A Monthly Newsletter of Indian Institute of Banking & Finance (Rs. 40/- per annum)

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Committed to professional excellence

IIBF VISION

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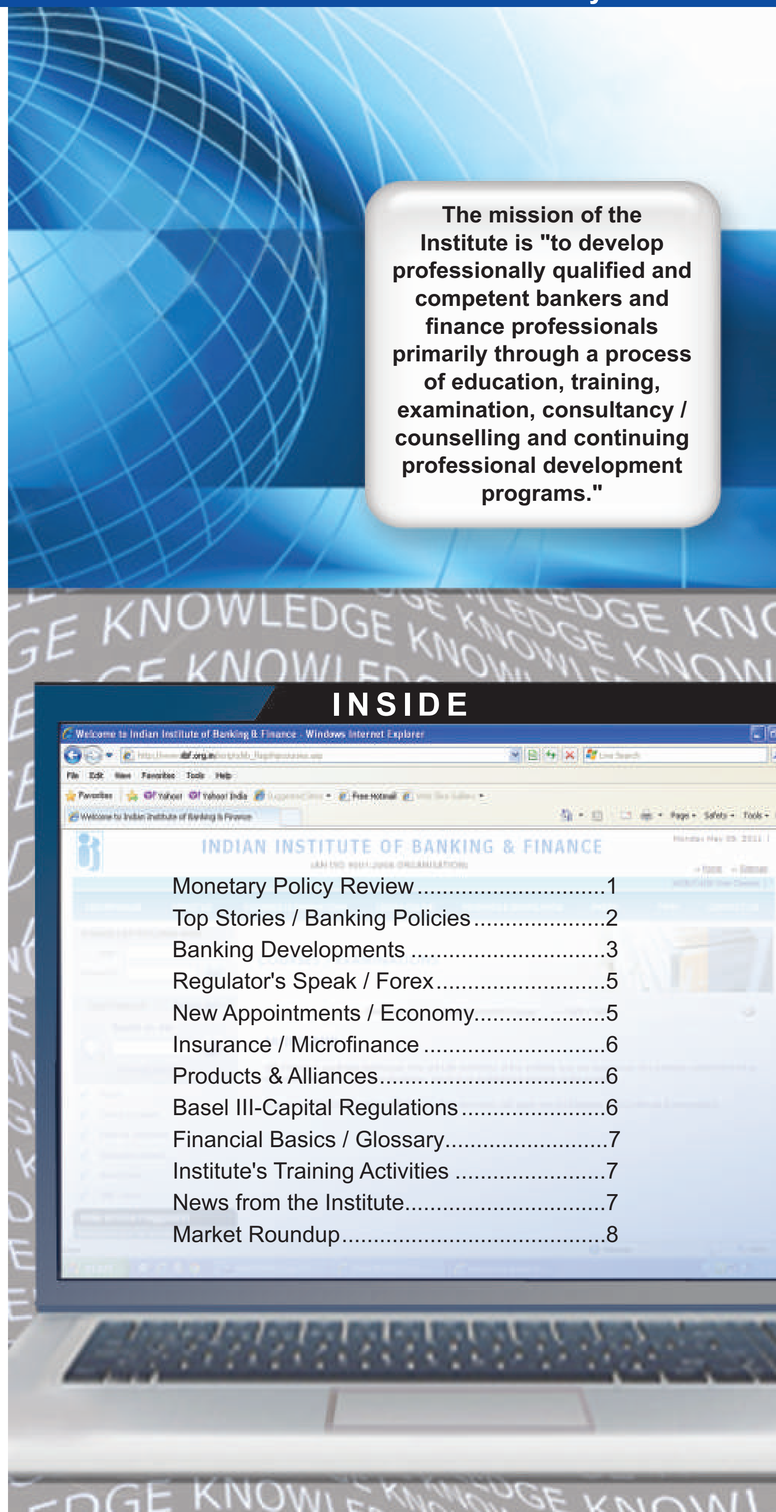
3rd Quarter Review of Monetary Policy - 28th Jan. 2014

