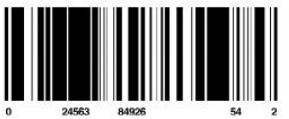


Vol 7- Issue 01 - January 2026

# The Banking & Financial Updates



**A Monthly Magazine  
on Banking & Financial  
Awareness**



 ***The Banking Updates***

Website: [www.thebankingupdates.com](http://www.thebankingupdates.com)

Email: [bankingupdates2020@gmail.com](mailto:bankingupdates2020@gmail.com)

 8261802533

Volume 07 Issue 01 January 2026

**CONTENTS**

Topic	Page
RBI Notifications	02
Notifications of Regulator/Govt	07
Business, Finance & Economy	10
New developments in business & finance	11
Economic Outlook	12
New Appointments	13
Current Affairs (Developmental aspects)	13
Articles & subject updates	16
Important MCQs	20
Recalled Questions	21

**BENCHMARK POLICY RATES**

Rate	Last Change	Benchmark
Repo Rate	05.12.2025	5.25%
SDF Rate	05.12.2025	5.00%
MSF	05.12.2025	5.50%
Bank Rate	05.12.2025	5.50%
Fixed Reverse Repo Rate		3.35%
CRR	29.11.2025	3.00%
SLR	11.04.2020	18.00%

**RESERVES POSITION**

Total reserves (as on 26.12.2025)	US\$ 696.61 bn
Foreign Currency Assets (as on 26.12.2025)	US\$ 559.61 bn
Gold (as on 26.12.2025)	US\$ 113.32 bn
Aggregate deposits (as on 15.12.2025)	Rs.241.31 Lakh crores
Outstanding Bank credit (as on 15.12.2025)	Rs.196.94 Lakh crores

**THE BANKING FRONTLINE**  
(Daily Banking & Financial News)**Click here for daily updates** (Send request with name and Bank name)Click here to  
join us on  
Telegram**CLICK HERE TO DOWNLOAD  
THE BANKING UPDATES APP****ABOUT US**

*The Banking Updates is a platform managed by experts having Rich academic track record and experience in different verticals of banking. We are the exclusive publisher of Bank Promotion Study materials, monthly e-Magazine and daily Banking and financial updates.*

*The monthly magazine covers every developments relating to banking and financial world along with current affairs, recalled questions and MCQs..*

*The magazine covers all fields of banking and financial awareness and also covers the concept of some topics for in-depth knowledge. The contents are useful for bank promotion examinations and interviews and all those dealing with financial services.*

**Subscribe the e-magazine  
now to get all updates on  
Banking and Finance at one  
place every month.**

**CLICK HERE TO  
SUBSCRIBE**

## UNIT 1

# LATEST RBI GUIDELINES



### 1.1 RESOLUTION OF MONETARY POLICY COMMITTEE (MPC) DECEMBER 3 TO 5, 2025

The outcomes of the 58<sup>th</sup> meeting of MPC held during December 3 to 5, 2025, are outlined as under;

- **Repo Rate** reduced by 25 bps to **5.25 per cent**.
- Consequently, the SDF rate stands adjusted to **5.00 per cent** and the MSF rate and the Bank Rate to **5.50 per cent**.
- The MPC also decided to continue with the **neutral stance**.

#### OUTLOOK

- India's **GDP** registered a six-quarter high growth of **8.2 per cent** in Q2:2025-26, underpinned by resilient domestic demand.
- On the supply side, real **gross value added (GVA)** expanded by **8.1 per cent**, aided by buoyant industrial and services sectors.
- Economic activity during the first half of the financial year benefited from income tax and GST rationalization, softer crude oil prices, front-loading of government capital expenditure, and facilitative monetary and financial conditions supported by benign inflation.
- **Real GDP growth for 2025-26 is projected at 7.3 per cent**, with Q3 at 7.0 per cent; and Q4 at 6.5 per cent.
- Real GDP growth for Q1:2026-27 is projected at 6.7 per cent.
- **CPI inflation for 2025-26 is now projected at 2.0 per cent** with Q3 at 0.6 per cent; and Q4 at 2.9 per cent.
- CPI inflation for Q1:2026-27 and Q2 are projected at 3.9 per cent and 4.0 per cent, respectively.

### 1.2 RBI POSTPONES IMPLEMENTATION OF PHASE 2 OF CONTINUOUS CLEARING AND SETTLEMENT ON REALISATION IN CHEQUE TRUNCATION SYSTEM

- The Continuous Clearing and Settlement on Realisation in Cheque Truncation System' was implemented with Phase 1 of the project implemented from October 4, 2025 and the Phase 2 was scheduled to be implemented with effect from 3<sup>rd</sup> January 2026.
- Now RBI has notified regarding postponing of Phase 2 implementation till further notice. Further, the timing of the **presentation session is modified to 09:00 AM to 03:00 PM** and the timing of the **confirmation session is modified to 09:00 AM to 07:00 PM**.

### 1.3 RBI AMENDS THE CRR/SLR REPORTING RULES EFFECT FROM 15<sup>TH</sup> DECEMBER 2025:

Pursuant to the enactment of the Banking Laws (Amendment) Act, 2025, the definition of 'Fortnight' has been amended from "the period from Saturday to

the second following Friday," to "the period from the **first day to the fifteenth day of each calendar month or sixteenth day to the last day of each calendar month, both days inclusive**". Accordingly, RBI has notified the following rules for Banks with effect from 15<sup>th</sup> December 2025;

- The definition of 'Fortnight' shall be redefined as 'Fortnight' means the period from the **first day to the fifteenth day of each calendar month or sixteenth day to the last day of each calendar month, both days inclusive**.
- Under Section 42(2) of the RBI Act, 1934, every scheduled commercial bank shall submit the **CRR return** to Reserve Bank a Return in **Form 'A'**, at the close of business on last day of each fortnight **within five days** after the date of the relevant fortnight to which it relates. Where such last day of each fortnight is a public holiday under NI Act, the Return shall give at the close of business of the preceding working day's figure.
- Maintenance of CRR/SLR shall be based on the NDTL as on the last day of the second preceding fortnight.
- The banks are required to submit fortnightly Form A return (for CRR) from December 15, 2025 and monthly Form VIII return for SLR from December 2025 on the CIMS portal only.
- Every scheduled commercial bank shall submit Form VIII (Annex II) showing the amount of SLR held on last day of each fortnight to the Reserve Bank before 20<sup>th</sup> day of every month, a Return in during the immediate preceding month with particulars of their DTL in India held on such day or if any such day is a public holiday under the Negotiable Instruments Act, 1881, at the close of business on the preceding working day.

### 1.4 RBI ISSUES REVISED DIRECTIONS TO BANKS ON CURRENT AND CC/OD ACCOUNTS:

RBI has come out with the following modified guidelines on opening and maintenance of Current Accounts and CC/OD Accounts effective from 1<sup>st</sup> April 2026 by Banks as detailed hereunder;

**CASH CREDIT ACCOUNTS:** Given its primary nature as a working capital facility linked to the value of the current assets. A bank may provide such cash credit facilities as per the needs, without any restriction,

#### CURRENT AND OD ACCOUNTS:

**Exposure less than Rs.10 cr from Banking System:** A bank may maintain current account or OD account **without any restriction** in case of customers where the aggregate exposure (Fund based and Non-fund based) of the banking system is less than ₹10 crore.

**Exposure of Rs.10 cr or more from Banking System** In case of customers to whom the exposure of the banking system is ₹10 crore or more: A bank may maintain current accounts or OD accounts of the customer provided that the bank has either:

- A **minimum 10 per cent share** in banking system's aggregate exposure to the borrower; or
- A **minimum 10 per cent share** in banking system's aggregate **fund-based** exposure to the borrower.
- In case no bank within the banking system meets the above criteria, or only one bank meets the above criteria, **two banks** from the banking system **having the largest exposures** to the borrower may maintain current accounts or OD accounts.
- In case where only one bank within the banking system has any exposure to the borrower, one more bank of the customer's choice within the banking system may maintain current accounts, subject to furnishing of NOC from the bank that has the exposure to the borrower.
- In case where no Scheduled Commercial Bank meets the above criteria, but the borrower desires to have a current account with an SCB, such borrowers may maintain current accounts with any one SCB of their choice, subject to furnishing of NOCs from all lending banks.
- A bank, not meeting the eligibility criteria as above, may maintain only collection accounts.

**RULES ON COLLECTION ACCOUNTS:** Funds credited into a collection account shall be **remitted within two working days** (after deducting statutory dues and dues of the Bank) of receipt of such funds to a CC account, current account, or OD account maintained with any bank and designated by the borrower for this purpose.

**EXEMPTIONS:** The restrictions mentioned above shall not be applicable to following accounts;

- Accounts opened as per the provisions of FEMA.
- Specific accounts or transactions stipulated under a statute or a specific instruction of a financial sector regulator, or the Central or State Government.
- Banks, in certain cases, offer products or services that inherently require routing transactions through a current account maintained with themselves in accordance with a Board-approved policy for the product / service.

#### **MONITORING:**

- Banks shall monitor accounts maintained with them on a regular basis, and in any case at least once every half-year.
- In case it is observed that a bank is no longer eligible to maintain a current account or OD account due to breach of any of the above conditions, the bank shall notify the customer(s) within one month from the date of observing such ineligibility, that the account must either be converted to a collection account or closed. The conversion or closure process, shall be completed within three months of observing such ineligibility.

#### **1.5 RBI AMENDS RULES ON TAKING OUT AND BRINGING OF INDIAN CURRENCY NOTES TO / FROM NEPAL OR BHUTAN:**

Amendments in guidelines on taking out or bring in of Indian currency notes to or from Nepal and Bhutan are;

<b>Existing Guideline</b>	<b>Revised guidelines</b>
A person may take or send out of India to Nepal or Bhutan, Indian currency notes of denominations of up to Rs.100.	A person not being a citizen of Pakistan or Bangladesh, may take or send out of India to Nepal or Bhutan, Indian currency notes of denominations <b>up to ₹100 for any amount</b> ; and can carry notes of denominations of above ₹100 up to a total limit of <b>₹25,000</b> .
A person may bring into India from Nepal or Bhutan, Indian currency notes of denominations of up to Rs.100.	A person not being a citizen of Pakistan or Bangladesh, may bring into India from Nepal or Bhutan, Indian currency notes of denominations <b>up to ₹100 up to any amount</b> and denominations of above ₹100, up to a total limit of <b>₹25,000</b>

However, a person may take out of India to Nepal or Bhutan, or bring into India from Nepal or Bhutan, currency notes being the currency of Nepal or Bhutan.

#### **1.6 KEY POINTS OF RBI RUPEE INTEREST RATE DERIVATIVES DIRECTIONS 2025:**

RBI has released Master Direction on Rupee Interest Rate Derivatives, 2025, applicable to Rupee interest rate derivatives (IRD) transactions undertaken in the over-the-counter (OTC) market and on recognized stock exchanges in India, w.e.f 1<sup>st</sup> March 2026. Some important points emerged out of the guidelines are as under;

- A recognised stock exchange is permitted to offer any standardised IRD product with prior approval of the Reserve Bank.
- Any floating interest rate or price or index used in an exchange-traded IRD shall be a benchmark published by an FBA (Financial Benchmark Administrator)
- A Foreign Portfolio Investor (FPI) is permitted to purchase or sell Interest Rate Futures (IRFs) subject to; The aggregate long position of all FPIs in any IRF instrument, shall not exceed ₹5,000 crore, aggregated across all IRF instruments; and The total gross short (sold) position of any FPI shall not exceed its consolidated long position in Government securities and Interest Rate Futures, at any point in time.
- **Market-makers in IRDs:** A Scheduled Bank, Standalone Primary Dealer, NBFC-Upper Layer, EXIM Bank, NABARD, SIDBI or NaBFID.
- At least one of the parties to an interest rate derivative transaction shall be a market-maker or a central counterparty authorised by the Reserve

Bank for the purpose.

