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

(ISO 9001 : 2008 CERTIFIED ORGANISATION)

Committed to professional excellence

IIBF VISION

Volume No. : 6 Issue No. : 1 August 2013

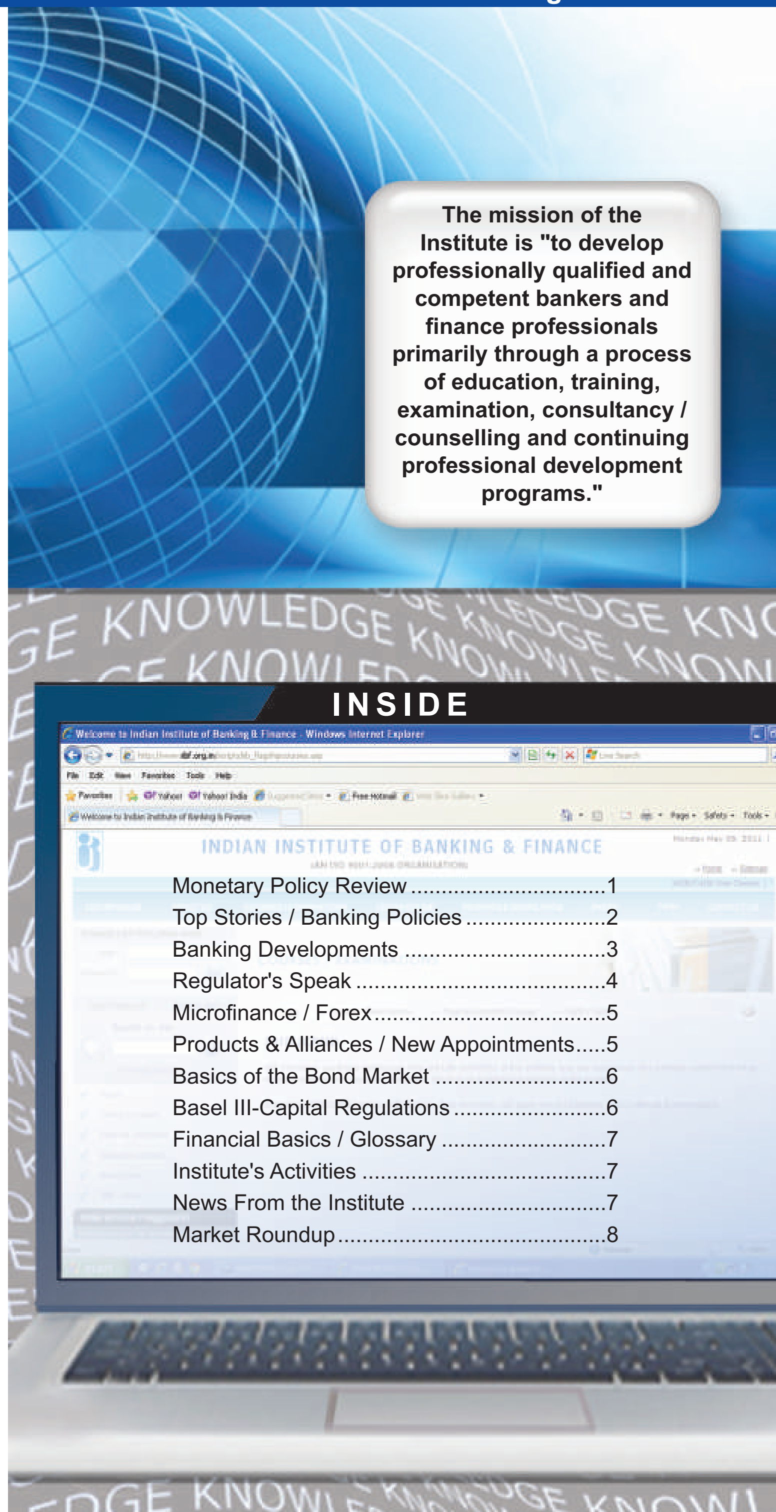
1st Quarter Monetary Policy Review - 30th July 2013

Monetary Measures

- Repo rate under Liquidity Adjustment Facility (LAF) remains unchanged at 7.25%.
- The reverse repo rate under the LAF, determined with a spread of 100 basis points below the repo rate, stands at 6.25 %.
- The MSF rate remains unchanged at 300 basis points above the repo rate at 10.25 per cent.
- The Cash Reserve Ratio (CRR) of scheduled banks has been retained at 4.0 per cent of their Net Demand and Time Liabilities (NDTL).

