

MCQ – UPDATES ON CREDIT MATTERS OCT 2024 - AUGUST 2025

1. Which is the **ODD MAN** with regard to Legal Scrutiny Report (LSR) ? a) Value of property is Rs 5 cro and above two LSRs from two different Panel Valuers. b)LSR wef 1.7.2025 to be digitally signed with class 3 digital certificate c)While permitting additional exposure upto and including Rs 2 cro Supplementary LSR to be obtained from a panel advocate other than the one who had given the original LSR d)LSR from 1.5.2025 to contain Unique Land Parcel identification number in states where UNPIN is mandatory e) None of these **Ans c) upto Rs 2 cro ie less than Rs 2 cro**
2. What is the correct guideline as per HO Cir 715/2024 & 735/2024 in respect of Gold Loan to employees? a) For the purpose of personal consumption, Product code is 3028 and Scheme code is 3001 b)65% of the appraised value will be the loan quantum for personal consumption. c) Rs 3 lac for Crop cultivation and Rs 5 lac for land development activities can be given to employees. d) Interest rate is prevailing RLLR for Personal consumption e) For Personal consumption minimum amount to be availed is Rs 25,000. **Ans e**
3. Which is **NOT** correct with regard to valuation of fixed Assets? a) When Immovable property is taken as security(L&B), (other than HL) the residual age of the property should be at least 5 years more than the tenure of the loan. b)When only plot, site (other than agriculture land) without any super structure is taken as collateral and if the property is purchased within the last one year, purchase price to be taken as value and no valuation by outside valuer is required c) The property taken as collateral is acquired by way of will, Settlement deed, gift deed within 12 months from the date of loan application Guideline Rate obtained from Registrar's Office / Mandal Revenue Office shall be reckoned for valuation purposes. d) if the value of property is Rs 50 lac the fees payable to the panel valuer is Rs 5,500 . e)In the valuation report valuer has to give details of last 2 transactions (within the last 3 years) in respect of adjacent properties in that area and if there is no such transactions the same to be mentioned in valuation report. **Ans e Correct ans last 2 years**
4. Which is **NOT** correct with regard to SARFAESI Valuer? A)Individuals and Partnership firms only are eligible b)Should have been registered as valuer under Sec 34AB of wealth tax act c)For retail loan valuation should have been empaneled as SARFAESI agent with any other bank, FI, HFC or NBFC registered with RBI d) For valuation of the company property the valuer should be registered with Insolvency and Bankruptcy Board of India e) The duration of empanelment is 3 years **Ans e**

5. As per HO Cir 211/2025 which is an **ODD Man** in respect of valuation of Current Assets (Inventory)? A) In respect of normal and high risk accounts if the exposure FB+NFB (working capital) from the banking system is Rs 1 cro and above stock audit to be conducted annually. b) CRM Section at Circle to allocate Stock audit work to auditors in the first fortnight of June c) Maximum number of Stock audit work to be entrusted to a auditor in a year is 3 d) The valuation of Current Assets of each borrower should normally be entrusted to a specific valuer 3 times consecutively .e) Stock audit report to be closed before December of the relevant financial year. **Ans c Correct Ans 6**
6. Which is **irrelevant** with regard to periodical valuation of fixed assets (Primary and collateral) mortgaged to certain retail loans? a) Once in 5 years if the liability is Rs 50 lac and above as at the end of previous March b) Not applicable for NPA accounts c) Maximum fees payable for the valuer is Rs 2000 if the market value is upto and inclusive of Rs 1 cro and the same to be borne by the bank d) Valuation of a property can not be allotted consecutively to the same panel valuer e) In respect of EL besides the above points valuation to be taken immediately after completion of moratorium period irrespective of liability and subsequently as per point a above. **Ans e Liability Rs 50 lac or more**
7. Who is the authority to permit appraisal of term loan proposals with project cost more than Rs 250 cro to externally empanelled Techno Economic Viability (TEV) consultants as per HO Cir 223/2025? 1) RO Head CAC and above authorities upto their delegated powers 2) Circle Head CAC and above authorities upto to their delegated powers 3) For Ho power accounts respective wing Heads 4) project costs of more than Rs 250 cro can not be entrusted to TEVs **Ans a) 4 b) 1 to 3 all correct c) 1 and 2 are correct d) 2 and 3 are correct e) None of these Ans d**
8. Which is correct in respect of CGTMSE? 1) cover is only of MSE loans and for loan amount upto Rs 10 cro per borrower from the entire member lending institutions. 2) If a borrower avails Rs 100 lac TL for purchase of machinery and Rs 25 lac for working capital he has to provide Immovable securities in the form of vacant land, land & building and Approved Securities to the minimum extent of 100% of the sanctioned limit. 3) The minimum and maximum guarantee cover available is 75% and 90% respectively. 4) Member Lending Institutions can apply for guarantee cover at any time during the tenure of the loan provided the credit facility is not restructured / remained in SMA 2 status in the last one year from the date of submission of the application. 5) Guarantee fee to be paid for all accounts including NPA and claim lodged accounts. a) 1 to 5 all b) 2 to 5 all c) only 2 d) except 3 all are correct e) a to d none of them are correct **Ans e correct ans 1 to 4 all area correct.**
9. Which **does not match** correctly with regard to Annual Guarantee Fee (AGF) in CGTMSE for loan amounts? a) More than Rs 50 lac & Upto and inclusive of Rs 100 lac 0.60% b) Rs 5 cro and above upto Rs 8 cro 1.10% c) More than Rs 1 cro & upto

