



Committed to professional excellence

IIBF VISION

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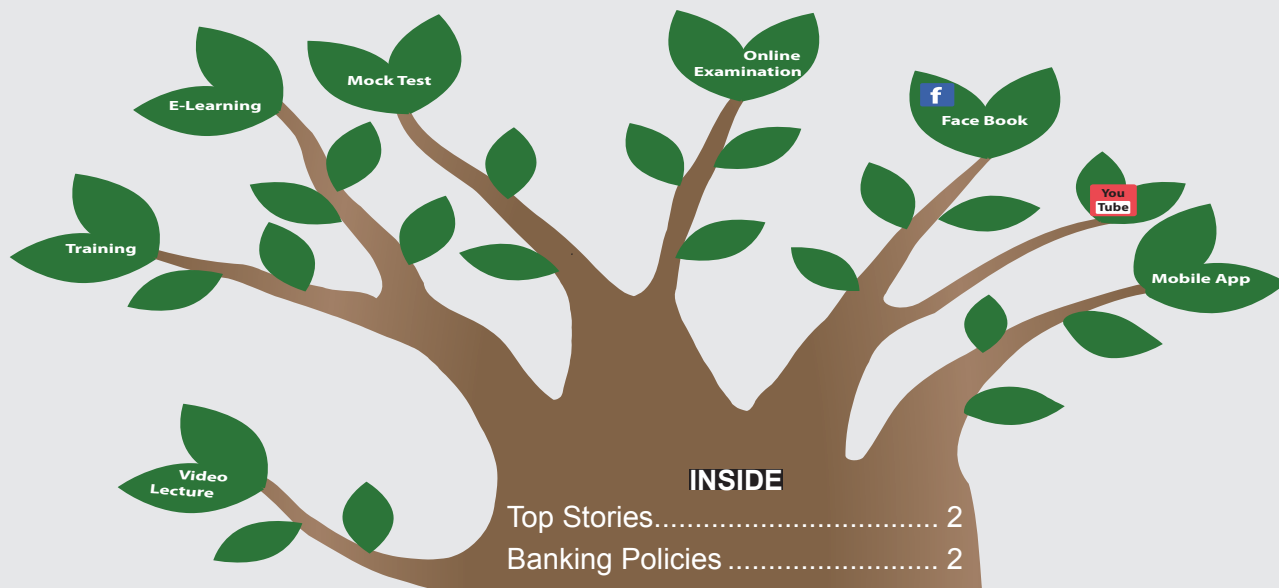
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VISION

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
RBI offers UPI123pay to feature-phone users

40 crore feature-phones users in India can now avail benefits of Unified Payments Interface (UPI) payments through the UPI123pay facility launched by Reserve Bank of India (RBI). UPI123pay can be accessed through Interactive Voice Response (IVR) numbers, an app-based functionality, a sound-based format and also, missed calls.

Alongside, digital payments grievance redressal has also received a boost with the RBI launching DigiSaathi, a dedicated and interactive helpline with toll-free numbers that people can use to seek answers or redressal on digital payments, including cards. As of now available in English and Hindi, DigiSaathi will soon be made available in major regional languages too.

NaBFID to be regulated as AIFI under RBI Act

The National Bank for Financing Infrastructure and Development (NaBFID) will be regulated and supervised as an All India Financial Institution (AIFI) by RBI under the RBI Act, 1934. Established as a Development Financial Institution (DFI) to support the development of long-term infrastructure financing in India, it shall be the fifth AIFI after EXIM Bank, NABARD, NHB and SIDBI.

Bank investments in AIFs and VCFs to be treated at par: RBI

The RBI has stipulated that investments by commercial banks in Alternate Investment Funds (AIFs) category-I and II will get the same prudential treatment as their investment in Venture Capital Funds (VCFs).