Domestic Economy

- Money supply (M_3), at 12.8 per cent y-o-y on July 12, was close to the indicative trajectory of 13.0 per cent. On the other hand, non-food credit growth at 14.3 per cent was lower than the indicative projection of 15.0 per cent, with the slowdown spread across all major sectors.
- Liquidity conditions have eased considerably since the May Policy. The average daily net liquidity injection under the Liquidity Adjustment Facility (LAF) declined to ₹828 billion during Q1 from ₹1,078 billion during Q4 of 2012-13. Government balances have been in deficit since June 28 and have bolstered liquidity, thereby significantly reducing the demand for funds under the LAF. The net drawal from the LAF declined significantly during the first week of July. On July 26, it stood at ₹558 billion [including ₹229 billion from the Marginal Standing Facility (MSF)].
- Following the reduction in the repo rate in May and easing of liquidity conditions, the modal term deposit rate of Scheduled Commercial Banks (SCBs) declined by 5 basis points (bps) during Q1. Although the modal base rate remained unchanged during the quarter, the Weighted Average Lending Rate (WALR) on the outstanding rupee loans of SCBs declined by 6 bps during Q1. The WALR for fresh loans, particularly for housing and commercial vehicles sectors, declined significantly during this period.



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

- On July 15, Reserve Bank put in place additional measures to restore stability to the foreign exchange market. They included raising the MSF rate by 200 bps to 10.25 per cent, restricting the overall access by way of repos under the LAF to ₹750 billion and conducting open market sales of government securities of ₹25 billion on July 18, 2013. As a contingency measure and in anticipation of redemption pressures on mutual funds, Reserve Bank opened a dedicated Special Repo window for a notified amount of ₹250 billion for liquidity support to mutual funds.
- On July 22, Reserve Bank rationalised import of gold by making it incumbent on all nominated banks / entities to ensure that at least one fifth of imported gold is exclusively made available for the purpose of exports. Any import of gold under any type of scheme will have to follow this 20/80 formula. Consequent to this, the earlier instructions banning the import of gold on consignment basis were withdrawn.
- On July 23, Reserve Bank modified the liquidity tightening measures by regulating access to LAF by way of repos at each individual bank level and restricting it to 0.5 per cent of the bank's own NDTL. This measure came into effect from July 24, 2013. The Cash Reserve Ratio (CRR), which banks have to maintain on a fortnightly average basis subject to a daily minimum requirement of 70 per cent, was modified to require banks to maintain a daily minimum of 99 per cent of the requirement.

Top Stories

Tata launches first white-label ATM

Tata Communications Payment Solutions (TCPS), a wholly-owned subsidiary of Tata Communications has launched the country's first white-label ATM at Chandrapada, a Tier-V town near Mumbai. The facility has been branded 'Indiacash'. Last month, TCPS secured a licence from RBI to launch white-label ATM operations, under its scheme "B". Under this scheme, the white-label ATM licensee has to install at least 5,000 ATMs a year, for three years. For every two ATMs installed in Tier-III to Tier-VI centres, the company can install an ATM in Tier-I and Tier-II centres.

Banking Policies

Private placement norms for NBFCs tightened

RBI has asked Non-Banking Financial Companies (NBFCs) not to raise money in private placement from retail investors. Lately, NBFCs have been raising resources from the retail public on a large scale, through private placement, especially through debentures. RBI has brought private placement for NBFCs at par with other financial companies under Companies Act, 1956 which was not applicable to them. The regulator wants the private placement of debentures to be restricted to 49 investors identified upfront by NBFCs. Minimum subscription for a single investor would be ₹25 lakh and in multiples of ₹10 lakh thereafter. Also, money raised through debentures should be used by NBFCs themselves and not as a resource for other group or parent firms.

