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 STATE EXAMS

Ques: What is the new FDI limit notified by the Government of India in the insurance sector under the automatic route, and what is the FDI cap for LIC?

- A. 74% insurance; 20% LIC
- B. 100% insurance; 49% LIC
- C. 100% insurance; 20% LIC
- D. 49% insurance; 20% LIC
- E. 100% insurance; 26% LIC

Answer: Option C

Explanation :

- The Government of India has notified 100% Foreign Direct Investment (FDI) in the insurance sector under the automatic route under Foreign Exchange Management Act (FEMA).
- This eliminates the need for an Indian joint venture partner for foreign insurers operating in India.
- The 100% FDI limit also applies to insurance intermediaries such as brokers, reinsurance brokers, corporate agents, TPAs, surveyors, loss assessors, MGAs, and insurance repositories — subject to Insurance Regulatory and Development Authority of India norms.
- Foreign investment in Life Insurance Corporation of India will remain capped at 20% under a separate framework governed by the LIC Act, 1956 and Insurance Act, 1938.
- Insurance companies with foreign investment must appoint at least one resident Indian citizen as Chairperson, MD or CEO, and comply with RBI pricing guidelines under FEMA.
- The policy aligns with the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025, which increased the FDI limit from 74% to 100%.

Static Part:

- Sector — Insurance
- FDI Limit (New) — 100% (Automatic Route)
- Previous FDI Limit — 74%
- Route — Automatic Route under FEMA
- Regulatory Body — Insurance Regulatory and Development Authority of India
- LIC FDI Cap — 20% (separate framework)

- Amendment Act — Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025
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Ques: Who has been appointed as the new Deputy Governor of the Reserve Bank of India (RBI)?

- A. Swaminathan Janakiraman
- B. Rohit Jain
- C. Poonam Gupta
- D. Shirish Chandra Murmu
- E. T. Rabi Sankar

Answer: Option B

Explanation :

- The Government of India appointed Rohit Jain as Deputy Governor of the Reserve Bank of India for a period of 3 years.
 - His appointment is effective from May 3.
 - He was previously serving as an Executive Director at RBI.
 - He succeeds T. Rabi Sankar, who recently retired after completing his tenure.
 - After this appointment, RBI now has four Deputy Governors.
 - The four Deputy Governors are: Rohit Jain, Swaminathan Janakiraman, Poonam Gupta, Shirish Chandra Murmu.
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Ques: Which UPI app became the first to cross 10 billion monthly transactions in March 2026?

- A) PhonePe
- B) Paytm
- C) Google Pay
- D) Amazon Pay
- E) BHIM

Answer: Option A

Explanation

- PhonePe became the first UPI app to cross 10 billion monthly transactions, recording 10.50 billion transactions in March 2026.
- This marks a major milestone in India's digital payments ecosystem.
- As per data from National Payments Corporation of India, PhonePe held a 46.4% share by volume and 49.1% share by value.
- It processed transactions worth ₹14.48 lakh crore during the period.
- The platform showed consistent growth, processing 8 billion transactions in December and 9.9 billion in January.

Static Part :

- PhonePe Founded – 2015
- Headquarters – Bengaluru
- UPI Regulator – National Payments Corporation of India (NPCI)
- Milestone – First app to cross 10 billion monthly transactions

Ques: MuleHunter.AI tool, recently in news, has been developed by which institution?

- A) SEBI
- B) NABARD
- C) Reserve Bank of India
- D) SIDBI
- E) NPCI

Answer: Option C

Explanation :

- Ministry of Finance has instructed banks to adopt MuleHunter.AI, an AI-based tool developed by Reserve Bank of India.
- The tool is designed to identify and prevent mule accounts used in cyber-enabled financial frauds.

- Financial Services Secretary M. Nagaraju advised banks to implement the tool at the earliest.
- State Level Bankers' Committees (SLBCs) have also been asked to coordinate with state police authorities for cyber fraud prevention.
- The initiative aims to strengthen digital banking security and fraud detection systems.

