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

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IIBF VISION

Committed to professional excellence

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Mid Quarter Monetary Policy Review - 18th Dec. 2013

Highlights

- Policy repo rate under the Liquidity Adjustment Facility (LAF) has remained unchanged at 7.75 %;
- Cash Reserve Ratio (CRR) of scheduled banks has remained unchanged at 4.0% of Net Demand and Time Liability (NDTL).
- Consequently, the reverse repo rate under the LAF has also remained unchanged at 6.75% and the Marginal Standing Facility (MSF) rate and the Bank Rate at 8.75%.

Top Stories

Mobile payments are gaining currency

Mobile payments are gaining traction in the country. As per the latest data, there has been a 15-fold increase in 'Immediate Payment Service' (IMPS) amounts transferred using mobile phones between 2012 and July 2013, as well as a 7-fold increase in the number of transactions. 17 million of the 870 million mobile phone users in India now access banking services through their mobile phones. While transactions worth ₹26 crore took place in September 2012, this quantum rose to ₹408 crore by July 2013. The introduction of IMPS has been the biggest driver of mobile payments since RBI permitted transactions over mobile phones in 2005-06.

Financial inclusion gains momentum

According to CRISIL, financial inclusion has gained momentum in India with a significant rise in new savings accounts, increase in agriculture credit accounts and expansion of bank branches in deeper geographies. India's overall CRISIL Inclusix score has risen by 2.7 in FY-2012 - the highest annual increase since 2009. As many as 587 out of total 638 districts in India and 34 out of 35 states & Union Territories improved their scores, reflecting a broad-based improvement in financial

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

inclusion. 79 million savings accounts were opened in FY-2012 across north, south, east, west and north east - 12.6% more than in FY-2011. Agricultural credit accounts increased by 11.1%; the most since FY-2009.

Banking Policies

Credit to non-farm business to be under GCC scheme

Reserve Bank of India (RBI) proposes to extend credit to individuals for entrepreneurial activity in non-farm sector, through General Credit Cards (GCC) scheme under the Financial Inclusion Plans (FIPs). This is hoped to increase the flow of credit. RBI further stated that any other credit card (Artisan credit card, Laghu Udyami card, Swarojgar credit card, and Weaver's card) catering to the similar needs should be included for reporting of credit extended through the GCC under the FIP.

RBI panel recommends buffers of up to 2.5% of risk assets

A RBI panel has recommended banks to set aside up to 2.5% of risk assets as a 'Counter-Cyclical Capital Buffer' (CCCB) to help remain solvent during times of stress. It is also expected to curb indiscriminate lending during spells of excessive growth. Mr. B. Mahapatra, Executive Director and Head of the panel, RBI, has linked the buffer capital to the credit-to-Gross Domestic Product (GDP) ratio, which tends to rise during economic boom and fall during a slack. RBI may also consider indicators such as growth in gross NPAs, the industry outlook assessment index and the interest coverage ratio for CCCB. The wider the gap between actual credit-to-GDP ratio and long-term credit-to-GDP, the higher will be the required buffer. The gap indicates a build-up of excessive credit growth in an economy and the system-wide risk. The CCCB should, therefore, be built when the gap exceeds a threshold.

RBI rule on novation for derivatives

To deepen the derivatives market, RBI has issued an operational guidelines on novation. Novation is the legal term for replacing an obligation to perform with a new one (or) replacing a party to an agreement with a new one. A bank can novate a derivative contract only after this has been held by the lender for at least six months if the original maturity was up to a year; (or) at least, nine months for a contract with an original maturity of more than a year. The condition will not apply where the transferor bank is winding up the business. Also, the other party must be a constituent borrower, in order to do an independent examination ('due diligence') in a required manner.

Banks can pay term deposit interest at less than quarterly intervals

RBI has stated that banks can now pay interest on rupee savings and term deposits for periods shorter than quarterly intervals. Earlier, they were required to pay interest at quarterly or long intervals. However, in its Q2 review of the monetary policy on October 29, RBI said that since all commercial banks have moved to core banking platforms, banks will have the option to pay interest at periods shorter than quarterly intervals. The revised instructions are applicable to domestic rupee deposits, including Ordinary Non-Resident and Non-Resident (External) savings and term deposits.

