



Committed to professional excellence

# IIBF VISION

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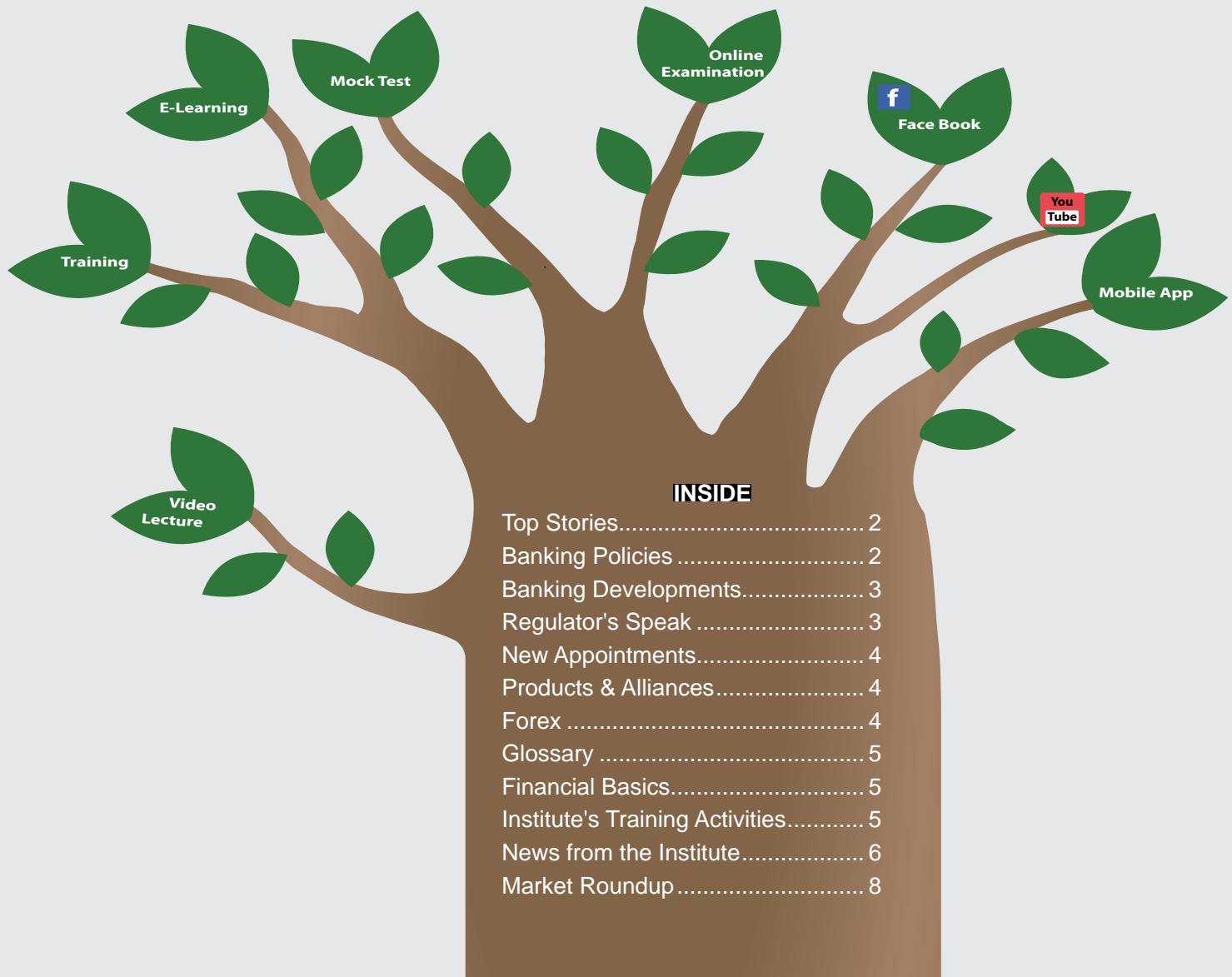
No. of Pages - 8

## VISION

To be premier Institute for developing and nurturing competent professionals in banking and finance field.

## MISSION

To develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs.



