



Download Your E-Copy of NEWSLETTER Vol. IX Issue 7 dated 14th August, 2024 from branch /department webmail or write to us at newsletter@bmcbank.co.in

Welcome to August 2024 edition of 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.



We are pleased to inform you that our bank has setup Multi Sale product department at Head Office headed by a Deputy General Manager and it is functional since 1st August 2024. A separate vertical has been created wherein the staff would be reporting to their respective Area Head and would be allocated targets for Business products, Insurance products, recovery of NPA, etc. Our Insurance business is also picking up and we have to increase the performance upto 30th September 2024 thereby achieving the target allocated for the said business.

A number of initiatives has been undertaken to revamp the bank's HRM by introducing rationalization of staff at branches and departments and conducting interview for appointment of Branch Managers. The promotion process would pick up for smooth transition of manpower. All the staff members would be given an opportunity to perform and based on their performance, promotion and recognition and seniority wise preference would be given to upgrade their skill. The bank has been emphasizing for reduction in its NPA and there is substantial reduction in SMA (Special Mention Account) since July 2024.

The Reserve bank of India in its Monetary policy on 8th August 2024 has maintained the status quo in respect of Repo rate unchanged at 6.50%. The MPC to remain focused on withdrawal of accommodation commitment on price stability which will strengthen the foundation for sustained growth. The CPI inflation is retained at 4.50% for Financial year 2025. Inflation broadly on decline trajectory.

I look forward to great period ahead and wish all the staff best for achieving their targets and wellbeing for them and their families.

ZEESHAN MEHDI

KNOWLEDGE BASE

Importance of Teamwork in achieving targets

Teamwork can be defined as the collaborative effort of a group of individuals working together towards a common goal or objective. It involves individuals combining their diverse skills, knowledge, and perspectives to achieve shared outcomes more effectively and efficiently than they could alone. Effective teamwork relies on clear communication, mutual respect, shared accountability, and the ability to leverage each member's strengths to overcome challenges and achieve success. The business target set by head office for the branch necessitates thorough planning. To achieve this goal, the branch head must initiate collaborative discussions among the team members, strategizing collectively. Attempting to reach the target alone is not feasible.

The first step in this process is recognizing the importance of thorough planning. Central to effective planning is the concept of collaboration. No branch head can single-handedly steer their team towards success. Instead, it is essential to harness the collective intelligence and expertise of the team members through collaborative discussions.

Dividing the workload not only lightens the burden on any single individual but also promotes efficiency and productivity within the team. By assigning specific tasks to each team member, the branch head can leverage their skills and talents to their fullest potential, maximizing output while minimizing the risk of burnout or inefficiency.

When each team member is focused on their designated tasks, the collective effort generates synergies that propel the branch towards success. Additionally, the sense of accomplishment derived from surpassing the target instills a sense of pride and satisfaction among team members, fostering a positive work culture and motivating them to strive for even greater heights in the future.

In conclusion, the attainment of business targets set by the head office requires a strategic approach that emphasizes thorough planning, collaboration, and effective delegation. By involving team members in the planning process, distributing workload evenly, and fostering a culture of accountability and excellence, branch heads can not only meet but also exceed the set targets, driving the success and growth of the entire organization.

“Coming together is Beginning, keeping together is Progress, Working together is Success”

RBI NEWS

RBI MONETARY POLICY KEY TAKE AWAYS

Inflation:

- CPI inflation seen at 4.4% in Q1 FY26
- CPI inflation seen at 4.3% in Q4 FY25
- CPI inflation seen at 4.7% in Q3 FY25
- FY25 CPI inflation view retained at 4.5%
- Inflation broadly on declining trajectory
- Food inflation remains "stubborn"
- Inflation base effect likely to reverse
- Want inflation to progressively align with target

GDP:

- Real GDP growth seen at 7.2% in Q1 FY26
- Real GDP growth seen at 7.1% in Q1, 7.2% in Q2 FY25
- FY25 real GDP growth view retained at 7.2%
- Domestic economic activity resilient
- Manufacturing activity gaining ground
- Improving prospects of global trade to support export

Current Account:

- India's current account deficit to remain within sustainable levels in Q1 2024/25
- Current account deficit to remain "eminently manageable" in the current year

Monetary Policy:

- RBI maintains repo rate unchanged at 6.50%
- Monetary policy must continue to be disinflationary
- MPC to remain focused on 'withdrawal of accommodation'
- Commitment on price stability will strengthen foundation for sustained growth

Other Key Points:

- Domestic situation holding well due to good urban consumption
- Global economic outlook is steady but uneven expansion seen
- Without price stability, high growth cannot be sustained
- Softening in core inflation continues to be broad based
- Likelihood of La Nina conditions in second half of monsoon will have bearing on agricultural production.

RBI NEWS

RBI issues fresh PCA framework for Urban co-operative Banks

The Reserve Bank of India (RBI) has issued a new prompt corrective action (PCA) framework for Urban Co operative Banks (UCBs) to enable supervisory intervention at an appropriate time, and the same will be effective from April 2025.

The revised framework seeks to provide flexibility to design entity specific supervisory action plans based on the assessment of risks on a case-by-case basis, the apex bank, the banking regulator, said.

The objective of the framework is to enable supervisory intervention at appropriate time and require UCBs to initiate and implement remedial measures in a timely manner, to restore their financial health.

The RBI had issued a supervisory action framework (SAF) as an early intervention tool for bringing about desired improvements in weak UCBs or those experiencing financial stress. The SAF was last revised in January 2020.

