

Banking, Finance & Economy News: January 2021

RBI Releases Report on Trend and Progress of Banking in India 2019-20

On December 29, 2020, Reserve Bank of India (RBI) released "Report on Trend and Progress of Banking in India 2019-20" under the broad theme of **impact of COVID-19 on banking and non-banking sectors, and the way forward**. This report for the year ended **June 30, 2020** has been submitted to the Central Government in terms of Section 36(2) of the Banking Regulation Act, 1949.

- The report presented the performance of the banking sector, including co-operative banks, and non-banking financial companies (NBFCs) during 2019-20.
- The Gross non-performing assets (GNPA) ratio of banks declined from 9.1% of total assets at end-March 2019 to 8.2% at end-March 2020 and further to 7.5% at end-September.

Here are the highlights of the report:

-During 2019-20 and the first half of 2020-21, scheduled commercial banks (SCBs) consolidated the gains achieved after the turnaround in 2018-19.

—**Capital to risk-weighted assets (CRAR)** ratio of SCBs strengthened from 14.3% at end-March 2019 to 14.7% at end-March 2020 and further to 15.8% at end-September 2020,

-Net profits of SCBs turned around in 2019-20 after losses in the previous two years; in H1:2020-21, their financial performance was shored up by the moratorium.

-The Insolvency and Bankruptcy Code (IBC) and the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI) channel aided the process of NPA recovery.

-The balance sheet growth of **Urban Co-operative Banks (UCBs)** moderated in 2019-20. Their asset quality deteriorated, increased provisioning resulted in net losses.

-The performance of state co-operative banks improved, both in terms of profitability and asset quality.

-The consolidated balance sheet of NBFCs decelerated in 2019-20 due to near stagnant growth in loans and advances although some improvement became visible in H1:2020-21.

Bank Frauds:

-On frauds in the banking sector, the report said, operational risk has emerged as a major source of risk. Although 98 per cent of frauds in terms of value were related to loans, their occurrence was spread over several previous years.

-The amount involved in frauds (Rs 1 lakh and more) was Rs 64,681 crore in the first half of the current fiscal, down from 1,13,374 crore in April-September 2019-20 period. The number of cases of fraud too were lower at 3,488 during April-September 2020-21 as compared to 4,410 in the corresponding period of last fiscal.

-Banks also recovered over Rs 1.72 lakh crore (of over Rs 7.42 lakh crore NPAs) during 2019-20 through channels like Lok Adalats, DRTs, SARFAESI Act and IBC.

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i.RBI also decided that banks can lend up to Rs 7.5 crore from earlier Rs 5 crore to individual retail and small business borrowers (i.e. with turnover of upto Rs 50 crore) and still be eligible for a 75% risk weight.

ii.RBI also extended the enhanced borrowing facility provided to banks under the marginal standing facility (MSF) scheme by six months till March 31, 2021. It was initially available up to June 30, 2020 and was later extended up to September 30, 2020 due to economic disruptions amid COVID-19.

About Reserve Bank of India (RBI):

Formation- 1 April 1935

Governor- Shaktikanta Das

Headquarters- Mumbai, Maharashtra

Deputy Governors- 4 (Bibhu Prasad Kanungo, Mahesh Kumar Jain, Michael Debabrata Patra, and M Rajeswar Rao)

IDBI Bank to Sell 23% Stake in IFLI to Ageas Insurance International NV;IFLI renamed as Ageas Federal Life Insurance Company Ltd

IDBI Bank has entered into the final stage of selling the **23% stake** in IDBI Federal Life Insurance Company Limited (**IFLI**) to **Ageas Insurance International NV** for a consideration of **Rs 507 crore**.Following this transaction,

the joint venture has been rebranded as **Ageas Federal Life Insurance Company Ltd.** The deal is expected to be completed by December 31, 2020.

- IFLI is a three-way joint venture of IDBI Bank, Belgium's Ageas and Federal Bank.
- On purchasing the stake, Ageas Insurance International NV will hold 49% stake in IFLI earlier from 26%.
- While IDBI Bank's stake in IFLI will be reduced to 25% from 48%.
- Federal Bank continues to hold 26 per cent stake in IFLI.

Reason behind Selling the Stake:

Points to be Noted – An insurer is not allowed to hold more than 10 per cent stake in a rival insurer.

Since LIC owns 51 per cent stake in IDBI Bank and the later owns 48 per cent stake in IFLI, the bank had to divest its stake in its insurance joint venture.

IDBI Bank to sell 4% in IFLI to Federal Bank

IDBI Bank is seeking to sell another 4% in IFLI to Federal Bank, for this the bank did not receive the banking regulator's clearance.

Agreement

On August 06, 2020 IDBI Bank has executed an agreement to sell up to 27% stake in IFLI, to Ageas Insurance International NV and The Federal Bank Limited

Key Info

- By selling 27% stake, IDBI Bank will get Rs 595 crore, valuing the insurance company around Rs 2,200 crore.
- This deal will help the bank to increase its capital.

Note

As per the Basel-III, the capital adequacy ratio of IDBI bank was 13.67% at the end of September.

RuPay Partnered with RBL Bank to Launch 'RuPay PoS'; Transforms Merchant Smartphones into PoS

On December 31, 2020, the international card payment service RuPay partnered with RBL Bank to launch an innovative payment solution for Indian merchants "RuPay PoS" in association with PayNearby. The announcement for the same was made by **National Payments Corporation of India (NPCI)**.

- This collaboration will transform smartphones into merchant Point of Sale (PoS) terminals for the retailers enabling the latter to accept contactless payments of **up to Rs 5,000** through a simple tap and pay mechanism on his Near Field Communication (NFC) enabled mobile phones.
- The biggest benefit of this solution is that the tech-shy Indian Micro, Small & Medium Enterprises (MSMEs) or local stores even in the remotest areas will now be able to process contactless payments on their smartphone.

Key Points:

–Customers using RuPay cards or have tokenized their RuPay Cards, can carry out contactless payments for their regular purchases.

–This payment solution requires no additional cost, hence, it will be a cost effective acceptance infrastructure to retailers.

–The smartphones can be converted into payment acceptance terminals by updating the PayNearby app.

–As a pilot process, RuPay PoS also can also accept **offline transactions** of RuPay National Common Mobility Card (NCMC) of **Rs. 200** and below.

- This will eliminate internet dependency for micropayment processing and also ensure hassle-free shopping experience for customers.

–RuPay PoS enables customers to perform '**tap & go**' payments on merchant's NFC enabled smartphones just by tapping their RuPay cards on it.

Recent Related News:

i. On October 26, 2020 In order to cheer the customers in a new way this festive season, the National Payments Corporation of India (NPCI) launched, 'RuPay Festive Carnival', a flagship campaign for RuPay users. The RuPay users with this launch can enjoy compelling benefits and attractive discounts on products of various categories.

ii. On November 20, 2020 Prime Minister (PM) Narendra Modi and Bhutan Prime Minister Lotay Tshering jointly e-launched RuPay card Phase-II which will allow Bhutanese card holders to access RuPay network in India. Through this initiative, Bhutanese people can access around one lakh ATMs (Automated Teller Machines) and 20 Lakh Point-of-Sale terminals (PoS) across India.

About RBL Bank:

Managing Director (MD) & Chief Executive Officer (CEO)– Vishwavir Ahuja

Headquarter– Mumbai, Maharashtra

Tagline– Apno Ka Bank

Chatbot– RBL Cares

About Nearby Technologies Pvt. Ltd.:

Establishment– 2016

Managing Director (MD) & Chief Executive Officer (CEO)– Anand Kumar Bajaj

Headquarter– Mumbai, Maharashtra

RBI Unveils Digital Payment Index: January 2021

On January 1, 2021, the Reserve Bank of India (RBI) introduced the RBI-Digital Payments Index (DPI) to measure a growth in digital or cashless transactions across the country. It was released on the lines of the Statement on Developmental and Regulatory Policies as part of the Sixth Bi-monthly Monetary Policy Statement for 2019-20 dated February 06, 2020.

Key Takeaways of RBI-DPI:

- For the index, the RBI has set the base year **2018**, i.e. DPI score for March 2018 is set at 100.
- The DPI for March 2019 was 153.47 while for March 2020 it scored 207.84, representing growth.
- From **March 2021**, RBI will publish this DPI on its website on a semi-annual basis.

Parameters of RBI-DPI:

It comprises of the following 5 broad parameters:

1. Payment Enablers (25%)
2. Payment Infrastructure – Demand-side factors (10%)
3. Payment Infrastructure – Supply-side factors (15%)
4. Payment Performance (45%)
5. Consumer Centricity (5%)

Each of the above parameters has sub-parameters which, in turn, consist of various measurable indicators.

Key Points:

- There was an increase in digital transactions in November 2020 including both wholesale and retail transactions.
 - The growth in the value of NEFT transactions in November 2020 (27.9%) was higher than that recorded in October 2020 (20.1%).
 - In the retail segment, national electronic funds transfer (NEFT) transactions volume grew 24.6 percent y-o-y in November 2020, much higher than the growth (13.9 percent) recorded in October 2020.
 - In December 2020, there were Rs 3.9 lakh crore Unified Payments Interface (UPI) transactions while Immediate Payment Service (IMPS) transactions was of Rs 2.76 lakh crore, RTGS transactions was worth Rs 79.8 lakh crore and NEFT was worth Rs 22.18 lakh crore.
 - UPI transactions surged to approximately 2.2 billion in November 2020, maintaining momentum in both volume and value terms.
 - In the wholesale segment, real-time gross settlement (RTGS) transactions recorded acceleration in volume terms.
 - Among other digital transaction modes, national electronic toll collection (NETC) held on to a buoyant growth trajectory and immediate payment service (IMPS) showed stronger growth in November 2020 than October 2020.
- Note** –RBI had made RTGS available round the clock on all days from 12.30 AM.
- The RBI and government have been pushing for digital transactions over the years to bring in more transparency and efficiency in the financial system.

Recent Related News:

i.Credit Information Company TransUnion CIBIL has partnered with the Ministry of Statistics and Programme Implementation (MoSPI) to launch the First Edition of the Quarterly MSME Credit Health Index. The index will provide a reliable measure and benchmark of the growth and strength of MSME (Micro, Small & Medium Enterprises) in India.

ii. In accordance with the government data, the Consumer Price Index (CPI) rises to 7.61% in October 2020 as compared to 7.27% in the previous month of September, 2020. It was 4.62% in October 2019. On the other hand, Consumer Food Price Index (CFPI) rose to 11.07% in October, 2020 up from 10.68% in September, 2020.

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IFSCA Becomes an Associate Member of International Organisation of Securities Commissions

On 1st January 2021, the International Financial Services Centres Authority (IFSCA) became an **associate member** of the International Organisation of Securities Commissions (IOSCO), an international organisation which sets the global standards for securities markets regulation.

Benefits of the Membership:

i. The membership will support IFSCA with a platform to exchange information at global level and regional level in the fields of common interest.

ii. This platform will enable the IFSCA to learn from the experiences and the best practices of regulators of various established financial centres.

iii. This will also enable the connection between the IFSCA with regulators of security markets across the globe and contribute towards the development and regulation of financial products, services and institutions at the Gujarat International Finance Tec-City International Financial Services Centre.

