



**Download Your E-Copy of NEWSLETTER Vol. X Issue 6 dated 14<sup>th</sup> July, 2025  
from branch /department webmail or write to us at [newsletter@bmcbank.co.in](mailto:newsletter@bmcbank.co.in)**

## EDITORIAL

Welcome to the July 2025 edition of the Newsletter, your trusted source for insightful updates and the latest developments shaping our transformation journey forward.

Each bank in India possesses its own distinct identity, shaped by its culture, strengths, and market presence. Our bank, in particular, carries a proud legacy of maintaining a strong and loyal customer base over several decades, weathering even the most challenging periods. However, in recent years, we have witnessed a decline in our customer base. Encouragingly, the past year has seen a reversal of this trend, with renewed growth.

To build on this momentum, our focus must now be on aggressively expanding our customer base through the opening of new CASA accounts, thereby increasing overall deposits and business volumes. Alongside this, reducing the dormancy in existing CASA accounts must be a priority. We must also intensify our efforts to convert inactive and dormant accounts into active ones, ensuring optimal utilization of our large customer base.

As part of our ongoing manpower planning initiative, the bank is set to recruit new Probationary Officers and Junior Executive Assistants, who will be inducted in a phased manner beginning August 2025. To further strengthen our leadership and address gaps in the middle management, we are also initiating lateral recruitment of experienced professionals across critical functions such as Credit, MIS, IT, HR, Operations, Sales, and Audit. This will support both our current operational needs and long-term succession planning.

In my recent address to our Executives and Branch Managers, I stressed the importance of teamwork, mutual respect, and collective ownership of our goals. Together, we must work diligently to meet all targets across deposit mobilization, advances, share capital growth, NPA recovery, insurance, and all key performance indicators set by the bank.

In FY 2024–25, we recorded an operating profit of Rs. 40 crores. For FY 2025–26, we have set an ambitious yet achievable operating profit target of Rs. 60 crores. With an experienced and capable team now at the helm of our business and operational strategy, I am confident that we will meet and even surpass these targets.

We remain committed to delivering value to our shareholders, including declaring dividends in the near future. I believe that milestone is well within reach.

I extend my heartfelt thanks to each and every staff member for your unwavering support and trust in my leadership. I also express my sincere gratitude to my fellow members of the Board of Directors for unanimously electing me as the Chairman of the bank. Let us move forward together with renewed purpose and dedication. I wish you all continued success in every endeavour.



**ZEESHAN MEHDI,**  
CHAIRMAN

## WARM GREETINGS!

At the outset, I extend my heartfelt congratulations to Mr. Zeeshan Mehdi on his election as Chairman of the Bank. With his leadership, vision, and the combined efforts of our dynamic Board Members, I am confident that the Bank is poised for significant growth and success.

The first quarter of the current financial year has been challenging, with results falling short of expectations. It is now imperative that we intensify our efforts in the second and third quarters to bridge this gap. Waiting until the final quarter will not be a viable strategy, so I urge all staff members to act decisively—focusing on business mobilization, income generation, and recovery—to achieve our set targets in the coming months.

A key area of focus must be the expansion of our customer base. This includes reaching out to dormant and inoperative account holders to re-establish their relationship with the Bank. A broader customer base will enable us to promote our full suite of products and services, ultimately contributing to sustained business growth.

Equally important is the need to enhance our customer service. A satisfied customer is more likely to remain loyal and engage in long-term banking relationships. Let us ensure that every customer interaction reflects our commitment to excellence.

Our mission remains clear: to deliver exceptional banking services, promote financial inclusion, and support the progress of our customers and communities.

Finally, I would like to express my sincere gratitude to our customers, shareholders, and depositors for their continued trust, loyalty and support to this esteemed Institution.

Let us move forward with determination and purpose.

**IMRAN AMIN SIDDIQUI**  
MANAGING DIRECTOR



## FATF Grey Listed Countries

Latest list as of 13th of June 2025

Algeria	Haiti	Nigeria
Angola	Kenya	South Africa
Bolivia	Lao PDR	South Sudan
Bulgaria	Lebanon	Syria
Burkina Faso	Monaco	Venezuela
Cameroon	Mozambique	Vietnam
Côte d'Ivoire	Namibia	Virgin Islands (UK)
DR of the Congo	Nepal	Yemen

