Banking and Financial Awareness Digest: October 2020
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- Indian Bank launched a green tech initiative named as ‘IB-eNote’.
- ‘IB-eNote’ initiative is launched to support paperless working environment.
- Also, Indian Bank has launched ‘Ind Guru’, which is an E-learning platform for its employees. ‘Ind Guru’ is the technology based learning providing solution.

ICICI Offers Debit Card for Customers Who Avail LAS

- ICICI Bank and Visa has partnered to launch a debit card facility for the customers who avail Loans Against Securities (LAS) from the bank.
- Thus ICICI Bank has become the first bank in India to launch this facility after RBI allowed banks to issue electronics cards to customers who avail OD (Overdraft) facility.
- The maximum daily transaction limit is Rs 3 lakhs.

RBI’s 3rd Bi-Monthly Monetary Policy Statement 2020-21

- Shaktikanta Das, Governor of Reserve Bank of India (RBI) announced the 3rd Bi-Monthly Monetary Policy Statement for 2020-21.
- The Monetary Policy Committee (MPC) evaluated domestic and global macroeconomic and financial conditions and thus has kept the repo rate under the Liquidity Adjustment Facility (LAF) unchanged to 4%.
- The reverse repo rate under LAF is also kept unchanged to 3.35%.
- There is also no change in the Marginal Standing Facility (MSF) and Bank Rate which are at 4.25%.

India’s GDP to Contract by 9.6% in FY21—By World Bank

- World Bank has predicted that India’s GDP to contract by 9.6% in financial year of 2021.
- This prediction is based on the current nationwide lockdown situation and due to the income shock experienced by households and businesses due to outbreak of Coronavirus.
- Earlier in June 2020, World Bank predicted that the Indian economy will shrink by 3.2% in FY21.
As per the World Bank, India’s growth is projected to rebound to 5.4% in 2022.

RBI TO MOVE NGTA TO MANAGE FOREX AND GOLD RESERVES

- The Reserve Bank of India (RBI) has announced to move Next Generation Treasury Application (NGTA) with an aim to manage the country’s foreign exchange and gold reserves.
- The application of NGTA will help to improve the functioning of RBI.
- It will also support multi-currency transactions and settlements like Fixed Income (FI), Forex, Money Market (MM) and Gold.

ADB OFFERS FINANCE SUPPORT TO DEVELOP RAJASTHAN’S SECONDARY TOWNS

- The Government of India and the Asian Development Bank (ADB) has signed a loan agreement to improve various facilities total 14 secondary towns of Rajasthan.
- The loan agreement of $300 million is signed between ADB and GOI.
- Under this loan amount, sustainable water supply and sanitation (WSS) services and infra will be developed in Rajasthan’s secondary towns.

AXIS ACE CREDIT CARD

- Axis Bank partnered with Google Pay and Visa to launch ‘Axis ACE Credit Card’.
- The aim behind launching ‘Axis ACE Credit Card’ is to increase users participation in the digital world.
- Visa has offered the facility of tokenization in ‘Axis ACE Credit Card’. This facility will allow users to make transactions using Google Pay with secured digital token attached to their phones without any need of using card physically.

INDIA’S GDP TO CONTRACT 10.3% IN FY 2020-21—BY IMF

- The International Monetary Fund (IMF) has released report titled as ‘World Economic Outlook’.
- As per the report, the IMF has projected India’s GDP to contract 10.3% in FY 2020-21.
- Also as per the report, India’s GDP to grow at 8.8% in FY 2021-22. Earlier prediction for GDP was 6% for FY 2021-22.

RBI INCREASES BANK’S AGGREGATE EXPOSURE LIMIT FOR SMALL BUSINESSES

- The Reserve Bank of India (RBI) has announced to increase the bank’s maximum aggregate retail exposure limit to small businesses (turnover upto Rs 50 crore) to Rs 7.5 crore.
Also, RBI has announced to extend the existing enhanced Held to Maturity (HTM) limit of 22% for SLR securities acquired between 1st Sep 2020 and 31st Mar 2021 and 31st Mar 2022.

**‘SALARY CARD’— LAUNCHED BY EARLYSALARY AND NPCI**

- EarlySalary joined hands with NPCI (National Payments Corporation of India) to launch ‘Salary Card’.
- ‘Salary Card’ is the Zero-Touch Digital Card.
- The card is supported with Machine Learning technology and has the mechanism of risk-oriented decision making.

**‘SARAL JEEVAN BIMA’ FROM 1ST JAN 2021—BY IRDAI**

- The guidelines for ‘Saral Jeevan Bima’ are released by IRDAI (Insurance Regulatory and Development Authority of India).
- IRDAI has made mandatory of offering this insurance policy by all life insurance companies from 1st Jan 2021.
- The minimum amount for ‘Saral Jeevan Bima’ is Rs 5 lakh and maximum amount is upto Rs 25 lakhs. Policy term is from 5 to 40 years.