RBI proposes leveraged buyouts of stressed companies

In a recently-released discussion paper, RBI has proposed to allow leveraged buyouts for specialized entities who want to acquire stressed companies from banks. In terms of extant instructions, banks are generally not allowed to finance the acquisition of promoter stake in Indian companies. Instead, promoters are expected to acquire equity stake from their own sources and not through borrowings. However, the paper now proposes to allow bank funding to specialized entities looking to buy out promoters' stakes in companies under stress; provided, these entities are well capitalized.

Banking Developments

Tougher oversight for systemically important banks

RBI proposes to identify large banks as systemically important banks based on the size of their business. It intends to prescribe additional capital requirements for such banks in a bid to improve the resilience of the banking system. RBI will identify Domestic Systemically Important Banks (D-SIB) and categorise them into buckets depending on their size, interconnectedness, substitutability and complexity. Based on the sample of banks chosen for computation of their systemic importance, a relative composite systemic importance score (of the banks) will be arrived at. RBI will determine a cut-off score beyond which banks will be considered as D-SIBs. The computation will be carried out at yearly intervals.

IRFs to help bond investors hedge risks

RBI has launched cash-settled Interest Rate Futures (IRF) contracts, to help investors hedge interest rate risks while investing in government bonds. RBI has allowed IRF contracts in 91-day Treasury bills and other government bonds. The contract size will be ₹2,00,000 and will represent 2,000 underlying government bonds. The tenure of the IRF shall be a maximum of 3 months. IRF are a more transparent alternative to the current over-the-counter interest rate swaps.

RBI's dollar deposit scheme

RBI's move to woo dollar deposits by protecting banks from currency risks has been a big hit. Banks have managed to mobilize $34 billion in foreign currency deposits since the special swap scheme was flagged off in September. This is much higher than the sums raised by the Resurgent India Bonds (RIBs) of 1998 ($4.2 billion) and the India Millennium Bonds ($5.5 billion). The inflows have given the rupee a much-needed breather from its steady slide over the past year; especially due to the low cost of this option. Usually, an interest rate of 400 bps over LIBOR is paid on dollar deposits to NRIs. To service the deposit, the bank would have to buy a currency hedge at about 7% p.a. Effectively the bank ends up footing an interest cost upwards of 12% on each deposit. But with RBI subsidizing the hedging cost at a fixed 3.5%, the effective cost of funds for FCNR deposits has plummeted to 8.75-9%. This has made it an attractive option, similar to raising domestic deposits.

RBI-BoJ currency swap enhancement agreement

The government has formally approved the enhancement of the bilateral currency swap arrangement between Reserve Bank of India (RBI) and Bank of Japan (BoJ) from $15 billion to $50 billion. As per this arrangement, BoJ will accept rupees and give dollars to RBI. Similarly, RBI will take yens and send dollars to BoJ to stabilize the currencies of the two nations.

SMS alerts : Banks prefer to charge a flat rate

Instead of linking the charges to the number of transaction alerts received by customers, banks are weighing the possibility of recovering ₹5-10 a month from those opting to receive the alerts via SMS. Currently, banks are charging customers ₹15 per quarter who have opted for the SMS alert service. To avoid the hassle involved in maintaining customer-wise record on the number of SMS alerts sent and the likely disputes relating to the charges levied, banks want RBI to allow them to charge customers (who opt for the service) a flat ₹5-10 a month. With increased use of credit / debit cards in the country, in 2009, RBI had asked banks to start a system of transaction alerts, including via SMS.

RBI moots stringent norms on stressed loans

RBI guidelines for stress-testing banks will be effective from April 2014. The guidelines will enable lenders to identify stress at an early stage. Banks would face increased provisioning for delayed identification of NPAs, and would also be incentivized for early detection and resolution. In a discussion paper on early recognition of financial stress, RBI has proposed banks to identify signs of stress before these loans turn into NPAs. It has suggested that such assets be classified as Special-Mention Accounts (SMA), if repayment was overdue for a month. No additional provisioning would be required for these. Furthermore, RBI has also proposed a liberal framework for asset sales and to allow Non-Banking Finance Companies (NBFCs) & private equity firms to participate in the auction process.

