



This Study material for IDBI Bank promotion exam 13.01.2024 has been distributed by All India IDBI Officers' Association (AIIDBIOA) to its members in December, 2023 in collaboration with Corporate Training and Development Institute (CTDI).

GURKUL QUEST

(INCENTIVES & PENALTIES)

- 1) As per RBI guidelines on financial incentives on Currency Distribution & Exchange Scheme, for opening of and maintaining currency chests at centers having population of less than 1 lakh in under banked States, the capital cost reimbursement is of 50% of **capital expenditure** subject to a ceiling of Rs. ____ lakh per currency chest. In case of opening of maintaining currency chests at the North Eastern region up to ____% of **capital expenditure** is eligible for reimbursement subject to the ceiling of Rs. 50 lakh.
- 2) For opening of and maintaining currency chests at centers having population of less than 1 lakh in under banked States the **revenue cost reimbursement** of ____% of revenue expenditure for the first 3 years will be provided. In the North Eastern region **revenue cost reimbursement** ____% of revenue expenditure will be reimbursed for the first 5 years.
- 3) The incentives for exchange of **soiled notes**/ adjudication of exchange of soiled notes is Rs. ____ per packet for exchange of soiled notes up to denomination Rs. 50. In case of adjudication of **mutilated notes** is Rs. ____ per piece mutilated banknotes over the counter at bank branches.
- 4) Distribution of coins over counter bank, the incentive provided is Rs. ____ per bag for distribution of coins over the counter. The incentives would be paid on the basis of withdrawal from currency chest, without waiting for claims from banks.
- 5) The penalty for shortages in **soiled note** remittances and currency chest balances for notes in denomination up to Rs. 50 is Rs. ____ per piece in addition to the loss. For notes in denomination of Rs. 100 and above is equal to the value of the denomination per piece in addition to the loss.
- 6) The penalty for **mutilated notes** detected in soiled note remittances and currency chest balances is Rs. ____ per piece irrespective of the denomination.
- 7) The penalty for non-compliance with operational guidelines detected by RBI officials by currency chests such as non-functioning of CCTV, branch cash / documents kept in strong room; non-utilization of NSMs for sorting of notes is Rs. ____ for each irregularity. The penalty will be enhanced to Rs. ____ in case of repetition.
- 8) The penalty of Rs. ____ will be levied in case of violation as detected by RBI officials, of any term of agreement with RBI for opening and maintaining currency chests or deficiency in service in providing exchange facilities, such as non-issue of coins over the counter to any member of public despite having stock; refusal by any bank branch to exchange soiled notes / refusal by any currency chest branch to adjudicate mutilated notes tendered by any member of public; denial of facilities/services to linked branches of other banks; non acceptance of lower denomination notes (i.e. denomination of Rs. 50 and below); tendered by members of public and linked bank branches. detection of mutilated /counterfeit notes in re-issuable packets prepared by the currency chest branches. Further, in case there are more than 5 instances of violation of agreement/deficiency in service by the branch the penalty stipulated is Rs. ____.
- 9) For accepting coins and notes either for transactions or exchange, it will be preferable to accept coins, particularly, in the denominations of Rs. 1 and 2, by weightment. However, accepting coins packed in sachets of ____ each would perhaps be more convenient for the cashiers as well as the customers. Such sachets may be kept at the counters and made available to the customers.
- 10) As per RBI guidelines on **exchange of soiled notes**, where the number of notes presented by a person is up to

