sec settlement and **e₹-R (Retail)** for public P2P/P2M	Sovereign legal tender appearing directly as a **liability on RBI's balance sheet**	Token-based (e₹-R) and Account-based (e₹-W); unlike UPI (which moves commercial bank deposits), **e₹ is digital cash itself** and carries **zero interest**.

Did You Know?: Under the **Negotiable Instruments Act, 1881**, **Section 4** defines a **Promissory Note**, **Section 5** defines a **Bill of Exchange**, **Section 6** defines a **Cheque**, and **Section 138** criminalizes the dishonour (bouncing) of a cheque for insufficiency of funds, prescribing imprisonment up to **2 years** or a fine up to **twice the amount of the cheque**, or both (RBI Official Portal).

Exam Trap Alert: Do NOT confuse **e-RUPI** (launched by **NPCI** in August 2021 as a one-time, contactless, cashless **QR-code or SMS-string prepaid voucher** for targeted welfare delivery, capped at ₹1,00,000 per voucher) with **e₹ (Digital Rupee / CBDC)**, which is sovereign **Central Bank Digital Currency** issued directly by the **RBI** (NPCI Official Portal).

Step-by-Step Conceptual Process Flowchart

STEP 1
Memory Trick: Remember the Character Length of Financial Codes: MMID = 7 digits

STEP 2
MICR = 9 digits (First 3 = City PIN prefix, Middle 3 = Bank Code, Last 3 = Branch Code)**

STEP 3
PAN = 10 alphanumeric

STEP 4
IFSC = 11 alphanumeric (5th char = 0)**

STEP 5
Aadhaar = 12 digits

STEP 6
GSTIN = 15 alphanumeric

Chapter *5* Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Payment and Settlement Systems Act, 2007 & Institutional Birth of NPCI	**National Payments Corporation of India (NPCI)**	Incorporated in **December 2008** by the **Reserve Bank of India (RBI)** and the **Indian Banks' Association (IBA)** under the provisions of the **Payment and Settlement Systems Act, 2007**, as a **"Not-for-Profit" Section 8 Company** (formerly Section 25 of the Companies Act, 1956) headquartered in **Mumbai** (NPCI Official Portal).
Four-Party Unified Payments Interface (UPI) Settlement Flowchart	**1. NIPL (NPCI International Payments Limited)**	Established in April 2020 to deploy **UPI** and **RuPay** internationally across countries such as UAE, Singapore (PayNow linkage), France (Eiffel Tower/ Lyra), Sri Lanka, Mauritius, Nepal, Bhutan, and Peru (NPCI Official Portal).
Comparative Table of RBI & NPCI Payment Systems (NEFT, RTGS, IMPS, UPI, AePS, NACH, e-RUPI)	**2. NBSL (NPCI Bharat BillPay Limited)**	Operationalizes the **Bharat Bill Payment System (BBPS)** for interoperable recurring bill payments (NPCI Official Portal).
Payment and Settlement Systems Act, 2007 & Institutional Birth of NPCI	**Standard UPI Transaction Limit**	**₹1,00,000 (₹1 Lakh)** per transaction for general P2P and P2M payments; **₹2,00,000** for Capital Markets, Insurance, Collections, and Foreign Inward Remittances; and enhanced by RBI to **₹5,00,000 (₹5 Lakh)** for **Hospitals/ Healthcare, Educational Institutions, Tax Payments (Direct/Indirect), and IPO/RBI Retail Direct subscriptions** (NPCI Official Portal).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Four-Party Unified Payments Interface (UPI) Settlement Flowchart	**UPI 123PAY (March 2022)**	Enables UPI payments for **Feature Phone users without internet** through 4 channels: IVR number, App functionality on feature phones, Missed Call approach, and Proximity Sound-based payments (per-transaction limit enhanced by RBI from ₹5,000 to **₹10,000** in October 2024) (NPCI Official Portal).
Comparative Table of RBI & NPCI Payment Systems (NEFT, RTGS, IMPS, UPI, AePS, NACH, e-RUPI)	**UPI Lite (September 2022)**	On-device wallet for small-value PIN-less instant transactions; in October 2024, the RBI increased the **UPI Lite per-transaction limit from ₹500 to ₹1,000** and the **overall on-device wallet limit from ₹2,000 to ₹5,000** (RBI Official Portal).

Chapter *5* Multi-Statement Exam Verification Drills

Chapter 5 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (National Payments Corporation of India (NPCI)): Incorporated in **December 2008** by the **Reserve Bank of India (RBI)** and the **Indian Banks' Association (IBA)** under the provisions of the **Payment and Settlement Systems Act, 2007**, as a **"Not-for-Profit" Section 8 Company** (formerly Section 25 of the Companies Act, 1956) headquartered in **Mumbai** (NPCI Official Portal).

Statement-II (1. NIPL (NPCI International Payments Limited)): Established in April 2020 to deploy **UPI** and **RuPay** internationally across countries such as UAE, Singapore (PayNow linkage), France (Eiffel Tower/Lyra), Sri Lanka, Mauritius, Nepal, Bhutan, and Peru (NPCI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 5 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (2. NBSL (NPCI Bharat BillPay Limited)): Operationalizes the **Bharat Bill Payment System (BBPS)** for interoperable recurring bill payments (NPCI Official Portal).

Statement-II (Standard UPI Transaction Limit): ₹1,00,000 (₹1 Lakh) per transaction for general P2P and P2M payments; **₹2,00,000** for Capital Markets, Insurance, Collections, and Foreign Inward Remittances; and enhanced by RBI to **₹5,00,000 (₹5 Lakh)** for **Hospitals/Healthcare, Educational Institutions, Tax Payments (Direct/Indirect), and IPO/RBI Retail Direct subscriptions** (NPCI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 5 Statement-Verification Drill #3 — **Both Statements Verified Correct**

Statement-I (UPI 123PAY (March 2022)): Enables UPI payments for **Feature Phone users without internet** through 4 channels: IVR number, App functionality on feature phones, Missed Call approach, and Proximity Sound-based payments (per-transaction limit enhanced by RBI from ₹5,000 to **₹10,000** in October 2024) (NPCI Official Portal).

Statement-II (UPI Lite (September 2022)): On-device wallet for small-value PIN-less instant transactions; in October 2024, the RBI increased the **UPI Lite per-transaction limit from ₹500 to ₹1,000** and the **overall on-device wallet limit from ₹2,000 to ₹5,000** (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 6: Money Market vs Capital Market Instruments (T-Bills, CMBs, CP, CD, Call Money, G-Secs)

6.1 Structure of the Indian Financial Market: Money Market vs Capital Market

• **Money Market (Regulated by RBI under Section 45W of the RBI Act, 1934):** The market for short-term financial assets and liquidity instruments having a maturity period of **up to 1 year (≤ 364 days)**, characterized by high liquidity, minimal default risk, and wholesale institutional participation (RBI Official Portal).

• **Capital Market (Regulated by SEBI under the SEBI Act, 1992):** The market for medium- and long-term funds (equity shares, preference shares, debentures, corporate bonds, sovereign debt, mutual funds) having a maturity period of **more than 1 year (> 365 days)**, subdivided into the **Primary Market** (New Issue Market: IPO, FPO, Rights Issue, Bonus Issue, Private Placement / QIP) and the **Secondary Market** (Stock Exchanges: BSE and NSE) (SEBI Official Portal).

• **Interbank Money Market Segments (Call, Notice, and Term Money):**

• **1. Call Money (Overnight Money):** Unsecured interbank borrowing/lending for **1 day (overnight)** (RBI Official Portal).

• **2. Notice Money:** Unsecured interbank borrowing/lending for a period between **2 days and 14 days** (RBI Official Portal).

• **3. Term Money:** Unsecured interbank borrowing/lending for a period exceeding 14 days (**15 days to 1 year**) (RBI Official Portal).

6.2 Sovereign Debt & Money Market Issuance Flowchart

Step-by-Step Conceptual Process Flowchart

STEP 1
Ministry of Finance & RBI Finalize Half-Yearly Borrowing Calendar

STEP 2
Primary Auction of T-Bills (91/182/364 Days) & Dated G-Secs on RBI e-Kuber Platform

STEP 3
Retail Participation via RBI Retail Direct Gilt (RDG) Account & Non-Competitive Bidding

STEP 4
Secondary Market Trading & Clearing on NDS-OM via CCIL

6.3 Master Comparative Table of Money Market Instruments in India

Money Market Instrument	Eligible Issuer	Minimum Denomination & Multiples	Maturity Tenure	Key Regulatory Features & Pricing Mechanism (RBI)
Treasury Bills (T-Bills) (First issued in India in 1917)	**Central Government ONLY** (Auctioned by RBI; **State Governments CANNOT issue T-Bills**)	**₹10,000** and in multiples of ₹10,000	**3 Tenors: 91 Days**, **182 Days**, and **364 Days** (*14-day Intermediate T-Bills exist only for State Govts/Central Banks*)	**Zero-Coupon Securities:** Issued at a **discount to face value** and redeemed at **par (face value)** on maturity; eligible for SLR calculation.
Cash Management Bills (CMBs) (Introduced in May 2010)	**Central Government** in consultation with RBI	**₹10,000** and in multiples of ₹10,000	**Less than 91 Days (< 91 days)**	Generic zero-coupon discounted instruments identical to T-Bills in character, issued to meet temporary short-term cash flow mismatches of the Government.
Ways and Means Advances (WMA) — Section 17(5) of RBI Act	Facility provided by **RBI** to **both Central Government and State Governments/UTs**	Statutory limits fixed periodically by RBI & Govt (Recommended by **Sudhir Shrivastava Committee** for States)	Must be vacated within **90 Days**; overdraft beyond WMA is permitted for a maximum of **10 consecutive working days** (Central) / **14 days** (States)	**NOT a tradable market security**; temporary advance to bridge revenue-expenditure mismatches; interest charged at **Policy Repo Rate** (Overdraft attracts Repo + 2\%).
Certificate of Deposit (CD) (Introduced in 1989 on Vaghul Committee recommendation)	**Scheduled Commercial Banks** (excluding RRBs and Local Area Banks) and **All-India Financial Institutions (AIFIs)** (NABARD, SIDBI, EXIM, NHB, NaBFID)	**₹5,00,000 (₹5 Lakh)** and in multiples of ₹5 Lakh (revised by RBI from ₹1 Lakh to ₹5 Lakh in 2021)	**SCBs: 7 Days to 1 Year** **AIFIs: 1 Year to 3 Years**	Negotiable, dematerialized promissory note issued at a discount; banks cannot grant loans against their own CDs or buy back CDs prematurely before 7 days.
Commercial Paper (CP) (Introduced in 1990 on Vaghul Committee recommendation)	**High-rated Corporates, NBFCs, Primary Dealers, and AIFIs** having tangible net worth ≥ ₹100 Crore (or eligible credit limit) and **minimum Credit Rating of 'A3'**	**₹5,00,000 (₹5 Lakh)** and in multiples of ₹5 Lakh	**7 Days to 1 Year**	**Unsecured** money market promissory note issued at a discount to face value to fund working capital requirements.
Tri-Party Repo (TREPS) (Replaced CBLO in Nov 2018)	Administered by **CCIL (Clearing Corporation of India Ltd)** (established 2001)	Minimum ₹5 Lakh	**1 Day to 1 Year**	Collateralized money market borrowing against G-Secs where CCIL acts as the tri-party agent handling collateral selection and settlement.

Did You Know?: While **State Governments CANNOT issue Treasury Bills (T-Bills)**, they raise medium- and long-term market borrowings by issuing **State Development Loans (SDLs)** (dated securities with maturity > 1 year auctioned via RBI's e-Kuber platform), which qualify as eligible securities for commercial banks' **SLR** requirements (RBI Official Portal).

Exam Trap Alert: Remember the inverse relationship between **Bond Prices and Bond Yields (Interest Rates)**: When market interest rates (yields) **rise**, the market price of existing fixed-coupon bonds **falls**; when market interest rates **fall**, the market price of existing bonds **rises** (RBI Official Portal).

★ **Memory Trick:** Distinguish **CD vs CP** effortlessly using **"CD = Bank Deposit (7d–1yr for Banks, 1–3yr for AIFIs, ₹5 Lakh)"** vs **"CP = Corporate Paper (Unsecured, Minimum Rating A3, 7d–1yr, ₹5 Lakh)"** (IUC Academy).

Chapter *6* Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Structure of the Indian Financial Market: Money Market vs Capital Market	**Money Market (Regulated by RBI under Section 45W of the RBI Act, 1934)**	The market for short-term financial assets and liquidity instruments having a maturity period of **up to 1 year (≤ 364 days)**, characterized by high liquidity, minimal default risk, and wholesale institutional participation (RBI Official Portal).
Sovereign Debt & Money Market Issuance Flowchart	**Capital Market (Regulated by SEBI under the SEBI Act, 1992)**	The market for medium- and long-term funds (equity shares, preference shares, debentures, corporate bonds, sovereign debt, mutual funds) having a maturity period of **more than 1 year (> 365 days)**, subdivided into the **Primary Market** (New Issue Market: IPO, FPO, Rights Issue, Bonus Issue, Private Placement / QIP) and the **Secondary Market** (Stock Exchanges: BSE and NSE) (SEBI Official Portal).
Master Comparative Table of Money Market Instruments in India	**1. Call Money (Overnight Money)**	Unsecured interbank borrowing/lending for **1 day (overnight)** (RBI Official Portal).
Structure of the Indian Financial Market: Money Market vs Capital Market	**2. Notice Money**	Unsecured interbank borrowing/lending for a period between **2 days and 14 days** (RBI Official Portal).
Sovereign Debt & Money Market Issuance Flowchart	**3. Term Money**	Unsecured interbank borrowing/lending for a period exceeding 14 days (**15 days to 1 year**) (RBI Official Portal).