NBFC-AFCs can raise ECBs under automatic route

RBI has allowed asset financing Non-Banking Financial Companies (NBFC-AFCs) to raise funds through ECBs under the automatic route, instead of the approval route as mandated earlier. NBFC-AFCs can now raise funds via ECB for finance of import of infrastructure equipment which would be leased to infrastructure projects. The move is aimed at improving dollar inflow at a time when the rupee is weakening. Such ECBs, including outstanding ECBs under the automatic route, could be availed up to 75% of owned funds of NBFC-AFCs, but they can raise a maximum of $200 million in each financial year. RBI has asked AFCs to hedge the currency risks in full. AFCs will need RBI's approval to borrow more than 75% of their net owned funds in ECB.

Uniform charges for same services

RBI has directed lenders not to discriminate against their customers; and follow a uniform, fair and transparent pricing policy. Banks should not discriminate between their customers at a home branch and non-home branches under the Core Banking Solutions (CBS) platform. If a particular service is provided free at the home branch, the same should be available free at non-home branches also. There should be no discrimination as regards intersol charges between similar transactions done by customers at home branch and non-home branches. Charges levied by banks on their customers for products and services are called intersol charges. RBI has emphasised that non-uniformity between intersol charges was contrary to the spirit of RBI guidelines on reasonableness of bank charges.

Hire registered telemarketers

To address the problem of customer grievances, RBI has asked banks to engage only registered telemarketers for their promotional activities. RBI has noticed that many banks and financial institutions engage those telemarketers for marketing their services, who were not registered with the Telecom Regulatory Authority of India (TRAI). The unregistered telemarketers were using their normal telephone connections for making commercial calls to customers registered in the National Customer Preference Register; thus causing a lot of customer grievance. It is, therefore, reiterated that banks should engage only those telemarketers who are registered in terms of the guidelines issued by TRAI for all their promotional / telemarketing activities.

RBI eases process of phasing out non-CTS cheques

After extending the deadline for withdrawal of the residual non-Cheque Truncation System (CTS) 2010 standard cheque from March 31 to July 31, 2013, RBI has now introduced separate clearing session at three CTS centres of Mumbai, Chennai and New Delhi for clearing residual non-CTS 2010 instruments, including post-dated and EMI cheques w.e.f. January 1, 2014. The separate clearing session will initially operate thrice a week Monday, Wednesday and Friday up to April 30, 2014. After that, the frequency of such separate sessions will be reduced to twice a week up to October 31, 2014 (Monday and Friday) and, then, from November 1, 2014, once a week every Monday.

Banks must link import credit period to operating cycle

As a step to curb building up risks from short-term credit, RBI has asked banks to link trade loans for imports to the operating cycle and trade transaction. Bankers said the directive is a step to rationalize credit usage pattern. With cheap rates for trade credit, there was tendency to borrow for a period more than what operating cycle of a unit required. For e.g., if the operating cycle of units (importing goods and materials) was three months, it sought trade credit for six months to enjoy use of cheap funds in foreign currency. If the position was un-hedged it would expose units to currency risks.

Banking Developments

Discom bonds under FRP not eligible for SLR status

Reserve Bank of India (RBI) has reiterated that bonds issued by State Power Distribution Companies (Discom) as part of the Financial Restructuring Plan (FRP) will not be eligible for Statutory Liquidity Ratio (SLR) status and will be valued according to terms laid out by the government last year. Last year, the Centre had dropped a proposal to accord SLR status to the bonds issued by banks under the FRP restructuring scheme for State Electricity Boards (SEB). While RBI has directed states to consider their guarantee limits before giving guarantees to banks, lenders are not agreeable for restructuring any discom which is not fully guaranteed by the state.

RBI's regulatory forbearance keeps mounting NPAs in check

Since 2008, RBI had relaxed norms for restructured loans several times and allowed lower provisioning for select categories loans. The well-intentioned regulatory relaxations have prevented a rise of nearly ₹90,000 crore in NPAs. These relaxations include allowing unsecured loans to micro-finance companies to be restructured in 2011, and allowing second restructuring of loans on a case-to-case basis. State electricity boards and the aviation sector are two notable examples wherein loans were restructured for a second time, but were not classified as NPAs.

