



Committed to professional excellence

# IIBF VISION

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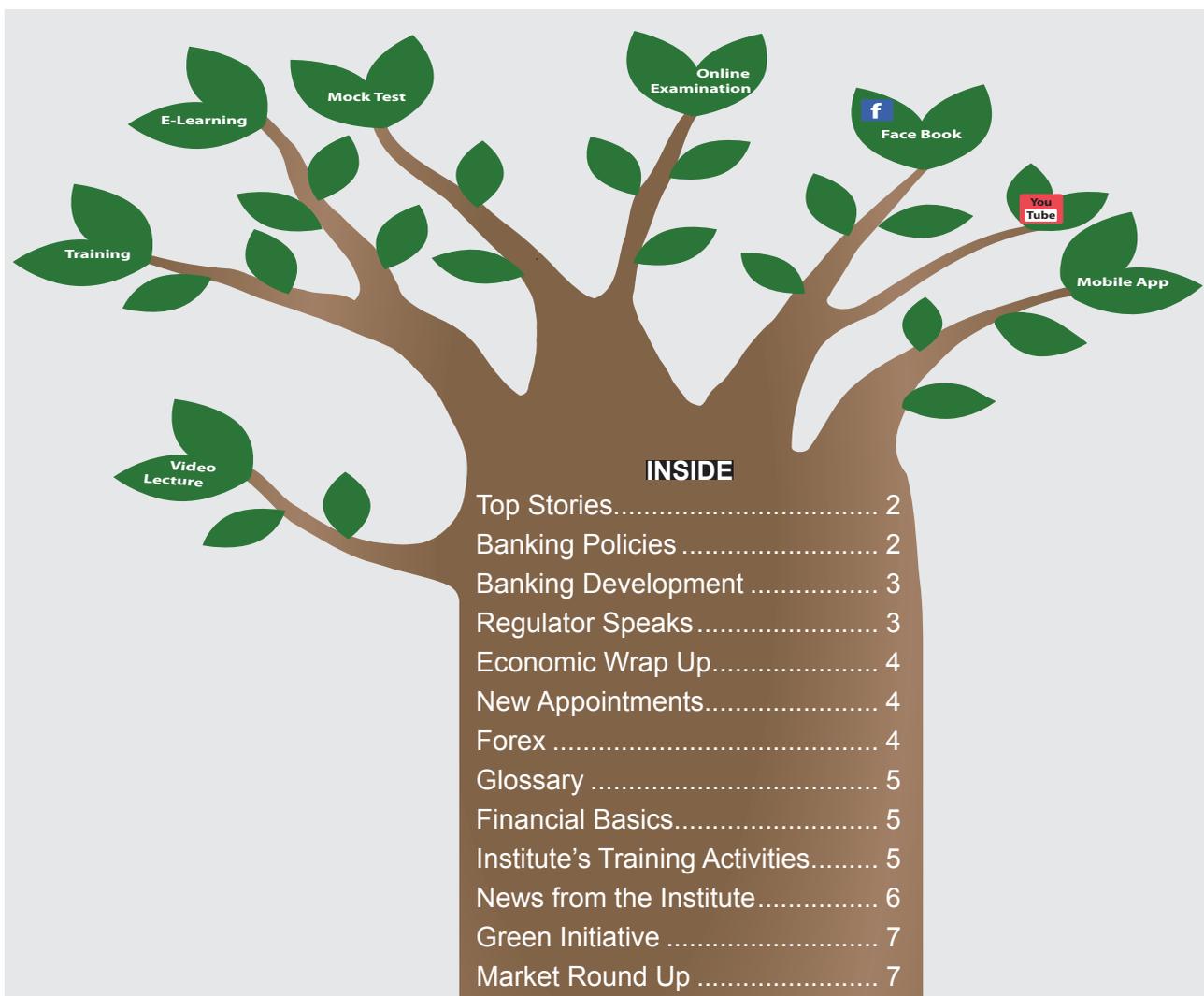
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## VISION

To be premier Institute for developing and nurturing competent professionals in banking and finance field.

## MISSION

To develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs.