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## TOP STORIES

### **RBI to issue ₹20 banknotes with inset letter 'S'**

Reserve Bank of India (RBI) will soon issue ₹20 denomination bank-notes in the Mahatma Gandhi Series-2005, with inset letter 'S' in both the number panels, bearing the signature of Dr. Raghuram G. Rajan, Governor, RBI. The year of printing '2016' will appear on the reverse. All banknotes in the denomination of ₹20 issued by RBI in the past will also continue to be legal tender.

### **RBI to put in circulation new ₹10 coins**

RBI will shortly put in circulation Rs.10 denomination coins to commemorate birth centenary of Swami Chinmayananda. These coins are legal tender as provided in The Coinage Act, 2011. The existing coins in this denomination will continue to be legal tender.

### **RBI releases draft norms for CCR, exposure to CCPs**

RBI has released draft guidelines for the computing exposure for Counterparty Credit Risk (CCR), arising from derivative transactions and capital requirements for bank exposures to Central Counterparties (CCPs). The guidelines are based on the framework finalized by the Basel Committee on Banking Supervision (BCBS).

## Banking Policies

### **NBFCs can give takeout refinancing to infra projects**

RBI has allowed [Non-Banking Financial Companies \(NBFCs\)](#) to refinance any existing infrastructure and other project loans through take-out financing; this will not be considered as restructuring. However, such loans should be standard in the books of the existing lenders, and should not have been restructured in the past. More than 50% of the outstanding loan by value should be substantially taken over from the existing financing lenders and the repayment period should be fixed as per the life cycle of the project and cash flows from the same.

### **Stressed lenders get some relief from RBI**

RBI has unveiled a Scheme for Sustainable Structuring of Stressed Assets (S4A). The S4A is specifically aimed at projects that have commenced commercial operations; and, the aggregate exposure (including accrued interest) of all lenders in the accounts is more than ₹500 crore (including rupee loans, foreign currency loans/ External Commercial Borrowings). The debt should have a sustainability of not less than 50% of current funded liabilities. The debt-resolution plan for large accounts should be agreed upon by a minimum of 75% of lenders by value and 50% of lenders by number in the JLF (Joint Lenders' Forum) consortium/bank.

### **RBI simplifies registration process for new NBFCs**

In order to smoothen and de-hassle the registration process of new Non-Banking Finance Companies (NBFCs), RBI has revised the application form for registration and the checklist of documents to be submitted by the applicant NBFCs. The number of documents to be submitted has been reduced from the existing set of 45 documents to 7-8. Also, henceforth there would be two different types of applications for non-deposit taking

NBFCs (NBFC-NDs) based on sources of funds and customer interface.

### **Government initiates process to constitute Monetary Policy Committee (MPC)**

With a view to maintain price stability, while keeping in mind the objective of growth, the Reserve Bank of India Act, 1934 (RBI Act) has been amended by the Finance Act, 2016 to provide for a statutory and institutionalised framework for a Monetary Policy Committee (MPC). Out of the six Members of MPC, three Members will be from the Reserve Bank of India (RBI), including the Governor, who will be the ex-officio Chairperson, the Deputy Governor, RBI and one officer of RBI. The other three Members of MPC will be appointed by the Central Government, on the recommendations of a Search-cum-Selection Committee, which will be headed by the Cabinet Secretary. These three Members of MPC will be experts in the field of economics or banking or finance or Monetary policy and will be appointed for a period of 4 years and shall not be eligible for re-appointment. The meetings of the MPC shall be held at least 4 times a year and it shall publicise its decisions after each such meeting.

## **Banking Developments**

### **RBI launches inflation expectations survey**

Amid rise in both Consumer Price Index (CPI) and Wholesale Price Index (WPI)-based inflation, RBI launched its June 2016 round of 'Inflation Expectations Survey of Households' across 18 cities, including Ahmedabad, Chandigarh, Patna and Thiruvananthapuram. RBI has been regularly conducting these surveys. Mumbai-based Hansa Research Group has been engaged to conduct this round of the survey on behalf of RBI.

### **RBI looking to scale up e-payment system**

In a bid to build best-in-class payment and settlement systems for a 'less-cash' India, RBI has unveiled a Vision-2018 document, which, among others, includes a review of the National Electronic Funds Transfer (NEFT) system to enable faster payment processing through introduction of more frequent settlement cycles. According to the document, with increasing adoption of electronic payments, particularly those driving e-commerce and m-commerce, there is a growing demand for "faster" payment services which, in turn, facilitate ease of doing financial transactions. Individuals, business and government agencies/departments are increasingly adopting NEFT.

