



IIBF VISION

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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 asks Supervised Entities to review Gold loan policies**

The Reserve Bank of India (RBI) has asked Supervised Entities (SEs) to identify the loopholes in their policies, practices and processes on gold loans and initiate appropriate remedial measures. The deficiencies observed by the apex bank include:

- (i) shortcomings in using third parties for sourcing and appraisal of loans;
- (ii) valuation of gold without the presence of the customer;
- (iii) inadequate due diligence and lack of end use monitoring of gold loans;
- (iv) lack of transparency during auction of gold ornaments and jewellery of a defaulting customer;
- (v) weaknesses in monitoring of Loan-to-Value (LTV);
- (vi) incorrect application of risk-weights, etc.

SEs are required to inform Senior Supervisory Manager, RBI within 3 months regarding the action taken in this respect.

Public issue applications of debt securities to be made using UPI: SEBI

Aiming to align the application process for public issue of debt securities, non-convertible redeemable preference shares, municipal debt securities and securitised debt instruments, with that of public issue of equity shares and convertibles, the Securities and Exchange Board of India (SEBI) has mandated using only UPI to block funds up to an application amount up to Rs. 5 lakhs. This change will be applicable from November 1, 2024 to all individual investors applying in public issues of such securities through intermediaries (viz. syndicate members, registered stock brokers, registrar to an issue and transfer agent and depository participants). However, investors will still have the choice of availing other methods, such as applying through Self-Certified Syndicate Banks or the stock exchange platform, for making applications in the public issue.

Entities get reduced reporting timeline to update commercial paper payment status

SEBI has reduced the timelines for entities with listed commercial papers to report the status of their payment obligations, from within two working days to one working day of the due date. This change aligns with the existing requirements for non-convertible securities and is made in keeping with the Listing Obligations and Disclosure Requirements (LODR) rules that require such entities to report the status of their payment obligations, including interest, dividends or principal repayment.

AIFs' valuation framework modified by SEBI according to industry feedback

Taking cognisance of industry feedback, SEBI has modified its framework for valuation of the investment portfolio of Alternative Investment Funds (AIFs). It has also done away with the ambiguity regarding valuation of assets, by including valuation guidelines endorsed by the eligible AIF association. Furthermore, reporting the valuation of investee companies to the performance benchmarking agencies, will now get a time of seven months (instead of the earlier six months).

MFs can now buy and sell CDS to manage credit risk: SEBI

Aiming to boost liquidity in the corporate bond market, SEBI has allowed Mutual Funds (MFs) to buy and sell Credit Default Swaps (CDS) to manage credit risk. Earlier, MFs could use CDS transactions only to buy protection against credit risk of the corporate bonds they held. These transactions were limited to Fixed Maturity Plan (FMP) schemes with a duration of more than one year. The changed norms are subject to certain conditions.

Banking Policies**MSME manufacturer exporters benefit from timeline extension to interest subvention scheme**

Aiming to support India's outbound shipments amidst the present global economic challenges, the

Government gave a month-long extension to the interest equalisation scheme on pre- and post-shipment rupee export credit for MSME manufacturing exporters. Exporters received time until September 30, 2024 to avail of rupee export credit at competitive rates. The annual net subvention amount is capped at Rs. 10 crore per annum per Import Export Code (IEC) for a given financial year. Accordingly, a cap of ₹5 crore per IEC for MSME Manufacturer exporters was imposed till September 30, 2024 for the financial year starting from April 1, 2024.