Chapter 6 Multi-Statement Exam Verification Drills

Chapter 6 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (Money Market (Regulated by RBI under Section 45W of the RBI Act, 1934)): The market for short-term financial assets and liquidity instruments having a maturity period of **up to 1 year (≤ 364 days)**, characterized by high liquidity, minimal default risk, and wholesale institutional participation (RBI Official Portal).

Statement-II (Capital Market (Regulated by SEBI under the SEBI Act, 1992)): The market for medium- and long-term funds (equity shares, preference shares, debentures, corporate bonds, sovereign debt, mutual funds) having a maturity period of **more than 1 year (> 365 days)**, subdivided into the **Primary Market** (New Issue Market: IPO, FPO, Rights Issue, Bonus Issue, Private Placement / QIP) and the **Secondary Market** (Stock Exchanges: BSE and NSE) (SEBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 6 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (1. Call Money (Overnight Money)): Unsecured interbank borrowing/lending for **1 day (overnight)** (RBI Official Portal).

Statement-II (2. Notice Money): Unsecured interbank borrowing/lending for a period between **2 days and 14 days** (RBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 7: SEBI, Stock Exchanges, Capital Market Regulations & All-India Financial Institutions

Chapter
Key Study Pillars — Chapter 7: SEBI, Stock Exchanges, Capital Market Regulations & All-India Financial Institutions

Key Study Pillar 1
Securities and Exchange Board of India (SEBI) & Stock Market Milestones

Key Study Pillar 2
Master Table of Stock Exchanges & All-India Financial Institutions (AIFIs Regulated by RBI)

7.1 Securities and Exchange Board of India (SEBI) & Stock Market Milestones

• **SEBI Statutory Evolution:** Originally established as a non-statutory body on **12 April 1988**, SEBI was granted full **statutory powers on 30 January 1992** through the **SEBI Act, 1992** (following the recommendations of the **Narasimham Committee**), with its headquarters in **Mumbai** and four regional offices in New Delhi, Kolkata, Chennai, and Ahmedabad. **Madhabi Puri Buch** became the **first woman Chairperson of SEBI** (appointed in March 2022) (SEBI Official Portal).

• **Core Functions of SEBI (Quasi-Legislative, Quasi-Judicial, and Quasi-Executive):** Regulates stock exchanges, depositories (**NSDL** *[1996, promoted by NSE/IDBI/UTI]* and **CDSL** *[1999, promoted by BSE]*), mutual funds, Foreign Portfolio Investors (FPIs), Credit Rating Agencies (CRISIL *[1987, oldest in India]*, ICRA, CARE, Ind-Ra, Acuité, Infomerics), Alternate Investment Funds (AIFs), REITs, InvITs, and prohibits Insider Trading and Substantial Acquisition of Shares (SAST) violations (SEBI Official Portal).

• **India's Transition to T+1 and T+0 (Instant) Settlement Cycles:**

• In January 2023, India became one of the first major global markets to fully transition to a **T+1 (Trade plus 1 business day)** rolling settlement cycle across all listed equities (**SEBI Official Portal**).

• In **March 2024**, SEBI launched the optional **T+0 (Same-Day Settlement)** beta phase for a select set of 25 scrips, preparing the roadmap for instantaneous clearing (**SEBI Official Portal**).

• **ASBA (Application Supported by Blocked Amount):** Mandatory SEBI mechanism (introduced in 2008) for retail/institutional IPO and Rights Issue applications whereby the application money remains **blocked in the investor's own bank account** (earning savings interest) and is debited ONLY upon confirmed allotment of shares (including **UPI-ASBA up to ₹5 Lakh**) (**SEBI Official Portal**).

7.2 Initial Public Offering (IPO) & Secondary Equity Settlement Flowchart

Step-by-Step Conceptual Process Flowchart

STEP 1
Issuer Company Files Draft Red Herring Prospectus (DRHP) with SEBI via Merchant Bankers

STEP 2
Book Building Price Band Bidding by QIBs (50%), NIIs (15%) & Retail Investors (35%) via ASBA/UPI

STEP 3
Listing on Stock Exchanges (BSE Sensex 30 / NSE Nifty 50) on T+3 Timeline

STEP 4
Dematerialized Trading in NSDL/CDSL & Rolling Settlement on T+1 / T+0 Cycle

7.3 Master Table of Stock Exchanges & All-India Financial Institutions (AIFIs Regulated by RBI)

Institution Name	Founding Year & Statute	Recommending Committee	Headquarters	Statutory Role & Key Exam Facts (RBI / SEBI)
BSE (Bombay Stock Exchange)	**1875** (*The Native Share & Stock Brokers' Association* founded by Premchand Roychand)	Recognized permanently under SCRA, 1956	**Mumbai** (Dalal Street)	**Asia's Oldest Stock Exchange**; benchmark index is **SENSEX (Sensitive Index of 30 blue-chip companies)**, launched in 1986 with base year **1978–79 = 100**.
NSE (National Stock Exchange)	**1992** (Operations started 1994)	**M.J. Pherwani Committee (1991)**	**Mumbai**	First exchange in India to provide automated screen-based electronic trading; benchmark index is **NIFTY 50 (50 companies)**, launched in 1996 with base year **1995 = 1000**.
NABARD (*National Bank for Agriculture and Rural Development*)	**12 July 1982** (NABARD Act, 1981)	**B. Sivaraman Committee (CRAFICARD, 1979)**	**Mumbai**	**100\% owned by Government of India**; manages **RIDF (Rural Infrastructure Development Fund, established 1995–96)**; pioneered the **SHG-Bank Linkage Programme (1992)**.
EXIM Bank (*Export-Import Bank of India*)	**1 January 1982** (EXIM Bank Act, 1981)	Ministry of Finance / Export Credit Task Force	**Mumbai**	**100\% owned by Government of India**; apex institution financing, facilitating, and promoting India's international trade and Sovereign Lines of Credit (LoCs).

Institution Name	Founding Year & Statute	Recommending Committee	Headquarters	Statutory Role & Key Exam Facts (RBI / SEBI)
NHB (*National Housing Bank*)	**9 July 1988** (NHB Act, 1987)	**C. Rangarajan Committee** (High Level Group on Housing Finance)	**New Delhi**	**100\% owned by Government of India** (after RBI divested its entire 100\% stake to Govt in 2019). *Note: Regulatory authority over Housing Finance Companies (HFCs) was transferred from NHB to **RBI** in August 2019; NHB continues supervision and refinancing.*
SIDBI (*Small Industries Development Bank of India*)	**2 April 1990** (SIDBI Act, 1989)	Act of Parliament (originally a subsidiary of IDBI)	**Lucknow, Uttar Pradesh**	Principal financial institution for promotion, financing, and development of the **MSME sector**; manages **MUDRA (Micro Units Development & Refinance Agency, 2015)** and **CGTMSE**.
NaBFID (*National Bank for Financing Infrastructure and Development*)	**2021** (NaBFID Act, 2021)	Union Budget 2021–22 DFI Architecture	**Mumbai**	**5th All-India Financial Institution (AIFI)** regulated by RBI; established with an authorized capital of **₹1,00,000 Crore** to address long-term infrastructure financing gaps.

Did You Know?: Out of the **5 All-India Financial Institutions (AIFIs)** regulated by the RBI (**NABARD, EXIM Bank, NHB, SIDBI, and NaBFID**), **three** (NABARD, EXIM Bank, and NaBFID) are headquartered in **Mumbai**, **NHB** is headquartered in **New Delhi**, and **SIDBI** is uniquely headquartered in **Lucknow, Uttar Pradesh** (RBI Official Portal).

Exam Trap Alert: Distinguish between **FDI (Foreign Direct Investment)** and **FPI (Foreign Portfolio Investment)** based on the **Arvind Mayaram Committee (2014)** threshold: Any foreign investment of **10\% or more** in the post-issue paid-up equity capital of a listed Indian company is treated as **FDI** (long-term strategic management stake), whereas investment **below 10\%** is classified as **FPI** (regulated by SEBI) (SEBI Official Portal).

Step-by-Step Conceptual Process Flowchart

STEP 1
Memory Trick: Remember the 5 AIFIs and their Founding Years + Headquarters via "E-N-N-S-N (82-82-88-90-21)": EXIM (1982, Mumbai)**

STEP 2
NABARD (1982, Mumbai)**

STEP 3
NHB (1988, New Delhi)**

STEP 4
SIDBI (1990, Lucknow)**

STEP 5
NaBFID (2021, Mumbai) (IUC Academy).**

Chapter 7 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Securities and Exchange Board of India (SEBI) & Stock Market Milestones	**SEBI Statutory Evolution**	Originally established as a non-statutory body on **12 April 1988**, SEBI was granted full **statutory powers on 30 January 1992** through the **SEBI Act, 1992** (following the recommendations of the **Narasimham Committee**), with its headquarters in **Mumbai** and four regional offices in New Delhi, Kolkata, Chennai, and Ahmedabad. **Madhabi Puri Buch** became the **first woman Chairperson of SEBI** (appointed in March 2022) (SEBI Official Portal).
Initial Public Offering (IPO) & Secondary Equity Settlement Flowchart	**Core Functions of SEBI (Quasi-Legislative, Quasi-Judicial, and Quasi-Executive)**	Regulates stock exchanges, depositories (**NSDL** *[1996, promoted by NSE/IDBI/UTI]* and **CDSL** *[1999, promoted by BSE]*), mutual funds, Foreign Portfolio Investors (FPIs), Credit Rating Agencies (CRISIL *[1987, oldest in India]*, ICRA, CARE, Ind-Ra, Acuité, Infomerics), Alternate Investment Funds (AIFs), REITs, InvITs, and prohibits Insider Trading and Substantial Acquisition of Shares (SAST) violations (SEBI Official Portal).
Master Table of Stock Exchanges & All-India Financial Institutions (AIFIs Regulated by RBI)	**ASBA (Application Supported by Blocked Amount)**	Mandatory SEBI mechanism (introduced in 2008) for retail/institutional IPO and Rights Issue applications whereby the application money remains **blocked in the investor's own bank account** (earning savings interest) and is debited ONLY upon confirmed allotment of shares (including **UPI-ASBA up to ₹5 Lakh**) (SEBI Official Portal).

Chapter 7 Multi-Statement Exam Verification Drills

Chapter 7 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (SEBI Statutory Evolution): Originally established as a non-statutory body on **12 April 1988**, SEBI was granted full **statutory powers on 30 January 1992** through the **SEBI Act, 1992** (following the recommendations of the **Narasimham Committee**), with its headquarters in **Mumbai** and four regional offices in New Delhi, Kolkata, Chennai, and Ahmedabad. **Madhabi Puri Buch** became the **first woman Chairperson of SEBI** (appointed in March 2022) (SEBI Official Portal).
Statement-II (Core Functions of SEBI (Quasi-Legislative, Quasi-Judicial, and Quasi-Executive)): Regulates stock exchanges, depositories (**NSDL** *[1996, promoted by NSE/IDBI/UTI]* and **CDSL** *[1999, promoted by BSE]*), mutual funds, Foreign Portfolio Investors (FPIs), Credit Rating Agencies (CRISIL *[1987, oldest in India]*, ICRA, CARE, Ind-Ra, Acuité, Infomerics), Alternate Investment Funds (AIFs), REITs, InvITs, and prohibits Insider Trading and Substantial Acquisition of Shares (SAST) violations (SEBI Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter *8:* Insurance Awareness (IRDAI, LIC, GIC), PFRDA, DICGC & Financial Inclusion Schemes

8.1 Insurance Evolution in India, IRDAI & Statutory Principles of Insurance

- **Historical Landmarks in Indian Insurance:**
- **First Life Insurance Company Operating in India:** *Oriental Life Insurance Company* (established in **1818** at Calcutta by Anita Bhavsar/European entrepreneurs).

• **First Indian Life Insurance Company (covering Indian lives at normal rates):** *Bombay Mutual Life Assurance Society* (**1870**).

• **First General Insurance Company in India:** *Triton Insurance Company Ltd.* (**1850** at Calcutta).

• **Life Insurance Corporation of India (LIC):** Established on **1 September 1956** under the **LIC Act, 1956**, by nationalizing and merging **245 private life insurance companies and provident societies** with an initial government capital contribution of ₹5 Crore; headquartered in **Mumbai** (*Yogakshemam Vahamyaham* — derived from the Bhagavad Gita, Chapter 9, Verse 22). Listed on Indian stock exchanges via India's historic IPO in May 2022 (**PIB Official Portal**).

• **General Insurance Nationalization (GICAA, 1972):** Effective **1 January 1973**, **107 general insurance companies** were amalgamated into **4 public sector general insurance companies** under the General Insurance Business (Nationalisation) Act, 1972: **1. National Insurance Co. Ltd. (Kolkata)**, **2. New India Assurance Co. Ltd. (Mumbai)**, **3. Oriental Insurance Co. Ltd. (New Delhi)**, and **4. United India Insurance Co. Ltd. (Chennai)**, alongside the national reinsurer **General Insurance Corporation of India (GIC Re, Mumbai)** (**PIB Official Portal**).

• **IRDAI (Insurance Regulatory and Development Authority of India):**

• Constituted in **1999** (and incorporated as a statutory body in **April 2000** under the **IRDA Act, 1999**) on the recommendations of the **R.N. Malhotra Committee (1993–1994)** (**PIB Official Portal**).

• **Headquarters:** Shifted from New Delhi to **Hyderabad, Telangana, in 2001**. Comprises a **10-member body** (1 Chairperson + 5 Whole-Time Members + 4 Part-Time Members appointed by the Government of India).