- **Products for Retail users:** A Market-maker may offer the following IRD products to retail users: Forward rate agreement, Interest rate swap, European interest rate call and put option (retail user shall only buy these products), Interest rate cap and interest rate floor, (retail user shall only buy these products); and Interest rate collar and reverse interest rate collar.
- **Products for Non-Retail users:** A Market-maker may offer the following IRD products to non-retail users; All products permitted to be offered to the retail users, Interest rate swaption; and any other permitted IRD product.
- IRD transactions, by non-residents with market-makers undertaken for purposes other than hedging, shall be subject to an overall limit, that is; The Price Value of a Basis Point (PVBP) of all outstanding IRD positions, shall not exceed the amount of ₹1,000 crore. Market-makers shall not offer any IRD/ FCS-IRD to a non-resident for purposes other than hedging after the PVBP cap is reached.
- Settlement basis and other market conventions for IRD transactions may be specified by FIMMDA.
- Market hours for IRD transactions in OTC market shall be from 9:00 AM to 5:00 PM on each business day or as specified by the Reserve Bank from time to time.
- **Reporting:** All IRD transactions undertaken by a market-maker, other than FCS-IRD transactions with non-residents and structured derivative transactions, shall be reported within 30 minutes of the transactions to CCIL. All FCS-IRD transactions undertaken by a market-maker with non-residents, either directly or by way of a back-to-back arrangement shall be reported before 12:00 noon of the following business day. All structured derivative transactions undertaken by a market-maker during the day shall be reported before closure of the TR of CCIL for the day.
- **Regulatory Reporting:** Cross-border remittances arising out of transactions in IRD, including FCS-IRD, shall be reported by banks to the Reserve Bank for every month through the Centralised Information Management System (CIMS) by the 10th day of the following month.

## **1.7 RBI AMENDS GUIDELINES ON NON-OPERATIVE FINANCIAL HOLDING COMPANY (NOFHC)**

As per the modified guidelines, all activities permitted to a bank under Section 6 (1) (a) to (o) of Banking Regulation Act, 1949 shall be carried out from the bank. However, **specialized activities** such as Mutual fund business, insurance business, pension fund management, investment advisory and management services, portfolio management services and broking services **shall be carried out only through Subsidiary/Joint venture/Associate structure**. An NOFHC shall not require prior approval of the Reserve Bank for the entities held by it to undertake activities mentioned above. However, the

NOFHC shall intimate the Reserve Bank within 15 days from the date of resolution of the Board for undertaking such businesses.

## **1.8 RBI AMENDS CERTAIN GUIDELINES ON BANKS UNDERTAKING FINANCIAL SERVICES**

RBI has modified certain guidelines on the captioned matter as under;

**FORMS OF BUSINESS:** A bank may undertake businesses as permitted under Section 5(b) and Section 6(1) of the Banking Regulation Act, 1949 either departmentally or through a group entity set up as per Section 19 of the Act, subject to the following conditions:

- The business of banking as defined in section 5(b) of Banking Regulation Act, 1949 shall be undertaken only departmentally.
- Acceptance of time deposits shall be undertaken only departmentally by the bank, and if permitted, through a housing finance company in its group entity.
- Mutual fund business, insurance business, pension fund management, investment advisory and management services, portfolio management services and broking services shall not be carried out departmentally, but, only through a group entity.
- A bank shall require prior approval of the Reserve Bank to undertake any new form of business through the bank or a group entity, other than those permitted.

## **PRUDENTIAL REGULATIONS FOR INVESTMENTS**

- **Equity investment by a bank in any entity**, including its group entity, individually, **shall not exceed 10 per cent of the bank's paid-up share capital and reserves** as per the last audited balance sheet or audited/unaudited balance sheet of the latest quarter, whichever is lower.
- The aggregate equity investments made in all entities, including group entities and overseas investments, **shall not exceed 20 per cent of the bank's paid-up share capital and reserves** as per the last audited balance sheet or audited/unaudited balance sheet of the latest quarter, whichever is lower.
- For calculating the aggregate equity investment limit, investments in the equity of entities held under 'Held for Trading' category and investments of up to 30 per cent in the equity of non-financial entities acquired through restructuring of debt or to protect the bank's interest on loans/investments made to an entity shall be excluded.
- A bank group may make an aggregate investment of **less than 20 per cent** in the equity share capital of an entity **without prior approval of RBI** subject to; The bank's CRAR shall not be less than the minimum prescribed capital post the investment; and The bank should have reported net profit in each of the preceding two financial years.
- A bank group, **with prior approval of the Reserve Bank**, may make an aggregate investment of 20 per cent or more (with or without

any investment by the bank) in the equity share capital of an entity.

- A bank shall be allowed to invest 20 per cent or more in the equity share capital of a non-financial services entity but not exceeding 30 per cent (except as subsidiary) only in the following circumstances: (i) the investee entity is engaged in non-financial business permissible for banks, (ii) acquisition is through restructuring of debt or to protect the banks' interest on loans/investments made to an entity and (iii) Banks shall not require prior approval for such acquisitions; however, they shall submit a time bound action plan for disposal of such shares. The action plan shall be submitted within 30 days of such acquisition.
- A bank **shall not sponsor more than one Asset Reconstruction Company (ARC)**. Further, the aggregate shareholding of a bank group in any ARC shall be **less than 20 per cent** of the equity share capital of the ARC.
- A bank shall not individually contribute more than 10 percent of the corpus of a Category I or Category II AIF Scheme.
- A bank group may make an investment of less than 20 per cent in the corpus of Category I or Category II AIF scheme, without prior approval and up to 20 per cent or more but not exceeding 30 percent in the corpus of Category I or II AIF scheme, with prior approval of the Reserve Bank.
- No bank shall make any investment in the corpus of Category III AIF scheme.
- No bank shall make an investment of more than 10 per cent in the unit capital of a Real Estate Investment Trust/Infrastructure Investment Trust within the overall ceiling of 20 per cent of the bank's net worth permitted for all direct investments in shares, convertible bonds/ debentures, units of equity-oriented mutual funds and exposures to AIFs.

Breach, if any, in the limits prescribed under this Master Direction shall be reported to the Department of Regulation of the Reserve Bank on PRAVAAH portal through the applicable form within 15 days, from the date of occurrence of such breach along with reason for such a breach and a plan to correct the same.

### **1.9 REVISED NORMS ON GOLD METAL LOANS**

In terms of Reserve Bank of India (Commercial Banks - Credit Facilities) Amendment Directions, 2025, RBI issued the revised directions on Gold Metal Loans (GML) effective from 1<sup>st</sup> April 2026, as follows;

- The Gold Metal Loan (GML) scheme was **launched in 1998** as per Export Import Policy 1997-2002.
- **Eligible Banks:** Nominated banks importing gold may extend import-linked GML to entities who either manufacture and / or sell jewellery in domestic and / or export markets. Provided that, jewellers who are not manufacturers themselves, may borrow under GML only for outsourcing their manufacturing of jewellery on job basis to any

manufacturing firms / artisans / goldsmiths. GML may also be extended to MMTC Limited for minting India Gold Coins (IGC).

- For all prudential and accounting purposes, GML shall be valued daily at an amount arrived at by converting the gold quantity lent into Indian Rupees by crossing LBMA (London Bullion Market Association) Gold AM price fixing for Gold / US Dollar rate with the Indian Rupee-US Dollar reference rate.
- A bank may extend GML to jewellers who are not their regular customers by accepting stand-by letter of credit (SBLC) or bank guarantee (BG) denominated in INR, issued by other scheduled commercial banks that maintain business accounts of the jewelers.
- **Repayment:** For all GML other than lending to jewellery exporters, a bank may fix a repayment tenor in alignment with working capital cycle of the jeweller, subject to a **ceiling of 270 days**. Repayment of GML (both principal and interest amounts) shall be made in INR, calculated on the basis of prevailing value of the gold lent. Provided that, in respect of GMS-linked GML, a bank shall also provide an option to the borrower to repay a part or full of the 'principal amount' in physical gold.
- A bank shall report the GML data to the Reserve Bank on a quarterly basis by seventh day of the following month.

### **1.10 CREDIT INFORMATION COMPANIES) AMENDMENT DIRECTIONS, 2025**

RBI has issued Reserve Bank of India (Credit Information Companies) Amendment Directions, 2025 which shall be effective from 1<sup>st</sup> July 2026 with the following important directions;

- CI shall submit credit information as on **9th, 16th, 23rd and last day of the month** (reference dates) to CICs.
- A CI shall submit the full file containing credit information records as on the last day of the month to the CICs, by 5th day of the next month. (Full file includes all active accounts in the books of the CI and the accounts wherein relationship between the borrower and the CI has ended since the last reporting reference date).
- For other submissions during the month, i.e., credit information records as on 9th, 16th and 23rd day of the month, a CI shall only furnish 'incremental accounts' to CICs. The CI shall submit such credit information to CICs **within four calendar days** from the above-mentioned dates. (Incremental accounts means; accounts opened, accounts closed, accounts where there is change in outstanding etc, overdue accounts).
- A CI shall rectify the rejected data shared by CICs and re-submit the same to CICs before/ along with submission of data of subsequent reporting reference date.
- CIC shall provide file level DQI for all the reporting segments (Consumer, Commercial, and Microfinance) to the concerned CI within **three**

calendar days of their receipt. CI level DQI shall be provided by a CIC to the concerned CI for all the reporting segments on a monthly basis by the 10th day of the next month.

- A CIC shall ingest full file and weekly incremental file, as per the data acceptance rules, and share rejection reports, if any, with the CI concerned within 3 calendar days of their receipt.
- A CI shall report CKYC number of its borrowers to CICs, wherever the same is available with it or as and when CKYC number is made available (in the case of fresh applicants for CKYC number).

### **1.11 RBI AMENDS THE NORMS FOR BSBD ACCOUNTS:**

With effect from 1<sup>st</sup> April 2026, the following norms will be applicable for for Basic Savings Bank Deposit (BSBD) accounts.

A bank shall offer the following basic minimum facilities in a BSBD account, free of charge, without any requirement of minimum balance to be maintained in such an account.

- Deposit of cash.
- Receipt of money through any electronic channel or deposit / collection of cheques.
- No limit on number and value of deposits that can be made in a month.
- ATM Card or ATM-cum-Debit Card without any charges towards annual fee, (fresh issuance or renewal).
- Cheque book with minimum 25 cheque leaves per year.
- Internet and mobile banking facility.
- Passbook or monthly statement of account in lieu of passbook, either in print or by email, as per request of the account holder without any charges.
- Minimum of **four free withdrawals**, including transfers and ATM transactions, in a month. Digital payment transactions excluding ATM transactions, i.e., Point of Sale transfers, NEFT, RTGS, UPI, IMPS, etc., shall not be counted as withdrawals for this purpose.
- The facilities of ATM / ATM-cum-Debit card or internet / mobile banking or cheque book shall be offered to a customer provided he / she requests for the same.
- In the case of existing BSBD accounts, a bank shall extend the newly introduced free facilities above upon receipt of a request from the customer through physical as well as digital channels.

### **OTHER GUIDELINES:**

- A bank, while opening a BSBD account, shall not impose any requirement of an initial minimum deposit.
- The bank shall convert the existing savings bank account to BSBD account **within seven days** of receipt of request from the customer either in writing or through digital channels.
- The holder of a BSBD account shall not be eligible to open another BSBD account in the same bank or any other bank. Accordingly, before opening a new BSBD account or converting an existing savings bank account to a BSBD account, the

bank shall obtain a declaration from the customer that he / she does not have a BSBD account in any bank.

### **1.12 AMENDMENTS IN KYC-AML MASTER DIRECTIONS RELATED TO CKYC**

On the captioned matter, RBI has clarified that,

- The RE that has last uploaded or updated the customer's KYC records in the CKYCR shall be responsible for verifying the identity and / or address of the customer.
- Any bank downloading and relying on such records from the CKCYR shall not be required to re-verify the authenticity of the customer's identity and / or address, provided the KYC records downloaded from CKYCR are current and compliant with the PML Act, 2002 / PML Rules, 2005.
- The bank downloading and relying on KYC records downloaded from the CKCYR shall remain responsible for all aspects of CDD procedure and provisions of these Directions, except verification of identity and / or address of the customer.

### **1.13 DOMESTIC SYSTEMICALLY IMPORTANT BANKS (D-SIBs) 2025:**

RBI based on the financial figures as on 31<sup>st</sup> March 2025, has released the 2025 list of Domestic Systemically Important Banks (D-SIBs) under the same bucketing structure as in the 2024 list of D-SIBs. **SBI** placed in Bucket 4 requiring Additional CET1 of 0.80% of Risk Weighted Assets (RWAs), **HDFC Bank** placed in Bucket 2 requiring Additional CET1 of 0.40% of Risk Weighted Assets (RWAs) and **ICICI Bank** placed in Bucket 1, requiring Additional CET1 of 0.20% of Risk Weighted Assets (RWAs).

