



IIBF VISION

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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

Union Budget 2025-26

The key highlights of Union Budget 2025-26 are as follows:

- The four engines of development are Agriculture, MSME, Investment and Exports.
- No tax up to Rs.12 lakh per annum in New tax regime.
- A digital public infrastructure, Bharat Trade Net (BTN) proposed to be set-up for international trade as a unified platform for trade documentation and financing solutions.
- Enhancement of credit with guarantee cover to MSMEs from Rs. 5 crore to Rs. 10 crore.
- PM SVANidhi to be revamped with enhanced loans from banks & Unified Payments Interface (UPI)-linked credit cards with Rs. 30,000 limit.
- Public Sector Banks to set up Grameen Credit Score framework to serve the credit needs of Self-Help Group (SHG) members and people in rural areas.
- Partial Credit Enhancement facility for corporate bonds for infrastructure to be set up at NaBFID.
- Foreign Direct Investment (FDI) limit enhanced for insurance from 74% to 100%.
- The four specific measures proposed to develop modern, flexible, people-friendly and trust-based regulatory framework in financial sector. The measures include setting up of High-Level Committee for Regulatory Reforms, launch of Investment Friendliness Index of States, mechanism of evaluation to be developed under the Financial Stability & Development Council (FSDC) and reform in Jan Vishwas Bill 2.0.

FEMA guidelines amended by RBI to promote cross-border rupee transactions

The Reserve Bank of India (RBI) has made certain amendments to the FEMA guidelines, to promote cross-border transactions in rupees and other local/national currencies.

According to these amendments:

- Overseas branches of Authorised Dealer banks can now open Indian Rupee (INR) accounts for residents outside India, to help facilitate settlement of all permissible current and capital account transactions with residents in India.
- Indian exporters can open foreign currency accounts abroad to settle trade transactions, receive export proceeds and use those proceeds to pay for imports within a specified period.

SEBI's SIF will provide innovative investment avenues for high-net investors

Aiming to attract high net-worth investors with higher risk appetites, the Securities and Exchange Board of India (SEBI) has introduced the Specialized Investment Fund (SIF), a platform allowing investments only above Rs. 10 lakhs. This tailored investment shall allow a maximum of 20% of a SIF's Net Asset Value (NAV) to be invested in non-investment grade debt instruments issued by a single issuer. Exceptions to this rule are Government securities (G-Secs), treasury bills and triparty repos involving these instruments.

The SIF can also invest in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs), but within a ceiling of 20% of the units issued by a single issuer of REITs and InvITs, including the 10% cap already imposed on MF schemes.

MF folios, demat accounts get revamped nomination guidelines from SEBI to enhance transparency

From March 1, 2025 onwards, Mutual Fund (MF) folios and demat accounts shall follow the revamped nomination process issued by SEBI to minimise unclaimed assets and increase transparency. Accordingly, investors will now be allowed to nominate up to 10 persons in the account/folio. They can also specify the percentage allocations for each nominee. Assets in joint accounts will be transferred to surviving holders without affecting prior nominations or operational modes.

Another pertinent feature introduced under the revamped system is the inclusion of digital and physical channels for submitting or updating nominations.

SEBI mandated MFs to disclose IR for RAR to empower investors' decision-making

Asset Management Companies (AMCs) have been asked by SEBI to disclose Information Ratio (IR) for equity-oriented schemes, which is used to measure Risk Adjusted Return (RAR) of MF schemes, on its website, on a daily basis. Daily disclosure shall enable more transparency and help investors to make better investment decisions.

AMCs and AMFI shall also take adequate steps to educate investors about RAR, IR and its significance in scheme performance evaluation.

Banking Policies

RBI released Master Direction on customer's credit information

To establish a standardised framework for reporting and dissemination of credit information and safeguard the confidentiality and security of sensitive credit data, the RBI has issued a Master Direction on reporting of the credit information of customers.

- As per the Master Direction, whenever a customer's Credit Information Report (CIR) is accessed by the Specified Users (SUs), the Credit Information Companies (CICs) will have to send them alerts through SMS/e-mail.
- If a customer's request for data correction is rejected by any Credit Institution (CI), including banks and NBFCs, they will have to furnish the reason for this rejection to the customer.
- If a customer's complaint is not resolved within a period of 30 calendar days from the date of the initial filing of the complaint with a CI/CIC, then the complainant customer shall be entitled to a compensation of Rs. 100 per calendar day.