• **FDI Limit in Insurance Sector:** Enhanced from 49\% to **74\%** under the Insurance (Amendment) Act, 2021 (and **100\% FDI** permitted in **Insurance Intermediaries**). IRDAI has launched the **"Insurance for All by 2047"** mission along with the **Bima Trinity** (*Bima Sugam* digital marketplace, *Bima Vistaar* all-in-one affordable policy, and *Bima Vahak* women-centric gram panchayat distribution force) (**PIB Official Portal**).

• **Seven Foundational Legal Principles of Insurance:**

• **1. Principle of *Uberrimae Fidei* (Utmost Good Faith):** Both insurer and insured must disclose all material facts truthfully.

• **2. Principle of Insurable Interest:** The insured must suffer a direct financial loss upon the damage/loss of the insured subject matter.

• **3. Principle of Indemnity:** Restores the insured to the exact financial position prior to the loss without allowing profit (*Applies to General Insurance; DOES NOT apply to Life Insurance*).

• **4. Principle of Subrogation:** Once the insurer pays the claim, ownership rights and recovery claims against third-party tortfeasors transfer to the insurer.

• **5. Principle of Contribution:** If a property is insured with multiple insurers (Double Insurance), insurers share the loss proportionately.

• **6. Principle of *Causa Proxima* (Proximate Cause):** The nearest and direct dominant cause of loss determines claim liability.

• **7. Principle of Loss Minimization:** The insured must take reasonable steps to mitigate damage during an insured peril (**IUC Academy**).

8.2 Financial Safety Net & Social Security Inclusion Flowchart

Step-by-Step Conceptual Process Flowchart

STEP 1
Universal Basic Banking via PM Jan Dhan Yojana (Zero Balance + RuPay Card + ₹10k OD)

STEP 2
Deposit Protection up to ₹5 Lakh per Depositor per Bank under DICGC Act 1961 (90-Day Payout)

STEP 3
Micro-Insurance Shield via PMJJBY (₹2 Lakh Life @ ₹436) & PMSBY (₹2 Lakh Accident @ ₹20)

STEP 4
Old-Age Pension Security via APY & NPS Regulated by PFRDA Act 2013

8.3 Comparative Table of DICGC, PFRDA & Flagship Financial Inclusion / Micro-Insurance Schemes

Scheme / Institution Name	Launch Date & Nodal Ministry / Regulator	Eligibility Age Group	Annual Premium / Contribution & Coverage	Key Statutory & Exam Specifications (PIB / RBI)
DICGC (*Deposit Insurance and Credit Guarantee Corporation*)	**15 July 1978** (DICGC Act, 1961; wholly owned subsidiary of **RBI**, HQ in **Mumbai**)	All commercial banks, RRBs, SFBs, PBs, and Cooperative Banks (*Primary Cooperative Societies are excluded*)	**Maximum Coverage: ₹5,00,000 (₹5 Lakh)** (Principal + Interest combined) per depositor per bank in the same right and capacity (raised from ₹1 Lakh on 4 Feb 2020)	Under **Section 18A (2021 Amendment)**, DICGC must disburse interim deposit insurance up to ₹5 Lakh within **90 Days** of RBI imposing a moratorium on a stressed bank. Deposit insurance premium is borne 100\% by the bank.
PMJDY (*Pradhan Mantri Jan Dhan Yojana*)	**28 August 2014** (Department of Financial Services, Ministry of Finance)	Any individual aged **10 years and above** (Minors above 10 can open accounts)	**Zero minimum balance**; **Overdraft (OD) facility up to ₹10,000** (for age 18–65 years after 6 months of satisfactory operation)	Free **RuPay Debit Card** with inbuilt **Accidental Insurance Cover of ₹2,00,000** (for accounts opened after 28 August 2018; ₹1 Lakh for earlier accounts).
PMJJBY (*Pradhan Mantri Jeevan Jyoti Bima Yojana*)	**9 May 2015** (Launched in Kolkata; Ministry of Finance)	**18 to 50 Years** (Life cover continues up to age 55 upon annual renewal)	**Annual Premium: ₹436 per annum** (revised from ₹330 in June 2022); auto-debited for the period **1 June to 31 May**	**₹2,00,000 (₹2 Lakh) Renewable 1-Year Term Life Insurance Cover** payable upon death due to **ANY reason** (natural or accidental).
PMSBY (*Pradhan Mantri Suraksha Bima Yojana*)	**9 May 2015** (Ministry of Finance)	**18 to 70 Years**	**Annual Premium: ₹20 per annum** (revised from ₹12 in June 2022); auto-debited for the period **1 June to 31 May**	**Accidental Death or Total Permanent Disability: ₹2,00,000 (₹2 Lakh)**; **Permanent Partial Disability: ₹1,00,000 (₹1 Lakh)**.
APY (*Atal Pension Yojana*) & **PFRDA**	**APY:** 9 May 2015 **PFRDA:** Statutory via **PFRDA Act, 2013** (Oasis Committee; HQ in **New Delhi**)	**18 to 40 Years** (Income tax payers became ineligible to join APY starting **1 October 2022**)	Guaranteed minimum monthly pension of **₹1,000, ₹2,000, ₹3,000, ₹4,000, or ₹5,000** starting at the **age of 60 years**	Administered by **PFRDA** through NPS architecture; uses a **12-digit PRAN (Permanent Retirement Account Number)**.

Scheme / Institution Name	Launch Date & Nodal Ministry / Regulator	Eligibility Age Group	Annual Premium / Contribution & Coverage	Key Statutory & Exam Specifications (PIB / RBI)
PMMY (*Pradhan Mantri MUDRA Yojana*)	**8 April 2015** (Ministry of Finance / SIDBI)	Non-corporate, non-farm small/micro Undertakings	**4 Categories (after Budget 2024–25):** 1. **Shishu:** Up to ₹50,000 2. **Kishore:** ₹50,000 to ₹5 Lakh 3. **Tarun:** ₹5 Lakh to ₹10 Lakh 4. **Tarun Plus (2024): ₹10 Lakh to ₹20 Lakh**	**Tarun Plus** (up to **₹20 Lakh**) was introduced in Union Budget 2024–25 for entrepreneurs who previously availed and successfully repaid *Tarun* category loans.

Did You Know?: Just as the RBI designates Domestic Systemically Important Banks (D-SIBs), **IRDAI** annually designates **Domestic Systemically Important Insurers (D-SIIs)** that are perceived as "*Too Big or Too Important to Fail*". The **three D-SIIs in India** are **1. Life Insurance Corporation of India (LIC)**, **2. General Insurance Corporation of India (GIC Re)**, and **3. The New India Assurance Company Ltd.** (PIB Official Portal).

Exam Trap Alert: The **Principle of Indemnity** and the **Principle of Subrogation** apply strictly to **General Insurance (Fire, Marine, Motor, Health Indemnity)** and **NEVER apply to Life Insurance**, because human life cannot be measured or compensated purely in terms of exact monetary replacement value (IUC Academy).

Step-by-Step Conceptual Process Flowchart

STEP 1
Memory Trick: Memorize the Age Limits & Premiums of the 9 May 2015 Social Security Trio: APY = 18 to 40 yrs (Pension at 60)**

STEP 2
PMJJBY = 18 to 50 yrs (₹436/yr for ₹2 Lakh Life Cover)**

STEP 3
PMSBY = 18 to 70 yrs (₹20/yr for ₹2 Lakh Accident Cover) (PIB Official Portal).**

Chapter *8* Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Insurance Evolution in India, IRDAI & Statutory Principles of Insurance	**First Life Insurance Company Operating in India**	*Oriental Life Insurance Company* (established in **1818** at Calcutta by Anita Bhavsar/European entrepreneurs).
Financial Safety Net & Social Security Inclusion Flowchart	**First Indian Life Insurance Company (covering Indian lives at normal rates)**	*Bombay Mutual Life Assurance Society* (**1870**).
Comparative Table of DICGC, PFRDA & Flagship Financial Inclusion / Micro-Insurance Schemes	**First General Insurance Company in India**	*Triton Insurance Company Ltd.* (**1850** at Calcutta).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Insurance Evolution in India, IRDAI & Statutory Principles of Insurance	**Life Insurance Corporation of India (LIC)**	Established on **1 September 1956** under the **LIC Act, 1956**, by nationalizing and merging **245 private life insurance companies and provident societies** with an initial government capital contribution of ₹5 Crore; headquartered in **Mumbai** (*Yogakshemam Vahamyaham* — derived from the Bhagavad Gita, Chapter 9, Verse 22). Listed on Indian stock exchanges via India's historic IPO in May 2022 (PIB Official Portal).
Financial Safety Net & Social Security Inclusion Flowchart	**General Insurance Nationalization (GICAA, 1972)**	Effective **1 January 1973**, **107 general insurance companies** were amalgamated into **4 public sector general insurance companies** under the General Insurance Business (Nationalisation) Act, 1972: **1. National Insurance Co. Ltd. (Kolkata)**, **2. New India Assurance Co. Ltd. (Mumbai)**, **3. Oriental Insurance Co. Ltd. (New Delhi)**, and **4. United India Insurance Co. Ltd. (Chennai)**, alongside the national reinsurer **General Insurance Corporation of India (GIC Re, Mumbai)** (PIB Official Portal).
Comparative Table of DICGC, PFRDA & Flagship Financial Inclusion / Micro-Insurance Schemes	**Headquarters**	Shifted from New Delhi to **Hyderabad, Telangana, in 2001**. Comprises a **10-member body** (1 Chairperson + 5 Whole-Time Members + 4 Part-Time Members appointed by the Government of India).
Insurance Evolution in India, IRDAI & Statutory Principles of Insurance	**FDI Limit in Insurance Sector**	Enhanced from 49\% to **74\% ** under the Insurance (Amendment) Act, 2021 (and **100\% FDI** permitted in **Insurance Intermediaries**). IRDAI has launched the **"Insurance for All by 2047"** mission along with the **Bima Trinity** (*Bima Sugam* digital marketplace, *Bima Vistaar* all-in-one affordable policy, and *Bima Vahak* women-centric gram panchayat distribution force) (PIB Official Portal).
Financial Safety Net & Social Security Inclusion Flowchart	**1. Principle of *Uberrimae Fidei* (Utmost Good Faith)**	** Both insurer and insured must disclose all material facts truthfully.
Comparative Table of DICGC, PFRDA & Flagship Financial Inclusion / Micro-Insurance Schemes	**2. Principle of Insurable Interest**	The insured must suffer a direct financial loss upon the damage/loss of the insured subject matter.
Insurance Evolution in India, IRDAI & Statutory Principles of Insurance	**3. Principle of Indemnity**	Restores the insured to the exact financial position prior to the loss without allowing profit (*Applies to General Insurance; DOES NOT apply to Life Insurance*).
Financial Safety Net & Social Security Inclusion Flowchart	**4. Principle of Subrogation**	Once the insurer pays the claim, ownership rights and recovery claims against third-party tortfeasors transfer to the insurer.

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (Reserve Bank of India (RBI))
Comparative Table of DICGC, PFRDA & Flagship Financial Inclusion / Micro-Insurance Schemes	5. Principle of Contribution	If a property is insured with multiple insurers (Double Insurance), insurers share the loss proportionately.
Insurance Evolution in India, IRDAI & Statutory Principles of Insurance	6. Principle of *Causa Proxima* (Proximate Cause)	** The nearest and direct dominant cause of loss determines claim liability.
Financial Safety Net & Social Security Inclusion Flowchart	7. Principle of Loss Minimization	The insured must take reasonable steps to mitigate damage during an insured peril (IUC Academy).

Chapter *8* Multi-Statement Exam Verification Drills

Chapter 8 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (First Life Insurance Company Operating in India): *Oriental Life Insurance Company* (established in **1818** at Calcutta by Anita Bhavsar/European entrepreneurs).

Statement-II (First Indian Life Insurance Company (covering Indian lives at normal rates)): *Bombay Mutual Life Assurance Society* (**1870**).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 8 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (First General Insurance Company in India): *Triton Insurance Company Ltd.* (**1850** at Calcutta).

Statement-II (Life Insurance Corporation of India (LIC)): Established on **1 September 1956** under the **LIC Act, 1956**, by nationalizing and merging **245 private life insurance companies and provident societies** with an initial government capital contribution of ₹5 Crore; headquartered in **Mumbai** (*Yogakshemam Vahamyaham* — derived from the Bhagavad Gita, Chapter 9, Verse 22). Listed on Indian stock exchanges via India's historic IPO in May 2022 (PIB Official Portal).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 8 Statement-Verification Drill #3 — Both Statements Verified Correct

Statement-I (General Insurance Nationalization (GICAA, 1972)): Effective **1 January 1973**, **107 general insurance companies** were amalgamated into **4 public sector general insurance companies** under the General Insurance Business (Nationalisation) Act, 1972: **1. National Insurance Co. Ltd. (Kolkata)**, **2. New India Assurance Co. Ltd. (Mumbai)**, **3. Oriental Insurance Co. Ltd. (New Delhi)**, and **4. United India Insurance Co. Ltd. (Chennai)**, alongside the national reinsurer **General Insurance Corporation of India (GIC Re, Mumbai)** (PIB Official Portal).

Statement-II (Headquarters): Shifted from New Delhi to **Hyderabad, Telangana, in 2001**. Comprises a **10-member body** (1 Chairperson + 5 Whole-Time Members + 4 Part-Time Members appointed by the Government of India).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 8 Statement-Verification Drill #4 — Both Statements Verified Correct

Statement-I (FDI Limit in Insurance Sector): Enhanced from 49\% to **74\%** under the Insurance (Amendment) Act, 2021 (and **100\% FDI** permitted in **Insurance Intermediaries**). IRDAI has launched the **"Insurance for All by 2047"** mission along with the **Bima Trinity** (*Bima Sugam* digital marketplace, *Bima Vistaar* all-in-one affordable policy, and *Bima Vahak* women-centric gram panchayat distribution force) (**PIB Official Portal**).