RBI has stipulated that for valuation of investments, the quoted equity shares / bonds/ units of VCFs in the bank's portfolio should be marked-to-market on a daily (or at least, weekly) basis. The unquoted shares/bonds/units of VCFs are transferred from Held to Maturity (HTM) to Available for Sale (AFS) category after completion of three years. That time, they're valued differently.

RBI launches innovation hub in Bengaluru

The Reserve Bank Innovation Hub (RBIH) has been launched in Bengaluru under the Chairmanship of former Infosys Chief Kris, Gopalakrishnan. Established as a Section 8 company under the Companies Act with an initial capital contribution of Rs 100 crore, the RBIH's main aim is to encourage financial innovation via an institutional set-up.

Banking Policies

UCBs exempted from investment cap vis-a-vis umbrella organisation

Urban Co-operative Banks (UCBs) have been exempted by the Reserve Bank of India (RBI) from the 10% cap on for their investments in the umbrella organisation.

Earlier norms stipulated that UCBs could invest in non-SLR (Statutory Liquidity Ratio) securities only up to 10% of its total deposits as they stood on March 31 of the previous year. Investments in unlisted securities also could not exceed 10% of the total non-SLR investments at any time. The apex bank has relieved UCBs from both these regulations.

RBI increases eligibility criteria, removes interest cap for microfinance loans

Microfinance loans to a household having an annual income up to Rs. 3 lakhs, now have an increased eligibility criteria and no interest cap. Accordingly, collateral-free loan given to such households will now be considered a microfinance loan. Further, in keeping with the changed definition of Microfinance loans, RBI has reduced the minimum requirement of microfinance loans in total asset portfolio of NBFC-MFIs to 75% from 85% earlier, in order to allow NBFC-MFIs to diversify their portfolio and offer larger loans to mature clients. NBFCs that do not qualify as NBFC-MFIs are now allowed to extend microfinance loans up to 25% of their total assets, as against 10% earlier.

Banks to implement new cash replenishment system at ATMs by March 2023

Obliterating the current system of cash replenishment at ATMs, the RBI has asked all banks to start using only lockable cassettes for the purpose, by March 2023. This is an extended deadline given to banks. RBI has asked banks to fix a board-approved internal timeline to adhere to the extended deadline and submit quarterly status reports. Bank boards have been asked to monitor the progress to ensure due compliance.

Banking Development

NPCI launches UPI Lite for small transactions

In order to reduce the stress on the banking system and make small transactions simpler, the National Payments Corporation of India (NPCI) has launched the 'on-device' wallet feature for Unified Payments Interface (UPI) users. Named as UPI Lite, in its first phase the feature will process small-ticket transactions in near offline mode i.e., debit offline and credit online. At a later stage, it will process transactions in complete offline mode i.e., debit and credit both offline. UPI Lite comes with an upper limit of Rs. 200 for any transaction, with the total limit of UPI Lite e-balance for an 'on-device' wallet capped at Rs 2,000 at any point of time.

Geotagging payment touch points advised by RBI

The RBI wants commercial banks and non-bank payment system operators (PSO) to geotag payment touch points like branches and ATMs.

Geo-tagging means capturing the geographical coordinates (latitude and longitude) of payment touch points deployed by merchants to receive payments from their customers. It can provide insights on regional penetration of digital payments; monitor infrastructure density across different locations; identify scope for deploying additional payment touch points; and facilitate focused digital literacy programmes.

RBI issues guidelines for extended interest equalisation scheme for export credit

After the government extended the Interest Equalization Scheme for export credit till March 2024, the RBI has issued modified norms for the same. Accordingly, the telecom instrument sector having six HS (Harmonised System) lines shall be out of the purview of the plan, except for MSME manufacturer exporters.

Revised interest equalisation rates under the scheme will now be 3% for MSME manufacturer exporters exporting under any HS lines and 2% for manufacturer exporters and merchant exporters exporting under 410 HS lines (after excluding 6 HS lines of the telecom sector).

