

Committed to
professional excellence

IIBF VISION

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Top Stories

Government announces Union Budget for 2009-10

The Finance Minister announced the Union Budget for the financial year 2009-10. Some of the highlights of the budget pertinent to the banking and finance sector were :

- The Government's budgeted borrowing for 2009-10 is Rs.4,00,996 crore, 22.81% higher than the revised estimate of Rs.3,26,515 crore in the last financial year.
- To improve financial inclusion the Budget announced the setting up of a sub-committee of the State Level Bankers' Committee that would list un-banked or under-banked districts and prepare an action plan to cover all regions over three years. The Finance Minister earmarked Rs.100 crore as one-time grant for providing at least one centre or point of sales.
- A budgetary allocation of Rs.1,542 crore has been made for buying the shares held by the Reserve Bank of India in NABARD and NHB.
- The Finance Minister announced an allocation of Rs.2,000 crore to NHB from the shortfall in the priority sector lending of commercial banks.
- Farmers who were entitled to 2% subvention in the rate of interest would get an additional 1% subvention if they repaid on time.
- Students from economically weaker sections would get full interest subsidy to pursue approved courses.
- Commodity Transaction Tax (CTT), levied on transactions in commodities traded on recognised exchanges to be withdrawn
- India Infrastructure Finance Company Ltd. (IIFCL), the special purpose vehicle set up for providing long term financial assistance to infrastructure projects will be given greater flexibility. Banks, along with IIFCL, will evolve a 'takeout financing' scheme which is an accepted international practice of releasing long-term funds.
- No change in Securities Transaction Tax (STT).

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Banks allowed to write off farm loans not fully paid

In a relief to farmers who had defaulted on loan repayments, the government and the Reserve Bank of India (RBI) have allowed banks to write off loans even if only a part of the 75% outstanding amount as stipulated in last year's debt relief scheme is repaid. The only rider is that the government will not provide additional funding and will restrict reimbursement to the bank to 25% of the outstanding amount. In addition, the government has allowed banks to recover the 75% outstanding amount in one tranche instead of three instalments as was provided originally.

Dr. K. C. Chakrabarty takes charge as RBI Deputy Governor

Dr. K. C. Chakrabarty has taken charge as Deputy Governor of the RBI. Dr. Chakrabarty will oversee the departments of customer service, administration and personnel management, information technology, payment and settlement systems, human resource development, Raj Bhasha, rural planning and credit and urban banks. He will be the Alternate Appellate Authority under the Right to Information Act, 2005.

Government to infuse Rs.16,000 crore in 12 banks

The government is planning to infuse Rs.16,000 crore in over a dozen public sector banks (PSBs) by subscribing to equity shares through right issues. The move is aimed at bolstering the banks' capital base and help them meet the domestic financing requirements. United Bank of India, Dena Bank, Bank of Maharashtra and IDBI Bank are expected to be amongst those whose capital infusion proposals will be taken up next.

RBI panel to review BPLR structure

RBI has established a working group on reworking the benchmark prime lending rate (BPLR) mechanism to ensure more transparent pricing of loans by banks. The group, to be headed by the RBI Executive Director Mr. Deepak Mohanty, will look at the best international practices and suggest an appropriate loan pricing system. It will also review the administered lending rates for loans up to Rs.2 lakh given to exporters, which, bankers say, affect their ability to price risk efficiently. Apart from Mr. Mohanty, the committee will have representatives from the Indian Banks' Association (IBA), the Banking Codes and Standards Board of India, banks and external experts.

Bank-credit to realty sector expands in 2008-09

Real estate developers may have just got out of a severe liquidity crunch; but data from the RBI suggests that bank credit to the realty sector has actually expanded. Scheduled commercial banks' (SCBs) outstanding credit

to real estate grew from 1.8% of non-food credit at the end of March 2006 to 3.2% by February 2009. Recently released annual reports of banks also suggest that loans outstanding to commercial real estate have seen strong growth.

RBI's stipulations on cheque clearance

The RBI has stipulated that henceforth, local cheques will have to be cleared on the same day or at most, the next day of their presentation. Further, for outstation cheques, the timeframe for clearing will not exceed seven days for State capitals, 10 days for major cities and 14 days for other locations. If there is any delay beyond this period, the bank will be required to pay interest as specified in its Cheque Collection policies. In case the rate is not specified in the policies, the applicable rate shall be the interest rate on fixed deposits for the corresponding maturity.