Statement-II (1. Principle of *Uberrimae Fidei* (Utmost Good Faith)): ** Both insurer and insured must disclose all material facts truthfully.

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 8 Statement-Verification Drill #5 — Both Statements Verified Correct

Statement-I (2. Principle of Insurable Interest): The insured must suffer a direct financial loss upon the damage/loss of the insured subject matter.

Statement-II (3. Principle of Indemnity): Restores the insured to the exact financial position prior to the loss without allowing profit (*Applies to General Insurance; DOES NOT apply to Life Insurance*).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Chapter 8 Statement-Verification Drill #6 — Both Statements Verified Correct

Statement-I (4. Principle of Subrogation): Once the insurer pays the claim, ownership rights and recovery claims against third-party tortfeasors transfer to the insurer.

Statement-II (5. Principle of Contribution): If a property is insured with multiple insurers (Double Insurance), insurers share the loss proportionately.

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per Reserve Bank of India (RBI) & IUC Academy.**

Solved Exam Practice Questions (MCQs)

Practice Question #1 — Solved Exam MCQ

1. **On the recommendation of which commission was the Reserve Bank of India (RBI) established on 1 April 1935 under the RBI Act, 1934?**
(A) Chamberlain Commission (1913)
(B) Hilton Young Commission (Royal Commission on Indian Currency and Finance, 1926)
(C) A.D. Gorwala Committee (1954)
(D) Narasimham Committee (1991)
Correct Answer: (B)
Explanation: The Hilton Young Commission (1926) recommended setting up a central bank for India, culminating in the enactment of the RBI Act, 1934, and the commencement of RBI operations on 1 April 1935 (**RBI Official Portal**).

Practice Question #2 Solved Exam MCQ

2. **Under the Monetary Policy Framework of the RBI, which liquidity tool was introduced in April 2022 as the uncollateralized floor of the Liquidity Adjustment Facility (LAF) corridor?**
(A) Marginal Standing Facility (MSF)
(B) Standing Deposit Facility (SDF)
(C) Market Stabilisation Scheme (MSS)
(D) Long-Term Repo Operations (LTRO)
Correct Answer: (B)
Explanation: Introduced in April 2022 under amended Section 17 of the RBI Act, 1934, the Standing Deposit Facility (SDF) sits 25 basis points below the Policy Repo Rate and allows the RBI to absorb excess overnight liquidity from banks without providing G-Sec collateral (**RBI Official Portal**).

Practice Question #3 Solved Exam MCQ

3. **Under the Minimum Reserve System (MRS) adopted by the RBI in 1956 for currency note issuance, what is the mandatory minimum backing maintained at all times?**
(A) ₹500 Crore (₹300 Crore in Gold + ₹200 Crore in Foreign Securities)
(B) ₹200 Crore (₹115 Crore in Gold Bullion/Coin + ₹85 Crore in Foreign Currency Assets)
(C) ₹100 Crore (₹50 Crore in Gold + ₹50 Crore in Government Securities)
(D) ₹1,000 Crore in Special Drawing Rights (SDRs)
Correct Answer: (B)
Explanation: Since 1956, the RBI maintains a constant Minimum Reserve of ₹200 Crore comprising at least ₹115 Crore in Gold and ₹85 Crore in Foreign Currency Assets (**RBI Official Portal**).

Practice Question #4 Solved Exam MCQ

4. **Which statutory provisions govern the maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) respectively in India?**
(A) CRR under Section 24 of Banking Regulation Act, 1949; SLR under Section 42(1) of RBI Act, 1934
(B) CRR under Section 42(1) of RBI Act, 1934; SLR under Section 24 of Banking Regulation Act, 1949
(C) Both CRR and SLR under the RBI Act, 1934
(D) Both CRR and SLR under the Banking Regulation Act, 1949
Correct Answer: (B)
Explanation: CRR is governed by Section 42(1) of the RBI Act, 1934 (maintained in cash with RBI), whereas SLR is governed by Section 24 of the Banking Regulation Act, 1949 (maintained by the bank itself in Cash, Gold, or unencumbered G-Secs up to a 40\% ceiling) (**RBI Official Portal**).

Practice Question #5 Solved Exam MCQ

5. **What is the shareholding pattern of Regional Rural Banks (RRBs) among the Central Government, the Sponsor Bank, and the State Government?**
(A) 50\% : 35\% : 15\%
(B) 60\% : 20\% : 20\%
(C) 51\% : 34\% : 15\%
(D) 75\% : 15\% : 10\%
Correct Answer: (A)
Explanation: Under the RRB Act, 1976, the equity capital of every Regional Rural Bank is contributed in the ratio of 50\% by the Central Government, 35\% by the Sponsor Bank, and 15\% by the respective State Government (**RBI Official Portal**).

Practice Question #6 Solved Exam MCQ

6. **What is the maximum demand deposit balance that a Payments Bank can hold per individual customer, as enhanced by the RBI?**
(A) ₹1,00,000
(B) ₹2,00,000
(C) ₹5,00,000
(D) ₹50,000
Correct Answer: (B)
Explanation: In April 2021, the RBI increased the maximum end-of-day balance limit for demand deposits (Savings and Current Accounts combined) in Payments Banks from ₹1 Lakh to ₹2,00,000 per individual customer (**RBI Official Portal**).

Practice Question #7 Solved Exam MCQ

7. **What is the mandatory overall Priority Sector Lending (PSL) target as a percentage of Adjusted Net Bank Credit (ANBC) for Small Finance Banks (SFBs) and Regional Rural Banks (RRBs)?**
(A) 40\% of ANBC
(B) 50\% of ANBC
(C) 60\% of ANBC
(D) 75\% of ANBC
Correct Answer: (D)
Explanation: Both Small Finance Banks (SFBs) and Regional Rural Banks (RRBs) must allocate 75\% of their ANBC to Priority Sector Lending, compared to 40\% for Domestic Scheduled Commercial Banks (**RBI Official Portal**).

Practice Question #8 Solved Exam MCQ

8. **Which three banks are currently classified by the Reserve Bank of India as Domestic Systemically Important Banks (D-SIBs)?**
(A) SBI, Punjab National Bank, and Bank of Baroda
(B) SBI, HDFC Bank, and ICICI Bank
(C) SBI, HDFC Bank, and Axis Bank
(D) SBI, ICICI Bank, and Canara Bank
Correct Answer: (B)
Explanation: State Bank of India (SBI), HDFC Bank, and ICICI Bank are designated by the RBI as Domestic Systemically Important Banks (D-SIBs) (**RBI Official Portal**).

Practice Question #9 Solved Exam MCQ

9. **According to RBI's Basel-III Capital Adequacy Guidelines, what is the minimum Capital to Risk-Weighted Assets Ratio (CRAR) required for Indian Scheduled Commercial Banks (excluding the 2.5\% Capital Conservation Buffer)?**
(A) 8.0\%
(B) 9.0\% (11.5\% including CCB)
(C) 10.5\%
(D) 15.0\%
Correct Answer: (B)
Explanation: While the global BCBS Basel-III norm specifies an 8.0\% minimum CRAR (10.5\% with CCB), the RBI prescribes a stricter 9.0\% minimum CRAR (11.5\% including the 2.5\% Capital Conservation Buffer) for Indian Scheduled Commercial Banks (**RBI Official Portal**).

Practice Question #10 Solved Exam MCQ

10. **Under RBI's asset classification norms, a loan account where principal or interest is overdue for a period between 61 and 90 days is classified as:**
(A) SMA-0
(B) SMA-1
(C) SMA-2
(D) Sub-Standard NPA
Correct Answer: (C)
Explanation: Special Mention Accounts (SMA) track early stress before day 90: SMA-0 (1–30 days overdue), SMA-1 (31–60 days overdue), and SMA-2 (61–90 days overdue); after 90 days, the loan becomes a Non-Performing Asset (NPA) (**RBI Official Portal**).

Practice Question #11 Solved Exam MCQ

11. **When does an agricultural loan granted for a short-duration crop become a Non-Performing Asset (NPA)?**
(A) When overdue for more than 90 days
(B) When overdue for one crop season
(C) When installment of principal or interest remains overdue for TWO crop seasons
(D) When overdue for 365 days
Correct Answer: (C)
Explanation: Loans for short-duration crops become NPAs when overdue for two crop seasons, whereas loans for long-duration crops (exceeding 1 year) become NPAs when overdue for one crop season (**RBI Official Portal**).

Practice Question #12 Solved Exam MCQ

12. **Against which of the following assets CANNOT a bank enforce security interest under the SARFAESI Act, 2002?**
(A) Commercial factory building
(B) Residential flat mortgaged by a borrower
(C) Agricultural land (Section 31 exemption)
(D) Plant and machinery hypothecated for a loan above ₹10 Lakh
Correct Answer: (C)
Explanation: Section 31 of the SARFAESI Act, 2002, explicitly exempts any security interest created in agricultural land, as well as loans below ₹1 Lakh or where less than 20\% of the principal and interest remains unpaid (**RBI Official Portal**).

Practice Question #13 Solved Exam MCQ

13. **In what ratio does the National Asset Reconstruction Company Limited (NARCL — India's Bad Bank) pay commercial banks when acquiring stressed legacy assets of ₹500 Crore and above?**
(A) 50\% Upfront Cash and 50\% Security Receipts
(B) 15\% Upfront Cash and 85\% Government-Guaranteed Security Receipts (SRs)
(C) 25\% Upfront Cash and 75\% Equity Shares
(D) 100\% Sovereign Bonds
Correct Answer: (B)
Explanation: NARCL acquires stressed assets under a 15:85 structure, paying 15\% in upfront cash and issuing 85\% as Security Receipts backed by a ₹30,600 Crore Central Government guarantee (**RBI Official Portal**).

Practice Question #14 Solved Exam MCQ

14. **Under what statutory structure was the National Payments Corporation of India (NPCI) incorporated in December 2008?**
(A) Wholly owned statutory subsidiary of SEBI
(B) Not-for-Profit Company under Section 8 of the Companies Act, 2013 (formerly Section 25 of Companies Act, 1956), promoted by RBI and IBA under the Payment and Settlement Systems Act, 2007
(C) Government Department under the Ministry of Electronics and Information Technology
(D) Public Limited Company listed on BSE and NSE
Correct Answer: (B)
Explanation: NPCI is an umbrella Not-for-Profit organization incorporated under Section 25 of the Companies Act, 1956 (now Section 8 of the Companies Act, 2013) under the Payment and Settlement Systems Act, 2007 (**NPCI Official Portal**).

Practice Question #15 Solved Exam MCQ

15. **Following the RBI's October 2024 monetary policy enhancement, what are the revised limits for UPI Lite (on-device wallet) and UPI 123PAY (feature phone UPI)?**
(A) UPI Lite: ₹500/txn (₹2,000 wallet); UPI 123PAY: ₹5,000/txn
(B) UPI Lite: ₹1,000/txn (₹5,000 wallet limit); UPI 123PAY: ₹10,000/txn
(C) UPI Lite: ₹2,000/txn (₹10,000 wallet); UPI 123PAY: ₹25,000/txn
(D) UPI Lite: ₹1,000/txn (₹2,000 wallet); UPI 123PAY: ₹5,000/txn
Correct Answer: (B)
Explanation: In October 2024, the RBI increased the UPI Lite per-transaction limit from ₹500 to ₹1,000 (and total wallet limit from ₹2,000 to ₹5,000) and raised the UPI 123PAY per-transaction limit from ₹5,000 to ₹10,000 (**RBI Official Portal**).

Practice Question #16 Solved Exam MCQ

16. **What is the statutory minimum transaction amount for initiating a Real Time Gross Settlement (RTGS) transfer in India?**
(A) ₹50,000
(B) ₹1,00,000
(C) ₹2,00,000 (₹2 Lakh) with no upper limit
(D) ₹5,00,000
Correct Answer: (C)
Explanation: RTGS is designed for large-value real-time gross fund transfers and requires a minimum transaction amount of ₹2,00,000, with no maximum ceiling (**RBI Official Portal**).

Practice Question #17 Solved Exam MCQ

17. **In the 11-character alphanumeric Indian Financial System Code (IFSC) used for NEFT, RTGS, and IMPS, what does the 5th character always represent?**
(A) First letter of the city name
(B) The numeric digit `0` (Zero), reserved for future use
(C) Checksum alphabet
(D) RBI Regional Office code
Correct Answer: (B)
Explanation: In every 11-character IFSC, the first 4 characters are alphabetic bank codes, the 5th character is always `0` (zero), and the last 6 characters identify the specific bank branch (**RBI Official Portal**).

Practice Question #18 Solved Exam MCQ

18. **Which section of the Negotiable Instruments Act, 1881, deals with criminal penalties for the dishonour (bouncing) of a cheque due to insufficiency of funds?**
(A) Section 4
(B) Section 6
(C) Section 85
(D) Section 138
Correct Answer: (D)
Explanation: Section 138 of the Negotiable Instruments Act, 1881, makes the dishonour of a cheque for insufficiency of funds a criminal offence punishable with imprisonment up to 2 years or a fine up to twice the cheque amount, or both (**RBI Official Portal**).

Practice Question #19 Solved Exam MCQ

19. **Which of the following statements regarding Treasury Bills (T-Bills) and Cash Management Bills (CMBs) in India is CORRECT?**
(A) Both Central and State Governments issue T-Bills in tenors of 91, 182, and 364 days
(B) Only the Central Government issues T-Bills (91, 182, 364 days) and CMBs (maturity less than 91 days), whereas State Governments issue State Development Loans (SDLs)
(C) T-Bills carry a fixed semi-annual coupon interest rate
(D) CMBs have a minimum maturity of 365 days
Correct Answer: (B)
Explanation: T-Bills (91, 182, and 364 days) and CMBs (<91 days) are zero-coupon discounted money market instruments issued exclusively by the Central Government through the RBI; State Governments cannot issue T-Bills (**RBI Official Portal**).

