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# IBS VIGYAN

VISIONING BANKERS

INSTITUTE OF BANKING STUDIES

## Evangelistically Speaking

### *Online Education and Its Transformative Role in Growth of Learning*

**Dear Stakeholders,**

As the Managing Director of an institute that has been shaping careers for the past 14 years, I have witnessed first-hand how education has evolved from traditional classrooms to blended and now predominantly digital models. The onset of online education has not only redefined how knowledge is delivered but has also broadened the horizons of access, flexibility, and inclusivity.

Online education has removed barriers of geography and time. A learner in a small town now has access to the same expert faculty, content, and resources as someone in a metro city. This democratization of knowledge has been a remarkable contributor to the overall growth of education, enabling institutes to reach larger, more diverse student groups. Moreover, online platforms have empowered learners to pace their studies according to personal commitments, leading to better engagement and completion rates.

Another critical advantage has been the integration of AI-driven tools. Personalized learning, once an aspirational goal, is now a practical reality. AI tools can analyze learning patterns, identify strengths and weaknesses, and recommend tailored study plans. Automated assessments, interactive simulations, and virtual tutors ensure students are not only learning but also applying concepts in real time. For institutes, AI enables data-driven decision making—helping refine curriculum, improve faculty performance, and optimize student support.

However, the transformation goes beyond technology. Online education, powered by AI, has fostered a culture of continuous learning and adaptability. Professionals can now upgrade their skills without interrupting careers, while young learners benefit from a wide array of specialized courses that might never have been available in their hometowns.

In conclusion, online education has emerged as a strong driver of educational growth. When blended with the responsible use of AI, it promises a future where learning is accessible, personalized, and effective for all. Our 14-year journey in education has never been more exciting, and we remain committed to leveraging these innovations to empower every learner

Looking forward to a sustaining engagement with all.

**Sincerly yours**

**Satheesh Kumar. S**
**Managing Director**

# Curated Cube

The recent movements in gold prices have underscored the precious metal's dual identity as both a safe-haven asset and a barometer of economic uncertainty. After climbing to multi-year highs, gold has become a focal point for investors, policymakers, and central banks seeking stability in an environment marked by inflation concerns, shifting monetary policies, and geopolitical risks.

Rising gold prices often signal weakening confidence in fiat currencies and traditional financial assets. In the current environment, persistent inflation pressures, modest global growth, and currency volatility have driven investors toward bullion as a hedge. Central banks, particularly in emerging economies, have also expanded their gold reserves to diversify away from the U.S. dollar. This shift supports demand but also highlights a broader trend of cautious de-dollarization in the global financial system.

At the same time, high gold prices have complex ripple effects. For resource-rich nations, exporters benefit through stronger revenues, fiscal consolidation, and improved trade balances. For importing nations, however, elevated prices widen current account deficits, pressure foreign exchange reserves, and add to inflationary stress. In India, for instance, rising demand during the festive season often exacerbates trade deficits, while in countries like China, gold purchases reflect both investment demand and household preference for tangible stores of value.

Financial markets also interpret gold's rally as a constraint on central banks. When monetary authorities weigh rate cuts to support growth, sustained strength in gold can act as a warning signal about inflation expectations. Conversely, falling gold prices are typically viewed as a vote of confidence in stable policy and resilient currencies.
Ultimately, gold's influence on the world economy lies in its paradoxical role: both stabilizer and destabilizer. It provides a safe harbor in times of uncertainty, yet prolonged price spikes can strain trade flows, amplify inflation risks, and complicate monetary policy. For investors, governments, and central bankers alike, navigating the "gold cube" requires understanding its interconnected faces—wealth protection, policy signaling, and trade balance impacts—all of which shape the evolving global economic narrative.

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

# FOURTH PILLAR

**BANKING SECTOR INFORMATION AS PER THE LATEST FINANCIAL STABILITY REPORT OF RBI:** Indian Banking sector is showing strong financial soundness with improved credit growth, asset quality and risk management as of March 2025. (i) Gross NPA of SCBs has come down to 2.8%, (ii) Net NPA ratio fell to 0.6% showing effective stressed asset recovery mechanism, (iii) Provision Coverage Ratio stood as 73.2% indicating a strong provisioning by SCBs, (iv) The Capital to Risk-Weighted Assets Ratio (CRAR) of SCBs has improved to 16.9%, where Tier I capital rose to 14.3% reflecting strong internal accruals and capital allocation efforts.