Special housing loan scheme from Union Bank

Union Bank of India has launched a special housing loan scheme with combination of fixed and floating rate of interest. During the tenure of the loan, a fixed rate of interest *viz.*, 8% will be applicable for the first year. A floating rate of interest will be applicable from next year onwards till the loan is fully repaid. This scheme is applicable for new accounts and existing loans are not covered.

Mobile banking catches up, but faces security and connectivity issues

Conducting banking through a mobile device in the country is likely to surpass global averages in a year, although as little as 4% of m-commerce transactions have taken place in the last few months. According to a recent KPMG survey, with a sample size of 1,400 people across 19 countries, the willingness to conduct banking through mobile device is higher in India. Almost 64% of the respondents said they are likely to conduct banking through a mobile device in next one year.

ICICI sees robust growth in lending this year

ICICI Bank has affirmed that it will have a strong presence in car, home and corporate loans business in the current fiscal, but its relatively lower exposure to personal and other small-ticket loans could limit the overall balance-sheet growth to below 20% in the year. Stating that the last fiscal was bad, when its profit fell by about 10% and because it also faced rumours of a run on the bank, ICICI Bank Managing Director & CEO Ms. Chanda Kochhar said that the bad times are now a thing of the past. Anticipating a growth rate of 24-25% in focused business areas like housing, corporate and car

loans, Ms. Kochhar said that the overall growth in its balance sheet could, however, be below 20% in the current fiscal as the full impact of shift in focus areas would not be visible.

Mr. M. V. Nair becomes Chairman of IBA

Indian Banks' Association (IBA) has appointed Union Bank of India CMD Mr. M. V. Nair as its new Chairman. The appointment follows the appointment of previous chairman Dr. K. C. Chakrabarty's as Deputy Governor, RBI.

Banks to restructure loans for Aila-hit farmers

Banks in West Bengal have decided to restructure loans for farmers hit by cyclone Aila in North and South 24-Parganas districts. At a recent State Level Bankers' Committee (SLBC) meeting, the banks have also decided to offer fresh crop loans and term loans for buying farm equipment, reclaiming saline land and allied activities. The size of the relief package is yet to be finalized but banks are also likely to extend moratorium and repayment periods for the affected borrowers. Further, they have also decided to extend such financial assistance to artisans, self-employed persons and micro-and small scale units.

Central Bank to focus on technological upgradation, new services

From appointing relationship managers to service large corporates, to creating dedicated silos for wholesale, mid-corporate, SME and retail banking and to working to expand branch and ATM network by 150 and 900 respectively in FY'10, Mr. S. Sridhar, Chairman and Managing Director, Central Bank of India, plans to upgrade services so that the bank 'adjusts' to the current paradigm in banking. Admitting that in the last few years some of the customers had moved away from his 98-year old bank, Mr. Sridhar has remarked, "We are trying to change ourselves, adjust ourselves to the current banking paradigm. We need to modernize our bank through technology so that our customers get better services. In terms of the newer developments in banking sector in general and products & services in particular, somehow some of the staff has not kept pace. Therefore our skills need to be upgraded to meet competition."

Banks told to give credit report to customers

Customers whose loan applications get rejected can now ask the concerned bank for a credit report, which will typically include details of any previous loans taken by the customer, the outstanding amount on the loan, defaults in payments if any and if the loan had become bad. This

information will give an indication about why the bank rejected the loan application. The Reserve Bank of India has said that banks should provide credit reports as requested by customers, subject to payment of a charge. For this, banks should comply with the Credit Information Companies (Regulation) Act, 2005.

RBI tells banks to swap information to prevent frauds

RBI has asserted that banks must have more co-ordination in case of 'multiple banking arrangement' to prevent frauds. All banks which lend to a borrower under this arrangement should take co-ordinated action based on a commonly agreed strategy with regards to legal or criminal actions, follow-up for recovery, exchange of details on modus operandi, and reporting data on frauds. RBI has further said that there are cases of borrowers enjoying credit facilities under 'multiple banking arrangement' as they continue to enjoy the facilities with other banks even after defrauding one of the banks. In certain cases, the borrowers use the accounts maintained at other financing banks to siphon off funds diverted from the bank on which the fraud was perpetrated.

