



# IBS VIGYAN

## VISIONING BANKERS



### Evangelistically Speaking

Dear Stakeholders,

Shaktikanta Das has been rated as the most successful Central Banker in succession. What has amazed me is his drawing from Gandhian thoughts in his monetary policy statements. He has referred to Mahatma Gandhi in his statement in every policy during last four years ,but one, in which he referred to Subhash Chandra Bose in February 2023. Let me dedicate this space in culling out his references.

“In the midst of death life persists, in the midst of untruth truth persists, in the midst of darkness light persists.” (April 17, 2020)

“We may stumble and fall, but shall rise again” (May 22,2020)

“If our resolve is firm and our conviction clear, it would mean half the battle won”( August 06,2020)

“Patience and perseverance, if we have them, overcome mountains of difficulties” (October 09,2020)

“If I have the belief that I can do it, I shall surely acquire the capacity to do it” (December 04,2020)

“Strength ..... comes from an indomitable will” (February 05,2021)

“Determined spirits fired by an unquenchable faith in their mission can alter the course of history (April 07,2021)

“If patience is worth anything, it must endure to the end of time. And a living faith will last in the midst of the blackest storm” (May 05,2021)

“Our faith should be like an ever-burning lamp which not only gives us light but also illuminates the surroundings.” (June 04,2021)

“I have never lost my optimism. In seemingly darkest hours hope has burnt bright within me.”

“We are daily witnessing the phenomenon of the impossible of yesterday becoming the possible of today” (August 06,2021)

“I am an irrepressible optimist, but I always base my optimism on solid facts” (October 08,2021).

“To lose patience is to lose the battle” (December 08 2021)

“My success lies in my continuous, humble, truthful striving. I know the path. It is straight and narrow. It is like the edge of a sword. I rejoice to walk on it. .... he who strives never perishes.

“Satisfaction lies in the effort, ..... Full effort is full victory ( February 10 2022)

**(To be continued..)**

Let me acknowledge the efforts of passionate bond vigilante Shri Ratnam Narayanan of Mumbai in presenting this compendium to all readers.

Looking forward to a sustaining engagement with all.

Sincerely yours

Satheesh Kumar. S  
Managing Director

## Curated Cube

The third annual conference of the Bretton Woods Committee's Future of Finance Forum was held at Singapore earlier this month. Shri Shaktikanta Das, Governor, RBI delivered the keynote address. Some of the key points are captured here.

He began by highlighting the resilience of global economies in weathering high impact shocks. However, he drew caution at the challenges in reining in the last mile of disinflation. He brought out the maturity of the markets by stating that market expectations about future course of monetary policies have realigned with policy guidance from Central Banks that have thwarted any harsh landing. This was followed up by another caution on the divergences among countries in monetary policy measures that has left the markets pondering about the front runners and laggards. Hence his championing for a flexible and robustly equipped regulatory architecture. On the macro-economic outlook, he has flagged the narrowing of output path divergences across economies and waning of cyclical effects.

The following risks have been articulated on global macroeconomic outlook.

1. Momentum of global disinflation is slowing.
2. High levels of global debt - it has reached 333% of global GDP with significant spillover risks to Emerging Market Economies (EME).
3. Elevated geopolitical risks.
4. Trade policy uncertainty - protectionism and unilateral trade policies versus multilateral trading system.
5. Climate change risks.
6. Interdependence of risks.

The following global financial stability risks were touched upon.

1. Stretched asset prices - sell offs and band wagon effects.
2. Strong US Dollar - impacting debt servicing capacity of EMEs.
3. Proliferation of non-bank institutions in intermediation - their hidden leverages and liquidity mismatches.
4. Unbridled growth of private credit - grown four fold in last ten years - poor underwriting standards and fragility of credit risk models.
5. Stress in global commercial real estate.

The "Higher for longer" interest rate environment brought forward financial stability risks. On geopolitical risks, he stated that beyond wars and political gridlocks, they manifest as supply chain strains, technology decoupling, cyber-attacks and weaponization of finance. These have imparted heightened volatility to capital flows and asset prices.

He has sounded optimistic in listing the opportunities.

1. Sustaining lower inflation resulting in benign input costs and revival of labour markets.
2. Attracting more investments to EMEs.
3. Digitalization driving empowerment and improving financial inclusion and enhancement in cross border payment systems.
4. Quest for new climate technologies and harnessing them can be instrumental in fostering energy independence.
5. Strengthening Global Financial Safety Net.