Banks to up provisioning for unhedged foreign currency exposures

RBI has introduced incremental provisioning and capital requirements for bank exposures to corporates having unhedged foreign currency exposures. These measures, which have been introduced as Unhedged Foreign Currency Exposure (UFCE) of corporates, are a source of risk to them as well as to the financing banks and the financial system. Large unhedged forex exposures have resulted in accounts becoming NPAs in some cases. UFCE means that fund / non-fund based exposure of corporate and banks are not protected against adverse currency movements. As a prudential measure, all exposures (of banks) to these corporates (whether in foreign currency or in Indian rupee) would attract incremental capital and provisioning requirements (i.e. over and above the present requirements). The incremental provisioning requirement on the total credit exposures will range from 20 bps for likely loss estimate (estimate of the riskiness of the unhedged position) of more than 15% and up to 30%; to 80 bps for likely loss estimate of more than 70%. This new provisioning requirement will be over and above the extant standard asset provisioning. RBI says, there will be a 25% increase in the risk weight if the likely loss estimate is more than 75%.

Borrowers' consent not needed to share credit information

RBI has stated that banks and financial institutions need not seek borrowers' consent to share credit information with Credit Information Companies (CICs). This advice comes as the Credit Information Companies (Regulation) Act provides statutory backing for sharing of credit information by credit institutions with CICs. With the CIC Act coming into force, the "consent clause" has become redundant. Previously, consent clause (for sharing information with CICs) was needed in the loan / credit documents.

RBI gives in-principle nod for all-woman bank

RBI has given an in-principle approval to set up India's first all-woman bank. The proposed bank will be the first-ever commercial bank to be floated by the Central Government and is expected to have a pan-India presence with six branches to begin with. The headquarters is likely to be located at New Delhi. The Government will initially pump in ₹1,000 crore as paid-up capital of the bank. Initially, the bank is likely to start in November with at least one branch in each major region - North, South, West, East, Centre and the North East. It will lend mostly to women and women-run businesses besides providing support to women Self-Help Groups (SHGs). It will predominantly employ women and accept deposits from both men & women.

Non-food credit up 14.4% from last year

Lack of investment pick-up has kept the non-food credit growth under 15% year-on-year (y-o-y) for the last eight fortnights. For the fortnight ended July 12, non-food credit grew at a lacklustre pace of 14.4% y-o-y to ₹52,89,695 crore. Credit growth slipped below 15% y-o-y in the fortnight ended March 22 to 14.4% y-o-y. Since then, the y-o-y credit growth has ranged between 13.75% and 14.91%. Bankers do not expect any pickup in demand for loans for new projects in the first half of FY14. For FY14, RBI has projected credit growth of 15%, 100 bps below the projection last year. On the face of drying corporate loans, bankers will continue to focus on retail loans. To get a larger portion of the retail loan portfolio, banks have started to tinker with their lending rates in the housing segment, which composes the largest segment of the retail credit.

Bank frauds : numbers decline, but amount increases sharply

While the number of frauds reported by banks to RBI declined between FY10 and FY13, the amount involved has increased by 324 %. According to RBI, nearly 80% of the cases involved amounts less than ₹1 lakh, while on an aggregated basis the amount involved in such cases was only around 2% of the total sum involved. The large value fraud cases (₹50 crore and above) has increased more than ten-fold from three cases in FY 2009-10. The banking regulator has divided frauds into three categories : technology-related, KYC-related and advances-related. Frauds related to the advances portfolio account for the largest share of the total amount involved.

Year-wise number and amount of fraud cases :

Year	No. of cases	Total amount (₹crore)
2009-10	24,791	2,037.81
2010-11	19,827	3,832.08
2011-12	14,735	4,491.54
2012-13	13,293	8,646.00
Total*	1,69,190	22,910.12

** Total frauds reported as of March 2013*

Regulator's Speak...

Banks facing huge asset-liability mismatch in home loans

Though RBI is concerned about the country's rising external debt, it has allowed External Commercial Borrowing (ECB) for housing. Mr. H. R. Khan, Deputy Governor, RBI reveals "We are very worried about India's external debt going up in a big way; but given the importance of the housing sector, we have opened ECB in a limited way allowing up to $1 billion a year." Mr. Khan noted that banks were facing huge asset-liability mismatches in lending for housing. Banks are in the business of collecting deposits from short-term depositors but housing loan is a long-term finance. So there is a huge mismatch in terms of assets liability and availability of resources and issues of getting long-term interest liability so that they can cater to long term housing finance.