- The policy repo rate under the Liquidity Adjustment Facility (LAF) increased by 25 basis points from 7.75% to 8.0%;
- The Cash Reserve Ratio (CRR) of scheduled banks remains unchanged at 4.0% of Net Demand and Time Liability (NDTL).
- The reverse repo rate under the LAF stands adjusted at 7.0%, and the Marginal Standing Facility (MSF) rate and the Bank Rate at 9.0%.
- In the wake of the uncertainty emanating from the US tapering indication, the Reserve Bank resorted to exceptional monetary measures to address exchange market pressures. Inter alia, it raised the Marginal Standing Facility (MSF) rate by 200 basis points (bps) in mid-July 2013 and capped the borrowing under LAF to 0.5% of each bank's Net Demand and Time Liabilities (NDTL).
- The easing of liquidity conditions got reflected in the under-utilisation of limits by the banks under the overnight LAF repo and export credit refinance, a steady decline in access to the MSF and the parking of excess liquidity with the Reserve Bank through reverse repos. Though the liquidity situation tightened temporarily from the third week of December 2013, reflecting advance tax outflows from the banking system and some restraint on government spending, it reverted to normal level in the first week of January 2014. However, the liquidity situation tightened again thereafter, primarily on account of build-up of government's cash balances and a rise in currency in circulation.
- Aggregate demand increased during Q_2 of 2013-14. In order to sustain it through H_2 of 2013-14, support will be required from investment demand, as government final consumption expenditure may remain subdued in the face of policy-induced expenditure compression to meet fiscal deficit targets. The revival of large stalled projects cleared by the CCI is expected to provide necessary impetus to investments towards the close of the year. There has been significant deceleration



The mission of the Institute is "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."

INSIDE

in valuables with curbs on gold imports and this is expected to positively impact household financial savings and help restrain CAD.

- An improved trade performance and a sharp decline in CAD in recent months have instilled confidence in India's external sector. A sustained improvement in India's trade performance over the long run will, however, hinge on the pace of global recovery and improvement in the competitiveness of Indian exports. It is important that the lower CAD in recent quarters does not breed complacency, particularly after the US Fed's asset purchase tapering announcement, which could impact capital flows. Looking ahead, improving global trade and a reduced CAD are likely to keep external sector risks manageable in face of external shocks.

Top Stories

Making banking accessible to the differently-abled

For individuals with disabilities, the RBI and the Indian Banks' Association (IBA) have put in place special guidelines for opening and operating bank accounts. For instance, in case of customers who have lost their arms, toe impressions will be accepted for opening the accounts. If the unfortunate incident occurs after opening of the account and the customer wishes to transact; then, his / her identity will be established on the basis of KYC procedure completed whilst opening the account. The photograph provided then will serve as an identity proof and officials will help the customer carry out transactions. A medical certificate and witnesses who can confirm the identity would also be required. In cases where the customer cannot be physically present at the branch, bank officials could visit him or her to complete these formalities. Similarly, bank officials are required to assist visually impaired account holders in carrying out transactions. All banking facilities including cheque book, ATM and locker facilities have to be provided to such individuals. IBA has suggested that banks should provide talking ATMs with Braille keypads for visually-impaired persons.

Banking Policies

RBI to NBFCs : Do not make provision for guaranteed portion of loan

Reserve Bank of India (RBI) has stipulated that Non-Bank Financial Companies (NBFCs) should not make provisions for guaranteed portion of loans for low-income housing. As for NBFC-MFIs, if the advance covered by 'Credit Risk Guarantee Fund Trust for Low Income Housing' (CRGFTLIH) becomes non-performing, no provision should be made towards the guaranteed portion. The amount outstanding in excess of the guaranteed portion should be provided for as per the guidelines on provisioning for non-performing advances. NBFC-MFIs may assign zero risk weight for the guaranteed portion; the balance outstanding in excess of the guaranteed portion would attract a risk-weight as per extant guidelines.

RBI eases FDI norms, allows 'optionality' clauses

RBI has eased Foreign Direct Investment (FDI) norms by allowing optionality clauses to help investors exit from investments in both equity and debentures. Henceforth, call and put options can be included in such investments, subject to a minimum lock-in period and without assured return. The optionality clause will oblige the buy-back of securities from investors at the price prevailing / value determined at the time of exercising the optionality, so as to enable the investor to exit without any assured return.