While concluding, he indicated that inflation would lower to 4.1% by 2025-26 in India.

*(Cube gives a third dimension in geometry. Curated Cube endeavors to conflate events in the market over the past month.)*

## CRASH COURSE FOR JAIIB - IE&IFS & AFM, CAIIB - BFM

### DATE OF COMMENCEMENT

**JAIIB - IE&IFS - 02/10/2024, AFM - 03/10/2024**

**CAIIB - BFM - 15/10/2024**

Online Zoom Classes, Whatsapp/Telegram support, Recorded videos & Mock Test Series

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## FOURTH PILLAR

**UNEMPLOYMENT RATE STATUS OF OUR COUNTRY:** Indian labour market indicators have improved in the last 6 years, where the unemployment rate has declined to 3.2% in the year 2022-23. A recent survey indicates that the all-India annual employment rate (for persons above the age of 15) has been declining since the pandemic.

**VIVAD SE VISHWAS SCHEME 2024:** This has been introduced for resolution of Income Tax disputes which are pending in appeal. Monetary limits for filing direct tax, excise and service tax appeals in Tax Tribunals, High Courts and Supreme Court have been increased to ₹60 Lakh, ₹2 Crore and ₹5 Crore respectively.

**ANGEL TAX:** To operate an early-stage venture, every business needs funds. In this scenario, startups seek investment in exchange for their equity because they lack tangible assets to offer as collateral. When a startup struggles to establish itself in the market, an angel investor can invest money in it. Such unlisted startups that receive funding from angel investors need to pay a hefty rate of tax called Angel Tax. However, this tax has been abolished from FY 2025-26 to fuel the growth of startup eco system in India.

**PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS (PCAF):** This is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas emissions (GHG) associated with their loans and investments. PCAF recognises that financial institutions play a major role in the financial ecosystem to drive change and transition towards a low-carbon society in the line of Sustainable Development Goals. Union Bank of India is the first such bank from India to join PCAF.

**DIGITAL PAYMENT IN INDIA:** India's digital payment industry is booming, with transaction volumes growing by 42% YoY in FY 2023-24. A PwC report has recently projected a three-fold increase in digital transaction volumes by FY 2028-29. UPI leads this growth by accounting 75% of digital transactions.

**LIQUIDITY COVERAGE RATIO PLAN:** RBI has indicated imposing an additional 2% to 2.25% "run-off" factor for retail deposits enabled with internet and mobile banking as against the earlier proposal of 5%.

*(Fourth Pillar strives to position beyond the three pillars of Basel and is culled from the Four Estates)*

# INQUISITIVELY SPEAKING

1. .... is a revolutionary digital marketplace (Amazon like one-stop platform) initiated by IRDA that facilitates insurance services for policy holders and stakeholders.

- a) E-Insurance Portal
- (b) E-Insurance Hub
- (c) Bima Sugam
- (d) Bimal Saral

2. The pilot programme for wholesale digital rupee in the Call Money market is the initiative of:

- a) SEBI
- b) RBI
- c) NCPI
- d) NITI Aayog

3. The maximum per day payment limit for UPI transactions (excluding to hospitals & educational institutions) set by NCPI starting from 1st January 2024 is:

- a) ₹25000
- b) ₹50000
- c) ₹1 Lakh
- d) ₹5 Lakh

4. NSE Prime, a recently founded enterprise of the National Stock Exchange for the purpose of:

- a) Corporate Governance
- b) Grievance Redressal
- c) Investment Guidance
- d) Corporate Social Responsibility

5. Safety Ring is a special feature launched by which bank to enhance its internet and mobile banking securities?

- a) ICICI Bank
- b) Bank of India
- c) HDFC Bank
- d) Punjab National Bank

6. What is the revised threshold of bulk fixed deposit with Banks, as per RBI?

- a) ₹3 Crore
- b) ₹5 Crore
- c) ₹8 Crore
- d) ₹10 Crore

7. Which private sector bank is the first to open a branch in Lakshadweep?

- a) Axis Bank
- b) HDFC Bank
- c) ICICI Bank
- d) Kotak Mahindra Bank

## ANSWER KEY

**1.C 2.B 3.C 4.A 5.D 6.A 7.B**

## Stretch n Speak

**SMART:** Standards Machine Applicable Readable & Transferable.

**CDS:** Credit Default Swap

**AICCCA:** Association of Independent Consumer Credit Counselling Agency

**TACMP:** Technical Advisory Committee on Monetary Policy

**HVC:** High Value Clearing