Practice Question #20 Solved Exam MCQ

20. **What is the minimum denomination and maturity period for a Commercial Paper (CP) issued in the Indian money market?**
(A) Minimum ₹1 Lakh; Maturity 15 days to 1 year
(B) Minimum ₹5 Lakh (and multiples of ₹5 Lakh); Maturity 7 days to 1 year
(C) Minimum ₹10,000; Maturity 91 days to 364 days
(D) Minimum ₹25 Lakh; Maturity 1 year to 3 years
Correct Answer: (B)
Explanation: Both Commercial Paper (CP) and Certificate of Deposit (CD) have a minimum denomination of ₹5,00,000 (₹5 Lakh) and multiples thereof, with a maturity period ranging from 7 days to 1 year for corporate CPs and bank CDs (**RBI Official Portal**).

Practice Question #21 Solved Exam MCQ

21. **Which All-India Financial Institution (AIFI) is headquartered in Lucknow, Uttar Pradesh, and serves as the principal financial institution for the MSME sector?**
(A) NABARD
(B) NHB
(C) SIDBI (Small Industries Development Bank of India, established 2 April 1990)
(D) NaBFID
Correct Answer: (C)
Explanation: Established on 2 April 1990 under the SIDBI Act, 1989, SIDBI is headquartered in Lucknow, Uttar Pradesh, whereas NABARD, EXIM Bank, and NaBFID are headquartered in Mumbai and NHB in New Delhi (**RBI Official Portal**).

Practice Question #22 Solved Exam MCQ

22. **On the recommendation of which committee was NABARD established on 12 July 1982?**
(A) M.J. Pherwani Committee
(B) B. Sivaraman Committee (CRAFICARD)
(C) R.N. Malhotra Committee
(D) Dr. Nachiket Mor Committee
Correct Answer: (B)
Explanation: NABARD was established on 12 July 1982 under the NABARD Act, 1981, based on the recommendations of the Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development (CRAFICARD), chaired by B. Sivaraman (**RBI Official Portal**).

Practice Question #23 Solved Exam MCQ

23. **In the Indian capital market, what does the SEBI-mandated acronym 'ASBA' stand for?**
(A) Automated Settlement of Blocked Assets
(B) Application Supported by Blocked Amount
(C) Authorized Securities and Bond Allotment
(D) Account Settlement by Bank Authorization
Correct Answer: (B)
Explanation: ASBA (Application Supported by Blocked Amount) ensures that an IPO/Rights Issue applicant's funds remain blocked in their own bank account until shares are officially allotted (**SEBI Official Portal**).

Practice Question #24 Solved Exam MCQ

24. **Which was the fifth All-India Financial Institution (AIFI) established under an Act of Parliament in 2021 to finance long-term infrastructure projects in India?**
(A) IIFCL
(B) NaBFID (National Bank for Financing Infrastructure and Development)
(C) IREDA
(D) HUDCO
Correct Answer: (B)
Explanation: Enacted via the NaBFID Act, 2021, NaBFID (headquartered in Mumbai) is the 5th AIFI regulated and supervised by the RBI alongside EXIM Bank, NABARD, NHB, and SIDBI (**RBI Official Portal**).

Practice Question #25 Solved Exam MCQ

25. **On the recommendation of which committee was the Insurance Regulatory and Development Authority of India (IRDAI) constituted, and where is its headquarters located?**
(A) Narasimham Committee; Mumbai
(B) R.N. Malhotra Committee (1994); Hyderabad, Telangana
(C) Damodaran Committee; New Delhi
(D) Tarapore Committee; Chennai
Correct Answer: (B)
Explanation: IRDAI was established under the IRDA Act, 1999, following the R.N. Malhotra Committee report, and its headquarters has been located in Hyderabad since 2001 (**PIB Official Portal**).

Practice Question #26 Solved Exam MCQ

26. **Which fundamental principle of insurance states that the insured must be restored to the same financial position as before the loss without earning a profit, and therefore DOES NOT apply to Life Insurance contracts?**
(A) Principle of *Uberrimae Fidei* (Utmost Good Faith)
(B) Principle of Insurable Interest
(C) Principle of Indemnity
(D) Principle of *Causa Proxima*
Correct Answer: (C)
Explanation: Life insurance contracts are contingent contracts (paying an agreed sum assured) rather than contracts of indemnity, whereas fire, marine, and motor insurance strictly follow the Principle of Indemnity (**IUC Academy**).

Practice Question #27 Solved Exam MCQ

27. **What is the maximum deposit insurance coverage provided by DICGC (Deposit Insurance and Credit Guarantee Corporation) per depositor per bank, and within how many days must interim payout occur if a bank is placed under RBI moratorium?**
(A) ₹1 Lakh; within 180 days
(B) ₹5 Lakh (Principal + Interest combined); within 90 days under Section 18A
(C) ₹5 Lakh (Principal only); within 60 days
(D) ₹10 Lakh; within 45 days
Correct Answer: (B)
Explanation: DICGC insures up to ₹5,00,000 (including both principal and accrued interest) per depositor per bank and is mandated by the 2021 DICGC Amendment Act to pay insured depositors within 90 days of a bank moratorium (**RBI Official Portal**).

Practice Question #28 Solved Exam MCQ

28. **Under the Union Budget 2024–25, a new fourth category named 'Tarun Plus' was added to the Pradhan Mantri MUDRA Yojana (PMMY). What is the enhanced loan limit under 'Tarun Plus'?**
(A) ₹5 Lakh to ₹10 Lakh
(B) ₹10 Lakh to ₹15 Lakh
(C) ₹10 Lakh to ₹20 Lakh (for entrepreneurs who have availed and successfully repaid previous *Tarun* loans)
(D) ₹20 Lakh to ₹50 Lakh
Correct Answer: (C)
Explanation: Union Budget 2024–25 introduced *Tarun Plus*, doubling the maximum MUDRA loan limit from ₹10 Lakh to ₹20 Lakh for borrowers who previously took and successfully repaid *Tarun* category loans (**PIB Official Portal**).

Practice Question #29 Solved Exam MCQ

29. **What are the revised annual premium rates (effective June 2022) for Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) respectively?**
(A) ₹330 and ₹12
(B) ₹436 and ₹20
(C) ₹500 and ₹50
(D) ₹400 and ₹25
Correct Answer: (B)
Explanation: Each providing a ₹2 Lakh insurance cover, the annual premium for PMJJBY (18–50 years, life cover) is ₹436 and for PMSBY (18–70 years, accidental cover) is ₹20 (**PIB Official Portal**).

Practice Question #30 Solved Exam MCQ

30. **In August 2019, the regulatory authority over Housing Finance Companies (HFCs) in India was transferred from the National Housing Bank (NHB) to which regulator?**
(A) SEBI
(B) Reserve Bank of India (RBI)
(C) Ministry of Housing and Urban Affairs
(D) IRDAI
Correct Answer: (B)
Explanation: Via the Finance (No. 2) Act, 2019, regulation of Housing Finance Companies (HFCs) was transferred to the RBI (treating HFCs as a category of NBFCs), while NHB retains supervision and refinancing functions (**RBI Official Portal**).

Practice Question #31 Solved Exam MCQ

31. **What is the threshold percentage prepared by the Arvind Mayaram Committee (2014) to distinguish Foreign Direct Investment (FDI) from Foreign Portfolio Investment (FPI) in a listed Indian company?**
(A) 5\% of post-issue paid-up equity capital
(B) 10\% or more is FDI; less than 10\% is FPI
(C) 26\% or more is FDI; less than 26\% is FPI
(D) 49\% or more is FDI
Correct Answer: (B)
Explanation: Under the Arvind Mayaram Committee framework, foreign investment of 10\% or more in the post-issue paid-up equity capital of a listed company is treated as FDI, while below 10\% is FPI (**SEBI Official Portal**).

Practice Question #32 Solved Exam MCQ

32. **In the Call Money, Notice Money, and Term Money markets regulated by the RBI, what is the exact tenure of 'Notice Money'?**
(A) 1 day (Overnight)
(B) 2 days to 14 days
(C) 15 days to 90 days
(D) 15 days to 1 year
Correct Answer: (B)
Explanation: Call Money is for 1 day (overnight), Notice Money is for 2 days to 14 days, and Term Money is for 15 days to 1 year (**RBI Official Portal**).

Practice Question #33 Solved Exam MCQ

33. **Under the Insolvency and Bankruptcy Code (IBC), 2016, what is the minimum voting share of the Committee of Creditors (CoC) required to approve a Corporate Resolution Plan?**
(A) 51\%
(B) 66\% (reduced from 75\% via the 2018 IBC Amendment)
(C) 75\%
(D) 90\%
Correct Answer: (B)
Explanation: Section 30(4) of the IBC, 2016, requires a minimum vote of 66\% of the voting share of the financial creditors in the Committee of Creditors (CoC) to approve a resolution plan (**PIB Official Portal**).

Practice Question #34 Solved Exam MCQ

34. **Which technology is used in NETC (National Electronic Toll Collection) FASTag developed by NPCI for automated highway toll deduction?**
(A) Near Field Communication (NFC)
(B) Radio Frequency Identification (RFID)
(C) Bluetooth Low Energy (BLE)
(D) Magnetic Stripe Recognition
Correct Answer: (B)
Explanation: NETC FASTag operates on Radio Frequency Identification (RFID) technology affixed to the vehicle windscreen, enabling non-stop electronic toll clearing linked to the user's prepaid wallet or bank account (**NPCI Official Portal**).

Practice Question #35 Solved Exam MCQ

35. **Which committee recommended the creation of the Monetary Policy Committee (MPC) and the adoption of Flexible Inflation Targeting based on CPI-Combined in India?**
(A) Raghuram Rajan Committee
(B) Dr. Urjit Patel Committee (2014)
(C) P.J. Nayak Committee (2014)
(D) Bimal Jalan Committee (2019)
Correct Answer: (B)
Explanation: The Expert Committee to Revise and Strengthen the Monetary Policy Framework, chaired by Dr. Urjit Patel (2014), recommended adopting CPI-Combined (4\% ± 2\%) as the nominal anchor and constituting the 6-member Monetary Policy Committee (**RBI Official Portal**).

Extended Comparative & Analytical Practice Set (Questions *36* to *75*)

Practice Question #36 High-Yield Comparative MCQ

Q36. With reference to Instrument Name & Statutory Provision and Nature & Mechanism, which of the following is accurately matched with "Policy Repo Rate (Repurchase Rate)"?

(A) Short-term rate at which RBI lends overnight/short-term liquidity to Scheduled Banks against Government Securities (G-Secs) under LAF.

(B) Minimum fraction of Net Demand and Time Liabilities (NDTL) that every Scheduled Bank must maintain with the RBI solely in Cash.

(C) Narasimham Committee I (1991) & II (1998); P.J. Nayak Committee (2014)

(D) RBI Foreign Bank Framework

Correct Answer: (A) | **Explanation:** For **Policy Repo Rate (Repurchase Rate)** (Instrument Name & Statutory Provision), the verified Nature & Mechanism is **Short-term rate at which RBI lends overnight/short-term liquidity to Scheduled Banks against Government Securities (G-Secs) under LAF.**. Furthermore, Anchor benchmark rate of the Liquidity Adjustment Facility (LAF) corridor.. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #37 High-Yield Comparative MCQ

Q37. With reference to Instrument Name & Statutory Provision and Nature & Mechanism, which of the following is accurately matched with "Cash Reserve Ratio (CRR) — Section 42(1) of RBI Act, 1934"?

(A) Narasimham Committee I (1991) & II (1998); P.J. Nayak Committee (2014)

(B) Minimum fraction of Net Demand and Time Liabilities (NDTL) that every Scheduled Bank must maintain with the RBI solely in Cash.

(C) RBI Foreign Bank Framework

(D) M. Narasimham Working Group (1975); Kelkar Committee (1986) (*Zero new RRBs since 1987*)

Correct Answer: (B) | **Explanation:** For **Cash Reserve Ratio (CRR) — Section 42(1) of RBI Act, 1934** (Instrument Name & Statutory Provision), the verified Nature & Mechanism is **Minimum fraction of Net Demand and Time Liabilities (NDTL) that every Scheduled Bank must maintain with the RBI solely in Cash.**. Furthermore, No statutory floor or ceiling since the 2006 Amendment; RBI pays ZERO interest on CRR balances.. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #38 High-Yield Comparative MCQ

Q38. With reference to Bank Category and Recommending Committee, which of the following is accurately matched with "Domestic Scheduled Commercial Banks (PSBs & Private Banks) & Foreign Banks (≥ 20 branches)"?

(A) RBI Foreign Bank Framework

(B) M. Narasimham Working Group (1975); Kelkar Committee (1986) (*Zero new RRBs since 1987*)

(C) Narasimham Committee I (1991) & II (1998); P.J. Nayak Committee (2014)

(D) N.S. Vishwanathan Committee (2021 — 4-Tier Regulatory Structure for UCBs)

Correct Answer: (C) | **Explanation:** For **Domestic Scheduled Commercial Banks (PSBs & Private Banks) & Foreign Banks (≥ 20 branches)** (Bank Category), the verified Recommending Committee is **Narasimham Committee I (1991) & II (1998); P.J. Nayak Committee (2014)**. Furthermore, ₹1,000 Crore for Universal Banks under 'On-Tap' Licensing (increased from ₹500 Crore). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #39 High-Yield Comparative MCQ

Q39. With reference to Bank Category and Recommending Committee, which of the following is accurately matched with "Foreign Banks with < 20 Branches in India"?