Static Part :

- Reserve Bank of India Established – 1935
- Headquarters – Mumbai
- Ministry of Finance Headquarters – New Delhi
- Mule Account – A bank account used to transfer illegally obtained money

Ques: Which bank has launched a Self Help Group (SHG) Savings Account to promote financial inclusion among women-led SHGs?

- A) State Bank of India
- B) Punjab National Bank
- C) India Post Payments Bank
- D) Bank of Baroda
- E) Canara Bank

Answer: Option C

Explanation :

- India Post Payments Bank has launched a Self Help Group (SHG) Savings Account.
- The initiative aims to promote financial inclusion and empower women-led SHGs in rural areas.

• Key features of the account include:

Zero balance account
No minimum balance requirement
Maximum balance limit of ₹2 lakh

No charges on deposits and withdrawals
Quarterly interest payments
One free account statement per month
No account closure charges

Static Part :

- IPPB Launched – 1 September 2018
- Ownership – 100% Government of India
- Parent Department – Department of Posts, Ministry of Communications
- Headquarters – New Delhi

Ques: Who among the following were recently appointed as full-time members of NITI Aayog?

- A) Joram Aniya and R. Balasubramaniam
- B) Sanjiv Khanna and Rajiv Gauba
- C) Ashok Lahiri and Amit Shah
- D) M. Srinivas and Abhay Karandikar
- E) Suman Bery and K.V. Raju

Answer: Option A

Explanation :

- The Government of India has appointed Dr. Joram Aniya and Dr. R. Balasubramaniam as full-time members of NITI Aayog.
- The appointments were approved by Prime Minister Narendra Modi.
- With these appointments, the total number of full-time members in NITI Aayog has increased to seven, along with one Vice-Chairperson.
- Dr. R. Balasubramaniam has earlier served in the Capacity Building Commission and is known as a scholar, author, and public policy expert.
- Dr. Joram Aniya is an academician from Arunachal Pradesh with over 18 years of experience in teaching, research, and public policy.
- She is regarded as the first woman from the Nyishi community to earn a PhD and the first doctorate holder in Hindi from Arunachal Pradesh.
- This is part of the major revamp of NITI Aayog announced in April 2026.

Static Part:

- NITI Aayog Established – 1 January 2015
 - Headquarters – New Delhi
 - Chairperson – Narendra Modi
 - Vice-Chairperson – Ashok Lahiri
 - Replaced – Planning Commission
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Ques: Federal Bank is acquiring a credit card portfolio of around 4.5 lakh cards from which bank?

- A) HDFC Bank
- B) ICICI Bank
- C) Standard Chartered Bank
- D) Axis Bank
- E) Citibank

Answer: Option C

Explanation :

- Federal Bank will acquire a selected India credit card portfolio from Standard Chartered Bank.
- The portfolio includes around 4.5 lakh (450,000) credit cards.
- The acquisition will help Federal Bank expand its customer base in major cities.
- Federal Bank currently has around 8 lakh non co-branded cards and 13 lakh co-branded cards.
- After this deal, Federal Bank's non co-branded credit card receivables are expected to increase by around 90%.
- The deal is expected to be completed within calendar year 2026.

Static Part:

- Federal Bank Established – 1931
- Headquarters – Kochi, Kerala

- Standard Chartered Established – 1969
 - Headquarters – London, United Kingdom
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Ques: What is the key change in FDI norms announced by the Government of India in May 2026?

