



Committed to  
professional excellence

# IIBF VISION

Volume No. : 6

Issue No. : 5

December 2013



## Top Stories

### First All-Women bank starts operations

The Government has launched the country's first all-women bank, called 'Bharatiya Mahila Bank' (BMB) on 19<sup>th</sup> November, 2013. Inaugurating the bank on the birth anniversary of late Mrs. Indira Gandhi, former Prime Minister. Dr. Manmohan Singh, Prime Minister said that the bank will enable financial inclusion of women and benefit women from lesser-privileged segments of society. BMB has started operations with 7 branches, including in Kolkata, Chennai and Guwahati. Mr. P. Chidambaram, Finance Minister said "Only 26% of women in India have a bank account; thus, fewer women are able to get loans *vis-à-vis* men. Per capita credit for women is 80% lower than that for men. Hence, there is a need for a bank that pre-dominantly serves women - from SHGs and small business women to working women and high net worth individuals". According to Ms. Usha Ananthasubramanian, Chairperson & Managing Director, BMB will offer various loans to women, such as for education, housing, setting up of food and catering business, day-care centres, and SMEs. BMB will be a universal bank that will undertake multifarious banking activities including financial services such as insurance, mutual funds and commercial / investment banking.

### PIN is mandatory while you shop with your card

PIN is mandatory as customers need to punch it in after swiping their cards at any retail outlet from December 1. This is intended to make the transactions more secure. According to RBI, the increasing use of cards and ATMs has increased the scope for frauds. While the current fraud levels are low, cases of domestic counterfeit and skimming are being observed. Currently, counterfeit fraud is more prevalent internationally.

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

Top Stories .....	1
Banking Policies / Banking Developments .....	2
Regulator's Speak.....	3
Forex .....	4
New Appointments / Products & Alliances .....	5
Microfinance .....	5
Insurance / Banking Case Laws.....	6
Basel III-Capital Regulations .....	6
Financial Basics / Glossary .....	7
Institute's Activities .....	7
News from the Institute.....	7
Market Roundup.....	8

## Banking Policies

### RBI on equitable mortgages

RBI has advised all NBFCs to file and register the records of all equitable mortgages created in their favour on or after March 31, 2011, with the Central Registry. This would help reduce room for frauds, as information will be available readily.

### No NoC needed for FEMA

RBI has decided to waive the requirement of a No Objection Certificate (NoC) for the Foreign Exchange Management Act (FEMA), 1999. However, any 'fit and proper / due diligence' requirement, *vis-à-vis* NRI investors, as stipulated by the respective financial sector regulator, shall have to be complied with.

### Loans to women's group to be provided at 7%

RBI has directed PSBs to provide credit to women Self-Help Groups (SHGs) at 7% p.a., so as to get the benefit of interest subvention scheme under the National Rural Livelihood Mission. PSBs will be subvented to the extent of difference between the Weighted Average Interest charged and 7%, subject to the maximum limit of 5.5 %, for FY2014. This subvention will be available to all PSBs on the condition that they make SHG credit available at 7% in 150 districts. Further, SHGs will be given an additional 3% subvention on prompt repayment of loan. For all loans up to ₹3 lakh, sanctioned to women SHGs on or after December 1<sup>st</sup>, 2013, banks must charge an interest rate of 7%. However, for loans extended between April 1, 2013 and November 30, 2013, banks should convert the rate of interest to 7% for all the existing loan accounts of the SHGs w.e.f. April 1, 2013.

### Foreign banks taking subsidiary route for capital gains tax exemption

RBI has stated that foreign banks wishing to convert their branch holding operations in India into WOSs will be exempt from capital gains tax and stamp duty. The exemption arises from the Finance Act, 2012 and the Banking Laws (Amendment) Act, 2012 that exempts conversion of a branch of a foreign bank into a WOS from capital gains tax and stamp duty, respectively. Earlier, certain foreign banks had expressed their reservations over tax issues arising out of conversion into subsidiaries.

