

Banking and Financial Awareness April 2018: Week IV

IOB inks information utility pact with NeSL

- On April 20, 2018, Indian Overseas Bank (IOB) entered into an agreement with National e-Governance Services Limited (NeSL) for utilizing its Information Utility Services under the Insolvency and Bankruptcy Code, 2016.
- As a result, the IOB branches will be able to provide high-quality, authenticated information about debts and defaults that will have more transparency in maintaining the list of borrowers, debtors, creditors and loan defaulters.

India's real GDP growth expected to expand at 7.4% in 2018-19: Urjit Patel

- The Governor of Reserve Bank of India (RBI), Mr. Urjit Patel has stated that India's Gross Domestic Product (GDP) is expected to grow at 7.4% in 2018-19.
- In addition to the Gross fiscal deficit (GFD) of the Central Government is budgeted at 3.3 per cent in 2018-19.
- Also stated that Although the real GDP growth was moderated to 6.6 per cent from 7.1 per cent a year ago, there was a strong rebound in the second half of the year.

Paytm Payments Bank registers 100M KYC wallets

- On 23rd April, Paytm Payments Bank broadcast that it now has over 100 million KYC wallets, against the constant campaigning about the benefits of the Know Your Customer (KYC) system.
- Also The Paytm Payments bank has introduced some options that include Paytm KYC centres, 'Paytm-Ka-ATM' outlets which offer more localised support along with the Customers can locate these through the 'Nearby' section on the Paytm app.

BoI Inks Pact with NeSL to Share Data Under Insolvency Rules

- Bank of India (BoI) has entered into an agreement with National E-Governance Services (NeSL) for information utility (IU) under the Insolvency and Bankruptcy Code (IBC).
- It is an information network that procures and stores financial data like borrowings, default and security interests of various entities, also enables lenders for making decisions on credit transactions.

India - World Bank sign \$125 million agreement for "Innovate in India for Inclusiveness Project"

- India signed a loan agreement with World Bank for IBRD credit of \$125million for the "Innovate in India for Inclusiveness Project" for encouraging indigenous innovation, facilitate local product development and accelerate commercialization process in the sphere of affordable and innovative healthcare products.
- It would support public, private and the academic institutions to overcome the key market failures by bridging critical skill and infrastructure gaps.

- International Bank for Reconstruction and Development (IBRD) is a member institution of World Bank Group On April 24, 2018.

Govt. of India and World Bank sign legal agreement on National Biopharma Mission

- Government of India signed a Legal Agreement with World Bank for flexible financing arrangements for National Biopharma Mission (NBM) to accelerate biopharmaceutical development.
- It is a \$250-million-dollar initiative which includes a \$125 million loan from the World Bank.
- This mission will be implemented by Biotechnology Industry Research Assistance Council (BIRAC), and Union Ministry of Science & Technology.

RBI liberalises ECB norms; more access to cheaper funds

- On 27th April The Reserve Bank of India (RBI) has liberalised the norms for external commercial borrowing (ECB) by including more sectors in the window, to allow Indian companies to access cheaper funds from overseas markets.
- RBI informed that it has decided to increase the ECB Liability to Equity Ratio for ECB raised from direct foreign equity holder under the automatic route to 7:1.
- This ratio will not be applicable if total of all ECBs is up to USD 5 million or equivalent.
- Also it will allow Housing Finance Companies and port trust to avail ECBs under all tracks.

Fitch retains India's sovereign rating at 'BBB- 'with 'stable' outlook

- Global credit ratings agency, Fitch ratings has retained India's sovereign rating at BBB- with a stable outlook.
- It forecast India's growth at 7.3 per cent in current the fiscal and further to 7.5 per cent in 2019-20.
- A reduction in general government debt over the medium term to a level closer to that of rated peers and higher sustained investment and growth rates, such as from successful structural reform implementation, are the main factor which could trigger positive rating.