- 20 pieces with a maximum value of Rs. ____ per day, banks should exchange them over the counter, free of charge:
- 11) As per RBI guidelines on exchange of soiled notes, where the number of notes presented by a person exceeds ____ pieces or Rs. 5,000 in value per day, banks may accept them, against receipt, for value to be credited later:
 - 12) In order to facilitate quicker exchange facilities, the **definition of soiled note** has been expanded. A 'soiled note' means a note which has become dirty due to normal wear and tear and also includes a **two piece note pasted together** wherein both the pieces presented belong to the same note and form the entire note with no essential feature missing. These notes should be accepted over bank counters in payment of Government dues and for credit to accounts of the public maintained with banks. However, in no case, these notes should be issued to the public as re-issuable notes and shall be deposited in currency chests for onward transmission to RBI offices as soiled note remittances for further processing.
 - 13) As per RBI guidelines, the banks should re-align their cash management in such a manner so as to ensure that cash receipts in the denominations of Rs. ____ and above are not put into re-circulation without the notes being machine processed for authenticity.
 - 14) As per RBI guidelines, on detection of counterfeits in chest remittances is also liable to be construed as wilful involvement of the chest branches concerned. Penalty at ____% of the notional value of Counterfeit Notes, in addition to the recovery of loss to the extent of the notional value of such notes, will be imposed when Counterfeit Notes are detected in the soiled note remittance of the bank; Counterfeit Notes are detected in the currency chest balance of a bank during Inspection / Audit by RBI.
 - 15) Data on Counterfeit Notes detected by all the branches of the bank shall be reported in the prescribed format, on a monthly basis. Details of Counterfeit Notes detected in the bank branches during the month shall be compiled and forwarded to the Issue Office of RBI concerned so as to reach them by ____ of the next month. A "nil" report may be sent in case no counterfeit note has been detected during the month.
 - 16) As per the Prevention of Money Laundering (Maintenance of Records) Amendment Rules, 2013, Principal Officers of banks are also required to report information on cash transactions where forged notes have been detected to The Director, FIU-IND, Financial Intelligence Unit- India, New Delhi by the ____ day of the succeeding month, by uploading the information on the FINnet Portal.
 - 17) As per RBI guidelines on levy of Penal Interest for delayed reporting / wrong reporting / non-reporting of Currency Chest transactions, the minimum amount of deposit into / withdrawal from currency chest will be Rs. ____ and thereafter, in multiples of Rs. ____:
 - 18) As per RBI guidelines on levy of Penal Interest for delayed reporting / wrong reporting / non-reporting of Currency Chest transactions, the currency chests / link Offices should invariably report all transactions through CyM – CC portal on the ____:
 - 19) As per RBI guidelines, in case of third party breach where the deficiency lies **neither with the Prepaid Payment Instrument (PPI) issuer nor with the customer but lies elsewhere in the system**, and the customer notifies the PPI issuer regarding the unauthorised payment transaction, the per transaction customer liability in such cases will depend on the number of days lapsed between the receipt of transaction communication by the customer from the PPI issuer and the reporting of unauthorised transaction by the customer to the PPI issuer. **If the reporting is within three days, the customers liability is ____:**

20) As per RBI guidelines, in case of third party breach where the deficiency lies neither with the Prepaid Payment Instrument (PPI) issuer nor with the customer but lies elsewhere in the system, and the customer notifies the PPI issuer regarding the unauthorised payment transaction, the per transaction customer liability in such cases will depend on the number of days lapsed between the receipt of transaction communication by the customer from the PPI issuer and the reporting of unauthorised transaction by the customer to the PPI issuer. **If the reporting is within four to seven days, the customers liability is _____:**

21) As per RBI guidelines, where the number of notes presented by a **person is up to 5 pieces**, non-chest branches should pay the exchange value over the counter. If the non-chest branches are not able to adjudicate the **mutilated notes**, the notes may be received against a receipt and sent to the linked currency chest branch for adjudication. The probable date of payment should be informed to the tenderers on the receipt itself and the same should not exceed _____:

22) As per the Customer Protection, limiting liability of customers in unauthorised electronic payment transactions in prepaid payment instruments (PPI's) guidelines, on being notified by the customer, the PPI issuer shall credit (notional reversal) the amount involved in the unauthorised electronic payment transaction to the customer's PPI within _____ days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any), even if such reversal breaches the maximum permissible limit applicable to that type / category of PPI. The credit shall be value-dated to be as of the date of the unauthorised transaction.

23) RBI had constituted a committee on Currency Movement (CCM) [Chair: Shri D.K. Mohanty,]. The Committee, recommended that the RBI should encourage banks to open large Currency Chests (CCs) with modern facilities and Chest Balance Limit (CBL) of at least Rs _____ billion.

24) As per RBI guidelines, for setting up new CCs Area of the strong room/ vault of at least _____ sq. ft. For those situated in hilly / inaccessible places (as defined by central / state government/ any appropriate authority), the strong room/ vault area of at least _____ sq. ft. :

25) As per RBI guidelines, for setting up new CCs the processing capacity should be of _____ pieces of banknotes per day. For those situated in the hilly/ inaccessible places, capacity of _____ pieces of banknotes per day should be taken care.