Economy

Advance tax collections surge 17% in April-June

For the first time in the past six months, the advance tax collections across the country has recorded an increase over the corresponding period last fiscal. According to the figures available with the direct tax authorities, the all-India advance tax collection for the April 1 to June 16 period for 2009 has gone up by 17% to over Rs.48,000 crore. The year ago figure was Rs.41,800 crore. Out of the total collection of Rs.48,000 crore, Rs.26,000 crore came just from corporate tax. Incidentally, an increase in tax collection is being said to be a sure sign of an economic recovery in the offing.

Capital Markets

MCX-SX plans to sell 18% to local banks

MCX Stock Exchange (MCX-SX) that provides currency futures trading, is divesting an 18% stake in public and private banks through a fresh issue of capital in keeping with capital market regulator Securities and Exchange Board of India's (SEBI's) shareholding guidelines. Of the 18%, the bourse has already placed 6.48% equity worth Rs.87.5 crore with Union Bank of India and Bank of India (BoI). The transaction values the exchange at Rs.1,350 crore.



Dollar/Rupee futures volume shoots up 50% since launch

In less than a year since its inception in the second half of 2008, dollar-rupee futures volumes have grown to nearly 50% of merchant transactions on the over-the-counter (OTC) forwards market. Merchant transactions include forex cover taken by importers and exporters with banks to hedge their currency risk. According to RBI data, merchant transactions (purchases and sales) from May 25 to May 29 clocked an average daily turnover of \$2.5 billion. Against this, combined average daily turnover on the currency futures platforms of the NSE and MCX-SX over the same period was \$1.2 billion, or 48% of merchant transaction volumes.

Commodities Markets

Fresh trade norms for international commodities

The Forward Markets Commission (FMC) has permitted all the 3 major commodity exchanges to allow their traders to take fresh positions till the date of expiry in futures contracts of internationally reference-able commodities like zinc, copper, aluminium, nickel and crude oil. The NCDEX and MCX have issued circulars specifying which commodities on their platform will benefit from this move. On MCX, traders can now take fresh positions till expiry in platinum, certified emission reductions, CFI, aviation turbine fuel, crude palm oil, gold HNI, silver mini, silver HNI and heating oil.

Co-operative Banks

UCBs don't need RBI nod for dividend

All urban co-operative banks (UCBs) will now be permitted to declare dividends on shares without prior approval of the RBI, provided they meet certain conditions. Under the present rules, only those UCBs classified in grades other than Grade II to IV can declare dividend without prior approval of the RBI. UCBs classified in Grade II have to get permission of the RBI while grade III and IV UCBs are barred from declaring dividend until they are upgraded.



Insurance

Life insurance growth at 2-year high

A turnaround in Life Insurance Corporation (LIC) of India's fortunes has boosted the insurance industry's

sales, which has risen the fastest in two years. The country's 22 life insurance companies have seen a 29.5% rise in premium collected through sale of new policies to Rs.3,602 crore in April 2009, as against Rs.2,780 crore in the corresponding period last year. This is the fastest growth since April 2007, when the industry witnessed 49.6% rise in first premium income.

International News

Swiss bank Sarasin enters Indian market

Swiss private bank, Bank Sarasin & Co, has announced its entry into the Indian market and has begun official operations in Mumbai and Delhi. The group's first presence in the country is incorporated as Sarasin-Alpen (India) Private Limited, which is a non-fund based non-banking financial company (NBFC). The new operation will provide financial advisory and consultancy services to wealthy private clients in India and distribute select prime third-party products such as mutual funds.

ECB, BoE hold rates steady

The European Central Bank has kept its main policy rate unchanged at a historic low of 1% as indicators are showing a gloomy period ahead for Europe's economy. The ECB president, Mr. Jean-Claude Trichet, has declined to comment on whether the benchmark rate will be lowered in the near future; only maintaining that the bank's governing council felt "the present level of interest rates to be appropriate."