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**TOP STORIES****Key Highlights of the Monetary Policy**

The six-member Committee, headed by the Governor, met from 8<sup>th</sup> to 10<sup>th</sup> February 2022. The important points discussed in the meeting are as under:

- The repo rate and reverse repo rate kept unchanged at 4% and 3.35%
- The MSF rate and the Bank Rate kept at 4.25%.
- GDP growth for the next fiscal year projected at 7.8%, CPI inflation projected at 5.3% for the ongoing FY 2021-22 and 4.5% for FY 2022-23.
- Variable rate repo (VRR) operations of varying tenors to be conducted within the cash reserve ratio (CRR) maintenance cycle.
- Variable rate repos (VRRs) and variable rate reverse repos (VRRRs) of 14-day tenors to operate as the main liquidity management tool.
- Fixed rate reverse repo and the MSF operations to be available for a shorter time period.

**RBI reduces time-window for fixed-rate reverse repo, MSF operations for liquidity tightening**

Timings for the liquidity adjustment facility (LAF) under the fixed-rate reverse repo window and the marginal standing facility (MSF) operations have reverted to pre-pandemic time-slots from March 1, 2022. RBI has taken this decision as part of its liquidity tightening measures. During the pandemic, both these operations were being offered from 0900 hrs to 2359 hrs to ensure availability of liquidity throughout the day. However, now, they will be available only from 1730 hrs to 2359 hrs. All other terms and conditions remain unchanged.

**Banking Policies****Credit derivative transactions get master directions from RBI**

W.e.f. May 9, 2022, credit derivative transactions undertaken in Over-the-Counter (OTC) markets and on recognised stock exchanges in India, will follow the master directions issued by the Reserve Bank of India (RBI). Residents and non-residents eligible to invest in corporate bonds and debentures under the Foreign Exchange Management (Debt Instruments) Regulations 2019, will be allowed to participate in the credit derivatives market.

Scheduled commercial banks (excluding small finance banks), payments banks, local area banks and regional rural banks, along with non-bank lenders above certain size and the state-run EXIM Bank, NABARD, NHB and SIDBI will act as market-makers in credit derivatives. The market-makers will classify users as retail or non-retail. The non-retail ones will include non-market-maker NBFCs, insurance companies, pension funds, mutual funds, alternate investment funds, resident companies with over Rs 500 crore in net-worth and SEBI-registered foreign portfolio investors.

**RBI extends liquidity window for emergency health services to June 30, 2022**

In view of the pandemic, on May 5, 2021 the RBI had introduced a liquidity window worth `50,000 crore at repo rate, with tenors of up to three years, to provide on-tap capital towards healthcare infrastructure and services related to Covid-19. The apex bank has now extended this window till June 30, 2022.

**RBI gives NBFCs six more months to implement NPA norms**

In November 2021, the RBI had given NBFCs time till March 31, 2022 to implement the rule wherein bad loans can be upgraded as 'standard' asset only after entire payment of arrears of interest and principal is done. The apex

bank has extended this deadline to September 30, 2022. Borrowers having more than one credit facility with the lender will have to repay the entire arrears of interest and principal for all the credit facilities to upgrade from the NPA category to standard asset category.

## Banking Development

### RBI allows banks in India to offer foreign currency-settled rupee derivatives

Banks in India have been allowed by the RBI to offer offshore Foreign Currency Settled Overnight Indexed Swap (FCS-OIS), to improve price discovery, deepen the interest rate derivatives market, and remove the segmentation between onshore and offshore markets. FCS-OIS will be based on the Overnight Mumbai Interbank Outright Rate (MIBOR) benchmark. Banks may undertake these transactions beyond onshore market hours.

### NBFCs asked to implement CFSS by September 2025

NBFCs-Middle Layer and NBFCs-Upper Layer with 10 and more 'Fixed Point Service Delivery units' as on October 1, 2022 have been asked by the RBI to mandatorily implement 'Core Financial Services Solution (CFSS)' by September 30, 2025. The CFSS is expected to provide seamless customer interface in digital offerings and transactions relating to products and services with anywhere/ anytime facility. It'll also enable integration of NBFCs' functions, provide centralised database and accounting records, and be able to generate suitable MIS, for internal purposes and regulatory reporting.

## Regulator Speaks

### Banks, NBFCs asked to continue capital augmentation, building appropriate buffers

RBI Governor Shaktikanta Das has urged banks and NBFCs to continue with capital augmentation and building up of appropriate buffers to tackle future uncertainties.