Banks have been asked to identify the eligible exporters as per the scheme for the period from October 1, 2021, to March 31, 2022, credit their accounts with the eligible amount of interest equalisation, and submit a sector-wise consolidated reimbursement claim for the said period to the RBI by April 30, 2022.

Regulator Speaks

MPC stays committed to price stability: RBI Governor Mr. Shaktikanta Das

RBI Governor, Mr. Shaktikanta Das has stated that the Monetary Policy Committee (MPC) remains committed to its primary mandate of price stability by continuing with an accommodative stance, even as central banks in developed countries are adopting a tighter monetary policy due to high inflation, after a prolonged period of ultra-loose monetary policy.

Mr. Das pointed out that RBI is ahead of the curve as compared to other central banks. It has undertaken unconventional measures to tackle the risks posed by the Covid-19 pandemic even before exhausting the conventional policy space.

Mr. Das stated that number of major economies are facing multi-decadal high inflation due to supply disruptions, tighter labour markets, fragility of the just-in-time inventory management, and geopolitical disturbances. Hence, their central banks are in a difficult position vis-à-vis their policy actions to mitigate the risks. If they act aggressively to contain inflation, which may subside as normalcy prevails, they may run the risk of setting in recession. On other hand, if they act too little and too late, they may fall behind the curve, thus risking growth.

In the same vein, Mr. Das has highlighted the importance of communication and how the RBI uses a variety of tools like press conferences, speeches, and post-policy statements to keep the communication up-to-date, as part of its monetary policy.

RBI may review growth projection: Deputy Governor Mr. Michael Patra

On the backdrop of recent geopolitical tensions posing an upside risk to the earlier projections, the RBI Deputy Governor, Mr. Michael Patra has assured that the apex bank will thoroughly assess inflation in its monetary policy statement in April.

The focus of monetary policy on price stability and the government's responses to keep prices in check will bring India out of a difficult situation. Patra expects India's growth to remain weak as it did during the 2013 taper tantrum. Recovery is expected to be hurt due to tensions between Russia and Ukraine.

He explains that while monetary policy always has domestic orientation, its effects spill over into emerging economies and then spill back to systemically important ones. To some extent, India's external sector will have to bear the brunt of global spill-overs. Patra cautions that the more serious dangers come from spill-overs that have not been seen before. As commodity prices go through the roof in the aftermath of the war, inflation could sap household spending, thus intensifying the risk of a global recession.

Compliance, Risk Management, Audit - Three weaknesses of banks: RBI Deputy Governor Mr. M.K. Jain

RBI Deputy Governor, Mr. M.K. Jain has stated that RBI's supervisory exercises in recent years have found three weaknesses in entities regulated by it. These are compliance, risk management and internal audit.

"Failure/delay in detection and reporting of non-compliances, persisting sub-par compliance, deficiencies in compliance testing with respect to inadequate coverage and limited transaction testing, persisting irregularities due to non-addressing of root causes and not ensuring sustainability of compliance were observed," he said.

Further, in many cases, the compliance setup was not resourced adequately with required number and quality of staff. There's a disconnect between the risk appetite framework as approved by the Board, and the actual business strategy and decision making. A weak risk culture was amplified by absence of guidance from the senior management. Improper risk assessment, and repeated exceptions to risk policies remain rampant. Conflict of interest was also evident, especially in related party transactions and absence or faulty enterprise-wide risk management.

As for internal audit, the audit process was unable to capture irregularities. There were instances of non-coverage of certain areas under scope of audit; compliance and audit were not collaborating with each other.

