

**Banking and
Financial
Awareness
Digest July
2020**

TABLE OF CONTENTS

Fitch Forecasts India's Growth to 8% for FY 2022.....	2
Special Liquidity Scheme for NBFCs and HFCs Through SPV.....	2
Asian Development Bank Joins NGFS	2
'ZipDrive' Instant Auto Loan Facility—By HDFC Bank.....	2
Indian Economy to Contract by 6.4% -- By Care Ratings	3
'Bhavishya' Saving Account—By Fino Payments Bank Ltd	3
India's GDP to Contract by 3% in FY21	3
Tamil Nadu Tops in Market Borrowings—By RBI.....	3
7th SBI Banking & Economics Conclave.....	3
Panel Formed for 'Indian Pandemic Risk Pool'-- By IRDAI.....	4
India: Second Largest Foreign Direct Investor in the UK.....	4
Fiscal deficit to shoot up to 7.6 pc in FY21: Ind-Ra	4
Indian Economy to Contract by 9.5% in FY21: ICRA	4
NABARD launches Development Projects in Andaman and Nicobar Islands	4
AAI join hands with BEL for Cooperation in Civil Aviation Industry	5
Health Minister launched PNB's campaign for COVID-19	5
Ramesh Babu Boddu becomes New MD & CEO of Karur Vysya Bank	5
Aditya Puri emerges as Highest paid Banker in FY20	5
Google will buy 7.73% stake in Jio Platforms.....	5
Ashok Lavasa becomes Vice President of ADB	5
Insta Click Savings Account—By Bank of Baroda.....	6
RBI Released 21st Issue of Financial Stability Report, July 2020	6
RBI signs Currency Swap Facility with Sri Lanka	6
Amendments in Indian Accounting Standards.....	6
Bank of Maharashtra partners with Uniken	6
BOB Financial Solutions Limited and Fiserv, Inc. to Work for Digital Transformation	7

BANKING AND FINANCIAL AWARENESS DIGEST: JULY 2020

FITCH FORECASTS INDIA'S GROWTH TO 8% FOR FY 2022

- As per the report, India's growth forecast for the financial year 2021-22 is marked at 8%. Initially, it was marked at 9.5% by the Fitch. However, it has reduced it to 8%.
- The reduction in the growth forecast is marked due to the negative impact on economic growth due to pandemic COVID-19.
- For the current fiscal year, the projection of India economy to be contracting by 5% as per Fitch Rating Agency.

SPECIAL LIQUIDITY SCHEME FOR NBFCS AND HFCS THROUGH SPV

- Government of India approved a special liquidity scheme for Non-Banking Finance Companies (NBFC) and Housing Finance Companies (HFC) through Special Purpose Vehicle (SPV).
- This Special Liquidity Scheme is set up by SBI Capital Markets Limited (SBICAP) which is the subsidiary of State Bank of India (SBI).
- The finance provided under this scheme to the NBFCs and HFCs will be used to repay existing liabilities and not to expand their assets.

ASIAN DEVELOPMENT BANK JOINS NGFS

- Asian Development Bank has joined as an observer for France based Network for Greening the Financial System (NGFS).
- Network for Greening the Financial System (NGFS) is a global forum which brings together all the central banks and supervisors around the globe and commits them to manage the financial risks and develop protection and saving opportunities with respect to climate change and environment.

'ZIPDRIVE' INSTANT AUTO LOAN FACILITY—BY HDFC BANK

- HDFC Bank has announced to offer instant auto loan named as 'Zipdrive' to its customers.
- This instant loan facility will be offered to its customers in about 1000 cities i.e. in tier 2 and tier 3 cities of India.
- The Zipdrive loan facility will be offered only for customers with preapproved offers.

INDIAN ECONOMY TO CONTRACT BY 6.4% -- BY CARE RATINGS

- Care (Credit Analysis and Research Limited) Rating has forecasted that Indian Economy to contract 6.4% for the financial year 2020-21.
- This contraction value in GDP is cited because the economic activities are getting continuously hindered due to lockdown situation of COVID-19.
- The rating agency has also expected a positive growth will come from agriculture and government sector.

'BHAVISHYA' SAVING ACCOUNT—BY FINO PAYMENTS BANK LTD

- Fino Payments Bank Limited has launched 'Bhavishya' Saving Account.
- The 'Bhavishya' Saving Account is launched for the minors who are in between the age group of 10-18 years.
- This saving account is launched with an aim to inculcate banking and saving habits in children.

