



Download Your E-Copy of NEWSLETTER Vol. IX Issue 3 dated 11 th April, 2024 from branch /department webmail or write to us at newsletter@bmcbank.co.in

FROM THE EDITOR'S DESK

Welcome to the April 2024 edition of the Newsletter. The Newsletter, as you all know, is a trusted and reliable source to enhance your knowledge and keep you abreast with the latest developments. Best wishes for the new financial year 2024-25.

I am pleased to inform you that our bank has performed better during the Financial year 2023-24. The deposit of our bank stood at Rs. 2517 crores showing an increase of Rs. 100 + crores. The advances also stood at Rs. 1292 crores compared to Rs. 1203 crores showing an increase of Rs. 89 crores. The gross NPA is 7.42% and Net NPA is below 4 %. I am also pleased to inform you that the Insurance business started in the month of February 2024 has picked up and during current financial year with the support of our staff the bank shall perform substantial growth thereby increasing the Fee based income.

I would like to welcome all the Junior Executive Assistants into the BMC bank family. The bank has provided induction training to all the new staffs in the month of March 2024 conducted by BQ Consultants. I am confident that with the new zeal of freshers and experienced staff our bank will achieve greater heights and will definitely see growth in all the parameters like deposit, advances, recovery of NPA, fee based income etc. This year we should mark for customer centric services wherein customers should be offered utmost courtesy and prompt service.

On the occasion of Eid ul Fitr I would like to wish all the staffs members and their families a very happy and blessed Eid ul Fitr and pray for their health and prosperity.



ZEESHAN MEHDI

INDUSTRY NEWS

PPF, SSY, Senior Citizen Savings Scheme, other post office schemes interest rates for April- June quarter 2024

The government revises small savings schemes interest rates every quarter. For the quarter April-June 2024, the government has kept the interest rates of post office schemes unchanged from the rates prevailing during the January-March 2024 quarter.

Last time interest rates were hiked - The government raised the interest rates on a few post office small savings plans for the quarter ending December 31, 2023. All schemes have kept their interest rates, with the exception of the recurring deposit rate. The Public Provident Fund (PPF) interest rate remained constant at 7.1%.

Tax benefits of small savings schemes - Not all the small savings schemes come with tax benefits. As per Section 80C of the Income-tax Act of 1961, these post office schemes are included NSC, SCSS, SSY, and PPF.

KNOWLEDGE HUB

Progress of NEFT & RTGS systems

NEFT system has achieved a milestone on February 29, 2024, by processing 4,10,61,337 transactions, the highest number of transactions processed in a day so far.

National Electronic Funds Transfer (NEFT) system and Real Time Gross Settlement (RTGS) system are being managed by the Reserve Bank to settle the retail and wholesale payments, respectively. An important landmark was reached in the journey of these systems with NEFT and RTGS functioning on a 24x7x365 basis from December 16, 2019, and December 14, 2020, respectively.

During the previous ten years (2014-23), NEFT and RTGS systems have registered growth of 700 per cent and 200 per cent respectively in terms of volume and 670 per cent and 104 per cent respectively in terms of value. RTGS system had processed its highest ever volume of 16.25 lakh transactions in a day on March 31, 2024.



FLASH NEWS

RBI has maintained Status- Quo in their Monetary Policy, retain Financial Year 2024-25 growth, inflation forecasts. RBI would like inflation elephant to return to forest and stay there.

RBI NEWS

MOU between RBI and Bank Indonesia

Reserve Bank of India and Bank Indonesia have recently signed a Memorandum of Understanding (MoU) for establishing a framework to promote the use of local currencies viz., the Indian Rupee (INR) and the Indonesian Rupiah (IDR) for cross-border transactions.

This MoU promotes the use of INR and IDR bilaterally. The MoU covers all current account, permissible capital account and any other economic and financial transactions as agreed upon by both countries. This framework would enable exporters and importers to invoice and pay in their respective domestic currencies, which in turn would enable the development of an INR-IDR foreign exchange market.