Banks must have systems for regulatory compliance

Banks must put in place systems to identify and rectify deviations from internal processes as well as regulatory rulings, said Dr. K. C. Chakrabarty, Deputy Governor, RBI. He avers "banks need to have a compliance policy, structure, manual and the right set of people in place to look into compliance issues. Banks must also conduct internal and external compliance audit, else all compliance will just remain on paper."

Dr. Subbarao's 10 commandments for RBI

Dr. D. Subbarao, Governor, RBI wants the apex bank to become a 'knowledge institution' for responding to the changing global economic scenario. "There has been a rigorous debate across the world, including India, about the autonomy and accountability of central banks. A central bank is expected to go beyond monetary policy. RBI should also be attentive to the global happenings; it cannot operate from the ivory tower anymore." Elaborating on the theory of RBI becoming a knowledge institution, Dr. Subbarao gave 10 attributes for the central bank to be future-ready and transform its knowledge into wisdom. The attributes he listed were: RBI should learn to manage policy in a globalizing world; should be able to make intelligent, mature and balanced judgement; should be open minded to learn new things; must be a learning institution; must generate knowledge; should be open, communicative and consultative; must aim at extensive outreach; must take accountability seriously; should think positive; and be driven by values and ethics.

Microfinance

Bank lending to MFIs: Income generation criteria

RBI has specified that bank credit to Micro Finance Institutions (MFIs) for on-lending to income generation activities should not be less than 70% of loans given to income generation activities and will qualify as priority sector lending, earlier the limit was 75%.

Forex

Benchmark Rates for FCNR(B) Deposits applicable for the month of August 2013					
LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.67319	0.482	0.776	1.168	1.563
GBP	0.85938	0.7098	0.8717	1.1140	1.4051
EUR	0.46643	0.556	0.741	0.964	1.196
JPY	0.41429	0.275	0.316	0.379	0.463
CAD	1.37000	1.552	1.780	2.033	2.257
AUD	2.47600	2.645	2.893	3.185	3.420
CHF	0.24340	0.198	0.337	0.522	0.730
DKK	0.62000	0.7850	0.9745	1.2050	1.4420
NZD	2.91250	3.370	3.708	3.965	4.175
SEK	1.28000	1.446	1.674	1.890	2.110
SGD	0.47500	0.705	1.000	1.405	1.795
HKD	0.51000	0.650	0.930	1.310	1.700
MYR	3.28000	3.370	3.480	3.700	3.840

Source : FEDAI

Foreign Exchange Reserves		
Item	As on 26th July 2013	
	₹Bn.	US$ Mn.
	1	2
Total Reserves	16,522.3	280,162.9
(a) Foreign Currency Assets	14,849.2	252,050.7
(b) Gold	1,286.8	21,555.5
(c) SDRs	257.7	4,374.2
(d) Reserve Position in the IMF	128.6	2,182.5

Source : Reserve Bank of India (RBI)

Products & Alliances

Organisation	Organisation tied up with	Purpose
Punjab National Bank	NCDEX Spot Exchange	To provide credit to farmers, processors and market participants. They will be able to avail loan against their produce from the bank.
	National Seeds Corporation Ltd.	For financing the farmers for producing quality seeds.
Kotak Mahindra Bank	Western Union	The service allows any person in the country with a valid identity proof to directly remit money into a bank account.
Syndicate Bank	Life Insurance Corporation (LIC)	To provide insurance coverage to the large customer base of the Bank.
State Bank of India (SBI)	UAE Exchange and Financial Services	Launched State Bank Express Money card a co-branded prepaid one that can load up to ₹50,000 for loading inward remittances received under the RBI's money transfer service scheme, on the Visa network
SIDBI	Kreditanstalt fur Wiederaufbau (KfW), Germany	Loan agreement for Euro 100 million and financing agreement for Euro 500,000 for on-lending to MSEs
HDFC Bank	Jet Airways	Launched India's first premium debit card, the JetPrivilege - HDFC Bank World Debit Card.
Central Bank of India	Mahindra & Mahindra	For financing facilities for its entire range of vehicles, except two-wheelers
YES Bank	AEGON Religare Life Insurance (ARLI)	For collection of insurance premium