### Banks free to adopt EMV norms

RBI has advised banks to adopt Europay, MasterCard and Visa (EMV) norms. *Vis-à-vis* cards not specifically mandated to adopt EMV norms, banks are free to decide whether they should adopt Aadhaar as an additional

authentication or move to EMV chip & pin technology for securing the card. For this purpose, the present payment infrastructure had to be enabled for both EMV chip and PIN, and Aadhaar (biometric Validation) acceptance.

### RRBs should follow the 9% CAR rule

RBI has directed all Regional Rural Banks (RRBs) to follow the minimum 9% Capital Adequacy Ratio (CAR) rule from this year, marking the end of their transitory phase. The rule was made applicable for strengthening the capital base of Indian banks. RBI had introduced the **Capital To Risk weighted Assets Ratio (CRAR)** framework for RRBs in December 2007. 22 out of 84 RRBs had a CRAR below 1% at the end of the 2007-08 fiscal. 33 banks had CRAR below 7%. The number of RRBs has come down to 51 after several rounds of amalgamation and consolidation. Consequent to consolidation of RRBs by amalgamation and recapitalization of weak RRBs, it has been decided to prescribe a minimum CRAR for the same.

### RBI on banks' SMS alerts

RBI has asked banks to leverage the technology available with them and the telecom service providers, to ensure that charges for SMS alerts are levied on all customers on an actual usage basis. Considering the technology available, it should be possible on actual usage of SMS alerts.

## Banking Developments

### Tata promotes financial inclusion via ATMs

The Tata Group is rapidly promoting financial inclusion in the least-banked districts through cash delivery via white-label ATMs, which are not owned and operated by any bank. In order to increase penetration, Reserve Bank of India (RBI) has permitted NBFCs to deploy white-label ATMs that allow customers to withdraw cash using debit cards of any bank. Tata Communications Payment Solution has got RBI clearance to install 15,000 ATMs in the next 3 years, 2/3<sup>rd</sup> of which will be in smaller towns. It will roll out 3 machines in the rural belt and 17 in semi-urban districts for every 10 machines installed in bigger cities. The group has installed 400 machines so far.

### RBI opens more credit windows for SMEs

To ease the liquidity pressure faced by micro and small enterprises, RBI will provide refinance aggregating to ₹5,000 crore to SIDBI, which will use the funds for direct as well as onward lending to banks. Further, to encourage bank lending to medium enterprises, RBI will include incremental credit extended to these units by Scheduled Commercial Banks (excluding Regional Rural Banks) under the ambit of priority sector lending. RBI's refinance

facility will be available for direct liquidity support to finance receivables (including export receivables), to the small-scale units by SIDBI or for liquidity support through select intermediaries *viz.* banks, NBFCs and State Finance Corporations (SFCs).

### **Banks' exposure to shadow banking entities up in several nations**

Several nations including India have witnessed a marked increase in the exposure of their banks to 'shadow banking' entities, whose asset-base globally grew to \$71 trillion in 2012-end. Shadow banking system refers to credit intermediation involving entities and activities outside the purview of the regular banking system. However, the recent financial crisis demonstrated the capacity of some NBFCs to operate on a large scale to create bank-like risks to financial stability. As per a report by Switzerland-based Financial Stability Board (FSB) "The assets of NBFCs (excluding those of insurance companies, pension funds and public financial institutions) grew by \$5 trillion in 2012 to reach \$71 trillion."

### **Credit growth moderates to 16.8% as CP rates ease**

Non-food credit grew 16.83% to ₹55,56,078 crore for the fortnight ended November 1 from ₹47,55,635 crore during the corresponding period last year. Credit growth had remained elevated at more than 17% for the last five fortnights. This happened after corporates shifted their borrowing requirements away from the markets towards the banking system, after the commercial paper (CP) market rates spurted to above 10%. However, with RBI adding liquidity to the markets and lowering its Marginal Standing Facility (MSF) interest rate to 8.75% last month, CP rates have eased to below 9%.

