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# Bombay Mercantile Co-operative Bank Ltd.

(Scheduled Bank)



NEWSLETTER

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10<sup>th</sup> June 2025

EID AL ADHA  
MUBARAK

**Download Your E-Copy of NEWSLETTER Vol. X Issue 5 dated 10 th June, 2025 from branch / department webmail or write to us at [newsletter@bmcbank.co.in](mailto:newsletter@bmcbank.co.in)**

Welcome to the June 2025 Edition of the BMC Bank Newsletter. Your trusted source for insightful updates and the latest developments shaping our journey of transformation.

As we proudly celebrate our 87th Foundation Day, on the 2nd of June 2025, the entire BMC Bank family reaffirms our collective commitment to restoring our past glory. We envision a near future where BMC Bank will become a financially sound and well-managed bank. To achieve this, we must adopt a customer-centric approach by delivering world-class service that increases branch footfall and drives the achievement of key targets, including the opening of CASA accounts. These efforts are critical for enhancing our bank's profitability and sustained growth.



Timely and effective resolution of customer complaints remains our top priority. Strengthening our grievance redressal mechanism is essential, and to that end, we have established a Centralized Customer Redressal Cell, led by the Assistant General Manager (KYC), to address complaints both online and offline in a structured, time-bound manner.

In line with our commitment to building a dynamic workforce, we have successfully conducted the written examination for the Junior Executive Officer and Probationary Officer positions, through IBPS. The interview process will commence in June 2025, marking the beginning of a new chapter, as we welcome fresh talent into the BMC Bank family.

We are also in the process of upgrading our technology infrastructure to provide enhanced digital, mobile, and online services. These improvements will significantly elevate the customer experience and reinforce our position as a modern, service-oriented financial institution.

On behalf of BMC Bank, I extend warm wishes to all our staff members and their families on the joyous occasion of *Eid ul Adha*. May this festival reinforce our commitment to sacrifice, compassion and solidarity; reminding us of our duty to God and humanity.

**ZEESHAN MEHDI**

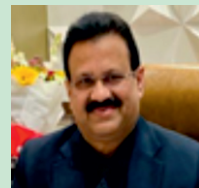
**From the desk of the Managing Director**

**Happy Foundation Day – 2nd June, 2025 !!**

I wish all the staff Members a Happy Foundation Day of our beloved Institution. Remembering the founders who dared to dream and made it happen.

Hoping the financial year 2025-26 has begun on a positive note. I am hopeful that 2025-2026 will be a successful year for the Bank, registering positive business growth and profit.

To start with, the bank is in the process of infusing new and young blood, for which IBPS exam was conducted on 20.04.2025 in the cadre of Junior Executive Assistants and Probationary Officers. Young, talented and energetic staff is expected to join the bank soon. I request the senior staff to guide and support these young comers, with the vast knowledge that they possess, who would be the future of this August Institution.



The Bank has imparted training in credit management to the staff of the bank, so that good quality advances are appraised and sanctioned. The Bank intends to conduct many such training programmes periodically, for improving the skill and knowledge of its staff, in other areas too.

The branches of the bank are expected to do good business in retail banking, insurance, etc., over and above, the figures of last financial year, which would help to register higher income and profit to the Bank.

I would call upon each and every staff member to give their best and join in the mission for recording positive growth during the current financial year 2025-26. I take this opportunity to thank the staff for their dedication & commitment towards the Institution. I pray to God for the Institution to have many more years of growth & success and to achieve its past glory.

**IMRAN AMIN SIDDIQUI**

## A Heart touching poetry about our bank

### हमारा बैंक

किसी के ख्वाबों की ताबीर है ये बैंक हमारा,  
एक एज़ीम मिशन की तामीर है ये बैंक हमारा,  
बड़ी हिक्मत से किसी ने इसकी बुनियाद रखी थी,  
एक अज़ीम मक़सद की तासीर है ये बैंक हमारा,  
सब से बड़ा भले न हो, हैं अपनी ख़ुबियां इस की  
बहुत से मामलों में बहुत अमीर है, ये बैंक हमारा,  
को-ऑपरेटिव मूवमेंट में, अपनी मिसाल कायम की  
मुत्तहिद कोशिशों की एक तहरीर हैं, ये बैंक हमारा,  
क्रौम की तरक्की में इस ने अहम किरदार निभाया,  
अपने हौसलों में भी एक नज़ीर है, ये बैंक हमारा,  
इसे उंचाईयों तक के जाना, है ज़िम्मेदारी हमारी,  
हमारे ख्वाबों की बड़ी तस्वीर है ये बैंक हमारा

—अनवर



### RBI MPC MEETING: KEY ANNOUNCEMENTS



- Repo rate cut by 50 basis points to 5.5% by RBI MPC and its stance changed from 'accommodative' to neutral'.
- The CRR cut, from 4% to 3%, allows banks to retain more of their deposits instead of parking them idle with the RBI.
- THE RBI projected India's GDP growth rate for the year 2025-26 at 6.5%.
- CPI inflation for FY26 was revised down to 3.7% from 4%.
- The standing deposit facility (STF) rate was adjusted to 5.25% while the marginal standing facility (MSF) rate and bank rate shall stand at 5.75%.