US Treasury allows 10 banks to repay \$68 billion of bailout funds

US officials have given ten of the nation's biggest banks an approval to pay back a combined \$68 billion of taxpayer money pumped into them to combat the credit crisis. The Treasury Department has not named the banks, but many of them are likely to announce themselves, that they are making repayments and their names eventually will be published in routine Treasury reports. Many banks have chafed at the restrictions on executive pay that accompanied the capital injections. Eight of them were pressed by the US Treasury to take government funds in late October last year, at the height of the crisis.

Chancellor signals limited overhaul of UK bank rules

Chancellor of the Exchequer, Mr. Alistair Darling has said that sharpening the judgement of bank regulators is the way to prevent future banking crisis; suggesting that an overhaul of UK rules governing the industry will be limited. Mr. Darling has further emphasized the need to

improve the calibre of officials overseeing the financial-services industry and the quality of executives on bank boards. "Institutions are important, so are the tools for them to do the job," Mr. Darling said in his annual address at Mansion House, the official London's Lord Mayor, adding that. "To concentrate only on institutions is to miss the point."

SNB for tough bank rules

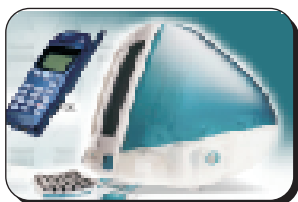
The Swiss National Bank (SNB) has called for rules allowing drastic action on the nation's dominant banks if their problems threaten the entire economy and has renewed measures to fight recession and fend off deflation. Two top banks, UBS and Credit Suisse, are still in a difficult situation, the SNB has noted. It has also called for rules which would allow parts of the banks to be split off if needed, of their size to be limited, just a day after President Barack Obama laid out his vision for recrafting US financial regulation.



Mutual Funds

PAN not needed for SIP investments up to Rs.50,000

Retail investors can now put their money in mutual funds in small lots without giving their PAN card details for up to Rs.50,000. Mr. A. P. Kurian, Chairman of Association of Mutual Funds in India, has affirmed that the association has got the government's permission to exempt PAN card requirement for such investments. Thus, now, for systematic investment plans (SIPs) up to Rs.50,000, the investors do not need to produce their permanent account number (PAN, as it is popularly known) issued by the income tax department. They are now exempt from the SEBI rule that came into effect regarding the same, from June 2007.



Products & Alliances

SBI launches product for army personnel

The SBI has launched a new product 'Defence Salary Package-Army' that offers a bundle of free / concessional banking services to the officers and jawans of the Indian Army. This product offering, which has undergone a

pilot run in three cantonments, includes concessional loans, free drafts, free cheque books, free fund transfer to the State Bank Group's network of 15,000 branches besides free ATM cards, as revealed by the SBI Chairman, Mr. O. P. Bhatt.

Yes Bank ties up with Finnish firm

Yes Bank has tied up with Lahti Science and Business Park (LSBP) a Finnish firm to provide investment banking, M&A services, technology transfer, joint venture advisory and fund raising services to Indian and Finnish companies. Accordingly, the alliance has identified four Finnish companies in the area of clean technology for tie-up with Indian firms. Two out of these four companies are likely to be funded by Yes Bank.

SBI inks pact with ISB for research cell

SBI will be launching the second edition of its '*parivartan*' (change management programme) in September 2009 to bring about an attitudinal / behavioural shift in employees' approach to customers and create awareness about the importance of values in the conduct of business. To this end the bank signed a memorandum of understanding (MOU) with the Indian School of Business (ISB) for setting up a research cell on public sector leadership in India. The cell will focus on innovation, change management, organisational transformation, leadership comparisons between public and private enterprises, managerial mindsets and risk-taking ability in middle management.

Central Bank ties up with Ashok Leyland

Central Bank of India and Ashok Leyland have signed an agreement to provide loans for commercial vehicles. Under the tie-up, Central Bank of India will provide loans for Ashok Leyland's customers at 100 basis points (bps) below its BPLR (currently standing at 12%) till March 31, 2010. This is part of the bank's focus to increase its retail loans portfolio to 15% of total assets, from the current 9%, said Mr. S. Sridhar, Chairman and Managing Director, Central Bank of India.

