

Banking and Financial Awareness Digest



BANKING AND FINANCIAL AWARENESS DIGEST: DECEMBER 2020

SINGAPORE AND USA- BIGGEST FDI SOURCES FOR INDIA

- As per the data, Singapore has become the top source of FDI by investing Rs 62,084 crores (USD 8.30 billion).
- The second source of FDI is marked by the USA which has invested Rs 53,266 crores (USD 7.12 billion) in India.
- The USA has overtaken Mauritius which hold the 2nd rank during the first half of the current fiscal year.

ASSET RESTRUCTURING WEB MODULE—BY SIDBI AND ISARC

- The Small Industries Development Bank of India (SIDBI) has partnered with India SME Asset Reconstruction Company (ISARC).
- They have entered into a partnership to launch the Asset Restructuring Web Module for MSMEs (ARM-MSMEs).
- The web portal will help MSMEs to get benefits of RBI's MSME restructuring guideline.

RBI ORDERED HDFC BANK TO HALT ITS DIGITAL BUSINESSES

- The Reserve Bank of India has issued an order to India's private sector bank, HDFC Bank in regards to incidents of outages in the internet and mobile banking and payment utilities of the lender over the last 2 years.
- Therefore, RBI has ordered HDFC Bank to temporarily stop the launch of all its digital businesses and other business under IT applications.
- RBI has also ordered to stop sourcing new credit cards to the customers and has asked the board members of HDFC Bank to examine the lapses and fix the accountability.

ADB AND INDIA SIGNS LOAN AGREEMENT FOR WEST BENGAL

- The Asian Development Bank (ADB) and the GOI has signed a loan agreement to improve financial management procedures and operational efficiencies in West Bengal.
- They have signed a loan agreement of \$50 million.
- The loan amount will be utilized under the project titled 'West Bengal Public Finance Management Investment Programme'.

RBI'S MONETARY POLICY COMMITTEE MEET

- RBI has decided to keep interest rates unchanged for the third time in a row and has maintained the policy stance at 'accommodative'.
- As per the decisions from MPC Committee members, the repo rate or the rate at which RBI lends to the banks is unchanged to 4%.
- The reverse repo rate under the LAF is also unchanged at 3.35%.

'AXIS BANK RUPIFI BUSINESS CREDIT CARD'

- The 'Axis Bank Rupifi Business Credit Card' is launched by Axis Bank in partnership with Rupifi and Visa.
- It is launched for the MSME sector and is termed as the contactless co-branded credit card.
- The card is applicable for those MSMEs who transact on the aggregator platform in association with Rupifi PAN India for their business purchases.

ADB APPROVED LOAN FOR UPGRADATION OF POWER DISTRIBUTION IN BENGALURU

- The Asian Development Bank has approved a loan to upgrade the existing power distribution system in Bengaluru, Karnataka.
- In this regards, ADB has approved the loan amount of \$190 million.
- This loan amount includes \$100 million public sector loan (sovereign loan) and \$90 million as a private-sector loan (non-sovereign loan).

'IMOBILE PAY' – ICICI BANK

- ICICI Bank has come up with an app called 'iMobile Pay'.
- This app is launched by transforming the ICICI Bank's state-of-the-art mobile banking app, iMobile.
- The 'iMobile Pay' is developed to offer payments and banking services to customers of any bank.

REIT FUNDS OF FUNDS SCHEME- KOTAK MAHINDRA AMC

- The Kotak Mahindra Asset Management Company (Kotak Mutual Fund) launched Kotak International REIT (Real Estate Investment Trust) Fund of Funds.
- It is termed as India's first REIT Mutual Fund.
- This Kotak's REIT Mutual Fund invest in real estate projects like residential, office, data centres and hospitality.

ADB APPROVES USD 2.5 MN TECHNICAL ASSISTANCE FOR BIOFUEL DEVELOPMENT

- The Asian Development Bank (ADB) has approved technical assistance for the advanced biofuel development in India.
- The ADB has approved a USD 2.5 million (about Rs 18 crore) in this regard.
- The financial grant will be funded from the Asia Clean Energy Fund.