Key Points:

i. The IOSCO, an international organisation which unites the securities regulators across the globe, covers more than 95% of the world's securities markets.

ii. ISO works with the G20 and Financial Stability Board (FSB) to set the standards for enhancing the security market.

Note:

The first international financial services (IFSC) of India was established at the Gujarat International Finance Tec-city (GIFT) in Gandhinagar.

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International Financial Services Centre Authority (IFSCA) obtained membership of International Association of Insurance Supervisors (IAIS). Now, IFSCA can access IAIS's global network and would be able to exchange ideas and information relating to insurance with other global regulators.

About IOSCO:

Chair of the IOSCO Board– Ashley Lan Alder

Secretary General– Paul P. Andrews

Headquarters– Madrid, Spain

About IFSCA:

IFSCA is a unified authority for regulating all the financial activities at IFSC's in India.

Chairperson– Injeti Srinivas

Established in – April 2020 (established under the International Financial Services Centres Authority Act, 2019)

Headquarters– Gandhinagar, Gujarat.

ADB, GoI sign USD 231 Million Loan Agreement to enhance Power Generation Capacity in Assam

On December 30, 2020, Asian Development Bank (ADB) & Government of India (GoI) signed a USD 231 Million (~ INR 1688.5 Crores) Loan Agreement for the Assam Power Sector Investment Program (APSIP) for the construction of **Lower Kopili Hydroelectric Power (LKHEP) plant**. This is the **3rd Tranche Loan for the program** which was approved by ADB board in July, 2014.

i. The main purpose of the Loan agreement is for increasing the Electricity Generation Capacity in the State of Assam through construction of a **120 Megawatts (MW) hydroelectric power plant over Kopili River**.

ii. A USD **2 Million grant** from Japan Fund for Poverty Reduction (JFPR) is also associated with the project to finance equipment & consulting services.

iii. The signatories to the Loan Agreement were **Dr C. S. Mohapatra**, Additional Secretary in Ministry of Finance who signed for India & **Hoe Yun Jeong**, Officer-in-charge of ADB's India Resident Mission, who signed on behalf of ADB.

Key Points:

i. The hydroelectricity project will increase **availability of electricity** for households.

ii. The project will increase electricity supplied from Clean Energy by **469 Gigawatt-hour (GWh) by 2025** & reduce Greenhouse Gas emission by **3.6 Lakh Tonnes of Carbon Dioxide** annually.

Other purposes of the Loan:

i. For project capacity building of Assam Power Generation Corporation Limited (**APGCL**) on construction, operations & maintenance and safeguards.

ii. To Finance APGCL's enterprise resource planning system.

iii. To improve **Gender equity & enhance gender capacity** of APGCL.

iv. It will improve women's participation & contribution in training & community-led interventions.

Assam Power Sector Investment Program (APSIP):

i. APSIP is supported by ADB, it aims to increase the **generation capacity** in Assam to **1, 410 MW & reduce distribution losses to 15%** by 2022.

ii. In July 2014, ADB agreed to provide an Loan amount of **USD 300 Million** for the APSIP through Multitranches Financing Facility (MFF).

ADB & GoI sign USD 10 Million for PRF in Himachal Pradesh:

i. ADB & GoI signed **USD 10 Million Project Readiness Financing (PRF)** to help finance piloting activities, project for expanding horticulture production & farm household income in Himachal Pradesh.

ii. The project will support development of **subtropical horticulture, cultivation of fruits & vegetables** in the southern region of Himachal Pradesh.

iii. The project is lagging due to lack of access to perennial water sources, crops losses due to wild animal encroachment & limited access to high-value markets.

Recent Related News:

i. On November 3, 2020 The Asian Development Bank (ADB) approved a USD 132.8 million loan to Modernize Power Distribution Network in Meghalaya.

About Asian Development Bank (ADB):

Headquarters– Mandaluyong, Manila, Philippines

President– Masatsugu Asakawa

Membership– 68 countries (Including India)

KVIC Unveiled 1st of its Kind Government E-commerce Portal “eKhadiIndia.com” to Promote Khadi and Village Industry Products

The Khadi and Village Industries Commission (**KVIC**) under the Ministry of Micro, Small and Medium Enterprises (**MSME**), Government of India unveiled the e-commerce portal – <https://www.ekhadiindia.com/>. This is a first of its kind government online shopping platform to enhance rural economy and promote self reliance.

KVIO Ventures Private Limited, a special purpose company has been incorporated under public private partnership with KVIC to sell the products of Khadi and village Industries Institutions under the trademark “**Khadi India**”.

note: this is the first ever effort of the Ministry of MSME and KVIC in online and business-to-consumer (B2C) outreach

Key People:

A.K. Sharma, Secretary, MSME, Vinai Kumar Saxena, Chairman of KVIC were present during the trial launch of the portal.

eKhadiIndia:

i. The portal provides a platform for the stakeholders affiliated with KVIC, Khadi & Village Industry Boards (**KVIB**), Rural Employment Generation Programme (**REGP**), Prime Minister's Employment Generation Programme (**PMEGP**) Units, SFURTI clusters or any other unit recognized by KVIC/KVIB to sell their products to the customers.

ii. The website features the catalogue of 50000 products under more than 500 variations.

iii. It also has the catalogue of various categories of locally made Khadi and Village industry products.

iv. This will support to build an ecosystem which will support the MSME's towards achieving "Aatmanirbhar Bharat"

Features:

i. The portal features products with the authentic Khadi Trademark.

ii. This also supports bulk orders and direct sellers registrations.

iii. The Institutions and Units can directly sell their products to the customers through the portal.

iv. This is available in both website and mobile app version.

About KVIC:

Chairman – Vinai Kumar Saxena

Headquarter – Mumbai, Maharashtra

Formed under Act of Parliament; "Khadi and Village Industries Commission Act of 1956".

RBI Launched Jan 2021 Round of "Consumer Confidence Survey" & "Inflation Expectations Survey of Households"

On January 1, 2021, the Reserve Bank of India (RBI) launched the January 2021 round of household surveys namely "Inflation Expectations Survey of Households (IESH)" and "Consumer Confidence Survey (CCS)" to represent inflation expectations and consumer confidence. These surveys will act as useful inputs for RBI's monetary policy which is scheduled to be announced by Monetary Policy Committee (MPC) on February 3-5, 2021.

- It should be noted that both surveys will be conducted by the Mumbai (Maharashtra) based agency, **M/s Hansa Research Group Pvt. Ltd.**, on behalf of the RBI surveys through face-to-face interviews as well as telephonically.
- These surveys are conducted on a regular basis.

About Inflation Expectations Survey of Households (IESH):

This survey covers **6000 households** across 18 cities by capturing subjective assessments

i.e. **qualitative** and **quantitative** responses on price movements and inflation as per the individual's consumption in the three-month ahead as well as one-year ahead periods.

- The 18 cities are Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kolkata, Lucknow, Mumbai, Nagpur, Patna, Raipur, Ranchi and Thiruvananthapuram.

About Consumer Confidence Survey (CCS):

It will cover 5,400 respondents across 13 cities by capturing **qualitative** responses from households, regarding their sentiments on general economic situation, employment scenario, price level, households' income and spending.

- The 13 cities are Ahmedabad, Bengaluru, Bhopal, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kolkata, Lucknow, Mumbai, Patna and Thiruvananthapuram.

-House Price Index moderated at 1.1% in Q2

In accordance with RBI data, the annual growth (y-o-y) in all-India House Price Index (HPI) remained moderate at 1.1% in Q2FY21 (July-September) as compared to 2.8% in the Q1FY21 and 3.3% in Q2FY20.

- The all-India HPI contracted by (-) 1.1% on a sequential basis (quarter-on-quarter/QoQ) in Q2FY21 in Delhi, Bengaluru, Kolkata and Chennai recorded sequential decline in HPI, whereas in Mumbai it remained around the previous quarter's level.
- The maximum contraction in HPI was in the case of Chennai at 4.72%, followed by Bengaluru (3.73%).

-Bank credit grows at 5.4% in September quarter:

In accordance with RBI's "Quarterly Basic Statistical Returns (BSR)-1: Outstanding Credit of Scheduled Commercial Banks (SCBs), September 2020", Bank credit growth on y-o-y basis stood at **5.4%** in Q2FY21 compared to 5.7% growth in the Q1FY21. The Data covered 1,26,580 branches of 89 scheduled commercial banks (excluding Regional Rural Banks) are presented for bank groups, population groups and states.

- Credit growth for metropolitan branches, which have major share in bank credit, decelerated to 3.3% (Y-o-Y) in Q2FY21 as compared to 4.7% in Q1FY21.
- Personal loans, which accounted for one-fourth of bank credit, continued to maintain double-digit growth during September quarter.
- Industrial credit, contracted by 1.7% (y-o-y) and its share in total credit stood at nearly 30% in September quarter 2020.

- Bank loans to private non-financial companies continue to contract y-o-y for the 4th successive quarter and stood at (-)6.7% in Q2FY21.
- Weighted average lending rate (WALR) for outstanding credit declined by 21 basis points during July-September 2020.

Recent Related News:

i. According to a recent Nov. 2020 report of the Reserve Bank of India (RBI), Uttar Pradesh (UP) has been ranked fifth by providing employment under the Micro, Small and Medium Enterprises (MSMEs) during Corona pandemic.

ii. On October 1, 2020, the Reserve Bank of India (RBI) excluded six public sector banks (PSBs) from the Second Schedule of the RBI Act, 1934 following their merger with other banks with effect from April 01, 2020. The six banks are Syndicate Bank, Oriental Bank of Commerce (OBC), United Bank of India, Andhra Bank, Corporation Bank, and Allahabad Bank.

About Reserve Bank of India (RBI):

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Governor– Shaktikanta Das

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India's April-November Fiscal Deficit is 135.1% of full-year target

In accordance with the data released by the Controller General of Accounts (CGA), India's April-November fiscal deficit stood at Rs 10.75 lakh crore at the end of November 2020 which is 135.1% of the Budget Estimate (BE) for FY21, The fiscal deficit at the end of November 2019 had stood at 114.8% of 2019-20 BE.

Key Points:

i. As per CGA data the total expenditure incurred by the government up to November rose 4.7% to Rs 19.06 lakh crore or 63% of BE. (i.e. Rs.16.6 lakh crore was on revenue account, ₹2.41 lakh crore was on Capital Account).

ii. As per BE the government had pegged the fiscal deficit at ₹7.96 lakh crore or 3.5% of the GDP in the Union Budget.

iii. Over ₹3.34 lakh crore were transferred to state governments as devolution of share of taxes by the Government of India up to November 2020.

iv. The tax revenue collection was 42.1% of BE of 2020-21, compared with 45.5% of BE (2019-20). Non-tax revenue was 32.3% of BE compared with 74.3% of BE 2019-20.

v. Fiscal deficit had soared to seven-year high of 4.6% of the gross domestic product in 2019-20.

vi. Fiscal deficit means the gap between the expenditure and revenue, Fiscal deficit had breached the annual target or BE in July this year.