Tata Motors, Bank of India tie up

Bank of India (BoI) has entered into an agreement with Tata Motors to ensure consumer finance for Fiat cars which are available through the Tata-Fiat dealer network. Customers can get special interest rates for loans up to Rs.10 lakh of 9.75% to 10.25% for the Linea, Palio and soon-to-be launched Grande Punto. Fiat India is a 50 : 50 joint venture between Fiat Italy and Tata Motors. BoI offers car loans up to 90% of the invoice, for loans up to Rs.10 lakh for tenure ranging up to 6 years. This facility will be available at all metro, urban and semi-urban

branches of BoI and the 100 sales touch points of the Tata-Fiat distribution network.

SBI, Credit Guarantee Trust sign MoU

SBI has signed an MoU with Credit Guarantee Trust for Micro and Small Enterprises. The agreement covers micro and small enterprises financed by the bank under the Portfolio Credit Guarantee Scheme for Micro and Small Enterprises. The bank will include all eligible loans on a consolidated basis at quarterly intervals and obtain guarantee cover from the trust.

Regulators Speak...

RBI plans to introduce polymer notes

With an aim to provide notes with longer life, the RBI intends to introduce polymer notes in the country. As a measure in this direction, RBI is mulling to implement a pilot project for the new type of notes. The advantage of polymer notes is that these notes are cleaner than paper notes, are easily recyclable, provide greater security against counterfeiting and have a four times better shelf life. "Polymer notes have been introduced in Australia and the RBI is examining a proposal to start a pilot project for introduction of such notes in the country," said Mr. H. R. Khan, Executive Director, RBI.

RBI to switch to CBS use in its operations

Noting the benefits that banks enjoy from seamless working on core banking solutions (CBS), the RBI has decided to adopt the same in its operations. RBI intends to soon integrate its system with banks and financial institutions on a CBS platform and will be bringing in a consultant on how to go about it. The advisor would first study existing IT systems / solutions and help in its implementation across offices and departments. RBI will do the basic business process re-engineering (BPR) to tailor processes to fit into the CBS product to be used. The central banking business processes are different from the typical commercial banking processes. Nevertheless, the basic banking transactions are same.

Give details of fund transfer via SMS / emails : RBI

In order to make banking services more customer friendly, RBI wants more and more banks to adopt the practice of informing customers about fund transfers through SMS and emails. Although many banks are using technology to instantly inform customers about debits and credits in their accounts, RBI feels that all banks should explore the possibility of adopting the practice. "In order to make Real Time Gross Settlement (RTGS) more customer-friendly, all RTGS participants

may explore the possibility of sending SMS / email information to customers when an RTGS debt / credit takes place".

IRDA seeks policy papers in local languages

The Insurance Regulatory and Development Authority (IRDA) is now insisting that insurers need to have their policy documents in vernacular languages in a bid to increase penetration level of the insurance products. "Companies will have to think of one-two pages of document in vernacular languages," said Mr. J. Hari Narayan, Chairman of IRDA. In the Micro Insurance Regulations, the regulator has already asked both the life and non-life insurance companies to issue policy documents in simple vernacular language. According to a report by Ernst & Young, more than 2/3rd of India's population lives in rural areas, where micro-insurance is seen as the most suitable aid to reach the poor and socially disadvantaged sections of society.

SEBI - RBI panel releases exchange traded interest rate futures

Capital market regulator SEBI recently released its report compiled jointly with the RBI, on interest rate futures. The futures contracts, which will be traded on the currency derivatives segment of recognized stock exchanges, will help firms manage risks arising out of interest rate fluctuations. The contract, which is essentially an agreement between two parties to fix an interest rate at which they will borrow or lend at a future date, will have an underlying of 10-year government security (G-sec) as the underlying asset. "The notional coupon rate of the G-sec will be 7% with semi-annual compounding," said RBI - SEBI Standing Technical Committee on Exchange traded Interest Rate Futures that prepared the report.

IRDA proposes mandatory life, non-life tie-up

IRDA proposes to make a tie-up between a life insurance and a general or health insurance company mandatory for any policy that combines health insurance and pure term life insurance. The move is aimed at identifying premium for each risk and allowing life insurance companies to underwrite only life risk; while health insurance providers will underwrite only the risk of the health portion of the combined products.

RBI's technical panel on monetary policy

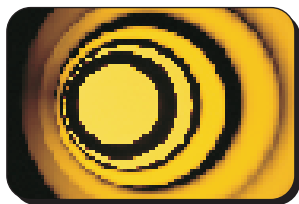
RBI has reconstituted the technical advisory committee (TAC) on monetary policy with effect from July 1. The tenure of the committee will be for two years. The objective of the TAC on monetary policy is to periodically advise the RBI on the stance of monetary policy in the light of macroeconomic and monetary developments.

