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Committed to professional excellence

IIBF VISION

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Top Stories

RBI announces Annual Policy Statement 2009-10

The Annual Policy Statement of the Reserve Bank of India (RBI) was presented on the 21st of April 2009. Some of the highlights of the Statement are :

- Reduction in the repo rate under the LAF by 25 basis points (bps) from 5.0% to 4.75% with immediate effect.
- Reduction in the reverse repo rate under the LAF by 25 basis points from 3.5% to 3.25% with immediate effect.
- Keeping the CRR unchanged at 5.0% of net demand and time liabilities (NDTL).
- Constitution of a Working Group to review the present BPLR system to make credit pricing more transparent. Payment of interest on savings bank accounts on a daily product basis with effect from April 1, 2010.
- Issuing guidelines to banks on rehabilitation of sick SMEs;
- Phased introduction of capital to risk-weighted asset ratio (CRAR) for regional rural banks (RRBs);
- A non-disruptive roadmap to ensure that only banks with licence operate in the co-operative space by 2012;
- Setting up banking facilities at commercially unviable centres in the North-Eastern region.
- Allowing scheduled commercial banks (SCBs) to set up offsite ATMs without prior approval subject to reporting.
- Laying down the norms for capital adequacy treatment of exposures of banks to central counterparties.
- Prescribing a minimum lock-in-period and minimum retention criteria for securitising the loans.
- Increasing the maximum distance criterion for business correspondent for deeper penetration of banking services.

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."

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Banks to give more on SB accounts

In the near future it will be better for saving bank (SB) account holders to withdraw money as per piecemeal requirements instead of at one go. For, next April onwards, the balance in savings account will earn interest on a daily basis, following the RBI's decision to implement new interest calculation methods on the same. The payment of interest on SB accounts (3.5% at present) will be calculated on a daily product basis w.e.f April 1, 2010.

Sub-BPLR loans make a comeback

Loans at a discount to the benchmark prime-lending rates (BPLR) of banks are back with a majority of the fresh loans being disbursed at sub-PLR rates. For some banks, 65 to 70% of the fresh loan flows are at sub-BPLR rates, against 76% in 2007-08. Following the credit crunch, banks, including the public sector players, had stopped offering sub-BPLR loans owing to heightened default risk. With liquidity more easily available, discounts are back in vogue. Loans for commercial real estate are still not available, but loans to large manufacturing companies, in addition to most home loans and short-term farm loans, are being offered at single-digit rates.

Axis Bank, BoR cut lending rates

Two private sector banks, Axis Bank and Bank of Rajasthan (BoR), have cut their lending rates with effect from April 1, 2009. Axis Bank has cut its BPLR by 50 bps to 15.25% from 15.75%. The cut will impact corporate loans and SME loans, said Mr. Hemant Kaul, Executive Director Retail Banking, Axis Bank. In the past, the Bank has also cut home loan rates up to 100 bps, in three stages, between December 31, 2008 and April 1, 2009, Mr. Kaul added. The rate for home loans up to Rs.30 lakh is 9.25%; for loans above Rs.30 lakh is 10.25 per cent. BoR has cut its retail prime lending rate by 25 bps from 10 per cent to 9.75%.

Banks prefer 'safe' customers for personal loans

Alarmed over the growing number of defaults, banks have tightened the availability of personal loans; preferring to extend them only to their own customers. Till recently, personal loans, along with credit cards, were a priority in the retail portfolio of banks due to the higher interest they earned. However, now, many banks are not even considering a personal loan application from a non-customer. Personal loans are now being offered on the basis of in-house analysis of a customer's account. The bank is using pop-up messages on its ATMs to offer personal loans for 'safe' customers.

ADB expands trade finance facilitation programme to $1 billion

With trade finance drying up due to the worst global economic downturn, the Asian Development Bank (ADB) has come to the rescue of exporters in developing countries by expanding its Trade Finance Facilitation Program (TFFP) to $1 billion. This move could generate up to $15 billion in trade support by the end of 2013. Currently, 72 international banks and 60 developing member countries (DMC) banks are participating in the programme. ADB expects the number of participating DMC banks to rise to 100 by 2009-end.