Banking Developments

Sectoral deployment of bank credit

The highlights of the Sectoral deployment of bank credit are given below:

- Credit to agriculture and allied activities continued to be robust with the growth of 17.7% (y-o-y) in August, 2024, compared with 16.5% during August 2023.
- Credit growth to industry strengthened at 9.8% (y-o-y) in August 2024 compared with 5.3% in August 2023. Among major industries, credit to 'chemicals and chemical products', 'food processing', 'petroleum, coal products and nuclear fuels' and 'infrastructure' recorded a higher growth in August 2024 as compared to their respective growth rates a year ago.
- Credit growth to services sector decelerated to 15.6% (y-o-y) in August 2024 from 21.0% a year ago.
- Personal loans growth moderated to 16.9% (y-o-y) in August 2024 as compared to 18.3% a year ago, largely due to decline in growth recorded in 'other personal loans' and 'vehicle loans'.

Regulator Speaks

RBI Governor, Mr. Shaktikanta Das speaks on risks associated with NBFIs, private credit

Speaking on Global Financial Stability; Risks and Opportunities at the Future of Finance Forum 2024 organised by the Bretton Woods Committee, Singapore, RBI Governor, Mr. Shaktikanta Das expressed concerns over proliferation of non-bank institutions in financial intermediation, which may create risks to financial stability. Underlining how the size, complexity and interconnectedness of Non-Banking Financial Institutions (NBFIs) with the domestic and global financial systems can pose a risk, Mr. Das mentioned that advanced economies have been facing periods of market dysfunction due to vulnerabilities in their NBFIs. Mr. Das further elucidated on another risk viz. private credit. Having grown fourfold over the last decade, private credit has become a major source of corporate financing among middle-market firms with low or negative earnings, high leverage and lack high-quality collateral. The Governor also necessitated a close watch on the global Commercial Real Estate (CRE) sector. Banks have been showing high sensitivity to expected and unexpected CRE losses, due to the relatively high CRE coverage ratios in their loan books. Mr. Das emphasised on the need to stay alert and undertake regulatory measures well in time, to ably contain the risks to bank balance sheets and systemic stability.

RBI Governor Mr. Shaktikanta Das, Governor, RBI advocates multi-pronged, multi-sectoral approach to economic progress

Speaking at the Annual FIBAC 2024 Conference organised jointly by FICCI and IBA, RBI Governor, Mr. Shaktikanta Das stated that our economy would require a multi-pronged and a multi-sectoral approach for transitioning from an emerging to an advanced economy by 2047. He said that we should focus on employing all engines of growth from both supply and demand sides. The financial sector must also contribute by furthering financial inclusion, broadening access to credit and other financial products and supporting overall inclusive growth. It must promote innovation in digital banking, foster sustainable finance, build a robust financial ecosystem that can withstand emerging challenges and facilitate a higher trajectory of growth. Improving female labour participation and supporting MSMEs are also pertinent factors to consider.

Central banks effecting macroeconomic stability via enhanced toolbox: RBI Governor Mr. Shaktikanta Das, Governor, RBI

Delivering an address at First Himalaya Shumsher Memorial Lecture, RBI Governor, Mr. Shaktikanta Das stated that,

central banks have effectively enhanced their toolbox to serve a broader mandate of overall macroeconomic stability, which includes price stability, sustained growth and financial stability. Apart from conventional policy tools, they are also using unconventional policy instruments such as negative interest rates, term lending facilities, asset purchase programmes and forward guidance. Highlighting climate change, geopolitical disturbances and geo-economic fragmentations as important challenges being faced by central banks today.

India's growth story will be shaped by a robust financial sector: RBI Deputy Governor Dr. Michael D Patra, Deputy Governor, RBI

Addressing the 'Financing 3.0 Summit' organised by Confederation of Indian Industry (CII), RBI Deputy Governor, Dr. Michael D. Patra averred that going forward, due to rising incomes, households will likely build back their financial assets. Dr. Patra highlighted five strategic facets of the revolutionary contribution to India's aspirational goals. The first is for financing infrastructure, which requires private sector participation. Second is the yet-underserved MSME sector. Third is the need of finance for skilling human resources in line with technological transformations, which requires support from the private sector, issue of bonds, skill vouchers, venture capital, e-learning centres, start-ups etc. Fourth is climate finance for funding sustainability initiatives such as the green hydrogen mission and net zero goals. Fifth is, finance to facilitate India's digitisation journey.