Interest Rates for Small Savings Schemes for 4th Quarter of 2020-21 Remains Unchanged

The finance ministry notified that the **interest rates on small savings schemes** including Public Provident Fund (PPF) and National Savings Certificate (NSC) for **4th quarter of 2020-21** (January 1 to March 31, 2021) will **remain unchanged** from those notified for the third quarter (October 1-December 31, 2020). The interest rates are as follows: Annual Interest Rate- PPF(7.1%), NSC(6.8 %), Kisan Vikas Patra-KVP(6.9 %); Interest rate for the five-year Senior Citizens Savings Scheme(paid quarterly)- 7.4%; Interest rate on savings deposits- 4% per annum; Sukanya Samriddhi Yojana, the girl child savings scheme- 7.6 %; Interest Rate of Term deposits of 1-5 years(paid quarterly)- 5.5-6.7 %; Interest rate on five-year recurring deposit- 5.8%.

The Interest rates for small savings schemes are notified by the Finance Ministry on a quarterly basis.

Centre Issues Rs 5,500 cr Zero-Coupon Bonds for P&SB recapitalization

In a first of its kind move Central Government has issued Rs 5,500 crore in zero-coupon bonds to recapitalise Punjab and Sind Bank (P&SB) by allowing it to park the paper in its **held-to-maturity** (HTM) category at **face value** rather than the discounted market rate. This move of capital infusion was approved by the Ministry of Finance on November 10, 2020.

- It should be noted that the Zero-coupon bonds are debt security that does not pay interest but instead trades at a deep discount, rendering a profit at maturity, when the bond is redeemed for its full face value. But this

recent infusion is not adhering to this; therefore, the Reserve Bank of India (RBI) may **red-flag** Rs 5,500-crore zero-coupon bonds.

- The bond will mature in tranches between 2030 to 2035.

The market value of the bonds would be around Rs 2,750 crore. The government will infuse Rs 5,500 crore into equity capital. So, the capital adequacy of Punjab & Sind Bank goes up by Rs 5,500 crore (instead of Rs 2,750 crore). Government is using Rs 100 to create an impact of Rs 200 in the economy. This is indeed a financial illusion and 'great innovation' by government.

What is Zero-coupon bonds?

i. These bonds are not tradable, the lender has kept them in the HTM bucket, not requiring it to book any mark-to-market gains or losses from these bonds.

ii. These are non-interest bearing, non-transferable special GOI securities.

iii. Maturity of 10-15 years.

iv. Though zero coupon, these bonds are different from traditional zero coupon bonds on one account — as they are being issued at par, there is no interest; in previous cases, since they were issued at discount, they technically were interest bearing.

Key Points:

–The government's shareholding in P&SB as of September 30, 2020, stood at 83.06%.

–In 2019-20, the government infused Rs 70,000 crore into PSBs to boost credit for a strong impetus to the economy where P&SB received Rs 787 crore.

–In September 2020, parliament approved Rs 20,000 crore for recapitalisation of PSBs.

Recent Related News:

i. On November 11, 2020 HDFC Bank in Partnership with Visa launched 'SmartHub Merchant Solutions 3.0', India's first comprehensive banking and payment solution for merchants.

ii. On October 30, 2020, the RBL Bank (formerly known as Ratnakar Bank) in partnership with Visa launched the latter's processing capability "Visa Direct" that allows safe, convenient, real-time and secure funds delivery directly to financial accounts using credit and debit cards.

About Punjab & Sind Bank (P&SB):

Establishment– 1908

Managing Director & Chief Executive Officer– S Krishnan

Tagline– where Service is a way of life

Headquarter– New Delhi

Bajaj Allianz General Partners with J&K government for PMJAY SEHAT

On December 28, 2020 **Bajaj Allianz General Insurance** in association with **Jammu & Kashmir**

Government launches health insurance coverage under Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (**AB-PMJAY**) Social, Endeavour for Health, and Telemedicine(**SEHAT**).

i. This extended scheme was launched by Prime Minister of India, Mr. Narendra Modi through video conferencing on December 26, 2020.

ii. The scheme will provide universal health insurance cover to all the citizens of J&K, thus ensuring financial security during any medical emergency.

iii. This is the first time in India that any scheme is implemented to such huge masses.

iv. The scheme will operate on insurance mode in convergence with PM-JAY.

Key Info

Since 2018, Bajaj Allianz General Insurance has been implementing the AB-PMJAY in the J&K, where it has covered over 6 lakh families.

About AB-PMJAY SEHAT:

Eligibility & Coverage

i. Under this new, AB PMJAY-SEHAT scheme, all citizens of J&K UT irrespective of their economic strata will be eligible for this scheme.

- Till now, under PMJAY only those from economically weaker sections of the society who were part of Socio-Economic and Caste Census (SECC) 2011 were eligible for the scheme.

ii. More than 20 lakh families of the UT will be covered.

Sum Insured & free of cost insurance

The Sum Insured of the policy is Rs. 5 lakh and the health insurance will be provided on family floater basis. This scheme will provide free of cost insurance to the J&K citizens and the government will bear the premium.

Hospitals

Many hospitals in India are connected under this scheme, and so the treatment will not be limited to government and private hospitals in the UT.

Health Cards

All the beneficiaries in J&K will be provided with SEHAT health cards through which they can avail treatment during hospitalisation.

Note

There is provision for operational extension of PM-JAY to approximately 15 lakh additional families.

About Bajaj Allianz General Insurance Company:

Managing Director (MD) and Chief Executive Officer (CEO) – Tapan Singhel

Head Office – Pune, Maharashtra

Tata Power, SIDBI Join Hands for Rooftop Solar Financing for MSMEs

On January 5, 2021, Tata Power partnered with Small Industrial Development Bank of India (SIDBI) to provide a finance scheme to Micro, Small & Medium Enterprises (MSMEs) engaged in rooftop solar segment.

- The partnership will overcome the financing barriers for penetration of solar in the MSME sector.
- This will support and encourage MSMEs to adopt sustainable energy for their businesses.
- This rooftop solar financing is for the **MSME customers of Tata Power** for both off-grid and on-grid solar connections.

Key Features of Scheme:

- As a part of the scheme MSMEs will get financial aid **without any collateral** at an interest of less than **10%**.
- It offers quick sanction and disbursement process viz. sanction time is 7 days while money disbursal in 4 days.

Additional Info:

– Tata Power is India's largest integrated power company and, with installed/ managed capacity of 12,772 MW (MegaWatt).

– It has developed the country's first 4000 MW Ultra Mega Power Project at Mundra (Gujarat) based on supercritical technology.

Recent Related News:

i. On 11th September 2020, the Government of Rajasthan signed a Memorandum of Understanding (MoU) with SIDBI to develop its micro, small and medium enterprises (MSMEs) ecosystem.

ii. On September 2, 2020, SIDBI has inked MoU with Government of Maharashtra to develop the micro, small and medium enterprise (MSME) ecosystem in the state.

About Tata Power:

Chief Executive Officer (CEO) & Managing Director (MD) – Praveer Sinha

Headquarter – Mumbai, Maharashtra

About Small Industrial Development Bank of India (SIDBI):

Establishment – 1990

Headquarters – Lucknow, Uttar Pradesh

Deputy Managing Director (MD) – Manoj Mittal, V Satya Venkata Rao

MP & AP become 1st group of states to complete 3 reforms stipulated by Ministry of Finance; provided Additional Financial Assistance

Madhya Pradesh (MP) & Andhra Pradesh (AP) became the 1st Group of States to complete **three out of the Four citizen schemes** stipulated by **Department of Expenditure, Ministry of Finance**. These two states have completed the implementation of schemes – One Nation One Ration Card Reforms, Ease of Doing Business Reforms, & Urban Local Bodies Reforms.

i.As they have completed the reforms, the Department of Expenditure, Ministry of Finance will provide them an **additional Financial Assistance of INR 1004 Crore** under the newly launched “**Special Assistance to States for Capital Expenditure**” scheme.

ii.The 4 reforms are **One Nation One Ration Card, Ease of doing Business Reform, Urban Local Body/Utility Reform & Power Sector Reform.**

Special Assistance to States for Capital Expenditure:

i.AP will get additional financial assistance of **INR 344 Crore** & **MP** will get **INR 660 crore** to implement capital projects.

ii.The Additional Financial Assistance for Capital Expenditure is in addition to the **permission of INR 14694 crores** issued to AP & MP for **extra borrowings** for completing the reforms.

iii.The amount can be used for **implementation of projects** in areas of Health, Rural Development, Water Supply, Irrigation, Power, Transport, Education, Urban Development.

iv.The scheme was announced by the **Union Finance Minister Nirmala Sitharaman** in October, 2020 as part of **Aatma Nirbhar Bharat Package.**

v.The main objective of the scheme is **to boost Capital Expenditure** by the State Governments who are facing a **shortfall in Tax Revenue** due to COVID-19 during the Financial Year 2020-21.

Funds to State Governments:

i.As part of the Scheme, **Capital Expenditure** proposals worth **INR 9880 crore** of 27 states have been approved by the Ministry of Finance.

ii.An Amount of **INR 4940 crore** has been released to states under the **1st Installment of the scheme.**

Scheme has 3 parts:

Part-I:

i.It covers North-Eastern & Hill States. An amount of **INR 200 Crores** has been allocated to each of **7 North-Eastern states** (Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Sikkim & Tripura) & **INR 450 Crore** to 2 Hilly States(Himachal Pradesh & Uttarakhand).

ii.Assam with a high population and geographical areas has been allocated INR 450 crore.

Part-II:

i.For states which have **not been included in Part-I** of the Scheme and an amount of **INR 7, 500 crore** has been earmarked for this part.

ii.The amount has been allocated among the states based on their **share of central tax** as per the interim award of **15th Finance Commission** for the year 2020-21.

Part-III:

i.Under this part an amount of **INR 2000 Crores** has been set aside for implementing citizen-centric reforms in the states.

ii.It will be available only to states who have completed **3 out of 4 reforms** specified by the Ministry of Finance before December 31, 2020.

Recent Related News:

i.On October 12, 2020, Union Minister for Finance Nirmala Sitharaman announced measures of INR 73,000 crore to stimulate consumer spending before the end of this Financial Year (FY21) to fight the COVID-19 lockdown induced slowdown.

About Ministry of Finance:

Union Minister – Nirmala Sitharaman

Minister of State – Anurag Singh Thakur

GoI, West Bengal & World Bank sign USD 105 Million Project to improve Waterways in West Bengal

On January 5, 2021, Government of India (GoI), Government of **West Bengal (WB)** & **World Bank** signed **USD 105 Million Project (approximately INR 767 Crores)** for the **West Bengal Inland Water Transport, Logistics and Spatial Development Project**. The Loan for the project is provided by International Bank for Reconstruction and Development (**IBRD**).

The agreement was signed by **Dr C S Mohapatra**, Additional Secretary, Department of Economic Affairs, Ministry of Finance on behalf of Government of India & **Rajdeep Dutta**, Deputy Resident Commissioner on behalf of Government of WB & **Mr Junaid Ahmad**, Country Director on behalf of World Bank.

Objective of the Project:

- i.**To improve inland water transport infrastructure in Kolkata, West Bengal.
- ii.** Improve Efficiency & safety of passenger & freight movement across the Hooghly River.
- iii.** Establish a spatial planning framework to enhance accessibility within Kolkata Metropolitan Area.

