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# **BANKING AND FINANCIAL AWARENESS FEBRUARY 2020: WEEK I**

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## **WHATSAPP PAY RECEIVED NPCI NOD TO EXPAND ITS UPI PROJECT**

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- WhatsApp pay has received the approval of National Payments Corporation of India (NPCI) to expand its UPI project to 10 million users.
- This announcement was made by Nandan Nilekani at an IIT industry conclave event.
- WhatsApp pay is a payment feature of Whatsapp that will run on UPI and will allow its users to pay or do transactions through their bank accounts.
- Whatsapp was running this feature as a pilot for 1 million users and was waiting for a license since 2018 and now it has got the approval from NPCI.

## **RBI IS CONDUCTING FINANCIAL LITERACY WEEK 2020**

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- The Reserve Bank of India is conducting a "Financial Literacy Week 2020" from February 10 to 14.
- As RBI is focusing on Micro, Small and Medium Enterprises this year; the theme of the literacy week is "Micro, Small and Medium Enterprises (MSMEs)".
- The basic aim of celebrating literacy week is to create awareness about key topics. Before this, the theme of Financial Literacy Week in 2018 and 2019 was "Consumer Protection" and "Farmers" respectively.

## **DICGC RAISES THE INSURANCE COVERAGE FOR DEPOSITORS TO 5 LAKH**

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- The Deposit Insurance and Credit Guarantee Corporation (DICGC) has raised the insurance coverage limit for depositors in insured banks to 5 lakhs.
- Earlier the limit was 1 lakh. This new limit of insurance coverage will be effective from February 4, 2020.
- The announcement to raise the limit was made in the Union Budget 2020-21.
- DICGC is a wholly-owned subsidiary of RBI.

## **COOPERATIVE BANKS TO OPERATE UNDER RBI**

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- The Union Cabinet has approved the amendments to the Banking Regulation Act in order to bring cooperative banks under the regulatory mechanism of Reserve Bank of India.

- The government has taken this decision after considering the situation of the Punjab and Maharashtra Co-operative (PMC) Bank which are under crisis.
- As per the Information and Broadcasting Minister Prakash Javadekar, this move will ensure greater accountability and transparency in the functioning of cooperative banks.

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## **RBI KEEPS REPO RATE UNCHANGED IN ITS 6TH BI-MONTHLY MONETARY POLICY REVIEW**

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- The Reserve Bank of India (RBI) has kept the repo rate and all policy rates unchanged in its 6th Bi-monthly monetary policy review.
- At present, the repo rate is 5.15 per cent while the reverse repo rate is 4.90 per cent.
- Also, RBI has said that it will maintain 'accommodative' policy stance as long as it is necessary to revive growth, while ensuring that inflation remains within the target.

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## **FITCH PROJECTS INDIA'S GDP GROWTH AT 5.6% FOR 2021**

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- Fitch Ratings has projected the GDP growth of India to be at 5.6% for the financial year 2021.
- This projection is lower than the government's projection in the Economic Survey.
- Fitch also lowered the growth estimate for 2019-20 in March to 6.8 per cent from 7 per cent projected earlier.

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## **PAYTM LAUNCHES ANDROID POS DEVICE FOR SMES & MERCHANT PARTNERS**

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- Paytm has launched an all-in-one payment gateway- Android POS device for SMEs and merchant partners in India.
- This device will help the merchants to accept payments through Paytm Wallet, all UPI-based apps, debit and credit cards, as well as cash.
- Along with accepting payments, merchants will also be able to generate GST compliant bills and manage their transactions and settlements through their 'Paytm for Business' app.
- The device was jointly launched by Paytm founder Vijay Sekhar Sharma and Infosys co-founder Nandan Nilekani.

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## **RBI INCREASED INSURANCE COVER ON BANK DEPOSITS**

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- The Reserve Bank of India (RBI) said in a statement released on 4th February 2020 said that Insurance cover on bank deposits has been increased to Rs 5 lakh from Rs 1 lakh per depositor.
- The Deposit Insurance and Credit Guarantee Corporation (DICGC), a wholly-owned subsidiary of the Reserve Bank of India provides the insurance coverage to the depositors.

- The DICGC has raised the limit of insurance cover for depositors in insured banks to provide a greater measure of protection to depositors in banks and boost the confidence of people in the banking system.

## **UNION CABINET APPROVED AMENDMENT TO BRING CO-OP BANKS UNDER RBI**

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- The government approved amendments to the Banking Regulation Act, 1949 to ensure greater accountability and transparency in the functioning of Cooperative Banks.
- According to the data released by RBI, Urban cooperative banks (UCBs) reported nearly 1,000 cases of fraud worth more than Rs 220 crore in the last five fiscals.
- After the amendment, such banks will come under RBI's (Reserve Bank of India) regulation.

