



Bombay Mercantile Co-operative Bank Ltd.

(Scheduled Bank)

NEWSLETTER

Volume: X | Issue : 3 | 25th April 2025

Download Your E-Copy of NEWSLETTER Vol. X Issue 3 dated 22nd April, 2025 from branch /department webmail or write to us at newsletter@bmcbank.co.in

Welcome to the April 2025 edition of the Newsletter, your trusted source for insightful updates and the latest developments shaping our transformation journey forward. We are delighted to share that the fiscal year 2024-25 concluded with commendable results, reflecting the unwavering commitment of our Management and Staff. The bank demonstrated satisfying performance across most business parameters, including increase in advances, deposits, recovery, and reduction of non-performing assets (NPAs) by over 12%. This achievement is a testament to the collective efforts and hard work of the Management and Staff, and we extend special gratitude to the CGM and COO for their exceptional contributions in fostering discipline and strengthening systems and controls.



Our congratulations to all the staff members who have performed remarkably well, showcasing how dedication and perseverance can drive both individual success and organizational goals. As we embark on FY 2025-26, we call upon the Management and Staff to ensure that monthly targets are met consistently across all parameters, enabling us to achieve sustainable growth throughout the year. Looking ahead, we are pleased to announce the upcoming IBPS examination on April 20th for positions of Probationary Officers and Junior Executive Assistants (JEAs). With the induction of fresh talent, our bank will continue to embrace the dynamic synergy of experience and youthful enthusiasm, working together as a cohesive team to achieve the targets set for the year and reach new heights of success.

ZEESHAN MEHDI

From the desk of the Managing Director

I am pleased that the bank has performed well in all the parameters and has made an operating profit of more than Rs. 40.00 crores. The current financial year has started and branches have been allotted deposit, advances, NPA recovery, PR recovery, Share capital, IMPs, Rupay card, Mobile banking, ZDDS, Insurance etc targets. The PMS system has been activated and during the current financial year the staff performance will be evaluated through PMS system and promotions would be considered on merits. The Hajj season has started and we have proven during the last Hajj season that we have served the Hajj pilgrims by providing them Saudi Riyals and US Dollars at a competitive rate. This year also I expect that we shall double the business compared to last year and our moto should be 'SERVICE TO HAJIS'. We have earmarked this financial year for training for our newly to be recruited Probationary Officers and Jr. Executive Assistants and enhancing the soft skill of all the staff members by imparting in house and deputing our staff to other financial institutions for training.



I am sure that this year we shall take our bank to a new height in growth and technology powered offerings. We are going to improve our IT department by getting superior IT infrastructure. I wish all a very successful financial year 2025-26

Mr. IMRAN AMIN SIDDIQUI

UN International Cooperative Year 2025

United Nations has declared 2025 as 'International Cooperative Year', which was officially launched by the Prime Minister at ICA Global Cooperative Conference and General Assembly in November 2024. This initiative comes with a range of new programs aimed at increasing contribution of cooperatives to achieve Sustainable Development Goals (SDGs) by 2030. Even prior to announcement of 2025 as UN International Cooperative Year, Government of India-through Ministry of Cooperation – has taken a number of initiatives to promote & strengthen cooperative sector, including allowing cooperatives to sell their products through public e-commerce platforms like 'Open Network for Digital Commerce' and 'Government e Marketplace' (GeM).

But unfortunately, cooperatives in India, including Cooperative Banks, continue to be making news headlines for wrong reasons. As if abrupt closure of cooperative societies & disappearance of their management after duping innocent members of their lifetime savings was not enough, cooperative banks are regularly coming under RBI scanner by attracting penalties, cancellation of licenses besides other restrictions on operations. As per information available on the

website of the Central Registrar of Cooperative Societies, seven Urban Cooperative Banks are under liquidation and Reserve Bank of India vide its notification dated 13th February 2025 has stopped Maharashtra based New India Cooperative Bank Ltd. from carrying out normal banking activities.