More women should participate in the MSME sector: RBI Deputy Governor, Mr. Swaminathan J.

Speaking at a conference of lead district managers and district development managers in Hubballi, RBI Deputy Governor, Mr. Swaminathan J. stated that to help banking and financial services reach the remotest parts of the country, it is imperative to bridge the gender gap in the MSME sector. Women-owned MSMEs in India are less than 20%, due to the hurdles they face, such as limited access to funding and societal barriers. Resolving these issues at the district level through Government-sponsored programmes and tailored banking schemes for women-owned businesses, can increase women's anticipation in MSME sector.

Growth of infrastructure sector requires involvement of various financial entities: RBI Deputy Governor, Mr. M. Rajeshwar Rao

In his keynote address at Infrastructure Conclave organised by National Bank for Financing Infrastructure and Development (NaBFID), RBI Deputy Governor, Mr. M. Rajeshwar Rao stated that the long lifecycle of infrastructure projects requires the involvement of different financial entities specialising in various phases of the project, aiding the process by refinancing, transferring and taking over projects between these entities.

Timely finance, techno-driven systems can promote sustainable agriculture: RBI Deputy Governor, Mr. Swaminathan J.

Delivering a keynote address at the International Research Conference hosted by the College of Agricultural Banking (CAB), Pune, RBI Deputy Governor, Mr. Swaminathan J. stated that sustainable agriculture is a crucial solution for extreme weather events like severe droughts and flooding. This can be achieved by transforming conventional farming practices into technology-driven systems, enhancing agricultural commodities' processing and preservation techniques, contributing to value addition at the farm level, aligning crop production systems with climate-smart agriculture and ensuring adequate and timely finance to sustain all of these. The role of collectives such as Farmer Producer Organisations (FPOs); financing value chain and warehouse; financial technology adoption; and capital formation through convergence with Government Schemes will prove very helpful to achieve agricultural sustainability.

SFBs must strengthen governance, practise responsible lending: RBI Deputy Governor, Mr. Swaminathan J.

Speaking at the Conference of Directors of Small Finance Banks, RBI Deputy Governor, Swaminathan J. stated that to ensure sustainable business growth, India's Small Finance Banks (SFBs) must strengthen governance and adopt responsible lending practices. SFB boards must ensure proper succession planning at the top management level to maintain resilient management structures without gaps in the leadership. They must also remain vigilant to identify hidden and emerging risks in time.

Insurance

IRDAI streamlines norms to ensure policyholder protection, foster transparency in sector

Life, health and general insurers will now provide a summary of important information, as applicable at various stages of an insurance contract. Insurers will have to provide a Customer Information Sheet (CIS) for all insurance segments. This CIS will outline key policy features, benefits and exclusions. If requested by the customer, the proposal form and CIS must be made available in regional languages as well. Policyholders will get a 30-day free look period to review the terms & conditions of Life, health and general insurance policies.

Economic Wrap Up

The key highlights of the Monthly Economy Review, August 2024 released by the Department of Economic Affairs are mentioned below:

- India's GDP at constant prices grew by 6.7% in Q1FY25.
- The industrial sector grew by 8.3% at constant prices in Q1FY25.
- The services sector saw continued robust growth, showcasing a real growth of 7.2% in Q1 of FY25.
- Index of Industrial Production (IIP) grew by 5.2% in April-July 2024 Year-on-Year (YoY).
- India's merchandise exports registered YoY growth of 1.1% in the first five months of FY25.
- India's services exports grew by 10.8% in the first five months of FY25.
- Net Foreign Direct Investment (FDI) inflows to India rose by 52.4% during the first four months of FY25, supported by a surge in gross FDI inflows.
- Credit disbursement by scheduled commercial banks continues to grow steadily in the first four months of FY25, indicating healthy market dynamics – growth opportunities are being financed by a healthy banking system.