- A) Ban on Chinese investments
- B) Allowing 10% Chinese stake firms via automatic route
- C) Increase in FDI limit to 100%
- D) Removal of FEMA regulations
- E) Mandatory approval for all foreign investments

Answer: Option B

Explanation :

- The Government of India has eased FDI norms under Foreign Exchange Management Act for companies with up to 10% Chinese shareholding.
- Such companies can now invest in India through the automatic route, subject to sectoral conditions.
- The decision came into effect from May 1, 2026, as notified by the Ministry of Finance.
- The relaxation is based on amendments to Press Note 3 of 2020 approved by the Union Cabinet of India.
- It aims to boost foreign investment in sectors like electronics and manufacturing.
- However, the relaxation does not apply to entities registered in China, Hong Kong, or countries sharing land borders with India.
- Higher or controlling Chinese stakes will still require government approval.

Static Part:

- FEMA Full Form – Foreign Exchange Management Act
- Introduced – 1999
- Nodal Ministry – Ministry of Finance
- DPIIT Full Form – Department for Promotion of Industry and Internal Trade

- Press Note 3 Year – 2020
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Ques: Under RBI's revised loan restructuring guidelines for disaster-hit areas, what is the mandatory provisioning requirement for banks and NBFCs?

- A) 2%
- B) 3%
- C) 5%
- D) 7%
- E) 10%

Answer: Option C

Explanation :

- Reserve Bank of India has introduced revised guidelines for loan restructuring in disaster-hit areas, providing greater flexibility to banks and NBFCs.
- The new framework will come into effect from 1 July 2026.
- It allows lenders to proactively restructure loans without waiting for borrower requests.
- A key feature is the mandatory 5% provisioning requirement, where lenders must set aside 5% of the outstanding loan value.
- Borrowers have a 135-day opt-out window from the date of disaster declaration.
- RBI rejected requests to reduce provisioning to 2%, citing the need for better risk coverage in uncertain recovery scenarios.

Eligibility conditions include:

- Only standard accounts are eligible
- Loans should not be overdue by more than 30 days at the time of disaster
- Also the requests to extend eligibility up to 89 days overdue were rejected to ensure that the relief targets genuine disaster-affected borrowers.

Static Part :

- Effective Date – 1 July 2026

- Provisioning Requirement – 5%
 - Opt-out Window – 135 days
 - Eligibility – Standard Accounts (≤ 30 days overdue)
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Ques: The Asian Development Bank (ADB) announced a \$70 billion plan for which sectors in the Asia-Pacific region?

- A) Agriculture & Health
- B) Education & Tourism
- C) Energy & Digital Infrastructure
- D) Defence & Space
- E) Banking & Finance

Answer: Option C

Explanation :

- The Asian Development Bank announced a \$70 billion programme for energy and digital infrastructure.
- The announcement was made during the 59th Annual Meeting held in Samarkand, Uzbekistan.
- The plan aims to expand energy connectivity and digital networks across the Asia-Pacific region by 2035.
- It includes \$50 billion for Pan-Asia Power Grid Initiative and \$20 billion for digital connectivity.
- It will strengthen cross-border electricity trade and broadband access.
- ADB President Masato Kanda emphasized long-term economic growth.

Static Part:

- Asian Development Bank Established – 1966
- Headquarters – Manila, Philippines
- President – Masato Kanda (2026)
- Members – 69 Countries
- Objective – Promote economic development and regional cooperation

Ques: National Asset Reconstruction Company Limited (NARCL), often referred to as India's "Bad Bank", was established in which year?

- A) 2018
- B) 2019
- C) 2020
- D) 2021
- E) 2022

Answer: Option D

Explanation :

- National Asset Reconstruction Company Limited (NARCL) is known as India's "Bad Bank".
- It was established in the year 2021.
- A bad bank is a special institution created to deal with bad loans (NPAs) of banks.
- NARCL has accelerated its recovery efforts in FY 2025–26, recovering Rs. 4,364 crore during the year.
- This accounts for nearly 70% of its total recoveries to date.
- Total cumulative recoveries by NARCL have reached Rs. 6,345 crore.
- The government-backed institution has acquired 33 borrower entities.
- These accounts have a total debt exposure of Rs. 1.65 lakh crore.

Ques: Viability Plan 2.0 for RRBs focuses on how many key pillars?