IDBI Bank keen on consolidation in banking space

IDBI Bank's Chairman and Managing Director Mr. Yogesh Agarwal has supported the idea of consolidation in the Indian banking space saying that the Union government should play a more pro-active role. “There is need for consolidation in the Indian banking sector and whenever it happens; IDBI will be at the centre of the activity,” says Agarwal, adding “however, the consolidation will happen only when the Centre actually pushes through the agenda with determination. Since the government controls almost 70% of the Indian banking sector; it will have to take the process forward assiduously”.

ASBA facility for SBT customers

Customers of State Bank of Travancore (SBT) can now use the Application Supported by Blocked Accounts (ASBA) facility while applying for an Initial Public offering (IPO). The Securities and Exchange Board of India (SEBI) has allowed retail investors to apply for an IPO through the ASBA process instead of paying through cheques. The application money will be retained in the investor's account till the allotment process is finalized, instead of being paid through cheques.

ICICI Bank cuts rates

ICICI Bank was the first to cut interest rates after the RBI lowered its short-term lending and borrowing rates. ICICI Bank cut both lending and deposit rates by up to 50 bps. Describing the RBI's stance as an “innovative and far-reaching policy,” ICICI Bank's Managing Director & CEO, Mr K. V. Kamath, has remarked that it would have a significant impact (on spurring economic growth).

Shikha Sharma is new MD and CEO of Axis Bank

The board of Axis Bank has appointed Ms. Shikha Sharma, Managing Director ICICI Prudential Life Insurance Company, as the bank's new Managing Director & CEO. Ms. Sharma's appointment, which will be for a period of 5 years, beginning August 1, 2009, is subject to RBI clearance and shareholders' approval.

RBI clarifies norms on 'stressed assets'

Ending the confusion over provisioning for 'stressed assets' taken up for special restructuring, the RBI has ruled that only those cases where banks have restructured the accounts by March 31, 2009, can be classified as 'standard assets'. All cases where a proposal for loan restructuring was received but the package is still to be implemented would have to be treated as non-performing assets (NPAs), which require higher provisioning. But once the package is implemented, the RBI has allowed banks to report these accounts as standard assets with retrospective effect.

RBI widens scope of unsecured loans

RBI has tightened the prudential norms for unsecured loans and has asked banks to treat the value of all rights, licences and authorizations as unsecured advances rather than as tangible securities. Beginning April 2009, the RBI has asked banks to disclose the amount of such advances for which intangible securities such as charge over the rights, licences and authorizations have been taken along with the estimated value of the collateral. Separate disclosures also need to be made in the notes to accounts.

RBI curb on UCBs

The RBI has prohibited urban cooperative banks (UCBs) from paying dividend for the past years. “The dividend shall not be cumulative - dividend missed in a year will not be paid in future years, even if adequate profit is available and capital requirements are adequate,” the RBI has specified. The RBI has also said that in case the full dividend was not paid in any year, the unpaid amount cannot be paid in future.

RBI to review, monitor credit rating agencies

The RBI has decided to review and monitor the performance of credit rating agencies, for continuation of their accreditation. The move is aimed at ensuring greater accountability in the quality of the rating process and methodologies. RBI has accorded accreditation to four rating agencies registered with SEBI.

IBA to issue norms on compromise settlement of loans

The Indian Banks' Association (IBA), the apex self-regulatory body for banks in India, plans to chalk out dos and don'ts on compromise settlement of loans and recovery policies by assimilating the best practices on the subject from various banks, according to its Chief Executive, Dr. K. Ramakrishnan. However, the IBA chief has also underscored the fact that wilful defaulters of bank loans cannot escape criminal proceedings regardless of them arriving at a compromise one-time settlement with the bank. IBA's move comes in the wake of several cases coming to light wherein banks arrived at compromise settlement with wilful defaulters, informed the court about the same, and closed cases even as the Central Bureau of Investigation (CBI) was pursuing criminal cases against the borrowers.