New Appointments

NAME	DESIGNATION
Mr. KVS Manian	MD & CEO, Federal Bank

Forex

Foreign Exchange Reserves			Trends in Foreign Exchange Reserve(US\$ Mn) over 6 - months
Item	As on September 27, 2024		
	₹ Cr.	US\$ Mn.	
	1	2	
1 Total Reserves	5900138	704885	
1.1 Foreign Currency Assets	5157443	616154	
1.2 Gold	550741	65796	
1.3 SDRs	155249	18547	
1.4 Reserve Position in the IMF	36706	4387	

Note: Data as reported on last Friday of respective Month

Source: Reserve Bank of India

Base Rates of Alternative Reference Rates (ARRs) for FCNR (B) Deposits as on September 30, 2024 - applicable for the month of October 2024

Currency	Rates
USD	4.83
GBP	4.95
EUR	3.415
JPY	0.226
CAD	4.3000

Currency	Rates
AUD	4.35
CHF	1.208417
NZD	5.25
SEK	3.401
SGD	3.1705

Currency	Rates
HKD	4.45006
MYR	3.00
DKK	3.1230

Source: www.fbil.org.in

Glossary

Credit Default Swap (CDS)

Credit Default Swap (CDS) means a credit derivative contract in which one counterparty (protection seller) commits to pay to the other counterparty (protection buyer) in the case of a credit event with respect to a reference entity and in return, the protection buyer makes periodic payments (premium) to the protection seller until the maturity of the contract or the credit event, whichever is earlier.

Financial Basics

Bridge loan

A bridge loan is a short-term loan used until a person or company secures permanent financing or pays an existing obligation. It allows the borrower to meet current obligations by providing immediate cash flow. Bridge loans have relatively high interest rates and are usually backed by some form of collateral, such as real estate or the inventory of a business.

Institute's Training Activities

Training Programmes for the month of October 2024

Programmes	Dates	Location
Programme on Business Ethics and Corporate Governance	15 th -16 th October, 2024	Virtual
Post Examination Training for Certified Treasury Professional	15 th -17 th October, 2024	Virtual
Programme on Customer Service Excellence	16 th -17 th October, 2024	Leadership Development Center, Kurla (West), Mumbai
Programme on Preventive Vigilance & Fraud Management	16 th -18 th October, 2024	Virtual
Programme on Discipline Management, Investigation & Disciplinary Action/Proceedings for Banks	17 th -19 th October, 2024	
Programme on Effective Leadership Development & Soft Skills	21 st -25 th October, 2024	IIBF, Professional Development Centre, Northern Zone, New Delhi-110016
Programme on Mitigation Strategies for Credit & Operational Risk in Banks	23 rd -24 th October, 2024	Virtual
Programme for Accounting & Audit Professionals	28 th -30 th October, 2024	

News from the Institute

Annual General Meeting

The Indian Institute of Banking & Finance (IIBF) convened its 97th Annual General Meeting (AGM) on 21st September, 2024 at 11:30 AM in VC/OAVM format.

IIBF & IGNOU - MoU for Credit Transfer scheme for JAIIB/CAIIB passed candidates

IIBF and IGNOU entered into a Memorandum of Understanding (MoU) for offering the MBA (B&F) programme to the members of IIBF who have passed the JAIIB/CAIIB qualification under the revised syllabi of 2023. As per the MoU, IGNOU shall grant credit transfer/exemption upto a maximum of 5 courses out of the 28 courses of MBA (B&F) programme to the candidates successfully completed the corresponding subject(s) of JAIIB/CAIIB from IIBF, within the maximum duration of the MBA (B&F) programme. For more details, kindly refer to

<http://www.ignou.ac.in/ignou/aboutignou/school/soms/credittransfer>

IIBF entered into MoU with FPSB for Certified Financial Planner certification program