### **RBI norms for foreign banks to set up WOS**

Foreign banks will now have to operate in India only through an independent subsidiary; they cannot operate as a branch of the parent bank. RBI has announced new guidelines in order to ring-fence the local operations of foreign banks from adverse developments in their home countries. However, some foreign banks will be allowed to operate as a branch of their parent bank. The Wholly-Owned Subsidiary (WOS) model will be compulsory for systemically important banks having complex structures; and belonging to jurisdictions which give preferential treatment to deposits of the home country. Currently, foreign banks as a group are entitled to open 12 branches in India every year (according to WTO commitments). The initial minimum capital for a WOS will be ₹500 crore, upfront. This also applies to existing foreign banks

that wish to convert. Further, the WOS will be required to meet Basel-III requirements (9% Tier-I capital) right from the beginning. In fact, for the first 3 years, the WOS will have to maintain Tier-I capital at 10%.

### **Banks set up 24x7 self-service branches**

Banking services have broken through the constraints of time, with banks opening unmanned electronic branches offering most of the banking services beyond regular working hours. Customers can now do real-time cash deposits, withdraw money, deposit cheques & get instant receipts, transfer funds, open fixed deposits and generate bank statements at these branches. These also offer account-related information through internet banking and video conference.

### **SARFAESI Act most effective to recover bad loans**

Amidst rising non-performing loans, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act) is the most potent tool that banks have for recovering bad loans. The SARFAESI Act empowers banks and financial institutions to recover their NPAs without the intervention of courts via three methods *viz.* securitization, asset reconstruction and enforcement of security. According to RBI's Report on Trend and Progress of Banking in India, 2012-13, banks have recovered ₹18,500 crore through the SARFAESI route.

### **Number of NBFCs decline, but assets rise marginally**

NBFCs are witnessing a period of consolidation, with the number of firms registered with RBI declining marginally to 12,225 by end of June 2013. The decline was mainly due to cancellation of certificates of registration and migration of NBFCs that accept public deposits (NBFC-D) to the non-deposit-taking category. During 2012-13, the consolidated balance sheet of NBFC-D expanded marginally by 2.2%. On the liability side, borrowings from banks declined, despite being the biggest source of funding for NBFCs-D followed by debentures and public deposits. Among NBFCs-D, while the balance sheet of asset finance companies grew, that of loan companies shrunk.

## Regulator's Speak...

### **Financial inclusion makes 2.5 lakh villages bankable**

Banks have reached out to 2.5 lakh villages in the last few years. It may take a few more years to cover at least half the Indian population with banking services. As per RBI statistics, banks have set up 2,68,000 outlets in villages by March 2013 against 67,694 banking outlets in March

2010. 7,400 brick-and-mortar branches have opened in rural centres during this period. Nearly 109 million basic savings bank accounts have been added, taking the total to 182 million. Mr. G. Padmanabhan, Executive Director, RBI believes that “financial inclusion has the potential to induct the un-banked masses into the formal banking system. This could lead to increased savings, eventually leading to economic growth.” Indian banks started using the services of business correspondents with electronic hand-hold penetration. This increased the share of Information and Communication Technology (ICT)-based accounts to all new basic accounts from 25% in March 2010 to 45% in March 2013.

### **Tapering**

Dr. Raghuram Rajan, Governor, RBI has stated that “We are in a better position to face tapering as and when it occurs. RBI and the Government have tried to narrow the Current Account Deficit (CAD). In recent times, the Foreign Currency Non-Resident Account (Banks) deposits plus capital raising by banks, has reached \$12 billion. International markets are open to borrow in India. Whatever the CAD is, we can finance it from outside money. We also have substantial equity inflows. I do not want to be too complacent about any kind of flows because what comes in can also go out. But the picture has changed from May, when the CAD was blowing out.”