- A) 2
- B) 3
- C) 4
- D) 5
- E) 6

Answer: Option C

Explanation :

- The Department of Financial Services (DFS) has approved Viability Plan 2.0 for Regional Rural Banks (RRBs) for FY 2025–26 to 2027–28.
- The plan includes 30 performance parameters structured across four key pillars — operational excellence, asset quality, profitability, and growth.
- It aims to improve financial sustainability, strengthen recovery mechanisms, and enhance digital adoption in RRBs.
- The plan replaces the earlier Viability Plan (FY22–FY25) and targets better governance and efficiency across all 28 RRBs.
- This initiative supports financial inclusion and strengthens rural banking infrastructure in India.

Static Part:

- RRBs Established – 1975
- Regulated By – Reserve Bank of India (RBI) & NABARD
- Objective – Financial Inclusion in Rural Areas
- Total RRBs – 28

Ques: What was the total UPI transaction value in April after a slight dip from March highs?

- A) ₹28.50 trillion
- B) ₹29.03 trillion
- C) ₹29.53 trillion
- D) ₹30.10 trillion
- E) ₹27.90 trillion

Answer: Option B

Explanation :

- UPI transaction value dipped by 1.7% in April to ₹29.03 trillion.
- In March, the transaction value was ₹29.53 trillion.
- UPI transaction volume declined by 1.3% to 22.35 billion in April.

- In March, the volume was 22.64 billion transactions.
 - Year-on-year, April recorded a 25% rise in volume and a 21% increase in value.
 - Despite the monthly dip, daily transaction volumes increased from 730 million in March to 745 million in April.
 - The data is released by the National Payments Corporation of India (NPCI), which operates UPI.
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Ques: What was India's net direct tax collection in the financial year 2025–26, as per CBDT data?

- A) Rs. 21,40,406 crore
- B) Rs. 22,50,000 crore
- C) Rs. 23,40,406 crore
- D) Rs. 24,10,000 crore
- E) Rs. 25,00,000 crore

Answer: Option C

Explanation :

- India's net direct tax collections grew by 5.12% year-on-year in FY 2025–26.
 - The total net direct tax collection stood at Rs. 23,40,406 crore.
 - Gross direct tax collections reached Rs. 28,11,936 crore, showing a growth of 4.03% over FY 2024–25.
 - Corporate tax collections increased to Rs. 13,81,606 crore.
 - Non-corporate tax collections (including individuals, HUFs, firms, etc.) stood at Rs. 13,72,474 crore.
 - Securities Transaction Tax (STT) collections rose to Rs. 57,522 crore.
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Ques: What was the non-food credit growth rate recorded by SCBs in FY 2025-26?

- A) 10.9%
- B) 12.5%

- C) 15.9%
- D) 18.2%
- E) 20%

Answer: Option C

Explanation:

- Scheduled Commercial Banks (SCBs) recorded a strong 15.9% year-on-year non-food credit growth in FY 2025-26.
- Total outstanding credit reached ₹212.9 lakh crore, increasing by ₹29.2 lakh crore over the previous year.
- Growth was broad-based, led by services (19%), followed by personal loans (16.2%), industry (15%), and agriculture (15.7%).
- Strong credit growth reflects improving economic activity, rising demand, and increased lending across sectors.

Static Part :

- Regulator of Banks – Reserve Bank of India
 - RBI Established – 1 April 1935
 - RBI Headquarters – Mumbai
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Ques: What was the total Goods and Services Tax (GST) collection of India in April 2026?

- A) Rs. 2.10 lakh crore
- B) Rs. 2.25 lakh crore
- C) Rs. 2.33 lakh crore
- D) Rs. 2.42 lakh crore
- E) Rs. 2.50 lakh crore

Answer: Option D

Explanation :

- India's GST collections reached an all-time high of Rs. 2.42 lakh crore in April 2026.
- This is the highest-ever monthly GST collection recorded in India.
- In April 2025, GST collection was Rs. 2.33 lakh crore.
- The Year-on-Year (YoY) growth in April 2026 is 8.7%.
- The increase reflects strong economic activity and improved compliance.