Key Points:

- i.** The Loan will have a maturity of 17 years including a grace period of 7 years.
- ii.** The project will connect 5 districts of Southern West Bengal with markets & Job Centers including Kolkata's Metropolitan Area (KMA) where around 30 Million people or one-third of West Bengal's population live.
- iii.** The project aims to develop KMA as a transport & logistics hub for the sub-region by using the Eastern Dedicated Freight Corridor (EDFC) & connecting to North-East & land-locked countries of Nepal & Bhutan.
- iv.** The ferry transport will also decongest Kolkata's three bridges, as 80% of Freight and passenger traffic use these bridges to cross the Hooghly river.
- v.** The existing ferry system caters to less than 2% of passenger traffic and a small portion of freight movement.

Project Implementation:

The Project is set to implemented in 2 phases:

Phase-I:

- i.** Enhance the capacity and improve the safety of Inland Water Transport system
- ii.** Restore existing ferries, buying new ferries with enhanced design
- iii.** Install electronic gates in 40 locations.

Phase-II:

- i.** Support Long-term investments for passenger movements, including terminals & jetties.
- ii.** Improve design of inland water transport vessels.
- iii.** Ensure night navigation & encourage private sector to invest in Ro-Ro vessels to facilitate easy movement of trucks across the Hooghly river.

Facilities:

- i.** To cope with flooding, precipitation, climate-smart engineering solutions will be applied.
- ii.** The project will also facilitate disable-friendly amenities, ensure women's safety & encourage women's employment in the Inland Water Transport (IWT) Department as well as with the ferry operators.

Recent Related News:

- i.** July 17, 2020, NABARD sanctioned Rs 795 crore to West Bengal to reconstruct infrastructure which was damaged by Cyclone Amphan (May) under Rural Infrastructure Development Fund (RIDF).

About World Bank:

Headquarters- Washington, D.C., United States

President- David R. Malpass

About West Bengal:

Chief Minister – Mamata Banerjee

Governor – Jagdeep Dhankhar

RBI to Introduce LEI for Large-Value Transactions in RTGS/NEFT from April, 2021

On January 5, 2021, the Reserve Bank of India (RBI) announced the introduction of Legal Entity Identifier (LEI) for all payment transactions of **Rs 50 crore and above** undertaken by entities through Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT).

- The directions for the same have been issued by RBI under **Section 10 (2)** read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).
- The LEI system will be effective from April 1, 2021 for participants in the over the counter (OTC) derivative and non-derivative markets.

What is a Legal Entity Identifier (LEI)?

It is a unique **20-digit global reference number** to identify legal entities participating in financial transactions. It makes the identification of an entity easy in the global database.

- It will act as a key measure to improve the quality and accuracy of financial data systems for better risk management.

Responsibilities of banks with regards to LEI:

- To advise eligible entities to acquire LEI in time, if they do not possess.
- To include remitter and beneficiary LEI information in RTGS and NEFT payment messages.
- To maintain records of all transactions of **Rs 50 crore** and above through RTGS or NEFT.

From where LEI can be obtained?

It can be obtained from any of the Local Operating Units (LOUs) accredited by the global umbrella organisation **Global Legal Entity Identifier Foundation (GLEIF)** based in Basel, Switzerland.

- In India, LEI can be obtained from Mumbai (Maharashtra) based **Legal Entity Identifier India Ltd. (LEIL)** (<https://www.ccilindia-lei.co.in>). It is a RBI recognized issuer of LEI and GLEIF accredited LOU under the Payment and Settlement Systems Act, 2007.
- LEIL is a wholly owned subsidiary of the Clearing Corporation of India Ltd (CCIL).

Recent Related News:

- On November 5, 2020, RBI has revised the loan scheme of the Co-origination Model between Banks and Non-Banking Financial Companies – Non-Deposit taking – Systemically Important (NBFC-ND-SIs) launched in September 2018 with the improved “Co-Lending Model (CLM)”.
- The Internal Working Group (IWG) of RBI has recommended an increase in the promoters’ stake in Private Banks to 26% from 15% of the paid-up voting equity share capital of the bank in 15 years.

About Reserve Bank of India (RBI):

Formation– 1 April 1935

Governor– Shaktikanta Das

Headquarters– Mumbai, Maharashtra

Deputy Governors– 4 (Bibhu Prasad Kanungo, Mahesh Kumar Jain, Michael Debabrata Patra, and M Rajeswar Rao)

Bandhan Bank Signs MoU with Indian Army for the Bandhan Bank Shaurya Salary Account

On January 5, 2021 **Bandhan Bank Ltd** signed a Memorandum of Understanding (**MoU**) with the **Indian Army** for the **Bandhan Bank Shaurya Salary Account**. The serving personnel of Indian Army will be provided the services of the account through the Bank’s network of banking outlets.

Key People

The MoU was signed by Lt. Gen. Ravin Khosla, DG (MP & PS), Indian Army, and Chandra Shekhar Ghosh, Managing Director & CEO, Bandhan Bank, in New Delhi, Delhi in the presence of Lt. Gen. Harsha Gupta.

Key Features of Bandhan Bank Shaurya Salary Account:

Balance and Interest

It is a zero balance salary account with 6% interest on balance above Rs.1 lakh.

Unlimited ATM and other Transactions

- The account holders can make unlimited ATM transactions at Bandhan bank and as well as other bank’s ATMs for free of cost.
- They can also make unlimited free National Electronic Funds Transfer (NEFT)/Real-Time Gross Settlement (RTGS)/Immediate Payment Service (IMPS) /Direct Debit(DD) transactions.

Free of Charge Shaurya Visa Platinum Debit Card

The annual charge and issuance of Shaurya Visa Platinum Debit Card is waived off.

Insurance Covers for Self and Asset

- It offers protection for self and assets, including: Free personal accident insurance of Rs.30 lakh, Air accident cover of Rs.1 crore.
- In case of accidental death of the account holder, the dependent child gets free educational benefit of up to Rs.1 lakh per year for 4 years .

Recently Signed MoUs by Other Banks with Defence Forces:

Bank of Baroda(BoB) Signed [MoU with Defence Forces](#) for its Newly Launched 'Baroda Military Salary Package'.

About Bandhan Bank:

It is the 1st bank to be setup in eastern part of India post independence.

Managing Director & CEO – Chandra Shekhar Ghosh

Head Office– Kolkata, West Bengal

Incorporated– December 23, 2014 as a wholly owned subsidiary of Bandhan Financial Holdings Ltd

Tagline– Aapka Bhala, Sabki Bhalai

RBI announces Operationalization of Payments Infrastructure Development Fund (PIDF) Scheme

On January 5, 2021, Reserve Bank of India (RBI) announced Operationalization of the Payments Infrastructure Development Fund (PIDF) Scheme with an **initial corpus of INR 345 Crores** for **three years** starting from January 1, 2021 & may be extended for two more years depending upon the progress. An Advisory Council (AC) under the chairmanship of **RBI Deputy Governor BP Kanungo** will be responsible for managing the functioning of PIDF.

Objective:

- i.**To increase the number of **Payment Acceptance Devices** in the country.
- ii.**To increase payments acceptance infrastructure by adding **30 Lakh touch points – 10 Lakh Physical & 20 Lakh Digital Payment acceptance devices** each year.
- iii.**The scheme aims to create payment acceptance infrastructure in **Tier-3 to Tier-6 Centres** with special focus on **North East states**.

Payments Infrastructure Development Fund (PIDF) Scheme:

- i.**For the initial corpus of INR 345 Crores, **INR 250 crores** will be contributed by **RBI & rest INR 95 Crores** by **authorized card networks** operating in India.
- ii.**The scheme will **cover multiple payment acceptance devices & infrastructure** supporting card payments such as Physical PoS (Point of Service), mPoS (Mobile PoS), GPRS (General Packet Radio Service), PSTN (Public Switched Telephone Network), QR code-based payments).
- iii.**The **targets of the scheme will be merchants** who provide essential services like Transport & Hospitality, Government payments, fuel pumps, Public Distribution System (PDS) shops, healthcare facilities, Kiranas and those who don't have a payment acceptance device.
- iv.**The scheme will **benefit the banks/non-banks & merchants** as it will lower the overall acceptance infrastructure cost.
- v.**The implementation of targets will be **monitored by RBI**, Mumbai Regional Office, **Indian Banks' Association**, and **Payments Council of India**.
- vi.**The card issuing banks shall also contribute to the corpus based on the card issuance volume (covering both debit cards and credit cards) at the rate of ₹ 1 and ₹ 3 per debit and credit card issued by them
- vii.**The minimum usage shall be termed as 50 transactions over a period of 90 days and active status shall be minimum usage for 10 days over the 90-day period. The subsidy claims shall be processed on half yearly basis and 75 percent of the subsidy amount shall be released.
- viii.**The balance 25 percent shall be released later subject to the status of the acceptance device being active in 3 out of the 4 quarters of the ensuing year.

Claims:

- i.**The scheme will function on a reimbursement basis
- ii.**The maximum cost of a **physical acceptance device** eligible for subsidy is **INR 10, 000**.
- iii.**The maximum cost of **digital acceptance device** eligible for subsidy is **INR 300**.

[Click here to read the full news](#)

Background:

- i.**PIDF was formerly known as the **Acceptance Development Fund** and was announced on **4th October, 2019**.
- ii.**It was mentioned in the **Payment System Vision Document 2021** of RBI.

Recent Related News:

- i.**On August 25, 2020, RBI released its Annual Report for 2019-20. It is a Report of the Central Board of Directors on the working of the RBI for the year ended June 30, 2020.

ii. On August 18, 2020, RBI released the "Framework for authorisation of pan-India Umbrella Entity for Retail Payments" on the lines of the feedback received on the "draft framework for authorisation of a pan-India New Umbrella Entity for Retail Payment Systems" 2020 for public comments.

About Reserve Bank of India (RBI):

Established on April 1, 1935 under the **Reserve Bank of India Act, 1934**.

Headquarters – Mumbai, Maharashtra

Governor – Shaktikanta Das

Deputy Governors – B. P. Kanungo, M.K. Jain, M. D. Patra & M. Rajeshwar Rao

BEML receives orders from MoD for the supply of High-Mobility Vehicles to Indian Army

BEML Ltd (previously known as Bharat Earth Movers Limited) has received orders worth ~ **INR 758 crores** from the Ministry of Defence (MoD) for supplying high-mobility vehicles to the Indian army.

i. The equipment will be manufactured at **BEML's Palakkad Plant** in Kerala and will be supplied to Indian Army **in a period of 1 year**.

ii. The vehicles will play a vital role in the **logistics management of the army**.

iii. They will be crucial in **mobilizing** armoured fighting vehicles, troops, ammunition & stores to far and difficult terrains in operational areas.

About BEML Ltd:

Chairman – D K Hota

Headquarters – Bengaluru, Karnataka

India Expected to grow at 5.4 % in Fiscal Year 2021-22 : World Bank report

According to the Global Economic Prospects (**GEP-January 2021**) report released by the World Bank (**WB**), India is expected to grow at **5.4%** in the Financial Year (FY) **2021-22** & **5.2%** in **FY 2022-23** after an expected contraction of **9.6%** in FY 2020/21. The report also highlighted that the

Global Economy is expected to expand by **4%** in 2021.

i. The major causes of India's contraction are **sharp declines** in **household spending & private investment**.

ii. The report also states that **Vaccine Deployment & Investments** as the need to sustain the Global recovery.

iii. The Global economy is set to have contracted by **4.3 %** in 2020

iv. GEP is **WB's semi-annual report** which reflects the **state of the World Economy**.