RBI eases banks' exposure norms in derivatives trade

RBI has kept banks' exposure to qualified Central Counter-Parties (CCPs) for clearing activity (pertaining to derivative products) outside the ceiling on the permitted amount of loans and credit lines to a single such entity. A CCP is an institution interposed between two trading parties and it acts in one or more securities or cash markets. It guarantees the underlying transaction by acting as a matching seller to the buyer and vice versa. At present, the ceiling on such exposure to a single counterparty is 15% of capital funds.

RBI tries to reduce banks' exposure to un-hedged foreign currency

From April 1, 2014, RBI will introduce incremental provisioning and capital requirements for banks' exposures to entities with Un-Hedged Foreign Currency Exposures (UFCEs). Corporate UFCEs are a concern not only for the individual corporate but also for the entire financial system. Corporates that do not hedge their foreign currency exposures can incur significant losses due to exchange rate movements. These losses may reduce their capacity to service the loans taken from the banking system - thus affecting the latter's health. Where such UFCEs are high, banks can mitigate the risks by reducing these exposures; encouraging borrowers to reduce their currency mismatches by hedging foreign currency exposures; and maintaining higher provisioning and capital. Banks should ensure that the risks of UFCEs are effectively incorporated in their internal credit rating system and their loan pricing policies adequately reflect overall credit risks. The calculation of incremental provisioning and capital requirements for projects under implementation will be based on projected average earnings before interest and depreciation (profit after tax + depreciation + interest on debt + lease rentals, if any) for three years from the date of commencement of commercial operations. Banks may ensure that their policies and procedures for management of credit risk, factor their exposure to currency-induced credit risks and are calibrated towards borrowers whose capacity to repay is sensitive to changes in the exchange rate and other market variables.

RBI lifts curbs on hedging via forward contracts

RBI has eased restrictions on hedging through forward contracts as the rupee stabilised against the US dollar. It has allowed banks to freely cancel and re-book forward contracts for all current and capital account transactions with residual maturity of one year to provide operational flexibility. In view of the evolving market conditions and in order to provide operational flexibility to current and capital account transactions; it has been decided that - in case of contracted exposures - forward contracts in respect of both these transactions with a residual maturity of one year or less, can be freely cancelled and rebooked. Forward contracts booked by FIIs / QFIs / other portfolio investors, once cancelled, can be re-booked up to 10% of the value of the contracts cancelled. The forward contracts booked by these investors may, however, be rolled over on or before maturity.

CCIL to issue unique identity codes to entities in financial transaction

Reserve Bank of India has selected the Clearing Corporation of India Ltd. (CCIL) to act as a Local Operating Unit for issuing globally compatible unique identity codes to entities which are parties to a financial transaction in India. The unique identity code called Legal Entity Identifier (LEI) is a 20-character code assigned by a Local Operating Unit (LOU).The global financial crisis underscored the lack of a common, accurate and sufficiently comprehensive identification system for parties undertaking financial transactions across the globe and also provided a renewed spur to the development of a global LEI system.

Banking Developments

New channel to reach the doorstep of customers

Though mobile banking has been picking up at a slow pace, banks are increasingly eyeing this cheap and efficient alternative delivery channel. RBI opines that technology has helped banks reach the customers' doorstep by overcoming the limitations on geographical / physical reach in branch banking. It has eased the resource and volume constraints posed by the brick-and-mortar model. Banks are now focusing on how best to approach this rapidly evolving channel to deliver better customer service, expand product range, enhance revenue, and remain socially relevant when it comes to financial inclusion. Mobile banking-based transactions cost about 2% of the branch banking cost, 10% of the ATM-based transaction cost and 50% of the Internet banking cost. Some of the advanced mobile banking features facilitated through mobile apps include mobile payments, peer-to-peer payments, real-time financial transactions, personalized data-driven customer service, utility bill payment and phone or DTH cable recharge.

Mor panel wants new banks to exclusively promote inclusion

A RBI panel has recommended a special category of banks to exclusively cater to low-income households and small businesses, by providing payment and deposit products to the target customers. The panel set up under Mr. Nachiket Mor, has given a series of recommendations for further financial inclusion. These banks may have a minimum entry capital of ₹50 crore against ₹500 crore required by a full-service bank as the exposure would be risk free. Further, the panel suggested establishing wholesale banks to provide credit and deposit products to other banks and financial institutions that lend to small businesses and low income customers.

