



IBS VIGYAN

VISIONING BANKERS



Evangelistically Speaking



Dear Stakeholders,

It is with immense pride and a deep sense of responsibility that we present the 50th edition of our monthly newsletter. This golden milestone is more than just a number; it represents a chronicle of shared dreams, a testament to relentless effort, and a celebration of the thousands of careers we have had the privilege to shape within India's dynamic Banking, Financial Services, and Insurance (BFSI) sector.

As we reflect on the journey of these 50 editions, we see a mirror of the BFSI industry's own evolution. Over this period, the sector has witnessed tectonic shifts—from the digital payment revolution spurred by UPI to the rise of FinTech challengers, and the ever-sharpening focus on data analytics and customer-centricity. Through this sea of change, IBS has remained an unwavering anchor for our aspirants. Our core mission has been to cut through the complexity, providing the foundational knowledge and future-ready skills necessary to not just navigate but lead this transformation. Each newsletter has been a compass, pointing towards emerging trends, decoding complex policies, and celebrating the successes of our alumni.

At the heart of this journey are you—the ambitious minds who walk through our doors with a vision for your future. You entrust us with your aspirations, and it is a responsibility we hold sacred. This newsletter has always been a platform to extend our classroom commitment, offering insights that keep you ahead of the curve and stories that ignite your motivation. It is a

testament to your steadfast resolve that IBS has become synonymous with excellence and a trusted bridge between potential and proficiency.

Reaching this 50th edition is a moment for reflection, but more importantly, for reaffirmation. The road ahead for BFSI is paved with new challenges and exciting opportunities, from the integration of Artificial Intelligence to the growing importance of sustainable finance. Our promise to you is to stay at the vanguard of this evolution, continuously updating our curriculum and methodologies. We are committed to empowering you to become the next generation of leaders who will steer the Indian economy forward.

Thank you for being an integral part of our story. Here's to the next fifty editions and to the countless success stories we will build, together.

The paragon of everything is "Gold Standard". Enjoy this **Golden Jubilee** edition.

Looking forward to a sustaining engagement with all.

Sincerely yours

Satheesh Kumar. S
Managing Director

Curated Cube

French economist Thomas Piketty's central thesis, that inequality widens when the return on capital outpaces economic growth ($r > g$), has become a defining lens for viewing 21st-century economies. His work suggests that without intervention, wealth naturally concentrates, leaving wage-earners further behind. This is a real-world challenge that central banks, including the Reserve Bank of India (RBI), are navigating with increasing nuance, as evidenced by their recent landmark decisions.

In June, the RBI took a significant step to invigorate the 'g' in Piketty's formula. Facing global headwinds, the Monetary Policy Committee enacted a bold 50-basis-point repo rate cut and initiated a phased 100-basis-point reduction in the Cash Reserve Ratio (CRR). This dual-pronged strategy was a powerful injection of liquidity and lower-cost credit into the economy, a move aimed at stimulating broad-based economic growth. The goal is clear: to lift the entire economic vessel, from the largest corporate ship to the smallest consumer dinghy.

However, it was a quieter, more structural reform in July that spoke directly to the heart of Piketty's concerns about the advantages of capital. The RBI's new directive to eliminate pre-payment penalties on all floating-rate loans for individuals and Micro and Small Enterprises (MSEs) is a profoundly democratising measure. For too long, such penalties have acted as financial handcuffs, locking smaller borrowers into loans even when better interest rates

become available. This created a structural disadvantage, an artificially high cost of capital for those with the least bargaining power, while larger corporates could easily refinance their debt.

By unshackling individuals and MSEs, the RBI is doing more than just promoting fair competition; it is directly empowering the engines of grassroots growth. This move allows them to be more agile, to reduce their interest burdens, and to free up capital for consumption and investment. In Piketty's terms, it is a crucial intervention that helps lower the effective 'r' for a vast segment of the population that relies on labour and small-scale enterprise, not inherited wealth.

For the aspiring BFSI professional, these developments offer a vital lesson. Understanding the headline-grabbing repo rate is standard; grasping the transformative power of a rule change on pre-payment charges is what builds a truly insightful career. The future of Indian finance lies not just in managing large pools of capital, but in designing and championing mechanisms that ensure its flow is both efficient and equitable. The RBI's recent actions demonstrate that for sustainable prosperity, you must not only accelerate growth but also ensure everyone has a fair chance to keep pace.

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

JAIIB/CAIIB NEW BATCH NOV/DEC 2025 - ADMISSION OPEN

Zoom platform live classes, Recorded sessions, Online Mock Tests, Whatsapp interaction, Telegram support & Study materials

FOURTH PILLAR

INDIA'S FIRST MORTGAGE-BACKED PASS THROUGH CERTIFICATE:

For the first time such mortgage-backed PTC which are backed by a pool of housing loans originated by LIC Housing Finance Ltd., has been listed on the National Stock exchange. This is a landmark initiative to strengthen the housing finance ecosystem in the debt market. The issue size was ₹1000 Crore, consisting of 100000 PTCs with face value of ₹100000 each, which was in fact fully subscribed. The final maturity of the instrument is nearly 20 years with coupon rate of 7.26% p.a.