New FDI norms may be revised for banking sector

The new foreign direct investment (FDI) guidelines may be revised with respect to the banking sector to avoid an adverse fallout for Indian banks with majority foreign equity. Under the new regime, any downstream investment by a firm with more than 50% foreign equity will be considered as FDI. Thus, banks like ICICI Bank, which have more than 50% foreign equity, will be treated as foreign-owned but Indian-controlled entities and any downstream investment by them will be subject to FDI restrictions.

Economy

Capital account shows deficit first time in 10 years

India's capital account balance has turned negative; showing outflows of $3.7 billion during the October-December 2008 quarter, against net inflows of $31 billion in the corresponding quarter last year. This is the first time in ten years, since the first quarter of 1998-99, that capital account balance has turned negative. There were net outflows under portfolio investment, banking capital and short-term trade credit, leading to a depletion of the capital account balance. Inflows under foreign direct investment (FDI) and external commercial borrowings (ECBs) were lower compared to last year.

Credit rises 19%, deposits up 22%

Bank loans have fallen by Rs.1,428 in the two weeks ended April 10, taking outstanding advances to Rs.27,71,440 crore. Credit rose 18.8% or by Rs.4,38,632 crore in the 12 months through April 10, while total bank deposits have risen by 22.13%, or Rs.7,06,989 crore, in the same period to Rs.39,01,048 crore. In the first fortnight of April, bank loans were up by Rs.79,499 crore in the two weeks ended March 27, taking out-standing advances to Rs.27,70,012 crore.

Commodities Markets

Oilmeal exports drop 60% in March

Hit by the global economic recession, oilmeals exports have dipped 45% to 13.52 lakh tonnes in the fourth quarter of FY 2008-09, against 24.56 lakh tonnes during the same period a year ago. Exports have been down marginally by 0.38% of 54.21 lakh tonnes during the review period against 54.42 lakh tonnes the year before. In March 09', the exports were down 60% at 3,38,000 tonnes against 8,53,675 tonnes a year ago.

NCDEX urges FMC to re-look scrapping of transaction fees

The National Commodity and Derivatives Exchange (NCDEX) has recently requested the Forward Markets Commission (FMC) to reconsider its decision on withdrawing proposed transaction fees. Additionally, the exchange has also communicated to its employees the observations made by the FMC in the February order, with a view to set its image right. NCDEX's attempt to lower transaction charges starting December 2008 was disallowed by the FMC and there were several observations made in the order.

MCX launches futures contracts in ten farm commodities

Multi Commodity Exchange (MCX) has launched futures contracts in 10 farm commodities, including crude palm oil, menthe oil and potato. Futures contracts in cashew kernel, coriander, crude palm oil, jeera (cumin), maize, mentha oil, potato, red chilli, rubber and sesame seeds will now thus be effective. The agri-futures contracts will mature in June, July and August. The cashew kernel, jeera, maize, red chilli and sesame seed contracts will expire in June.

NCDEX Spot launches chana contract

NCDEX Spot Exchange Ltd. (NSPOT) has launched compulsory delivery contract of *chana kantawala* on its electronic platform this week. The delivery centre for the contract will be at Indore with a minimum trading lot of 10 tonne. All trades on the exchange are guaranteed by the exchange for delivery and payments. The tick size of the contract will be Re.1 per quintal. The contract will allow participants from all over the country to buy chana (Bengal gram), thereby enabling producers in MP and Rajasthan to discover best price for their chana traded on NSPOT.

NCDEX imposes 10% margin

NCDEX has imposed a special margin of 10% on gur (jaggery) futures, after potato, in order to curb speculation. Special margin has been fixed by the exchange to stop speculative activities in the futures market. Earlier NCDEX and MCX had announced a special margin of 5% and additional margin of 10% on potato futures to avoid volatility in the prices.

MCX, NCDEX impose special margin on sugar futures

MCX and NCDEX have imposed special margin on sugar futures in an attempt to curb volatility in prices of the sweetener at the futures market. The measure has been taken on the direction of the commodity market regulator FMC. The FMC was recently asked by the committee of secretaries (COS) to watch the movement in sugar prices in the futures market and take necessary steps to curb excessive speculation.