### **Loan recast has gone out of control**

According to Mr. B. Mahapatra, Executive Director, RBI overall asset restructuring in the banking system (which touched ₹3.25 lakh crore in June), has gone “out of control”. Till March 2010-11, things were manageable at around ₹1.10 lakh crore, but now it has gone up to ₹2.70 lakh crore. If CDR and bilateral restructuring cases between banks and companies are put together, it might exceed ₹3.25 lakh crore. A bank opts for restructuring when a loan is under stress, and a default is feared. Under restructuring, banks typically increase the repayment period of loans to stressed borrowers, offer a moratorium and reduce lending rates.”

### **Interest rate is a blunt tool to tackle inflation**

Dr. Raghuram Rajan, Governor, RBI observes that “Interest rate is only a blunt tool to tackle inflation; it must be used occasionally and carefully, for it is the only tool recognized by bankers the world over.” CPI inflation (measured by the movement in retail prices of food items) soared to a 7-month high of 10.09% in October. The wholesale price-based (WPI-based) inflation too, shot up to 7% in the same month. According to Dr. Rajan,

“Inflation can be curtailed by increasing supply and slowing down demand. Typically, a balancing act is desirable. We want to ensure that inflation doesn't get out of control, but we also recognize that we are a weak economy that helps itself some-what in inflation. In other words, demand is also weak”.

### **Only innovative models may get bank licences**

Speaking at BANCON 2013, an annual conference on banking, Mr. P. Chidambaram, Finance Minister averred to be happy that some applicants for the private banking licences have come up with different models of banking. “We need different types of banks to cater to people in tribal populations; to cater to the Northeast; to cater to the urban poor whose requirements are different from the rural poor. We also need banks that cater mainly to farmer families and to women. The established major banks may not be able to quickly shift gears to cater to each one of these. Thus, it is necessary to promote banks that cater to these individual segments of our people.”

### **Move towards e-payments**

Mr. H. R. Khan, Deputy Governor, RBI opines that India needs to veer more towards electronic payments and become less of a cash-based economy. “Dissemination of information about the benefits of electronic payments would create awareness across the population, especially youngsters. There also is a need for cautioning the public against fictitious money offers and fraudulent schemes.”

## Forex

### **Rupee recovers as RBI steps in to calm markets**

The rupee wiped off early losses to close 41 paise stronger at 63.31 against the dollar after Dr. Raghuram Rajan, Governor, RBI reassured that RBI would not rush to roll back dollar swap window for oil companies. Recently, the domestic unit fell to a more than a two-month low of 63.88 against the dollar in its opening trade, citing heavy dollar demand from oil companies and banks. The unit had closed weaker at 63.72 on 12<sup>th</sup> November 2013. RBI has now routed back majority of the dollar demand from oil companies to the market, though the fears of the market are overstated. Dr. Rajan has reassured that RBI would not rush into withdrawing the dollar swap window and that there were various options for the oil companies to repay the dollars. After the sharp rupee depreciation in July and August, RBI decided to supply dollars to the oil companies to meet their dollar requirements. This helped the rupee to appreciate.

## RBI extends bank's special forex window till 31<sup>st</sup> December 2013

After getting a good response to the double foreign exchange swap windows aimed to shore up the forex buffer and prop up the rupee, RBI has allowed banks to utilize the window till 31<sup>st</sup> December 2013, to borrow forex against their core capital - but with riders. The other swap window was to draw in NRI funds through the FCNR (B) deposit route. Both windows had netted \$22.5 billion and were to be tapered off on November 30. Under the facility, banks were permitted to borrow from international banks / multilateral agencies up to 100% of their core capital and swap the amount with RBI at a concessional rate of 3.5%.