More flexible field for asset recast firms

As a step to revive the almost moribund activity in the asset reconstruction segment, RBI mooted a slew of steps, including allowing banks to take excess provision (for NPAs) to profits. It also wishes to allow banks to spread the loss over 2 years for assets sold below Net Book Value (NBV); and to allow banks to reverse the excess provision on sale of NPAs (if the sale is for a value higher than the NBV) to its profit & loss account in the year the amounts are receivable. RBI also wishes to allow banks to make accelerated or additional provisioning at the time of sale of NPAs without obtaining its prior permission. RBI also wishes to permit Asset Reconstruction Companies (ARCs) to buy and sell bad loans. At present, sale of assets between ARCs is not permitted.

Banking sector's growth, a 'great achievement'

Mr. P. Chidambaram, Finance Minister has described the growth of the banking sector in the last decade as a great achievement. Presently, the country has 1,10,000 bank branches. Every year 7,000 to 8,000 branches were opened in the last nine years and this year 10,000 branches will be opened. Besides this, banking service has also expanded at a fast pace. ATM facility, which was available in a few localities, is now available throughout the country. Very few thousand students got education loans ten years ago. Now lakhs of students are availing themselves of education loans. Innumerable Self-Help Groups (SHGs) are getting loans. On a different note, increase in bank branches is also creating numerous job opportunities.

Banks' credit show improves on agri, retail loans

After a spell of muted economic activity and nagging worry of bad loans, bank credit growth has begun improving in the ongoing busy season from October to March. The non-food credit (i.e. the amount that banks lend to individuals and corporate) expanded 15.26% *y-o-y* to around ₹55.95 lakh crore for the fortnight ended December 13, 2013, bettering RBI's projected 15% mark for the year 2013-14.

FM asks all PSBs to act as insurance brokers

In a major relief to insurance companies without bancassurance partners, the Finance Ministry (FM) has asked all Public Sector Banks (PSBs) to act as insurance brokers to boost insurance penetration in the country. Currently, insurance penetration (the ratio of the percentage of total insurance premia to GDP) is about 5%. The FM wants these banks to leverage their branch network for insurance penetration; albeit, within the framework of guidelines issued by the IRDA and RBI. The FM also wants the corporate agency model to be waived off. As per the circular each bank has to train and orient its staff to conform to the FM's budget announcement.

Recover at least 10% of bad loans

The FM has directed PSBs to recover at least 10% of their bad loans by the end of this financial year, after RBI put some lenders under its scanner over losses and rising NPAs. As per government data, PSBs have written off loans worth more than ₹60,000 crore in the last three years. The government and RBI have emphasised that banks should crack down heavily on such debt and serial defaulters. RBI has proposed draft rules that promise more stringent regime on bad loans and their restructuring. This is one section where banks need to focus. RBI and government expect them to take charge through legal processes and Debt Recovery Tribunals (DRTs).

Banks to rope in turnaround specialists for troubled firms

Hoping to recover a larger chunk of their dues, bankers now plan to rope in specialized firms that will take over the management of troubled companies and put them back on track. A few PSBs and a couple of old-generation private banks having high levels of stressed assets on their books, are in discussions with specialists. Although banks are permitted by the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act to install a new management if a company has defaulted- they have rarely exercised the option. A recent RBI discussion paper on early recognition and resolution of stressed assets suggests a sale of stressed assets to specialized entities, private equity firms and asset reconstruction companies at an early stage. The paper also talks about allowing banks to fund leveraged buyouts of stressed assets.

Bitcoins value under threat as operators suspend business

While RBI is yet to come out with a regulatory framework for bitcoins (which have lately been gaining currency across the world), it has issued an advisory cautioning general public against use of bitcoins and other virtual currencies. Within days of this advisory issued on December 24, a number of entities offering bitcoin services have suspended their operations temporarily or indefinitely, while a few other websites have gone down. However, some other entities continue to offer bitcoin exchange services for rupee and other currencies. Hardly three years into its existence, bitcoin has already become the world's most expensive currency. Its per unit value soared past $1,000 level (or about ₹63,000) recently, although the prices have now slipped below ₹50,000. Further, RBI states that absence of information of counterparties could subject the users to unintentional breaches of Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT) laws.