New Appointments

Name	Designation / Organisation
Mr. Sudhir Kumar Jain	Chairman & Managing Director, Syndicate Bank
Mr. Rajeev Rishi	Chairman & Managing Director, Central Bank of India
Mr. M. S. Raghavan	Chairman & Managing Director, IDBI Bank Limited

Name	Designation / Organisation
Ms. Arundhati Bhattacharya	Managing Director, SBI
Mr. S. B. Mainak	Managing Director, LIC

Basics of the Bond Market

A bond is an instrument used by a company or government for borrowing money for a specified period of time at a certain interest rate - fixed or floating. A bond is a debt instrument and the buyer of these is a company's or a government's creditor. The face value of a bond, also called the par value, is the amount that a bond holder gets when a bond matures. The coupon is the interest rate that the bond holder receives (usually half yearly) till the date of maturity which is when the money borrowed is paid back. Another term associated with a bond is yield. It refers to the return earned from investing in a bond. Yield is equal to coupon (interest) amount divided by the bond price. That is, the bond price and the yield are inversely related. The price of a bond keeps changing in response to many factors. A bond is said to be trading at a premium when its price exceeds the face value and is said to be at a discount when its price is below the face value.

Basel III - Capital Regulations

The main objective of the Basel III framework issued by the Basel Committee on Banking Supervision (BCBS) in December 2010 is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from financial sector to real economy. The reform package will amend certain provisions existing under Basel II framework and introduce some new concepts and requirements. These new global regulatory and supervisory standards mainly seek to raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis, increase the risk coverage of the capital framework, introduce leverage ratio to serve as a backstop to the risk-based capital measure, raise the standards for the supervisory review process (Pillar-2) and public disclosures (Pillar-3) etc. The macro prudential aspects of Basel III are largely enshrined in the capital buffers. Both the buffers i.e. the capital conservation buffer and the counter-cyclical buffer are intended to protect the banking sector from periods of excess credit growth. The provisions of Basel III include :

a) The Basel III capital regulation has been implemented from April 1, 2013 in India in phases and it will be fully implemented as on March 31, 2018.

b) To ensure smooth transition to Basel III, appropriate transitional arrangements have been provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc. Consequently, Basel III capital regulations would be fully implemented as on March 31, 2018.

c) Banks are required to maintain a minimum Pillar-1 Capital to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis (other than capital conservation buffer and Counter-cyclical capital buffer etc.).

d) Capital requirements for the implementation of Basel III guidelines are lower in the initial periods and higher in later years.

e) Banks are required to disclose the capital ratios computed under Basel III capital adequacy framework from the quarter ending 30.06.2013.

f) The Basel III capital regulations continue to be based on three-mutually reinforcing Pillars, viz. minimum capital requirements, supervisory review of capital adequacy, and market discipline of the Basel II capital adequacy framework, etc.

A bank shall comply with the capital adequacy ratio requirements at two levels *viz.* the consolidated (“Group”) level and standalone (Solo) level which measure the capital adequacy of a bank based on its capital strength and risk profile.

Under the Basel II framework, the total regulatory capital comprises of Tier-I (core capital) and Tier-2 capital (supplementary capital). In order to improve the quality and quality of regulatory capital, capital will predominantly consist of Common Equity under Basel III. Non-equity Tier-1 and Tier-2 capital would continue to form part of regulatory capital subject to eligibility criteria as laid down in Basel III. Accordingly, the total regulatory capital will consists of the sum of the following categories :

i) Tier-1 Capital (going-concern capital) : comprises of :
   a) Common Equity Tier-1 capital
   b) Additional Tier-1 capital

ii) Tier-2 Capital (gone-concern capital)