Benchmark Rates for FCNR(B) Deposits applicable for the month of December 2013					
LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR		SWAPS		
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.57800	0.389	0.660	1.055	1.510
GBP	0.87225	0.8359	1.1127	1.4459	1.7691
EUR	0.45214	0.452	0.620	0.841	1.074
JPY	0.36571	0.209	0.230	0.276	0.344
CAD	1.46000	1.369	1.561	1.812	2.053
AUD	2.61000	2.880	3.210	3.540	3.790
CHF	0.20240	0.120	0.220	0.389	0.595
DKK	0.52650	0.6440	0.8270	1.0590	1.2940
NZD	3.20250	3.725	4.075	4.340	4.565
SEK	1.12750	1.300	1.543	1.777	1.999
SGD	0.33000	0.470	0.763	1.100	1.470
HKD	0.48000	0.580	0.820	1.180	1.530
MYR	3.30000	3.410	3.540	3.700	3.850

Source : FEDAI

Foreign Exchange Reserves		
Item	As on 22 <sup>nd</sup> November 2013	
	₹Bn.	US\$ Mn.
	1	2
Total Reserves	18,007.1	286,263.7
(a) Foreign Currency Assets	16,302.0	258,664.7
(b) Gold	1,303.6	21,227.3
(c) SDRs	278.6	4,420.7
(d) Reserve Position in the IMF	122.9	1,951.0

Source : Reserve Bank of India (RBI)

## New Appointments

Name	Designation / Organisation
Mr. Sushil Muhnot	Chairman & Managing Director, Bank of Maharashtra
Mrs. Usha Ananthasubramanian	Chairperson & Managing Director, Bharatiya Mahila Bank.



## Products & Alliances

Organisation	Organisation tied up with	Purpose
RBI	Central Banks of Australia and New Zealand	For exchange of information & to provide a formal, yet legally non-binding, channel for information exchange between the supervisors.
IDBI Bank	KfW, Germany	For financing the MSME & Infrastructure Sector
ICICI Bank	Vodafone India	Launched the mobile money transfer and payment service M-Pesa. It would give the unbanked and under-banked sections of the population access to financial services via mobile phone.
Deutsche Bank	Max Bupa Health Insurance	To offer the insurer's health plans to the bank's customers across the country.
YES Bank	Hockey India League (HIL)	To mobilize sports innovation, infuse positive energy into hockey and to provide a robust financial infrastructure to support sports through customized banking solutions for various hockey associations, teams, as well as players.

## Microfinance

**RBI to recognize self-regulatory bodies for NBFC-MFIs**  
 RBI has decided to recognize the industry associations of NBFCs engaged in microfinance (NBFC-MFIs) as self-regulatory organizations. This will ensure effective monitoring of NBFC-MFIs; their compliance with

regulations & code of conduct; and will aid the customers of NBFC-MFIs. Earlier, RBI had appointed a sub-committee of its central board of directors under the Chairmanship of Mr. Y. H. Malegam, to study issues and concerns in the microfinance sector (of entities regulated by RBI). One of the suggestions that the committee made, pertained to industry associations assuming greater responsibility in ensuring compliance with regulations by NBFC-MFIs.



## Insurance

### IRDA yet to receive insurers' reply on 'use & file' scheme

The Insurance Regulatory and Development Authority (IRDA) is yet to receive any communication from insurance companies under the proposed 'use & file' method of introducing insurance products, as stated by Mr. T. S. Vijayan, Chairman. The 'use & file' system allows insurers to first introduce basic insurance products to the market and then file for approval to the regulator. Currently, IRDA allows insurers to launch products under the 'file and use' system, which requires them to get approval before launching a new product. The IRDA has asked life companies and non life companies to suggest the genres of products that do not need prior approval. Once that is standardized, the 'use and file' method can be used for product approvals.