The Institute has entered into a strategic Memorandum of Understanding (MoU) with FPSB India, the Indian subsidiary of Financial Planning Standards Board Ltd., the global standards-setting body for the financial planning profession and owner of the International Certified Financial Planner (CFP) certification program. Under this significant partnership, candidates who have successfully attained the CAIIB qualification from IIBF and have a valid three-year experience in the BFSI sector will be exempted from passing the first three modules of CFP certification and directly become eligible to enrol in FPSB India's Integrated Financial Planning module through the Fast Track Pathway. For more details, visit www.iibf.org.in

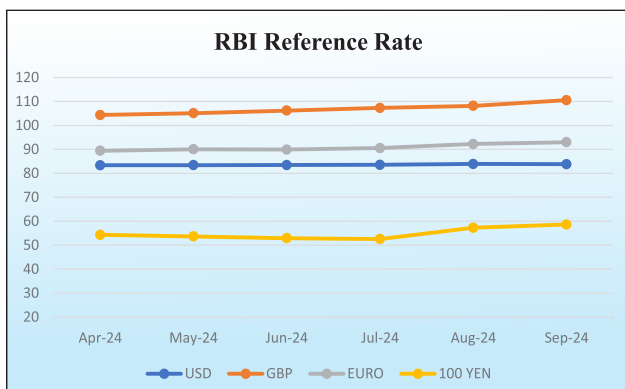
Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter October– December, 2024 is “Emerging opportunities for savings and investments”.

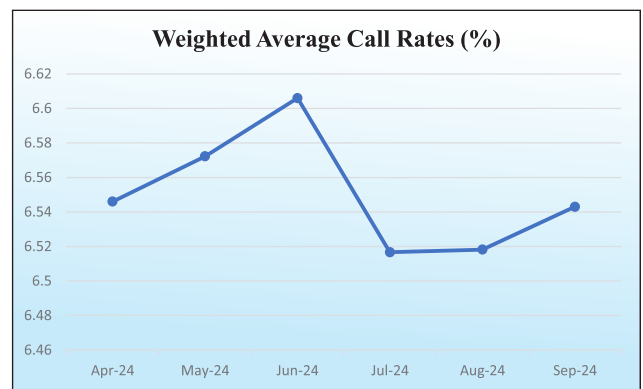
Cut-off date of guidelines/important developments for examinations

The Institute has a practice of asking questions in each exam about the recent developments/guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments/guidelines from the date the question papers are prepared and the dates of the actual examinations. In order to address these issues effectively, it has been decided that: In respect of the exams to be conducted by the Institute for the period from September 2024 to February 2025, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June 2024 will only be considered for the purpose of inclusion in the question papers.