### **1.14 NATIONAL STRATEGY FOR FINANCIAL INCLUSION (NSFI) 2025-30**

RBI recently released its National Strategy for Financial Inclusion (NSFI): 2025-30 which aims to ensure equitable, responsible, suitable, and affordable access to a broad suite of formal financial services across all socio-economic and geographic segments. The previous NSFI (2019-24) had helped broaden, deepen, and accelerate financial inclusion by expanding access, improving financial literacy, and strengthening consumer protection, thereby contributing to economic well-being and sustainable development.

### **THE 'PANCH-JYOTI' OBJECTIVES OF NSFI 2025-2030:**

NSFI: 2025-30 emphasises a synergistic ecosystem approach, improving the quality and consistency of last mile access to financial services. It lays down five strategic objectives (Panch-Jyoti) towards elevating the state of financial inclusion and a menu of 47 action points to achieve them. The Panch Jyoti are;

1. **Equitable Financial Services:** Improving the availability and use of affordable financial products (savings, payments, credit, insurance, pensions) for households and micro-enterprises.
2. **Gender-Sensitive Inclusion:** Adopting women-centric strategies to bridge the gender gap in

financial access and build the financial resilience of vulnerable households.

3. **Finance-Livelihood Integration:** Creating synergies between financial services and livelihood/skill development programs to support income generation and entrepreneurship.
4. **Financial Education:** Leveraging financial literacy as a key tool to promote informed decision-making and financial discipline among users.
5. **Customer Protection:** Strengthening the quality and reliability of customer protection and grievance redressal measures.

The Strategy has been framed under the aegis of Technical Group on Financial Inclusion and Financial Literacy (TGFIFL) following country-wide discussions with various stakeholders

## **1.15 RBI DATA ON SECTORAL DEPLOYMENT OF BANK CREDIT (NOVEMBER 2025)**

The highlights of captioned figures based on data collected from 41 select scheduled commercial banks (SCBs) which together account for about 95 per cent of the total non-food credit by all SCBs are as under;

Sector	YoY growth in November 2025
Non-food credit	11.40%
Agriculture and allied activities	8.70%
Industry	9.60%
Service Sector	11.70%
Personal loans	12.80%

## **UNIT 2**

## **NOTIFICATIONS OF GOVT./REGULATORS**



### **2.1 SEBI LAUNCHES SWAGAT-FI: ACCESS FOR LOW-RISK FOREIGN INVESTORS:**

SEBI has made it easier for low risk foreign investors to participate in the Indian securities market with the introduction of a single window access. The new framework - **Single Window Automatic & Generalised Access for Trusted Foreign Investors (SWAGAT-FI)** - would provide easier investment access to low risk foreign investors, enable a unified registration process across multiple investment routes and reduce repeated compliance and documentation for such entities.

### **2.2 SEBI LAUNCHES PaRRVA TO VERIFY PAST RETURNS, CURB MISLEADING CLAIMS:**

SEBI has launched the **Past Risk and Return Verification Agency (PaRRVA)** - a new verification mechanism designed to authenticate past performance claims made by regulated market intermediaries. Care Ratings in collaboration with the NSE has launched PaRRVA on a pilot basis. The mechanism has been developed to tackle the rising risks from finfluencers, misleading claims.

### **2.3 PFRDA WIDENS PENSION FUND INVESTMENT RULES TO BOOST RETURNS AND DIVERSITY:**

PFRDA will now allow private pension funds to invest in the **top 250 stocks** by market capitalisation listed on India's bourses. Earlier, these funds were allowed to invest in a list of 200 stocks approved by the trust of the National Pension Scheme. The PFRDA has also permitted investments in gold and silver ETFs, giving pension funds the option to diversify into commodity investments.

### **2.4 DFS STREAMLINES RECRUITMENT AND RESULT CYCLE FOR BANKING SECTOR:**

Typically, IBPS examinations for RRBs are administered prior to those for Nationalized Banks (NBs) and the SBI, herein newly recruited candidates frequently transition from RRBs to NBs, and

subsequently to SBI. This migration has resulted in significant attrition within the banks and has posed operational challenges. Taking cognizance of the above issue, a revised framework has been established through IBA, which stipulates that results will now be announced first for the SBI, followed by NBs, and subsequently for RRBs. Additionally, results for all officer-level examinations within these categories will be declared initially, with clerical-level examination results announced subsequently in the same order. Furthermore, to enhance transparency, IBPS will provide candidates with login-based access to their response sheets and correct answer keys from the upcoming 2026-27 Common Recruitment Process cycle.

### **2.5 PARLIAMENT PASSES SABKA BIMA SABKI RAKSHA BILL:**

The parliament passed the **Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill** that ushers in major reforms in the insurance sector bringing the following major changes;

- Raising the **FDI limit to 100 per cent** from the existing 74 per cent in insurance sector.
- Empowerment of IRDAI to **cap the commission** to be given to the agent.
- The top leadership of the insurance company, Chairman, Managing Director, or CEO **must be an Indian citizen**.
- It also paves the way for the **merger of a non-insurance company** with an insurance company.
- Setting up of **Policyholders' Education and Protection Fund** funded through penalties imposed on insurers.
- The bill also provides for a five-year term for the chairperson and other whole-time members of IRDA, or until they reach 65 years, whichever is earlier.
- For Insurance companies, the limit for seeking prior regulatory approval for transfer of share capital has been raised from **1 % to 5 %**.

- The Net Owned Fund requirement for foreign Reinsurance Branches has been reduced from Rs.5000 crores to **Rs.1000 crores**.

## **2.6. NEW LOGO FOR RRBs UNVAILED SIGNIFYING A SINGLE AND UNIFIED BRAND IDENTITY**

On the principle of "One State One RRB", the Department of Financial Services, Ministry of Finance has consolidated 26 RRBs across 11 States/UTs, effective from 01.05.2025. Presently, **28 RRBs** continue to serve the nation through an extensive network of over 22,000 branches in more than 700 districts. As part of creating a single and unified brand identity for the RRBs, a common logo for the 28 RRBs has been unveiled. Reflecting **themes of progress and growth, in rural and remote areas**, the logo reinforces the values embodied by RRBs. These include:

- Upward Arrow (Symbol of Progress):** Represents growth, development and advancement in rural economies.
- Hands (Symbol of Nurturing):** Conveys care, support and a helping hand to rural communities.



- Flame (Symbol of Enlightenment):** Signifies warmth, knowledge and empowering rural populations.

The colours of the RRB logo have been so chosen to convey the objectives of the RRBs. **Dark blue** signifies finance and trust, while **green** signifies life and growth, reflecting their mission to serve rural India.

## **2.7 CGTMSE EXTENDS GUARANTEE EXPIRY PERIOD FOR TERM LOAN ACCOUNTS:**

- In certain cases, especially when the borrower default at the last instalment, the account becomes NPA after the guarantee expiry date, thereby making the account ineligible for invocation of claims. For example, if the guarantee is expiring on 31<sup>st</sup> March and if on the same date the borrower defaults its last instalment, the account will turn into NPA during April-June period and the account will become ineligible for claim of guarantee amount.
- To overcome such situation, it has been decided that, the guarantee expiry date for Term Loans shall be Original expiry date + 4 months. Accordingly, the AGF will be charged up to expiry date + 4 months.

## **2.8 AMENDMENTS IN PFRDA (EXITS AND WITHDRAWALS UNDER THE NPS) REGULATIONS, 2015:**

PFRDA on 19<sup>th</sup> December 2025 has notified certain amendments in NPS regulations to provide subscribers greater flexibility, choice and autonomy in investment decisions and aid managing accumulated pension wealth. The key areas that have been revised are outlined as follows:

### **NON-GOVERNMENT SECTOR (ALL CITIZEN MODEL AND CORPORATE SECTOR)**

Features	Existing guidelines	Revised guidelines
<b>Lock-in period for premature exit</b>	5 Years	Minimum lock-in period removed
<b>Normal exit</b>	<b>All citizen model:</b> Vesting period - Till 60 years of age /to be eligible for normal exit. <b>Corporate Sector:</b> Vesting period - Till age of retirement / superannuation	<b>All citizen model:</b> 15 years or till 60 years of age (whichever is earlier). <b>Corporate Sector:</b> Vesting period - Till age of retirement / superannuation (No change)
<b>Payment on normal exit</b>	Up to 60% may be paid on lumpsum. At least 40% payable as annuity If corpus ≤ ₹5 lakh - 100% lumpsum	<p><b>(i) Corpus ≤ ₹8 lakh:</b> 100% lumpsum or Systematic Lumpsum Withdrawal (SLW) or Systematic Unit Withdrawal (SUR) <b>OR</b> Up to 80% lumpsum &amp; At least 20% annuity</p> <p><b>(ii) Corpus &gt; ₹8 lakh ≤ ₹12 lakh:</b> Up to ₹6 lakh as lumpsum and balance as SUR for min. 6 years or annuity. <b>OR</b> Up to 80% lumpsum &amp; At least 20% annuity</p> <p><b>(iii) Corpus &gt; ₹12 lakh:</b> Up to 80% lumpsum &amp; At least 20% annuity</p>
<b>Premature Exit</b>	Up to 20% may be paid on lumpsum. At least 80% payable as annuity For corpus ≤ ₹2.50 lakh - 100% lumpsum	<p><b>Corpus ≤ ₹5 lakh:</b> 100% lumpsum or SLW or SUR <b>OR</b> Up to 20% lumpsum &amp; At least 80% annuity</p> <p><b>Corpus &gt; ₹5 lakh:</b> Up to 20% lumpsum &amp; At least 80% annuity.</p>
<b>Exit due to Death</b>	100% lumpsum; Option for annuity, if desired.	100% lumpsum; Option for annuity, if desired. Additionally, option for availing SLW or SUR is introduced.

**INDIVIDUALS JOINING NPS AFTER AGE OF 60 YEARS (ALL CITIZEN MODEL)**

Features	Existing guidelines	Revised guidelines
<b>Normal exit</b>	Minimum vesting period for normal exit: 3 years Up to 60% may be paid on lumpsum. At least 40% payable as annuity For corpus ≤ ₹5 lakh - 100% lumpsum	Minimum vesting period criteria removed  <b>Corpus ≤ ₹12 lakh:</b> 100% lumpsum or SLW or SUR. OR Up to 80% lumpsum & At least 20% annuity <b>Corpus &gt; ₹12 lakh:</b> Up to 80% lumpsum & At least 20% annuity
<b>Premature Exit</b>	Up to 20% may be paid on lumpsum. At least 80% payable as annuity	Not applicable as the vesting period has been removed.
<b>Exit due to Death</b>	100% lumpsum; Option for annuity, if desired.	100% lumpsum; Option for annuity, if desired. Additionally, option for availing SLW or SUR is introduced.

**GOVERNMENT SECTOR**

Features	Existing guidelines	Revised guidelines
<b>Normal exit</b>	Up to 60% may be paid on lumpsum. At least 40% payable as annuity For corpus ≤ ₹5 lakh - 100% lumpsum	<b>Corpus ≤ ₹8 lakh:</b> 100% lumpsum or SLW or SUR. OR Up to 60% lumpsum & At least 40% annuity <b>Corpus &gt; ₹8 lakh ≤ ₹12 lakh:</b> Up to ₹6 lakh as lumpsum and balance as SUR for min. 6 years or annuity. <b>OR</b> Up to 60% lumpsum & At least 40% annuity <b>Corpus &gt; ₹12 lakh:</b> Up to 60% lumpsum & At least 40% annuity
<b>Premature Exit</b>	Up to 20% may be paid on lumpsum. At least 80% payable as annuity. For corpus ≤ ₹2.5 lakh: 100% lumpsum	<b>Corpus ≤ ₹5 lakh:</b> 100% lumpsum or SLW or SUR <b>OR</b> Up to 20% lumpsum & At least 80% annuity <b>Corpus &gt; ₹5 lakh:</b> Up to 20% lumpsum & At least 80% annuity.
<b>Exit due to Death</b>	Up to 20% may be paid on lumpsum. At least 80% payable as annuity. If corpus ≤ ₹5 lakh: 100% lumpsum	<b>Corpus ≤ ₹8 lakh:</b> 100% lumpsum or SLW or SUR. OR Up to 20% lumpsum & At least 80% annuity <b>Corpus &gt; ₹8 lakh ≤ ₹12 lakh:</b> Up to ₹6 lakh as lumpsum and balance as SUR for min. 6 years or annuity. <b>OR</b> Up to 20% lumpsum & At least 80% annuity <b>Corpus &gt; ₹12 lakh:</b> Up to 20% lumpsum & At least 80% annuity

**OTHER CHANGES**

Features	Existing guidelines	Revised guidelines
<b>Entry and Exit Age</b>	Maximum entry age up to 70 years; exit age up to 75 years.	Entry and exit age increased to 85 years.
<b>Automatic continuation</b>	Subscriber to intimate 15 days prior to 60 / superannuation for continuation (Govt) or deferment of annuity and/or lumpsum	15-day prior intimation not required, hence subscribers can automatically continue under NPS.
<b>Loan against pension corpus</b>	Not allowed	Subscriber can take loan from a regulated financial institution against lien or charge on the individual pension account up to 25% of subscriber's own contribution.
<b>Frequency of Partial Withdrawal</b>	Maximum 3 times during the tenure of subscription. No interval period stipulated	<b>Before 60 years' age / superannuation (whichever is later):</b> Frequency: 4 times, Interval: 4 years between two withdrawals

		<b>Post 60 years age / superannuation (whichever is later):</b> Frequency: NA, Interval: 3 years between two withdrawals.
<b>Purpose of partial withdrawal</b>	Purchase or construction of a residential house (if not owned any house), Treatment of specified illness, skill development of self, and for establishing own venture	Purchase or construction of a residential house (if not owned any house) as an one time withdrawal, medical treatment /hospitalization without a specified list (for subscriber/spouse/children/parents) and for repayment of loan availed against NPS.

