

# **Banking and Financial Awareness Digest**

**April 2020**

The logo for Bank Exams Today is contained within a rounded rectangular box. It features the word "BANK" in green with an upward-pointing arrow on the letter 'K', "EXAMS" in black, and "Today" in white text on a red rectangular background.

**BANK  
EXAMS  
Today**

[www.BankExamsToday.com](http://www.BankExamsToday.com)

## TABLE OF CONTENTS

SBI lists USD 100 million green bonds on India INX .....	3
IIM-B & ICICI Securities launch program for fintech startups .....	3
PNB Housing Finance signs pact with JICA to raise \$75 million .....	3
Airtel Payments Bank will offer COVID-19 insurance policy .....	3
SIDBI to provide emergency working capital to MSMEs.....	4
India's fiscal deficit may reach to 6.2% of GDP in FY21 .....	4
RBI increases WMA limit of states, UTs by 30%.....	4
PhonePe launches "Corona Care" .....	4
RBI will put 200 bps penal interest on banks failing to invest TLTRO funds within 30 days .....	4
RBI will be launching Sovereign Gold Bonds Scheme 2020-21 in H1 FY21 .....	4
India's GDP to decrease by 6.1% in April-June: Nomura .....	5
World Bank's South Asia Economic Focus report .....	5
India is largest producer and exporter of Hydroxychloroquine .....	5
Jana Small Finance Bank launches a digital banking platform "DigiGen" .....	5
Flipkart join hands with ICICI Lombard & Go Digit to offer two COVID-19 health insurance policies .....	6
Bank of Baroda initiated four schemes for Agri- sector to tackle coronavirus impact .....	6
Goldman Sachs lowers India's growth forecast for 2020-21 .....	6
India's Growth at 1.5% to 2.8%---By World Bank.....	6
RBI Launches Sovereign Gold Bond Scheme 2020-21.....	6
IMF Forecasted a 7.6% Expansion in Asian Economic Growth in 2021 .....	7
RBI Eases Fund Flow for Cash-Starved Real Estate Sector .....	7
AIIB grants \$500 million to India to Combat COVID-19 .....	7
RBI Launched 49th Round of OBICUS of Manufacturing Sector .....	7
RBI Cancels License of Mapusa Co-operative Bank .....	7
CBDT Refunds Five Thousand 204 crore Rupees to MSMEs .....	7
RBI Raises Ways and Means Advances (WMA) Limit for States .....	8
India's GDP at 1.8%---By Fitch .....	8
RBI 3-Month EMI Moratorium to Provide Rs 2.1 lakh crore Liquidity to Corporates .....	8
ICICI Bank Launched Voice Banking Services.....	8
RBI Allows Banks to Issue Electronic Cards for Overdraft Accounts .....	8
Sri Lanka to Get \$400 million Debt Facility from RBI .....	8
Rs 50,000 crore Liquidity for Mutual Funds by RBI .....	9
Indian Overseas Bank Launched Special Borrowing Scheme for SHGs .....	9

## **Banking and Financial Awareness Digest: April 2020**

---

<b>Axis Bank to Acquire 29% Stake in Max Life Insurance.....</b>	<b>9</b>
<b>RBI Extended Restrictions Imposed on Mumbai based Coop Banks.....</b>	<b>9</b>

---

# **BANKING AND FINANCIAL AWARENESS DIGEST: APRIL 2020**

---

## **SBI LISTS USD 100 MILLION GREEN BONDS ON INDIA INX**

---

- The State Bank of India has listed green bonds of USD 100 million (about Rs. 750 crores) on BSE's India International Exchange (India INX) debt listing platform.
- The bank has done this under its USD 10 billion global medium term note programme on the Global Securities Market Green Platform (GSM) of India INX.
- Earlier also, the bank listed its maiden green bond of USD 650 million on India INX.

## **IIM-B & ICICI SECURITIES LAUNCH PROGRAM FOR FINTECH STARTUPS**

---

- ICICI Securities (I-Sec) has partnered with IIM Bangalore's startup hub N S Raghavan Centre of Entrepreneurial Learning (NSRCEL) to support startups in the fintech space through a program.
- This partnership has been done as a part of its CSR initiative.
- ICICI Securities (I-Sec) is the broking and investment banking arm of ICICI Bank.
- The duration of this structured program to support fintech startups will be 15 months.
- The program will be for startups working in the fields like insurance, banking, payments, personal finance, wealth advisory, trading, etc.

## **PNB HOUSING FINANCE SIGNS PACT WITH JICA TO RAISE \$75 MILLION**

---

- PNB Housing Finance has signed an agreement with Japan International Cooperation Agency (JICA) in order to raise \$75 million which is equal to about Rs 568 crore.
- It will also have co-financing of 25 million dollars (about Rs 190 crore) by Citibank.
- The agreement has been signed to finance mortgage loans in the affordable housing segment.
- This is the first debt funding of JICA in the Indian housing finance sector.

## **AIRTEL PAYMENTS BANK WILL OFFER COVID-19 INSURANCE POLICY**

---

- Airtel Payments Bank has partnered with Bharti AXA General Insurance to launch insurance policy for protection against covid-19.
- Through this partnership, two different health insurance plans will be offered to savings bank account customers of Airtel Payments Bank who are not suffering from COVID-19 or its symptoms.
- These two insurance plans are- Bharti AXA Group Health Assure and Group Hospital Cash.
- Bharti AXA Group Health Assure will provide a lump sum benefit of Rs 25,000 to the customers.
- Group Hospital Cash will offer fixed day allowance starting from Rs 500 per day on hospitalization.

