

Topic- Policy on Delegation of  
Loaning Powers

1. A delegatee / Committee shall exercise the delegated authority having regard to the Bank's lending policies from time to time subject to some conditions. Which of the following is not correct?

- A. To act in good faith
- B. To act without negligence
- C. To act judiciously
- D. To remain suspicious
- E. To remain Vigilant

**Answer:- To remain suspicious**

2. Which of the following does not contribute towards deciding delegation of loan proposals?

- A. Loan amount
- B. Group Exposure
- C. Constitution of borrower
- D. Type of activity of borrower
- E. Approval of deviation in ratios

**Answer:- Two Approval of deviation in ratios**

3. Fully disbursed Term loans can be reviewed at outstanding level by the concerned authority even if the original Term Loan is sanctioned by the higher authority, subject to some conditions. Which of the following is not a condition in this regard?

- A. Installments/interest is serviced up to date
- B. Additional Tenor premium for term loan is charged in account
- C. The account is in the Standard Category
- D. Not categorized as SMA- 0/1/2 for financial reasons

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E. Operations are satisfactory

**Answer:- Additional Tenor premium for term loan is charged in account**

4. Delegates/Credit Approval Committees can sanction loans under ..... without applying the Group Concept.

- A. Retail lending schemes
- B. Kisan Credit card
- C. Commercial Vehicle loan
- D. Loan under Union Solar scheme
- E. Infrastructure Loans

**Answer:- Retail lending schemes**

5. Excess may be interpreted as a facility of a temporary nature sanctioned for meeting the temporary mismatches in cash flows of the borrowers for a period normally not exceeding 15 days to the extent of .....% (only BHs) of the regular sanctioned limits or delegated loaning powers whichever is less.

- A. 5%
- B. 10%
- C. 15%
- D. 20%
- E. 25%

**Answer:- 10%**

6. In case of clean facility like TOD etc. in accounts with no drawing power where excess is to be allowed, delegation for ..... only should be used to avoid any transgression of Delegated Authority.

- A. Unsecured Loans

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- B. TOD
- C. Per Party exposure
- D. Group Exposure
- E. Union Liqui

Answer:- **TOD**

7. For Accounts/ limits rated as CR-6 to CR-10, delegation for Excess over Limit shall be with .....

- A. MLCC
- B. RLCC-II & above
- C. RLCC-I & above
- D. ZLCC & above
- E. CACs at CO

Answer:- **ZLCC & above**

8. No adhoc is to be considered by delegatee other than the ..... if the account is overdue for review/renewal.

- A. MLCC
- B. RLCC-II & above
- C. RLCC-I & above
- D. ZLCC & above
- E. CACs at CO

Answer:- **ZLCC & above**

9. Adhoc can be allowed maximum ..... times in a financial year.

- A. One
- B. Two
- C. Three
- D. Four
- E. Five

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Answer:- **Two**

10. In case the adhoc facility is not adjusted on time as per commitment, any adhoc facility to such parties can be considered by.....

- A. Next Higher Authority
- B. RLCC-II & above
- C. RLCC-I & above
- D. ZLCC & above
- E. CACs at CO

Answer:- **Next Higher Authority**

11. ZLCC is authorized to approve refund of any excess interest, commission, discount etc. irrespective of delegation erroneously charged by Branches under their jurisdiction. The above powers is extended to ..... for branches under their jurisdiction provided refund pertains to current financial year charges and do not exceed Rs.3.00 Lakh.

- A. Next Higher Authority
- B. RLCC-II headed by AGM
- C. RLCC-I headed by DGM
- D. ZLCC headed by GM
- E. CACs at CO

Answer:- **RLCC-I headed by DGM**

12. Which of these credit facilities will rank for reckoning in the aggregate Fund Based / Non-Fund Based limits?

- A. Loan against Deposit
- B. Union Green Card
- C. Domestic Letter of Guarantee with 100% cash margin
- D. Advances against Government securities

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E. Bills discounting facility under accepted LCs of reputed / prime banks

Answer:- **Union Green Card**

13. If applications in respect of SCs/STs or export advances are to be rejected, the same should be done at the ..... instead of at branch level.

- A. Next Higher Level
- B. RLCC-II headed by AGM
- C. RLCC-I headed by DGM
- D. ZLCC headed by GM
- E. CACs at CO

Answer:- **Next Higher Level**

14. Transaction facility through Internet Banking in Cash Credit accounts with credit rating CR 1 to CR 4 shall be allowed by .....

- A. AGM headed branches
- B. Regional Head
- C. Zonal Head (GM)
- D. Zonal Head (CGM)
- E. Executive Director (Senior most)

Answer:- **Regional Head**

15. Delegation for parking of part of the credit limit sanctioned (irrespective of the delegation) to a borrower in some other Branch/s situated in different geographical locations within a region is.....