Economic Wrap Up

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

- Year on year (YoY) growth in real GDP in Q3 of 2021-22 is estimated at 5.4%.
- The annual rate of inflation based on monthly WPI and CPI stood at 13.1% and 6.1% for February, 2022 respectively.
- The Index of Industrial Production recorded a YoY growth of 1.3% in January 2022.
- The combined Index of Eight Core Industries (ECI) stood at 144.4 in January 2022, registering a YoY growth of 3.7%.
- India's manufacturing activity as per PMI manufacturing recovered in February 2022 and stood at 54.9. PMI Services marginally improved to 51.8 in February 2022 from 51.5 in January 2022.
- In February 2022, performance of merchandise exports continued to remain resilient growing YoY at 25.1%. Merchandise imports, on the other hand, grew by 36.1% YoY in February.
- On the supply side, the YoY growth in real GVA for agriculture and allied sectors, industry and services sector was 2.6%, 0.2% and 8.2% respectively.
- On the demand side, consumption, investment, exports and imports in the third quarter of FY 2021- 22 grew at 6.5%, 2.0%, 20.9% and 32.6% respectively over the corresponding period last year.
- GST collection during February 2022 (reflecting January transactions) was Rs. 1.33 lakh crore, registering a double-digit growth of 18% compared to corresponding period last year.

New Appointments

Name	Designation
Nitin Chugh	Deputy Managing Director & Head (Digital Banking), SBI
Kris Gopalakrishnan	Chairman, Reserve Bank Innovation Hub



Forex

Foreign Exchange Reserves		
Item	As on March 25, 2022	
	₹ Cr.	US\$ Mn.
	1	2
1 Total Reserves	4707396	617648
1.1 Foreign Currency Assets	4195294	550454
1.2 Gold	329562	43241
1.3 SDRs	143446	18821
1.4 Reserve Position in the IMF	39094	5132

Source: Reserve Bank Of India

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

Currency	Rates	Currency	Rates
USD	0.28	CHF	-0.700303
GBP	0.6907	NZD	1.00
EUR	-0.579	SEK	-0.107
JPY	-0.004	SGD	0.5117
CAD	0.4500	HKD	0.02437
AUD	0.10	MYR	1.75

Source: www.fbil.org.in

Glossary

Alternative Investments Funds

Alternative Investment Fund or AIF means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors.

Financial Basics

Abnormal Rate of Return

Abnormal rate of return or 'alpha' is the return generated by a given stock or portfolio over a period of time which is higher than the return generated by its benchmark or the expected rate of return. It is a measure of performance on a risk-adjusted basis. An investment's abnormal return could be positive or negative.

$$R_{\text{Abnormal}} = R_{\text{Actual}} - R_{\text{Normal}}$$

News from the Institute

Postponement of Registrations for JAIIB/DBF/SOB - June, 2022

The registrations for JAIIB/DBF/SOB - June, 2022 examination has been postponed till further notice. The revised dates shall be announced shortly. For more details, please visit our website www.iibf.org.in.

Re-Exam in JAIIB/DB&F/CAIIB/CAIIB Electives

For such candidates who were affected with COVID - 19/deputed for election duty on the date/s of examination, re-exam is scheduled on 9th, 23rd and 24th Apr, 2022. For more details, please visit our website www.iibf.org.in.

Schedule for Remote Proctored Examinations April-May 2022 (quarterly)

The schedule for Remote Proctored Examinations April-May 2022 has been announced. For more details, please visit our website www.iibf.org.in.

GARP-FRR Registration window

The registration for the Financial Risk & Regulations (FRR) course in collaboration with GARP, USA is open from April 1, 2022 to April 15, 2022. For registration, please visit https://iibf.esdsconnect.com/Garp_exam. For more details about the course, please visit https://www.iibf.org.in/iib_internationalcollab.asp.

Launch of Advanced Management Programme 2022-23

IIBF announces the XI Batch of Advanced Management Programme 2022-23. The Programme is designed for working executives and covers varied areas of Banking & Finance over a period of 10 months. It is a hybrid program with weekend sessions in online mode and immersion programs in-between. The sessions are taken by expert faculty from Industry and Academia. The next batch begins in June 2022. Registration opens in last week of April 2022. For more details, please visit our website <http://www.iibf.org.in/>.

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 11th 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. The opening remarks were delivered by the dignitaries of the respective institutes and the special address was delivered by Mr. Sunil Mehta, Chief Executive, IBA and Mr. Satyajit Tripathy, Chairman & MD, United India Insurance Company. The program was attended by a good number of colleges, bankers.