RBI has revised rules to enable stricter oversight on ARC-borrower settlements

RBI has issued a new framework to streamline and tighten the settlement process for dues payable by borrowers to Asset Reconstruction Companies (ARCs). As per the new guidelines, every ARC must establish a Board-approved policy that governs the settlement of borrower dues by addressing critical aspects such as eligibility criteria for one-time settlements, permissible sacrifices based on exposure categories and methodologies to determine the realisable value of securities.

The settlements for borrowers with outstanding dues exceeding Rs. 1 crore can only proceed after a thorough evaluation by an Independent Advisory Committee (IAC). For dues less than Rs. 1 crore, settlements can be done as per criteria given in the Board-approved policy subject to extant guidelines.

Banking Developments

RBI asks REs to use TRAI's MNRL technology to prevent cyber frauds

To mitigate the misuse of mobile numbers, the RBI has asked REs to:

- Monitor and clean its customer database by using the Mobile Number Revocation List (MNRL) available on the Digital Intelligence Platform (DIP) developed by Department of Telecommunications (DoT), Ministry of Communications, Government of India. This can prevent bank accounts from being used as Money Mules and be used in cyber frauds.
- Provide the DIP with verified details of their customer care numbers, so that the DoT can publish them on the "Sanchar Saathi" portal.
- Undertake transactional/service calls only using '1600xx' numbering series and undertake promotional voice calls only through phone numbers using '140xx' numbering series.

RBI asks banks and NBFCs to step up getting nominations for deposit accounts

To avoid inconvenience and undue hardship to survivors/family members of deceased depositors, the RBI has directed banks to ensure that nomination details are obtained for all current and new customers having deposit accounts, safe custody articles and safety lockers. Banks have also been asked to give wide publicity and provide guidance to deposit account holders on the benefits of the nomination facility. Apart from direct interaction, banks have been advised to use various media channels and conduct periodical drives to raise awareness about the nomination facility.

Monetary penalties under PSS law tightened by RBI

With an aim to rationalise and consolidate enforcement action by the Central Bank, the RBI has tightened norms for imposing monetary penalties and compounding offences under the Payment and Settlement Systems Act (PSS Act). Accordingly, disclosure of prohibited information, operating a payment system without authorisation and not paying imposed penalties within the given timeframe will all be treated as contraventions under the PSS Act. Further, only material contraventions will be taken up for enforcement action in terms of monetary penalty or compounding of offences. The amount of penalty may be based on the principles of proportionality, intent and mitigating factors, if any.

Insurance

IRDAI to insurers: Do not hike premiums for senior citizens beyond 10% in a year

The Insurance Regulatory and Development Authority of India (IRDAI) has restricted all health and general insurers offering indemnity-based health insurance from hiking the premiums for senior citizens by more than 10% in one year.

If, for any reason, an insurer proposes to increase the premium beyond this limit or decides to withdraw a health insurance product offered to seniors, they will have to consult and inform IRDAI about the same.

To accord further benefits to senior citizens, insurers have been asked to adopt standardized hospital empanelment and negotiate package rates on the lines of Pradhan Mantri Jan Arogya Yojana (PMJAY) scheme. IRDAI has also asked insurers to widely publicise all measures taken for them.

Regulator Speaks

Increased loan growth of REs can create structural liquidity issues: RBI Dy Governor Mr. Rao

In recent times, banks' loan growth is happening faster than their deposit growth, leading to increase in their dependency on wholesale funding for credit disbursement. Speaking at the Mint Annual BFSI Summit & Awards, RBI Deputy Governor Mr. M. Rajeshwar Rao expressed concerns over this phenomenon as being an indicator of potential structural liquidity issues. Additionally, Institutionalisation of deposits will bring along specific challenges for the Asset Liability Management (ALM) for banks. NBFCs rely primarily on borrowing (especially via debentures and bank loans) as they lack access to public deposits, which makes their liabilities more sensitive to interest rate changes than those of banks.

Further, he suggested REs to establish formal Contingency Funding Plans (CFPs) aligned with their complexity, risk profile and role in the financial system.

Economic Wrap Up

The Department of Economic Affairs released its Monthly Economic Review, November 2024. The key highlights are as follows:

- India's GDP grew at 5.4% in Q2 of FY25, resulting in a growth of 6% in H1 of FY25.
- Investment, as represented by Gross Fixed Capital Formation (GFCF) at current prices, remained steady at 30.8% of GDP in Q2 of FY25 and 31% of GDP in H1 of FY25.

