

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2020

Course: International Law of Banking and Insurance
Program: LLM (International economic Law)
Course Code: CLIT7006

Semester: II
Time: 03 hrs.
Max. Marks: 100

Instructions:

SECTION A (ALL 6Q * 5m = 30marks) (Max. Word limit 50 words)

S. No.		Marks	CO
Q1.	Define NPA.	(5)	CO2
Q2.	What is LIBOR ?	(5)	CO3
Q3.	Explain doctrine of Uberima Fides for insurance contracts.	(5)	CO2
Q4.	What is the key role of IRDA?	(5)	CO3
Q5.	What is CRR and SLR?	(5)	CO1
Q6.	Name the subsidiaries of Reserve bank of India.	(5)	CO1

SECTION B (Attempt ANY FIVE - 5Q * 10m = 50marks) (Max. Word limit 200 words each)

Q7.	Explain the role Bank for International Settlements in global financial markets.	(10)	CO3
Q8.	Elaborate on basic principles of general insurance contract used globally.	(10)	CO1
Q9.	What was Gold Standard? How inception and downfall of Breton woods system helped towards floating exchange rate system the world trade?	(10)	CO3
Q10.	What is money laundering? Explain how PML 2002 has helped economy.	(10)	CO1
Q11.	What is the Hedging? Explain Derivatives.	(10)	CO2
Q12.	Basel is a set of international banking regulations put forth by the Basel Committee on Bank Supervision.	(10)	CO2

SECTION C (2Q * 2 = 20marks) (Max. Word limit 250 words each)
Case Study

YES BANK CRISIS

YES Bank Ltd runs three units – YES Asset Management Services, YES Capital and YES Bank. Once the country's fifth-largest private lender by market capitalisation, YES Bank had been founded by Rana Kapoor and Ashok Kapoor in 2004. In the year 2005, the bank forayed into retail banking with the launch of International Gold and Silver debit card in partnership with MasterCard International. In June 2005, YES Bank came out with a

public issue and its shares were listed on the stock exchanges. The bank was ranked number 1 bank in the Business Today-KPMG Best Banks Annual Survey 2008. YES Bank was the first institution globally to receive funding through IFC's Managed Co-Lending Portfolio Programme and the first Indian bank to raise loan under IFC's A/B loan facility. On September 2014, YES Bank announced it had received a ratings upgrade from credit rating agency ICRA and CARE for its various long-term debt programmes. Between 2004, when it was launched, and 2015, Yes Bank was one of the buzziest banks. In 2015, UBS, a global financial services company, raised the first red flag about its asset quality. The UBS report stated that Yes Bank had loaned more than its net worth to companies that were unlikely to pay back. However, Yes Bank continued to extend loans to several big firms and became the fifth-largest private sector lender.

The banking regulator, while recommending a moratorium, cited a steady decline in YES Bank's financial position, mainly due to the lender's inability to raise adequate capital to make provisions for potential non-performing assets. This failing resulted in downgrades by credit rating agencies, which in turn made capital raising even more difficult. This apart, there were serious lapses in corporate governance at the bank.

On December 18, 2017, YES Bank made its entry in the 30-share S&P BSE Sensex. A few months later, YES Bank announced the listing of the bank's debut \$600-million bond issue under its maiden \$1 billion MTN programme on Global Securities Market (GSM) – India's first capital-raising platform for international investors in any currency located at the Gujarat International Finance Tec-City (GIFT City) IFSC.

In December 2017, the bank's branch network stood at 1,050 and its ATM network at 1,724. The bank's loan book on March 31, 2014, was Rs 55,633 crore, and its deposits were Rs 74,192 crore. Since then, the loan book has grown to nearly four times as much, at Rs 2.25 trillion as on September 30, 2019. While deposit growth failed to keep pace and increased at less than three times to Rs 2.10 trillion. The bank's asset quality also worsened and it came under regulator RBI's scanner. YES Bank has a substantial exposure to several troubled borrowers, including the Anil Ambani-led Reliance group, DHFL and IL&FS. The tipping point came when one of the bank's independent directors Uttam Prakash Agarwal, resigned from the board in January 2020 citing governance issues.

(Excerpts :- <https://www.business-standard.com/about/what-is-yes-bank-crisis>)

Q13.	Explain the role of Central Bank in Banking Crisis. How Central Bank performs such non-monetary functions ?	(10)	CO3
Q14.	Describe the IBC 2016 guidelines for banking and financial service providers which was biggest reform process in Indian Financial Markets.	(10)	CO1