DEFAULT LOSS GUARANTEE (DLG):

DLG is a contractual arrangement where a Lending Service Provider (or any 3rd party) guarantees to compensate the Lender (Regulated Entity – RE) for a loss due to default, either in full or in part, on a loan that the RE has originated under the Digital Lending arrangement. DLGs are not applicable for revolving credits or credit card dues originated by the REs. Further, Guarantees covered under schemes like CGTMSE, NCGTC, CRGFTLIH are also not covered under DLG.

CREDIT GUARANTEE SCHEME FOR START-UPS (CGSS) REVISED:

The revised guidelines has been issued with a view to enhance access to collateral-free credit for eligible Start-ups, and is expected to significantly reduce the credit risk of the lenders to Start-ups. The cover per borrower has been doubled from ₹10 Crore to ₹20 Crore, offering greater financial support to Start-ups requiring higher capital. Higher coverage ratios of 85% of the defaulted amount for loans up to ₹10 Crore and 75% for loans above ₹10 Crore, have been assigned. The Annual Guarantee Fees for Start-ups operating in 27 identified Champion Sectors has been reduced from 2% to 1% p.a.

“.bank.in” DOMAIN:

The Reserve Bank of India has mandated that all Indian banks should migrate to a new, exclusive domain “.bank.in” within 6 months period starting from 1st April 2025. By standardising on a secure, verifiable domain, RBI aims to safeguard customers and strengthen credibility of online banking. Till now banks are using the domain “.co.in”, which will migrate to “.bank.in” by the deadline.

INDIA'S RANK IN HUMAN DEVELOPMENT INDEX (HDI):

In the Global HDI ranking India's rank climbed from 133 in 2022 to 130 in 2025, which shows a positive momentum in overall health, education, and income in the 2025 Human Development Index, released by the United Nations Development Programme on 6th May 2025. India's HDI improved from 0.676 to 0.685, which is within the 'Medium Human Development' bracket. Life expectancy in India has improved from 67.2 years to 67.7 years.

UPI CIRCLE NOW AVAILABLE FOR G-PAY & PHONE-PE:

UPI Circle is a feature that allows a primary UPI user to authorize a secondary user to make transactions from the primary user's account within defined limits. It essentially enables a form of shared financial control, where a trusted individual (secondary user) can transact on behalf of another (primary user). The primary user retains control by setting spending limits and can also choose to approve every transaction individually. Primary user is the one who owns the UPI account who can initiate the process of UPI circle. The Primary user can either grant partial or full delegation of limit to the secondary user, and can also revoke access or modify the spending limits at any point of time. This feature is now interoperable for Google Pay as well as Phone Pe besides the earlier BHIM platform.

KNOW YOUR DIGIPIN, KNOW YOUR PINCODE:

In a major stride toward digital transformation and geospatial governance, the Department of Posts has launched two innovative digital platforms – 'Know Your DIGIPIN' and 'Know Your PIN Code'. These portals aim to revolutionize the way addresses are identified, accessed, and verified across India. The launch of these user-friendly portals empowers citizens, government agencies, and private sector organizations to easily identify and retrieve their DIGIPIN linked to their physical address and locate and verify conventional PIN codes for any area within India.

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

INQUISITIVELY SPEAKING

1. What is Application Programming Interface (API)?
a) A device that is used by banks for KYC mapping
b) A user interface where bank employees can communicate with each other internally
c) A type of firewall security module to prevent fraud
d) A set of protocols for software communication that allows different software applications to communicate and exchange data with each other.
2. The minimum paid-up capital requirement for Small Finance Banks in India is crores:
a) 100 b) 150 c) 300 d) 250
3. What is the minimum capital requirement for forming an Asset Reconstruction Company (ARC) in India in crores of INR?
a) 200 b) 300 c) 400 d) 500
4. RBI has mandated that a document to be given by banks to its prospective borrowers in Retail & MSME segment conveying the clear terms & conditions of the loan product is called
a) Key Fact Statement
b) Retail/MSME Undertaking Form
c) Loan Offer Document
d) Credit Proposal Summary
5. The technology which facilitates devices to communicate with each other without contact is known as:

- a) Radio Frequency Communication
b) Near-Field Communication
c) Short-wave Wireless Protocol
d) Direct Field Communication.
6. Who among the following Depositories holds the largest numbers of Demat accounts in India?
a) NSDL b) CSDL c) NEDL d) MSDL
7. As per the Priority Sector Guidelines, loans up to ₹ Crore can be sanctioned to Start-ups.
a) 50 b) 75 c) 100 d) 150
8. As per revised Priority Sector Guidelines, in cities with a population of at least 50 lakh, loans up to ₹... Lakh will be eligible under Housing Loan category, provided the dwelling cost does not exceed ₹ ... Lakh per family.
a) 40, 50 b) 50, 60 c) 50, 63 d) 45, 60

ANSWER KEY

1.d 2.c 3.b 4.a 5.b 6.b 7.c 8.c

Stretch n Speak

e-NWR: Electronic Negotiable Warehouse Receipt

NCF: Non-Corporate Farmer

PPP: Purchasing Power Parity

GII: Gender Inequality Index

GMS: Gold Monetization Scheme

PRI: Prompt Repayment Incentive

MISS: Modified Interest Subvention Scheme