Recommendation for banks for financial inclusion :

- Set up new banks to cater to low income households and small businesses through payment and deposit products
- Every adult must have an account by January 1, 2016.
- Every resident must have an account on receiving Aadhar Number.
- Unified Financial Redress Agency be formed under the Finance Ministry for customer grievances.
- Abolish interest subsidies and loan waivers; benefits must be transferred directly to the farmers by the government.
- Permission to banks for pricing farm loans below base rate should be withdrawn. SLR has outlived its utility for both banks & NBFCs; and eventually needs to be removed.
- Raise Priority Sector Lending (PSL) cap for banks to 50% from the current 40%.

Joint account holder facility for NRIs

RBI has allowed the relatives of NRI saving-bank account holders to become joint account holders in the country. Such an account will be treated as the resident bank account for all purposes and shall abide by all regulations applicable to a domestic account. The joint account holder facility will be extended to all types of resident accounts, including savings bank account. However, the relative cannot credit cheques, remittances, cash, card or any other proceeds to this account. The relative shall (be allowed to) operate such account only for and on behalf of the NRI for domestic payment and not for creating any beneficial interest for himself / herself.

RBI allows utility bills, tax payments under inward remittance

RBI has allowed payments to utility service providers, tax payments and EMI payments in India under inward remittance with a view to expand the scope of cross-border inward remittances. Cross-border inward remittance is a Rupee Drawing Arrangement where remittances are received in India through exchange houses situated in Gulf countries, Hong Kong, Singapore and Malaysia (for Malaysia only under Speed Remittance Procedure).

RBI to shorten Repo-MSF corridor

The recent volatility in overnight rates is prompting market participants to request RBI to narrow the gap between the repo rate and the Marginal Standing Facility (MSF). The gap, currently at 100 bps, was fixed by RBI following the Mohanty Committee recommendations in 2011. However, during the currency crisis of 2013, RBI decided to broaden the gap to arrest volatility in the forex market. The volatility in overnight rates had been 50-100 bps, especially due to introduction of 7-day and 15-day term repo auctions in October. On days of term repo, the rates are lower but they go up again the next day. If the corridor between the repo and MSF rates is reduced slightly, the volatility will decrease.

'Merchanting' eligible for short-term credit

RBI has made short-term credit (either through suppliers' credit or buyers' credit) available for intermediary trade transactions or merchanting. Merchanting involves purchase of goods by Indian residents from non-residents, and then reselling them to another non-resident directly without the goods touching Indian ports. Merchanting transactions will include the discounting of export-leg Letter of Credit (LC) by a bank authorized to deal in foreign exchange, as in the case of import transactions. According to the revised guidelines on merchanting, RBI has stipulated that the entire process should be completed within an overall period of nine months and there should not be any outlay of foreign exchange beyond four months. The commencement of merchanting would be the date of shipment / export leg receipt or import leg payment, whichever is first. The completion date would be the date of shipment / export leg receipt or import leg payment, whichever is the last.

More loans can be availed against pledged gold

RBI has allowed banks to lend more against pledged gold jewellery, thereby bringing them at par with gold loan companies i.e. NBFCs. On 8th January, RBI had allowed NBFCs to lend up to 75% of the value of pledged gold jewellery against the earlier 60%. Now it has extended the same privilege to banks. Banks too can lend up to 75% of the value of pledged gold jewellery, including bullet repayment of loans. Bullet repayment refers to the loan being repaid at the end of the tenure instead of in instalments. To standardize the valuation and make it more transparent to the borrower, gold jewellery accepted as security / collateral will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the India Bullion and Jewellers Association Ltd. By allowing banks and NBFCs to lend more, the apex bank may be trying to curb the unorganized sector in the business of lending against gold. RBI has reiterated that banks should keep observing the necessary and usual safeguards. They should also have a suitable policy for lending against gold jewellery with the approval of their boards of directors.