INDIA'S GDP TO CONTRACT AT 8% IN FY21—ADB

- As per the data from this supplement, ADB has revised India's GDP contraction for the fiscal year 2021.
- As per ADB, India's GDP to contract by 8% in FY 2021.
- Earlier it has projected contraction at 9% for FY 2021.

INDIA'S GDP TO CONTRACT AT 9.4% IN FY21—FITCH RATINGS

- The Credit rating agency Fitch Ratings has revised India's GDP forecast for the fiscal year 2021.
- As per Fitch Ratings, India's GDP to contract 9.4% in FY 2020-21.
- Earlier it had projected India's GDP to contract 10.5%.

SBI GENERAL INSURANCE PARTNERED WITH MAHINDRA INSURANCE BROKERS

- The SBI General Insurance partnered with Mahindra Insurance Brokers Ltd (MIBL).
- They have collaborated under Sajhedaari programme.
- They have entered into a partnership to increase insurance penetration in tier 2 and tier 3 cities of India.

ASIA PACIFIC VACCINE ACCESS FACILITY (APVAX)—BY ADB

- The Asian Development Bank has launched the Asia Pacific Vaccine Access Facility (APVAX).
- It is launched for developing countries who are the members of ADB.
- The APVAX is basically \$9 billion initiative which will help developing member nations of ADB to procure and deliver coronavirus vaccines.

DBS BANK PARTNERED WITH HAQDARSHAK EMPOWERMENT SOLUTIONS PRIVATE LTD

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- They partnered to help MSME in India to recover from COVID-19 crisis.
- They will help MSMEs through Haqdarshak MSME platform.
- This platform allows MSMEs to take benefit of various government welfare schemes.

‘ACEMONEY MICRO ATM SERVICE’

- Aceware, a fintech company in partnership with ICICI Bank launched ‘Ace Money Micro ATM service’ in Kochi, Kerala.
- With the help of this facility, people will be able to withdraw the amount from their bank accounts from their home.
- The money withdrawn by this mechanism will be delivered within 30-40 minutes of placing the order at the doorstep of the customer.

‘BSE E-AGRICULTURE MARKETS LTD’ (BEAM)

- The Bombay Stock Exchange (BSE) launched ‘BSE E-Agriculture Markets Ltd’ (BEAM).
- BEAM is an electronic spot platform which is launched for agricultural commodities.
- BEAM will be a platform which will serve at the national level and will be an institutionalized, electronic and transparent commodity spot trading mode platform which will develop a ‘single market’ mechanism, the vision of Prime Minister.

INDIA’S GDP TO CONTRACT 7.7% IN FY 2021--- BY CRISIL

- As per CRISIL, India’s GDP to contract 7.7% in FY 21.
- Earlier, in September 2020 it has projected the contraction to 9%.
- Also, for the fiscal year 2021-22, The rating agency CRISIL expects India’s growth to bounce back to 10%.

‘DAKPAY’--- BY IPPB

- The Department of Posts (DoP) and India Post Payments Bank (IPPB) together launched 'DakPay', which is a new digital payment app.
- It is launched with an aim to provide Digital Financial inclusion in India.
- ‘DakPay’ is the complete solution for digital financial and assisted banking services being provided by IPPB.

SBI GENERAL INSURANCE PARTNERED WITH INTRCITY RAILYATRI

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- The SBI General Insurance has entered into a partnership with IntraCity RailYatri.
- They have partnered to offer domestic travel insurance to bus customers who travel through IntraCity RailYatri.
- Under this, every IntraCity RailYatri traveller can avail the travel cover of Rs 5 lakhs along with travel ticket.

INDIA'S GDP TO CONTRACT 7.4% IN FY 2021--- BY SBI ECOWRAP

- The SBI Ecowrap has forecasted that India's GDP to contract 7.4% in FY 2021.
- Earlier it had projected GDP of India to contract at 10.9%.
- Also, it has projected that India to observe GDP growth at 11% in FY 2022.

GOI SIGNS LOAN PACT WITH NDB

- The Indian Government has signed a loan agreement with the New Development Bank (NDB) for the purpose to support the Indian economy to recover from COVID-19 pandemic situation.
- Therefore, NDB will offer the loan of \$1,000 million to GOI.
- The loan is having a tenor of 30 years including 5 year grace period.