Growth Forecasts:

i. The **Global growth forecasts** are **more than 5%** below pre-pandemic projections.

ii. The report has also projected the growth rate of Gross Domestic Product (GDP) of different countries in 2021 – **America** will expand **3.5%**, **Europe** at **3.6%**, **Japan** to grow at **2.5%**.

iii. The South Asian region is expected to grow by **3.3%** in 2021.

iv. The Emerging market & Developing Economies (**EMDEs**) are expected to grow at an average of **4.6%** in 2021-22.

v. The report also stated that the economic disruptions are an opportunity for countries to pursue a "greener, smarter, more equitable" development path.

Contractions:

i. The pandemic has caused **per capita incomes to fall** in more **90%** of EMDEs pushing millions into poverty.

ii. The region of South Asia has **contracted by** an estimated **6.7%** in 2020. The contraction is the effect of pandemic & nationwide lockdowns in Bangladesh & India.

Rise in Global Debt Levels:

i. The pandemic has caused a massive increase in Global debt levels in the EMDE economies.

ii. The debts are expected to increase by **9%** points of **GDP in 2020**.

Regarding India:

i. In India the informal sector which accounts for **four-fifths of employment** has **faced severed income losses** during pandemic.

ii. India's **debt is expected to rise by 17%** points of GDP owing to severe output contraction of more than 9%.

[Click here to read the full report](#)

Recent Related News:

- i. June 9, 2020, World Bank in the Global Economic Prospect (GEP) June 2020 analytical chapters reports states that India's growth is contracted by 3.2% (so growth is -3.2%) for FY20-21.
- ii. October 8, 2020, As per World Bank's latest South Asia Economic Focus forecasts, India's Gross Domestic Product (GDP) is expected to contract by 9.6% (-9.6%) in FY21.

SBI Mutual Fund Raises its Stake in CSB Bank to 5.01% from 4.96%

On January 1, 2021 **SBI Mutual Fund** has acquired an additional 86,993 shares in **CSB Bank Ltd** (formerly The Catholic Syrian Bank Ltd), which consequently raised its stake in the bank to **5.01%** from 4.96% earlier.

- The acquisition was made through open market purchase.

Background

i. The Reserve Bank of India (RBI) has given approval to SBI funds management to acquire stake up to 10 % of the paid up capital of the CSB Bank through various schemes of 'SBI Mutual Fund.'

ii. This approval is valid for one year till July 21, 2021.

About CSB Bank Ltd (formerly The Catholic Syrian Bank Ltd):

It is currently the oldest private sector bank in Kerala. In 1969 it became a Scheduled Bank, as it was included in the Second Schedule of Reserve Bank of India Act, 1934.

Established- 1920

MD & CEO- C. VR. Rajendran

Head Office- Thrissur, Kerala

Tagline- Support All the Way

GoI, AP Govt and NDB Signs 2 Loan Agreement Worth USD 646 Million for Upgrading Road Network in AP

On January 6, 2021 **Govt of India (GoI)**, **Govt of Andhra Pradesh (AP)** and **New Development Bank (NDB)** signed loan agreement worth **USD 646 million** (about Rs 4,736 crore) for 2 projects to upgrade State Highway Network and District Road Network in AP. The Loan amount of USD 323 million (about Rs 2,368 crore) for each project will be given by NDB.

i. The 2 projects include **Andhra Pradesh Roads and Bridges Reconstruction Project** and **Andhra Pradesh Mandal Connectivity and Rural Connectivity Improvement Project**.

iii. The Roads and Buildings Department of Government of AP will be the Project Implementation Agency.

Note- The tenor of each loan is 32 years, including a moratorium period of 5 years.

Aim of the Projects

To address the connectivity challenges faced by AP by upgrading state highways and district roads of heavy traffic, and reconstructing obsolete bridges.

Key People

The agreement was signed by the following dignitaries namely;

- Baldeo Purushartha, Joint Secretary of Department of Economic Affairs, Ministry of Finance on behalf of the Government of India,
- T. Krishna Babu, Principal Secretary of Transport, Roads and Buildings Department on behalf of the Government of AP
- Xian Zhu, Vice President, and Chief Operations Officer of NDB on behalf of NDB

Benefit of Funding:

The funding of NDB will help to bridge the financial gap for road infrastructure development and supports AP gov't's goal to improve connectivity between socioeconomic centres.

Components of the Projects:

Andhra Pradesh Roads and Bridges Reconstruction Project

i. About 1,600 km of state highways to be broadened from single/intermediate lane to double lane.

ii. 269 bridges to be constructed in the state highways network.

iii. Deteriorated bridges to be reconstructed on the State Highway network.

Andhra Pradesh Mandal Connectivity and Rural Connectivity Improvement Project

i. Broadening about 1,400 km of district roads from single/intermediate lane to double lane

ii. Constructing 206 bridges in the district roads network.

iii. Reconstructing deteriorated bridges on the district road network.

Benefits of the Projects:

i. These projects improve road connectivity & road safety and also enhance the transport efficiency, riding quality, and provide all-weather accessibility for the State's road users.

ii. The 2 projects will increase the daily traffic capacity of the roads to 15,000 passenger car units, which anticipates to meet the projected traffic growth over the next 20 years.

iii. The projects will also have a positive impact on job creation and economic well-being.

Recent Related News:

i. On September 7, 2020 The State Government of Himachal Pradesh (HP) and World Bank signed a \$82 million (approximately Rs. 600 Crores) loan deal to strengthen its transport and road safety institutions by improving the condition, safety, resilience, and engineering standards of the state's road network.

ii. On May 28, 2020 The Asian Development Bank (ADB) and the Government of India signed a USD 177 million loan to upgrade 11 state highways & 2 major district roads with a combined length of 450 km, to 2-lane standard across seven districts of Maharashtra.

About New Development Bank (NDB):

i. During the sixth BRICS (Brazil, Russia, India, China, and South Africa) Summit in Fortaleza (2014), the leaders signed an Agreement to establish the NDB.

ii. NDB became fully operational on February 27, 2016.

Headquarters- Shanghai, China

Formerly referred as- BRICS Development Bank

President- Marcos Troyjo

BoB signs MoU with SIDBI to Enable MSMEs Apply Online for One-Time Restructuring

On January 6, 2021, Bank of Baroda (BoB) has signed a memorandum of understanding (MOU) with the Small Industries Development Bank of India (SIDBI) to enable micro, small and medium enterprises (MSMEs) customers of the former to apply online for one-time restructuring (OTR).

- With this, the eligible MSME entities can get credit exposure up to **Rs 25 crore**.
- The restructuring of the borrower account will be implemented by **March 31, 2021**.

How will this be helpful for MSMEs?

-The MSME Customer can now access the web-based portal, '**Asset Restructuring Module for MSMEs (ARM-MSME)**'.

-This portal enables customers to self-create their restructuring proposal with financial viability projections by entering only the most essential data of their past and projected financials.

-MSME borrowers can do the process of application submission online for the restructuring of loan accounts from the comfort of their home/office for free of cost.

-Apart from this, the borrowers can also re-submit a new online application or modify the online application.

Reason behind this Decision:

The MSMEs are affected by financial stress due to the Covid-19 pandemic. In this regard, the Reserve Bank of India (RBI) has allowed banks to consider OTR proposals from MSMEs with credit exposure up to Rs 25 crore.

What is a one-time restructuring (OTR) scheme by RBI?

On August 6, 2020, RBI announced OTR scheme allowing banks to restructure loans of borrowers that were regular in their repayments and **did not have more than 30 days overdue** as of March 1, 2020, without downgrading their asset classification to a non-performing asset. This was announced as a regulatory measure to mitigate the impact of COVID-19 on the borrowers.

- The recommendations for the OTR framework were provided by the Kamath Committee led by **Kundapur Vaman Kamath**.
- RBI extended the One-Time Restructuring (OTR) window till March 2021.

Recent Related News:

i. On November 4, 2020 Bank of Baroda (BoB) in association with EAP India introduced an 'Employee Assistance Program', a Well-being Programme for its employees and their family members 24x7.

ii. In July 2020 BoB launched 'Insta Click Savings Account', a 100% paperless digital self-assisted online savings account.

About Bank of Baroda (BoB):

Vijaya Bank and Dena Bank were merged with BoB

Managing Director (MD) and Chief Executive Officer (CEO)– Sanjiv Chadha

Headquarters– Vadodara (earlier known as Baroda), Gujarat

Founded– 20 July 1908, by Maharaja Sayajirao Gaekwad III of Baroda

Tagline– India's International Bank

SMCB Becomes India's 1st Urban Co-operative Bank to Convert into Small Finance Bank under Voluntary Transition Scheme

The Reserve Bank of India (RBI) has issued a scheduled commercial banking license to Shivalik Mercantile Co-operative Bank (SMCB) Ltd to carry on business as a Small Finance Bank (SFB) under its 'Scheme on voluntary transition of Urban Co-operative Bank (UCB) into a Small Finance Bank'. It is the 1st UCB in India to transit to SFB under the scheme.

- SMCB is renamed as **Shivalik Small Finance Bank (SSFB)**.
- The bank expects to commence business as a SFB by **April 2021**.

Note– Generally, Banking license is given by RBI under Banking Regulation Act, 1949

Key Info

i. SMCB received an 'in-principle' approval from RBI in January 2020 for converting it into a SFB and became the 1st UCB to get this approval from RBI.

ii. It was also given 18 months time to commence business as a Small Finance Bank.

About SSFB:

i. SSFB will offer banking services across India and also offer a complete range of retail banking solutions to its customers.

ii. It also further the SMCB's goal of financial inclusion.

Gist about SMCB:

i. It is the 1st and largest multi-state UCB in Uttar Pradesh (UP) and has played an important role in financial inclusion through a technology focussed approach.

ii. It currently operates in UP, Madhya Pradesh, Delhi, and Uttarakhand with 400,000 customers through its 31 branches and over 250 banking agents.

iii. It is live on all the significant payment platforms and also provides a best-in-class digital experience to customers.

The major technology platforms of the bank are powered by Infosys Finacle using a cloud native model

iv. The total business size of the bank was approximately Rs 1,800 Crores as on March 31, 2020

Recent Related News:

In exercise of powers vested in it under sub section (1) of Section 35 A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949, the Reserve Bank of India (RBI) imposed restrictions on withdrawals from Jalna, Maharashtra-based Mantha Urban Cooperative Bank for six months from November 17, 2020.

About Shivalik Mercantile Co-operative Bank (SMCB) Ltd:

i. It was registered as a Co-operative Society under Uttar Pradesh Co-operative Societies Act, 1965.

ii. In 2010, it acquired Dhar Bank (Madhya Pradesh), which helped the bank to get Multi-state Cooperative Bank status under Multi-State Co-operative Societies Act (MSCS), 2002

Head Office– Saharanpur, UP

Commenced Operations– September 5, 1998 (as Primary Urban Coop. Bank)

MD & CEO– Mr. Suveer Kumar Gupta

Chairman– Yashvir Kumar Gupta

IRDAI mandates Insurers to offer 3 Standard Insurance Products to Cover Risk of Fire & Allied Perils

Insurance Regulatory and Development Authority of India (IRDAI) has mandated **General Insurance**

Companies to offer 3 standard Insurance Products namely – **Bharat Griha Raksha, Bharat Sookshma Udyam Suraksha & Bharat Laghu Udyam Suraksha** to cover risk of fire & allied perils from April 1, 2021.

i. The 3 policies will replace the **Standard Fire and Special Perils (SFSP) Policy**.

ii. IRDAI has stated that the process of bringing Fire and Allied Perils Insurance business out of **All India Fire Tariff, 2001** will be **completed by April 1, 2021** for certain businesses like dwellings, micro level & small level enterprises.