These negative developments pose a serious threat of cooperatives losing faith of common man, which this sector can ill afford. Then, what is the possible way out to ensure that cooperatives in India remain vibrant and play their role in empowering marginalized & underprivileged sections of the society by adhering to cooperative principles. Government of India has been doing a lot to improve & create work at ease atmosphere for the cooperatives and also proposes to establish a National Cooperative University to address various issues faced by the sector.

However, government's efforts alone cannot mitigate the challenge threatening their meaningful existence, unless cooperatives themselves come forward to take the bull by horn. Management of the cooperatives societies and banks should undertake wide range of consultations with all stakeholders, viz. members, employees, cooperative experts as well as general public and should come out with a time bound road map. This must include adapting to new technologies, infusing young blood with a clear vision, imparting extensive & regular training both to staff & members and put in place a transparent & accountable governance system in place. Last but not least, any initiative should flow from top to bottom & not the other way round as the case has usually been.



(SULTAN FARID)

Ex- Branch Manager, Delhi Branch/
Consultant (Asst. Registrar), GOI

KNOWLEDGE HUB

You become what you tell yourself

Here are the 6 stages of self-belief:

1. "I can't do it."
Doubt blocks progress.
Negative thoughts create limits.
 2. "I want to do it."
Desire sparks the first step.
Change begins here.
 3. "How can I do it?"
Seeking solutions turns thoughts into action.
 4. "I'm going to try."
Effort replaces hesitation.
Action builds confidence.
 5. "I can do it."
Belief strengthens.
Success feels possible.
 6. "I did it."
Victory proves doubts were wrong.
- Your words shape your future.
Choose them wisely.

Written by [Adam Danyal](#).

RBI NEWS

RBI MPC decision: Repo rate cut by 25 bps to support growth, stance changed to accommodative

The monetary policy committee (MPC) of the Reserve Bank of India (RBI), which met for the first time in the current financial year under the new central bank governor Mr. Sanjay Malhotra, on April 9, 2025 cut the repo rate by 25 basis point (Bps) to 6%. The MPC also decided to change the stance to accommodative from neutral.

This is the second time in a row that the central bank has cut repo rate to aid growth amid global uncertainties. Last time in February policy, the RBI had cut repo rate for the first time in five years. The repo rate is the interest rate at which the central bank lends to other banks in the country.

The change in stance from 'neutral' to 'accommodative' means that going forward, absent any shocks, the MPC is considering only two options – status quo or a rate cut".

As a result, the standing deposit facility (SDF) rate remains unchanged to 5.75 % and the marginal standing facility (MSF) rate and the Bank Rate at 6.25%.

Experts had said that lower Consumer Price Index (CPI) inflation allows the MPC to focus more on growth amid global uncertainties and paves way for another rate cut, which will further boost demand in the current scenario.

The RBI Governor Mr. Sanjay Malhotra announced that the GDP growth for current fiscal is projected at 6.5% from an earlier forecast of 6.7% taking into account headwinds from external sector. The governor acknowledged the challenges because of tariffs imposed by Mr. Trump.

"Higher tariffs shall have a negative impact on net exports," the governor noted.

The retail inflation forecast has been brought down to 4% from 4.2% earlier as the prospects for agriculture remain bright due to healthy reservoir levels and crop production.

"Higher tariffs shall have a negative impact on net exports," the governor noted.

The retail inflation forecast has been brought down to 4% from 4.2% earlier as the prospects for agriculture remain bright due to healthy reservoir levels and crop production.



INDUSTRY NEWS

Banks set to report higher treasury income in Q4FY25 on sharp drop in G-sec yields

Indian banks are expected to report higher treasury income in the fourth quarter of FY25, driven by a sharp decline in government securities yields and gains from foreign exchange operations amid volatility. These treasury gains mark consecutive quarterly gains for banks in FY25.

Softening of the 10-year benchmark yield during FY25, coupled with a sizable Rs 2.46 lakh crore in open market operations (OMO) auctions, has significantly boosted treasury profits in Q4.