Panel suggests phased transition to IFRS by insurers

“The roadmap for implementing the International Financial Reporting Standards (IFRS) by insurance companies in India should provide for phased transition from the current norms”, a panel on IFRS compliance, appointed by the IRDA, has said. The committee headed by Dr. R. Kannan, Member, IRDA, in its report submitted to the regulator, said that a sudden shift to the new accounting regime may not be possible in view of the various constraints involved in the implementation of the programme.

RBI plans 24 X 7 remittance facility

To make fund transfers convenient, fast and more affordable for retail customers, the RBI plans to introduce 24 X 7 remittance facility called India Money Line, as revealed by Mr. Anup Raj, Manager (Systems), RBI. “India Money Line will be on the lines of the NEFT scheme but will be much wider in scope and will work on a 24x7 basis to benefit customers,” said Mr. Raj. NEFT is a nationwide system to facilitate transfer of funds from a bank branch to any other bank branch. A total of 52,427 branches across 89 banks were part of the NEFT system as on December 31, 2008.



Spotlight

Key Indicators at a glance

Indicator	Rate (%)
Bank Rate	6.0
Repo Rate	4.75
Reverse Repo Rate	3.25
Cash Reserve Ratio	5.0
Statutory Liquidity Ratio	24
Savings Bank Rate	3.5

Source : RBI, as on 13th July 2009

Anti-money laundering system needs improvement

According to a KPMG survey, the country's financial institutions need more investment and improvement in their anti-money laundering (AML) systems even as 79% of them show a positive attitude towards the regulations. The survey shows a positive attitude towards AML regulations with 79% of respondents believing the level of burden placed upon them to be “acceptable”. “Although financial institutions in India have covered a large ground in AML compliance, significant investment and improvement in AML system is still required,” the survey says.

Karnataka MSME loans restructured

Commercial banks in Karnataka have restructured 29,404 accounts of micro, small and medium enterprises (MSMEs) involving close to Rs.1,000 crore by the end of May 2009. This is around 70% of the total number of accounts eligible for restructuring in the state. In the next two months, banks are expected to restructure the remaining 12,160 accounts. An RBI report has revealed that 41,564 accounts (about 8% of the total MSMEs registered in the state) were eligible for restructuring as on September 1, 2008.

Credit card companies look at premium clients for better portfolio

MasterCard Worldwide has discovered that a key issue plaguing the credit card industry is inactive cards. It has summed up that one of the ways to get cardholders to use the card is to charge an annual fee. “But markets, where free cards are prevalent, card issuers can only charge fees to the high-end customers,” said Lance Blockley, Managing Director of Edgar, Dunn & Company. This consultancy is assisting MasterCard in the research. Bankers have asserted that customers in the premium segment understood their financial responsibility better than cardholders with marginal profile and were more disciplined in payments.

Educational loans : Banks may revamp repayment terms

Banks are considering tweaking the repayment terms of education loans to help hard-pressed borrowers cope with the current cycle of economic downturn. A proposal to increase the moratorium period / repayment holiday from one to two years and the repayment period from 5-7 years to 7-10 years is being examined by banks under the aegis of the Indian Banks' Association (IBA), the self-regulatory body for banks. If implemented, the proposal can bring relief to a large number of student-borrowers, especially recent graduates from the engineering, management and computer applications streams, who are either not getting jobs, or are not getting enough salaries to support themselves and service the loan.

Financial Basics

Recourse

A general legal term meaning that the purchaser of a financial asset from an original creditor has a claim on the original creditor in case the debtor defaults. Specific arrangements to provide recourse arise in a variety of innovative transactions, including various types of securitized assets. Such arrangements can take many forms including an explicit guarantee that credit losses will be reimbursed or the assets replaced by assets of similar quality; an agreement to repurchase assets before



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maturity or more indirectly indemnification by a third-party guarantee for any losses that occur. Recourse is commonly used in trade finance in forfaiting, for example.