Gist of 3 Policies:

Bharat Griha Raksha:

i. It covers Home Building and Home Contents.

ii. It will also cover dangers like fire, natural catastrophes, impact damage of any kind, riot, strike, malicious damages, acts of terrorism & bursting and overflowing of water tanks within **7 days** from the occurrence of the event.

iii. For **General Home Contents**, **without any need for declaration of details 20% of the Sum** Insured for the Building (subject to a maximum of INR 10 Lakhs) will be covered.

iv. **By declaring the details, the insured can opt for a higher sum** for general Home Contents.

v. Provides complete waiver of Underinsurance.

The policy offers **two optional covers**, namely

1. Insurance for Valuable Contents like jewellery and curios.
2. Personal Accident of the insured and spouse due to an insured peril under the policy.

Bharat Sookshma Udyam Suraksha:

i. This policy provides cover for Building/Structures, Plant & Machinery, Stock and other assets of enterprises whose **total value at risk** at one location **is upto INR 5 Crore**.

ii. It provides **cover for Start-up expenses** (following a loss), payment of professional fees for Architects, Surveyors & Consulting Engineers, Cost for removal of debris & costs.

iii. It will be essential for the **financial protection** of Micro, Small and Medium Enterprises (**MSMEs**).

iv. It waives **underinsurance** to the extent of **15%**.

Bharat Laghu Udyam Suraksha:

i. It provides cover for Building/Structures, Plant and Machinery, Stock where the **total value of risk** at one location **exceeds INR 5 crore but does not exceed INR 50 Crore**.

ii. The policy covers a **range of perils** similar to the policy meant for covering micro level enterprises.

iii. It can be taken for all types of risks such as offices, hotels, industries & storage risks.

iv. It will be useful for **financial protection of MSMEs**.

Recent Related News:

i. On September 24, 2020, IRDAI has identified Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC) and The New India Assurance Co. Ltd. (New India Assurance) as Domestic Systemically Important Insurers (D-SIIs) for 2020-21.

About Insurance Regulatory and Development Authority of India (IRDAI):

Chairman – Subhash C. Khuntia

Headquarters – Hyderabad, Telangana

PhonePe in Association with ICICI Prudential Life Insurance Launches Term Life Insurance Plans on its Platform

On January 6, 2021 **PhonePe** in partnership with **ICICI Prudential Life Insurance Co Ltd** launched **Term Life Insurance plans** on its platform. This policy can be availed by PhonePe users instantly on PhonePe app through an all digital process without the need of any health check-ups and paperwork

- This plan enables PhonePe users to protect their families from financial turmoil in case of an untimely demise of them.

Key Features of Term Life Insurance plans:

Premium & Avail

i. The premium of the policy starts from Rs 149 for a year.

ii. PhonePe users who are of age 18 to 50 and who earn Rs 1 lakh per annum and above can avail this policy.

Insure Sum & Renewal

Depending on the premium amount, this policy insures the user for a sum (ranging from Rs 1 lakh to Rs 20 lakhs) without the need of health checkups and paperwork.

It can be renewed when it expires on the PhonePe app.

General Info:

i. Insurance penetration in India is 2.73%. This is due to key reasons like lack of awareness, etc.,

ii. The reasons do match with Tier 2 cities citizens and beyond..

Note– PhonePe has over 250 million user base.

About Term insurance plan:

It is a protection plan with zero maturity benefits.

Upon death of the policy holder, during the policy term the sum assured is paid to the nominee in the policy.

Recent Related News:

HDFC (Housing Development Finance Corporation) Life and HDFC Ergo joined hands to launch a combi insurance product 'Click 2 Protect Corona Kavach' which offers a complete financial protection package in the current pandemic environment. This policy will provide all the benefits and features of HDFC Life's Click 2 Protect 3D Plus and HDFC Ergo's Corona Kavach policies.

About PhonePe:

HeadOffice– Bengaluru, Karnataka

Founder & Chief Executive Officer(CEO)– Sameer Nigam

Head of Insurance -Gunjan Ghai

About ICICI Prudential Life Insurance Ltd:

It is promoted by ICICI Bank Limited and Prudential Corporation Holdings Limited.

Commenced Operations– 2001

HeadOffice– Mumbai, Maharashtra

MD & CEO– N. S. Kannan

FDI Equity Inflows into India grew 21% to USD 35.33 billion during April-October 2020

As per the official data of the Department for Promotion of Industry and Internal Trade (DPIIT) Foreign direct investment (**FDI equity inflows into India** grew **21%** to **USD 35.33 billion**(Rs 2.5 lakh crore)during **April-October 2020**. In 2019, FDI equity inflows were USD 29.31 billion. From January to July 2020-2021, the total FDI (including reinvested earnings) increased 11% to USD 46.82 billion from USD 42.06 billion in April-October 2019. India attracted maximum funds from Singapore, the US, Mauritius, the Netherlands, the UK, France and Japan. The sectors that attracted maximum foreign inflows include computer software and hardware, services, trading, chemicals and automobile.

RBI's CoS Fully Operationalized; Dr. Rabi Narayan Mishra Named as its Full-time Director

On January 6, 2020, the College of Supervisors (CoS), which was set up by Reserve Bank of India (RBI) in May 2020, has now been fully operationalized for effective supervision of the regulated entities. It was functioning in a limited way in virtual mode since May 2020.

- CoS will have a **full-time Director**. RBI has appointed **Rabi Narayan Mishra**, its former Executive Director as the Director of CoS.
- The full-time Director supported by an Academic Advisory Council (AAC).

What is College of Supervisors (CoS)?

CoS was set up in May 2020 to further broaden and strengthen the supervisory skills among RBI's regulatory and supervisory staff at entry level and on a continuous basis. It was done by providing training and other developmental inputs to the concerned staff.

Reason behind setting up of CoS:

It was set up in the backdrop of scams involving the IL&FS Group (Infrastructure Leasing & Financial Services Limited), Punjab National Bank (PNB), Dewan Housing Finance Corporation, and Punjab and Maharashtra Co-operative Bank. These scams affected India's financial system in the last 2 to 3 years.

What is Academic Advisory Council (AAC)?

The AAC will identify areas where skill building/up-skilling is required, plan and develop curricula of all programmes, benchmark the programmes with international standards/best practices, develop appropriate teaching methods, etc. It consists of 1 chairperson and 5 members.

Chairperson: NS Viswanathan, former Deputy Governor, RBI

Members:

- **Arijit Basu**, former Managing Director, State Bank of India (SBI)
- **Paresh Sukthankar**, former Deputy Managing Director (MD), HDFC (Housing Development Finance Corporation Limited) Bank
- **S Raghunath**, Professor, IIM (Indian Institute of Management) Bangalore
- **Tathagata Bandyopadhyay**, Professor, IIM Ahmedabad
- **Subrata Sarkar**, Professor, Indira Gandhi Institute of Development Research (IGIDR)

Recent Related News:

i. On December 8, 2020, Reserve Bank of India (RBI) cancelled the licence of The Karad Janata Sahakari Bank Ltd. Karad, Maharashtra to carry on banking business, which includes acceptance of deposits and repayment of deposits as defined in Section 5(b) read with Section 56 of the Banking Regulation Act, 1949 with effect from the close of business on December 7, 2020.

ii. On December 13, 2020, Reserve Bank of India (RBI) has decided to set up an Automated Banknote Processing Centre (ABPC) in Jaipur, Rajasthan for automated receipt, storage of fresh banknotes received from the printing presses, and then retrieval and dispatch of these banknotes to the identified issue offices (IOs)/currency chests (CCs).

About Reserve Bank of India (RBI):

Formation– 1 April 1935

Governor– Shaktikanta Das

Headquarters– Mumbai, Maharashtra

Deputy Governors– 4 (Bibhu Prasad Kanungo, Mahesh Kumar Jain, Michael Debabrata Patra, and M Rajeswar Rao)

RBI Manager R Giridharan Authored his Debut Book “Right Under Your Nose”

The book titled ‘**Right Under Your Nose**’ is authored by Reserve Bank of India (RBI) Manager **R Giridharan**. This is his debut Book. The book is published by Rupa Publications India Pvt Ltd.

Essence of the Book

i. The book portrays how Superintendent Vijay along with his trusted aide Dalvi, and Journalist Padmini spots the murderer who killed a woman and a team of scientists.

ii. Their skills are pitted by a genius who eliminates all possible lead, right under their nose.

iii. The story is set in Nagpur, Maharashtra.

About R Giridharan:

i. Besides working with RBI, he is also an international sports commentator with All India Radio and has covered many test matches and one-day internationals, including World Cup matches

ii. He is also an expert panellist on Doordarshan.

iii. In addition to this he has anchored many panel discussions and has also compèred shows.

PM CARES Fund Trust allocates Rs 201.58 cr for installation of PSA Oxygen Plants

On January 6, 2021, the Prime Minister’s Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund Trust has allocated Rs 201.58 crore for installation of additional 162 Pressure Swing Adsorption (PSA) Medical Oxygen Generation Plants with a total capacity of 154.19 MT in **32 States and Union Territories (UTs)**. These will be installed inside public health facilities.

- The procurement of Medical Oxygen Generation Plants will be done by the **Central Medical Supply Store**, an autonomous body of the Ministry of Health and Family Welfare (MoHFW).
- The total project cost includes 137.33 crore rupees towards supply and commissioning of the plants and Management fee of Central Medical Supply Store and around 64.25 crore rupees towards Comprehensive Annual Maintenance Contract.

Key Point:

–The plants have a warranty for the first **3 years**. For the next 7 years, the project includes a Comprehensive Annual Maintenance Contract. After this, the entire Operations and Maintenance will be borne by the hospitals or States.

Benefits:

–It will strengthen the public health system by enabling **adequate and uninterrupted supply** of oxygen in a cost effective manner.

- It also reduces the health facility's dependence on the system of store and supply.
- It facilitates providing oxygen support in a timely manner to patients in these public health facilities.

Earlier allocation by Government through PM Cares Fund:

In May 2020, the Central Government allocated **Rs 3,100** crore for the fight against COVID-19. It consisted of Rs. 2,000 crore for supply of 50,000 'Made-in-India' ventilators to government run COVID hospitals in all States and UTs. Rs. 1,000 crore towards the welfare of migrant labourers and Rs 100 crore to support vaccine development.

What is PM Cares Fund?

It was set up on March 28, 2020 following COVID-19 pandemic to deal with any kind of emergency or distress situation. The fund is used for combating, and containment and relief efforts against any kind of pandemic.

- The PM is ex-officio chairman of PM CARES Fund, while Union ministers of Defence, Home Affairs and Finance, are ex-officio trustees of the fund.
- Notably, the fund consists entirely of **voluntary contributions** from individuals and organisations and does not get any budgetary support.
- Donations to the PM CARES Fund qualify for 80G benefits for 100% exemption under the Income Tax Act, 1961.