- The Index of Industrial Production (IIP) grew by 4% YoY from April to October 2024.
- The services sector performed well in Q2 of FY25, growing by 7.1% from the 6% growth recorded in the corresponding period of the previous year.
- Retail inflation softened to 5.5% in November 2024 from 6.2% in October 2024.
- Global merchandise export and import indices grew by 3.5% and 3% respectively, in Q3 of 2024.
- In the second half of November 2024, net FPI inflows reached USD 967.1 million, in contrast to a net outflow of USD 3218.2 million during the first half of the month.
- Foreign Direct Investment (FDI) saw a revival in FY25 with YoY growth of 15.5%.

Forex

Foreign Exchange Reserves			Trends in Foreign Exchange Reserve (US\$ Mn) last 6 months
Item	As on January 31, 2025		<p>Total Reserve (in US\$ Mn)</p> <p>Note: Data as reported on last Friday of respective Month</p>
	₹ Cr.	US\$ Mn.	
	1	2	
1 Total Reserves	5461741	630607	
1.1 Foreign Currency Assets	4656917	537684	
1.2 Gold	614007	70893	
1.3 SDRs	154942	17889	
1.4 Reserve Position in the IMF	35875	4141	

Source: Reserve Bank of India

Base Rates of Alternative Reference Rates (ARRs) for FCNR (B) Deposits as on January 31, 2025 - Applicable for the month of February 2025

Currency	Rates
SOFR (USD)	4.35
SONIA (GBP)	4.7006
€STR (EUR)	2.923
TONA (JPY)	0.477
CORRA (CAD)	3.3000

Currency	Rates
AONIA (AUD)	4.35
SARON (CHF)	0.453005
OCR (NZD)	4.25
SWESTR (SEK)	2.379
SORA (SGD)	2.9786

Currency	Rates
HONIA (HKD)	4.26327
MYOR (MYR)	3.00
DESTR (DKK)	2.5480

Source: www.fbil.org.in

Glossary

Information ratio

Information Ratio (IR) is a financial ratio to measure the Risk Adjusted Return (RAR) of any scheme portfolio. It is often used as a measure of a portfolio manager's level of skill and ability to generate excess returns, relative to a benchmark and also attempts to identify the consistency of the performance by incorporating standard deviation/risk factor into the calculation.

IR is calculated as: (Portfolio Rate of Returns - Benchmark Rate of Returns)/Standard Deviation of Excess Return.

Financial Basics

Index of Industrial Production

Index of Industrial Production (IIP) is one of the prime indicators of the economic development for the measurement of trend in the behaviour of the Industrial Production over a period of time, with reference to a chosen base year. It indicates the changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period.

Institute's Training Activities

Training Programmes for the month of February 2025

Programmes	Dates	Location
Programme on Discipline Management, Investigation & Disciplinary Action/Proceedings for Banks	11 th -13 th February, 2025	Virtual
Programme on Profit planning & Turnaround Strategies for Branches	12 th -13 th February, 2025	
Programme on Credit Appraisal, Monitoring & Recovery	12 th -14 th February, 2025	
Programme on Improving Compliance Culture in Banks/NBFCs/FIs/SFBs with special reference to KYC/AML/CFT guidelines	13 th -15 th February, 2025	
Programme on Customer Service Excellence	13 th -15 th February, 2025	
Programme on Digital Dominance – Mastering the Art of Marketing Online	14 th -15 th February, 2025	
Programme on Customer Service Excellence	18 th -19 th February, 2025	Leadership Centre, IIBF, Mumbai
Programme on Balance Sheet Reading & Ratio Analysis	18 th -19 th February, 2025	Virtual
Programme on Changing Perspective of Government Business for Banks & FIs	20 th -21 st February, 2025	

News from the Institute

IIBF organised webinar on “Budget 2025: New Initiatives to drive growth”

As a part of its Member Education Series, the Institute organises webinars on contemporary topics related to banking and finance domain for the benefit of banking & finance professionals. Considering the recent initiatives announced in Budget 2025, IIBF has organised a webinar on “Budget 2025: New Initiatives to drive growth” on February 10th 2025. The webinar was delivered by notable economist, Dr. C. Veeramani, Director, Centre for Development Studies.

14th R. K. Talwar Memorial Lecture

The 14th R. K. Talwar Memorial Lecture, organised in association with the State Bank of India, will be held on 27th February 2025 at SBI Auditorium, Nariman Point, Mumbai. The lecture will be delivered by Shri M. Nagaraju, Secretary, Department of Financial Services, Ministry of Finance.