## **Regulator's Speak**

### **FCNR (B) deposits: RBI sees no pressure in redemption**

RBI is fully equipped to deal with extreme volatility in the rupee-dollar exchange rate that could occur on dollar outflows (of about \$20 billion) due to maturing FCNR (B) deposits. Dr. Raghuram Rajan, Governor, RBI said that they have covered these outflows in the forward markets and they will take some advance deliveries in the lead up to the maturity. However, RBI does not want to encourage complacency on the part of people who have sold them dollars, assuming that the apex bank will come to bail them out when they cannot provide dollars.

### **PSBs will benefit from bad loan clean-up: Rajan**

Dr. Raghuram Rajan, Governor, RBI said that the slowdown in credit growth has been largely because of stress in the public sector banking and not because of high interest rates. As such, what is required is a clean-up of the balance sheets of public sector banks, which is what is underway and needs to be taken to its logical conclusion.

## New Appointments

Name	Designation/Organisation
Mr. Shashi Arora	Chief Executive & Managing Director, Airtel Payments Bank.



## Products & Alliances

Organisation	Organisation tied up with	Purpose
Jammu & Kashmir Bank	Staragri	For Collateral Management Services and Warehousing Receipt Financing.
Bank of India (BoI)	Reliance General Insurance	Under the new IRDAI Regulations 2015.

## Forex

### Benchmark Rates for FCNR(B) Deposits applicable for the month of July, 2016

Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.70210	0.77770	0.92110	0.92110	1.03200
GBP	0.45760	0.582	0.589	0.619	0.673
EUR	-0.19100	-0.2115	-0.1804	-0.1630	-0.0830
JPY	-0.06500	-0.126	-0.155	-0.158	-0.146
CAD	0.93000	0.914	0.934	0.960	0.993
AUD	1.83700	1.800	1.810	2.000	2.020
CHF	-0.77250	-0.830	-0.825	-0.787	-0.731
DKK	-0.02580	-0.0116	0.0252	0.0904	0.1727
NZD	2.28000	2.250	2.250	2.290	2.350
SEK	-0.51300	-0.431	-0.300	-0.145	0.022
SGD	1.28000	1.420	1.550	1.670	1.770
HKD	0.75000	0.870	0.980	1.100	1.190
MYR	3.54000	3.520	3.530	3.560	3.600

Source: [www.fedai.org.in](http://www.fedai.org.in)

Foreign Exchange Reserves		
Item	As on June 24, 2016	
	₹ Bn.	US\$ Mn.
Total Reserves	24,375.1	3,60,797.6
(a) Foreign Currency Assets	22,744.5	3,36,580.2
(b) Gold	1,366.2	20,328.9
(c) SDRs	101.3	1,489.9
(d) Reserve Position in the IMF	163.1	2,398.6

Source: Reserve Bank of India (RBI)

## Glossary

### Non-Banking Financial Company (NBFC)

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a Non-Banking Financial Company (Residuary non-banking company).

## Financial Basics

### Slippage Ratio

(Fresh accretion of NPAs during the year/Total standard assets at the beginning of the year)\*100.

## Institute's Training Activities

Sr. No.	Name of the Programme	Date	Location
1	Housing Finance	11.7.16 -13.7.16	Mumbai.
2	In company Training Programme on Credit Appraisal TJSB Bank	11.7.16 - 15.7.16	Mumbai.
3	SME Financing	25.7.16 -29.7.16	Mumbai.
4	Marketing and Customer Service	25.7.16 - 27.7.16	Mumbai.
5	Certified Credit Officer- Post Examination Class room Training Programme	21.7.16 -24.7.16	Chennai.
6	IT Security and Cyber Crimes	8.8.16-9.8.16	Mumbai.
7	KYC/AML/CFT	8.8.16-10.8.16	Mumbai.
8	Programme on Credit Monitoring	22.8.16-24.8.16	Mumbai.
9	Recovery Management	28.8.16-30.8.16	Mumbai.