Market Roundup

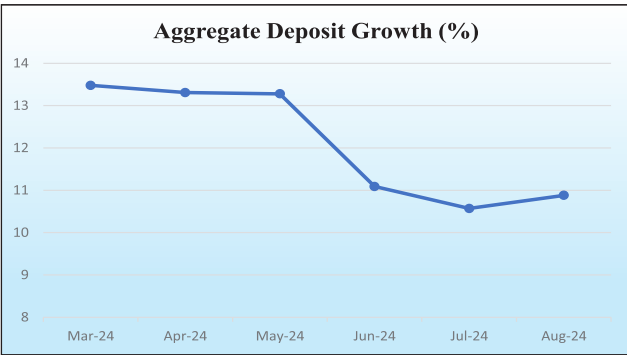


Source: FBIL

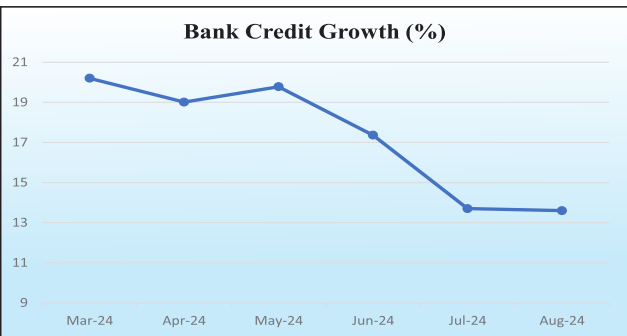


Source: Weekly Newsletter of CCIL

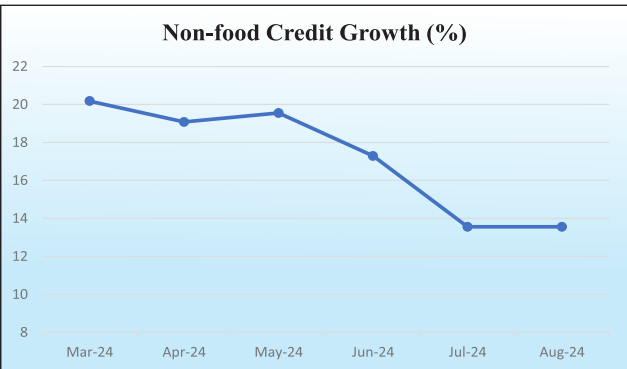
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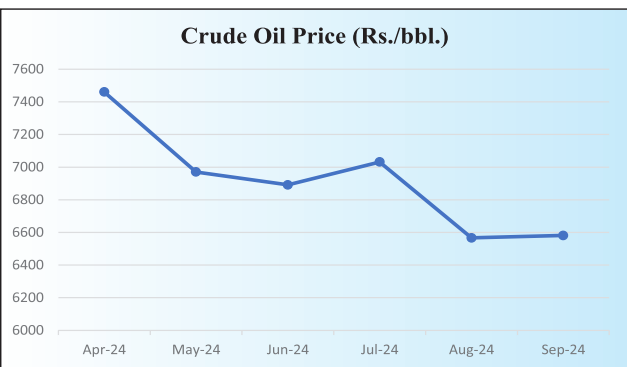
Source: Monthly Review of the Economy, CCIL, September, 2024



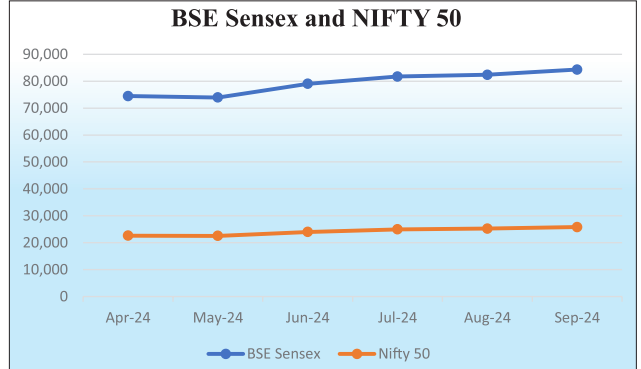
Source: Reserve Bank of India



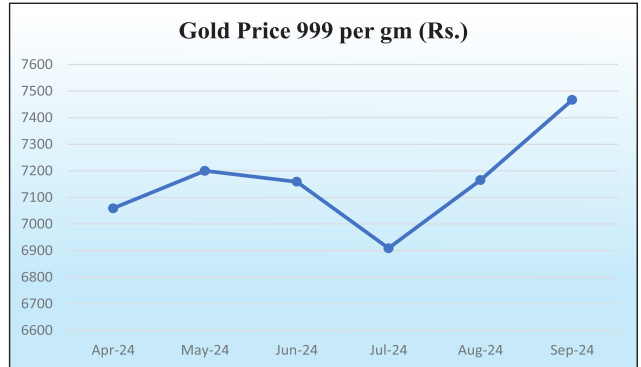
Source: Monthly Review of the Economy, CCIL, September, 2024



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE



Source: Gold Price India

Green Initiative

Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

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