RBI on remittances by foreign investors

RBI has clarified that a foreign investor is free to remit funds through any bank of its choice for any transaction permitted under the Foreign Exchange Management Act (FEMA). The funds thus remitted can be transferred to the designated bank through the banking channel. However, the Know Your Customer (KYC) rule *vis-à-vis* the remitter, is a joint responsibility of the bank that receives the remittance as well as the bank that receives the proceeds of the remittance.

Identity proof required to exchange old and soiled notes

RBI has stipulated that all currency notes issued before 2005 will be withdrawn from circulation. Public can approach banks for exchanging such notes from April 1. If non-customers want to exchange more than 10 pieces of ₹500 or ₹1,000 notes at a bank after June 30, they have to furnish their proof of identity and residence *viz.* PAN card, Aadhaar card, or driving licence. Apart from the black-money angle, there have been cases where people have made a business out of exchanging soiled and old notes at a discount. RBI's insistence on an identity-proof could also be aimed at discouraging such practices. RBI wants old notes to be withdrawn because they do not have as many security features as the newer ones. Identifying fake currency is easier in the newer ones.

Regulator's Speak...

Premature to phase out cash management bills

The Committee, headed by Mr. Urjit Patel, Deputy Governor, RBI, has suggested that dependence on Cash Management Bills (CMBs) and the market stablisation scheme be phased out. CMBs are as much a requirement of RBI as of the government, but the question is of utility and function. CMBs are a short-term paper of 7 days to a year, with flexible tenures. They were introduced to address the government's temporary cash flow mismatches. In July-August 2013, when the rupee was depreciating, RBI sold CMBs to drain out liquidity. Under its market stabilisation scheme, RBI issues bonds to absorb excess liquidity. If the government is spending more, it impacts liquidity in the market. So, to manage that liquidity, RBI has to sell CMBs. CMBs were used to manage the government's cash volatility.

Inflation limits RBI's ability to boost growth

Dr. Raghuram Rajan, Governor, RBI said that high inflation is limiting the central bank's ability to boost growth with an accommodative monetary policy." The outlook for the economy has improved, with export growth regaining momentum, but growth is still weak. The challenges of containing inflationary pressures limit what the monetary policy can do," Dr. Rajan said. The Financial Stability Report 2013 said a modest improvement in growth is envisaged in the second half of the current fiscal on the back of good monsoon which has boosted the prospects of summer crops and higher exports.

Forex

Foreign Exchange Reserves		
Item	As on 24th January 2014	
	₹Bn.	US$ Mn.
	1	2
Total Reserves	18,165.0	292,238.8
(a) Foreign Currency Assets	16,542.3	266,051.9
(b) Gold	1,220.9	19,724.5
(c) SDRs	277.0	4,455.6
(d) Reserve Position in the IMF	124.8	2,006.8

Source : Reserve Bank of India (RBI)

FCNR (B) deposits aid banks' loan growth

RBI's concessional swap window for Foreign Currency Non-Resident (Bank) or FCNR (B) dollar funds has allowed banks to collect low-cost deposits, and has also helped some of these to accelerate credit growth. This is because some of India's top private sector lenders have been enticing non-resident Indians to open FCNR (B) accounts by offering foreign currency loans against these deposits. Bankers say, the credit risk for these loans is lower than that for unsecured personal loans; as they are lending the money against a deposit. Typically, these loans are given through foreign branches for a period of three years.

Benchmark Rates for FCNR(B) Deposits applicable for the month of February 2014					
LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.56540	0.468	0.829	1.236	1.620
GBP	0.89313	1.3407	1.6680	1.9638	2.1914
EUR	0.51743	0.456	0.593	0.808	1.030
JPY	0.36214	0.216	0.235	0.278	0.343
CAD	1.44000	1.276	1.467	1.711	1.937
AUD	2.62600	2.805	3.072	3.380	3.610
CHF	0.19040	0.058	0.178	0.336	0.531
DKK	0.56600	0.6650	0.8375	1.0710	1.3080
NZD	3.44000	3.895	4.190	4.413	4.595
SEK	1.00750	1.220	1.490	1.738	1.963
SGD	0.34200	0.560	0.915	1.293	1.638
HKD	0.52000	0.730	1.080	1.470	1.810
MYR	3.42000	3.560	3.710	3.860	3.990