Adding to this, the volatility in the Indian rupee has also helped book larger forex profits in Q4.

During the January-March quarter, yields on government securities, particularly the 10-year benchmark bond, eased by around 20 basis points (bps), driven by OMO purchases by the Reserve Bank of India (RBI), easing inflation, and a 25 bps policy rate cut.

According to the Clearing Corporation of India (CCIL), the yield on the 10-year benchmark bond 6.79 percent maturing in 2034 fell to 6.582 percent as on March 28, as compared to 6.781 percent as on January 1, 2025.

Asian Clearing Union (ACU) Mechanism – Indo- Maldives trade

As per the **FEMA regulations**, trade transactions between **ACU member countries** are to be routed through the **ACU mechanism** or as per the directions issued by the **Reserve Bank of India**.

In the wake of signing of **MoU** between **Reserve Bank of India** and **Maldives Monetary Authority** in **November 2024** for establishing a framework to promote the use of local currencies i.e., **Indian Rupee (INR)** and **Maldivian Rufiyaa (MVR)** for bilateral transactions, RBI has recently permitted India's bilateral trade transactions with Maldives to be settled in **INR** and/or **Maldivian Rufiyaa (MVR)** in addition to the ACU mechanism.

The **Asian Clearing Union (ACU)** mechanism is a payment settlement system that facilitates trade transactions among its member countries. It was established in **1974** under the auspices of the **United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)** to simplify trade payments, reduce dependency on hard currencies (like the USD), and promote regional cooperation.

Currently there are **9 member countries** under ACU. They are Bangladesh, Bhutan, India, Iran, Maldives, Myanmar, Nepal, Pakistan & Sri Lanka.

RBI Measures to Manage Liquidity Conditions

RBI in the current days taking various proactive steps to manage **liquidity issues** in the banking industry. In one of the measure to inject liquidity into the banking system, RBI has recently conducted following operations.

Open Market Operations (OMO) purchase auctions of Government of India securities for an aggregate amount of **₹1,00,000 crore** in two tranches of **₹ 50,000 crore** each were held on **March 12, 2025** and **March 18, 2025**.

USD/INR Buy/Sell Swap auction of **USD 10 billion** for a tenor of **thirty-six months** was held on March 24, 2025.

Participation of Standalone Primary Dealers in VRR operations

As per RBI guidelines, **Standalone Primary Dealers (SPDs)** are allowed to participate in all **overnight liquidity management operations** (except Marginal Standing Facility) under the current Liquidity Management Framework. SPDs were also allowed to participate in other operations such as long-term **Variable Rate Repo (VRR)** operations and daily VRRs on a case-to-case basis. On a review, RBI has now decided to allow SPDs to participate in all **Repo operations**, irrespective of tenor, conducted by it.

FATF High risk & other monitored jurisdictions-Feb 25

Financial Action Task Force (FATF) plenary releases document titled "High-Risk jurisdictions subject to a Call for Action" and "Jurisdictions under Increased Monitoring" with respect to jurisdictions that have strategic AML/CFT deficiencies.

FATF had earlier identified the following jurisdictions as having strategic KYC AML deficiencies in their regimes and had placed the jurisdictions under Increased Monitoring, which had developed action plan with the FATF to deal with them.

These jurisdictions were: Algeria, Angola, Bulgaria, Burkina Faso, Cameroon, Côte d'Ivoire, Croatia, Democratic Republic of the Congo, Haiti, Kenya, Lebanon, Mali, Monaco, Mozambique, Namibia, Nigeria, Philippines, South Africa, South Sudan, Syria, Tanzania, Venezuela, Vietnam and Yemen. As per the February 21, 2025 FATF public statement, Lao People's Democratic Republic (Lao PDR) and Nepal have been added to the list of Jurisdictions under Increased Monitoring while Philippines has been removed from this list based on review by the FATF. Democratic People's Republic of Korea (DPRK), Iran & Myanmar continue to be under countries with high risk jurisdictions.

FATF, headquartered at Paris, is considered as global money laundering and terrorist financing watchdog.