The Tier-1 capital comprises of common shares (paid up capital), stock surplus (share premium), statutory reserves, capital reserves, other disclosed reserves, if any, etc. The additional Tier-I capital includes Perpetual Non-cumulative Preference shares (PNCPS), debt capital instruments, any other type of instruments as per RBI, etc. The Common Equity Tier-1 (CET1) capital must be at least 5.5% of risk-weighted assets (RWAs) i.e. for credit risk + market risk + operational risk on an ongoing basis. Tier-1 capital must be at least 7% of RWAs on an ongoing basis. Thus, within the minimum Tier-1 capital, Additional Tier-1 capital can be admitted maximum at 1.5% of RWAs. Total Capital (Tier-1 Capital plus Tier-2 Capital) must be at least 9% of RWAs on an ongoing basis. Thus, within the minimum CRAR of 9%, Tier-2 capital can be admitted maximum up to 2%. If a bank has complied with the minimum Common Equity Tier-1 and Tier-1 capital ratios, then the excess Additional Tier-1 capital can be admitted for compliance with the minimum CRAR of 9% of RWAs. In addition to the minimum Common Equity Tier-1 capital of 5.5% of RWAs, banks are also required to maintain a capital conservation buffer (CCB) of 2.5% of RWAs in the form of Common Equity Tier-1 capital.

(Source : RBI) *(to be contd…)*

(BIS feature will be continued)

Financial Basics

Head line Inflation

The raw inflation figure as reported through the Consumer Price Index (CPI) that is released monthly by Labour Bureau. The CPI calculates the cost to purchase a fixed basket of goods as a way of determining how much inflation is occurring in the broad economy. The CPI uses a base year and indexes current year prices based on the base year's values. The headline figure is not adjusted for seasonality or for the often volatile elements of food and energy prices, which are removed in the Core CPI. Headline inflation will usually be quoted on an annualized basis, meaning that a monthly headline figure of 4% inflation equates to a monthly rate that, if repeated for 12 months, would create 4% inflation for the year. Comparisons of headline inflation are typically made on a year-over-year basis. Also known as "top-line inflation".

Glossary

White Label ATMs

White Label ATM or White Label Automated Teller Machines or WLAs in India will be owned and operated by Non Bank entities. From such White Label ATM customer from any bank will be able to withdraw money, but will need to pay a fee for the services. These white label automated teller machines (ATMs) will not display logo of any particular bank and are likely to be located in non traditional places.

Institute's Activities

Training Programme Schedule for the month of August 2013

Sr. No.	Programme	Date
1.	5th Programme on SME Financing	19th to 24th Aug 2013
2.	9th Leadership Development Programme - PDI	19th to 21st Aug 2013
3.	3rd One Day Workshop on IT security and Cyber crimes	26th August 2013
4.	TOPSIM- Balance Sheet Simulation	26th to 27th Aug 2013

Training activities completed during the month of July 2013

Sr. No.	Programme	Date
1.	3rd Programme on Housing Finance	8th to 10th July 2013
2.	6th Programme on Credit Appraisal (Industrial & Commercial Advances)	22nd to 26th July 2013
3.	3rd Programme on KYC / AML / CFT	22nd to 24th July 2013
4.	2nd Programme on Retail Banking	29th July to 2nd August 2013

News From the Institute

Additional Reading Material for Institute's examination

The Institute has put on its portal additional reading material, for the candidates taking 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.

IIBF Vision via mail

The Institute has started sending IIBF Vision via e-mail 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 portal.

e- India Awards

The Institute has won a citation and trophy for "Use of Assistive Technologies for Training and Assessment" during the 9th e-India awards held at Hyderabad on 23/7/2013 at the hands of Hon. Minister for Information Technology and Communications, Government of Andhra Pradesh, Mr. Ponnala Lakshmaiah. This was in

