
BANKING AND FINANCIAL AWARENESS

APRIL 2020: WEEK III

INDIA'S GROWTH AT 1.5% TO 2.8%---BY WORLD BANK

- World Bank has released its report called 'South Asia Economic Focus'. In that, it has forecasted the India's growth for FY21 at 1.5% to 2.8%.
- Initially, World Bank had projected the growth of India to be 6.3% about 6 months ago, but it has now projected a fall to 1.5% to 2.8%.
- It also stated that growth is expected to rebound to 5% in the Fiscal year 2022 (FY 2021-22) when the impact of COVID-19 dissipates.

RBI LAUNCHES SOVEREIGN GOLD BOND SCHEME 2020-21

- Reserve Bank of India has launched Sovereign Gold Bond Scheme for 2020-2021. The Bonds will be issued in six tranches from April 2020 to September 2020.
- The schemes describes the assured return of 2.5 per cent to investors along with appreciation in the price of the bond in line with movement of gold prices.

IMF FORECASTED A 7.6% EXPANSION IN ASIAN ECONOMIC GROWTH IN 2021

- International Monetary Fund reported that the COVID-19 pandemic will lead to a halt in the economic growth all over Asia for 2020. The organization has forecasted a 7.6% expansion in Asian economic growth in 2021.
- Also, the IMF has asked targeted support from policymakers to the ones who are hardest hit by this pandemic due to halt taken place in travel bans and other important economic growth activities.

RBI EASES FUND FLOW FOR CASH-STARVED REAL ESTATE SECTOR

- RBI has allotted Rs 10,000 crore to National Housing Bank.
- The reverse repo rate has been reduced and currently, it is 3.75%. This step in the reverse repo rate will now enable banks to lend even more.
- The RBI has also extended the date of commencement of commercial operations (DCCO) of project loans for commercial real estate projects that are delayed for reasons beyond the control of promoters. This will bring much-needed relief to cash-starved developers.

AIIB GRANTS \$500 MILLION TO INDIA TO COMBAT COVID-19

- Asian Infrastructure Investment Bank (AIIB) has announced a financial help of \$500 million projects to India to improve its health care systems.
- With this, AIIB has doubled its funds under the COVID-19 Crisis Recovery Facility.

RBI LAUNCHED 49TH ROUND OF OBICUS OF MANUFACTURING SECTOR

- RBI launched the 49th round of quarterly OBICUS (Order books, inventories, and capacity utilization survey) of the manufacturing sector which includes the reference period January-March 2020.
- In this OBICUS a total of 704 manufacturing companies were considered to manipulate the data.

RBI CANCELS LICENSE OF MAPUSA CO-OPERATIVE BANK

- Reserve Bank of India has canceled the license of Goa-based Mapusa Urban Co-operative Bank.
- The central bank has restricted Mapusa Urban Co-operative Bank from carrying out any banking operations and businesses with an effect from 16th April 2020.
- The Central Registrar of Co-operative Societies, Government of India has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

CBDT REFUNDS FIVE THOUSAND 204 CRORE RUPEES TO MSMES

- Central Board of Direct Taxes has announced that income-tax refunds are obtained over eight lakh small businesses worth over five thousand 204 crore rupees issued in the last ten days.
- The organization has announced that it will be issuing refunds worth of Rs.760 crore, which will provide relief to small scales in the MSME sector.

RBI RAISES WAYS AND MEANS ADVANCES (WMA) LIMIT FOR STATES

- The Reserve Bank of India (RBI) has increased WMA for state government by another 30%.
- Initially, on 1st April 2020, RBI had raised the WMA limit by 30%, but the central bank has now made an new announcement to increase the WMA by another 30%.

INDIA'S GDP AT 1.8%---BY FITCH

- Fitch Solutions has forecasted India's economic growth forecast to 1.8% for FY 2020-21.
- It has lowered the economic growth forecast form 4.6% stating the reason for the COVID-19 pandemic situation has resulted in the stepping down of economic activities in the country.