IIBF releases the fourth edition of Banking & Finance Yearbook, 2025

IIBF releases the fourth edition of the “Banking & Finance Yearbook, 2025”. It is a comprehensive digest of all major developments, trends, expert views and regulatory changes across different verticals in Banking &

Finance domain for the year ended December 31, 2024. The book is available on Amazon both as a paperback and as a Kindle edition. It is available in the retail outlets of publisher, M/s Taxmann Publications (Pvt.) Ltd.

4th edition of Inter Bank Quiz Contest- Banking Chanakya

The Grand Finale of the Inter Bank Quiz Competition-Banking Chanakya 2024 hosted by IIBF was held on 18th January 2025 at Mumbai. Team SBI from North Zone won the championship with a prize money of Rs. 1,00,000/-. The runner-up team was Team RBI from West Zone. The Central Bank of India team from East Zone stood third and Canara Bank team from South Zone came in the fourth position.

IIBF invites papers/proposals under Micro and Macro Research 2024-25

Micro Research is a sort of an essay competition for life members of the Institute (bankers) to present their original ideas, thoughts and best practices on areas of their interest. Under Macro research, Institute encourages empirical research in which, the researchers can test their hypothesis through data (primary/secondary) from which, lessons can be drawn for the industry (banking & finance) as a whole. The last date for receipt of applications under Micro and Macro Research is 28th February 2025. For more details, please visit www.iibf.org.in

IIBF invites applications under Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) for the year 2024-25

The Institute invites applications under Diamond Jubilee and CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) Scheme. The objective of the fellowship is to provide the successful candidate an opportunity to undertake a research study on the latest developments in the field of banking and finance in India or abroad. The last date for receipt of applications is 28th February 2025. For more details, please visit www.iibf.org.in

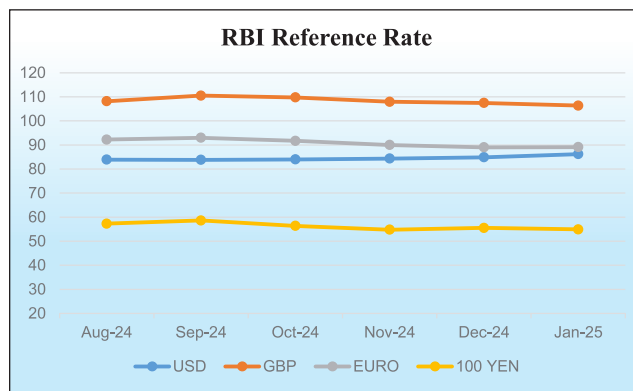
Bank Quest Theme for upcoming issue

The theme for the upcoming issue of Bank Quest for the quarter January-March, 2025 is “Cyber Risk Management”.

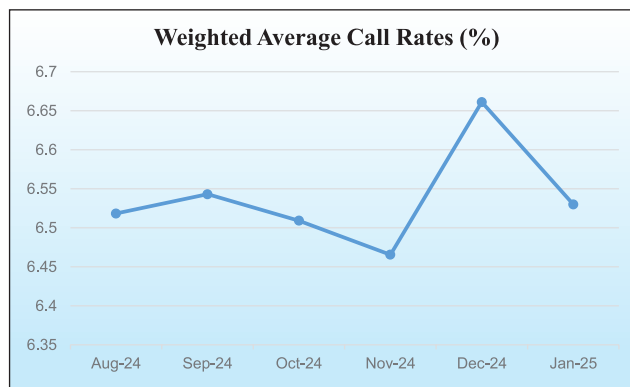
Cut-off date of guidelines/important developments for examinations

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: In respect of the exams to be conducted by the Institute for the period from September 2024 to February 2025, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June 2024 will only be considered for the purpose of inclusion in the question papers.