## KNOWLEDGE HUB

<b>Rule of 72: Double Your Money</b> No. of yrs. required to double your money at a given rate, you just divide 72 by interest rate. Eg.: if you want to know how long it will take to double your money at 8% interest, divide 72 by 8 & get 9 yrs. At 6% rate, it will take 12 yrs. At 9% rate, it will take 8 yrs	<b>100-Minus Age Rule</b> This rule is used for asset allocation. Subtract your age from 100 to find out, how much of your portfolio should be allocated to equities. ● Age : 30    ● Equity : 70%    ● Debt : 30% ● Age : 60    ● Equity : 40%    ● Debt : 60%	<b>Rule of 114: Triple</b> No. of years required to triple your money at a given rate, you just divide 114 by interest rate. Eg.: If you want to know how long it will take to triple your money at 12% interest, divide 114 by 12 and get 9.5 years. At 6% interest rate, it will take 19 yrs	<b>10, 5, 3: Rule</b> One should have reasonable returns expectations <ul style="list-style-type: none"> <li>10%-Rate of return (Equity/Mutual Funds)</li> <li>5%-Debts (Fixed Deposits/Other Debt instruments)</li> <li>3%-Savings Account</li> </ul>
<b>Rule of 144: Quadruple</b> No. of years required to, quadruple your money at a given rate, you just divide 144 by interest rate. eg.: If you want to know how long it will take to quadruple your money at 12% interest, divide 144 by 12 & get 12 yrs. At a 6% interest rate, it will take 24 yrs	<b>50, 30, 20: Rule</b> Divide your income into <ul style="list-style-type: none"> <li>50%-NEEDS - Groceries, Rent, EMI</li> <li>30%-WANTS-Entertainment, Vacations, etc.</li> <li>20%-SAVINGS - Equity, MFs, Debt, FD, etc.</li> </ul> At least try to save 20% of your income. You can definitely save more	<b>Rule of 70: Inflation</b> how fast the value of your investment will get reduced to half its present value. The inflation rate of 7% will reduce the value of your money to half in 10 years. <b>4% Withdrawal Rule</b> <b>Corpus required 25 x Annual Expenses</b> eg.: The annual expense is 5 Lacs then the corpus required to retire is 1.25 Cr. Put 50% into Fixed income & 50% into Equity. Withdraw 4% every year, i.e. 5 Lacs. This rule works for 96% of the time in 30 yr. period.	<b>3X Emergency Rule</b> Always put at least 3 times your monthly income in Emergency funds for emergencies such as Loss of Employment, Medical Emergency etc. 3 X monthly income. You can have around 6 X monthly income to be on a safer side
<b>40% EMI Rule</b> Never go beyond 40% of your income into EMI's. Say you earn 50,000 per month. So you should not have EMI's of more than 20,000. This Rule is generally used by Finance companies to provide loans. You can use it to manage your finances.			

### NOSTRO, VOSTRO, LORO in Cross-Border Payments



From 1st Jan till 9th May, 2025, the currency in circulation (CIC) has increased by approx. 280,000 crore. This compares to the last calendar year, wherein we had a general election in May, the CIC was approx. 228,000 crore. This is almost a 23% increase wherein there are no major events which could lead to such a higher percentage increment. Currency usage has remained strong despite the UPI payment revolution post Covid. Certain economists have highlighted this trend to higher farm output that triggered a rise in rural demand. CMS Info Systems mentioned last week, that cash continues to account for a majority share of consumer expenditure at 60%, as of March 2024. Perhaps more money is being spent on weddings!!! Any thoughts on why the CIC has increased?