Source : FEDAI

New Appointments

Name	Designation / Organisation
Mr. Jeevandas Narayan	Managing Director, State Bank of Travancore
Mr. K. V. Brahmaji Rao	Executive Director, Punjab National Bank
Mr. J. K. Singh Kharb	Executive Director, Allahabad Bank
Mr. Suresh N. Patel	Executive Director, Oriental Bank of Commerce
Mr. R. K. Gupta	Executive Director, Bank of Maharashtra

Economy

Fiscal deficit zooms to 94% of budget target

The country's fiscal deficit (i.e. the difference between earnings and expenditure) in the first eight months of the current fiscal, reached an alarming level of nearly 94% of the annual target. According to the Controller General of Accounts' data, the fiscal deficit touched ₹5.09 lakh crore during April-November (i.e. 93.9%) of the Budget target of ₹5.43 lakh crore for the full year. In the first eight months of the last fiscal, this deficit was slightly above 80%. The fiscal deficit is high due to an increase in the non-Plan expenditure (mainly on interest and subsidy). The Plan expenditure has also risen, but the problem has been compounded by a dip in tax collection, which came down to 44.8% in April-November from 47.9% in the year-ago period. Overall revenue receipts are same as last year.

Insurance

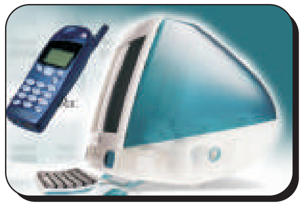
Finmin for easing bancassurance norms but favours mandatory broker model

Ahead of RBI and IRDA's new guidelines on bancassurance, the Finance Ministry (FM) has pitched for some relaxation in the same, though it favours a mandatory broker model for private and public sector banks. The FM is also inclined to ease RBI's proposal that banks taking up insurance brokerage must have net NPA to advance ratio of less than 3% and Capital to Risk-weighted Assets Ratio (CRAR) of over 10%. The broker model is proposed to replace the existing corporate agency model; and is aimed at increasing completion by encouraging banks to tie-up with multiple insurers. This will enable greater insurance penetration and will aggressively push the financial inclusion agenda. Besides, the broking model (unlike the corporate agency model), imposes the fiduciary risk on banks to reduce mis-selling of insurance products to customers.

Microfinance

SHGs need to be linked to banks

To empower women under the National Rural Livelihood Mission, women's Self Help Groups (SHGs) need to be linked to banks. It is necessary to have this linkage, such that poor women can get easy loans to start their businesses. According to the mission, the government plans to increase the number of women's self help groups to 6 million from the current 2.5 million and members to 70 million from 30 million, in the next five years. In FY13, bank lendings to SHG was to the tune of over ₹20,000 crore, out of which ₹12,000 crore was disbursed in Andhra Pradesh, ₹2,000 crore in Tamil Nadu, ₹1,600 crore in Karnataka and ₹1,000 crore in Kerala.



Products & Alliances

Organisation	Organisation tied up with	Purpose
Union Bank of India	Jain Irrigation	To finance farmers purchasing drip irrigation systems manufactured by the latter.
The Karur Vysya Bank Ltd.,	Bajaj Allianz General Insurance	For the roll-out of a co-branded health card.
Bharatiya Mahila Bank Ltd. (BMB)	Institute of Chartered Accountants of India (ICAI)	For financing students pursuing chartered accountancy course. Girl students pursuing CA course will be offered a 1 percentage point concession in the interest rate.

Basel III - Capital Regulations (Continued...)

The RWA on claims secured by mortgage of residential properties would be as under :

Category of Loan	LTV Ratio (%)	Risk Weight (%)
a) Individual Housing Loans		
(i) Up to ₹20 Lakh	90	50
(ii) Above ₹20 Lakh and up to ₹75 Lakh	80	50
(iii) Above ₹75 Lakh	75	75
b) Commercial Real Estate - Residential Housing (CRE-RH)	N/A	75
c) Commercial Real Estate (CRE)	N/A	100

Note : 1. The LTV ratio should not exceed the prescribed ceiling in all fresh cases of sanction. In case the LTV ratio is currently above the ceiling prescribed for any reasons, efforts shall be made to bring it within limits.