Market Roundup

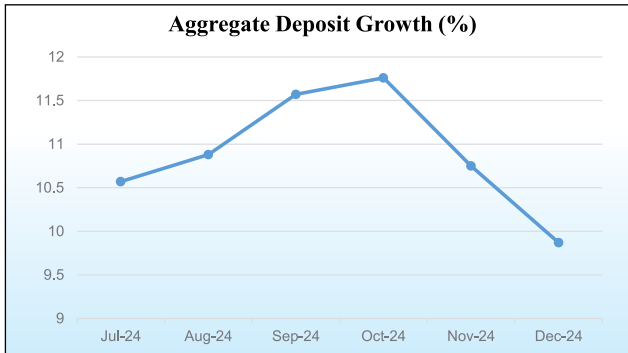


Source: FBIL

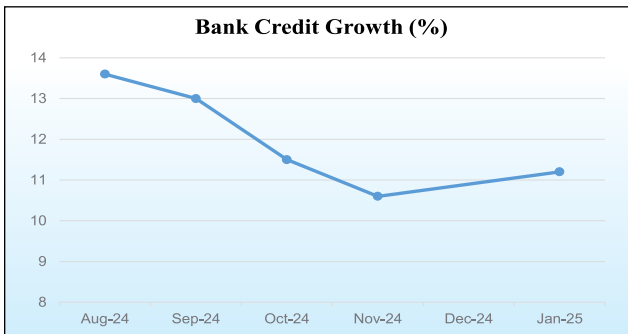


Source: Weekly Newsletter of CCIL

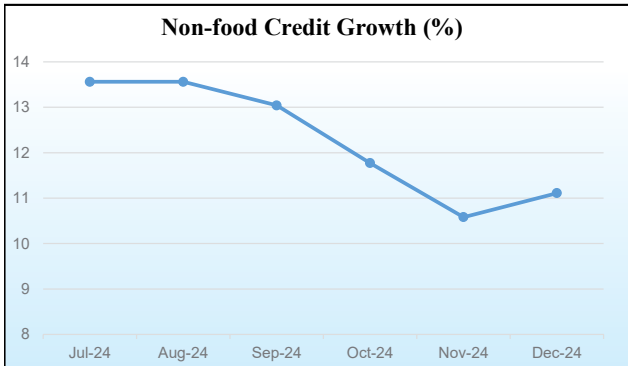
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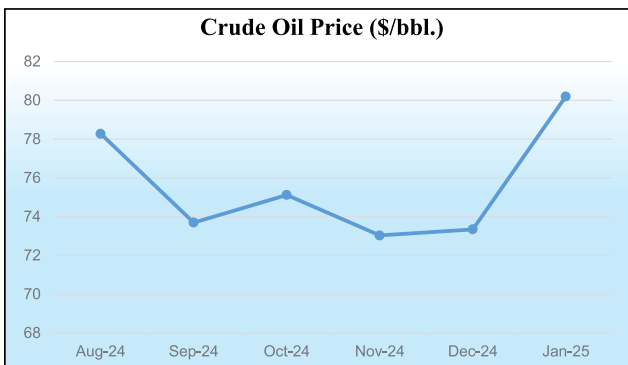
Source: Monthly Review of the Economy, CCIL, January, 2025



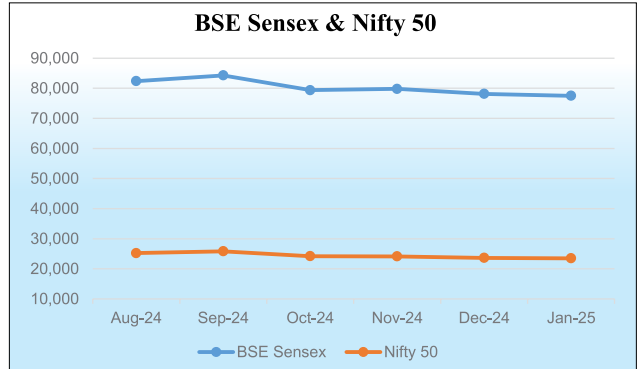
Source: Reserve Bank of India



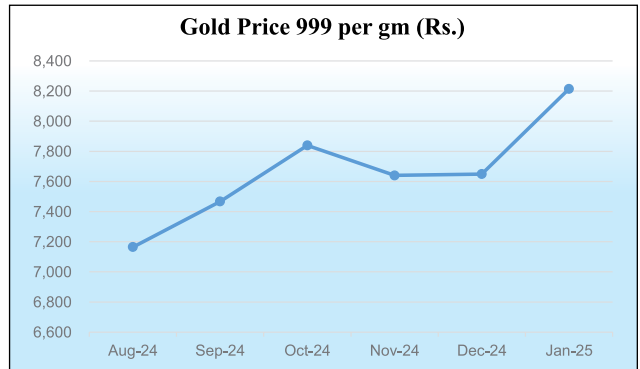
Source: Monthly Review of the Economy, CCIL, January, 2025



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE



Source: Gold Price India

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.

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INDIAN INSTITUTE OF BANKING & FINANCE
 Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kirol Road, Kurla (W),
 Mumbai - 400 070.
 Tel. : 91-22-6850 7000
 E-mail : admin@iibf.org.in
 Website : www.iibf.org.in