## Banking Case Laws

### Banking Service

- The opposite party bank refused to accept the deposit of motor vehicle tax by the complainant on the ground that the District Transport Authority has not opened an account with them, it was held that refusal of the bank is understandable. In any event, since the complainant did not have any account with the opposite party bank. It was held that he is not a consumer under the Act as neither any goods were purchased nor any services were hired by him for consideration from the opposite party. In the circumstances, the complaint was held not maintainable. *Nawal Kishore Sharma Vs. The Accountant, State Bank of India - 1992(2) CPR 645 (SCRDC - Bihar).*
- Bank account was opened in the name of a partnership firm with instructions to the bank that the account

would be operated by two partners which would necessarily include signature of complainant. An arbitration award was passed in the meanwhile allowing remaining three partners to operate the account. The bank after obtaining legal opinion allowed the operation of the account in terms of the supplementary award. When objections were raised to the operation of account in terms of the arbitration award, the bank obtained another advice from its senior lawyer and it stopped further operation of the account. In view of the facts involved, the commission held that it cannot be said that the Bank's action was not bonafide and the bank cannot be said to have acted negligently. *M/s. Seth Mohan Lal Hiralal Vs. Punjab National Bank & Ors 1993(3) CPR 209 (NC)*

*Source : Reserve Bank of India (RBI)*

## Basel III - Capital Regulations (Continued...)

Continuing the discussion on Basel III, we enumerate the following information :

### Capital charge for Credit Risk

RBI has identified external credit rating agencies that meet the eligibility criteria specified under the revised framework. Banks are required to choose the external rating agencies identified by RBI for assigning risk weights for capital adequacy purposes as per the mapping furnished in the Basel III guidelines.

### Claims on Domestic Sovereigns (standard assets)

- a. Both fund based and non fund based claims on the Central Government including Central Govt. guaranteed claims carry zero risk weight.
- b. Direct Loans / credit / overdraft exposure, if any, of banks to State Govt. and investment in State Govt. securities carry zero risk weight. State Government guaranteed claims will attract 20 per cent risk weight.
- c. Risk weight applicable to Central Govt. exposure would also apply to claims on RBI, CGTMSE, and Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH). The claims on ECGC will attract a risk weight of 20%.
- d. 'Amount Receivable from GOI' under Agricultural Debt Waiver Scheme 2008 is to be treated as claim on GOI and attract zero risk weight whereas the amount outstanding in the accounts covered by the Debt Relief Scheme shall be treated as a claim on the borrower and risk weighted as per the extant norms.

### Claims on Foreign Sovereigns

Claims on Foreign Sovereigns in foreign currency would be as per the rating assigned as detailed in the RBI Master circular. In case of claims dominated in domestic currency of Foreign Sovereign met out of the resources in the same currency, the zero risk weight would be applicable.

### Claims on Public Sector Entities (PSE)

Claims on domestic PSEs and Primary Dealers (PD) would be risk weighted in the same manner that of corporate and foreign PSEs as per the rating assigned by foreign rating agencies.

## Financial Basics

### Market risk

Market risk is defined as the risk of loss arising from movements in market prices or rates away from the rates or prices set out in a transaction or agreement. The capital charge for market risk was introduced by the BASEL Committee on Banking Supervision through the Market Risk Amendment of January 1996 to the capital accord of 1988 (BASEL I Framework). There are two methodologies available to estimate the capital requirement to cover market risks :

- 1) The Standardised Measurement Method : This method, currently implemented by the Reserve Bank, adopts a 'building block' approach for interest-rate related and equity instruments which differentiate capital requirements for 'specific risk' from those of 'general market risk'. The 'specific risk charge' is designed to protect against an adverse movement in the price of an individual security due to factors related to the individual issuer. The 'general market risk charge' is designed to protect against the interest rate risk in the portfolio.
- 2) The Internal Models Approach (IMA) : This method enables banks to use their proprietary in-house method which must meet the qualitative and quantitative criteria set out by the BCBS and is subject to the explicit approval of the supervisory authority.