**NPS LITE**

Features	Existing guidelines	Revised guidelines
<b>Normal exit</b>	Up to 60% may be paid on lumpsum. At least 40% payable as annuity For corpus $\leq$ ₹1 lakh - 100% lumpsum	<b>Corpus <math>\leq</math> ₹2 lakh:</b> 100% lumpsum or Up to 60% lumpsum & At least 40% annuity. <b>Corpus <math>&gt;</math> ₹2 lakh:</b> Up to 60% lumpsum & At least 40% annuity.
<b>Premature Exit</b>	Up to 20% may be paid on lumpsum. At least 80% payable as annuity. For corpus $\leq$ ₹1 lakh: 100% lumpsum	<b>Corpus <math>\leq</math> ₹2 lakh:</b> 100% lumpsum or Up to 20% lumpsum & At least 80% annuity <b>Corpus <math>&gt;</math> ₹2 lakh:</b> Up to 20% lumpsum & At least 80% annuity
<b>Exit due to Death</b>	100% lumpsum permitted; Option for annuity, if desired.	100% lumpsum permitted; Option for annuity, if desired. (Remains same)

**UNIT 3****BUSINESS, FINANCE & ECONOMY**

**3.1 'PoK IS PART OF INDIA, SO CROSS-LOC TRADE IS INTRA-STATE': 'HIGH COURT':** The Jammu & Kashmir and Ladakh High Court has ruled that cross-Line of Control (LoC) trade conducted between traders in Jammu & Kashmir and Pakistan-Occupied Kashmir during 2017–2019 amounts to intra-state trade, holding that PoK is "part of territories of the State of Jammu & Kashmir." The court clarifies the GST treatment of the now-suspended barter-based LoC trade and rejects attempts by traders to classify it as zero-rated or outside the purview of the tax regime.

**3.2 IN A FIRST, COMPLAINTS AGAINST PRIVATE BANKS EXCEED PSBs IN FY25:** For the first time, complaints against private lenders under the Reserve Bank of India's Integrated Ombudsman Scheme (RBIOS) exceeded those against public-sector banks (PSBs) in FY25. According to data released by the central bank, private banks received 111,119 complaints during the year, compared with 103,117 complaints against PSBs. Total complaints increased by 13.55 per cent to 1.33 million in FY25.

**3.3 MICROSOFT COMMITS \$17.5 BILLION FOR INDIA'S AI BUILDOUT:** Software giant Microsoft will invest \$17.5 billion in India between 2026 and 2029 to accelerate the country's cloud and artificial intelligence (AI) infrastructure, skilling, and sovereign digital capabilities. This is the company's largest investment in Asia.

**3.4 DIAMOND IMPORTS UNDER DIA SCHEME EXEMPTED FROM TAX, COMP CESS:** The government has said imports under the Diamond Imprest Authorisation (DIA) scheme are exempted from payment of the integrated tax and compensation cess. GoI in January introduced this scheme, which

allows duty-free import of cut and polished diamonds up to a specified limit, to boost exports and enhance value addition.

**3.5 SBI TO BUY 50% STAKE IN NEW FRAUD-FIGHTING DIGITAL PAYMENTS COMPANY IDPIC:** SBI will take a 50 percent stake in a new company set up to fight digital payment frauds. The company, called Indian Digital Payment Intelligence Corporation (IDPIC), is registered as a Section 8 (not-for-profit) company under the Companies Act, 2013. It was incorporated on October 16, 2025. SBI is the initial subscriber and promoter.

**3.6 INDIA, FRANCE OVERHAUL TAX TREATY; DIVIDEND RATES CUT, END MFN CLAUSE:** India and France have agreed to a sweeping revision of their three-decade-old tax treaty, a move that will halve the dividend tax burden for many French companies operating in India while simultaneously expanding New Delhi's authority to levy capital gains tax on French investors. A central change is the reduction of dividend tax to 5% from 10% for French companies holding over 10% equity in an Indian entity. For minority investors, those holding under 10%, the tax rate will rise to 15% from 10%. Current rules allow India to tax gains only if a French investor holds more than 10% in an Indian company. The revised treaty removes this threshold, granting India full source-based taxation rights on all equity share transfers.

**3.7 SEBI BOARD ANNOUNCES OVERHAUL OF MUTUAL FUND REGULATIONS, CLEARS FEE REVAMP:** SEBI approved a comprehensive overhaul of mutual fund regulations changing to the Total Expense Ratio (TER) framework, including the exclusion of statutory levies such as securities

transaction tax (STT), GST, stamp duty and commodities transaction tax from TER calculations. SEBI revised its earlier proposal to cap the brokerage that mutual funds pay, raising the limit to 6 basis points from the earlier 2 bps for equity cash transactions. Presently, fund managers pay up to 12 bps as brokerage to buy and sell stocks in their portfolios. SEBI cuts base expense ratio limit for index funds, ETFs to 0.9% from 1.0%; SEBI cuts base expense ratio for liquid-scheme based fund of funds to 0.9%; SEBI cuts base expense ratio for close-ended equity schemes to 1% vs 1.25%.

**3.8 NEW VISA CREATED FOR FOREIGN PROFESSIONALS TO AID MANUFACTURING:** The government has created a new category of visas “**Production Investment Visa**” to enable Indian companies to engage foreign nationals for production related activities. The new visa category ‘**e-B-4 Visa**’ has been created under the Business Visa and subsumes e-Production Linked Investment (PLI) visa but expands the scope of activities for which foreign professionals can be brought in. The e-PLI visa has been discontinued.

**3.9 RETAIL INFLATION WITH NEW BASE YEAR FROM FEB, NEW IIP SERIES FROM MAY:** The first set of retail inflation data based on Consumer Price Index (CPI) with revised base year will be out on February 12. The release date for the new Index of Industrial Production (IIP) dataset has been set for May 28. The new base year for **retail inflation would be 2024** as against the existing base year of 2012. Similarly, for industrial growth calculation, the base year would be **2022-23** as against 2011-12. New series of national accounts with **FY 2022-23** as base year is scheduled to be released on February 27, 2026. The current base year for GDP calculations is 2011-12, which serves as the benchmark for determining real GDP growth.

**3.10 BANK FRAUD VALUE CLIMBS 30% IN H1:** Banks reported a 30% YoY increase in the amount involved in frauds during FY26 till September, RBI data showed. The fraud value, based on the date of reporting, stood at Rs 21,515 crore, compared to Rs 16,569 crore in the year-ago period. This was largely led by advance-related frauds, accounting for 80% of the total value. However, the number of fraud cases sharply declined to 5,092 during the April-September period, from 18,386 a year ago.

**3.11 GOVERNMENT LAUNCHES ₹4,531-CRORE MARKET ACCESS SUPPORT FOR EXPORTERS:** The Commerce Department has launched the much-awaited market access support (MAS) intervention for exporters, with an outlay of ₹4,531 crore over a period of **six years**, to strengthen market access and diversification with a sharp focus on MSMEs, first-time exporters and the priority sector. The MAS is part of the ₹25,060-crore export promotion mission (EPM) that was cleared by the Union Cabinet in November for 2025-26 to 2030-31. It has 11 components, all of which are targeted to be notified by January 31 2026, including the popular interest equalisation scheme.

**3.12 GOVERNMENT KEEPS INTEREST RATES OF SMALL SAVINGS SCHEMES UNCHANGED FOR JANUARY-MARCH QUARTER 2026:** The Ministry of Finance has decided to keep interest rates on small savings schemes unchanged for the January-March 2026 quarter at the levels announced on September 30, 2025. Among post office savings options, the highest returns are currently offered by the Senior Citizen Savings Scheme (SCSS) and the Sukanya Samriddhi Account (SSA), both carrying an interest rate of 8.2%. In comparison, the PPF continues to offer an interest rate of 7.1%. The National Savings Certificate (NSC) offers a guaranteed return of 7.7% with annual compounding. Kisan Vikas Patra, with a rate of 7.5% and a maturity period of 115 months.

### NEW DEVELOPMENTS IN BUSINESS & FINANCE

- In addition to AD Category II Banks, RBI has now decided to introduce the submission of ‘**LRS daily return’ FFMCs also**, by providing them access to CIMS.
- Reserve Bank conducted OMO purchase of Government of India Securities for an aggregate amount of ₹50,000 crore on December 29, 2025.
- RBI has granted ‘in-principle’ approval to **Fino Payments Bank Limited (FPBL)** for conversion into a Small Finance Bank.
- **AU Small Finance Bank** has appointed Bollywood stars **Ranbir Kapoor and Rashmika Mandanna** as its brand ambassadors.
- Razorpay has received an aggregator licence for cross-border payments from the Reserve Bank, Payment Aggregator – Cross Border (PA-CB) licence.
- **ADB approves \$650 mn loan** to boost India's rooftop solar rollout by 2027.
- Russia's Gazprombank, Alfa Bank seek RBI approval to set up India branches.
- RBI has allowed multiple entities in a bank group to undertake the same business as long as they cater to different client segments, while mandating board approval to ensure that any overlap in business has proper rationale and justification.
- **Sberbank** is launching a closed-ended **mutual fund linked to the Nifty50**, effectively opening a direct route for Russian investors to put their rupee surpluses into Indian equities.
- **UPI** Recognized as World's Largest Real-Time Payment System by IMF, accounting for **49% of Global Transactions**.
- **DBS has been named Global Bank of the Year 2025** by The Banker, part of the Financial Times Group. The Singapore-headquartered lender also secured Asia Bank of the Year, Singapore Bank of the Year, Investment Bank of the Year – Asia, and Investment Bank of the Year.
- The DFS has approved **AU Small Finance Bank's** proposal to enhance its foreign investment limit from **49% to 74%**.

- SEBI has **relaxed the geotagging requirement** mandating physical presence in India for NRIs undergoing re-KYC.
- Bank of Baroda has been recognised as 'Best Bank in India' at the "Bank of the Year Awards 2025 – Asia-Pacific" by The Banker magazine, a Financial Times publication.
- **India Post and BSE** signed pact to take mutual funds deep into rural India.
- Ministry of Micro, Small and Medium Enterprises (MSME) signs MoU with **Amazon** to Strengthen Market Access for PM Vishwakarma Artisans.
- SBI launches Yono 2.0, to hire 10,000 staff to shift customers to digital channels.
- Gross NPAs in Outstanding Education Loans of PSBs Fall from 7% to 2%, Reflecting Improved Asset Quality.
- HDFC Bank gets approval to acquire up to 9.5% stake in IndusInd Bank.
- US banking giant **JP MorganChase** to set up Asia's largest Global Capability Centre (GCC) in Mumbai's Powai.
- MoF asks three RRBs to give IPO blueprint by March-end (Haryana Gramin Bank, Kerala Gramin Bank, and Tamil Nadu Grama Bank).

- RBI has imposed a monetary penalty of Rs 61.95 lakh on Kotak Mahindra Bank for non-compliance of norms related to basic savings bank deposit (BSBD) account, business correspondents, and credit information companies.
- Japan's largest lender MUFG Bank to pick 20% stake in Shriram Finance for ₹39,618 crore.
- CCI approves Blackstone's proposal for 9.99% stake in Federal Bank.
- **Axis Bank** has launched '**Digital Merchant Cash Advance Loans**', a cash-flow-based lending product for MSMEs across India.
- S&P Global Ratings upgraded India's insolvency regime to **Group B** from Group C, citing improvements under the Insolvency and Bankruptcy Code (IBC).
- IFFCO-TOKIO GIC partners with cooperative societies to provide affordable micro insurance for underserved communities.
- **Google** has launched its first-ever credit card globally in India, partnering with **Axis Bank** on the RuPay network.
- SEBI has allowed **zero-coupon bonds** to be issued in smaller denominations of ₹10,000.