Source: FATF



## Future Value vs Present Value: What 1 Crs Actually Means

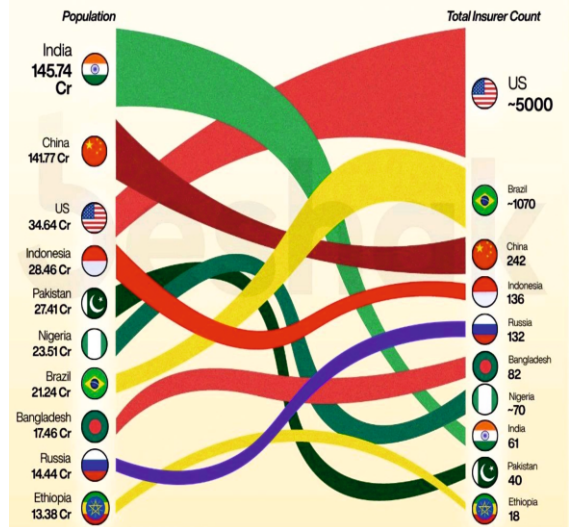
Combination	Years	Future Value	Present Value (6% Inflation)
10K SIP + 6L Lumpsum	15	₹1.04 Cr	₹43.4 Lakhs
15k SIP + 8L Lumpsum	20	₹2.63 Cr	₹82 Lakhs
20K SIP + 10L Lumpsum	20	₹4 Cr	₹1.25 Crores
25k SIP with 5% annual step-up	15	₹7.15 Cr	₹1.67 Crores
35k SIP with 5% annual step-up	15	₹10.02 Cr	₹2.33 Crores

(Note: All future values are estimated using 13% CAGR)

Don't just chase crores. Understand their real worth.

## 61 Insurers for 146 Cr Indians

How Does It Compare With Other Top Populated Countries



## KNOWLEDGE HUB

**Money Mules : A Hidden Threat in Banking!** As bankers, we must stay alert to one of the fastest-growing financial crimes - Money Mule activity.

**What to watch for :** Unusual transactions in dormant/new accounts Customers receiving funds "for someone else" Excuses like "helping a friend" or "online job offers" Multiple account openings across branches

Mules may be unaware - they're often victims of romance scams, fake jobs, or quick-money traps. Others act knowingly for greed or peer pressure.

**Bankers' Role:** Educate customers on red flags Escalate suspicious behavior Support financial crime investigation teams.

## Govt. announces latest interest rates on small savings schemes

"The rates of interest on various Small Savings Schemes for the second quarter of FY 2025-26 starting from 1st July, 2025 and ending on 30th September, 2025 shall remain unchanged from those notified for the first quarter (1st April, 2025 to 30th June, 2025) of FY 2025-26," said a Finance Ministry notification.

As per the notification, deposits under the Sukanya Samriddhi scheme will attract an interest rate of 8.2 percent, while the rate on a three-year term deposit remains at 7.1 per cent prevailing in the current quarter.

The interest rates for popular Public Provident Fund (PPF) and post office savings deposit schemes too have been retained at 7.1 per cent and 4 per cent, respectively.

The interest rate on the Kisan Vikas Patra will be 7.5 percent, and the investments will mature in 115 months. The interest rate on the National Savings Certificate (NSC) will remain at 7.7 percent for the April-June 2025 period.

Like the current quarter, the Monthly Income Scheme will earn 7.4 per cent for investors.

With this, the interest rates on small savings schemes, majorly operated by post offices and banks, have been left unchanged for the fifth consecutive quarter. The government had last made changes in some schemes for the fourth quarter of 2023-24.

The government notifies the interest rates on small savings schemes every quarter.

## Reduction in Cash Reserve Ratio (CRR)

As decided in the latest monetary policy meeting RBI has reduced the Cash Reserve Ratio (CRR) of all banks by 100 basis points in four equal tranches of 25 basis points each to 3.0 per cent of net demand and time Liabilities (NDTL).

Accordingly, banks are required to maintain the CRR at 3.75 per cent, 3.5 per cent, 3.25 per cent and 3.0 per cent of their NDTL effective from the reporting fortnight beginning September 6, October 4, November 1 and November 29, 2025, respectively. The reduction in CRR is targeted to increase the liquidity in banking system.

## **Digital Payments Intelligence Platform (DPIP)**

In a decisive move to curb the growing menace of digital frauds in the country, the Reserve Bank of India (RBI) has initiated the creation of the Digital Payments Intelligence Platform (DPIP)— a robust and unified system that aims to secure India's fast-evolving digital payment landscape.

As digital transactions grow exponentially across banks, fintechs, and service platforms, the need for a centralized fraud surveillance mechanism has become more urgent than ever. To combat the surge in digital payment frauds, major Indian banks (both public and private sector) are collaborating with RBI to develop Digital Payments Intelligence Platform.

The Digital Payments Intelligence Platform will operate as a shared ecosystem that brings together banks, fintechs, payment gateways, and digital infrastructure providers on a common fraud monitoring and data-sharing platform.

The Platform facilitates Real-Time Data Exchange, AI and Machine Learning, Collaborative Action & Unified data base across the financial institutions. The RBI Innovation Hub is building a prototype under it, leveraging advanced technologies.

## **RBI may conduct more VRRR auctions as liquidity remains in huge surplus.**

The Reserve Bank of India (RBI) is expected to conduct more variable rate reverse repo (VRRR) auctions to remove excess funds from the banking system and maintain liquidity at 1 percent of net demand and time liabilities (NDTL).

Economists added that the announcement of the VRRR auctions would hinge on the need to manage liquidity daily so that it remains at the target surplus to NDTL.

Announcement of VRRR is not dependent on alignment of call to repo but rather on the daily liquidity management and maintenance of the 1 percent of NDTL surplus level.