## Glossary

### Capital to Risk weighted assets ratio

Capital to risk weighted assets ratio is arrived at by dividing the capital of the bank with aggregated risk weighted assets for credit risk, market risk and operational risk. The higher the CRAR of a bank the better capitalized it is.

## Institute's Activities

### Training Programme Schedule for the month of December 2013

Sr. No.	Programme	Date
1.	2 <sup>nd</sup> Bank Executive Programme for Senior Executives	9 <sup>th</sup> to 14 <sup>th</sup> December 2013
2.	5 <sup>th</sup> Programme on IT security and Cyber Crimes	16 <sup>th</sup> and 17 <sup>th</sup> December 2013

### Training activities completed during the month of November 2013

Sr. No.	Programme	Date
1.	Branch Operations programme for proposed Bharatiya Mahila Bank staff	2 <sup>nd</sup> to 6 <sup>th</sup> November 2013
2.	6 <sup>th</sup> programme on SME financing	25 <sup>th</sup> to 29 <sup>th</sup> November 2013

## News From the Institute

### Sir Purshotamdas Thakurdas Memorial Lecture (Sir PTML)

30<sup>th</sup> Sir P.T.M. Lecture for the year 2013 was delivered by Dr. Subir Gokarn, former Deputy Governor, RBI on 3<sup>rd</sup> December 2013 on "Finance and Sustainability : Regulatory and Strategic Dimensions". The lecture was well attended by CMDs of various banks, EDs and other dignitaries.

### 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 31<sup>st</sup> July and 31<sup>st</sup> January respectively of that year will only be considered for examination purpose.

### Micro / Macro Research

Macro Research proposal for the year 2012-13 and Micro Research Papers for the year 2013 are invited by the Institute. For details visit Institute's web site.

### Diamond Jubilee & CH Bhabha Overseas Research Fellowship 2014

Institute is inviting applications for Diamond Jubilee & CH Bhabha Overseas Research (DJCHBR) Fellowship, For details visit [www.iibf.org.in](http://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. These are important from examination view point. For more details visit [www.iibf.org.in](http://www.iibf.org.in).



- Registered with Registrar of Newspapers under RNI No. : 69228 / 98
- Postal Registration No. : MH / MR / North East / 295 / 2013 - 15
- Published on 25th of every month.

- Posted at Mumbai Patrika Channel Sorting Office, Mumbai - 1
- Posting Date : 25th to 30th of every month.

### IIBF Vision via mail

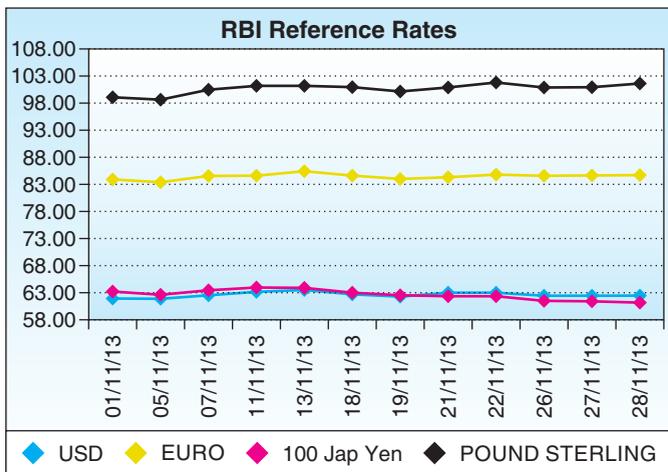
The Institute has started emailing IIBF Vision to all the e-mail addresses registered with the Institute. Members who have not registered their e-mail ids are requested to register the same with the Institute at the earliest. IIBF Vision is also available for download from the IIBF's web site.

### Green Initiative

Members are requested to update their email address with the Institute to send the Annual Report via e-mail in future.