10	Programme on Credit Appraisal	8.8.16-12.8.16	Delhi.
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## News from the Institute

### Seminar on Value Driven through Business Analytics

The Institute had organised a Seminar on “Value Driven through Business Analytics” at Leadership Centre, IIBF on 2<sup>nd</sup> July, 2016. The seminar was inaugurated by Mr. A. P. Hota – Managing Director & CEO, National Payments Corporation of India (NPCI). The seminar was followed by a panel discussion, followed by a question and answer session. Distinguished luminaries of the banking industry, both from private sector and public sector banks, were a part of the panel discussion.

### Acceptance of Subscription in Online Mode for Bank Quest and IIBF Vision

The Institute has decided to collect subscription for Bank Quest and IIBF Vision in online mode through SBI Collect and discontinue accepting subscription through Demand Draft with effect from 1<sup>st</sup> July 2016. Subscription will be accepted only for one year. Third party payment would not be accepted. Domestic Subscribers/Organisations are requested to pay subscription directly through online mode. There is no change in mode of application of subscription for foreign subscribers. Foreign subscriber may write to Publication Department at [publications@iibf.org.in](mailto:publications@iibf.org.in) for application form. Domestic Subscribers/Organisations for payment of subscription in online mode may kindly visit “Online Registration/Services” page on IIBF Website - [www.iibf.org.in](http://www.iibf.org.in).

### Advanced Management Programme 2016-17

IIBF is pleased to launch its 5<sup>th</sup> Batch of Advanced Management Programme, i.e., AMP 2016-17. The course includes Management Development Program (MDP) by IIM-Calcutta. The course is expected to commence from July 24<sup>th</sup>, 2016. For details visit [www.iibf.org.in](http://www.iibf.org.in).

### The new rate of service tax

The Ministry of Finance, Department of Revenue has notified levying of 0.5% Krishi Kalyan Cess, on any or all the taxable Services w.e.f 01<sup>st</sup> June 2016. The effective rate of Service Tax would be 14% +0.5% (Swachh Bahart Cess)+0.5% (Krishi Kalyan Cess) = 15.00%. Accordingly, the Institute has incorporated the change in all fees.

### Bank Quest Themes for next issues

The themes for next issues of “Bank Quest” are identified as:

- July-September, 2016: Stressed Account Management & Financial Stability
- October-December, 2016: Digital Banking
- January-March, 2017: Business Analytics
- April-June, 2017: Challenges in Infrastructure financing

### KYC/AML & Customer Service Examination

The Institute will hold the Certificate Examinations in AML/KYC & Customer Service Examinations on a quarterly interval from April 2016 onwards. For details visit [www.iibf.org.in](http://www.iibf.org.in).

### Cut-off date of guidelines /Important developments for examinations

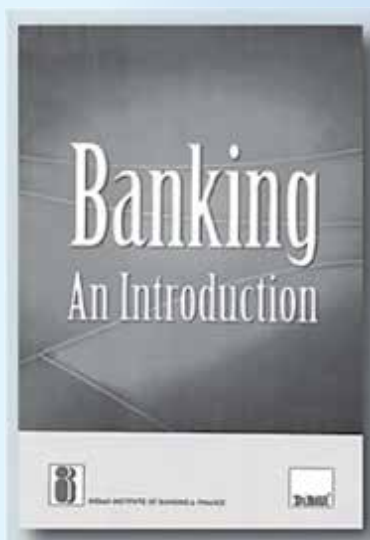
In respect of the exams to be conducted by the Institute during May/June of a calendar year, instructions/

guidelines issued by the regulator(s) and important developments in banking and finance up to 31<sup>st</sup> December of the previous year will only be considered for the purpose of inclusion in the question papers.

In respect of the exams to be conducted by the Institute during November / December of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30<sup>th</sup> June of that year will only be considered for the purpose of inclusion in the question papers.