Co-operative Banks

State co-op banks may end up with higher NPAs

State co-op banks (StCBs) are likely to be burdened with higher non-performing assets (NPAs) for the financial years 2008-09 and 2009-10, with the recovery rate expected to be the lowest among the rural banking institutions. According to P. Mohanaih, chief general manager, National Bank for Agriculture and Rural Development (Nabard), in West Bengal several StCBs had seen their recovery rate go below 20 per cent in 2007-08 itself. According to rough estimates, they might see a further 20 per cent drop in recovery across some states. A large part of the written-off accounts last year were on account of the farm waiver scheme.

Co-op banks turn to technology

At a time when cooperative banks in the country are struggling to remain afloat, a few such as the Madhav Nagrik Sahakari Bank at Sirohi in Rajasthan, Pune- based Mahesh Sahakari Bank, the Kumaranchal Nagar Sahakari Bank at Nainital in Uttaranchal and Bharat Co-operative Bank, Mumbai are looking to grow by adopting technology in banking services. These banks have taken the leap by joining hands with IBM to ensure greater customer satisfaction and focus more aggressively on their growth plans. Confirming the development, the Country Head of IBM India, Mr. Aditya has affirmed that the IT major has signed up with some of these banks to host and manage their IT infrastructure, since these smaller banks could not afford huge investment on technology and the capex investment in particular.

Insurance

LIC's single premium income surges

Life Insurance Corporation (LIC) has pinned its hopes on single premium income to bolster its sagging new premium income. For the first time, LIC's single premium income has surpassed its first year premium by Rs.6,000 crore for the eleven month period ending February 28. In December 2008, LIC launched Jeevan Aastha, a traditional single premium policy with guaranteed returns that has tilted the balance dramatically in the favour of such lump sum cash investment policies that also give tax breaks to customers.

Eight years on, life insurance firms yet to break even

Private life insurers have entered into their eighth year of operations in the country but are yet to generate profits. Usually, insurers globally take six-seven years to break even, or turn profitable. But life insurers in India are taking longer to be profitable due to increasing management costs, a high attrition rate and a shrinking ticket size. Industry players have already started focusing on premium renewals. As a result, this segment had grown to over 35% in 2008-09.

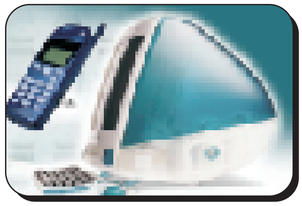
International News

25 American banks fail in 2009

In a reflection of the worsening financial turmoil, a staggering 25 American banks have shut down in less than four months this year, matching the total number of bank failures for the whole of 2008. In 2008, the US saw a failure of 25 banks, with most entities going bust after the current economic crisis turned severe in September last year. The American Government has so far this year closed 25 such entities, with ten banks going bust in February alone.

Bank of America Q1 profit triples to $4.2 billion

Bank of America Corp, the largest US bank by assets, has reported first-quarter profit, more-than-tripled on gains from home refinancing and trading. The stock fell in early trading as more borrowers fell behind on their payments. Net income has risen to $4.24 billion from $1.21 billion, or 23 cents a share, a year earlier. Earnings per share have equalled 44 cents in the three months ended March 31 after preferred dividends to the US rescue fund, beating the most optimistic analysts' estimates. The quarter included an addition of $6.4 billion to loan loss reserves.



Products & Alliances

Deutsche Bank unveils new products

Deutsche Bank India has launched two web-enabled wealth management tools 'Wealth Pro' and 'InvestPro' to cater to the needs of the retail banking clients and will help them to manage and plan their wealth. These tools will help the clients to track their portfolio across all banks, track their investments including buying and redeeming of mutual funds.

ICICI Pru launches Risk Target Returns fund

ICICI Prudential Mutual Fund has launched an open ended equity diversified fund, called the 'ICICI Prudential Target Returns Fund'. The fund seeks to generate capital appreciation in investing predominantly in equity shares of companies with large market capitalization, constituting the BSE 100 index. The subscription for the scheme will close on May 14, 2009. The scheme will have pre-determined triggers set for investors based on their risk appetite. Based on appreciation in the Net Asset Value (NAV) and upon the achievement of these pre-selected targets the appreciation, if any, would be transferred on behalf of the investors into a debt fund of their choice. This will generate potential returns and minimize volatility.