INDIA'S GDP TO CONTRACT BY 3% IN FY21

- BofA Securities, which is a foreign brokerage, has stated that India's GDP will contract by 3% for financial year 2021.
- The lower contraction in GDP is predicted because the country is facing economic crisis due to the outbreak of COVID-19 pandemic.
- BofA Securities has also predicted that India's GDP will contract this fiscal with estimates ranging upto 7% negative growth.

TAMIL NADU TOPS IN MARKET BORROWINGS—BY RBI

- As per the data by Reserve Bank of India, Tamil Nadu state has topped in market borrowings among all the states in India.
- Tamil Nadu has raised Rs 30,500 crores in fiscal year 2020-21 which is accounted for 17% of the borrowings done through the issue of the bonds.
- After Tamil Nadu, the ranking is followed by Maharashtra, Andhra Pradesh and Rajasthan respectively.

7TH SBI BANKING & ECONOMICS CONCLAVE

- RBI Governor Shaktikanta Das addressed the 7th SBI Banking & Economics Conclave.
- The overall capital adequacy ratio for scheduled commercial banks (SCBs) stood at 14.8% as in March 2020, compared to 14.3% in March 2019. The CRAR of PSBs had improved from 12.2% in March 2019 to 13.0 per cent in March 2020.
- The gross NPA ratio and net NPA ratio of SCBs stood at 8.3 % and 2.9% in March 2020, compared to 9.1% and 3.7% as of March 2019, respectively.

PANEL FORMED FOR 'INDIAN PANDEMIC RISK POOL'-- BY IRDAI

- The Insurance Regulatory and Development Authority of India (IRDAI), being the regulatory provider has formed a panel which will examine the degree of convenience of 'Pandemic Risk Pool'.
- The panel will be headed by Suresh Mathur, Executive Director of IRDAI.
- The panel will also study the need of setting up Pandemic Risk Pool, will recommend structure and operating model for the pool and will examine other related matter to the subject.

INDIA: SECOND LARGEST FOREIGN DIRECT INVESTOR IN THE UK

- UK Government has released new data in the Department for International Trade (DIT) inward investment statistics for 2019-2020.
- As per the statistical analysis, India has become the second-largest Foreign Direct Investor in the United Kingdom (UK).
- The list is topped by the United States.

FISCAL DEFICIT TO SHOOT UP TO 7.6 PC IN FY21: IND-RA

- According to a report by India Ratings and Research (Ind-Ra), fiscal deficit of the Centre is expected to increase to 7.6% in FY21 which is twice the Budget estimate.
- This is because the government has spent more to fight against COVID-19.
- If looking at the combined level, the fiscal deficit of the Centre and states together will be 12.1%.
- The contribution of states in this is 4.5%.

INDIAN ECONOMY TO CONTRACT BY 9.5% IN FY21: ICRA

- According to a forecast by the rating agency ICRA, India's GDP growth is estimated to contract by 9.5% in the financial year 2020-21.
- The agency had earlier projected in May that the Indian economy will contract by 5%.
- This increase has been made considering the effect of nationwide lockdown in the country.
- According to the agency, the output of second quarter is likely to be -12.4% and the country will see a positive growth of 1.3% by the 4th quarter.

NABARD LAUNCHES DEVELOPMENT PROJECTS IN ANDAMAN AND NICOBAR ISLANDS

- National Bank for Agriculture and Rural Development (NABARD) has launched development projects in Andaman and Nicobar Islands to boost Atmanirbhar Bharat Abhiyan.
- NABARD will be providing 44 lakhs for these development projects of rural entrepreneurship.
- Under the project, Self-Help Groups (SHGs) will be formed. The projects will help in the skill development of the members of the SHGs who will further promote rural entrepreneurship.

AAI JOIN HANDS WITH BEL FOR COOPERATION IN CIVIL AVIATION INDUSTRY

- Airports Authority of India (AAI) and Bharat Electronics Ltd (BEL) have signed an agreement to support the Civil Aviation industry.
- The agreement was signed through video conferencing.
- Under the agreement, AAI and BEL have decided to collaborate and provide support various global opportunities in the airport business.