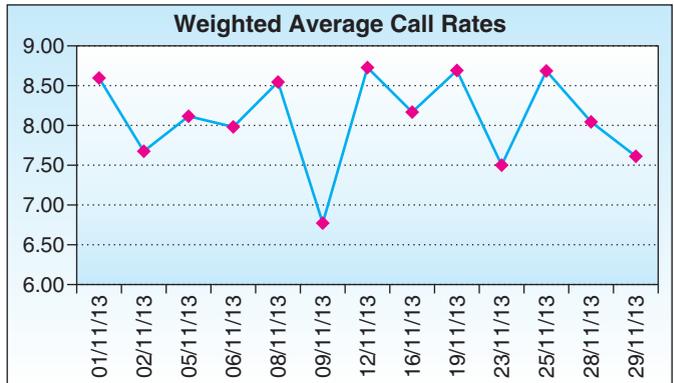
- The Rupee fell to a two-month low on 12<sup>th</sup> plunging by 47 paise against the US dollar to 63.71 as importers fanned demand even as fears grew of an impending wind-down of an easy money policy set by the US Fed to stimulate growth that had led to a flood of dollars.
- RBI Governor's talk about reduced CAD sent Rupee 41 paise up to close at 63.30 to dollar on 13<sup>th</sup>.
- During the month, Rupee depreciated by 2.86%, 2.63% and 1.05% against Dollar, Sterling and Euro respectively and appreciated by 3.34% against JPY.

## Market Roundup



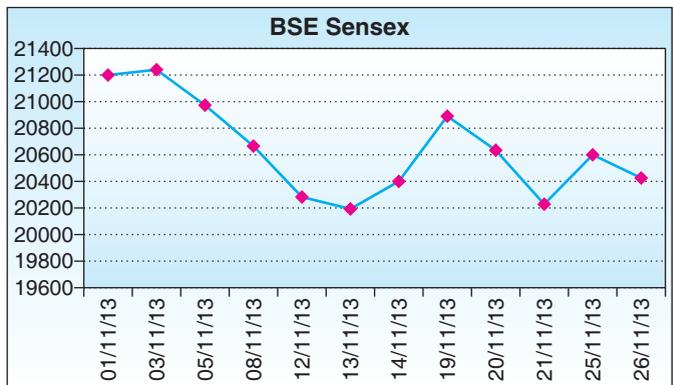
Source : Reserve Bank of India (RBI)

- Rupee closes at 61.50 to a dollar on the last day of October.
- Rupee closes at 62.40 to a dollar showing some weakness.
- Rupee plunged 77 paise to a two-month low of 63.24 against the dollar on 11<sup>th</sup> after better-than-expected jobs data in the US stoked fears of an early unwinding of monetary stimulus package by the Fed.



Source : CCIL Newsletter for November 2013

- Rates remained largely range bound.
- Comfortable liquidity conditions during the month.
- Rates oscillated between a high of 8.69% and a low of 6.77%.



Source : Bombay Stock Exchange (BSE)

Printed by Dr. R. Bhaskaran, published by Dr.R. Bhaskaran on behalf of Indian Institute of Banking & Finance, and printed at Quality Printers (I), 6-B, Mohatta Bhavan, 3<sup>rd</sup> Floor, Dr. E. Moses Road, Worli, Mumbai - 400 018 and published from Indian Institute of Banking & Finance, Kohinor City, Commercial-II, Tower-I, 2<sup>nd</sup> Floor, Kirol Road, Kurla (W), Mumbai - 400 070.  
 Editor : Dr. R. Bhaskaran.

**INDIAN INSTITUTE OF BANKING & FINANCE**  
 Kohinor City, Commercial-II, Tower-I, 2<sup>nd</sup> Floor, Kirol Road, Kurla (W), Mumbai - 400 070.  
 Tel. : 91-22-2503 9604 / 9746 / 9907 ● Fax : 91-22-2503 7332  
 Telegram : INSTIEXAM ● E-mail : iibgen@iibf.org.in  
 Website : www.iibf.org.in