Recent Related News:

i. Government of India has allocated Rs.900 crore to Department of Biotechnology(DBT) for research and development of COVID-19 vaccines under Mission COVID Suraksha.

ii. On December 14, 2020, Union Minister Dr. Harsh Vardhan, (MoHF&W) has approved the health data management policy of the National Digital Health Mission (NDHM) to protect and manage personal data of patients using the digital services of the scheme.

About Ministry of Health and Family Welfare (MoHFW):

Union Minister – Harsh Vardhan

Minister of State (MoS) – Ashwini Kumar Choubey

PNB Collaborates with IIT Kanpur & FIRST to Set up Fintech Innovation Centre at IIT Kanpur Campus

On January 7, 2021 Punjab National Bank (PNB) partnered with Indian Institute of Technology (IIT) Kanpur and Foundation for Innovation & Research in Science & Technology (FIRST) to jointly set up 'Fintech Innovation Centre (FIC)', the Punjab National Bank – IIT Kanpur Innovation Centre at the IIT Kanpur campus.

Key People:

i. In this regard an MoU was signed at Dwarka, New Delhi in presence of top officials from the PNB, IIT Kanpur and FIRST.

ii. Agyey Kumar Azad, Sanjay Kumar, Executive Directors of PNB and CH SS Mallikarjuna Rao, Managing Director(MD) & Chief Executive Officer(CEO) of PNB exchanged MoU with the Dean IIT Kanpur Prof Amitabh Bandopadhyaya

Provisions of the Partnership:

i. Under this partnership, PNB and IIT Kanpur will set up a FIC to do research and develop technological solutions to address challenges & explore opportunities in Banking, Financial Services and Insurance (BFSI) space.

ii. PNB aims to create new products / solutions with technological innovations by FIC with the help of FIRST and IIT Kanpur's experienced faculty members.

iii. PNB will provide problem statements and also guidance regarding banking regulations.

Benefit of Collaboration:

This collaboration of technical expertise from IIT Kanpur and financial expertise of PNB will help to develop innovations and entrepreneurial excellence.

About Fintech Innovation Centre(FIC):

Support

A comprehensive ecosystem of financial institutions, academia, Venture Capital funds, technology companies and key government organizations will support the FIC.

Area of Focus

The planned area of focus include Fintech, Digital Lending, Payments and Cyber Security among others.

Benefits

i. The setting up of an FIC will provide an opportunity to Start-ups and Fintech companies incubated by IIT Kanpur and students to provide technological solutions to problems defined by the bank and will be aided by Professors.

- In addition to it, they can develop solutions to the financial ecosystem.

ii. PNB will get access to the Fin-Techs incubated by IIT-Kanpur along with their innovative solutions.

iii. To develop advanced solutions for the bank, World class research will be carried in Fintech related neo-technologies.

About Foundation for Innovation & Research in Science & Technology (FIRST):

The First Trust Non-Governmental Organization (NGO) is an Indian not-for-profit initiative that provides Rural Development and Education through programs.

Founder & Managing Trustee– Mrs. S. Sudha

Headquarters– Kanyakumari, Tamil Nadu

Recent Related News:

i. On 19th October, 2020 National Institution for Transforming India (NITI) Aayog launched First of its Kind, Frontier Technologies Cloud Innovation Center (CIC) with Amazon Web Services (AWS). CIC will help in addressing societal challenges through digital innovation with focus on agriculture, healthcare and skill development.

ii. On December 23, 2020 Indian Space Research Organisation (ISRO) signed Memorandum of Understanding (MoU) with Indian Institute of Technology (IIT)-Banaras Hindu University (BHU) to set up its Regional Academic Centre for Space (RAC-S) at the institute. This will enable advanced research in the future technology of the Indian space program.

About Punjab National Bank (PNB):

i. The United Bank of India (UBI) and Oriental Bank of Commerce (OBC) has been merged with PNB with effect from April 1, 2020.

ii. PNB with this merger becomes the 2nd largest nationalized bank of India, in terms of business and branch network.

Founded– May 19, 1894

Commenced Operations– April 12, 1895

Tagline– The name you can bank upon

MD & CEO– CH S.S. Mallikarjuna Rao

Headquarters– New Delhi, India

About Indian Institute of Technology (IIT), Kanpur:

Director– Prof. Abhay Karandikar

Headquarters– Kalyanpur, Kanpur

CBol Signs MoU with NABFOUNDATION to Provide Working capital for SHGs to Undertake ‘My Pad My Right’ Project

On January 7, 2021 Central Bank of India (CBol) signed Memorandum of Understanding (MoU) with NABFOUNDATION to provide working capital for Self-Help Groups (SHGs) to undertake ‘My Pad My Right’ project. The project is sponsored by National Bank for Agriculture and Rural Development (NABARD) & enables SHG’s to manufacture sanitary pads.

Provision of MoU

As per the MoU, working capital will be provided by the bank to all SHGs who have an account with it.

Note– The funds will be provided collateral free and at a cheaper rate

About ‘My Pad My Right’ Project

Launch

Smriti Irani, Union Minister for Women and Child Development and Textiles launched “My Pad My Right” on October 15, 2020.

Aim

i. To empower rural women, create livelihood opportunities and to raise awareness on menstrual hygiene.

ii. To address rural women’s health issues and provide a dynamic rural livelihood option on a sustainable basis.

Undertaken by

The project is undertaken by NABFOUNDATION along with funding support from Micro Credit Innovations Department(MCID), NABARD.

Design

It has been designed considering the basic objectives within the Livelihoods and Enterprise Development Programme(LEDPA) guidelines of NABARD.

Implementation

It will be implemented in a phased manner at all the districts(over 700 districts) in India.

Pad making machine will be Sponsored

i.Under the project, a pad making machine will be given by NABARD per district across India to a well-functioning SHG.

ii.In addition to this, essential capacity building support, total grant support of about Rs 5 lakh per unit will be provided.

Note

Over the next 3 years, NABARD will provide a total support of about Rs 50 crore

Recent Related News:

On December 2, 2020 NABARD(National Bank for Agriculture and Rural Development), Karnataka Regional Office Bengaluru, Karnataka has signed MoU(Memorandum of Understanding) with SBI(State Bank of India), LHO, Bengaluru to provide concessional refinance facility to the beneficiaries of watershed development and tribal development projects.

About Central Bank of India (CBoI):

It is the 1st Indian commercial bank which was wholly owned and managed by Indians.

Established- 1911

Headquarters- Mumbai, Maharashtra

Tagline- Central to You Since 1911, Build a better life around us

MD& CEO- Pallav Mohapatra

About NABFOUNDATION:

i.It is a Section 8(of Companies Act, 2013) not for profit company, promoted and fully owned by NABARD.

ii.It takes up scalable development projects of interest to NABARD and rural India.

iii.It is listed under Schedule VII, Section 135 of Companies Act, 2013

Formed- August 2019

CEO- Sanjeev D Rohilla

Chairman of NABARD & NABFOUNDATION- G R Chintala

Head Office- Mumbai, Maharashtra

IOCL in Partnership with SBI Launches 'IndianOil - SBI Co-branded RuPay Debit Card'

On January 7, 2021 Indian Oil Corporation Limited(**IOCL**) in partnership with State Bank of India (**SBI**) launched '**IndianOil - SBI co-branded RuPay Debit Card**'. This contactless card can be used anywhere in India.

Key People

The card was launched by Mr. Shrikant Madhav Vaidya, Chairman of IndianOil and Mr. Dinesh Kumar Khara, Chairman of SBI, in a virtual ceremony.

Key Features of the Card:

Pay with a tap

The single transactions up to Rs. 5000 can be paid with a tap.

Fuel benefit

On purchase of fuel at IndianOil fuel stations, the card holder can earn loyalty points worth 0.75%

There is no monthly limit to purchase fuel.

Reward Points

i.The card holder can earn 6X reward points for every Rs. 200 spent at IndianOil fuel stations

ii.In addition to this, reward points can also be earned on spending on dining, movies, etc.,

iii. Reward points can be redeemed for dining, movies, grocery and paying utility bills

Avail

A customer to get the card needs to visit the SBI's home branch

General Info:

SBI, India's largest bank, has the largest number of debit cardholders in India.

Recent Related News:

On November 17, 2020 YES Bank launched 'YES BANK Neokred Card', a Co-Branded Prepaid Card in partnership with Neokred Technologies to encourage cashless payments.

About Indian Oil Corporation Limited (IOCL):

Chairman– Shrikant Madhav Vaidya

Headquarters– New Delhi, Delhi

About State Bank of India (SBI):

Founded– July 1, 1955 as SBI

Headquarters– Mumbai, Maharashtra

Tagline– The banker to every Indian; With you all the way; Purely banking nothing else; The nation banks on us; A bank of the common man

Chairman– Dinesh Kumar Khara (Succeeds Rajnish Kumar)

NSO's Advance Estimates of GDP for 2020-21: India's GDP to contract by 7.7% in 2020-21

On January 7, 2021, the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI) released the First Advance Estimates of National Income at both Constant (2011-12) and Current Prices, for FY 2020-21. The growth in real GDP during 2020-21 is estimated at -7.7% as compared to the growth rate of 4.2% in 2019-20.

- It should be noted that there is a sharp revision of estimates due to restrictions imposed from 25 March, 2020 amid COVID-19. Though these were gradually lifted there but have impacted the economic activities as well as the data collection mechanisms.

Method used for Advance Estimates:

Benchmark-Indicator

Key Indicators used:

- Index of Industrial Production (IIP) of first 7 months of the financial year
- Financial performance of Listed Companies in the Private Corporate sector upto Q2FY21 (September, 2020)
- 1st Advance Estimates of Crop production
- Accounts of Central & State Governments
- Deposits & Credits
- Projections for Freight earnings of Railways, Passengers and Cargo handled by Civil Aviation, Cargo etc., available for first 8 months of the financial year

Key Estimates:

–Real Gross Domestic Product (GDP) or GDP at Constant Prices (2011-12) in the year 2020-21 is projected at **Rs 134.40 lakh crore**, as against the Provisional Estimate of GDP for the year 2019-20 of Rs 145.66 lakh crore, released on 31st May 2020.

–Real Gross Value Added (GVA) at Basic Prices is estimated at **Rs 123.39 lakh crore** in 2020-21, as against Rs 133.01 lakh crore in 2019-20, showing a contraction of 7.2%.

–As per quarterly estimates of NSO, real GDP contracted by 15.7 percent in first half of 2020-21. Real GDP on a quarter-on-quarter basis grew at 21 percent from Q1: FY 2020-21 to Q2: FY 2020-21. The AE of 2020-21 reflect continued resurgence in economic activity in Q3 and Q4 – which would enable the Indian economy to end the year with a contraction of 7.7 percent.

–Nominal GDP or GDP at Current Prices in the year 2020-21 is projected to be at **Rs 194.82 lakh crore**, as against the Provisional Estimate of GDP for the year 2019-20 of Rs 203.40 lakh crore.

–The growth in nominal GDP during 2020-21 is estimated at -4.2%.

–Nominal GVA at Basic Prices is estimated at **Rs 175.77 lakh crore** in 2020-21, as against Rs 183.43 lakh crore in 2019-20.

The release of Second Advance Estimates of National Income for the year 2020-21 and quarterly GDP estimate for the quarter October-December, 2020 (Q3 of 2020-21) will be on 26.02.2021.