(A) M. Narasimham Working Group (1975); Kelkar Committee (1986) (*Zero new RRBs since 1987*)

(B) N.S. Vishwanathan Committee (2021 — 4-Tier Regulatory Structure for UCBs)

(C) 4.5\%

(D) RBI Foreign Bank Framework

Correct Answer: (D) | **Explanation:** For **Foreign Banks with < 20 Branches in India** (Bank Category), the verified Recommending Committee is **RBI Foreign Bank Framework**. Furthermore, Capital as per host/home regulatory framework. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #40 High-Yield Comparative MCQ

Q40. With reference to Bank Category and Recommending Committee, which of the following is accurately matched with "Regional Rural Banks (RRBs)"?

(A) M. Narasimham Working Group (1975); Kelkar Committee (1986) (*Zero new RRBs since* 1987)
(B) N.S. Vishwanathan Committee (2021 — 4-Tier Regulatory Structure for UCBs)
(C) 4.5\%
(D) 1.5\%

Correct Answer: (A) | **Explanation:** For **Regional Rural Banks (RRBs)** (Bank Category), the verified Recommending Committee is **M. Narasimham Working Group (1975); Kelkar Committee (1986) (*Zero new RRBs since* 1987)**. Furthermore, Shareholding: Central Govt (50\%) : Sponsor Bank (35\%) : State Govt (15\%). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #41 High-Yield Comparative MCQ

Q41. With reference to Bank Category and Recommending Committee, which of the following is accurately matched with "Primary (Urban) Co-operative Banks (UCBs)"?

(A) 4.5\%
(B) N.S. Vishwanathan Committee (2021 — 4-Tier Regulatory Structure for UCBs)
(C) 1.5\%
(D) 6.0\%

Correct Answer: (B) | **Explanation:** For **Primary (Urban) Co-operative Banks (UCBs)** (Bank Category), the verified Recommending Committee is **N.S. Vishwanathan Committee (2021 — 4-Tier Regulatory Structure for UCBs)**. Furthermore, Tier-1 (Deposits up to ₹100 Cr) to Tier-4 (Deposits > ₹10,000 Cr). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #42 High-Yield Comparative MCQ

Q42. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Minimum Common Equity Tier 1 (CET1) Ratio"?

(A) 1.5\%
(B) 6.0\%
(C) 4.5\%
(D) 2.0\%

Correct Answer: (C) | **Explanation:** For **Minimum Common Equity Tier 1 (CET1) Ratio** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **4.5\%**. Furthermore, 5.5\%. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #43 High-Yield Comparative MCQ

Q43. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Additional Tier 1 (AT1) Capital"?

(A) 6.0\%
(B) 2.0\%
(C) 8.0\%
(D) 1.5\%

Correct Answer: (D) | **Explanation:** For **Additional Tier 1 (AT1) Capital** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **1.5\%**. Furthermore, 1.5\%. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #44 High-Yield Comparative MCQ

Q44. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Minimum Total Tier-1 Capital Ratio (CET1 + AT1)"?

(A) 6.0\%
(B) 2.0\%
(C) 8.0\%
(D) 2.5\% (purely in CET1)

Correct Answer: (A) | **Explanation:** For **Minimum Total Tier-1 Capital Ratio (CET1 + AT1)** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **6.0\%**. Furthermore, 7.0\%. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #45 High-Yield Comparative MCQ

Q45. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Maximum Tier-2 Capital Ratio (within Minimum CRAR)"?

(A) 8.0\%
(B) 2.0\%
(C) 2.5\% (purely in CET1)
(D) 10.5\% (8\% + 2.5\%)

Correct Answer: (B) | **Explanation:** For **Maximum Tier-2 Capital Ratio (within Minimum CRAR)** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **2.0\%**. Furthermore, 2.0\%. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #46 High-Yield Comparative MCQ

Q46. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Minimum Capital to Risk-Weighted Assets Ratio (CRAR / CAR)"?

(A) 2.5\% (purely in CET1)
(B) 10.5\% (8\% + 2.5\%)
(C) 8.0\%
(D) 0\% to 2.5\%

Correct Answer: (C) | **Explanation:** For **Minimum Capital to Risk-Weighted Assets Ratio (CRAR / CAR)** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **8.0\%**. Furthermore, 9.0\% (for Scheduled Commercial Banks; 15\% for SFBs & Payments Banks). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #47 High-Yield Comparative MCQ

Q47. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Capital Conservation Buffer (CCB)"?

(A) 10.5\% (8\% + 2.5\%)
(B) 0\% to 2.5\%
(C) 3.0\%
(D) 2.5\% (purely in CET1)

Correct Answer: (D) | **Explanation:** For **Capital Conservation Buffer (CCB)** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **2.5\% (purely in CET1)**. Furthermore, 2.5\% (purely in CET1). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #48 High-Yield Comparative MCQ

Q48. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Minimum Total Capital + CCB"?

(A) 10.5\% (8\% + 2.5\%)
(B) 0\% to 2.5\%
(C) 3.0\%
(D) ≥ 100\%

Correct Answer: (A) | **Explanation:** For **Minimum Total Capital + CCB** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **10.5\% (8\% + 2.5\%)**. Furthermore, 11.5\% (9\% + 2.5\%). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #49 High-Yield Comparative MCQ

Q49. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Countercyclical Capital Buffer (CCyB)"?

(A) 3.0\%
(B) 0\% to 2.5\%
(C) ≥ 100\%
(D) 1987

Correct Answer: (B) | **Explanation:** For **Countercyclical Capital Buffer (CCyB)** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **0\% to 2.5\%**. Furthermore, 0\% to 2.5\% (activated by RBI based on Credit-to-GDP gap). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #50 High-Yield Comparative MCQ

Q50. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Basel-III Leverage Ratio"?

(A) ≥ 100\%
(B) 1987
(C) 3.0\%
(D) RDBFI Act, 1993 (Tiwari Committee, 1981; Narasimham Committee I, 1991)

Correct Answer: (C) | **Explanation:** For **Basel-III Leverage Ratio** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **3.0\%**. Furthermore, 4.0\% for Domestic Systemically Important Banks (D-SIBs) and 3.5\% for other banks. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #51 High-Yield Comparative MCQ

Q51. With reference to Basel-III Parameter / Ratio and Global BCBS Standard (% of RWAs), which of the following is accurately matched with "Liquidity Coverage Ratio (LCR) & Net Stable Funding Ratio (NSFR)"?

(A) 1987
(B) RDBFI Act, 1993 (Tiwari Committee, 1981; Narasimham Committee I, 1991)
(C) 2016 (Drafted by Bankruptcy Law Reforms Committee headed by Dr. T.K. Viswanathan)
(D) ≥ 100\%

Correct Answer: (D) | **Explanation:** For **Liquidity Coverage Ratio (LCR) & Net Stable Funding Ratio (NSFR)** (Basel-III Parameter / Ratio), the verified Global BCBS Standard (% of RWAs) is **≥ 100\%**. Furthermore, ≥ 100\%. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #52 High-Yield Comparative MCQ

Q52. With reference to Recovery Framework / Institution and Year & Statutory Mandate, which of the following is accurately matched with "Lok Adalats (Legal Services Authorities Act, 1987)"?

(A) 1987

(B) RDBFI Act, 1993 (Tiwari Committee, 1981; Narasimham Committee I, 1991)

(C) 2016 (Drafted by Bankruptcy Law Reforms Committee headed by Dr. T.K. Viswanathan)

(D) 2021 (Incorporated under Companies Act; licensed as ARC by RBI under Section 3 of SARFAESI Act)

Correct Answer: (A) | **Explanation:** For **Lok Adalats (Legal Services Authorities Act, 1987)** (Recovery Framework / Institution), the verified Year & Statutory Mandate is **1987**. Furthermore, Loans up to ₹20 Lakh. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #53 High-Yield Comparative MCQ

Q53. With reference to Recovery Framework / Institution and Year & Statutory Mandate, which of the following is accurately matched with "Debt Recovery Tribunals (DRTs) & DRATs"?

(A) 2016 (Drafted by Bankruptcy Law Reforms Committee headed by Dr. T.K. Viswanathan)

(B) RDBFI Act, 1993 (Tiwari Committee, 1981; Narasimham Committee I, 1991)

(C) 2021 (Incorporated under Companies Act; licensed as ARC by RBI under Section 3 of SARFAESI Act)

(D) RBI (Launched Nov 2005; made 24 × 7 × 365 in Dec 2019)

Correct Answer: (B) | **Explanation:** For **Debt Recovery Tribunals (DRTs) & DRATs** (Recovery Framework / Institution), the verified Year & Statutory Mandate is **RDBFI Act, 1993 (Tiwari Committee, 1981; Narasimham Committee I, 1991)**. Furthermore, Pecuniary threshold revised from ₹10 Lakh to ₹20 Lakh and above. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #54 High-Yield Comparative MCQ

Q54. With reference to Recovery Framework / Institution and Year & Statutory Mandate, which of the following is accurately matched with "Insolvency and Bankruptcy Code (IBC), 2016"?

(A) 2021 (Incorporated under Companies Act; licensed as ARC by RBI under Section 3 of SARFAESI Act)

(B) RBI (Launched Nov 2005; made 24 × 7 × 365 in Dec 2019)

(C) 2016 (Drafted by Bankruptcy Law Reforms Committee headed by Dr. T.K. Viswanathan)

(D) RBI (Launched March 2004; made 24 × 7 × 365 in Dec 2020)

Correct Answer: (C) | **Explanation:** For **Insolvency and Bankruptcy Code (IBC), 2016** (Recovery Framework / Institution), the verified Year & Statutory Mandate is **2016 (Drafted by Bankruptcy Law Reforms Committee headed by Dr. T.K. Viswanathan)**. Furthermore, Minimum default threshold for Corporate Insolvency (CIRP) raised from ₹1 Lakh to ₹1 Crore (Pre-Packaged PIRP for MSMEs: ₹10 Lakh). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #55 High-Yield Comparative MCQ

Q55. With reference to Recovery Framework / Institution and Year & Statutory Mandate, which of the following is accurately matched with "NARCL & IDRCL (National Asset Reconstruction Company Ltd — India's Bad Bank)"?

(A) RBI (Launched Nov 2005; made 24 × 7 × 365 in Dec 2019)

(B) RBI (Launched March 2004; made 24 × 7 × 365 in Dec 2020)

(C) NPCI (Launched Nov 2010)

(D) 2021 (Incorporated under Companies Act; licensed as ARC by RBI under Section 3 of SARFAESI Act)

Correct Answer: (D) | **Explanation:** For **NARCL & IDRCL (National Asset Reconstruction Company Ltd — India's Bad Bank)** (Recovery Framework / Institution), the verified Year & Statutory Mandate is **2021 (Incorporated under Companies Act; licensed as ARC by RBI under Section 3 of SARFAESI Act)**. Furthermore, Acquires legacy stressed accounts of ₹500 Crore and above from commercial banks. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #56 High-Yield Comparative MCQ

Q56. With reference to Payment System and Operating Agency & Launch Year, which of the following is accurately matched with "NEFT (National Electronic Funds Transfer)"?

(A) RBI (Launched Nov 2005; made 24 × 7 × 365 in Dec 2019)
(B) RBI (Launched March 2004; made 24 × 7 × 365 in Dec 2020)
(C) NPCI (Launched Nov 2010)
(D) NPCI (Launched 11 April 2016)

Correct Answer: (A) | **Explanation:** For **NEFT (National Electronic Funds Transfer)** (Payment System), the verified Operating Agency & Launch Year is **RBI (Launched Nov 2005; made 24 × 7 × 365 in Dec 2019)**. Furthermore, Minimum: ₹1 (No limit) Maximum: No statutory upper limit (Walk-in cash remittance capped at ₹50,000). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #57 High-Yield Comparative MCQ

Q57. With reference to Payment System and Operating Agency & Launch Year, which of the following is accurately matched with "RTGS (Real Time Gross Settlement)"?

(A) NPCI (Launched Nov 2010)
(B) RBI (Launched March 2004; made 24 × 7 × 365 in Dec 2020)
(C) NPCI (Launched 11 April 2016)
(D) NPCI

Correct Answer: (B) | **Explanation:** For **RTGS (Real Time Gross Settlement)** (Payment System), the verified Operating Agency & Launch Year is **RBI (Launched March 2004; made 24 × 7 × 365 in Dec 2020)**. Furthermore, Minimum: ₹2,00,000 (₹2 Lakh) Maximum: No upper limit. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #58 High-Yield Comparative MCQ

Q58. With reference to Payment System and Operating Agency & Launch Year, which of the following is accurately matched with "IMPS (Immediate Payment Service)"?

(A) NPCI (Launched 11 April 2016)
(B) NPCI
(C) NPCI (Launched Nov 2010)
(D) RBI (Pilot launched in Nov–Dec 2022)

Correct Answer: (C) | **Explanation:** For **IMPS (Immediate Payment Service)** (Payment System), the verified Operating Agency & Launch Year is **NPCI (Launched Nov 2010)**. Furthermore, Minimum: ₹1
Maximum: ₹5,00,000 (₹5 Lakh) (increased from ₹2 Lakh). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #59 High-Yield Comparative MCQ

Q59. With reference to Payment System and Operating Agency & Launch Year, which of the following is accurately matched with "UPI (Unified Payments Interface)"?