## UNIT 4

# ECONOMIC OUTLOOK



- CRISIL has raised its forecast for India's GDP growth to 7% from 6.5% for the current financial year.
- GST collections slow to a 12-month low of Rs 1.7 lakh crore in November.
- Organization for Economic Co-operation and Development (OECD) forecasts Indian economy to grow at the rate of 6.70% in FY 2026.
- The **HSBC Manufacturing Purchasing Managers' Index** of India fell to **56.6** in November, a nine-month low.
- India's **Services PMI** rose to **59.8** in November.
- The HSBC PMI Composite Index, which combines the output of India's manufacturing and service sectors, fell to **58.9 in December** from 59.7 in November. Even though the index declined, it stayed well above the 50.0 mark, which shows that business activity is still growing.
- Fitch Ratings has raised India's GDP growth forecast by 50 basis points to 7.4 per cent in FY 2026.
- In its country report on India, **IMF assigned a 'C' rating to the nation's national accounts statistics**, which includes data on GDP, consumption and income levels. The rating

indicated the data have "some methodological weaknesses" that "somewhat hamper surveillance."

- **Asian Development Bank** raised India's GDP forecast by 70 basis points to **7.2 per cent** for FY 2025-26.
- Retail inflation based on **Consumer Price Index (CPI)** rose to **0.71 per cent in November** against the multi-year low of 0.3 per cent in October.
- India's **Wholesale Price Index fell 0.32 per cent** year-on-year in November.
- Unemployment rate at 8-month low of 4.7% in November, shows PLFS.
- Eight key infrastructure sectors grew at 1.8 per cent in November as against de-growth in September.
- India's factory output, measured by the **Index of Industrial Production (IIP)**, grew **6.7 per cent in November** as against 0.4 per cent in October.
- India has **overtaken Japan** to become the world's **fourth-largest economy** with a GDP of \$4.18 trillion.

**UNIT 5****NEW APPOINTMENTS**

- **Vivek Chaturvedi**, has been appointed as the new chairman of the Central Board of Indirect Taxes and Customs (CBIC).
- RBI appoints CA Usha Janakiraman as new executive director.
- RBI approves appointment of **Vikram Sahu** as **CEO of Bank of America, India** operations.
- SBI appoints Ravi Ranjan as managing director.
- Govt has appointed **B. Sairam** as the Chairman-cum-Managing Director of Coal India.
- National Council of Applied Economic Research (NCAER) appointed Suresh Goyal as its 11th director general.
- Centre reappoints Ashwini Kumar Tewari as SBI MD for two years.

- Bharti Airtel appoints Shashwat Sharma as MD & CEO for 5 years, effective Jan 1, 2026.
- FSIB recommends Brajesh Kumar Singh as Canara Bank MD & CEO.
- **Lav Aggarwal** has been appointed as the **Director General, DGFT**.
- **Rabindra Kumar** Agarwal currently serving as Additional Secretary, Ministry of Cooperation has been appointed as Chairman & Managing Director, Food Corporation of India.
- HSBC Holdings has appointed Brendan Nelson as its new chairman, replacing Mark Tucker.
- **Raj Kumar Goyal** was sworn in as Chief Information Commissioner (CIC).

**UNIT 6****CURRENT AFFAIRS****PUTIN'S VISIT TO INDIA - KEY AGREEMENTS**

**ACROSS SECTORS:** Russian President Vladimir Putin's two-day visit to India has resulted in the signing of several important agreements and memorandums, further strengthening the longstanding ties between the two nations. The highlights of various outcomes are outlined as under.

- **Health & Food safety:** The Ministry of Health and Family Welfare of India and the Ministry of Health of Russia have agreed to collaborate in healthcare, medical education, and scientific research. Furthermore, an agreement between India's Food Safety and Standards Authority and Russia's Federal Service for Surveillance on Consumer Rights Protection and Human Well-being will focus on enhancing food safety.
- **Commerce:** Both nations agreed to enhance customs and trade cooperation. India's Department of Posts has signed a bilateral agreement with JSC Russian Post to improve postal services between the nations. The two leaders, in a joint statement, stuck to the revised **bilateral trade target of \$100 billion by 2030**, up from \$68.7 billion in FY25.
- **Education:** MoU between the Defence Institute of Advanced Technology in Pune and Tomsk State University in Russia will enhance scientific research. Additionally, a cooperation agreement between the University of Mumbai, Lomonosov Moscow State University, and the Russian Direct Investment Fund will foster academic exchange and mutual growth.
- **Media collaboration:** Multiple MOUs signed between India's Prasar Bharati and various Russian media entities.

- **Visa policy enhancements:** Both governments have agreed to grant a **30-day e-tourist visa** on a gratis basis to Russian nationals, on a reciprocal basis. Additionally, group tourist visas will also be offered to Russian nationals free of charge.
- **Economy:** Both countries committed to a programme for the development of strategic areas of India-Russia economic cooperation until 2030.

**MAHARASHTRA MOVE TO OVERHAUL PAGDI SYSTEM SET TO REVIVE STALLED PROJECTS:**

Mumbai's long-stalled pagdi (cess buildings) redevelopment ecosystem is headed for a major overhaul, with the Maharashtra government planning a dedicated regulatory framework aimed at breaking the deadlock between tenants and landlords, accelerating construction, and potentially unlocking more than 13,000 long-stalled projects across some of the city's most congested pockets.

**PARLIAMENT PASSES VB-G RAM G BILL TO REPLACE MGNREGA:**

The parliament has passed the **Viksit Bharat – Guarantee for Rozgar and Ajeevika Mission (Gramin): VB-G RAM G Bill** in both the houses to replace the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The Bill seeks to establish a rural development framework aligned with the national vision of Viksit Bharat 2047. Under the legislation, a statutory guarantee of 125 days of wage employment will be provided in every financial year to every rural household whose adult members volunteer to undertake unskilled manual work. The fund-sharing pattern between the Central and State governments will be **60:40 for all states**, except the North-Eastern and Himalayan states, where the sharing

arrangement will be **90:10**. The State governments will continue to pay unemployment allowance and compensation.

**MGNREGA RENAMED: PUJYA BAPU GRAMIN ROZGAR YOJANA TO HAVE 125 DAYS, MINIMUM WAGE RS 240 PER DAY:** The Central government has renamed MGNREGA to **Pujya Bapu Gramin Rozgar Yojana**. Alongside the name change, the government has raised the minimum guaranteed employment under the scheme to **125 days**, while revising the **minimum wage to Rs 240 per day**. The scheme was first introduced in 2005 as the National Rural Employment Guarantee Act (NREGA), before being renamed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

**CABINET APPROVES SCHEME OF CONDUCT OF CENSUS OF INDIA 2027:** The Union Cabinet has approved the proposal for conducting Census of India **2027 at a cost of Rs.11,718.24 crore**. The Census of India would be conducted in two phases: (i) House listing and Housing Census – April to September, 2026 and (ii) Population Enumeration (PE) – February 2027 (For the UT of Ladakh and snow bound non-synchronous areas of UT of Jammu & Kashmir and states of Himachal Pradesh and Uttarakhand, PE shall be conducted in September, 2026). Use of mobile app for data collection and the Central portal for monitoring purpose will ensure better quality data.

**'35 BY 35': WORLD BANK'S SOLUTIONS FOR TACKLING AIR POLLUTION CRISIS:** With toxic air pollution in the National Capital Region, a new World Bank report has highlighted a portfolio of interventions that could help tackle the crisis across the Indo-Gangetic Plains and Himalayan Foothills. The report, titled *A Breath of Change: Solutions for Cleaner Air in the Indo-Gangetic Plains and Himalayan Foothills*, sets out a road map for reducing annual average PM2.5 concentrations below 35  $\mu\text{g}/\text{m}^3$  by 2035 or '35 by 35' across the region.

**LOK SABHA PASSES CENTRAL EXCISE (AMENDMENT) BILL 2025:** The Lok Sabha has passed the Central Excise (Amendment) Bill, 2025 and Health and National Security Cess Bill, 2025, replacing the GST compensation cess on tobacco, cigarettes, and pan masala. The new regime keeps high excise duties ranging ₹5,000–₹11,000 per 1,000 cigarettes, 60–70% on unmanufactured tobacco, 100% on nicotine products, and a dedicated cess for health and national security.

**BHARAT TAXI STARTS PILOT OPERATIONS IN DELHI AND GUJARAT:** Bharat Taxi, a driver-owned cooperative ride-hailing platform, has launched pilot operations in Delhi and Gujarat under the *Sahakar Se Samriddhi* initiative. Operated by Sahakar Taxi Cooperative, it offers zero commission, no surge pricing, and driver ownership, giving Saarthi full stakeholder rights. The national rollout planned by December 2025.

**PMGSY COMPLETES 25 YEARS:** The Pradhan Mantri Gram Sadak Yojana (PMGSY) completed 25 years on 25 December 2025, transforming rural India by providing all-weather road connectivity to villages, improving access to markets, healthcare, education, and economic opportunities. Since 2000, a total of 8,25,114 km of roads have been sanctioned, with 7,87,520 km completed, reflecting nearly 95% progress.

## **CURRENT AFFAIRS & FINANCIAL AWARENESS IN SHORT:**

- RBI has assigned Lead Bank responsibility in the newly created District Vav-Tharad in Gujarat to Bank of Baroda.
- Government of India and ADB sign loans worth \$800 million for development projects, and a Technical Assistance grant of \$1 million, in four states.
- The Department for Promotion of Industry and Internal Trade (DPIIT) has recognised 1,97,692 entities as startups under the Startup India initiative as of 31st October 2025.
- Government **withdraws mandatory pre-installation of Sanchar Saathi app** in all mobiles which was made mandatory a few days back.
- Netflix has agreed to buy Warner Bros Discovery's TV and film studios and streaming division for \$72 billion, a deal that would hand control of one of Hollywood's most prized and oldest assets to the streaming pioneer that has upended the media industry.
- Over 6,000 recognised startups have shut down so far, Govt tells Rajya Sabha.
- India hosts first-ever Global South seminar on Public Financial Management (PFM) in New Delhi.
- Reliance Industries' rating raised to 'A-' from 'BBB+' by S&P Global.
- Moody's says 'IndiGo's flight cancellations credit negative,' warns of financial hit.
- India has added more than **7.22 crore MSMEs on the Udyam Registration Portal** since its launch in July 2020, while 1.21 lakh enterprises shut down during the same period.
- India's negotiations for the **trade deal with the US** will now be led by **Darpan Jain as the Chief Negotiator** from the Indian side.
- Power Finance Corporation (PFC) and SIDBI scrapped bond issuances worth Rs 11,500 crore due to hardening of yields.
- Centre cuts IndiGo routes by 10% to stabilise operations amid nationwide flight chaos.
- India Post Unveils Kerala's First Gen-Z Post Office Extension Counter at CMS College, Kottayam.
- **Amul** has extended its **partnership with Argentina Football Association (AFA)** for a fourth consecutive year and will continue to be the official regional sponsor of Argentinian team during the **2026 World Cup**.
- Ministry of Labour & Employment signed an MoU with **Microsoft** to expand employment linkages, strengthen India's digital labour ecosystem, and

prepare the country's workforce for emerging global opportunities.