India's financial system has stood resilient in face of the volatility brought about by the pandemic. In fact, it is now better-equipped to meet credit demands, as recovery takes hold and investment activity picks up. Balance sheets of Scheduled Commercial Banks (SCBs) are relatively stronger with higher capital adequacy, reduced NPA, higher provisioning cover and improved profitability.

Nevertheless, the Governor has cautioned banks and other financial entities against becoming complacent and dropping their guard. Rather, they are well advised to further strengthen their corporate governance and risk management strategies to build resilience in an increasingly dynamic and uncertain economic environment.

### Supporting cryptos will undermine rupee as currency, make controlling money supply difficult: T Rabi Sankar

RBI Deputy Governor T Rabi Sankar has stated that it is not possible to support cryptocurrencies, as, it could seriously undermine the role of rupee as a currency and impact the ability of authorities to influence money supply. He reasoned that, cryptocurrencies are not currencies or financial assets or real assets or even digital assets; and, it is not possible to regulate something that one cannot define. Hence, accepting cryptocurrencies could lead to effective 'Dollarization' of our economy.

Dollarization refers to a phenomenon where the US dollar is used in addition to, or instead of, the domestic currency of another country.

If that happens, the monetary policy will not have any impact on the non-rupee currencies or payment instruments, which in turn will undermine the ability of authorities to control money supply or interest rates. Further, since cryptocurrency payments can happen outside the ambit of capital account regulations, it could adversely affect the policy control on capital flows, and thus the integrity of the capital account regime. As a result, foreign exchange reserve accretion and exchange rate management will be severely affected and give birth to serious macroeconomic stability issues.

## Economic Wrap Up

Performance of some of the key economic indicators, as per the Monthly Economic Report January 2022 from the Department of Economic Affairs are highlighted below:

- GDP at Constant (2011-12) prices in the third quarter of FY 2021-22 is estimated at ₹38.22 lakh crore, as against ₹36.26 lakh crore in the same period of FY 2020-21, showing a growth of 5.4%.
- The annual rate of inflation based on monthly WPI stood at 12.96% for Jan'22.
- The CPI for Jan'22 stood at 6.01%.
- Credit support to agricultural sector registered unwavering robust growth of 14.5% in December 2021.
- The PMI manufacturing index continued to be in expansionary zone at 54. However, PMI Services consequently moderated to a six-month low of 51.5 in January 2022.
- The quick estimates of Index of Industrial Production (IIP) with base 2011-12 for the month of December, 2021 stands at 138, 0.4% higher as compared to December, 2020.
- The combined Index of Eight Core Industries stood at 141.3 in December, 2021 which increased by 3.8 % as compared to the Index of December, 2020.
- Credit growth to industry rose steeply by 7.6% YoY in December 2021.
- India's merchandise exports in January 2022 registered an increase of 25.3 and 33.4% over January 2021 and January 2020 levels respectively.
- 10-year G-sec yield decreased by 28 bps to 6.7% as of January, 2022.

### RBI report: India's economy recovering speedily after the 3<sup>rd</sup> Covid wave

The RBI, in its State of the Economy report, states that India's economy is gaining momentum while coming out of the relatively less virulent third Covid wave. It stated that consumer and business confidence was far more resilient in the third wave due to accelerated pace of vaccination, and better prospects on the general economic situation, household incomes, and spending. In February 2022, mobility indicators recovered to pre-pandemic levels and unemployment rate dropped, with companies drawing up massive hiring plans. Robust GST collection, toll collections and e-way bill generations are all pointing towards a revival. Manufacturing and services remain in expansion, with optimism on demand parameters and uptick in consumer and business confidence. The farm sector also remains upbeat due to higher minimum support prices announced by the government.