- A. Respective Regional Head
- B. Respective ZH
- C. RLCC-I

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- D. ZLCC
- E. CACs at CO

**Answer:- Respective Regional Head**

16. Minimum delegated authority for considering new loan to NBFC-MFIs is.....

- A. Next Higher Authority
- B. RLCC-II & above
- C. RLCC-I & above
- D. ZLCC & above
- E. CACs at CO

**Answer:- ZLCC & above**

17. L/Gs may be issued on behalf of joint ventures/subsidiaries of the concern by obtaining prior approval from authority at ..... as per Guarantee & Co acceptance policy of the Bank.

- A. Next Higher Authority
- B. RLCC-II & above
- C. RLCC-I & above
- D. ZLCC & above
- E. CACs at CO

**Answer:- ZLCC & above**

18. .... may permit levy of LG commission on yearly basis on merits of the case in respect of guarantee falling under their delegation.

- A. Next Higher Authority
- B. RLCC-II & above
- C. RLCC-I & above

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- D. ZLCC & above
- E. CACs at CO

**Answer:- RLCC-I & above**

19. Minimum margin of 25% by way of Cash/FDR/Collateral should be obtained for LG. Further, within overall margin of 25% by way of Cash/FDR/Collateral, the share of Cash/FDR margin should be minimum .....% and rest by way of other tangible collaterals.

- A. 10%
- B. 11%
- C. 21%
- D. 20%
- E. 25%

**Answer:- 11%**

20. Delegating loaning power for Stand-by letter of credit will vest with GM / DGM headed branch as well as ..... and above in accordance with delegated authority for approving limits for unsecured loans.

- A. Next Higher Level
- B. RLCC-II headed by AGM
- C. RLCC-I headed by DGM
- D. ZLCC headed by GM
- E. CACs at CO

**Answer:- RLCC-I headed by DGM**

21. The delegation for ZLCC headed by GM shall be Rs.50 Crore for Foreign Currency Loan subject to minimum .....% hedging.

- A. 75%
- B. 80%
- C. 100%

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- D. 110%
- E. 150%

**Answer:- 80%**

22. Issuance of guarantee on behalf of JVs/WOS of Indian Entities can be considered under the delegation of.....

- A. Next Higher Level
- B. RLCC-II headed by AGM
- C. RLCC-I headed by DGM
- D. ZLCC headed by GM
- E. CACs at CO

**Answer:- CACs at CO**

23. With respect to extension of due date of Pre-shipment Finance, first Extension up to ..... days can be granted by the Branch head.

- A. 90 days
- B. 60 days
- C. 180 days
- D. 360 days
- E. 30 days

**Answer:- CACs at CO**

24. Adhoc can be allowed maximum ..... times in a financial year for Gold Card Exporters.

- A. One
- B. Two
- C. Three
- D. Four



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E. Any number of times

**Answer:- Any number of times**

25. Branches should not discount bills bearing the “.....” clause.

- A. Without Recourse
- B. With Recourse
- C. Restricted
- D. Not negotiable
- E. Negotiable

**Answer:- Without Recourse**

26. The business related to TReDS shall now vest with ..... at Central Office.

- A. Large Corporate Vertical
- B. Mid Corporate Vertical
- C. MSME Vertical
- D. RMD
- E. Retail Asset Vertical

**Answer:- Large Corporate Vertical**

27. The delegation powers of Branch Head shall cease to exist ..... months prior to the date of retirement of BH.

- A. 1 month
- B. 2 months
- C. 3 months

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- D. 6 months
- E. 12 months

**Answer:- 6 months**

28. Minimum Collateral security of .....% (of aggregate exposure) shall be obtained while sanctioning any new credit facility or enhancement in existing limits for acquisition or construction of Education institution, Hospital or Commercial Real Estate.

- A. 25%
- B. 50%
- C. 75%
- D. 100%
- E. 150%

**Answer:- 50%**

29. Minimum sanctioning (including review / renewal) authority for Trust / AOP / Cooperative Society/ Primary Agricultural Credit Societies (PACS)/FSS (Farmers Service Society)/ any other society should be .....

- A. Next Higher Authority
- B. RLCC-II & above
- C. RLCC-I & above
- D. ZLCC & above
- E. CACs at CO

**Answer:- RLCC-I & above**

30. The next higher authority for obtaining concurrence of restructuring or takeover proposal or miscellaneous request of proposals otherwise falling within the power of branch will be .....

- A. MLCC
- B. RLCCs
- C. CRLCs
- D. ZLCCs
- E. CACs at CO

**Answer:- RLCCs**