Static Part:

- GST Implemented – 1 July 2017
- GST is an indirect tax replacing multiple taxes like VAT, Service Tax, Excise Duty
- GST Council Chairman – Union Finance Minister

Ques: What are Electronic Gold Receipts (EGRs) launched by the National Stock Exchange (NSE)?

- A) Digital currency backed by RBI
- B) Electronic records representing ownership of physical gold
- C) Gold mining licences
- D) Cryptocurrency linked with gold
- E) Gold loan certificates

Answer: Option B

Explanation :

- National Stock Exchange (NSE) has launched Electronic Gold Receipts (EGRs) as a new instrument for gold trading in India.
- EGRs are electronic records representing ownership of physical gold stored in approved vaults.
- NSE demonstrated the dematerialisation of a 1000-gram gold bar into an Electronic Gold Receipt.
- EGRs are dematerialised securities and are held electronically in demat accounts.
- The gold backing EGRs is stored in SEBI-accredited vaults.

- Each EGR is fully backed by real physical gold.

Static Part:

- National Stock Exchange of India Limited Founded – 27 November 1992
 - Headquarters – Mumbai, Maharashtra
 - MD and CEO – Ashish Kumar Chauhan
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Ques: Under the RBI's updated regulatory framework, after how many days from the due date will a credit card account be marked as "past due"?

- A) 1 day
- B) 2 days
- C) 3 days
- D) 5 days
- E) 7 days

Answer: Option C

Explanation :

- The Reserve Bank of India (RBI) has introduced a 3-day grace period for credit card payments.
 - A credit card account will be marked as "past due" only after 3 days from the due date.
 - Earlier, accounts could be classified as overdue immediately after the due date.
 - Banks can impose late payment charges and report to credit bureaus only after the 3-day grace period.
 - The new rule will come into effect from 1 April 2027.
 - If payment is made within the grace period, there will be no immediate penalty or negative credit reporting impact.
 - Under revised norms, penalties will apply only on the outstanding amount and not on the total billed amount.
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Ques: S&P Global has reduced India's GDP growth forecast for Financial Year 2026–27 to what percentage?

- A) 5.8%
- B) 6.2%
- C) 6.6%
- D) 7.0%
- E) 7.5%

Answer: Option C

Explanation :

- S&P Global lowered India's growth forecast for Financial Year 2026–27 by 50 basis points to 6.6 per cent.
- The findings were published in a report titled "India Forward".
- The report was jointly prepared by S&P Global and Crisil.
- According to the report, India is facing external economic shocks.
- These challenges include energy supply disruptions, rising oil and gas prices, and currency volatility.
- A basis point is one-hundredth of a percentage point.

Static Part:

- S&P Global Headquarters – New York, United States
 - CRISIL Full Form – Credit Rating Information Services of India Limited
 - Crisil Headquarters – Mumbai, Maharashtra
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Ques: What percentage of the Reserve Bank of India's (RBI) total gold holdings is now stored within India as of March 2026?

- A) 65%
- B) 70%
- C) 77%
- D) 82%
- E) 85%

Answer: Option C

Explanation :

- Around 77% of RBI's total gold holdings is now stored within India.
- RBI moved 104.23 metric tonnes (MT) of gold reserves domestically in the six months ended March 2026.
- The move reflects a continued shift toward domestic gold custody.
- RBI's total gold holdings increased slightly to 880.52 MT in March 2026.
- According to RBI data, 197.67 MT of gold is kept with the Bank of England and the Bank for International Settlements (BIS).
- Another 2.80 MT is maintained as gold deposits
- In FY 2025–26, RBI brought 168.06 MT of gold back to India.
- This is higher than 107.21 MT in 2023–24 and 103.68 MT in 2024–25.