**PRE-PAYMENT CHARGES ON LOANS TO MSEs:** W.e.f. 1st January 2026, the revised pre-payment charges are to be levied by banks as directed by RBI which is applicable to all loans and advances (term or demand) sanctioned or renewed on or after this date (Small Payment Banks are excluded). (i) Levy of pre-payment charges to be on all floating loans & advances to MSEs, except loans granted for other than business purposes, (ii) A commercial bank (excluding Small Finance bank, Regional Rural bank and Local Area bank), a Tier 4 Primary (Urban) Co-operative bank, an NBFC-UL, and an All-India Financial Institution shall not levy any pre-payment charges, (iii) A Small Finance bank, a Regional Rural bank, a Tier 3 Primary (Urban) Co-operative bank, State Cooperative bank, Central Cooperative bank and an NBFC-ML shall not levy any pre-payment charges on loans with sanctioned amount/ limit up to ₹50 lakh. (iv) In case of cash credit/ overdraft facilities, no pre-payment charges shall be applicable if the borrower intimates the bank of their intention not to renew the facility before the period as stipulated in the loan agreement, provided that the facility gets closed on the due date.

**ALTERNATIVE INVESTMENT FUND (AIF):** Alternative Investment Fund is a special investment category that differs from conventional investment instruments like shares, mutual funds or bonds. It is a privately pooled investment vehicle that collects funds from investors – Indian or Foreign, for investing in accordance with a defined investment policy. They are regulated through SEBI guidelines. These funds can form a Company, LLP or a Trust to operate. SEBI has categorised AIFs into 3 categories. (i) Venture Capital/Angel/Infra/Special Venture Funds – where they invest in SMEs, Start-ups and new economically viable businesses with high potential growth. (ii) Private Equity/Debt/Fund of Funds – They are meant to invest in private unlisted companies or in different AIFs also. (iii) Private Investment in Public Equity Fund (PIPE) & Hedge Funds – A PIPE invests in the shares of publicly traded companies, whereas Hedge funds pool money from accredited investors and institutions and invest in both domestic and international debt and equity markets.

**RBI PROPOSES BAN ON PROMOTING THIRD-PARTY PRODUCTS ON DIGITAL BANKING:** RBI has proposed new rules barring banks from displaying or promoting third-party products on their digital platforms without RBI approval. Banks must implement enhanced risk monitoring systems to detect unusual transactions and obtain explicit customer consent before enabling digital services. Transactional digital banking channels will require prior RBI approval, while "view-only" services may operate with certain safeguards. These measures aim to protect consumers, reduce conflicts of interest, and strengthen fraud controls.

**DIGITAL BANKING NOT MANDATORY FOR ACCESSING OTHER SERVICES:** The RBI in its draft norms on Digital Banking Channels Authorization, clarified that banks cannot mandate customers to opt for digital banking to access other services like debit cards. The choice to use digital banking must rest solely with the customer, though banks may continue recording mobile numbers to share transaction alerts.

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

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# INQUISITIVELY SPEAKING

1. Earlier 3 Overseas Credit Rating Agencies were in the panel of RBI i.e. Fitch, S&P & Moody's for the purpose of risk weighting their claims on capital adequacy purpose. In a move to align with international standards, the RBI has included which overseas CRA for the purpose of risk weighting their claims on non-resident corporates originating at International Financial Services Centres?
a) Dominion Bond Rating Service
b) Brickwork Ratings
c) Care Edge Global IFSC Ltd.
d) SIMAH Rating Agency

2. Reserve Bank of India in its recent Monetary Policy Committee statement on August 4-6, 2025 has retained the Gross Domestic Product growth for 2025-26 at:
a) 6.5% b) 6.7% c) 6.9% d) 7.0%

3. The Digital Payment Index is weighted across five dimensions, out of which four are
a) Payment Enablers (25%);
b) Demand-side Infrastructure (10%);
c) Supply-side Infrastructure (15%);
d) Payment Performance (45%).

Which is the fifth dimension?
a) Transparency in Charges (5%)
b) Fraud Complaint Ratio (5%)
c) Tech Frauds (5%)
d) Consumer Centricity (5%)

4. In a significant move to improve the access to loan for higher education purpose, the Ministry of Finance has instructed all Public Sector Banks to complete processing of Education loans applications within ..... days.
a) 15 b) 10 c) 25 d) 7

5. Criminals involved in fraud schemes like phishing and identity theft often recruit third parties, known as ________ to facilitate money laundering by using their deposit accounts to move illegally obtained funds.
a) Intermediary Money Launderer
b) Spikers
c) Money Mules
d) Fetcher

6. CKYCR - Central Know Your Customer Record Registry, is a centralized repository for KYC records in India's financial sector, aiming to reduce the burden of repeated documentation by creating a unique, inter-usable KYC identifier for each customer. Govt. has authorised whom to act as and perform the functions of CKYCR?
a)SEBI
b) RBI
c) Indian Legal Entity Identifier Foundation (ILEIF)
d) CERSAI

## ANSWER KEY

**1.c 2.a 3.d 4.a 5.c 6.d**

## Stretch n Speak

**IREDA:** Indian Renewable Energy Development Agency Ltd.
**CGFMU:** Credit Guarantee Fund for Micro Units
**ECLGS:** Emergency Credit Line Guarantee Scheme
**CRGFTLIH:** Credit Risk Guarantee Fund Trust for Low Income Housing.
**FRRR:** Fixed Reverse Repo Rate