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.

Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter April-June, 2022 is “Embedding ESG (Environmental, Social and Governance) into Banks’ strategy”.

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.



Institute's Training Activities

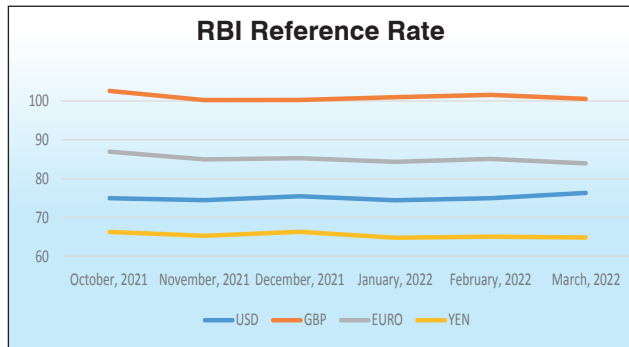
Training Programmes for the month of April 2022

Programmes	Dates	Location
Risk Management in Banks	11 th to 12 th April 2022	Virtual
Trade Finance (LCs, Bank Guarantees, DPGs, SLBCs and Trade Credits- Both Domestic and Foreign)	12 th to 13 th April 2022	
KYC, AML and CFT	12 th to 13 th April 2022	
Certified Credit Professional	16 th to 18 th April 2022	
Certificate in Risk in Financial Services	20 th to 22 nd April 2022	
Internal Auditors	25 th to 26 th April 2022	
Basic Credit Analysis	25 th & 26 th April 2022	
Balance Sheet Reading and Ratio Analysis	25 th to 27 th April 2022	
MSME Credit	26 th to 28 th April 2022	