Tata AIG launches product

Private sector life insurer, Tata AIG Life Insurance Company, has launched a guaranteed issue & return of premium health product, Hospi Cash Back. The offer aids the customer to avail of the benefit of multiple claims against unforeseen hospitalization expenses while ensuring that the customer gets a guaranteed return of premium irrespective of claims.

New Rs.10 coin

The RBI has introduced a new bimetallic Rs.10 coin (with nickel-bronze on the outer side and ferrous steel on the inner side) for circulation. The coin, designed by the National Institute of Design, Ahmedabad, weighs 8 grams and has a diameter of 28 mm.

BoI, Tata BP Solar in pact

State-owned lender, Bank of India (BoI) has announced a scheme for financing solar energy home lighting systems in co-ordination with Tata BP Solar. The system will be helpful to the people who face the problem of load shedding and power cut. As per the MoU, around 160 authorised dealers of the company with a network throughout the country will be authorized to enter into a tripartite agreement between the bank, company and dealer for selling the solar systems under the brand name Venus Home Lighting System with finance from the bank. The scheme has been successfully implemented for the last three years in Aryavart Gramin Bank, an RRB sponsored by BoI.

IDBI Fortis' pension plan product

IDBI Fortis Life Insurance has launched a pension plan product named 'Retiresurance'. The plan allows the customer to choose the premium amount, frequency of payment and payment term, the flexibility of reducing premiums within limits or adding top-up premiums.

Regulators Speak...

RBI wants to regulate NBFC holding companies

The Reserve Bank of India (RBI) has decided "in principle" to bring under its regulatory ambit, holding companies floated by business groups and companies that also own non-banking finance companies (NBFCs). The move is reported to be prompted by the NBFCs' frequent complaints of an acute shortage of funds and a resultant liquidity support from the government taken by some, in consultation with RBI.

No prior approval needed to set up offsite ATMs

In a move that would allow banks to expand their ATM networks more easily, the RBI has done away with the requirement of prior regulatory approval for setting up offsite ATMs. These are standalone ATMs outside branch premises. RBI had earlier dispensed with the requirement of obtaining regulatory permission for onsite ATMs (ATMs at branch premises). Currently, banks approach RBI for approval for setting up offsite ATMs. After making a medium-term plan about their requirements of branches and ATMs, banks approach the central bank for permission and proceed with setting them up after receiving the approval.

RBI to set up financial stability unit

The RBI will set up a "financial stability unit" for drawing upon inter-disciplinary expertise from across various departments for carrying out periodic stress-testing and preparing financial stability reports. This decision comes after India was invited to join the Financial Stability Board (FSB) in the G-20 summit held in London. During the summit, it was decided that the Financial Stability Forum (FSF) would be expanded by including more emerging market economies and consequently it was rechristened as FSB with a broader mandate. "Alongside the current mandate of FSF to assess vulnerabilities affecting the financial system and identify and oversee action needed to address them the FSB will advise on market developments and monitor best practices in meeting regulatory standards among others," said RBI. Similarly, the central bank has also proposed setting up of a "working group" to implement the recommendations of the Committee on Financial Sector Assessment (CFSA).

RBI further eases FCCB buy-back norms

The RBI has further eased norms for Indian companies to use their internal accruals for buy-back of their foreign currency convertible bonds, as corporate houses continue to queue up to buy back their foreign loans at a deep discount. In its Annual Statement of Monetary Policy, the central bank has proposed to increase the total amount of permissible buyback of FCCBs, out of internal accruals, from $50 million of the redemption value per company to $100 million. The central bank has linked the higher amount of buyback to larger discount. The RBI had begun to liberalise the buyback policy in December 2008.