## New Appointments

Name	Designation
Pralay Mondal	Deputy MD, CSB Bank
Madhabi Puri Buch	Chairperson, SEBI

## Forex

Foreign Exchange Reserves		
Item	As on February 25, 2022	
	₹ Cr.	US\$ Mn.
	1	2
<b>1 Total Reserves</b>	4755726	631527
<b>1.1 Foreign Currency Assets</b>	4253494	564832
<b>1.2 Gold</b>	319800	42467
<b>1.3 SDRs</b>	143381	19040
<b>1.4 Reserve Position in the IMF</b>	39051	5187

Source: Reserve Bank of India

**BASE RATES OF ALTERNATIVE REFERENCE RATES (ARRs) FOR FCNR (B) DEPOSITS APPLICABLE FOR THE MONTH OF MARCH 2022**

Currency	Rates
USD	0.05
GBP	0.4451
EUR	-0.576
JPY	-0.017
CAD	0.1900
AUD	0.10
CHF	-0.718465
NZD	1.00
SEK	-0.093
SGD	0.2791
HKD	0.03075
MYR	1.75

Source: www.fbil.org.in

## Glossary

### Fixed Point Service Delivery Unit

A 'Fixed point service delivery unit' is a place of operation from where the business activity of non-banking financial intermediation is carried out by the NBFC and which is manned either by its own staff or outsourced agents. It carries uniform signage with name of the NBFC and functions under administrative control of the NBFC. Administrative Offices and Back Offices which do not have any direct interface with customers should not be treated as a 'Fixed point service delivery unit'.

## Financial Basics

### Receivables Turnover Ratio

The receivables turnover ratio is an accounting measure used to quantify a company's effectiveness in collecting its receivables or money owed by its clients. This ratio measures how well a company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. The formula for arriving at the ratio is  $\text{Accounts Receivable Turnover} = \frac{\text{Average Accounts Receivable}}{\text{Net Credit Sales}}$

## Institute's Training Activities

### Training Programmes for the month of March/April 2022

Programmes	Dates	Location
Certified Credit Professional	11 <sup>th</sup> to 13 <sup>th</sup> March 2022	Virtual
Business Ethics and Corporate Governance (Workshop)	14 <sup>th</sup> March 2022	
Trade Finance (LCs, Bank Guarantees, DPGs, SBLCs and Trade Credits - Both Domestic & Foreign)	14 <sup>th</sup> to 15 <sup>th</sup> March 2022	
Certificate in Risk in Financial Services	15 <sup>th</sup> to 17 <sup>th</sup> March 2022	
Certified Bank Trainer	22 <sup>nd</sup> to 24 <sup>th</sup> March 2022	
Certified Banking Compliance Professional	6 <sup>th</sup> to 8 <sup>th</sup> April 2022	

## News from the Institute

### Revised schedule of Diploma/ Certificate/ Blended exams

The revised dates for the Diploma/Certificate/ Blended examinations, which were to be held on 20<sup>th</sup> Feb, 27<sup>th</sup> Feb and 6<sup>th</sup> March 2022 have been announced. For more details, please visit our website [www.iibf.org.in](http://www.iibf.org.in).

### Revision in passing criteria of Self-Paced E-learning Course

The passing marks for the Final Evaluation/Test under the Self-Paced E-learning mode for the Certificate Courses in DIGITAL BANKING & ETHICS IN BANKING have been revised from 70% to 60%. This will be effective for registrations done for Self-Paced E-learning Courses on or after 1st March 2022.

### IIBF releases the Banking and Finance Yearbook

IIBF releases the "Banking & Finance Yearbook" updated up to December, 2021. It is a comprehensive digest of all major developments, trends, expert views and regulatory changes across different verticals in Banking & Finance domain including the extracts of important speeches rendered by senior officials of RBI, select articles published in IIBF's journal Bank Quest for giving the reader a wholesome reading experience. The book is available on Amazon both as a paperback and as a Kindle edition. The book will also be available in the retail outlets of our publisher, M/s Taxmann Publications (Pvt.) Ltd.

### Launch of Certified BFSI Professional Course

IIBF, in collaboration with the National Institute of Securities Markets (NISM) and National Insurance Academy (NIA), virtually launched the Certified BFSI Professional course on 11<sup>th</sup> February 2022. This course is a unique and one-of-its kind initiative offered to aspirants desiring to make a career in the BFSI sector. It is a 187 hour E-learning programme to be completed over a duration of 9 months. For more details, please visit [www.iibf.org.in](http://www.iibf.org.in).