Dependence on external capital rising

As per RBI's Financial Stability Report, with households banking on non-financial instruments to earn better returns, the country has had to rely more on foreign capital to feed the investments. In last 13 years, retail investment in financial instruments has dropped from 10% of GDP to about 7% at the end of FY 2011-12. In the same period, bank deposits have remained flat at 6% of the GDP. A fall in savings has widened the saving-investment gap, thus increasing the economy's dependence on external capital. Retail inflation, an important yardstick of inflation measurement, has stayed above the return that a customer could have earned by parking his / her money in the bank. On the other hand, non-financial assets such as gold and real-estate seem to have enabled households to earn relatively better inflation adjusted returns.

Regulator's Speak...

RBI to make people aware about keeping currency notes / cheques clean

Dr. K. C. Chakrabarty, Deputy Governor, has said that RBI aims to create awareness among people about not writing anything on the currency notes and keeping them clean. The rules also need to be strictly followed for cheques, as per RBI guidelines. If there is any kind of cutting or overwriting done on the cheque, then it would be strictly considered invalid and is not going to be accepted from 1st January 2014.

Bank lending to small, tiny units must be stepped up

Banks need to urgently step up lending to Micro, Small And Medium Enterprises (MSMEs) to bridge the wide gap between credit demand and supply in the sector, which is crucial for the economy, says Dr. K. C.

Chakrabarty, Deputy Governor, RBI. In 2012-13, RBI estimated the incremental credit demand from and supply to the MSME sector at ₹2,33,190 crore and ₹1,64,466 crore, respectively, translating into a demand-supply gap of ₹68,724 crore. Dr. Chakrabarty observed that in the absence of alternative sources of funding for the sector, banks play a crucial role in bridging this funding gap. The Deputy Governor underscored that one of the major challenges faced by MSMEs is access to timely and adequate credit from the banking sector.

One size doesn't fit all in India

Although RBI is committed to reducing inflation, it will not do so at the risk of over-tightening the monetary policy in a weak economy. Dr. Raghuram Rajan, Governor, RBI has defended his decision to hold rates in the mid-Quarter Monetary Policy Review on December 18, saying that further tightening at that juncture (after two sets of hikes already) would have severely hit demand, without necessarily dampening inflation expectation. Dr. Rajan believes that the one-size-fits-all approach to fighting inflation will not be effective in India. "The theory of raising interest rates to such a high level that it leads to strong expectations that inflation will come down is based on developed economies where the expectations channel works well. It won't work in our kind of economy."

Forex

Foreign Exchange Reserves		
Item	As on 27th December 2013	
	₹Bn.	US$ Mn.
	1	2
Total Reserves	18,358.4	295,708.5
(a) Foreign Currency Assets	16,671.3	268,634.0
(b) Gold	1,285.5	20,603.1
(c) SDRs	276.9	4,461.8
(d) Reserve Position in the IMF	124.7	2,009.6

Source : Reserve Bank of India (RBI)

At $295.7 billion, forex reserves highest since April

India's forex reserves rose to the highest level since April 2013, as a steady stream of foreign institutional inflows into the equity markets added to the buffer built by RBI via the special swap facilities offered to banks between September 5 and November 30. For the week ended December 6, forex reserves rose to $295.7 billion – an increase of $4.4 billion. Reserves have now risen by $21 billion since early September, when they had fallen to under $275 billion due to increased intervention by RBI in the currency markets to stem the fall in the rupee. A bulk of the build in reserves has been on account of the swap windows opened by RBI on September 4, under which banks could swap dollars raised through FCNR deposits and overseas borrowings at a concessional rate. The facility garnered a total of $34 billion for RBI before it was closed on November 30.