and inclusive of Rs 2.00 cro 0.85% d) More than Rs 2 cro upto and inclusive of Rs 5 cro 1.00% e) All match correctly **Ans b**

10. As per HO Cir 626/2025 there are 66 institutions covered under Vidya Turant. Which is the **ODD MAN** in respect of Group A institutions? 1) IIT Khargpur and IIT Madras 2) IISC Bangalore and AIIMS New Delhi 3) JIPMER Pondicherry and AIIMS New Delhi 4) IIM Trichy and NIT Jodhpur 5) IIT Delhi & IISC Bangalore. A) 1 to 5 all b) 1 to 4 all c) 4 d) 1 e) None of these **Ans a**
11. Which is **not correct** with regard to Legal Entity Identifier as per HO Cir 296/2022 reiterated in 10/2025 and 78/2025 a) All borrowers (other than individual) with exposure of Rs 5 cro and above from the banking system and other All India financial institutions should have LEI from 30.4.2025 b) To be updated in CBS FP CIM 17 and CIM 66. c) Valid for the financial year in which LEI is obtained d) Exposure includes Fund based Non Fund based and invest exposure from banks and All India Financial Institutions. **Ans c (valid for one year from the date of obtention)**
12. What are the correct guidelines in respect of periodical obtention of Encumbrance certificate as per HO Cir 223/2025 in respect of properties mortgaged to the bank irrespective of exposure? 1) At the time of renewal with enhancement 2) At the time of valuation of property 3) During RBIA 4) to be obtained for all accounts including NPA once in 36 months 5) accounts covered under Legal audit are exempted. a) 4 only correct b) 3 and 4 are correct c) 4 and 5 are correct d) 1&2 are correct e) I am not answering the question. **Ans c**
13. Which **does not** match with regard to timeline for verification of loan and mortgage papers as per HO Cir 109/2025 read along with 266 & 600/2024? a) 20th of Feb, 20th of Aug and during RBIA balancing to be taken b) Submission of report to RO / CO by branches 28th Feb and 31st Aug c) RO deputed officials to cross verify and submit report on 25th Feb and 25th Aug d) None of these e) All of these **Ans c**
14. A partnership firm availed loan from the bank. The loan is closed and all direct and indirect liabilities are cleared. Bank could return the document within 25 days of closure of loan but satisfaction of Charge with CERSAI was done on 40th day of closure of the loan for reasons attributable to the bank. What is correct with regard to payment of compensation to the borrower in this instant case? a) Rs 50000 b) Rs 5000 c) Rs 60000 d) None of these **Ans d**
15. After clearing all direct and indirect liabilities if customers are not collecting the loan documents within 30 days charges to be collected from them is a) Rs 5000 per day b) Rs 500 per day maximum Rs 5000 c) Rs 500 per month d) Rs 5000 per month e) None of these **Ans c**