**Green Initiative**

## IIBF-New Publications



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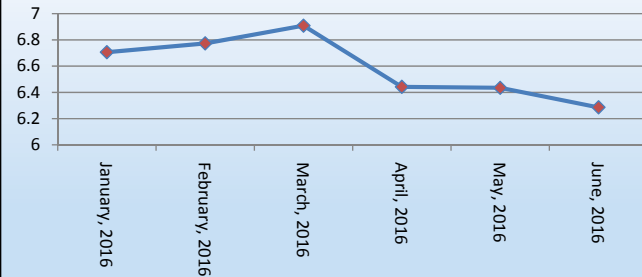
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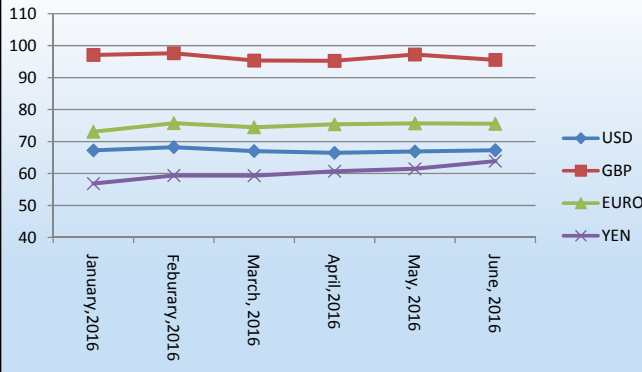
# Market Roundup

## Weighted Average Call Rates



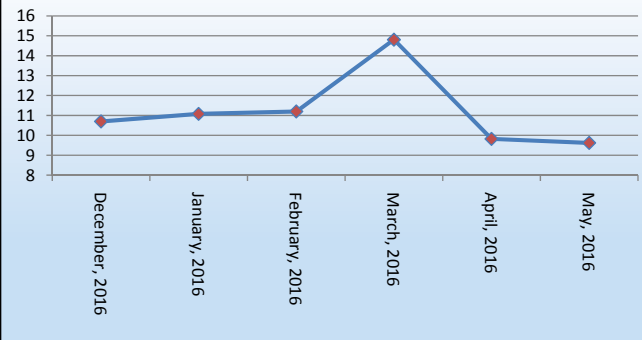
Source: CCIL Newsletters, 2016

## RBI Reference Rate



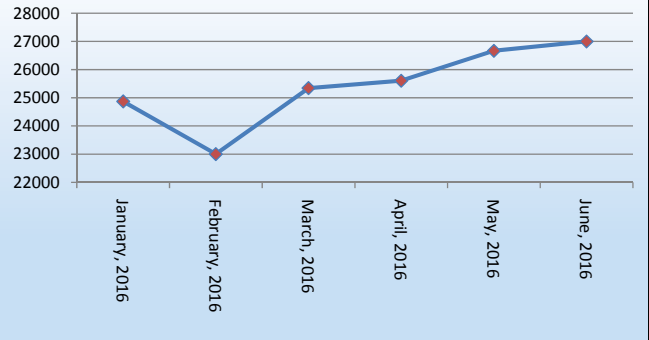
Source: Reserve Bank of India (RBI)

## Non-food Credit Growth %



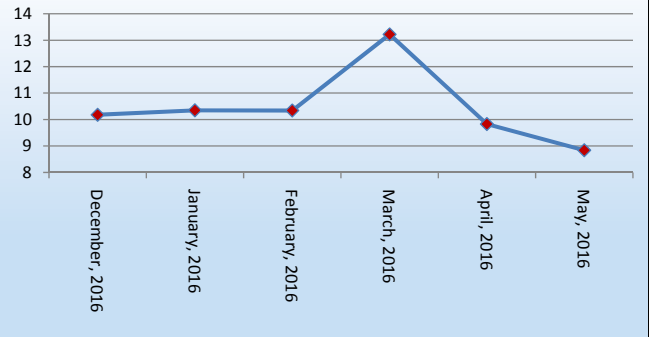
Source: CCIL, Monthly Economic Review, June 2016

## BSE Sensex



Source: Bombay Stock Exchange (BSE)

## Aggregate Deposit Growth %



Source: CCIL, Monthly Economic Review, June 2016

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### INDIAN INSTITUTE OF BANKING & FINANCE

Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kiro Road, Kurla (W), Mumbai - 400 070.  
 Tel. : 91-22-2503 9604 / 9746/9907 • Fax : 91-22-2503 7332  
 E-mail : admin@iibf.org.in  
 Website : www.iibf.org.in