Benchmark Rates for FCNR(B) Deposits applicable for the month of January 2014					
LIBOR / SWAP For FCNR(B) Deposits					
	LIBOR	SWAPS			
Currency	1 Year	2 Years	3 Years	4 Years	5 Years
USD	0.58310	0.495	0.874	1.329	1.800
GBP	0.91125	1.0487	1.4599	1.8529	2.1717
EUR	0.51886	0.552	0.753	1.011	1.263
JPY	0.37286	0.231	0.268	0.331	0.418
CAD	1.49000	1.396	1.677	1.998	2.283
AUD	2.63900	2.895	3.195	3.533	3.795
CHF	0.21140	0.188	0.328	0.540	0.800
DKK	0.58000	0.7490	0.9820	1.2650	1.5400
NZD	3.46250	3.893	4.260	4.538	4.768
SEK	1.02750	1.270	1.585	1.905	2.185
SGD	0.36000	0.582	0.930	1.355	1.743
HKD	0.51000	0.690	1.050	1.470	1.870
MYR	3.39000	3.550	3.700	3.850	4.030

Source : FEDAI

New Appointments

Name	Designation / Organisation
Dr. Harsh Kumar Bhanwala	Chairman, National Bank for Agriculture and Rural Development (NABARD).
Mr. Arun Tiwari	Chairman & Managing Director, Union Bank of India
Mr. C. V. R. Rajendran	Chairman & Managing Director, Andhra Bank
Mr. V. Kannan	Chairman & Managing Director, Vijaya Bank
Mr. P. Pradeep Kumar	Managing Director, State Bank of India
Mr. M. V. Tanksale	Chief Executive, Indian Banks' Association (IBA)

Insurance

E-insurance to be introduced from April 2014

From April 2014, all the sold insurance policy documents will become digital and paperless (like shares). This will spare the policyholders from the hassle of preserving physical copies of their policies. Over 25 crore policy holders, owning around 27 crore policies, would get their e-insurance in a phased manner, as stated by Mr. S. V. Ramanan, CEO, CAMS Repository Services.

New Bancassurance norms & products are key to growth

Life insurers will begin the year by launching 500 products aligned to comprehensive new norms aimed at making policies more customer-friendly. A guaranteed surrender value after five years; new rules on the minimum death benefits etc. are some of the new norms. Companies are investing heavily in re-training agents to sell policies under the new framework in a market that's moving away from savings. The open architecture concept, in which a bank is allowed to sell products from insurance companies, is expected to be a game-changer for the industry. Presently, less than half the bank branches sell any kind of insurance policy. A significant number of Indians are uninsured, with premiums as a percentage of GDP amounting to just 3.8%.

Demat insurance policies will improve systemic functioning

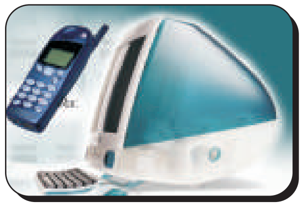
In its Financial Stability Report, RBI opines that Demat insurance policies will improve information flow in the financial system. The initiatives by regulators towards installing centralized databases for large common credit exposures of banks, corporate debentures and insurance policy records, are expected to improve the information flow and functioning of the financial system. The objective of creating insurance repositories is to help policyholders keep the insurance policies in electronic form, which is easy to handle. Moreover, the cost of issuance and maintenance of these insurance policies is also lower. It is also possible to make changes (if required), speedily and accurately. Policy holders can choose to either digitize their policy or have it in the existing format.

Banking Case Laws

Banking Service

- The complainant had already overdrawn the cash credit limit given by the opposite party bank and was in default in the repayment of his dues. He was also not clearing the dues which he owed to some other bank. It was held that the refusal by the bank to permit the complainant to further draw in his account was justified and there was no deficiency of service. A. R. Narayan Vs. State Bank of Hyderabad - 1992(1) CPR 534 (NC).
- The complaint against the respondent bank was improper maintenance of the complainant's account and transfer of some amount from Fixed Capital Loan account to Working Capital Loan account. The statement of the bank that the transfer of the amount from one account to the other was as per the instructions of the complainant himself, was accepted by the Commission. It was held that the transfer, though irregular, was to the benefit of the complainant and enabled him to reduce to an extent his exceeding the drawing power limit. The complaint was dismissed as vexatious and malicious. M/s Classsic Electronics Vs. Punjab National Bank & Anr. -1992(2) CPR 128 (NC).

Source : Reserve Bank of India (RBI)



Products & Alliances

Organisation	Organisation tied up with	Purpose
Karnataka Bank	BASIX Sub-K iTransaction Ltd.,	For providing Business Correspondent (BC) services in 81 gram panchayats in Karnataka & Chhattisgarh

Basel III - Capital Regulations (Continued...)