26) The RBI has put in place a framework on Turn Around Time (TAT) for resolution of customer complaints and compensation framework across all authorised payment systems. As per the guidelines if the customer's account has been debited but cash not dispensed pro-active reversal of failed transaction should be within a maximum of T + _____ days. In case of delay, the penalty is Rs _____/- per day of delay to the credit of the account holder.

27) To ensure prompt payment of locker rent, banks are allowed to obtain a Term Deposit, at the time of allotment, which would cover _____ years rent and the charges for breaking open the locker in case of such eventuality.

28) If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the bank shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least _____ months in advance along with options for them to change or close the facility.

29) The area housing the lockers should remain adequately guarded at all times. The banks shall install Access Control System and create digital record of access to locker room with time log. Banks may cover the entry and exit of the strong room and the common areas of operation under CCTV

camera and preserve its recording for a period of not less than _____ days.

30) As per the RBI guidelines, all the new mechanical lockers to be installed by the banks shall conform to basic standards / benchmarks for safety and security as prescribed by _____ or any other enhanced industry standards applicable in this regard.

31) Banks shall settle the claims in respect of deceased locker hirers and shall release contents of the locker to survivors / nominees, as the case may be, within a period not exceeding _____ days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimants with reference to nomination, to the bank's satisfaction.

32) Banks shall have the discretion to break open any locker following due procedure if the rent has not been paid by the customer for _____ years in a row. The bank shall ensure to notify the existing locker-hirer prior to any changes in the allotment and give him reasonable opportunity to withdraw the articles deposited by him. A clause may be incorporated in the locker agreement to this effect.

33) If the locker remains inoperative for a period of _____ years and the locker-hirer cannot be located, even if rent is being paid regularly, the bank shall be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, as the case may be.

34) As banks cannot claim that they bear no liability towards their customers for loss of contents of the locker, in instances where loss of contents of locker are due to incidents or attributable to fraud committed by its employees, the banks' liability shall be for an amount equivalent to _____ times the prevailing annual rent of the safe deposit locker.

35) FATCA requires foreign financial institutions to report about financial accounts held by U.S. taxpayers and foreign entities in which U.S. taxpayers hold a substantial ownership interest. Full form of FATCA is _____:

36) TDS on payment of transfer of immovable property other than agriculture land is @ 1 % for payment exceeding Rs. _____:

37) Introduction of Section _____ of Income Tax Act wherein TDS will be deducted on cash withdrawals over & above Rs. 1 crore:

38) TDS @ _____% on cash withdrawal w.e.f. 01-07-2020 in case of cash payments / withdrawals of more than Rs. 1 cr in a financial year from all accounts in a bank, the payer will have to deduct.

39) W.E.F. 01-07-2020, if the assesses has not filed income tax return for the **last three consecutive years**, TDS @ _____% will apply on the cumulative cash withdrawn from all accounts in a bank in a financial year **exceeding Rs.20 lakh upto Rs. 1 crore**:

40) W.E.F. 01.07.2020, if the assesses has not filed income tax return for the last three consecutive years, TDS @ _____% will apply on the cumulative cash withdrawn from all accounts in a bank in a financial year **exceeding Rs.1 crore**.

41) GST-E- WAY Bill is applicable for movement of goods with consignment value exceeding Rs. _____ by any person registered with GST:

42) Govt. has announced that the business with annual turnover upto Rs. _____ lakh are exempted from GST.

43) As per RBI guidelines on differential rate of interest, Bulk deposit amount increased to Rs. _____ cr and above.

44) A Codicil means an instrument made in relation to _____ and explaining, alerting or adding to its dispositions:

45) Necessary records of transactions between the bank and customer to be preserved for at least _____ years from the date of transaction.