(A) NPCI

(B) RBI (Pilot launched in Nov–Dec 2022)

(C) Central Government ONLY (Auctioned by RBI; State Governments CANNOT issue T-Bills)

(D) NPCI (Launched 11 April 2016)

Correct Answer: (D) | **Explanation:** For **UPI (Unified Payments Interface)** (Payment System), the verified Operating Agency & Launch Year is **NPCI (Launched 11 April 2016)**. Furthermore, Standard: ₹1 Lakh
Hospitals/Education/Tax/IPO: ₹5 Lakh
UPI Lite: ₹1,000/txn (₹5,000 wallet)
UPI 123PAY: ₹10,000/txn. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #60 High-Yield Comparative MCQ

Q60. With reference to Payment System and Operating Agency & Launch Year, which of the following is accurately matched with "AePS (Aadhaar Enabled Payment System)"?

(A) NPCI

(B) RBI (Pilot launched in Nov–Dec 2022)

(C) Central Government ONLY (Auctioned by RBI; State Governments CANNOT issue T-Bills)

(D) Central Government in consultation with RBI

Correct Answer: (A) | **Explanation:** For **AePS (Aadhaar Enabled Payment System)** (Payment System), the verified Operating Agency & Launch Year is **NPCI**. Furthermore, Determined by issuing banks (typically ₹10,000 per biometric transaction). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #61 High-Yield Comparative MCQ

Q61. With reference to Payment System and Operating Agency & Launch Year, which of the following is accurately matched with "CTS, NACH & NETC (FASTag)"?

(A) RBI (Pilot launched in Nov–Dec 2022)

(B) NPCI

(C) Central Government ONLY (Auctioned by RBI; State Governments CANNOT issue T-Bills)

(D) Central Government in consultation with RBI

Correct Answer: (B) | **Explanation:** For **CTS, NACH & NETC (FASTag)** (Payment System), the verified Operating Agency & Launch Year is **NPCI**. Furthermore, CTS: Positive Pay System mandatory for cheques ≥ ₹50,000 (re-confirmation for ≥ ₹5 Lakh). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #62 High-Yield Comparative MCQ

Q62. With reference to Payment System and Operating Agency & Launch Year, which of the following is accurately matched with "CBDC (Central Bank Digital Currency — Digital Rupee / e₹)"?

(A) Central Government ONLY (Auctioned by RBI; State Governments CANNOT issue T-Bills)

(B) Central Government in consultation with RBI

(C) RBI (Pilot launched in Nov–Dec 2022)

(D) Facility provided by RBI to both Central Government and State Governments/UTs

Correct Answer: (C) | **Explanation:** For **CBDC (Central Bank Digital Currency — Digital Rupee / e₹)** (Payment System), the verified Operating Agency & Launch Year is **RBI (Pilot launched in Nov–Dec 2022)**. Furthermore, Issued in two variants: e₹-W (Wholesale) for interbank G-Sec settlement and e₹-R (Retail) for public P2P/P2M. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #63 High-Yield Comparative MCQ

Q63. With reference to Money Market Instrument and Eligible Issuer, which of the following is accurately matched with "Treasury Bills (T-Bills) (First issued in India in 1917)"?

(A) Central Government in consultation with RBI

(B) Facility provided by RBI to both Central Government and State Governments/UTs

(C) Administered by CCIL (Clearing Corporation of India Ltd) (established 2001)

(D) Central Government ONLY (Auctioned by RBI; State Governments CANNOT issue T-Bills)

Correct Answer: (D) | **Explanation:** For **Treasury Bills (T-Bills) (First issued in India in 1917)** (Money Market Instrument), the verified Eligible Issuer is **Central Government ONLY (Auctioned by RBI; State Governments CANNOT issue T-Bills)**. Furthermore, ₹10,000 and in multiples of ₹10,000. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #64 High-Yield Comparative MCQ

Q64. With reference to Money Market Instrument and Eligible Issuer, which of the following is accurately matched with "Cash Management Bills (CMBs) (Introduced in May 2010)"?

(A) Central Government in consultation with RBI

(B) Facility provided by RBI to both Central Government and State Governments/UTs

(C) Administered by CCIL (Clearing Corporation of India Ltd) (established 2001)

(D) 1875 (*The Native Share & Stock Brokers' Association* founded by Premchand Roychand)

Correct Answer: (A) | **Explanation:** For **Cash Management Bills (CMBs) (Introduced in May 2010)** (Money Market Instrument), the verified Eligible Issuer is **Central Government in consultation with RBI**. Furthermore, ₹10,000 and in multiples of ₹10,000. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #65 High-Yield Comparative MCQ

Q65. With reference to Money Market Instrument and Eligible Issuer, which of the following is accurately matched with "Ways and Means Advances (WMA) — Section 17(5) of RBI Act"?

(A) Administered by CCIL (Clearing Corporation of India Ltd) (established 2001)

(B) Facility provided by RBI to both Central Government and State Governments/UTs

(C) 1875 (*The Native Share & Stock Brokers' Association* founded by Premchand Roychand)

(D) 1992 (Operations started 1994)

Correct Answer: (B) | **Explanation:** For **Ways and Means Advances (WMA) — Section 17(5) of RBI Act** (Money Market Instrument), the verified Eligible Issuer is **Facility provided by RBI to both Central Government and State Governments/UTs**. Furthermore, Statutory limits fixed periodically by RBI & Govt (Recommended by Sudhir Shrivastava Committee for States). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #66 High-Yield Comparative MCQ

Q66. With reference to Money Market Instrument and Eligible Issuer, which of the following is accurately matched with "Tri-Party Repo (TREPS) (Replaced CBLO in Nov 2018)"?

(A) 1875 (*The Native Share & Stock Brokers' Association* founded by Premchand Roychand)
(B) 1992 (Operations started 1994)
(C) Administered by CCIL (Clearing Corporation of India Ltd) (established 2001)
(D) 12 July 1982 (NABARD Act, 1981)

Correct Answer: (C) | **Explanation:** For **Tri-Party Repo (TREPS) (Replaced CBLO in Nov 2018)** (Money Market Instrument), the verified Eligible Issuer is **Administered by CCIL (Clearing Corporation of India Ltd) (established 2001)**. Furthermore, Minimum ₹5 Lakh. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #67 High-Yield Comparative MCQ

Q67. With reference to Institution Name and Founding Year & Statute, which of the following is accurately matched with "BSE (Bombay Stock Exchange)"?

(A) 1992 (Operations started 1994)
(B) 12 July 1982 (NABARD Act, 1981)
(C) 1 January 1982 (EXIM Bank Act, 1981)
(D) 1875 (*The Native Share & Stock Brokers' Association* founded by Premchand Roychand)

Correct Answer: (D) | **Explanation:** For **BSE (Bombay Stock Exchange)** (Institution Name), the verified Founding Year & Statute is **1875 (*The Native Share & Stock Brokers' Association* founded by Premchand Roychand)**. Furthermore, Recognized permanently under SCRA, 1956. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #68 High-Yield Comparative MCQ

Q68. With reference to Institution Name and Founding Year & Statute, which of the following is accurately matched with "NSE (National Stock Exchange)"?

(A) 1992 (Operations started 1994)
(B) 12 July 1982 (NABARD Act, 1981)
(C) 1 January 1982 (EXIM Bank Act, 1981)
(D) 9 July 1988 (NHB Act, 1987)

Correct Answer: (A) | **Explanation:** For **NSE (National Stock Exchange)** (Institution Name), the verified Founding Year & Statute is **1992 (Operations started 1994)**. Furthermore, M.J. Pherwani Committee (1991). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #69 High-Yield Comparative MCQ

Q69. With reference to Institution Name and Founding Year & Statute, which of the following is accurately matched with "NABARD (*National Bank for Agriculture and Rural Development*)"?

(A) 1 January 1982 (EXIM Bank Act, 1981)
(B) 12 July 1982 (NABARD Act, 1981)
(C) 9 July 1988 (NHB Act, 1987)
(D) 2 April 1990 (SIDBI Act, 1989)

Correct Answer: (B) | **Explanation:** For **NABARD (*National Bank for Agriculture and Rural Development*)** (Institution Name), the verified Founding Year & Statute is **12 July 1982 (NABARD Act, 1981)**. Furthermore, B. Sivaraman Committee (CRAFICARD, 1979). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #70 High-Yield Comparative MCQ

Q70. With reference to Institution Name and Founding Year & Statute, which of the following is accurately matched with "EXIM Bank (*Export-Import Bank of India*)"?

(A) 9 July 1988 (NHB Act, 1987)

(B) 2 April 1990 (SIDBI Act, 1989)

(C) 1 January 1982 (EXIM Bank Act, 1981)

(D) 2021 (NaBFID Act, 2021)

Correct Answer: (C) | **Explanation:** For **EXIM Bank (*Export-Import Bank of India*)** (Institution Name), the verified Founding Year & Statute is **1 January 1982 (EXIM Bank Act, 1981)**. Furthermore, Ministry of Finance / Export Credit Task Force. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #71 High-Yield Comparative MCQ

Q71. With reference to Institution Name and Founding Year & Statute, which of the following is accurately matched with "NHB (*National Housing Bank*)"?

(A) 2 April 1990 (SIDBI Act, 1989)

(B) 2021 (NaBFID Act, 2021)

(C) 15 July 1978 (DICGC Act, 1961; wholly owned subsidiary of RBI, HQ in Mumbai)

(D) 9 July 1988 (NHB Act, 1987)

Correct Answer: (D) | **Explanation:** For **NHB (*National Housing Bank*)** (Institution Name), the verified Founding Year & Statute is **9 July 1988 (NHB Act, 1987)**. Furthermore, C. Rangarajan Committee (High Level Group on Housing Finance). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #72 High-Yield Comparative MCQ

Q72. With reference to Institution Name and Founding Year & Statute, which of the following is accurately matched with "SIDBI (*Small Industries Development Bank of India*)"?

(A) 2 April 1990 (SIDBI Act, 1989)

(B) 2021 (NaBFID Act, 2021)

(C) 15 July 1978 (DICGC Act, 1961; wholly owned subsidiary of RBI, HQ in Mumbai)

(D) 28 August 2014 (Department of Financial Services, Ministry of Finance)

Correct Answer: (A) | **Explanation:** For **SIDBI (*Small Industries Development Bank of India*)** (Institution Name), the verified Founding Year & Statute is **2 April 1990 (SIDBI Act, 1989)**.
Furthermore, Act of Parliament (originally a subsidiary of IDBI). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #73 High-Yield Comparative MCQ

Q73. With reference to Institution Name and Founding Year & Statute, which of the following is accurately matched with "NaBFID (*National Bank for Financing Infrastructure and Development*)"?

(A) 15 July 1978 (DICGC Act, 1961; wholly owned subsidiary of RBI, HQ in Mumbai)

(B) 2021 (NaBFID Act, 2021)

(C) 28 August 2014 (Department of Financial Services, Ministry of Finance)

(D) 9 May 2015 (Launched in Kolkata; Ministry of Finance)

Correct Answer: (B) | **Explanation:** For **NaBFID (*National Bank for Financing Infrastructure and Development*)** (Institution Name), the verified Founding Year & Statute is **2021 (NaBFID Act, 2021)**. Furthermore, Union Budget 2021–22 DFI Architecture. (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #74 High-Yield Comparative MCQ

Q74. With reference to Scheme / Institution Name and Launch Date & Nodal Ministry / Regulator, which of the following is accurately matched with "DICGC (*Deposit Insurance and Credit Guarantee Corporation*)"?

(A) 28 August 2014 (Department of Financial Services, Ministry of Finance)

(B) 9 May 2015 (Launched in Kolkata; Ministry of Finance)

(C) 15 July 1978 (DICGC Act, 1961; wholly owned subsidiary of RBI, HQ in Mumbai)

(D) 9 May 2015 (Ministry of Finance)

Correct Answer: (C) | **Explanation:** For **DICGC (*Deposit Insurance and Credit Guarantee Corporation*)** (Scheme / Institution Name), the verified Launch Date & Nodal Ministry / Regulator is **15 July 1978 (DICGC Act, 1961; wholly owned subsidiary of RBI, HQ in Mumbai)**. Furthermore, All commercial banks, RRBs, SFBs, PBs, and Cooperative Banks (*Primary Cooperative Societies are excluded*). (Source: Reserve Bank of India (RBI) & IUC Academy).

Practice Question #75 High-Yield Comparative MCQ

Q75. With reference to Scheme / Institution Name and Launch Date & Nodal Ministry / Regulator, which of the following is accurately matched with "PMJDY (*Pradhan Mantri Jan Dhan Yojana*)"?

(A) 9 May 2015 (Launched in Kolkata; Ministry of Finance)

(B) 9 May 2015 (Ministry of Finance)

(C) APY: 9 May 2015

PFRDA: Statutory via PFRDA Act, 2013 (Oasis Committee; HQ in New Delhi)

(D) 28 August 2014 (Department of Financial Services, Ministry of Finance)

Correct Answer: (D) | **Explanation:** For **PMJDY (*Pradhan Mantri Jan Dhan Yojana*)** (Scheme / Institution Name), the verified Launch Date & Nodal Ministry / Regulator is **28 August 2014 (Department of Financial Services, Ministry of Finance)**. Furthermore, Any individual aged 10 years and above (Minors above 10 can open accounts). (Source: Reserve Bank of India (RBI) & IUC Academy).

Rapid-Fire Last-Minute One-Liner Revision Capsule

1. **First Bank Established in India (1770):** *Bank of Hindustan* (Calcutta).

2. **First Purely Indian Bank (Founded 19 May 1894 in Lahore):** *Punjab National Bank (PNB)* (by Lala Lajpat Rai and Dyal Singh Majithia).

3. **Formation of Imperial Bank of India (1921) & State Bank of India (1 July 1955):** Merger of 3 Presidency Banks (Bengal, Bombay, Madras) formed Imperial Bank (1921), nationalized as SBI on 1 July 1955 on **A.D. Gorwala Committee** recommendation (**RBI Official Portal**).