Government's Borrowing plan for first half of FY 2024-25

The Government of India, in consultation with the RBI has finalized its borrowing programme for the first half (H1) of FY 2024-25.

Out of Gross Market borrowing of ₹14.13 lakh crore projected for FY 2024-25 in the Union budget, ₹7.50 lakh crore (53.08%) is planned to be borrowed in the H1 through dated securities, including ₹12,000 crore through issuance of Sovereign Green Bonds. Based on market feedback and in line with global market practices, it has been decided to introduce a new dated security of 15-year tenor.

The gross market borrowing of ₹7.50 lakh crore shall be completed through 26 weekly auctions. The market borrowing will be spread over 3, 5, 7, 10, 15, 30, 40 and 50 year securities. The share of borrowing (including SGrBs) under different maturities will be: 3-year (4.80%), 5-year (9.60%), 7-year (8.80%), 10-year (25.60%), 15-year (13.87%), 30-year (8.93%), 40-year (19.47%) and 50-year (8.93%). The Government will continue to reserve the right to exercise greenshoe option to retain an additional subscription of up to ₹2,000 crore against each of the securities.

To take care of temporary mismatches in Government accounts, the RBI has fixed the Ways and Means Advances (WMA) limit for H1 of FY 2024-25 at ₹1.50 lakh crore.

Revised Regulatory Framework for Bharat Bill Payment System

Bharat Bill Payment System (BBPS) is an integrated bill payment platform which enables payment / collection of bills through multiple channels (Mobile Apps, Mobile Banking, Physical Agents, Bank branches, etc.) using various payment modes (UPI, Internet Banking, Cards, Cash, Prepaid Payment Instruments, etc.).

RBI has recently issued master direction on Bharath Bill Payment System which is applicable to NPCI Bharat Bill Pay Limited (NBBL - a wholly owned subsidiary of National Payments Corporation of India) and All Bharat Bill Payment Operating Units (BBPOUs). Full details of the Master direction are available on RBI's website.

Following are the benefits for Users:

(a) Multiple Choice of bill payment options: With the inclusion of non-bank Pas, users are expected to have access to a wider range of bill payment options through their preferred platforms.

(b) Heightened Security: The introduction of escrow accounts for non-bank BBPOUs and effective implementation of this feature will add an additional layer of protection for user funds that will minimize the potential risks associated with bill payments.

© Quicker Dispute Resolution: The centralized dispute resolution system aims to address user and biller concerns more efficiently and effectively, ensuring quicker resolutions and minimizing inconvenience.

REGULATORY UPDATES

Introduction of Beta version of T+0 rolling settlement cycle

As per the SEBI's direction, all stock exchanges and clearing houses have fully implemented T+1 settlement cycle for equity stocks with effect from January 27, 2023.

Based on the recommendations of Working Group, SEBI has proposed to introduce T+0 settlement cycle for equity stocks. As a first step towards this SEBI has put in place a framework for introduction of the Beta version of T+0 settlement cycle on optional basis in addition to the existing T+1 settlement cycle in equity cash market, for a limited set of 25 scrips and with a limited number of brokers. This test phase will commence from March 28, 2024 with trading timings of from 09:15 AM to 1:30 PM. A shortened settlement cycle will bring cost and time efficiency, transparency in charges to investors and strengthen risk management at clearing corporations and the overall securities market ecosystem.

Reduction in Government shareholding under 75% in PSBs

Ministry of Finance has recently instructed Public Sector banks to initiate appropriate measures to reduce Government of India shareholding to less than 75%. As per the SEBI's norm minimum public shareholding (MPS) in any Public Ltd company shall not be less than 25%.

Out of 12 public sector banks (PSBs), four were complying with MPS norms as on March 31, 2023.

RBI mandates lenders to furnish Key Fact Statement: What is KFS and how will it bring transparency.

What is a Key Fact Statement?

A Key Fact Statement or KFS is a document that thoroughly lists lending terms. It has key information regarding a loan agreement, including the all-in-cost of the loan, in a simple and easy-to-comprehend format.

