
BANKING AND FINANCIAL AWARENESS

APRIL 2020: WEEK II

RBI WILL PUT 200 BPS PENAL INTEREST ON BANKS FAILING TO INVEST TLTRO FUNDS WITHIN 30 DAYS

- The Reserve Bank of India has issued a notice warning the banks it will impose 200 bps additional penal interest on banks if they fail to invest the mandated 50 per cent of the funds raised through TLTRO route in corporate bonds within 30 days.
- TLTRO stands for Targeted long-term repo operations. RBI announced TLTRO on March 27 this year, to ensure sufficient liquidity in the corporate bond market.
- Three such operations worth Rs 25,000 crore each have already been conducted.

RBI WILL BE LAUNCHING SOVEREIGN GOLD BONDS SCHEME 2020-21 IN H1 FY21

- The Reserve Bank of India has decided to issue Sovereign Gold Bonds on the behalf of Government of India.
- These bonds will be issued in 6 tranches between April to September, 2020.
- These bonds will be in multiples of grams of gold and the basic unit will be 1 gram. It means the minimum permissible investment will be 1 gram of gold.
- It should be noted that these Sovereign Gold Bonds will be restricted for sale to HUFs, Charitable Institutions, Trusts, Universities and resident individuals.
- The mode of payment for these bonds can be cash (Upto 20,000) or demand draft or cheque or electronic banking.

INDIA'S GDP TO DECREASE BY 6.1% IN APRIL-JUNE: NOMURA

- Japanese financial holding company, Normura has forecasted that India's GDP is likely to contract by 6.1% in April- June quarter.
- It also projected that any expansion in the economy will be only in December quarter.
- According to Nomura, the Indian economy will grow at 3.2 per cent in the January-March quarter, contract by 6.1% in April-June quarter and will decrease by 0.5% in September quarter.

WORLD BANK'S SOUTH ASIA ECONOMIC FOCUS REPORT

- According to World Bank's South Asia Economic Focus report, Indian economy will grow at 1.5-2.8% in the financial year 2020-21.
- This will be India's worst growth performance since the 1991 liberalization. This decline in growth is due to widespread outbreak of coronavirus.
- The report also estimated that India will grow 4.8 per cent to 5 per cent in the 2019-20 financial year which ended on March 31.

INDIA IS LARGEST PRODUCER AND EXPORTER OF HYDROXYCHLOROQUINE

- In this time of coronavirus outbreak, when a medicine that has become popular to help in the treatment of virus, India has become the largest producer and exporter of that medicine which is Hydroxychloroquine.
- According to Indian Pharmaceutical Alliance (IPA) secretary-general Sudarshan Jain, India manufactures 70% of the world's supply of hydroxychloroquine.
- India has a production capacity of 40 tonnes of hydroxychloroquine (HCQ) every month which is equal to 20 crore tablets of 200 mg each.

JANA SMALL FINANCE BANK LAUNCHES A DIGITAL BANKING PLATFORM "DIGIGEN"

- Jana Small Finance Bank, which is a scheduled commercial bank, has launched a digital banking platform called "DigiGen".
- It is platform through which customers will be able to digitally open a Savings Account and Fixed Deposit instantly; anytime and anywhere.
- On opening the accounts from this digital platform, customers will get an interest of 4.5 percent on Savings Account and 7.5 percent on Fixed Deposits.
- Jana Small Finance Bank is based in Bengaluru.

FLIPKART JOIN HANDS WITH ICICI LOMBARD& GO DIGIT TO OFFER TWO COVID-19 HEALTH INSURANCE POLICIES

- E-commerce Company Flipkart has partnered with two leading insurers of the country - ICICI Lombard & Go Digit to provide two COVID-19 health insurance policies on its platform.
- The names of these two health insurance policies are- 'Covid-19 Protection Cover' & 'Digit Illness Group Insurance'.
- 'COVID-19 Protection Cover' by ICICI Lombard will provide an instant Rs.25, 000 benefit paid to the customer on positive diagnosis of COVID-19. It is priced at an annual premium of just Rs.159.
- 'Digit Illness Group Insurance' which is offered by Digit Insurance will allow the customers to avail a hospitalization cover of up to Rs.1 lakh with an annual premium of Rs.511.

BANK OF BARODA INITIATED FOUR SCHEMES FOR AGRI- SECTOR TO TACKLE CORONAVIRUS IMPACT

- Bank of Baroda (BoB) has initiated four agro schemes for farming community, Farmer Producer Organizations (FPO/FPC) and Women Self Help Groups (SHGs) in order to tackle the impact of coronavirus outbreak.
- **Name of these schemes are-**
 - Baroda Emergency Credit Line for Farmer Producer Organizations (FPO/FPC)
 - Baroda Special Scheme for the existing Agriculture Investment Credit borrowers
 - Additional Assurance to SHGs- COVID19
 - Baroda Special Scheme for existing BKCC borrowers that have been impacted by COVID-19

GOLDMAN SACHS LOWERS INDIA'S GROWTH FORECAST FOR 2020-21

- Goldman Sachs has lowered its growth forecast for India in the fiscal year 2020-21 to 1.6%.
- Earlier, the bank projected India's growth to be 3.3% in March 2020.