### EARNINGS PER DAY OF INDIAN BANKS







## MCLR vs EBLR

A quick explanation of how loan interest rates are determined

### MCLR

Based on the bank's internal cost of funds

### EBLR

Linked to an external benchmark (e.g., RBI repo rate)

Simple Example:

Repo rate = 6.5%	EBLR = 8%
Bank spread = 2%	MCLR = 8

If RBI reduces repo rate to 6%:

- EBLR becomes 6% + 2% = 8% (rate falls quickly)
- MCLR may still stay at 8% (slower adjustment)

Key Takeaway:

- EBLR: Faster rate changes, more transparent
- MCLR: Slower rate changes, more stable

## SIP GUIDE BY SALARY BANDS

Salary Band	SIP %	SIP Amount
₹ 20,000	10%	₹ 2,000
₹ 50,000	15-18%	₹ 7,500 - ₹ 9,000
₹ 75,000	20%	₹ 15,000
₹ 1L	25%	₹ 25,000
₹ 1.50 L	25-30%	₹ 37,500 - ₹ 45,000
₹ 2 L	30%	₹ 60,000
> ₹ 2.5 L	> 35%	> ₹ 87,500

This is a min SIP %. Higher The Better

"Start Early: Aim to save min 20-25% of your income"

## Top 7 Challenges Faced by the Banking Sector in India

Continued from the previous  
Vol. X Issue No.4

The following are the top 7 challenges faced by banking sectors today.

### 4. Increasing Competition

The banking industry is facing increasing competition from new digital players, such as fintech startups and digital banks. These players are able to offer innovative products and services that traditional banks may struggle to match.

To compete with these new players, many banks are investing in their own digital solutions and partnering with fintech startups. Banks are also exploring new business models, such as open banking, which enables third-party providers to access customer data to develop new services.

### 5. Economic Uncertainty

The global economy is facing increasing uncertainty, with factors such as political instability and trade tensions impacting economic growth. These uncertainties can impact the banking industry, as banks may face reduced demand for loans and other financial services that are major sources for banks to make money.

To address these challenges, banks are taking steps to diversify their portfolios and reduce their exposure to risk. Banks are also investing in technology solutions that enable them to better analyze economic data and make more informed decisions.

### 6. Fintech Disruption

The rise of fintech companies is disrupting the traditional banking industry. Fintech companies are often able to offer faster, cheaper, and more innovative services than traditional banks. This is forcing banks to adapt and compete by investing in their own technology and partnering with fintech companies to offer new services.

### 7. Talent Management

Attracting and retaining top talent is a challenge for many banks. As the industry evolves, banks need employees with a wide range of skills, including technological expertise, regulatory compliance knowledge, and customer service skills. Banks must invest in training and development programs to help employees stay up-to-date on new technologies and regulations.

### Conclusion

The banking industry faces various challenges, from regulatory changes to increasing competition. To address these challenges, banks invest in technology solutions, partner with fintech startups, and explore new business models.

By staying agile and adapting to changing market conditions, banks can remain competitive and continue to meet the needs of their customers.

## KNOWLEDGE HUB

- ₹ 2000 : 0.2%
- ₹ 500 : 86%
- ₹ 200 : 4.7%
- ₹ 100 : 6.2%
- ₹ 50 : 1.3%
- ₹ 20 : 0.8%
- ₹ 10 : 0.7%
- ₹ 2/5 : 0.1%

₹ 500 Banknote Has Massive 86% Share  
Total Currency in Circulation is 36.86 Lakh Cr

## Banking Central | Inflation at 6-year low is an opportunity for RBI to give growth another push

India's retail inflation has hit a sweet spot. The Consumer Price Index (CPI) for April cooled to 3.16 percent, down from 3.34 percent in March and the lowest since July 2019.

This drop, driven by an 11 percent year-on-year decline in vegetable prices, offers a rare reprieve to an economy where food costs have long vexed policymakers.

With food inflation slowing to 1.78 percent, the Reserve Bank of India's monetary policy committee (MPC) has an opportunity to shift gears from its hawkish stance. But with monsoon uncertainties and persistent pressures in other sectors, is this low inflation print a signal for rate cuts or just a temporary breather?

These shifts have eased the burden on households still reeling from years of price pressures. Headline inflation now sits well below the RBI's 4 percent target, a stark contrast to the supply-chain chaos and commodity spikes of recent years.

Economists expect CPI inflation at around 3.5 percent for May and an average of 3.5 percent this fiscal, below the RBI's Q2 and Q3 projections.

Falling crude further sweetens the deal for India, a net oil importer. This backdrop strengthens the case for the MPC, which has cut the repo rate by 25 basis points (bps) each since February to 6 percent, to ease monetary policy to spur growth when it meets for the bi-monthly review from June 4 to 6.

The RBI is at a fork in the road. The April data, paired with a favourable monsoon outlook, present a golden opportunity to bolster India's growth narrative. A 25 bps rate cut in June could signal confidence without stoking inflationary risks. However, caution may prevail if the MPC decides to wait longer for more evidence of sustainable easing of inflation.