### Collaboration with Jamnalal Bajaj Institute of Management Studies (JBIMS)

The Institute has collaborated with JBIMS for jointly certifying the Advanced Program on Strategic Leadership for Senior Executives of Banks/FIs. The objective of the program is to enhance strategic thinking and ability to create a sustainable vision of the future of the organisation. The program is a 30 hour (5-day) program to be conducted only on weekends (Saturdays/Sundays). The first programme, concluded recently, has received an excellent feedback from the participants. For more details, please visit our website.

### JAIIB/DB&F/SOB/CAIIB – Introduction of Revised Syllabi

To keep pace with the developments and to ensure greater value addition to the flagship courses offered by IIBF, the syllabi of JAIIB/DB&F/SOB & CAIIB have been restructured to make them more conceptual and contemporary. The JAIIB/DB&F/SOB/CAIIB examinations under the revised syllabi are tentatively proposed to be held from November/December 2022 onwards or latest from the May / June 2023 onwards in any case.

The last exams under JAIIB/DB&F/SOB/CAIIB as per the old syllabi (present syllabi) will be held during November/December 2022 after which, it will be discontinued. JAIIB/DB&F/SOB/CAIIB exams from May / June 2023 onwards will be held as per the revised syllabi only. For more details, please visit our website [www.iibf.org.in](http://www.iibf.org.in).

### Registration for FRR Exam by GARP USA

The Institute has entered into a MoU with the Global Association of Risk Professionals (GARP), USA for offering the Financial Risk & Regulations (FRR) course to JAIIB or CAIIB passed candidates at a discounted fee of USD 300. The FRR course gives an overview on core aspects of Risk Management viz Credit Risk, Market Risk, Operational Risk and Asset & Liability Management (ALM). The registration window will be open from 1<sup>st</sup> April to 15<sup>th</sup> April 2022. For more details, please visit our website [www.iibf.org.in](http://www.iibf.org.in).

### E-learning for All

The Institute has introduced "E-learning for All" where any individual irrespective of his/her Membership status or Exam Registration status can access the E-learning modules developed by the Institute on various contemporary topics of Banking & Finance. For more details visit [www.iibf.org.in](http://www.iibf.org.in).

### Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter January – March, 2022 is “Effective Resolution of Stressed Assets”.

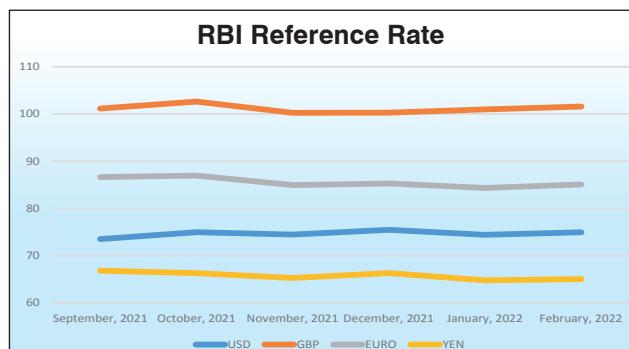
### Cut-off date of guidelines /important developments for examinations

The Institute has a practice of asking questions in each exam about the recent developments / guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments / guidelines from the date the question papers are prepared and the dates of the actual examinations. In order to address these issues effectively, it has been decided that: (i) In respect of the exams to be conducted by the Institute for the period from February 2022 to July 2022, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December 2021 will only be considered for the purpose of inclusion in the question papers. (ii) In respect of the exams to be conducted by the Institute for the period from August 2022 to January 2023, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June 2022 will only be considered for the purpose of inclusion in the question papers.