Expectations of additional VRRR auctions increased since the liquidity in the banking system remained in huge surplus despite the central bank having conducted one such auction last week

The RBI conducted a seven-day VRRR auction to siphon Rs 84,975 crore and continue to conduct VRRR auction at regular interval.

## **Geopolitical headwinds, elevated uncertainty pose downward risks to growth: RBI's Financial Stability Report**

The Reserve Bank of India's (RBI) Financial Stability Report released on June 30 said that the headwinds from protracted geopolitical tensions, elevated uncertainty and trade disruptions, and weather-related uncertainty pose downside risks to growth.

The report added that deceleration in global growth will act as a drag on domestic output. "It is estimated that a 100 basis points (bps) slowdown in global growth can, ceteris paribus, pull down India's growth by 30 bps," the report said.

The RBI has projected the real GDP to grow at 6.5 percent in 2025-2026, the same as in 2024-25, supported by buoyant rural demand, revival in urban demand, an uptick in investment activity on the back of above-average capacity utilisation, the government's continued thrust on capex and congenial financial conditions.

Domestic inflation has been steadily declining with the headline consumer price index (CPI) inflation recording a six-year low of 2.8 per cent in May 2025, RBI said.

The outlook for food inflation remains favourable on account of softening prices and robust crop production. Moreover, the risk of imported inflation largely remains low with the anticipated slowdown in global growth likely to soften commodity and crude oil prices, although the recent escalation of geopolitical tensions in the Middle East has led to heightened uncertainty.

## **Saraswat Co-operative Bank to acquire fraud-hit New India Co-operative Bank**

The Reserve Bank of India has given its in-principle approval after Saraswat Bank approached the central bank with its proposal for amalgamation, and a final nod will depend on the shareholders of both the banks. Following the merger, Saraswat Bank will take over all assets and liabilities of New India Co-operative Bank, and the interests of depositors will be fully protected, its chairman Gautam E. Thakur said at a press conference in Mumbai.

The merger of the entities is expected to happen in August-September and the turnaround of the fraud-hit bank might take one-two years, Thakur said. Due diligence has been conducted and a special audit is being conducted for the merger. The bank is working with the Economic Offences Wing (EOW) and other law enforcement agencies to ensure fairness and accountability, he added.

Saraswat Bank, India's largest urban co-operative bank, has acquired more than seven financially weak co-operative banks over the past few years, rescuing over 800,000 depositors. Saraswat Bank has helped troubled depositors without any haircut, ensuring full protection of interest of depositors, Thakur said.

### RBI asks all banks to ensure 50 bps rate cuts are passed on to customers swiftly

Weeks after slashing its repo rate by 50 basis points, the Reserve Bank of India in a report suggested that all banks should swiftly bring down their interest rates to ensure speedy transformation of the policy.

According to an article published in the central bank's June bulletin, the RBI stressed that the financial conditions remained favourable for facilitating an efficient transmission of rate cuts by banks.

It may be noted that since the RBI cut rates in February and April, most banks have passed down the same to their customers. The RBI had in June also announced a reduction in the cash reserve ratio (CRR) by 100 bps to 3 per cent of net demand and time liabilities (NDTL) in a staggered manner during the latter half of the year.

The reduction in CRR would release primary liquidity of about ₹2.5 lakh crore into the banking system by December 2025.

*To be continued in the next Issue*

Win a prize of Rs.1000/- to Rs. 5000/- and a certificate of appreciation from the Managing Director for the best article on banking with a beautiful slogan concerning banking activity. The slogan should not be more than 30 words. Win a prize of Rs. 500/- each (3 Nos.) for correct Quiz answer with a beautiful slogan not more than 30 words. Send your article with slogan in sealed envelope mentioning your Name, Code No. and branch to Treasury Department, 2<sup>nd</sup> Floor, 78, Mohammedali Road, Mumbai – 400 003.

### QUESTIONNAIRES

Q.1 Bank's deposit growth remain sluggish in Q1

(a) True (b) False

Q.2 RBI cut repo rate in the year 2025 till date

(a) 50 bps (b) 75 bps (c) 100bps

Q.3 FOIR stands for.....

Q.4 FATF stands for .....

Q.5 South Africa is not in Grey list of FATF country

(a) True (b) False

Q.6. There are ..... Insurers for 146 crore Indians

Q.7. Interest rate on Small savings scheme has been revised during the quarter July 2025 to September 2025

(a) True (b) False

Q.8. VRRR means.....

Q.9. Saraswat Bank to acquire Punjab and Maharashtra Co-op. Bank

(a) True (b) False

Q.10 PLR of BMC Bank is.....

**Your reply should reach  
us on or before  
31.07.2025**

### Quiz result of VOL X Issue 2

**Quiz Answer :**

1. (b) 2. (c) 3. (a)

4. (b) 5. (artificial intelligence)

6. (c) 7. (a) 8. (c) 9. (none of a,b,c)

10. (Consumer Price Index)

**NO WINNER**



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