Banks' exposures to third dwelling unit onwards to an individual will also be treated as CRE exposures.

- Restructured housing loans should be risk weighted with an additional risk weight of 25% to the risk weights prescribed above.
- Loans / exposures to intermediaries for on-lending will not be eligible for inclusion under claims secured by residential property but will be treated as claims on corporate or claims included in the regulatory retail portfolio as the case may be.
- Investments in Mortgage Backed Securities (MBS) backed by exposures will be governed by RBI guidelines pertaining to securitisation exposures.

Non-performing Assets (NPAs)

The risk weight in respect of the unsecured portion of NPA (other than a qualifying residential mortgage loan), net of specific provisions (including partial write-offs), shall be :

Specific Provisions	Risk Weight %
Less than 20% of outstanding	150
At least 20% of outstanding	100
At least 50% of outstanding	50

- The risk weight applicable for secured NPA is 100%, net of provisions when provisions reach 15% of the outstanding amount.
- NPA Home Loan claims secured by residential property, the risk weight shall be 100% net of specific provisions. In case the specific provisions are at least 20% but less than 50% of the outstanding, the risk weight shall be 75% (net of specific provisions) and specific provisions are 50% or more the applicable risk weight is 50%.

Source : Reserve Bank of India(RBI)

Financial Basics

Supervisory Review Process

Supervisory review process envisages the establishment of suitable risk management systems in banks and their review by the supervisory authority. The objective of the SRP is to ensure that the banks have adequate capital to support all the risks in their business as also to encourage them to develop and use better risk management techniques for monitoring and managing their risks.

Glossary

Cash Management Bills

The Government of India, in consultation with the Reserve Bank of India, has decided to issue a new short-term instrument, known as Cash Management Bills, to meet the temporary cash flow mismatches of the Government. The Cash Management Bills will be non standard, discounted instruments issued for maturities less than 91 days. The Cash Management Bills will have the following features : a) The tenure, notified amount and date of issue of the proposed Cash Management Bills will depend upon the temporary cash requirement of the Government. However, the tenure of the proposed Bills will be less than 91 days. b) The proposed Bills will be issued at discount to the face value through auctions, as in the case of the Treasury Bills. c) The announcement of the auction of the proposed Bills will be made by the Reserve Bank of India through separate Press Release to be issued one day prior to the date of auction. d) The settlement of the auction will be on T+1 basis. e) The Non-Competitive Bidding Scheme for Treasury Bills will not be extended to the Cash Management Bills. f) The proposed Bills will be tradable and qualify for ready forward facility. Investment in the proposed Bills will be reckoned as an eligible investment in Government Securities by banks for SLR purpose under Section 24 of the Banking Regulation Act, 1949.

Institute's Training Activities

Training Programme Schedule for the month of Feb. 2014

Sr. No.	Programme	Date
1.	International Training Program for Trainers of Banks, Banking Institutes and Financial Institutions	10th to 15th February '14
2.	5 days class room training for Certified Banking Compliance Professional course	**Mumbai** 24th to 28th February '14 & 10th to 14th March '14 **New Delhi** 3rd to 7th March '14 **Chennai** 3rd to 7th March '14
3.	5 days class room training for the Certified Bank Trainer course	**NIBM, Pune** 3rd to 7th March '14

Training activities completed during the month of Jan. 2014

Sr. No.	Programme	Date
1.	Training programme on Marketing and Customer care for officers of Bank of India	6th to 10th & 13th to 18th January 2014
2.	Workshop on Financing Agriculture	9th and 10th January 2014

News From the Institute

Regulatory Guidelines

Candidates may note that in respect of the exams to be conducted by the Institute during November / December and May / June of a particular year, instructions / guidelines issued by the regulator(s) up to 31st July and 31st January respectively of that year will only be considered for examination purpose.

Diamond Jubliee & CH Bhabha Overseas Research Fellowship 2014

The last date for submission of applications for the Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) - 2013-14 is extended up to 31st March 2014. For details visit www.iibf.org.in.