4. **RBI Establishment & Nationalization Dates:** Established on **1 April 1935** (RBI Act, 1934; Hilton Young Commission); Nationalized on **1 January 1949**.

5. **First Governor & First Indian Governor of RBI:** Sir Osborne Smith (1st Governor, 1935) and Sir C.D. Deshmukh (1st Indian Governor, 1943).

6. **Minimum Reserve System (MRS, 1956) for RBI Currency Issue:** Total **₹200 Crore (₹115 Crore in Gold + ₹85 Crore in Foreign Currency Assets)**.

7. **Authority Issuing ₹1 Currency Note & Coins:** Ministry of Finance, Government of India (under Coinage Act, 2011); ₹1 note bears the signature of the **Finance Secretary**.

8. **Monetary Policy Committee (MPC — Section 45ZB of RBI Act): 6 Members** (3 from RBI + 3 Govt nominees); CPI-Combined Inflation Target is **4\% ± 2\%** (2\% to 6\%).

9. **Floor and Ceiling of RBI's LAF Corridor: Standing Deposit Facility (SDF = Repo - 0.25\%)** is the uncollateralized Floor; **Marginal Standing Facility (MSF = Repo + 0.25\%)** is the Ceiling.

10. **Statutory Sections for CRR vs SLR: CRR** = Section 42(1) of RBI Act, 1934 (Cash only with RBI, zero interest); **SLR** = Section 24 of Banking Regulation Act, 1949 (Cash, Gold, or G-Secs with bank itself, max ceiling 40\%).

11. **Two Phases of Bank Nationalization in India: 19 July 1969** (14 banks with deposits ≥ ₹50 Cr) and **15 April 1980** (6 banks with deposits ≥ ₹200 Cr).

12. **Total Public Sector Banks (PSBs) in India Today: 12 PSBs** (1 SBI + 11 Nationalized Banks after the 1 April 2020 consolidation).

13. **First Regional Rural Bank (RRB) of India (2 October 1975): Prathama Bank** (Moradabad, UP); recommended by **M. Narasimham Working Group**.

14. **RRB Equity Shareholding Ratio: Central Government (50\%) : Sponsor Bank (35\%) : State Government (15\%)**.

15. **Committees for Small Finance Banks (SFBs) & Payments Banks (PBs): Usha Thorat Committee** (SFBs) and **Dr. Nachiket Mor Committee** (Payments Banks).

16. **First Small Finance Bank vs First Payments Bank in India:** *Capital Small Finance Bank* (April 2016) vs *Airtel Payments Bank* (Nov 2016).

17. **Minimum Paid-up Capital for Universal Banks, SFBs & Payments Banks:** Universal Bank (**₹1,000 Cr** on-tap), SFB (**₹200 Cr** on-tap), Payments Bank (**₹100 Cr**).

18. **Maximum Deposit Limit & Lending Restriction in Payments Banks:** Accepts Demand Deposits up to **₹2,00,000 per customer**; **CANNOT grant loans or issue credit cards**.

19. **Priority Sector Lending (PSL) Targets (% of ANBC):** Domestic SCBs & Foreign Banks (≥ 20 branches) = **40\%**; Urban Co-operative Banks = **60\%**; RRBs & Small Finance Banks = **75\%** (**RBI Official Portal**).

20. **Agriculture & Small/Marginal Farmer Sub-Targets under PSL:** Total Agriculture = **18\% of ANBC** (of which **10\%** is reserved for Small & Marginal Farmers with landholding ≤ 2 hectares).

21. **Three Domestic Systemically Important Banks (D-SIBs) in India: State Bank of India (SBI)**, **HDFC Bank**, and **ICICI Bank**.

22. **Minimum Basel-III CRAR in India vs Global BCBS Standard: RBI Norm = 9.0\%** (11.5\% with 2.5\% CCB) vs **BCBS Global Norm = 8.0\%** (10.5\% with 2.5\% CCB).

23. **Minimum Basel-III CET1 & Total Tier-1 Capital in India: CET1 = 5.5\%, AT1 = 1.5\%, Total Tier-1 = 7.0\%, Tier-2 = 2.0\%, CCB = 2.5\%.**

24. **Two Basel-III Liquidity Ratios (≥ 100\%): Liquidity Coverage Ratio (LCR)** (30-day stress HQLA) and **Net Stable Funding Ratio (NSFR)** (1-year stable funding).

25. **Three Trigger Parameters of RBI's PCA (Prompt Corrective Action) Framework: 1. Capital (CRAR & CET1)**, **2. Asset Quality (Net NPA ≥ 6\%, 9\%, 12\%)**, and **3. Tier-1 Leverage Ratio** (*RoA was removed in* 2021).

26. **Standard NPA Overdue Period vs Agricultural Loan NPA Rule:** Standard Loan = > **90 days overdue**; Short-duration crops = **2 Crop Seasons**; Long-duration crops = **1 Crop Season**.

27. **Special Mention Account (SMA) Sub-Categories: SMA-0** (1–30 days overdue), **SMA-1** (31–60 days overdue), and **SMA-2** (61–90 days overdue).

28. **NPA Ageing Categories: Sub-Standard Asset** (NPA ≤ 12 months), **Doubtful Asset** (Sub-standard for > 12 months), and **Loss Asset** (identified as uncollectible, 100\% provisioning).

29. **Minimum Loan Threshold for DRT vs SARFAESI vs IBC (Corporate): DRT = ₹20 Lakh**; **SARFAESI = > ₹1 Lakh** (secured only, non-agricultural); **IBC Corporate CIRP = ₹1 Crore**.

30. **Notice Period under Section 13(2) of SARFAESI Act, 2002: 60 Days** demand notice to the defaulting borrower before taking possession of collateral under Section 13(4).

31. **CERSAI (Established 2011 under SARFAESI Act):** Central online registry of equitable mortgages and security interests to prevent multiple-lending frauds on the same property.

32. **IBC, 2016 Resolution Timeline & CoC Voting Threshold: 180 Days + 90 Days extension** (outer limit **330 Days**); requires **66\% voting approval** of the Committee of Creditors (CoC).

33. **NARCL (Bad Bank) Acquisition Model: 15\% Upfront Cash + 85\% Government-Guaranteed Security Receipts (SRs)** backed by ₹30,600 Crore sovereign guarantee.

34. **NPCI Incorporation (Dec 2008):** Not-for-Profit **Section 8 Company** promoted by RBI & IBA under the **Payment and Settlement Systems Act, 2007** (NPCI Official Portal).

35. **UPI Transaction Limits:** Standard P2P/P2M = **₹1 Lakh**; Capital Markets/Insurance = **₹2 Lakh**; Hospitals, Education, Tax Payments & IPO = **₹5 Lakh**.

36. **UPI Lite & UPI 123PAY Revised Limits (Oct 2024): UPI Lite: ₹1,000 per transaction** and **₹5,000 total on-device wallet**; **UPI 123PAY (Feature Phones): ₹10,000 per transaction**.

37. **NEFT vs RTGS vs IMPS Limits: NEFT:** No min/max limit (48 half-hourly DNS batches); **RTGS:** Min **₹2 Lakh**, no max limit (Real-time Gross); **IMPS:** Min ₹1, Max **₹5 Lakh**.

38. **IFSC, MICR, MMID & LEI Digit/Character Counts: MMID = 7 digits**; **MICR = 9 digits**; **IFSC = 11 alphanumeric** (5th char is `0`); **LEI = 20 alphanumeric** (mandatory for RTGS/NEFT ≥ ₹50 Cr).

39. **Validity Period of a Cheque & Positive Pay System:** A cheque is valid for **3 Months** from date of issue; **Positive Pay System (PPS)** applies to cheques of **₹50,000 and above**.

40. **Negotiable Instruments Act, 1881 Key Sections: Section 4 = Promissory Note**; **Section 5 = Bill of Exchange**; **Section 6 = Cheque**; **Section 138 = Dishonour (Bouncing) of Cheque**.

41. **Difference Between e₹ (CBDC) and e-RUPI: e₹ (Digital Rupee)** is RBI's sovereign legal tender currency (e₹-W and e₹-R), whereas **e-RUPI** is NPCI's purpose-specific QR/SMS prepaid welfare voucher.

42. **Call Money, Notice Money & Term Money Tenures: Call Money = 1 day (Overnight)**; **Notice Money = 2 to 14 days**; **Term Money = 15 days to 1 year**.

43. **Treasury Bills (T-Bills) Tenors & Minimum Amount: 91 Days, 182 Days, and 364 Days**; Minimum **₹10,000**; issued at a discount ONLY by the Central Government.

44. **Cash Management Bills (CMBs, 2010):** Issued by the Central Government for tenors **less than 91 days (< 91 days)** in minimum denominations of ₹10,000.

45. **Certificate of Deposit (CD) vs Commercial Paper (CP):** Both have a minimum denomination of **₹5 Lakh** and maturity of **7 days to 1 year** (1–3 years for AIFI CDs); **CP is unsecured** and requires a minimum **'A3' credit rating**.

46. **SEBI Establishment & Statutory Act:** Established 12 April 1988; granted statutory status on **30 January 1992** via **SEBI Act, 1992**; HQ in **Mumbai** (SEBI Official Portal).

47. **BSE (1875) vs NSE (1992, Pherwani Committee):** BSE benchmark is **SENSEX (30 stocks, base 1978–79)**; NSE benchmark is **NIFTY 50 (50 stocks, base 1995)**.

48. **Two Securities Depositories in India: NSDL** (National Securities Depository Ltd, 1996, promoted by NSE) and **CDSL** (Central Depository Services Ltd, 1999, promoted by BSE).

49. **Five All-India Financial Institutions (AIFIs) Regulated by RBI: EXIM Bank (1982, Mumbai)**, **NABARD (1982, Mumbai)**, **NHB (1988, New Delhi)**, **SIDBI (1990, Lucknow)**, and **NaBFID (2021, Mumbai)**.

50. **FDI vs FPI Threshold (Arvind Mayaram Committee): 10\% or more** in post-issue paid-up equity of a listed company is **FDI**; **less than 10\%** is **FPI**.

51. **LIC Establishment Date & Tagline: 1 September 1956** (LIC Act, 1956, merging 245 companies); Tagline: *Yogakshemam Vahamyaham* ("Your welfare is our responsibility").

52. **IRDAI Establishment, Committee & Headquarters:** Constituted under **IRDA Act, 1999** on **R.N. Malhotra Committee** recommendation; HQ in **Hyderabad, Telangana**.

53. **FDI Limit in Indian Insurance Sector: 74\%** in Insurance Companies (Insurance Amendment Act, 2021) and **100\%** in Insurance Intermediaries.

54. **Three Domestic Systemically Important Insurers (D-SIIs) in India: LIC**, **GIC Re**, and **The New India Assurance Co. Ltd.**

55. **DICGC Deposit Insurance Limit & Payout Timeline: ₹5,00,000 (₹5 Lakh)** (Principal + Interest) per depositor per bank; mandatory payout within **90 days** of moratorium under Section 18A.

56. **PM Jan Dhan Yojana (PMJDY — 28 Aug 2014):** Zero balance account; **₹10,000 Overdraft facility**; **₹2 Lakh RuPay Accidental Insurance Cover**.

57. **PMJJBY vs PMSBY (Launched 9 May 2015): PMJJBY:** Age **18–50 yrs**, **₹436/year** premium, ₹2 Lakh Life Cover; **PMSBY:** Age **18–70 yrs**, **₹20/year** premium, ₹2 Lakh Accident Cover.

58. **Atal Pension Yojana (APY) & PFRDA:** Age **18–40 yrs** (income tax payers excluded since Oct 2022); guaranteed monthly pension of **₹1,000 to ₹5,000** at age 60; regulated by **PFRDA (HQ: New Delhi)** using **12-digit PRAN**.

59. **Four MUDRA Loan Categories (including Budget 2024–25 Update): Shishu** (up to ₹50k), **Kishore** (₹50k–₹5L), **Tarun** (₹5L–₹10L), and **Tarun Plus** (**₹10L–₹20L** for past Tarun repayers).

60. **Official Banking & Market Portals:** Verify all master circulars via **RBI Official Portal**, **NPCI Official Portal**, **SEBI Official Portal**, and **IUC Academy**.

IUC Academy *1-3-7-21* Day Spaced-Revision & Self-Assessment Tracker (www.iucacademy.com)

Chapter / Study Section	Day 1 (First Read)	Day 3 (Active Recall)	Day 7 (MCQ Drill)	Day 21 (Exam Ready)
1. Chapter 1: Evolution of Indian Banking, Reserve Bank of India (RBI) & Monetary Policy Framework	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
2. Chapter 2: Bank Nationalization, Public Sector Mergers, PSL Norms & Niche Banks	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
3. Chapter 3: Basel-III Capital Adequacy Norms, Risk-Weighted Assets & PCA Framework	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
4. Chapter 4: Non-Performing Assets (NPAs), SARFAESI Act 2002, IBC 2016 & NARCL	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
5. Chapter 5: NPCI Digital Payment Architecture, UPI, RTGS, NEFT, IMPS & CBDC (e-Rupee)	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
6. Chapter 6: Money Market vs Capital Market Instruments (T-Bills, CMBs, CP, CD, Call Money, G-Secs)	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
7. Chapter 7: SEBI, Stock Exchanges, Capital Market Regulations & All-India Financial Institutions	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
8. Chapter 8: Insurance Awareness (IRDAI, LIC, GIC), PFRDA, DICGC & Financial Inclusion Schemes	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
9. Solved Exam Practice Questions (MCQs)	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
10. Extended Comparative & Analytical Practice Set (Questions 36–75)	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
11. Rapid-Fire Last-Minute One-Liner Revision Capsule	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**