



IBS VIGYAN

VISIONING BANKERS



Evangelistically Speaking

Dear Stakeholders,

After the Festivals, Let's Rekindle Our Focus

The past few weeks have been filled with joy, colour and celebration. From the divine energy of Navratri to the radiant spirit of Diwali, this festive season once again reminded us of India's timeless balance between devotion, discipline and determination.

Festivals are not just occasions of celebration — they are moments of renewal. As the lights fade and routines return, this is the perfect time to kindle a different kind of flame — the flame of learning.

At IBS, we believe every festival leaves behind a meaningful lesson. Navratri embodies perseverance; Diwali celebrates the victory of light over darkness. Similarly, academic success is achieved through persistence against distractions and the triumph of effort over excuses. The months ahead are critical for all our learners, especially those preparing for JAIIB and CAIIB examinations. These are not merely tests but career-defining milestones — gateways to growth, confidence and professional credibility.

The festive season has refreshed our spirits; now it is time to channel that energy into focused learning and preparation. Our faculty, coordinators and support teams across all IBS centers are fully geared up to ensure every learner receives the best guidance through updated materials, focused mock tests and interactive sessions.

As we move from celebration to concentration, let us remember — success itself is a festival that rewards commitment and lights up our future.

Let this post festive phase mark the beginning of your most productive and purposeful learning journey yet.

Wishing all our learners renewed focus, discipline and success. Let the light of knowledge continue to guide your path — now, more than ever, it is time to return to learning with full force and unwavering determination.

Looking forward to a sustaining engagement with all.

Sincerely yours

Sathesh Kumar. S
Managing Director

Curated Cube

Next-Gen GST Reforms 2025:

The Next-Gen GST reforms, unveiled 15 August 2025 and formalized by the 56th GST Council, mark a bold re-engineering of India's indirect tax framework. The core structural change is a rationalised two-rate regime: 5% (merit/essential) and 18% (standard), while retaining a 40% demerit/luxury-goods rate for selective items. The older 12 % and 28 % slabs are being eliminated. From 22 September 2025 onward, the new rates take effect.

The reforms reclassify hundreds of goods and services. Many essentials — food, stationery, medicines — move into 0% or 5% brackets. Goods like electronics, small automobiles, cement, and appliances shift from higher rates into 18%. Insurance (life/health) is exempted from GST, making premiums tax-free. Targets include handlooms, handicrafts, footwear, toys and textiles — youth-driven MSME sectors.

Beyond rate cuts, the reforms push for greater ease of doing business. Pre-filled returns, faster refunds, simplified registration, and reduced compliance burden for MSMEs are central commitments. The aim is to reduce disputes arising from classification mismatches and harmonize Input Tax Credit flows across supply chains. The government also signals a roadmap toward tech-enabled tax administration (possibly AI, real-time invoicing) under the "Next-Gen GST" ethos.

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

These reforms are expected to stimulate consumption — the "GST savings festival" metaphor was used by the Prime Minister. Lower rates on essentials increase disposable incomes especially in lower/middle segments. MSMEs will enjoy improved cash flows. Exporters may benefit via faster refunds. Revenue trade-offs are anticipated: some loss from rate cuts offset by higher compliance and the 40% sin/goods slab. Transition risks remain — state revenue gaps, the need for consensus across states, and administrative capacity to deliver the digital promise.

The Next-Gen GST Reforms 2025 represent a transformative leap from complexity to clarity — a citizen-centric rebalancing of tax burdens. If implemented well, it could empower youth-led businesses, revive consumer demand, and deepen economic formalization. The real test will lie in execution, digital readiness, and cooperative federalism.

SBI PROMOTION COURSES - ADMISSION OPEN

DATE - 17th to 26th October 2025

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

FOURTH PILLAR

CO-LENDING ARRANGEMENT (CLA): This is an arrangement between two or more Regulated Entities (REs) such as Banks, NBFCs or Housing Finance Companies, who join together to provide credit facilities to eligible borrowers. Such arrangement facilitates faster credit flow to undeserved entities under Priority Sectors such as MSMEs, agriculture and retail borrowers, where the lenders provide low-cost funds through flexible credit appraisal process. CLA also ensures that risks and returns are shared between the REs promoting inclusive, efficient and well-governed lending. In this arrangement there will be one RE who acts as the Originating RE with others as Partner REs, where the funding is carried out jointly with a pre-agreed proportion of lending with risk and revenue sharing.

PARTIAL CREDIT ENHANCEMENT (PCE): Partial Credit Enhancement (PCE) is a risk-mitigation tool used in Banking & Finance to make bonds or loans more attractive to investors or lenders. In India, SCBs, All India FIs, and NBFCs provide PCE to Bonds issued by Corporates, SPVs, Large NBFCs and Municipal Corporations. PCE basically means a third party (usually a bank or government agency) provides a guarantee for part of the credit risk on a borrower's debt.