## SBI reduces deposit rates by 20 bps in all maturity buckets

State Bank of India has lowered deposit rates by 20 basis points in all maturity buckets, including the special 444-days scheme which carries the highest interest rate.

The new rates are applicable from 17th May 2025.

The 444-days scheme is now offering 6.85% a year, revised from 7.05%.

This is the second deposit rate cut by the country's largest bank after the Reserve Bank of India kicked off the interest rate easing cycle in February. The regulator reduced repo rate by a total of 50 basis points in two tranches while analysts expect another two-three rate cuts this year.

## Banks set to meet investment needs of India Inc: RBI Guv Sanjay Malhotra

The banking sector is poised to meet the investment needs of the industry given its healthy balance sheet, and adequate liquidity and capital buffers. In view of the benign inflation outlook and moderate growth, monetary policy has turned accommodative and the policy rate was reduced cumulatively by 50 basis points (bps) this year from February 2025.

On the recent geopolitical uncertainties due to US' tariff policies, and strong domestic demand and relatively lower dependence on exports cushion the Indian economy from external spillovers.

"We are committed to further enhancing the capacity, responsiveness, and resilience of the banking and non-banking financial sectors with emphasis on balancing regulation with efficiency and stability." "While offering excellent opportunities for investment, as private debt to gross domestic product (GDP) is still on the lower side, the banking sector is poised to meet the investment needs of the society and industry."

The banking sector, which continues to meet the large funding requirements of the economy, has demonstrated resilience with a healthy balance sheet.

The foreign investors continued their confidence in India. This was evident as gross foreign direct investment (FDI) inflows to India increased to \$75.1 billion in April-February 2024-25 from \$65.2 billion in the same period a year ago.

## CONGRATULATION TO THE YOUNG ACHIEVERS



**Mr. Khimji Ahmed Bashir**  
s/o. of Mr. Bhasir Siraj Khimji,  
Code no. 2525 has secured **91.33%**  
in HSC Examination conducted by  
Maharashtra State Board, Mumbai.



**Miss Sania Khan**  
d/o Mr. Mohd. Islam Khan,  
Kolkata branch,  
Code No. 3268 secured **92%**  
in Std XIIth



**Congratulations to**  
**Mr. Ali Hamza,**  
Code No. 4358 for successfully  
clearing the JAIIB Examination  
conducted by IIBF in the month  
of May 2025. "

Staff members are  
requested to submit  
their children's passing  
standard 10th, 12th and  
graduation in any stream  
with photo, mark sheet  
to be published in the  
Newsletter.

## COMPETITION QUIZ

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, 2nd Floor, 78, Mohammedali Road, Mumbai – 400 003.

### Quiz questions.

- |   |  |
|---|--|
| <p><b>Q.1</b> India's top 10 banks generated a profit of Rs.....</p> <p>(a) Rs. 30,300 Cr (b) Rs. 3,03,000 Cr</p> <p>(c) Rs. 70,810 Cr</p> <p><b>Q.2</b> Total share of Rs. 500 note in India</p> <p>(a) 8.60% (b) 18.60% (c) 86.00%</p> <p><b>Q.3</b> Total currency in circulation is Rs. 36.86 Lakh Crore</p> <p>(a) True (b) False</p> <p><b>Q.4</b> SBI increased the rate of interest on deposit in the month of May 2025</p> <p>(a) True (b) False</p> <p><b>Q.5</b> AI stands for .....</p> | <p><b>Q.6</b> Fraud in public sector banks were mainly in..... portfolio</p> <p>(a) Digital (b) Card (c) Loan</p> <p><b>Q.7</b> RBI will shortly Issue new Rs. 200/- note bearing sign of new RBI Governor</p> <p>(a) True (b) False</p> <p><b>Q.8</b> The date for I.T. return is...</p> <p>(a) 31.07.2025 (b) 30.06.2025 (c) 15.09.2025</p> <p><b>Q.9</b> Double your money</p> <p>(a) Rule 114 (b) Rule 70 (c) Rule 144</p> <p><b>Q.10</b> CPI stands for .....</p> |
|---|--|

**Your reply must reach us on or before 30.06.2025**

### Quiz result of VOL X Issue 4

**Correct Answers** (1) Unified Lending Interface (2) Unified Payments Interface (3) a (4) b  
(5) none of a, b or c (6) Person to Person, Person to Merchants (7) a  
(8) Prompt Corrective Action (9) b (10) b

# NO WINNER

**Publisher** : Bombay Mercantile Co-operative Bank Ltd.  
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