16. Which is the **odd man** out? a)CARE b)FITCH c)ICRA d)ACUITE e)INFOMERICS
Ans b) International rating agency
17. Tick the **ODD MAN** in respect of internal rating? a)CNR I - Minimal Risk I b)CNR IX- High Risk I c)CNR V – Low Risk III d)CNR VIII – Moderate Risk II e)CNR VI – Normal Risk I **Ans e**
18. As per HO Cir 149/2025 whenever the risk rating of the borrower is upgraded concession in interest rate can be permitted. For loan accounts falling under branch powers who has to accord permission a) AGM RO CAC b) RO Head CAC c) Circle Head CAC d) CGM/GM HO CAC e) Branch in charge **Ans c**
19. Oracle Business Intelligence Reports 271025 and 271025 A are introduced in HO Cir 400/2025. This report contains a) Loans sanctioned by the officiating person in the absence of branch in charge b) Loans disbursed in the absence of branch in charge c) Loans sanctioned by higher authority though it falls under the lower authority and the lower authority is present d) Gold loans closed within a month of disbursement e) Loans sanctioned by Senior Manager of RAH when RAH in charge is present **Ans d**
20. As per HO Cir 821/2024 a register has been introduced for Gold loans called Gold packets inward and outward register. What is the number of the register? A) NF 131 b) NF 191 c) NB 198 d) ND 131 e) NB 191 **Ans e**
21. As per HO Cir 2/2025 the 17 digit Gold Loan sequence number to be recorded in 1)NF 497 2)NF 1075 3)NF 367 4)NB 191 a) 1 to 4 b) 4 only c) 1 only d) None of these **Ans a**
22. In HO Cir 896/24 (pre release audit) which one does **not** find a place? a) For all exposure of Rs 2 crores and above b) For all renewals with enhancement, Pre-release Audit is to be carried out when the aggregate sanctioned exposure becomes Rs.2 crores and above. c) For all Adhoc credit limits/Additional credit facilities sanctioned to existing borrower for a specified period in which documentation is obtained and exposure becomes Rs.2 crores and above are subject to pre-release audit. d) None of these e) All of these **ans) d None of these does not find a place ie all find a place**
23. As per HO Cir 258/2025 all credit proposal of close relative other than Agricultural and retail loan of individual borrowers, proprietor in case of proprietorship firms and partnership firms where any of the partners are close relatives shall be placed before the next higher authority for sanction. This is not applicable to accounts falling under the delegated power of a) Branch in charge b) RAH in charge c) Sulabh in charge d) RO Head CAC & above authorities e) Circle Head CAC and above authorities **Ans e**

24. As per Cir 8/2025 .When the borrower submits loan application the same has to be entered in LAPs on the same day and system generates a OTP and delivers to the registered mobile number of the borrower and the same to be validated in LAPs to process the application. This is not applicable for which loans? 1) Retail loans 2) Non Priority loans 3) MSME loans 4) Agriculture loans 5) Educational Loan a) 2 b) 3 c) 5 d) 1 e) 5 **Ans e**
25. What is the maximum Gold loan that can be sanctioned to a borrower for farm development purpose under agriculture a) Rs 10 lac b) Rs 35 lac c) Rs 70 lac d) Rs 50 lac e) No such guidelines **Ans b**
26. What is the preferential interest that can be paid on the domestic term deposit of spouse of a deceased employee and the spouse is a senior citizen as per HO Cir 92/2024 a) 1% b) 0.50% c) 1.50% d) None of these **Ans a**
27. Which is the **ODD MAN** out in respect of loans to depositors against the domestic deposit in their names? a) Loan amount above Rs 2 cro interest is 1% above the deposit rate b) For Scale III the delegated power to sanction loans to depositors against their domestic term deposit 90% of the deposit amount c) For loans against NRE & FNCR deposit the margin is 25% d) For staff members for loan amount of more than Rs 10 lac against their domestic term deposit interest is 2% above the deposit rate. e) None of these **Ans b**
28. Acumen Business Consultancy Pvt Ltd, Infomerics Analytics and Research Private Ltd, CRIF Solutions Pvt Ltd & B2K Analytics Pvt Limited are known as a) ECAI b) CICs c) Resolution Agents d) SARFAESI Valuers e) None of these. **Ans e External Due Diligence Agencies**
29. As per HO Cir 72/2025 which authority can relax collateral conditos for loans to stressed sector both for existing customers and new customers? A) RSAs b) NHAs c) ED CAC & above authorities d) Circle Head CAC and above authorities e) CGM GM HO CAC & above authorities. **Ans e**
30. If complaints by customers addressed either to Credit Institutions (Cis) or to Credit Information Companies (CICs) are not resolved within 30 calendar days from the date of initial filing of complaint either with CIs or CICs a compensation of Rs -- per calendar day to be paid to the customers. **Ans Rs 100**
31. For certain loans repayable beyond 1 year liquidity premium to be added along with the applicable interest. As per HO Cir 264/2025 what is the minimum and maximum liquidity premium wef 1.4.2025? **Ans 0.20 % & 0.45%**

32. Which of the following does not match with regard to Risk Weight? a) Core investment companies 100% b) Long term claims of Housing Finance Companies rated BBB risk weight 100% c) Unrated NBFCs (other than Core Investment companies) with more than Rs 200 cro exposure from banking system risk weight 150% d) Credit Card Receivables 150% e) If LTV ratio is $\leq 80\%$ and assigned risk weight assigned for a HL sanctioned on or after 1.4.2023 50% the loan quantum should be $> \text{Rs } 30 \text{ lac}$ upto $\text{Rs } 75 \text{ lac}$ **Ans c 200%**
- 33 If a SHG group of 10 members availed a loan of Rs 10 lakhs and each member availed Rs 100000/- ($10 \times 100000 = 10,00,000/-$) for Term Loan. What is the processing charges to be collected for this group? **Ans** $1000000 \times 0.25\% = 2500 + \text{GST}$ for Term Loan.