Additional Reading Material for Institute's examination

The Institute has put on its web site additional reading material, for various examinations, culled out from the Master Circulars of RBI and other sources. These are important from examination view point. For more details visit web site.

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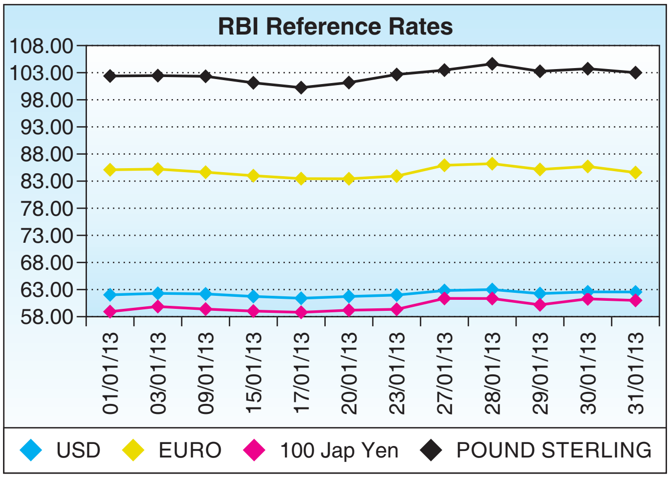
Green Initiative

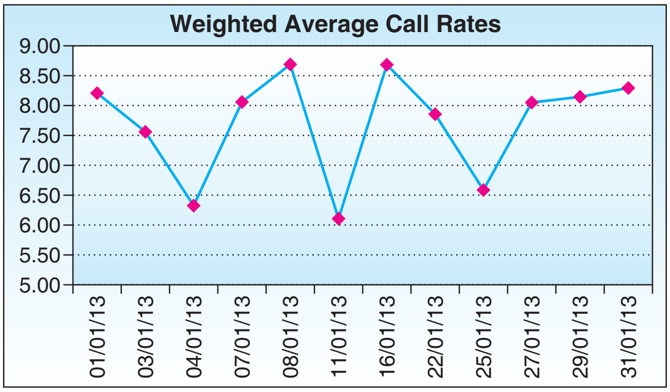
Members are requested to update their email address with the Institute and send their consent to receive the Annual Report via email in future.

Market Roundup



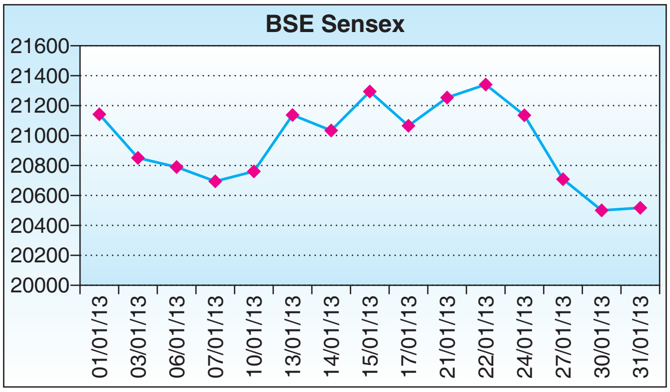
Source : Reserve Bank of India (RBI)

- The Rupee on 1st fell 10 paise to 61.90 against the US dollar on the first trading day of the new year as fresh dollar demand weighed on the Indian currency.
- Rupee plunges to two-week low on weak shares, dollar demand. The Rupee on 2nd closed at 62.26 / 27 a dollar, compared with 61.91 / 92 on 1st.
- From 15th to 23rd, rupee moved in a range between 61.55 and 61.93.
- The Rupee slumped 44 paise on 27th to end at 63.10, following a global sell-off, slipping below the 63 mark to a dollar for the first time in 10 months.
- The Rupee ended weaker at 62.56 to a dollar from 62.41 on 29th as the US stepped up its withdrawal of cheap money policy by an additional $10 bn a month to $20 bn a month.
- During the month Rupee depreciated 0.88% against US Dollar.



Source : CCIL Newsletter for January 2014

- Call rates oscillated between a low of 6.11% and a high of 8.69% during the month.
- Call rates finished lower at 6.78 per cent from 7.75% amidst comfortable liquidity conditions on January 2nd.



Source : Bombay Stock Exchange (BSE)

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