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

Other claims

- Claims on IMF, Bank for International Settlements (BIS) and eligible Multilateral Development Banks (MDBs) evaluated by the BCBS will be treated similar to claims on scheduled banks at a uniform 20% risk weight. Similarly, claims on the International Finance Facility for Immunization (IFFIm) will also attract a twenty per cent risk weight
- Claims on Banks incorporated in India and Foreign Banks' branches in India, the applicable risk weight has been prescribed by RBI.
- Banks' investment in capital instruments of other banks such investments would not be deducted, but would attract appropriate risk.
- Claims on corporate Asset Finance Companies (AFCs) and Non-Banking Finance Companies-Infrastructure Finance Companies (NBFC-IFC), shall be risk weighted as per the ratings assigned by the rating agencies registered with the SEBI and accredited by the RBI.
- The claims on non-resident corporate will be risk weighted as per the ratings assigned by international rating agencies.

- Regulatory Retail claims (both fund and non-fund based) which meet the Qualifying criteria, *viz.*

a) Orientation Criterion: Exposure to individual person/s or to a small business (Average annual turnover less than ₹50 crore for last 3 years in case of existing or projected turnover in case of new units);

b) Product Criterion: Exposure (both fund-based and non fund-based) in the form of revolving credits and lines of credit (incl. overdrafts), term loans & leases (e.g. instalment loans and leases, student and educational loans) and small business facilities and commitments

c) Granularity Criterion - Sufficient diversification to reduce the risk portfolio; and

d) Low value of individual exposures - The maximum aggregated retail exposure to one counterpart should not exceed the absolute threshold limit of ₹5 crore.

Would attract risk weight of 75% except NPAs. As part of the supervisory review process, the RBI would also consider whether the credit quality of regulatory retail claims held by individual banks should warrant a standard risk weight higher than 75%.

Source : Reserve Bank of India(RBI)

Financial Basics

Internal Capital Adequacy Assessment Process

In terms of the guidelines on BASEL II, the banks are required to have a board-approved policy on Internal Capital Adequacy Assessment Process (ICAAP) to assess the capital requirement as per ICAAP at the solo as well as consolidated level. The ICAAP is required to form an integral part of the management and decision-making culture of a bank. ICAAP document is required to clearly demarcate the quantifiable and qualitatively assessed risks. The ICAAP is also required to include stress tests and scenario analyses, to be conducted periodically, particularly in respect of the bank's material risk exposures, in order to evaluate the potential vulnerability of the bank to some unlikely but plausible events or movements in the market conditions that could have an adverse impact on the bank's capital.

Glossary

Interest Rate Future (IRF)

IRFs are exchange-traded derivative products that allow a bond investor to hedge the interest rate risk in investment. A futures contract with an underlying instrument that pays interest. An interest rate future is a contract between the buyer and seller agreeing to the future delivery of any interest-bearing asset. The interest rate future allows the buyer and seller to lock in the price of the interest-bearing asset for a future date.

Institute's Training Activities

Training Programme Schedule for the month of Jan. 14

Sr. No.	Programme	Date
1.	Training programme on Marketing and Customer care for officers of Bank of India	6th to 10th & 13th to 18th January 2014
2.	Workshop on Financing Agriculture	9th and 10th January 2014

Training activities completed during the month of Dec. 13

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

HR Meet

A joint meeting of IIBF, NIBM & IDRBT with the HR / Training Chiefs of Banks was organized by the Institute at its Leadership Centre, Mumbai on December 6th, 2013. The meeting was attended by 37 HR / Training heads of banks and Financial Institutes.

News From the Institute

Regulatory Guidelines

Candidates may note that in respect of the exams to be conducted by the Institute during November / December and May / June of a particular year, instructions / guidelines issued by the regulator(s) up to 31st July and 31st January respectively of that year will only be considered for examination purpose.

Diamond Jubliee & CH Bhabha Overseas Research Fellowship 2014

Institute is inviting applications for Diamond Jubilee & CH Bhabha Overseas Research (DJCHBR) Fellowship. For details visit www.iibf.org.in.

Additional Reading Material for Institute's examination

The Institute has put on its web site additional reading material, for various examinations, culled out from the Master Circulars of RBI and other sources. These are important from examination view point. For more details visit web site.

