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# **BANKING AND FINANCIAL AWARENESS**

## **MAY 2020: WEEK IV**

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### **RBI ANNOUNCED RS 15,000 CRORE TO EXIM BANK**

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- Reserve Bank of India has announced a Rs 15,000 crore line of credit (LoC) to the Export-Import Bank of India (EXIM).
- RBI has decided to offer the support to EXIM Bank as it has failed to raise its operation due to pandemic situation of COVID-19.
- The LoC of Rs.15,000 crore for a period of 90 days from the date of availing with rollover up to a maximum period of one year will be granted to EXIM Bank by RBI.

### **INCREASE IN TRADE CREDIT POLICY COVER LIMIT FROM 85% TO 90%-- IRDAI**

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- Insurance Regulatory and Development Authority of India (IRDAI) has recommended an increase in protection against finances granted to the policyholders under Trade Credit Insurance (TCI) from 85% to 90%.
- This recommendation has been made by the committee consisting of 9 members expert panel headed by Atul Sahai, New India Assurance Chairman and MD.
- Also, the committee proposed protection against finances for MSMEs to be 95%, in order to grant relief in the event of loss situation.

### **GOI TO CEASE 7.75% SAVING BONDS**

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- 7.75% Saving Bonds or Taxable bonds are to be ceased by the Government of India due to the fact of declining interest rates as RBI has lowered the repo rate (repo rate is 4%).
- The 7.75% Saving Bonds or Taxable bonds as commonly known as Reserve Bank of India Bonds or Government of India Bonds.
- These bonds offer higher interest rates as compared to Fixed deposits of banks.

### **INDIAN ECONOMY TO CONTRACT @ 5% IN FY21**

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- S&P Global Ratings, which is an American credit rating agency has projected that Indian economy to contract @ 5% in FY21.
- However, for fiscal year 2021-22, the growth is predicted at 8.5%.
- Previously, Fitch and Crisil has also predicted a negative growth of 5% in Indian Economy.

## **INDIA'S GDP TO BE 4.2% IN 2019-20**

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- National Statistical Office has released the data describing that economic growth for India has slowed to an 11 year low of 4.2% for FY 2019-2020.
- The GDP was 6.1% in 2018-2019, whereas for 2019-2020 it is marked to be 4.2% and has been marked as the slowest GDP in the 11 years.
- The GDP for the fourth quarter is estimated to be 3.1%.