"The PCA framework shall replace the SAF" adding the revised framework will provide flexibility to design entity specific supervisory action plans based on the assessment of risks on a case-by-case basis.

"The framework has been suitably harmonised with similar frameworks applicable for commercial banks and non-banks, with suitable modifications keeping in mind the underlying principle of proportionality," adding that the PCA framework is largely principle-based with fewer number of parameters compared to the SAF, without any dilution in the supervisory rigor.

"The revised framework is expected to give more focus on larger UCBs requiring more intensive monitoring by optimal utilization of supervisory resources," adding capital, asset quality and profitability will be the key areas for monitoring in the revised framework.

Governance Structure in banks for Fraud Risk Management

RBI has recently issued master direction on Fraud Risk Management in Commercial Banks and proposed governance structure for fraud management in banks. The key highlights of RBI directions in this regard are,

a) Banks should have Board approved Policy on fraud risk management delineating roles and responsibilities of Board / Board Committees and Senior Management of the bank. The policy should be reviewed by the Board at least once in three years.



- b) Banks shall ensure compliance with principles of natural justice while Issuing Show Cause Notice (SCN) to the Persons, Entities and its Promoters / Whole-time and Executive Directors against whom allegation of fraud is being examined.
A reasonable time of not less than 21 days shall be provided to the Persons / Entities on whom the SCN was served to respond to the said SCN.
- c) Banks shall have a well laid out system for issuance of SCN and examination of the responses / submissions made by the Persons / Entities prior to declaring such Persons / Entities as fraudulent. Once decided to declare the person as fraudulent, a reasoned order shall be served to the person/entity.

Financial Inclusion Index for March 2024

RBI had constructed a composite Financial Inclusion Index (FI-Index) to capture the extent of financial inclusion across the country, which was first published in August 2021 for the FY ending March 2021. The FI-Index for the year ending March 2024 has since been prepared. The value of the Index for March 2024 stands at 64.2 vis-à-vis 60.1 in March 2023, with growth witnessed across all sub-indices. Improvement in FI-Index is mainly contributed by Usage dimension, reflecting deepening of financial inclusion. The FI-Index comprises of three broad parameters (weights indicated in brackets) viz., Access (35%), Usage (45%), and Quality (20%) with each of these consisting of various dimensions, which are computed based on a number of indicators.

Statutory guidelines for Urban Cooperative Banks

RBI in March 2020 has insisted UCBs to have at least 50 per cent of their aggregate loans and advances comprising of Small Value Loans, i.e., loans of value not more than ₹25 lakh or 0.2 per cent of their Tier I capital, whichever is higher, subject to a maximum of ₹1 crore, per borrower. The target date for complying with the above requirement was March 31, 2024.

Considering the requests from Industry players RBI has decided to extend the glide path to achieve the aforementioned target by two years as given below:

Target Date	March 31, 2025	March 31, 2026
Minimum percentage of Small Value Loans in aggregate loans and advances	40%	50%

As per existing guidelines of RBI, UCBs were advised that the aggregate of their all loans against the security of shares and debentures should be within the overall ceiling of 20 per cent of their owned funds. On a review, it has been decided that the aforementioned overall ceiling of 20 per cent shall be linked to Tier I capital of the bank as on 31st March of the previous financial year.

INDUSTRY NEWS

NPCI International partners with QNB to launch UPI Payments in Qatar

NPCI International Payments Limited (NIPL) has signed an agreement with QNB, the largest financial institution in the Middle East and Africa, headquartered in Qatar, to launch QR code-based Unified Payments Interface (UPI) payments across Qatar.

This initiative marks a significant milestone by enabling UPI payment acceptance in Qatar through the QNB merchant network, greatly benefiting Indian travelers visiting and transiting through the country. This announcement is of particular significance considering that Indians rank as the second largest group of international visitors to Qatar.

Recently, NPCI International Payments Limited (NIPL) has also partnered with Network International (Network), a leading enabler of digital commerce across the Middle East and Africa (MEA) region, to enable the acceptance of QR code-based Unified Payments Interface (UPI) payments via Network's point-of-sale (POS) terminals in the UAE.

These initiatives are towards making UPI system global, enhancing customer satisfaction and opening up numerous opportunities for businesses across various parts of the world. This also provides convenience to Indian travelers and reduce dependency on physical currency.

BMC BANK NEWS

CONGRATULATION TO YOUNG ACHIEVERS



Congratulation to Mr. Saquib Yasir Shaikh
s/o Mrs. Nazema Yasir Shaikh
Code No. 2520 of Musafirkhana Branch,
for completing Master of Science in Electrical Engineering
from University of Colorado, USA and for being awarded
CERTIFICATE OF ACHIEVEMENT for
Most Futuristic project at 2023 San Jose intern Symposium.



Congratulations to Mr. Mohammed Akbar Zaidi
s/o Mr. Hydar Abbas Zaidi,
Officer Bhiwandi branch,
for securing admission in
IIT Mumbai for M Tech in
Data Science.

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.**

QUESTIONNAIRES

Q.1 SAF Stands for

Q.2 NPCIL International Payment has signed an agreement with Financial institution.

(a) Qatar (b) UAE

Q.3 Department is setup at Head Office, Mumbai

Q.4 SMA stands for

Q.5. Bank should have Managing Director approved policy on Fraud Risk Management

(a) True (b) False

**Your reply should reach
us on or before
30.08.2024**

Quiz result of Issue 6 VOL IX

Quiz Answer :

**1. (d) 2. (b) 3. (b)
4. (b) 5. (2.11 Lakhs Crores)**

**NO
WINNER**

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.



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