So, if the borrower defaults, the guarantor covers only a portion of the loss – not the full amount. It's used to improve the credit rating of bonds or loans, especially when the borrower (like an infrastructure company or an urban local body) is not very highly rated. For instance, say a Municipal Corporation (with a BBB rating) wants to issue ₹100 crore in Bonds. Investors are not that confident because of its rating being BBB. Here a Bank say SBI, comes and gives PCE of ₹30 Crore (30% of the issue). Now investors know that if the municipality defaults, SBI will cover the first ₹30 crore of loss. This reduces investor risk and can raise the bond's rating to A or A+, lowering interest costs for the borrower.

SAMYAK – NEW PORTAL FOR SUBMISSION OF DEPOSIT INSURANCE RETURNS: DICGC provides insurance cover for depositors of member banks up to ₹5 Lakh per depositor per Bank. All member banks are required to submit a half-yearly return (DI Return) and pay the premium to DICGC within the prescribed time limit. For this purpose DICGC has now introduced a new integrated online application called SAMYAK which replaces the earlier IASS portal that provides a unified platform for online submission of DI Returns with automated calculation and payment of premium as well as submission of the required Statutory Auditor's Certificate.

REMOVAL OF CP CODE REQUIREMENT FOR NRI INVESTORS IN DERIVATIVES: CP code, i.e. Custodial Participant Code, was mandatory for all NRIs investing/trading in Derivatives. SEBI has recently removed the requirement of CP Code for NRIs who trade in derivatives. Earlier NRI investors were required to notify the names of the Clearing Member and obtain a CP Code from the custodians to trade in derivatives. Removal of this requirement has been done to improve the ease of doing business, enhancing operational efficiency, and bringing parity between NRI and domestic investors.

ICICI BANK BACKLASH ON RAISING THE MINIMUM BALANCE REQUIREMENT: ICICI Bank had increased the minimum average monthly balance (MAMB) for new savings account holders as follows: Metro and urban accounts ₹50,000, up from ₹10,000, while semi-urban and rural accounts also face substantial hikes. These changes were applicable only to new accounts opened after Aug. 1, 2025. However, after a backlash on this, ICICI Bank has now revised its minimum account balance (MAB) norms, reducing it for metro & urban customers to ₹15,000 (from ₹50,000), semi-urban to ₹7,500 (from ₹25,000), and rural to ₹2,500 (from ₹10,000). Salary accounts remain unaffected. Non-compliance will attract a penalty of 6% of the shortfall or Rs.500, whichever is lower.

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

INQUISITIVELY SPEAKING

1. What is the amount of half-yearly premium paid by member banks to DICGC towards deposit insurance of one assessable deposit per ₹100 of a customer?

- a) ₹0.10 b) ₹0.11 c) ₹0.12 d) ₹0.14

2. As per the RBI's Financial Statements - Presentation and Disclosures guidelines, where there has been delay, beyond the prescribed period, in reporting the fraud to the RBI, the entire provisioning ____% is required to be made at once.:

- a) 50% b) 75% c) 100% d) 125%

3. As per the RBI's Financial Statements - Presentation and Disclosures guidelines, Banks should segregate the credit entries outstanding for more than ____ years in the inter-branch account and transfer them to a separate 'Blocked Account' which should be shown under 'Other Liabilities and Provisions - Others'?

- a) 2 b) 3 c) 4 d) 5

4. The Finance Ministry has instructed public sector banks to expedite education loan processing, mandating decisions within __ days and a centralized credit system, where Rejections of loans would require higher authority approval and clear communication to students?

- a) 7 b) 10 c) 15 d) 21

5. Under Insolvency & Bankruptcy Code 2016, what is the maximum time limit for resolution process for Corporates to be completed?

- a) 180 days b) 270 days
c) 330 days d) 360 days

6. The RBI has recently approved one small finance bank to be upgraded to the status of Universal Bank:

- a) Jana Small Finance Bank
b) AU Small Finance Bank
c) Ujjivan Small Finance Bank
d) Fincare Small Finance Bank

7. As per the RBI's Financial Statements - Presentation and Disclosures guidelines all unreconciled credit entries in a Bank's Nostro Account which are outstanding for period of more than ____ years shall be transferred to a Blocked Account and shown as outstanding liabilities.

- a) 1 b) 2 c) 3 d) 5

ANSWER KEY

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

Stretch n Speak

CFS: Consolidated Financial Statement

FREE-AI: Framework for Responsible & Ethical Enablement of Artificial Intelligence

KFS: Key Fact Statement

AIFI: All India Financial Institution

SRVA: Special Rupee Vostro Account

NIAS: New Integrated Application System

SIF: Specialized Investment Fund

FSIB: Financial Services Institutions Bureau