## SIDBI TO PROVIDE EMERGENCY WORKING CAPITAL TO MSMEs

---

- The Small Industries Development Bank of India (SIDBI) will provide emergency working capital of up to 1 crores to MSMEs.
- This emergency fund will be provided to fight against corona virus and will be termed as SAFE plus.
- These SAFE PLUS loans will be offered collateral free and will be disbursed within 48 hours.

## INDIA'S FISCAL DEFICIT MAY REACH TO 6.2% OF GDP IN FY21

---

- According to Fitch Solutions, India's fiscal deficit in 2020-21 may reach to 6.2 per cent of the GDP from the government estimate of 3.5 per cent.
- It also estimated that receipts may contract by 1 per cent from a growth of 11.8 per cent previously due to decrease in revenue collection.

## RBI INCREASES WMA LIMIT OF STATES, UTS BY 30%

---

- The Reserve Bank of India has increased the Ways and Means Advances (WMA) limit for state governments and Union Territories by 30 per cent till September 30.
- The bank has also provided an extra time of 6 months to the exporters to realise their export proceeds.

## PHONEPE LAUNCHES "CORONA CARE"

---

- PhonePe has launched a unique coronavirus hospitalisation insurance policy called "Corona Care" in partnership with Bajaj Allianz General Insurance.
- This policy will provide an insurance cover of Rs 50,000 for a person aged less than 55 years at a price of Rs 156.
- It will also cover expenses related to pre-hospitalisation costs and post-care medical treatment for 30 days.

## 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.

## Banking and Financial Awareness Digest: April 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.

### 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 a 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 from 4.6% stating the reason for the COVID-19 pandemic situation has resulted in the stepping down of economic activities in the country.

### RBI 3-MONTH EMI MORATORIUM TO PROVIDE RS 2.1 LAKH CRORE LIQUIDITY TO CORPORATES

---

- The Reserve Bank of India has announced a moratorium, in which the bank will provide Rs 2.1 lakh crore liquidity to the corporate sectors who are ready to avail the offer.
- "The moratorium announced by RBI on interest and principal obligations due between March 1 and May 31, 2020, would tantamount to a liquidity breather of Rs 2.10 lakh crore if all companies opt for it," the Crisil rating agency said in a report. The findings by Crisil Ratings are based on an assessment of 9,300 of its rated non-financial sector companies across 100 sectors.

### ICICI BANK LAUNCHED VOICE BANKING SERVICES

---

- ICICI (Industrial Credit and Investment Corporation of India) Bank has started a voice banking services on Amazon Alexa and Google Assistant for its customers.
- The voice banking service of ICICI bank enables customers to #BankWith their voice and to get avail with banking services like checking account balance, perform transactions, check credit card due date ask queries about the Bank's products and services.

### RBI ALLOWS BANKS TO ISSUE ELECTRONIC CARDS FOR OVERDRAFT ACCOUNTS

---

- The Reserve Bank of India has granted permission to all banks to issue electronic cards to natural persons having Overdraft Accounts that are only in the nature of personal loan without any specific end-use restrictions.
- However, RBI has put the limit that the card should be issued for a period not exceeding the validity of the facility and should also be subject to the usual rights of the banks as lenders.
- This will allow the user to use it for domestic transactions only.

### SRI LANKA TO GET \$400 MILLION DEBT FACILITY FROM RBI

---

- Sri Lanka signs an agreement with Reserve Bank of India for a Bilateral Currency Swap Arrangement worth \$400 million.



## **Banking and Financial Awareness Digest: April 2020**

---

- The Cabinet has approved a proposal made by Prime Minister Mahinda Rajapaksa as the Finance Minister to enter into an agreement with the RBI for the financing facility to meet short-term international liquidity requirements.

### **RS 50,000 CRORE LIQUIDITY FOR MUTUAL FUNDS BY RBI**

---

- Reserve Bank of India has come up with an announcement to provide easiness to liquidity pressures on mutual funds (MFs) by granting Rs. 50,000 crore Special Liquidity Facility (SLF) for mutual funds.
- Under this scheme, the RBI will conduct repo operations of 90 days tenor at the fixed repo rate.

### **INDIAN OVERSEAS BANK LAUNCHED SPECIAL BORROWING SCHEME FOR SHGS**

---

- Indian Overseas Bank (IOB) introduced a special borrowing scheme for self-help groups to help them tide over the challenges inflicted by COVID-19.
- In this scheme, each member of SHG will be able to avail a loan of Rs 5000/- with a cap of Rs 1 lakh for the group.
- Also, a SHG with a good track record and a history of minimum two loans from IOB will be eligible for this loan facility, which can be availed till June 30, 2020.

### **AXIS BANK TO ACQUIRE 29% STAKE IN MAX LIFE INSURANCE**

---

- Axis bank is set to acquire an additional 29% stake in Max Life Insurance with an estimated price of Rs 1,592 crore.
- After this additional acquisition, the deal will increase the Axis Bank's stakes in Max Life Insurance to 30%. Max Financial Services will hold the remaining 70 percent in the joint venture.

### **RBI EXTENDED RESTRICTIONS IMPOSED ON MUMBAI BASED COOP BANKS**

---

- Reserve Bank of India extended restrictions imposed on Mumbai based Co-operative banks for 6 months that is till 31st October 2020.
- The Reserve Bank in October 2018 had barred the bank from granting or renewing any loan for six months and later extended the curbs twice.