Usage of ATM Machines - Review of Interchange Fee & Customer Charges

Reserve Bank of India, from time to time, issued various instructions on the number of **free ATM transactions** and maximum charges that can be levied on a customer beyond the mandatory free transactions. Instructions have also been issued by RBI on **interchange fee** (Fee paid by card issuing bank for the usage of other bank's ATM) structure for ATM transactions. RBI has recently issued following revised instructions on this regard.

The ATM interchange fee will be as decided by the ATM network. (Previously RBI fixed this at the rate of Rs. 17 for financial and Rs. 6 for non financial transactions).

Customers are eligible for **5 free transactions** (inclusive of financial and non-financial transactions) every month from their own bank ATMs. They are also eligible for free transactions (inclusive of financial and non-financial transactions) from other bank ATMs viz. **3 transactions in metro centres** and **5 transactions in non-metro centres**. Beyond the free transactions, a customer may be charged a **maximum fee of ₹23 per transaction plus taxes (Increased from previous cap of ₹20 per transaction plus taxes)**.

This shall be effective from May 01, 2025.

These instructions shall also apply, mutatis mutandis, to transactions done at **Cash Recycler Machines (other than for cash deposit transactions)**. The revised guidelines are issued as per the recommendations made by **Shri. Sunil Mehta committee** which was constituted by RBI to review the entire gamut of Automated Teller Machine (ATM) charges and fees with particular focus on interchange structure for ATM transactions.

Win a prize of Rs.1000/- to Rs. 5000/-and a certificate of appreciation from the Managing Director for the best article on banking and 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 and slogan in sealed envelope mentioning your Name, Code No. and branch to Treasury Department, 2nd Floor, 78, Mohammedali Road, Mumbai – 400 003.**

QUESTIONAIRES

- Q.1 Repo rate has been cut by 0.25% in RBI Monetary policy of April 2025.
(a) True (b) False
- Q.2 China is a member of Asian Clearing Union (ACU)
(a) True (b) False
- Q.3 Currently there are 9 members coalition under ACU.
(a) True (b) False
- Q.4 SPD stands for
- Q.5 FATF stands for
- Q.6 FATF is Headquartered in London
(a) True (b) False
- Q.7. Review of Interchange Fee & Customer Charges has been revised from
(a) 1st April 2025 (b) 1st May 2025
- Q.8. Interest rate on small saving scheme has been revised downward for the quarter April 2025 to June 2025
(a) True (b) False
- Q.9. Customer can appoint Nominees for their deposits.
(a) One (b) Two (c) Four
- Q.10 Digital awareness week is observed from
10th Feb to 16th Feb 2025 (b) 10th March to 16th March 2025 (c) 10th April to 16th April 2025.

Your reply should reach us on or before 03.05.2025

Quiz result of VOL X Issue 2

Quiz Answer :
1. (a) 2. (c) 3. (b) 4. (b) 5. (a)
6. (b) 7. (d) 8. (Shri Radha Shyam Ratho)
9. (b) 10.(b)



WINNER's NAME: MR. AKSHAY ANKUSH KHAMGAONKAR, CODE NO. 4292, ACCOUNTS DEPARTMENT, HEAD OFFICE.

SLOGAN : The foundation for your tomorrow



Publisher : Bombay Mercantile Co-operative Bank Ltd.
Chief Patron : Mr. Syed Ajaz Haider Rizvi , Director
Chief Editor : Mr. Imran Amin Siddqui - Managing Director
Associated Editors : Mr. Barkat Ali - Chief General Manager, Mr. A. K. Sinha - Chief Operating Officer, Mr. Mohammed Arif Amiri - Deputy General Manager

Disclaimer : "The information / news items contained in this publication have appeared in various external sources / media for public use or consumption and are now meant only for members and subscribers. The views expressed and / or events narrated / stated in the said information / news items are as perceived by the respective sources. BMC Bank neither holds nor assumes any responsibility for the correctness or adequacy or otherwise of the news items/events or any information whatsoever.