HEALTH MINISTER LAUNCHED PNB'S CAMPAIGN FOR COVID-19

- Union Health Minister Dr. Harsh Vardhan launched the campaign of Punjab National Bank (PNB) to distribute face masks & sanitizers to fight against COVID-19.
- The bank will distribute face masks and sanitizers in 662 districts across the country.

RAMESH BABU BODDU BECOMES NEW MD & CEO OF KARUR VYSYA BANK

- Karur Vysya Bank (KVB) has appointed Ramesh Babu Boddu as its new MD & CEO.
- His tenure will be of 3 years.
- Ramesh is the former Deputy Managing Director of SBI and was retired from the post in April 2020.

ADITYA PURI EMERGES AS HIGHEST PAID BANKER IN FY20

- HDFC Bank's Managing Director Aditya Puri has come out as the highest paid banker in FY20.
- His salary and prerequisites in FY20 was Rs 18.92 crore.

GOOGLE WILL BUY 7.73% STAKE IN JIO PLATFORMS

- Google is set to buy 7.73% stake in Jio Platforms.
- Jio Platforms is the subsidiary of Reliance Industries Limited.
- Google will soon seek permission from the Competition Commission of India for buying 7.73% stake in Jip Platforms.
- Google will be investing Rs 33, 737 for the stakes in the company.

ASHOK LAVASA BECOMES VICE PRESIDENT OF ADB

- Asian Development Bank (ADB) has appointed Ashok Lavasa as its new Vice President.
- Lavasa will succeed Diwakar Gupta.
- Lavasa is the Election Commissioner of India.

INSTA CLICK SAVINGS ACCOUNT—BY BANK OF BARODA

- The Bank of Baroda has launched 'Insta Click Savings Account'.
- The 'Insta Click Savings Account' is a paperless digital self-assisted saving account.
- The aim behind launching this 'Insta Click Savings Account' is that BOB is working to digitize its all work by 2023 and become 100% paperless.

RBI RELEASED 21ST ISSUE OF FINANCIAL STABILITY REPORT, JULY 2020

- The Reserve Bank of India has released the 21st issue of Financial Stability Report, July 2020.
- FSR is the study and assessment of FSDC (Financial Stability and Development Council).
- The COVID-19 has affected the fiscal, monetary and regulatory inventions on a large scale. Also, the non-financial sector has affected large economic losses due to the pandemic.
- The report has suggested that the GNPA ratio of all SCBs may rise from 8.5% in March 2020 to 14.8% by March 2021.

RBI SIGNS CURRENCY SWAP FACILITY WITH SRI LANKA

- The Reserve Bank of India has signed an agreement of USD 400 million currency swap facility with Sri Lanka.
- The agreement is signed to help Sri Lanka to meet with its short-term international liquidity requirements.
- The foreign exchange reserves will also be boosted for Sri Lanka which declined due to the COVID-19 in the country.

AMENDMENTS IN INDIAN ACCOUNTING STANDARDS

- During this pandemic situation of Coronavirus, and to support Indian companies, the Government of India has amended certain Indian Accounting Standards (Ind-AS), including the standards and norms relating to leases.
- The ministry of corporate affairs has amended Ind-AS 103 and Ind-As 116 and some other standards.
- The amendment rules were set and finalized by the ministry in guidance and consultation with National Financial Reporting Authority (NFRA).

BANK OF MAHARASHTRA PARTNERS WITH UNIKEN

- Bank of Maharashtra has partnered with Uniken, an organisation which works in the field of digital security.
- They have partnered to work and provide Omnichannel security.
- The Omnichannel security will be provided to Bank of Maharashtra's online banking app named as MahaSecure.

- Uniken's REL-ID technology will work to provide Omnichannel security.

BOB FINANCIAL SOLUTIONS LIMITED AND FISERV, INC. TO WORK FOR DIGITAL TRANSFORMATION

- The wholly-owned subsidiary of Bank of Baroda (BOB) named as BOB Financial Solutions Limited and the Fiserv, Inc. , which is the technology based financial services and payment global provider have joined together to have flexible, scalable solution to accelerate the digital transformation of card issuance and its processing.
- They will work together to develop high tech products like contactless credit cards, tokens and integration with branded wallets and virtual credit cards.
- They will work to have loyalty management and will build customer trust on digital payment structures developed by them.