RBI to withdraw NPA relaxation from July

The RBI has informed banks that some of the modifications allowed to facilitate restructuring of NPAs in view of the ongoing downturn in the Indian economy, will be withdrawn from July 1, 2009. "The circulars dated December 8, 2008, January 2, 2009 and February 4, 2009 for restructuring of accounts will cease to operate from July 1, 2009. Thereafter, restructuring of all accounts will be governed only by the provisions of circulars dated August 27, 2008, November 3, 2008 and April 9, 2009," said RBI.

RBI allows banks to issue guarantees beyond 10 years

The RBI has decided to allow banks to also issue guarantees for periods beyond 10 years. "We have been receiving requests from banks to enhance the maturity period of guarantees beyond 10 years. In view of the changed scenario of the banking industry where banks extend long term loans for periods longer than 10 years for various projects, it has been decided to allow banks to also issue guarantees for periods beyond 10 years," said RBI.

Spotlight

Fixed deposits essential to avail credit card

Stung by rising NPAs (15% in some cases), several banks have now started issuing cards linked to fixed deposits (FDs). One private bank, the biggest credit card issuer, has made it conditional for some of the credit card applicants, who do not meet the bank's eligibility criteria, to open FDs under a scheme called Fixed Deposit Instant Credit Card. Another private bank has also launched such a scheme. Other banks said this product was a part of their offering, but they were not pushing it aggressively.

BoI to bring more districts under branchless banking

Bank of India, which has implemented the branchless banking model for financial inclusion in Raigad district of Maharashtra, is planning to implement the model in the 48 other districts in the country where it has a lead bank responsibility. It is planning to cover at least 10 lead districts during the current financial year. Mr. M. Narendra, Executive Director, BoI has stated that that information technology-enabled solutions such as handheld devices and biometric cards are being used to provide branchless banking service. More than 46,000 households have been provided with biometric smartcards in Raigad district where the business correspondents visit the door step of rural customers to provide banking services.

Bank accounts for mentally challenged

Justice S. Rabindra Bhatt has directed the RBI to ensure that all banks accept the certificates issued by the local level committees formed under the Disability Act for opening account through guardians appointed by it. "As regards functioning of banks, this court is of the opinion that the RBI should issue appropriate guidelines using the powers under the Banking Regulation Act and the RBI Act and direct that all banks in India must ensure that they follow the guidelines in their branches and essential details about the facilities under the enactment are made available," the Delhi HC has ruled.

Slowdown hits credit cards business

The negative impact of the economic slowdown is clearly showing on the credit cards segment. The number of outstanding credit cards has declined drastically by 28 lakh in the first 11 months of FY'09 as per RBI's latest data. The number of outstanding credit cards as of February-end 2009 stood at 2.55 crore as against 2.83 crore as on April-end 2008. In sync with the decline in the number of credit cards under circulation, payments made by using credit cards have also declined quite a bit. Total payments via credit cards came down to Rs.4,659 crore in the month of February 2009 as against Rs.5,611 crore in April 2008.

Financial Basics

Off-balance-sheet activities

Banks' business, often fee-based that generally does not involve booking assets and taking deposits. For example, trading of swaps, options, foreign exchange forwards, standby commitments and letters of credit.

Glossary

Foreign currency convertible bonds

A type of convertible bond issued in a currency different than the issuer's domestic currency. In other words, the money being raised by the issuing company is in the form of a foreign currency. A convertible bond is a mix between a debt and equity instrument. It acts like a bond by making regular coupon and principal payments, but these bonds also give the bondholder the option to convert the bond into stock. These types of bonds are attractive to both investors and issuers. The investors receive the safety of guaranteed payments on the bond and are also able to take advantage of any large price appreciation in the company's stock. (Bondholders take advantage of this appreciation by means of warrants attached to the bonds, which are activated when the price of the stock reaches a certain point.) Due to the equity side of the bond, which adds value, the coupon payments on the bond are lower for the company, thereby reducing its debt-financing costs.