- 46) TCS at ____% shall be applicable on all forex transactions under LRS, exceeding INR ____ lakhs in a financial year (except for remittances towards overseas education made out of loan obtained from a financial institution, for which TCS at 0.5% will be applicable).
- 47) Banks not to make cash payments of FDR plus interest of Rs. _____ and above. If bank pays cash, penalty is equal to sum of cash so paid. (Sec. 269 -T). No imprisonment.
- 48) If PAN is not submitted and interest on TD during financial year is more than Rs.40,000, (Rs. 50,000 for senior citizens) tax will be deducted at source @ ____% in case of all assesses.
- 49) RBI has reiterated that demand drafts, mail transfers, telegraphic transfers and traveller cheques for Rs. _____ and above should be issued by banks only by debit to the customer's account or against cheques or other instruments tendered by the purchaser and not against cash payment.
- 50) As per _____, banks to ensure that demand drafts of Rs. 20,000/- and above are issued invariably with A/c payee crossing.
- 51) In case of Time deposits with a Banking Company, the PAN card is mandatory if deposit aggregating is more than Rs. _____ lacs during the year or single time deposit is more than Rs. _____
- 52) If a customer is not happy about his choice of current or savings account, he may within ____ days of making first payment in the account, approach the bank for closure without paying any charges:
- 53) If a customer requests for transfer of account to another branch, the bank transfers same within ____ working days:
- 54) How many days' advance notice is required to be sent to SB/CD account holder, when there is any change in minimum balance stipulation:
- 55) In case bank closes the SB / CD account of customer, advance notice of how many days is required to be given:
- 56) Upon adjustment of a loan, all securities and title deeds of mortgaged property are to be returned within how much period:
- 57) Regarding request for transfer of a borrowal account, the bank has to convey its concurrence or otherwise within _____ of receipts of request:
- 58) Decision on loan application for a limit upto Rs. 20 lac is conveyed within _____ from the date of receipt of application:
- 59) The bank is committed to compensate the customers for any delay in returning title deeds of mortgaged property beyond _____ days of the repayment of all dues:
- 60) Bank is committed to comply with Credit Card holder's request for cancellation of Credit Card within _____ days of receiving the request in writing:
- 61) The bank is committed to give notice of _____ to customers if it plans to shift the branch; and there is no branch of any bank functioning at that centre:
- 62) The Bank has to return the unpaid / dishonoured cheque with a duly signed return memo indicating the date of return as also the reason for return /refusal of payment within _____ hours.
- 63) The time limit for settlement of deceased claim cases is _____ days.
- 64) In case of cash deposit by non-chest branches under Linkage scheme with Currency Chests(CC) ; service charges to be levied by the CC on the non-chest branches are: a) For large modern CCs Rs.____ per 100 pieces b) For other CCs Rs. ____ per 100 pieces.
- 65) No branch shall refuse to accept small denomination notes and / or coins tendered at their counters. All coins in denomination of 50 paise, Rs.____, Rs.____, Rs.____, Rs.____ and Rs.____ of various sizes, theme and design issued from time to time by the Govt. continue to be legal tender.

- 66) Tenderers aggrieved with the service provided by the banks and a related grievance not resolved to the satisfaction of the customers, or not replied to within a period of ____ days by the bank may approach the RBI Ombudsman.
- 67) Every branch manager and every officer incharge of accounts or cash wing of the branch shall act as a 'Prescribed Officer' in each branch to adjudicate the notes received at the branch for exchange in accordance with NRR, 2009. After adjudicating mutilated notes, the Prescribed Officer is required to record his order by subscribing his initials to the dated _____ Stamp.
- 68) Notes with slogans, political or religious messages scribbling, stain (including ____ stain) etc. are unfit for usage and circulation and go against Clean Note Policy of RBI.
- 69) The coins of __ paise and below issued from time to time have ceased to be legal tender with effect from June30, 2011 in terms of Gazette notification no.2529 dated 20.12.2010 issued by the Govt.
- 70) In the event of delay in reporting currency chest transactions, penal interest shall be levied at the rate of ____ over the prevailing Bank Rate for the period of delayed reporting/wrong reporting/inclusion of ineligible amounts in chest balances.
- 71) Penal interest shall be levied in all cases where the bank has enjoyed _____ credit in its current account with Reserve Bank on account of wrong reporting / delayed reporting of transactions
- 72) Soiled note remittances to RBI shall not be shown as withdrawal by chest(s). In case such remittances to RBI are wrongly reported as 'withdrawals', a penalty of ____ shall be levied irrespective of the value of remittance and period of such wrong reporting.
- 73) Appeal against the decision of the Competent Authority may be made by the Controlling Office of the currency chest/branch to the Regional Director/Chief General Manager/Officer-in-Charge of the Regional Office concerned, within ____ month from the date of debit, who shall decide whether the same can be accepted/ rejected. Penalty waiver request would be considered only if the application for the same is made in the CyM-CC portal within the prescribed timelines. Waiver requests in any other mode shall not be entertained. Appeals shall not be made in routine manner.
- 74) Banks will get an additional incentive of ____ for coin distribution in rural and semi-urban areas on the submission of a CA / Auditor certificate to this effect.
- 75) What is the penal interest payable by Banks for delayed remittance of govt business receipts?