'PIONEER HERITAGE CREDIT CARD'—INDUSIND BANK

- The IndusInd Bank partnered with Mastercard to launch its first metal credit card named 'Pioneer Heritage Credit Card'.
- The card offers personal air accident cover of Rs 2.5 crore.
- It also provides lost baggage insurance of Rs 1 lakh along with insurance cover for loss of travel document of Rs 75,000.

WORLD BANK APPROVED SUPPORT TO 4 INDIAN PROJECTS

- The World Bank has given approval to 4 Indian Projects.
- For this purpose, World Bank to offer worth over the US \$800 million to support development initiatives.

ADB OFFER LOAN TO CONSTRUCT LOWER KOPILI HYDROELECTRIC POWER PLANT

- The Asian Development Bank (ADB) has sanctioned loan amount to construct Lower Kopili Hydroelectric Power (LKHEP) plant in Central Assam, India.

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- The ADB to offer a loan amount of \$231 million for same to India.
- This will help to increase clean energy supply in India.

CENTRAL BANK OF INDIA PARTNERED WITH NPCI

- The Central Bank of India entered into a partnership with NPCI (National Payments Corporation of India) 'RuPay Select'.
- The 'RuPay Select' is the contactless debit card which is the bank's one-of-its-kind health and wellness-focused card.
- The card is launched to focus on the user's lifestyle, fitness, rejuvenation, nutrition and personal care.

INDIA'S GDP TO CONTRACT 7.3% IN FY 2020-21—BY NCAER

- The National Council of Applied Economic Research (NCAER) has projected India's GDP to contract 7.3% for the current fiscal year 2020-21.
- Earlier in September 2020, it had projected a contraction of 12.6%.
- Also, it has revised its growth forecast for the December 2020 quarter and March 2021 quarter to 0.1% and 2% respectively.

'INFINITE INDIA'---ICICI BANK

- The ICICI Bank has come up with an online platform which will support the foreign companies to launch and expand their businesses in India.
- The name of the online platform is 'Infinite India'.
- The platform offers a facility of single-point access to a host of services at an attractive price to the foreign entities who wish to do business in India.

ADB GRANTS LOAN TO NORTHERN ARC CAPITAL LTD

- The Asian Development Bank (ADB) has signed a loan agreement with Northern Arc Capital Ltd (NACL).
- The loan is offered by ADB to NACL for the purpose of lending to microfinance borrowers, MSMEs and affordable housing institutions who are facing trouble to attract debt funding from investors.
- Therefore, ADB has offered a loan of \$40 million to NARC.

INDIA'S GDP TO CONTRACT 7.8% IN FY21—BY IND-RA

- The India Rating and Research (Ind-Ra) has revised its estimation for India's GDP for the fiscal year 2020-21.
- As per Ind-Ra, India's GDP to contract 7.8% in the financial year of 2020-21.
- Earlier it had projected 11.8% contraction in India's GDP for FY 2020-21.

AU SMALL FINANCE PARTNERED WITH ICICI PRUDENTIAL LIFE INSURANCE

- The AU Small Finance Bank Ltd has entered into a partnership with ICICI Prudential Life Insurance.
- They have partnered to offer insurance solutions of ICICI Pru Life to the customers of AU SFB.
- This partnership will increase the AU SFB's customers experience by increasing their financial security.

'UNICAS'—WORLD'S FIRST CRYPTO BANK

- The 'Unicas' will help people to perform transactions in cryptocurrency and fiat from one account to the other.
- The bank will offer services for crypto as well as fiat assets.
- This will be the first time in India that a finance organisation is enabled for cryptocurrency.

HIGHLIGHTS OF RBI'S WORKING PAPER

- The Reserve Bank of India (RBI) working paper is authored by Harendra Kumar Behera and Michael Debabrata Patra.
- The working paper describes that Inflation rate of 4% is appropriate for India.
- The paper details that there is a steady decline in trend inflation to 4.1-4.3 % since 2014.