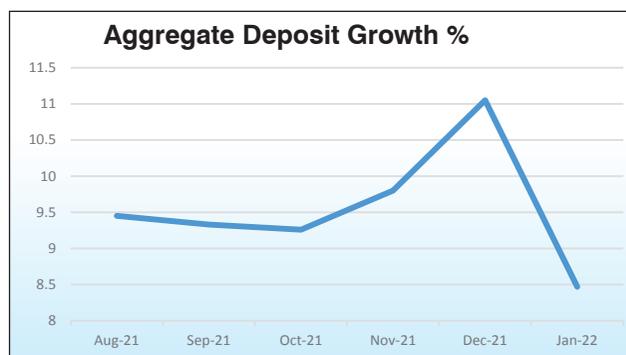
## Green Initiative

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

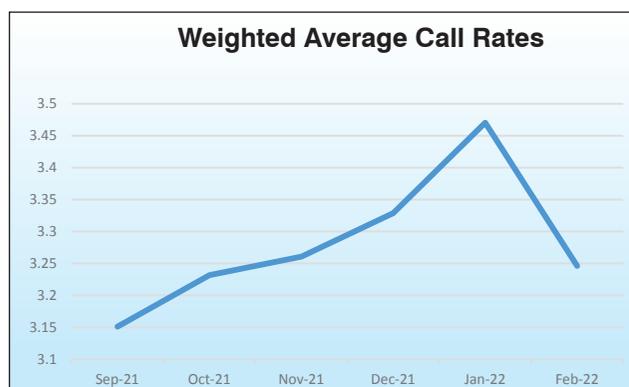
## Market Roundup



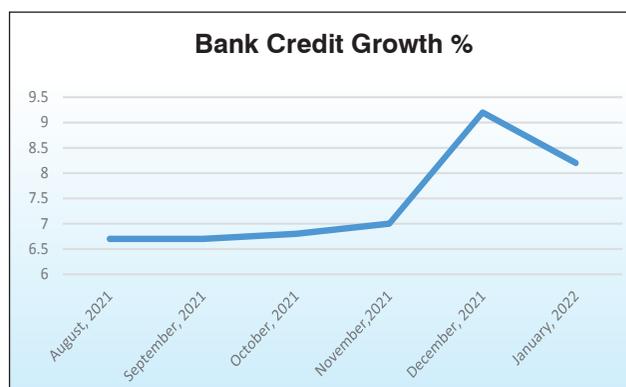
Source: FBIL



Source: Monthly Review of Economy, CCIL, February, 2022

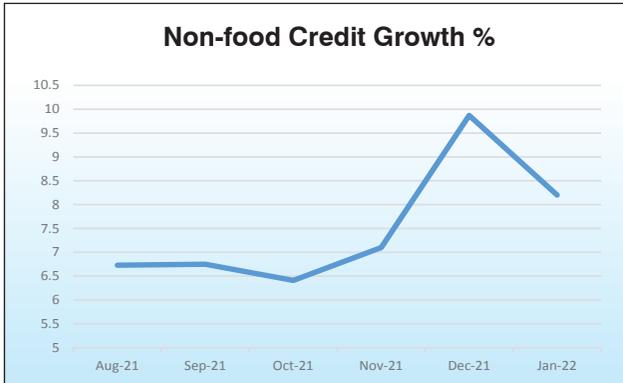


Source: Weekly Newsletter of CCIL

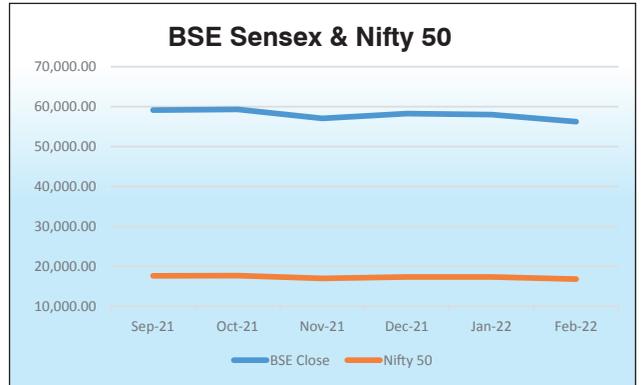


Source: Reserve Bank of India

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Source: Monthly Review of Economy, CCIL, February, 2022

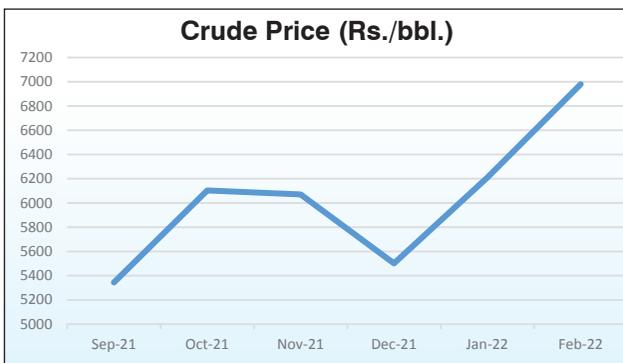


Source: BSE & NSE



Source: Gold Price India

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Source: PPAC, Ministry of Petroleum and Natural Gas

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