- Aligning with US, Mexico announces up to 50% tariffs on imports from India, China.
- India has emerged among the top 10 countries globally for transactional crypto use, according to the World Crypto Rankings 2025 report, jointly published by Bybit and DL Research.
- The MSP for Fair Average Quality of milling copra has been fixed at Rs.12,027/- per quintal and for ball copra at Rs.12,500/- per quintal for 2026 season. The MSP for 2026 season is an increase of Rs.445/- per quintal for milling copra and Rs.400/- per quintal for ball copra over last season.
- The Union Cabinet has approved the **Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India (SHANTI) Bill**, which seeks to pave the way for private sector participation in India's hitherto tightly-controlled civil nuclear power sector.
- ADB approves \$108 mn loan to Mizoram to strengthen public healthcare system.
- Flipkart gets NCLT nod to shift domicile from Singapore to India.
- India, ADB sign loans worth over \$2.2 billion for development projects.
- India, Jordan aim to double trade to \$5 billion over the next five years.
- Google, announced funding support of \$8 million to India's AI Centers of Excellence for health, agriculture, education, and sustainable cities.
- RBI imposes curbs at Gauhati Co-operative Urban Bank on supervisory concerns.
- Indian Railways **electrifies 99.2%** of network, outpaces Japan, Russia, and China.
- Prime Minister Narendra Modi received the prestigious Order of Oman, the country's highest civilian honour.
- Tamil Nadu, Bihar, UP lead in personal loan growth in FY25.
- IIFL Finance appoints former RBI deputy governor B P Kanungo as chairman.
- Ambuja Cements has moved to consolidate its cement businesses, with the company's board approving two separate Schemes of Amalgamation to merge ACC Limited and Orient Cement Limited into Ambuja Cements, creating what it calls a single consolidated "One Cement Platform".
- The Central Board of Direct Taxes (CBDT) has launched a data-driven **NUUDGE campaign** for AY 2025–26 to prompt taxpayers to voluntarily review deduction and exemption claims flagged as potentially ineligible through risk analytics.
- The Centre has directed **all Aravalli states** to impose a complete ban on the grant of new mining leases in the ecologically sensitive Aravalli range.
- **National Consumer Day 2025** celebrated on 24<sup>th</sup> December with the theme of **"Efficient and Speedy Disposal through Digital Justice"**.
- **SEBI simplifies issuance of duplicate shares**, raises threshold to **Rs 10 lakh** for easier issuance. Under the revised framework, investors holding securities valued up to Rs 10 lakh will now be

required to submit a standardised Affidavit-cum-Indemnity bond, while those with securities up to Rs 10,000 can furnish a simple undertaking on plain paper.

- **IBBI** mandates disclosure of **beneficial ownership** in resolution plans.
- National Test House and Department of Posts Sign MoU to Enable Nationwide Sample Collection and Testing.
- Govt bans 'advance tipping' on ride-hailing apps, mandates 'female driver' option for women.
- **India to chair Kimberly Process for 'conflict-free' diamond trade from Jan 1 2026**. The Kimberly Process, which currently has 60 members accounting for over 99 per cent of global rough diamond trade, is a tripartite initiative involving governments, the international diamond industry and civil society to ensure diamond shipments are conflict-free.
- India mulls a monthly rupee-ruble exchange rate to spur trade with Russia.
- Mukesh Ambani unveils draft Reliance AI manifesto.
- India's household debt rises to 41.3% of GDP, above five-year average.
- India bans oral **Nimesulide** over 100 mg.
- Centre imposes steel safeguard duty for 3 years; up to 12% on imports.
- The Haryana government has revised the **Deen Dayal Lado Lakshmi Yojana (DDLLY)**, shifting financial assistance from ₹2,100 monthly to ₹6,300 quarterly.
- India to Chair International Institute for Democracy and Electoral Assistance (International IDEA).
- India Aims for Top-3 Quantum Economy by 2047: NITI Aayog's Frontier Tech Hub, in collaboration with IBM, unveils a quantum technology roadmap targeting global leadership by 2047.
- **Donald Trump** received the **inaugural FIFA Peace Prize** on 5 December 2025 during the 2026 FIFA World Cup draw in Washington, D.C.
- **Right to Disconnect Bill 2025** Introduced in Parliament, as a step towards Work-Life Balance, granting employees the legal right to ignore work-related calls and messages after hours without punishment.
- India's **Digital Hub for Reference and Unique Virtual Address (DHRUVA)** launched to digitise and standardise physical addresses by assigning Digital Address Identifiers (DAIs), enabling secure, verified, and interoperable address use across services.
- **Rajasthan** has become the first Indian state to **achieve 100% digitisation** of voter rolls under the Special Intensive Revision (SIR).
- **Maharashtra set a Guinness World Record** by installing 45,911 off-grid solar agricultural pumps in 30 days.
- India has expanded **Operation Sagar Bandhu** by deploying four additional navy ships carrying nearly 1,000 tonnes of humanitarian aid to support Sri Lanka after Cyclone **Ditwah**.
- **Anant Ambani**, founder of Vantara, has become

the youngest and first Asian to receive the **Global Humanitarian Award** for Animal Welfare from the Global Humane Society for his transformative work in wildlife rescue, rehabilitation, and conservation.

- TIME magazine has named Indian-origin **Neal Mohan**, CEO of YouTube, as the 2025 CEO of the Year.
- Indian-origin innovator Arkin Gupta has been featured in the Forbes 30 Under 30 list for his groundbreaking work in financial innovation, particularly through data-driven investment frameworks, AI-powered analytics, and scalable fintech solutions.
- India has emerged as the third most competitive country in AI globally, according to Stanford University's Global AI Vibrancy Tool report. US and China secured the 1<sup>st</sup> and 2<sup>nd</sup> spot respectively.
- Google Unveils **Project Suncatcher** to Develop Solar-Powered Data Centres in Space.
- NHAI introduced India's first wildlife-safe highway on NH-45 in Madhya Pradesh, featuring table-top red road markings, wildlife underpasses, and eco-friendly designs.
- Prime Minister Narendra Modi was conferred Ethiopia's highest civilian award, The Great Honour Nishan of Ethiopia, becoming the first global leader to receive it.
- Amazon Pay Launches Fingerprint and Face Recognition for UPI Transactions.

- India is set to establish its **first Forest University** in Gorakhpur, Uttar Pradesh.
- Brazil officially handed over the **BRICS presidency to India** on 12 December 2025 during the 4th BRICS Sherpas Meeting.
- **Deepinder Goyal** of Eternal (formerly Zomato) topped the **Hurun India Top 200 Self-Made Entrepreneurs** 2025, overtaking Radhakishan Damani of DMart.
- Elon Musk became the first person in history to surpass a **\$700 billion net worth**, reaching an estimated \$749 billion after the Delaware Supreme Court reinstated Tesla stock options worth \$139 billion.
- Madhya Pradesh will become India's first state to adopt a three-year rolling budget from 2026–27, preparing detailed estimates for 2026–27 and indicative projections for 2027–28 and 2028–29.
- Anu Garg becomes Odisha's First Woman Chief Secretary from January 1.
- Himachal Pradesh has launched the 'Green to Gold' initiative to promote industrial hemp cultivation, aiming to transform the rural economy and advance sustainability.
- Khaleda Zia, Bangladesh's First Woman Prime Minister, dies.
- IIT Bombay incubator launches Rs 250 crore deeptech fund, to back 30 startups.

## ARTICLES & SUBJECT UPDATES

### INFORMATION & CYBER SECURITY

#### **INFORMATION SECURITY:**

Information security in banks is a comprehensive set of strategies, technologies (like encryption, firewalls), and processes (access controls, monitoring, training) used to protect sensitive financial data, systems, and customers from cyber threats, ensuring data confidentiality, integrity, and availability while complying with regulations and maintaining trust.

Information security guidelines for banks focus on a multi-layered defence: strong access controls, continuous threat detection (SOC, Red Teaming), robust incident response plans (CCMP), data protection (DLP, encryption), strict vendor risk management, and educating customers, all governed by board-approved policies. Key areas include network security, endpoint protection, Zero Trust principles, and compliance with standards like PCI DSS for credit card data. The regulatory compliance of the following should also be ensured.

- **RBI Framework:** Mandates continuous surveillance, reporting, incident response, and vendor security.
- **PCI DSS:** For secure credit card data handling. PCI DSS (Payment Card Industry Data Security Standard) is a global set of security rules for businesses handling credit/debit card data, ensuring secure storage, processing, and transmission to prevent fraud, overseen by the PCI

Security Standards Council (PCI SSC) and enforced by major card brands like Visa, Mastercard.

- **ISO 27001:** Provides a framework for risk management.
- **SWIFT CSP:** For secure financial messaging. Swift CSP (Customer Security Programme) is a mandatory global cybersecurity framework by SWIFT for financial institutions using its network, requiring annual self-attestation of security controls from the Customer Security Controls Framework (CSCF), supported by independent assessments, to protect the financial ecosystem from cyber threats.

**SOC:** A SOC (Security Operations Center) in IT security is a centralized team, using people, processes, and tech, that monitors, detects, analyses, and responds to cybersecurity threats 24/7 for an organization's digital infrastructure, acting as a first line of defence to prevent breaches, hunt for threats, and manage incidents like malware or phishing attacks. They use tools like Security Information and Event Management (SIEM) and Extended Detection and Response (XDR) to analyse vast amounts of data from networks, systems, and applications, ensuring rapid containment and recovery from attacks.

**RED TEAMING:** Red teaming is a proactive, adversarial simulation of real-world attacks to test an organization's defences, identify vulnerabilities, and improve security posture. A red team (the attackers) uses tactics of actual threat actors against a "blue team" (defenders) to find blind spots, test response plans, and validate security investments, often operating covertly to gauge real reactions.

**INFORMATION SECURITY TRIAD:** It comprises of Confidentiality (data should only be accessed by authorised persons), Integrity (Maintaining consistency, accuracy and trustworthiness of data over its entire life cycle) and Availability (Information should be readily available as and when needed).

### **AWARENESS ON CYBER SECURITY:**

Cyber security is the state or process of protecting and recovering networks, devices and programs from any type of cyber-attack. In an organization, People, Process and Technology, all must complement one another to create an effective defence against cyber-attacks.

**CYBER SPACE:** Cyberspace is the virtual, interconnected environment of computer networks, the internet, and digital systems where people communicate, share info, and conduct activities like browsing, gaming, and socializing through digital devices.

**CYBER ATTACK:** A cyberattack is a malicious attempt to breach or damage computer systems, networks, or digital devices to steal, alter, disrupt, or destroy data, often for financial gain, espionage, or disruption.

### **VARIOUS TYPES OF CYBER ATTACKERS:**

- **Cybercriminals:** Seek financial profit via fraud, ransomware, data theft.
- **Hacker groups:** They usually work anonymously and create tools for hacking. They often hack computers without any criminal intention and are even sometimes hired by organizations for testing their system security.
- **Nation-State Actors / Advanced Persistent Threat (APT) Groups:** Government-sponsored, targeting other nations for espionage, sabotage, or cyberwarfare.
- **Hacktivists:** Motivated by political or social causes, often disrupting services or defacing websites.
- **Insider Threats:** Current or former employees/partners with legitimate access who misuse it. They may be less in number but they may create heavy damage. They are considered to be the highest risk.
- **Script Kiddies:** Inexperienced individuals using pre-written tools for notoriety. They are wannabe hackers. They are only able to attack very weakly secured systems.
- **Cyber Terrorists:** Aim to cause fear or significant disruption, often for ideological reasons.
- **Phishers:** Phishers are cybercriminals who use deceptive tactics (like fake emails, texts, calls) to trick people into revealing sensitive info

(passwords, bank details) or clicking malicious links, similar to fishing with bait, to steal money or identities, often by pretending to be trusted entities like banks or friends. They use social engineering, gathering info from social media to make scams realistic, then lure victims to fake websites or install malware.

### **VARIOUS TYPES OF CYBER ATTACKS:**

#### **PASSWORD ATTACK:**

It can be done through a number of ways such as; By looking around the person's desk, Sniffing the connection to the network to acquire unencrypted passwords, Using social engineering, Gaining access to a password database or Outright guessing.

- **Brute-force password guessing:** This is a trial-and-error method of cyberattack that involves an automated tool systematically attempting every possible password or passphrase combination until the correct one is found to gain unauthorized access to an account or system. Some logic can be applied by using password related to the person's name, date of birth, hobbies etc.
- **Dictionary Attack:** A dictionary attack is a cyberattack that tries to crack passwords or encryption keys by systematically testing words from a precompiled list (a "dictionary") of common words, phrases, and leaked passwords, exploiting users' tendency to choose simple, predictable credentials.

**PHISHING ATTACK:** A phishing attack is a cyber-scam where attackers impersonate trusted entities (like banks, companies, or colleagues) through fake emails, texts, or calls to trick you into revealing sensitive information (passwords, credit cards) or clicking malicious links that install malware or ransomware, aiming for financial gain, identity theft, or unauthorized system access.

- **Spear Phishing:** This is very target phishing activity, where attackers take time to research into targets and create messages that are personal and relevant. The hackers can conduct a spear phishing either by e-mail spoofing or by website cloning. In e-mail spoofing, the information in the 'from' section of the mailbox is falsified, making it appear as if it is coming from some known person. In website cloning, hackers copy legitimate website to fool you into entering personally identifiable information (PII) or login credentials.