**‘THE HEALTHYLIFE PROGRAMME’— HDFC BANK AND APOLLO HOSPITALS**

- India’s private sector bank, HDFC Bank in partnership with Apollo Hospitals has launched a ‘HealthyLife Programme’ for its customers.
- The ‘HealthyLife Programme’ is the holistic heathcare solution.
- The aim of this programme is to make a healthy life easily accessible and affordable to the customers of HDFC Bank.

**‘INVEST 4G’— BY CANARA HSBC OBC LIFE INSURANCE**

- ‘Invest 4G’ is a unit-linked individual life insurance cum savings plan.
- It can be customized as per the customer’s requirements and is suitable for new-age digital buyers.
- In this, a single premium payment option is added which includes 10x cover multiple and 1.25x cover multiple.
ADB TO PROVIDE LOAN FOR ROAD IMPROVEMENTS IN MAHARASHTRA

- Asian Development Bank (ADB) and Government of India has signed a loan agreement with an aim to improve roads in Maharashtra state.
- The loan agreement of $177 million is signed between them.
- This loan amount will be used to upgrade 450km of highways and major district roads in Maharashtra.

IND SPRING BOARD—BY INDIAN BANK AND IIT MADRAS INCUBATION CELL

- Indian Bank partnered with IIT Madras Incubation Cell (IITMIC) to launch ‘IND SpringBoard’, which is the credit facility to fund startups.
- ‘IND SpringBoard’ will offer an exclusive credit facility of up to Rs 50 crore for startups in order to fulfil their capital requirements and purchase of machinery and equipment.
- The bank will then offer loan up to Rs 50 crore to such startups.

RBI FIXED MINIMUM NOF SIZE TO HFCS AT RS 25 CRORE

- These changes are made with an aim to increase the efficiency of HFCs and address their issues related to liquidity and double financing.
- In this regard, RBI has revised regulatory framework for HFCs under which minimum Net Owned Funds (NOF) size for HFCs is fixed to Rs 25 crore.
- As per this, HFC having CoR (Certificate of Registration) and having NOF less than Rs 25 crore will be required to achieve NOF of Rs 15 crore by 31st March 2022 and Rs 25 crore by 31st March 2023.

‘DELHI METRO-SBI CARD’

- SBI Card and Payment Services (SBI Cards) in partnership with Delhi Metro Rail Corporation (DMRC) launched ‘Delhi Metro-SBI Card’.
- The ‘Delhi Metro-SBI Card’ is a multipurpose credit card which is launched for Delhi Metro passengers.
- The card is a credit card as well as a metro smart card.
- It is launched with an aim to support digital finance movement and to promote cashless transactions in Delhi Metro.

SVC CO-OPERATIVE BANK PARTNERS WITH NPCI

- The Shamrao Vithal Co-operative Bank Ltd (SVC Bank) has entered into a partnership with National Payments Corporation of India (NPCI).
● They have entered into a partnership to launch a rewards programme.
● Under this reward program, customers will earn points upon using SVC Bank’s cards and its digital solutions.

**RBI ASKS LENDERS TO IMPLEMENT WAIVER OF INTEREST ON INTEREST SCHEME**

● GOI has announced the scheme for grant of ex-gratia payment of the difference between simple interest and compound interest for 6 months to borrowers in specific loan accounts.
● Now banks and NBFCs will be mandated to grant ex-gratia payment for certain categories of borrowers by crediting the difference between simple interest and compound Interest between 1st March 2020 to 31st August 2020.
● The centre has asked lending institutions to complete the crediting of amount in the accounts of borrowers by 5th Nov 2020.

**CSB BANK LTD PARTNERS WITH IIFL FINANCE LTD**

● Catholic Syrian Bank Ltd partnered with IIFL Finance Ltd to offer gold loans in untapped locations of rural areas.
● They have entered into a partnership to source and manage the retail gold loan assets.
● IIFL, which is an NBFC, will perform the role of Business Correspondent of the bank.

**SBI SIGNS LOAN AGREEMENT WITH JBIC AND OTHER FINANCE LENDERS**

● The State Bank of India (SBI) has signed a loan agreement with the Japan Bank for International Cooperation (JBIC) and other finance lenders.
● The loan agreement of up to $1 billion is signed.
● The loan agreement is signed to promote the smooth flow of funds for various range of operations of Japan’s automobile manufacturers in India. The loan amount will facilitate the operation of Japan’s automobile sector companies in India.

**INDUSIND BANK—FIRST BANK TO GO LIVE ON RBI’S ‘ACCOUNT AGGREGATOR FRAMEWORK’**

● IndusInd Bank has gone live as a ‘Financial Information Provider’ (FIP) under the new ‘Account Aggregator Framework (AAF)’ of the Reserve Bank of India (RBI).
● Thus, IndusInd Bank has become the first bank to do so.
Due to this, customers will now be able to view statements of their accounts, track deposits, plan investments, avail credit cards on a single-window platform.