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IIBF Vision via mail

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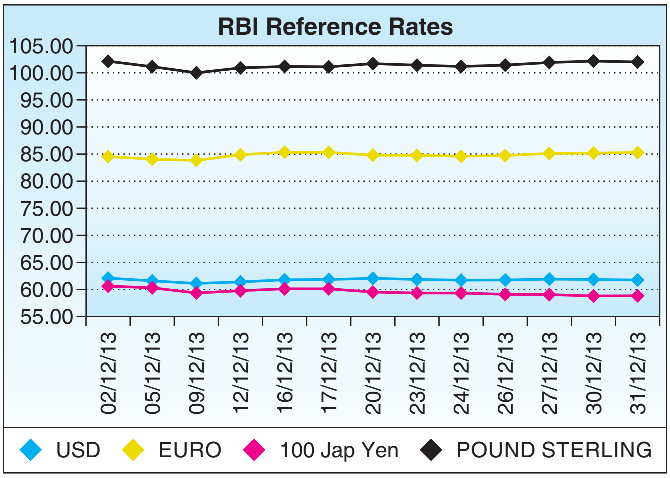
Green Initiative

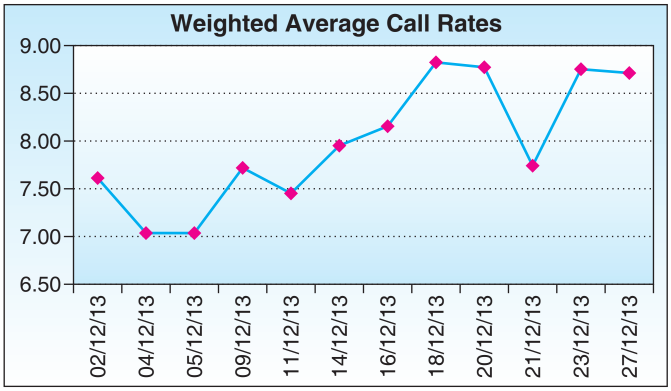
Members are requested to update their email address with the Institute and send their consent to send the Annual Report via email in future.

Market Roundup



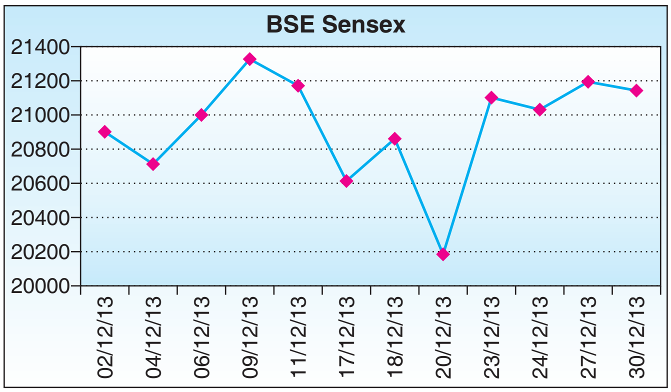
Source : Reserve Bank of India (RBI)

- Rupee closes at 62.32 to a dollar on 2^{nd}.
- Rupee closes at 62.02 to a dollar on 17^{th}.
- The rupee weakened against the dollar on 18^{th} as FFIs sold shares in buoyant equity markets after RBI kept policy rates unchanged. Rupee closed at 62.11 against 62.02 on 17^{th}.
- The Rupee strengthened on 23^{rd} to its highest level in nearly a week boosted by RBI Chief's comment on reluctance to 'overtighten' monetary policy after leaving interest rates unchanged in a surprise move last week. The Rupee closed at 61.95 / 96 a dollar compared with 62.04 / 05 on 20^{th}.
- The Rupee closed at 61.92 to dollar on 30^{th}
- During the month, Rupee appreciated by 0.53%, 0.13% and 2.91% against USD, Sterling Pound and JPY respectively
- However, Rupee depreciated by 0.85% against Euro during December 2013.



Source : CCIL Newsletter for December 2013

- Call oscillated between a low of 7.03% and a high of 8.82%.
- During the first half of the month, easy liquidity conditions prevailed and during the second half the rates slightly tightened.



Source : Bombay Stock Exchange (BSE)

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