To ensure greater transparency and promote financial literacy, the Reserve Bank of India (RBI) has mandated that all regulated entities provide a Key Fact Statement (KFS) to retail and micro, small and medium enterprise (MSME) borrowers. The KFS should contain essential information such as the all-inclusive Annual Percentage Rate (APR) and recovery and grievance redress mechanisms.

In its statement on Developmental and Regulatory Policies, the RBI emphasised that currently, the KFS is specifically mandated for loans by scheduled commercial banks to individual borrowers, digital lending by regulated entities, and microfinance loans.

The Reserve Bank has announced several measures in the recent past to foster greater transparency and disclosure by the regulated entities (REs) in pricing of loans and other charges levied on the customers. One such measure is the requirement for lenders to provide their borrowers a Key Fact Statement (KFS) containing the key information regarding a loan agreement, including all-in-cost of the loan, in simple and easy-to-understand format, the RBI statement said.

BMC BANK NEWS GLIMPSES OF TRAINING PROGRAM FOR JR. EXECUTIVE ASSISTANT CONDUCT AT MUMBAI BY BQ CONSULTANTS





RBI likely to keep interest rates unchanged in upcoming April, June policy meetings?

The Reserve Bank of India (RBI) is likely to keep interest rates unchanged until at least July, a bit longer than the US Federal Reserve is expected to do so, over strong economic growth and still-elevated inflation, according to a majority of economists who participated in a poll conducted by news agency Reuters.

India & gross domestic product (GDP) beat RBI and Street estimates in the October- December quarter of FY24, growing at a rate of 8.4 per cent the fastest among major economies. Retail inflation, which is still close to the upper band of the central bank & two per cent-six per cent target, does not imply rate cuts.

All 56 economists who took part in the March 15-22 Reuters poll expected the RBI to hold the repo rate at 6.50 per cent at the conclusion of its upcoming April 3-5 meeting. The economists were, however, divided on when the first cut would come in 2024. The median forecasts put the rate at 6.25 per cent by the end of September and six per cent at the end of this year.

CONGRATULATION TO YOUNG ACHIEVERS



Mr. Saharsh S. Kumar, Code No. 4244, Assistant Manager at our Vashi sector 17 branch has cleared the CAIIB Examination held in December 2023.

Win a prize of Rs.1000/- and a certificate of appreciation from the Managing Director for the correct answer with a beautiful slogan concerning banking activity. The slogan should not be more than 30 words. **Send your reply with 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 The RBI in its April 2024 Monetary policy has reduced the repo rate.

(a) True (b) False

Q.2 The Government has increased the Interest rate on Small Savings Scheme from April 2024 to June 2024.

(a) True (b) False

Q.3 The total deposit of our bank as on 31 st March 2024 is

(a) Rs. 2402 cr (b) 2517 cr (c) 2412 cr (d) 2507 cr

Q.4 RBI and Bank of Malaysia has signed MOU to promote local currency

(a) True (b) False

Q.5. KFS stands for -

(ANS)

Your reply should reach us on or before 30.04.2024

Quiz result of Issue 11 VOL VIII

Quiz Answer :

1. (b) 2. PayTM Payments Bank Ltd
3. Nepal Rastra Bank 4. (b)
5. Care Health Insurance



WINNER's NAME: Mr. MUVARAK KHAN, Code No. 4201, Junior Officer – DB Administrator at MIS department, Head Office

SLOGAN : SIMPLY BETTER BANKING AT BMC BANK

Cash prize and Quiz Competition Certificate is ready and will be delivered to winner during staff function program or seminar by the hands of Managing Director.



- Publisher** : Bombay Mercantile Co-operative Bank Ltd.
- Chief Patron** : Mr. Syed Ajaz Haider Rizvi , Director
- Chief Editor** : Dr. M. Shah Alam Khan – Managing Director
- Associated Editors** : Mr. Anil Malhotra, Mr. Mohamed Arif Amiri, Mr. Nasimul Hasan Pathan, Mr. Mohd. Salim Shaikh,

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.