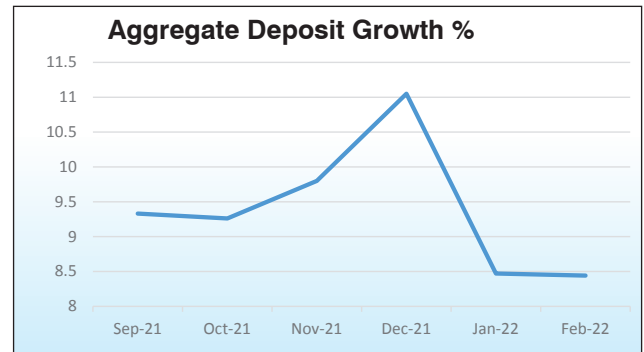
Green Initiative

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

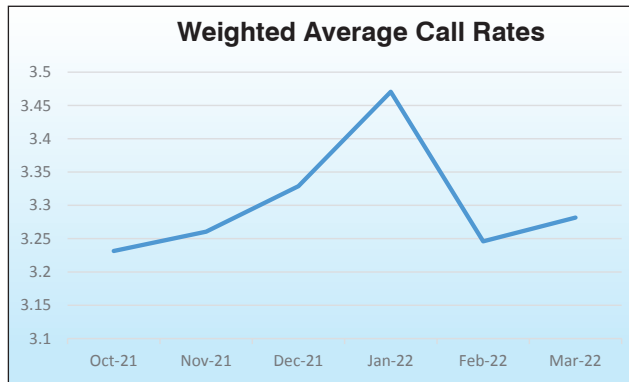
Market Roundup



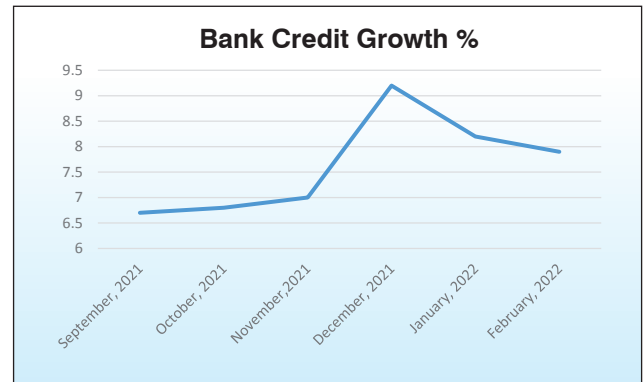
Source: FBIL



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

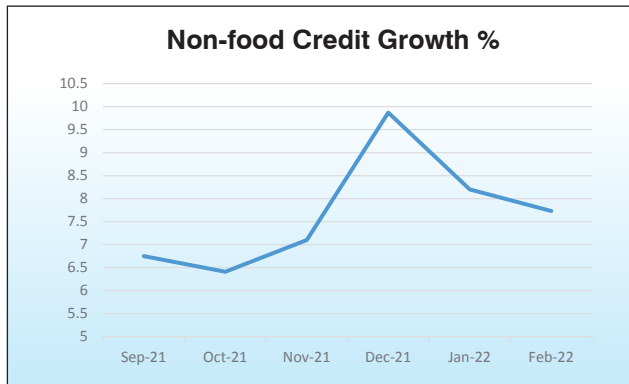


Source: Weekly Newsletter of CCIL

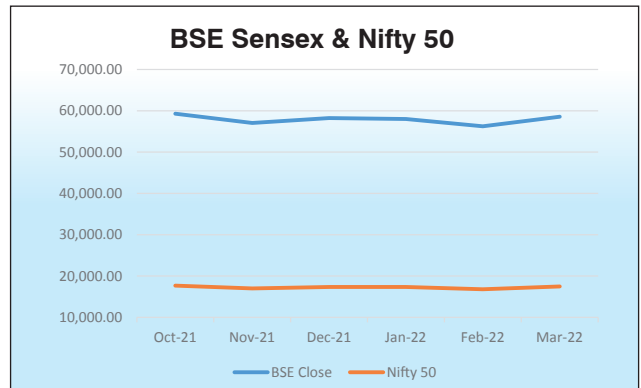


Source: Reserve Bank of India

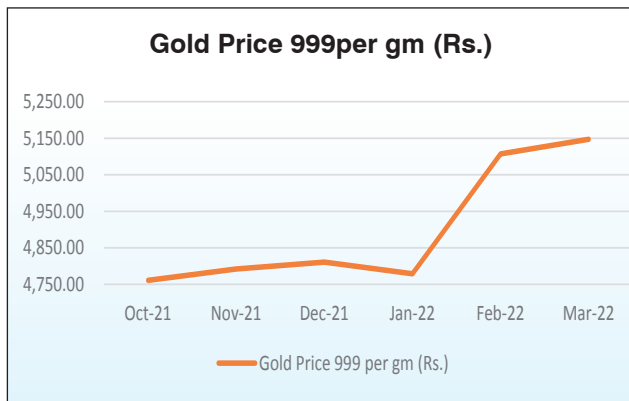
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Source: Monthly Review of Economy, CCIL, March, 2022

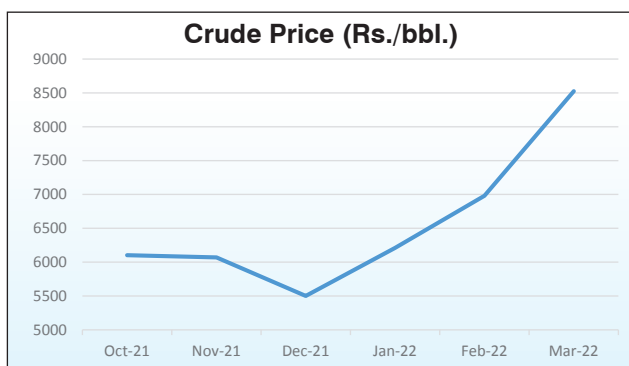


Source: BSE & NSE



Source: Gold Price India

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Source: PPAC, Ministry of Petroleum and Natural Gas

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