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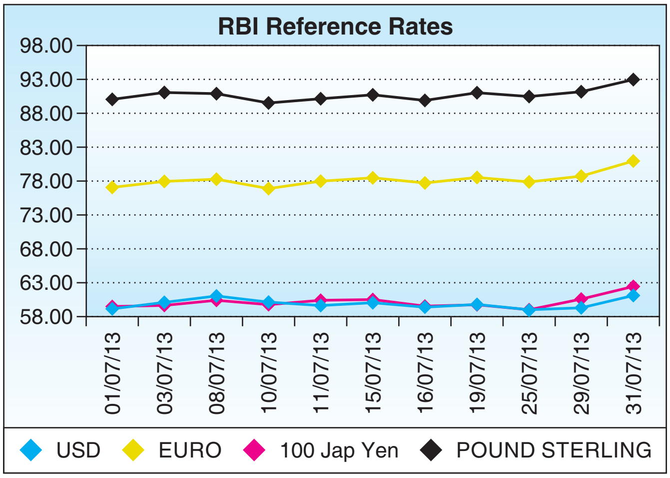
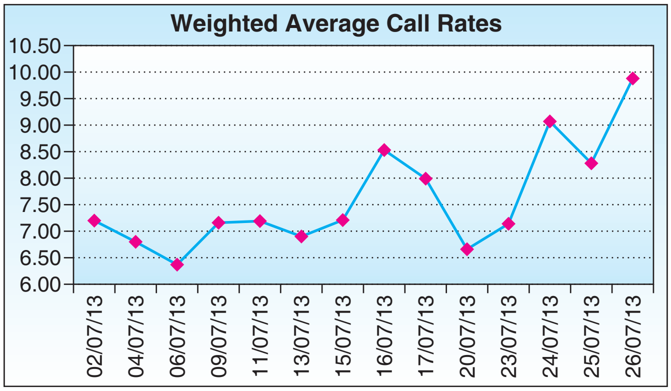
recognition of the use of technology by IIBF for offering the Training cum Certificate course in BC / BF in various parts of the country.

Market Roundup



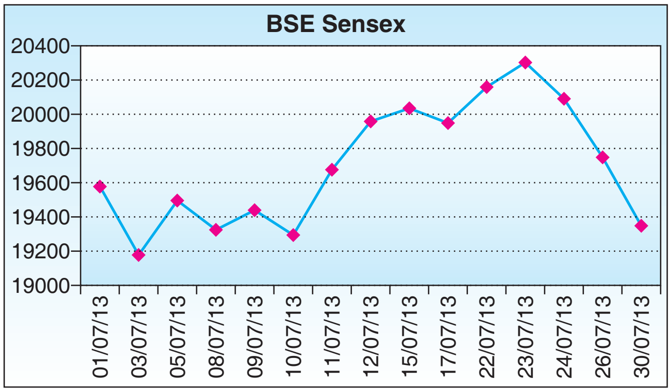
Source : Reserve Bank of India (RBI)

- Falling for the third straight day, the Rupee on 3rd plunged 55 paise to close at 60.21 against the US dollar on fresh capital outflows and sustained dollar demand from importers.
- On 8th rupee touches a new low of 61.21 and closes at 60.61 to a dollar after RBI intervention. The previous low was 60.76 on June 26th and rupee depreciated 13.5% in the last 9 weeks.
- The combined assault of the banking and market regulators on currency speculation helped the rupee recover and brought in signs of stability. The weak rupee which fell to an all-time of ₹61.21 to dollar on 8th recovered to end on 9th 0.8% higher at 60.14. It touched a high of 59.72 but then fell back.
- The rupee strengthened against the dollar on 10th and gained 5 paise after RBI asked state-run oil companies to purchase dollars from a single bank in a bid to support the currency. The rupee closed at 59.7 compared to 60.15 on 9th.
- On 24th the rupee gained 64 paise closing at 59.13 to a dollar after RBI announced stringent liquidity control measures.
- The rupee rose to a five-week high of 58.76 against dollar on 25th indicating that the recent steps taken by Reserve Bank of India to prop up the Indian currency are having an impact.



Source : CCIL Newsletter for July 2013

- In the call market, on 2nd the volumes were ₹22,559.82 crore and the weighted average rate was 7.20%.
- The weighted average rate in NDS (Negotiated Dealing System) call market was 8.54 per cent up from Monday's (15th) 7.21 per cent, according to Clearing Corporation of India Ltd (CCIL) data.
- On 29th, the volume in call market is ₹13,065.34 crore and the weighted average rate is 10.03%.
- The call rates, during the month, moved in the range of 5% and 10.15%.



Source : Bombay Stock Exchange (BSE)

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