Glossary

Securities Transaction Tax

Securities Transaction Tax (STT) was introduced by Chapter VII of the Finance Act (No.2) Act, 2004. STT is a tax being levied on all transactions done on the stock exchanges. Securities Transaction Tax is applicable on purchase or sale of equity shares, derivatives, equity-oriented funds and equity-oriented mutual funds. STT is not applicable in case of government securities, bonds, debentures and units of mutual fund other than equity oriented mutual funds.

Systematic Investment Plans

Systematic Investment Plans (SIP) is a investment option in mutual fund schemes available to investors. Under this facility an investor can invest a fixed amount every month for a pre-decided period of time, usually six months or one year through post-dated cheques at applicable NAV-related prices. This helps investors to average out their cost of investments over a period of six months or one year and thus overcome short-term fluctuations in the market.

News From the Institute

Enrolment begins for the following courses / programmes

1. Project Finance in collaboration with IFMR, Chennai. For details, visit www.iibf.org.in.
2. Advanced Management Programme in collaboration with SIES College of Management Studies. For details, visit www.siescoms.edu.
3. Certificate course for Business Facilitators / Business Correspondents. For details, visit www.iibf.org.in.
4. Diploma in Banking & Finance. For details, visit www.iibf.org.in.

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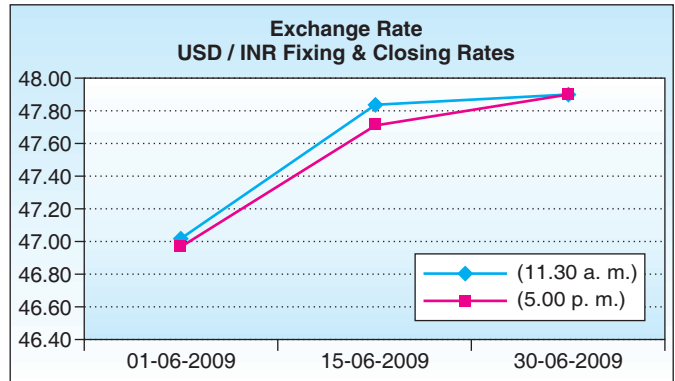
'The Arcade', World Trade Center, 2nd Floor, East Wing, Cuffe Parade, Mumbai - 400 005.

Tel. : 2218 7003 / 04 / 05 ● Fax : 91-22-2218 5147 / 2215 5093

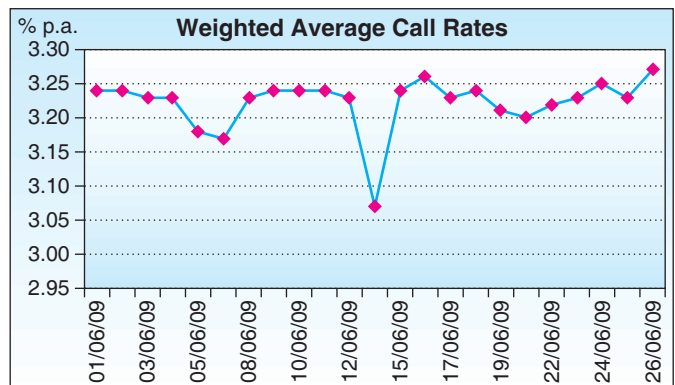
Telegram : INSTIEXAM ● Email : iibgen@bom5.vsnl.net.in

Website : www.iibf.org.in

Markets Roundup



Source : FEDAI



Source : CCIL Newsletters, June 2009, various issues

Indicators	Market Snapshot (Amount in Rs. Mn.)			
	June 05, 2009	June 12, 2009	June 19, 2009	June 26, 2009
Inflation (%)	0.48 (May 23, 2009)	0.13 (May 30, 2009)	-1.61 (June 06, 2009)	-1.14 (June 13, 2009)
Avg. LAF Rev. Repo Vol.	1,241,310	1,163,160	1,298,400	1,224,230
Avg LAF Repo Vol.	0	0	1,000	0
Avg. Repo Rates (%)	2.53	2.43	2.03	2.86
10-yr G-Sec Yield (%)	6.8117	7.0888	6.9791	7.0029
1-10 yr spread (bps)	261	301	254	293
6 Month Forward Premia (%)	2.75	2.81	2.80	2.68
6 month USD LIBOR (%)	1.18	1.22	1.16	1.15

Source : CCIL Newsletters, June 2009, various issues