#### **MALWARE ATTACK:**

Malware (malicious software) is any program designed to harm, disrupt, or gain unauthorized access to computer systems, networks, or data for malicious purposes like stealing info, financial gain, or causing chaos. A malware attack is a type of cyber-attack in which malware or malicious software performs activities on the victim's computer system, usually without his/ her knowledge. It can attach itself to legitimate code and propagate. It can hide in useful applications and replicate itself once the applications got initiated or opened in the system.

The following are the common types of malwares;

- **Viruses:** Attach to clean files and spread when opened, corrupting data. A virus is a contagious program or code that attaches itself to another piece of software, and then reproduces itself when that software is run. Most often this is spread by sharing software or files between computers.
- **Worms:** Self-replicating, spreading across networks without user interaction. This is a program that replicates itself and destroys data and files on the computer. Worms work to “eat” the system operating files and data files until the drive is empty.
- **Trojans:** Disguise as legitimate software to trick users into installing them, creating backdoors.
- **Ransomware:** Encrypts files and demands payment for their release.
- **Spyware:** Secretly monitors user activity and steals sensitive information.
- **Adware:** Displays unwanted ads, often bundling with other malware.
- **Botnets:** Infected devices (bots) controlled remotely to launch attacks like DDoS.

**RANSOMEWARE ATTACK:** Ransomware is a type of malicious software (malware) that blocks access to a computer system or data, often by encrypting files, and demands a ransom payment for the decryption key or to prevent data leaks. It's a major cyber threat where attackers hold digital assets hostage, disrupting businesses, stealing sensitive information, and causing significant financial and reputational damage. Attacks often start through phishing emails, malicious links, or software vulnerabilities, evolving from simple file locking to complex data theft and extortion tactics. It acts in following steps;

- **Infiltration:** Attackers gain entry via phishing, RDP exploits, or other vulnerabilities, sometimes spending time researching the target network.
- **Encryption/Locking:** The malware encrypts files, making them unusable, or locks the user out of their device entirely.
- **Extortion:** A ransom note appears, demanding payment for the decryption key or threatening to leak stolen data (double/triple extortion).
- **Payment:** Victims pay (often via crypto) to regain access, though paying doesn't guarantee data recovery.
- **Ransomware-as-a-Service (RaaS):** Criminals sell or lease their ransomware tools to affiliates, expanding the attack landscape.

**ADWARE:** Adware is software that automatically displays or downloads unwanted advertisements (pop-ups, banners) on your device, often bundled with free software, to generate revenue for developers, but it can become malicious by tracking your habits, slowing your system, redirecting searches, or even installing other malware like spyware or ransomware. It works in following stages;

- **Bundling:** Secretly installs with free apps, shareware, or from untrustworthy sources (like P2P sites).
- **Data Collection:** Tracks browsing history and user behaviour to show targeted ads, sometimes selling this data.

- **Delivery:** Displays ads as pop-ups, banners, or redirects your browser to unwanted sites.

- **Monetization:** Developers earn money through pay-per-click (PPC) or pay-per-view (PPV) models.

**SPYWARE:** Spyware is a software that spies on you, tracking your internet activities in order to send advertising (Adware) back to your system. Some spyware programs simply monitor your online activities, which violates personal privacy but may not actually break any real laws. Some spyware can secretly spread computer viruses or do damage to your computer. They can simply change the settings on programs that you've legitimately installed. If you've ever had your web browser's home page change without your knowledge, then your computer may be infected with spyware.

**TROJAN:** Trojan (or Trojan Horse) is malware disguised as legitimate software to trick users into installing it, then secretly performs harmful actions like stealing data, creating backdoors for remote control, deleting files, or installing more malware (like ransomware) without the user's knowledge, essentially giving attackers unauthorized access and control over the infected system. Trojans are written with the purpose of discovering your financial information, taking over your computer's system resources, and in larger systems creating a “denial-of-service attack.” Unlike viruses, Trojans don't self-replicate; they rely on social engineering to trick people into executing them.

**KEYLOGGERS:** It records everything you type on your PC in order to glean your log-in names, passwords, and other sensitive information, and sends it on to the source of the keylogging program.

**ROOTKIT:** Rootkit is a malicious software that gives attackers privileged (root/admin) access to a computer while hiding its presence and activities from users and security software, allowing for undetected control, data theft, and installation of other malware, making it extremely hard to find and remove. It works by altering operating system functions, hooking system calls, or even infecting firmware to mask malicious files, processes, and network connections, effectively becoming part of the system.

**SEXTORTION:** Sextortion is a form of online sexual exploitation that involves the use of threats or blackmail to force individuals into performing sexual acts or providing explicit images or videos. This type of cybercrime has become increasingly prevalent in recent years, with perpetrators using various tactics to target vulnerable individuals. In many cases, sextortion begins with the perpetrator posing as a romantic interest or acquaintance online, gaining the trust of their victim before threatening to share explicit content with their friends and family if they do not comply with their demands.

#### **PRECAUTIONS WHILE USING INTERNET:**

- Connecting to a “free” airport/coffee shop WiFi is dangerous especially when you are carrying out critical activities online such as banking, private conversation or even browsing your email. These networks are often left unprotected which can allow

a malicious hacker in the same shop/region to snoop on you easily.

- Install and properly configure a Software firewall, to protect against malicious traffic. Firewall is a security system that acts as a barrier, monitoring and controlling incoming and outgoing network traffic based on predefined security rules to protect a trusted internal network from untrusted external ones, like the internet, by blocking malicious data and allowing safe connections, preventing unauthorized access and cyberattacks
- Log out of websites after you're done. It's not enough to just close the browser tab or window. A person with enough technical prowess could access login information from session cookies and sign into a site as you.
- Never use "KEEP ME SIGNED IN" option. It is always advisable to do Sign-IN and Sign-Out every time.
- Never use "REMEMBER ME/PASSWORD" option. It is always advisable to enter the password every time while logging to any application.
- Always use Anti-Spyware to scan the eMails for SPAM.
- Follow the password policy strictly.
- **Turn on WPA2 (Wi-fi Protected Access) / WEP Encryption.** WPA2 (Wi-Fi Protected Access 2) is a strong wireless security protocol that encrypts data on Wi-Fi networks, preventing unauthorized access and protecting sensitive information using the robust Advanced Encryption Standard (AES). WEP (Wired Equivalent Privacy) was the first security protocol for Wi-Fi, designed to encrypt wireless data to match the security of wired networks, using a static shared key with the RC4 cipher. However now a days it has become obsolete.
- Enable MAC address filtering.
- If you are using a public Wi-Fi, avoid performing any bank transactions or accessing any critical information while being connected.

#### **LODGING COMPLAINTS FOR CYBER FRAUDS**

- **Filing complaint online or through helpline number:** To lodge a cyber-fraud complaint in India, use the National Cyber Crime Reporting Portal ([cybercrime.gov.in](http://cybercrime.gov.in)) or call the helpline 1930 for financial fraud, providing details like URLs, numbers, and evidence within 30 days for swift action, with options for women/child-related crimes

and general cybercrimes. It has been made operational by the Indian Cyber Crime Coordination Centre(I4C) with active support and cooperation from Reserve Bank of India

- **Central Equipment Identity Register (CEIR) Portal:** The government of India has launched this portal to combat the increasing cases of mobile phones getting stolen or being lost. CEIR tracking will enable **smart phone users to block and track their lost or stolen mobile phones** across India. CEIR system will safeguard the interests of consumers by providing them with information related to fake and cloned mobile phones, thereby preventing them from falling prey to fraudulent activities.

#### **RBI GUIDELINES ON CYBER-SECURITY:**

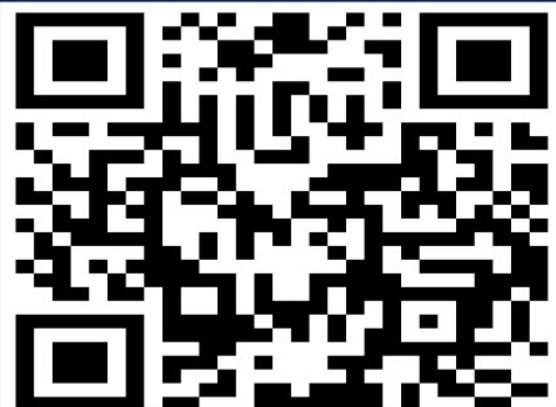
- As per RBI guidelines, Banks should put in place a cyber-security policy elucidating the strategy containing an appropriate approach to combat cyber threats given the level of complexity of business and acceptable levels of risk, duly approved by their Board. Cyber Security Policy should be distinct and separate from the broader IT policy / IS Security policy so that it can highlight the risks from cyber threats and the measures to address / mitigate these risks.
- A Cyber Crisis Management Plan (CCMP) should be immediately evolved and should be a part of the overall Board approved strategy. Considering the fact that cyber-risk is different from many other risks, the traditional BCP/DR arrangements may not be adequate and hence needs to be revisited keeping in view the nuances of the cyber-risk. In India, CERT-IN (Computer Emergency Response Team – India, a Government entity) has been taking important initiatives in strengthening cyber-security by providing proactive & reactive services as well as guidelines, threat intelligence and assessment of preparedness of various agencies across the sectors, including the financial sector.
- CCMP should address the following four aspects: (i) Detection (ii) Response (iii) Recovery and (iv) Containment. Banks need to take effective measures to prevent cyber-attacks and to promptly detect any cyber-intrusions so as to respond / recover / contain the fall out.

### **The Banking & Financial Updates**

*Exclusive monthly e-magazine covering gist of all RBI Notifications, Regulatory guidelines, Financial awareness, Current affairs and many more for Bank Promotion tests and all types of Banking exams.*

**Scan the QR to subscribe now**

Visit [www.thebankingupdates.com](http://www.thebankingupdates.com) for details





## IMPORTANT MCQs

1. Under the Continuous Clearing and Settlement on Realisation in Cheque Truncation System, RBI has modified the timings of presentation session and confirmation session to \_\_\_\_\_.
  - a. 9 am to 3 pm and 9 am to 7 pm respectively
  - b. 10 am to 3 pm and 10 am to 7 pm respectively
  - c. 9 am to 3 pm and 10 am to 7 pm respectively
  - d. None of the above
2. A bank may maintain current account or OD account without any restriction in case of customers where the aggregate exposure (Fund based and Non-fund based) of the banking system is less than \_\_\_\_\_.
  - a. ₹5 crore
  - b. ₹2 crore
  - c. ₹10 crore
  - d. ₹20 crore
3. In case of customers to whom the exposure of the banking system is ₹10 crore or more: A bank may maintain current accounts or OD accounts of the customer provided that the bank has;
  - a. Minimum 10 per cent share in banking system's aggregate exposure to the borrower
  - b. A minimum 10 per cent share in banking system's aggregate fund-based exposure to the borrower.
  - c. In case no bank within the banking system meets the above criteria, or only one bank meets the above criteria, two banks from the banking system having the largest exposures to the borrower may maintain current accounts or OD accounts.
  - d. Any of the above.
4. Which of the following is not correct?
  - a. A person not being a citizen of Pakistan or Bangladesh, may take or send out of India to Nepal or Bhutan, Indian currency notes of denominations up to ₹100 for any amount.
  - b. A person not being a citizen of Pakistan or Bangladesh, may take or send out of India to Nepal or Bhutan, Indian currency notes of denominations up to ₹100 up to a maximum of Rs.25000
  - c. A person not being a citizen of Pakistan or Bangladesh, may take or send out of India to Nepal or Bhutan, Indian currency notes of denominations above ₹100 up to a total limit of ₹25,000
  - d. None of these
5. Identify the incorrect option based on latest RBI guidelines on investment by a Bank
  - a. Equity investment by a bank in any entity, including its group entity, individually, shall not exceed 10 per cent of the bank's paid-up share