Financial Stability Forum

The Financial Stability Forum (FSF) is a forum of senior representatives of national financial authorities *viz.*, central banks, supervisory authorities and treasury departments, international financial institutions, international regulatory and supervisory groupings, committees of central bank experts and the European Central Bank. The FSF is serviced by a small secretariat

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housed at the Bank for International Settlements in Basel, Switzerland. It was convened in April 1999 to promote international financial stability through information exchange and international co-operation in financial supervision and surveillance.

News From the Institute

Launch of certificate examination for business correspondents / business facilitators

A new certificate examination for Business Correspondents / Business Facilitators was launched by Dr. K. C. Chakrabarty, CMD, PNB on 23rd April, 2009 at New Delhi. Dr. Chakrabarty mentioned that this qualification will be for the masses as it will help in the process of financial inclusion efforts of Government, RBI and banks. He was of the view that the need of the hour is the creation of a cadre of business correspondents / facilitators, so that banking could be taken to the remotest corners of the country. The function was well organized and attended by several senior officials of banks and media persons.

Examination updates

Updates for examinations (JAIIB / CAIIB, etc.) have been put on our website. Candidates appearing for the exam are requested to go through them as well as various RBI publications and the Institute's publications for the exams. Please visit website : www.iibf.org.in.

R. K. Talwar Memorial Lecture

The Institute will be organising this year's R. K. Talwar Memorial Lecture on 23rd July, 2009 at Mumbai. The lecture will be delivered by Smt. Elaben Bhatt, Chairperson, SEWA.

Diploma in Banking & Finance

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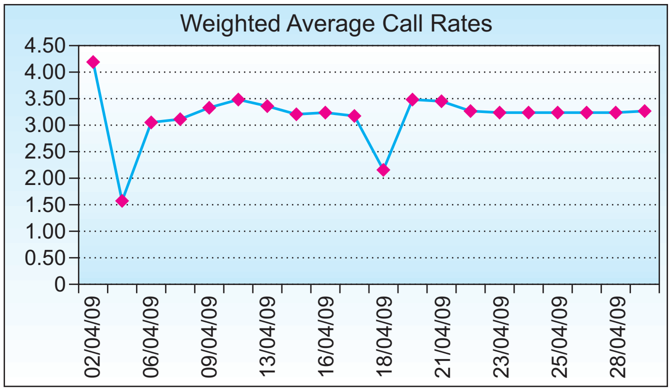
Markets Roundup

Market Snapshot (Amount in Rs. Mn.)

Indicators	April 03, 2009	April 10, 2009	April 17, 2009	April 24, 2009	May 01, 2009
Inflation (%)	0.31 (March 21, 2009)	0.26 (March 28, 2009)	0.18 (April 04, 2009)	0.26 (April 11, 2009)	0.57 (April 18, 2009)
Avg. LAF Rev. Repo Vol.	393283	1284050	1083238	1028250	1172600
Avg LAF Repo Vol.	39,350	0	0	0	0
Avg. Repo Rates (%)	3.87	2.10	2.51	2.36	2.63
10-yr G-Sec Yield (%)	7.1921	6.9204	6.6184	6.3647	6.4406
1-10 yr spread (bps)	225	253	235	239	259
6 Month Forward Premia (%)	2.76	2.74	2.70	2.72	2.85
6 month USD LIBOR(%)	1.72	1.72	1.64	1.64	1.58

Source : CCIL Newsletters, April 2009, various issues



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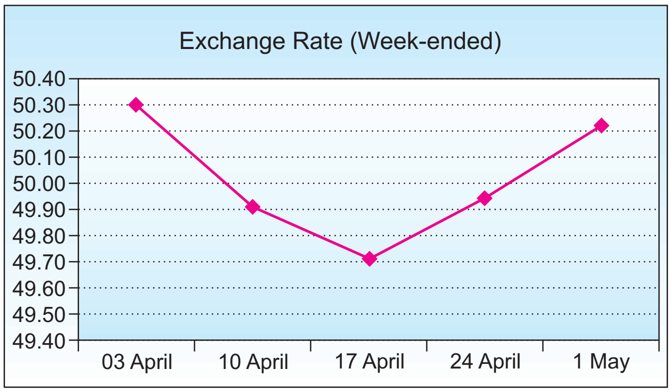

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