- capital and reserves as per the last audited balance sheet only.
- b. Equity investment by a bank in any entity, including its group entity, individually, shall not exceed 10 per cent of the bank's paid-up share capital and reserves as per the last audited balance sheet or audited/unaudited balance sheet of the latest quarter, whichever is lower
- c. For calculating the aggregate equity investment limit, investments in the equity of entities held under 'Held for Trading' category and investments of up to 30 per cent in the equity of non-financial entities acquired through restructuring of debt or to protect the bank's interest on loans/investments made to an entity shall be excluded.
- d. None of these
6. The aggregate equity investments made in all entities, including group entities and overseas investments, shall not exceed \_\_\_\_\_ per cent of the bank's paid-up share capital and reserves as per the last audited balance sheet or audited/unaudited balance sheet of the latest quarter, whichever is lower.
  - a. 30 percent
  - b. 20 percent
  - c. 40 percent
  - d. 15 percent
7. Identify the correct statement with respect to Banks investment in ARC.
  - a. A bank shall not sponsor more than one Asset Reconstruction Company (ARC)
  - b. The aggregate shareholding of a bank group in any ARC shall be less than 20 per cent of the equity share capital of the ARC.
  - c. Both of the above are correct
  - d. None of the above are correct
8. What is the maximum tenor of Gold Metal Loans (GML) other than lending to jewellery exporters?
  - a. 12 months
  - b. 360 days
  - c. 180 days
  - d. 270 days
9. As per the latest guidelines, CI shall submit credit information to CICs at what intervals?
  - a. Monthly
  - b. Fortnightly
  - c. Weekly
  - d. Daily
10. A BSBD Account holder makes withdrawal transactions in a month through various channels. Which of the following withdrawal/transfer transaction will be counted for maximum 4 free transaction limit?
  - a. UPI Payment

- b. NEFT
- c. POS Transaction
- d. ATM transaction

**11. The bank shall convert the existing savings bank account to BSBD account within a period of \_\_\_\_\_ from the receipt of request from the customer?**

- a. 3 working days
- b. 7 days
- c. 7 working days
- d. 15 days

**12. SEBI has made it easier for low risk foreign investors to participate in the Indian securities market with the introduction of a single window access named \_\_\_\_\_**

- a. SWAGAT-FI
- b. PRAVAH
- c. FII-PLUS
- d. None of the above

**13. SEBI has recently launched the PaRRVA - a new verification mechanism designed to authenticate past performance claims made by regulated market intermediaries. What is its full form?**

- a. Past Risk and Return Verification Agency
- b. Potential Risk and Return Verification Agency
- c. Past Risk and Return and valuation Agency
- d. None of the above

**14. Which of the following changes brought in the insurance sector through the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill**

- a. Raising the FDI limit to 100 per cent from the existing 74 per cent in insurance sector
- b. Empowerment of IRDAI to cap the commission to be given to the agent 1800
- c. It also paves the way for the merger of a non-insurance company with an insurance company
- d. All of the above

**15. What is the minimum lock-in period for premature exit in NPS under All citizen model?**

- a. 5 years
- b. 8 years
- c. 3 years

- d. No lock-in period

**16. What is the minimum vesting period for normal exit in NPS under All citizen model?**

- a. Till the age of 60 years
- b. 15 years
- c. Option a or b whichever is earlier
- d. Option a or b whichever is later

**17. In case of NPS corpus is \_\_\_\_\_ under All citizen model and corporate sector, 100% of the corpus amount can be paid in lumpsum on normal exit.**

- a. If corpus  $\leq$  ₹5 lakh
- b. If corpus  $\leq$  ₹8 lakh
- c. If corpus  $\leq$  ₹2.5 lakh
- d. If corpus  $\leq$  ₹12 lakh

**18. RBI has recently granted 'in-principle' approval to \_\_\_\_\_ Payments Bank for conversion into a Small Finance Bank.**

- a. Airtel Payment Bank
- b. IPPB Ltd
- c. Fino Payment Bank Ltd
- d. Jio Financial Services Ltd

**19. The Department of Financial Services recently approved \_\_\_\_\_ Bank's proposal to enhance its foreign investment limit from 49% to 74%.**

- a. Federal Bank
- b. Jana Small Finance Bank
- c. Equitas Small Finance Bank
- d. AU Small Finance Bank

**20. Which Bank has launched 'Digital Merchant Cash Advance Loans', a cash-flow-based lending product for MSMEs across India?**

- a. IDBI Bank
- b. Axis Bank
- c. Bank of Baroda
- d. Kotak Mahindra

#### ANSWERS TO MCQs:

1	2	3	4	5	6	7	8	9	10
a	c	d	b	a	b	c	d	c	d
11	12	13	14	15	16	17	18	19	20
b	a	a	d	d	c	b	c	d	b

## RECALLED QUESTIONS OF RECENT BANK PROMOTION TESTS



### IOB SCALE I TO II DATED 19 JANUARY 2025

1. What is the minimum amt of deposit under Senior Citizen Savings Scheme? (Ans: Rs.1000/-)
2. What is the maximum amount of deposit allowed in PPF per Financial Year? (Ans: Rs.150000/-)
3. External rating is required for loan amount above \_\_\_\_\_ to ship breaking industry. (Ref: Internal guidelines)
4. What is the minimum loan amount eligible in 3<sup>rd</sup> dose under NRLM? (Ans: Minimum of ₹6 lakh, based on the MCP prepared by the SHGs and appraised by the federations/support agency and the previous credit history).

5. What is the target percentage of loans to SC/ST to be extended under DRI scheme? (Ans: 40 percent)
6. What is the letter 'U' mean in UTR? (Ans: UTR stands for Unique Transaction Reference)
7. Which rate to be applied by the dealer for crystallization of USD into rupees? (Ans: TT Buying rate)
8. What is the maximum amount can be sanctioned under Loan against Property to individuals in metro cities? (Ref: Internal guidelines)
9. What is the turnover ceiling for classification as medium enterprise? (Ans: Rs.500 crore)

10. As per recovery policy, if the NPV of security is more than \_\_\_\_\_ %, the delegation power for OTS vests with MCB? (Ref: *Internal guidelines*)

11. Under Vidhya shresth scheme, considerable expenses for tour and travels while sanctioning education loan can be up to \_\_\_\_\_ (Ref: *Internal guidelines*)

12. Displaying information on deposit interest rate at branch notice board or website comes under which right of customer? (**Ans: Right of transparency fair and honest dealing**)

13. Legal audit is required for credit facilities with exposure of \_\_\_\_\_ (Ref: *Internal guidelines*)

14. What is the rate of interest subvention under KCC and what is the additional interest subvention available for prompt repayment? (**Ans: 1.5% and 3.0% respectively**)

15. Accounts with irregularities of 31 to 60 days to be categorized as \_\_\_\_\_ (**Ans: SMA-I**)

16. The "HeBG process" most commonly refers to India's Hybrid Electronic Bank Guarantee, a digital system for issuing and managing bank guarantees, ensuring faster, paperless transactions with real-time updates via \_\_\_\_\_ platform, involving banks specifying "HeBG" for credit type and initiating events like amendment or renewal digitally, though the original paper BG remains crucial for final closure. (**Ans: NeSL (National E-Governance Services Ltd.)**)

17. In case of collection of foreign cheques Below USD 1000, credit to customer's account should be effected within \_\_\_\_\_ days? (Ref: *Internal guidelines*)

18. If any reply/objection is received from the borrower against demand notice under SARFAESI, bank should reply within a period of \_\_\_\_\_ (**Ans: 15 days**)

19. Which approach is available for computing capital charge under operational risk? (**Ans: simple Basic Indicator Approach (BIA), the Standardised Approach (TSA) and the Advanced Measurement Approach (AMA)**)

20. Which type of risk is associated in case the time deposits are withdrawn unexpectedly? (**Ans: Embedded option risk**)

#### **JOB SCALE II TO III DATED 19 JANUARY 2025**

21. The maximum LTV in case of housing loans up to Rs.30 Lakh should not exceed \_\_\_\_\_ (**Ans: 90%**)

22. Cost of Registration and stamp duty may be included in total project cost while calculating eligibility of housing loan up to Rs \_\_\_\_\_ (**Ans: Rs.10 Lakh**)

23. Housing loan to NRIs residing in which countries are not eligible? (**Refer Bank Specific guidelines**. However, citizens including PIOs from specific countries such as Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal, Bhutan, Macau, Hong Kong, and North Korea need prior RBI permission to buy property in India)

24. Agriculture loans up to what amount to be extended without collateral? (**Rs.2 Lakh**)

25. As per the loan system of delivery of Bank credit, a minimum \_\_\_\_\_ % of Working capital limit to be disbursed by way of Working Capital Demand Loan. (**Ans: 60%**)

26. Minimum \_\_\_\_\_ % of total advances should comprise of MSME, in case of MSME specialized Branches. (**Ans: 60%**)

27. As per \_\_\_\_\_ Committee recommendation), banks are advised that a full-service approach to cater to the diverse needs of the SSI sector (now MSE sector) may be achieved through extending banking services to recognized MSE clusters by adopting a 4-C approach namely, Customer focus, Cost control, Cross sell and Contain risk. (**Ans: Ganguly Committee**)

28. The maximum loan amount in normal course under DRI is \_\_\_\_\_ with an ROI of \_\_\_\_\_ (**Ans: Rs.15000/- and 4% p.a respectively**)

29. Education loan amount up to \_\_\_\_\_ can be classified as PSL. (**Ans. Rs. 25 Lakh**)

30. Bank loans for affordable housing projects using at least \_\_\_\_\_ % of FAR/FSI for dwelling units with carpet area of not more than \_\_\_\_\_ sq.m may be classified under Priority Sector. (**Ans: 50% and 60 sq.mt respectively**).

31. What is the risk weight applicable for advances guaranteed by State Government? (**Ans: 20%**)

32. RBI conducts the Supervisory Review and Evaluation Process (SREP) on \_\_\_\_\_ basis for supervised entities like banks. (**Ans: Annual**).

33. Under the Credit Linked Capital Subsidy Scheme (CLCSS), the maximum eligible project cost (specifically, the investment in eligible plant and machinery) is \_\_\_\_\_ (**Ans: ₹1 crore**).

34. What is the minimum CRAR excluding CCB is applicable for Banks in India as per BASEL III? (**Ans: 9%**)

35. The cheques returned due to technical reasons to be represented within a period of \_\_\_\_\_ (**Ans: 24 hours**)

36. \_\_\_\_\_ in notes means adding unauthorized writings, drawings, or symbols on the face of it. (**Ans: Graffiti**).

37. What is the incentive payable by RBI to Banks for adjudication of mutilated notes? (**Ans: Rs.2/- per piece**)

38. Exchange of foreign exchange up to what amount can be paid in cash? (**Ans: Up to INR 50000**)

39. What is the maximum amount of foreign currency that can be purchased in cash? (**Ans: Up to USD 3000 or equivalent**)

40. What is the full form of MRR? (**Ans: Minimum Reserve Requirement**)

41. What is the age criteria for enrollment under Sukanya Samridhi scheme? (**Ans: The girl child must be less than 10 years old at the time of opening the account**).

42. KYC details to be uploaded in CKYCR portal within how many days of account opening? (**Ans: 10 days**)

43. What is the penalty payable by Banks in case of non-reversal of failed ATM transactions beyond T+5 days? **(Ans: Rs.100/- per day)**

44. Dues of the MSME supplier to be paid within \_\_\_\_\_ days or as per the agreed number of days

between buyer and seller whichever is earlier. **(Ans: 45 days).**

45. What is the minimum deposit amount allowed in currency chests? **(Ans: Rs.10000/- and in multiples of Rs.5000/- thereafter).**

+++++  
+++++  
+++++



**THE BANKING & FINANCIAL UPDATES**

**EXCLUSIVE MONTHLY E-MAGAZINE ON BANK PROMOTION PREPARATION**



**RBI & REGULATORY GUIDELINES**



**FINANCIAL AWARENESS & CURRENT AFFAIRS**



**MCQs & RECALLED QUESTIONS**



**SUBJECT UPDATES**

 [www.thebankingupdates.com](http://www.thebankingupdates.com)

**CLICK HERE TO SUBSCRIBE NOW**





**RBI GUIDELINES, REGULATORS GUIDELINES, FINANCIAL AWARENESS, RECALLED QUESTIONS AND MANY MORE**

**GET ALL AT ONE PLACE**



**START YOUR BANKING & FINANCIAL LEARNING JOURNEY !**





**CLICK HERE  
TO  
DOWNLOAD  
OUR APP**

**b**  
**u** ***The Banking Updates***

Join us for regular updates and study materials

Website: [www.thebankingupdates.com](http://www.thebankingupdates.com)

Mail us to : [bankingupdates2020@gmail.com](mailto:bankingupdates2020@gmail.com)



8261802533

## **The Banking & Financial Updates**

*Exclusive monthly e-magazine covering gist of all RBI Notifications, Regulatory guidelines, Financial awareness, Current affairs and many more for Bank Promotion tests and all types of Banking exams.*

**Scan the QR to subscribe now**

Visit [www.thebankingupdates.com](http://www.thebankingupdates.com) for details



**b** *The Banking Updates*



Contact: 8261802533



Email: [bankingupdates2020@gmail.com](mailto:bankingupdates2020@gmail.com) / [admin@thebankingupdates.com](mailto:admin@thebankingupdates.com)