Additional Info for FY20-21:

-In FY20-21, the **manufacturing** sector is likely to see a contraction 9.4%.

-There is significant contraction in mining and quarrying, trade, hotels, transport, communication and services related to broadcasting.

—**Agriculture** sector is estimated to see a growth of 3.4% in 2020-21 lower than the 4% growth recorded in 2019-20.

—**Electricity, Gas, Water Supply & Other Utility services** sector is likely to grow at 2.7%.

Note- Only these above two sectors are estimated to record positive growth in GVA this 2020-21.

-Among services sectors, trade, hotel, transport are projected to contract 21.4% while financial services and public services are estimated to contract 0.8% and 3.7% respectively.

The table below shows real GDP/GVA growth rates on the demand and supply side in 2020-21

Demand Side GDP	Real Growth(%) in2020-21	Supply Side GVA	Real Growth(%) in2020-21
Private Consumption	-9.5	Agriculture	3.4
Government Consumption	5.8	Mining	-12.4
Fixed Investment	-14.5	Utilities	2.7
Exports	-8.3	Manufacturing	-9.4
Imports	-20.5	Construction	-12.6
		Services	-8.8

[Click Here for Official PDF](#)

Recent Related News:

i.In accordance with the report on “Household Social Consumption: Education in India as part of 75th round of National Sample Survey(NSS) – from July 2017 to June 2018” conducted by National Statistical Office (NSO), MoSPI, Kerala again emerged as the most literate state in the country with 96.2% literacy followed by Delhi (88.7%), Uttarakhand (87.6%), Himachal Pradesh (86.6%) and Assam (85.9%).

ii.In accordance with the official data released by the National Statistics Office (NSO), India’s GDP for Q2FY21 contracted by 7.5% as compared to the expansion of 4.4% in the corresponding July-September period of 2019-20.

About Ministry of Statistics and Programme Implementation (MoSPI):

Minister of State (MoS), Independent Charge – Rao Inderjit Singh

GoI sanctions INR 37.8 Crores for Developing Parashuram Kund in Arunachal Pradesh

Government of India (GoI) has sanctioned **INR 37.8 Crores** for the Developing Parashuram Kund Pilgrimage Site at Lohit district, Arunachal Pradesh. It is one of the most sacred places in India and is visited by a large number of pilgrims during Makar Sankranti.

i.Thousands of Devotees take holy dip in the **Lohit River**.

ii.It is expected to boost the livelihood of the locals & socio-economic development of the area.

iii.Using the funds, the steps leading to the Kund, better services & suitable accommodation for visitors will be developed.

About Arunachal Pradesh:

Capital – Itanagar

National Park (NP) – Mouling, Namdapha

Universal Somp General Insurance Company Limited ties-up with Jammu & Kashmir and Ladakh Finance Corporation

On January 7, 2021, Universal Somp General Insurance Company Limited has joined hands with Jammu & Kashmir and Ladakh Finance Corporation (JKIDFC) to initiate **comprehensive insurance covers** for the customers of Jammu, Kashmir and Ladakh.

- JKIDFC is operational in the entire territory of Jammu, Kashmir and Ladakh and works towards enhancing industrial growth in this area by providing financial assistance to various Small and Medium Enterprises (SMEs) besides others.
- Universal Sompo General Insurance Co. Ltd is a joint venture (JV) of Indian Bank, Indian Overseas Bank, Karnataka Bank Ltd, Dabur Investment Corporation and a leading general insurer from Japan, Sompo Japan Insurance Inc.

About Jammu & Kashmir and Ladakh Finance Corporation (JKIDFC)

Managing Director (MD) – Rajesh Kumar Shavan

About Universal Sompo General Insurance Co:

Managing Director (MD) & Chief Executive Officer (CEO)– Sharad Mathur

Headquarter– Mumbai, Maharashtra

Japan Commits Rs 2,113 cr Loan Pact to India to Support COVID-19 Relief Efforts

On January 8, 2021, a loan agreement was signed between India and Japan for JPY (Japanese yen) 30 billion (Rs 2,113 crore) to support India's efforts at providing social assistance to the poor and vulnerable households severely impacted by the Covid-19 pandemic. It is named as **Covid-19 Crisis Response Support Loan for Social Protection**.

- The agreement was signed by CS Mohapatra, Additional Secretary, Department of Economic Affairs, and Suzuki Satoshi, Ambassador, Embassy of Japan to India and Chief Representative, Japan International Cooperation Agency (JICA) New Delhi.

Key Points:

–With this, Japan's Covid-related assistance to India amounts to more than Rs 5,800 crore.

–It is provided, in addition to the previous support directly targeting the improvement of public health, to ensure much needed social protection to these people by assisting the government's relevant policies, including Prime Minister Modi's Pradhan Mantri Garib Kalyan Yojana (PMGKY).

Recent Related News:

i. On October 6, 2020, External Affairs Minister (EAM) S. Jaishankar participated in the Second QUAD (Quadrilateral Security Dialogue) held between India, Australia, Japan & United States of America (USA) in Tokyo, Japan. It was during his 2 day visit to Tokyo, Japan from October 6-7, 2020.

ii. On December 1, 2020, State Bank of India (SBI) in collaboration with National Payments Corporation of India (NPCI) and Japan's JCB (formerly Japan Credit Bureau) International Co. Ltd. unveiled "SBI RuPay JCB Platinum Contactless Debit Card" with a unique dual interface feature.

About Japan:

Capital– Tokyo

Currency– Japanese yen

Prime Minister– Yoshihide Suga

7th Trade Policy Review of India at WTO acknowledges India's strong economic growth at 7.4%

On January 6, 2021, India's seventh Trade Policy Review (TPR) initiated at the World Trade Organization in Geneva, Switzerland. India's official delegation for the TPR is headed by the Commerce Secretary, **Dr. Anup Wadhawan**.

India's 6th TPR took place in 2015.

- The TPR is an important mechanism under the WTO's monitoring function, and involves a comprehensive peer-review of the Member's national trade policies.
- During the TPR, a comprehensive Report issued by the WTO Secretariat which acknowledged India's strong economic growth at 7.4% during in the last five years i.e. 2015-20.

Key Points from Report:

–India implemented several measures to facilitate trade during 2015-20 such as simplification of procedures and customs clearances for imports and exports.

–The other trade-facilitation initiatives introduced by India since 2015 include introduction of Indian Customs Electronic Gateway (ICEGATE); Single Window Interface for Facilitation of Trade (SWIFT); the Direct Port Delivery and the Direct Port Entry facilities; and the increased use of the Risk Management System (RMS).

-To support trade, India also provides a number of incentives, in the form of direct subsidies and price support schemes, tariff concessions or exemptions, or preferential rates of interest.

-India's role in the global efforts against the Covid-19 pandemic was appreciated and was acknowledged as the as the "**pharmacy of the world**".

-The strong economic growth in India led to an improvement in socio-economic indicators, such as per-capita income and life expectancy in India.

Additional Info:

-FDI (Foreign Direct Investment) in India raised by more than 10% year-on-year to reach USD 40 billion in the first six months of 2020-21.

-In 2019-20, India received the highest ever FDI inflow of USD 74.39 billion.

— India's World Bank's Doing Business ranking improved from 142 in 2015 to 63 in 2019.

-India's reforms have increased the efficiency and inclusiveness of the Indian economy thereby emerging as 5th largest economy in 2019.

Recent Related News:

i.On October 6, 2020, the WTO lowered its projection on the volume of world merchandise trade in 2020 to 9.2% as compared to 12.9% fall in April 2020. This is due to the strong trade performances in June-July, 2020 due to easing of lockdowns in many parts of the world.

About World Trade Organization (WTO):

Director-General- To be Appointed (Roberto Azevedo stepped down on 31 August 2020)

Members- 164 Nations

Digital Evolution Scorecard 2020: India ranked 4th "Break Out Economies"; China Tops

On January 11, 2021, the 3rd edition of Digital Evolution Scorecard 2020 developed by **Tufts University's Fletcher School** in partnership with **Mastercard** was released in which India ranked 4th. The scorecard is topped by China followed by Azerbaijan, Indonesia.

- It should be noted that India doubled its mobile internet connectivity in the last four years It will add 350 million smartphones by **2023**.
- The scorecard was published in the Harvard Business Review in December 2020.
- In Digital Evolution-State Category, Singapore Topped followed by United States, Hong Kong. India ranked at 61st position.
- Earlier the report was released in the year 2014, 2017.

What is offered by the Scorecard?

The scorecard provides clarity about the current state of digital development and digital momentum around the world. It also stated the impact of that digital evolution on countries' responses to COVID-19 outbreak which caused global economic growth to **contract by 4.4%** in 2020.

Objective of the Scorecard:

Its objective is to help governments, businesses and investors understand what they need to emerge ahead of the competition.

How was it accessed?

Researchers analysed 90 economies based on a combination of 160 indicators over a 12-year period (2008-2019). across **four supply key drivers:**

- Supply Conditions
- Demand Conditions
- Institutional Environment
- Innovation and Change.

Categories of Scorecard: 4

Break Out Economies

These economies are digitizing very quickly and have a lot of scope to be at par with developed economies. These economies have prioritized improving mobile internet access, affordability, and quality along with generating investments in digital enterprises, funding digital R & D (Research & Development), training digital talent, and leveraging digital applications to create jobs.

Stand Out Economies:

These are the top performing group of this study. The countries named in this category have set benchmarks in digital evolution as well as in continuing its momentum.

- **Leaders:** South Korea, Singapore and Hong Kong. Other consistently top performers in the index include Estonia, Taiwan, and the United Arab Emirates (UAE).

Stall Out Economies:

It consists of mostly **European Union (EU) economies** with matured digital landscapes which are exhibiting less momentum for continued advancement.

Watch Out Economies

These are lacking behind in both digital capabilities as well as momentum for future development.

- It includes Africa, Latin America, Southern Europe, and some parts of Asia.

Click here to read more about the [3rd edition of Digital Evolution Scorecard 2020](#).

Recent Related News:

i. On December 7, 2020 Mastercard, National Institute for Micro, Small & Medium Enterprises (ni-msme) and Confederation of Indian Industry (CII) entered into partnership to launch Digital Saksham, a capacity building initiative to drive awareness about digitization for Micro, Small and Medium Enterprises (MSMEs) in India.

ii. According to the data released by OECD "Organisation for Economic Co-operation and Development" in the Most Common birth countries of Highly Educated Migrants residing in OECD Nations, India came at the top with around 3.12 Million Highly Educated Migrants living in the OECD Nations as of 2015-16 data.

About Mastercard:

Chief Executive Officer (CEO)– Michael Miebach

Headquarters – New York, United States (US)

RBI cancels Licence of Vasantdada Nagari Sahakari Bank, Osmanabad (Maharashtra)

On January 8, 2021, the Reserve Bank of India (RBI) cancelled the licence of Osmanabad (Maharashtra)-based Vasantdada Nagari Sahakari Bank Ltd. to carry on banking business with immediate effect under **Section 22(1)** read with Section 56 of Banking Regulation (BR) Act, 1949.

- The apex bank has also requested the Commissioner for Cooperation and Registrar of Cooperative Societies (RCS), Maharashtra to issue an order for winding up the bank and appoint a liquidator for the bank.

What is Banking Business as per BR ACT?

It is a business done by banks that includes acceptance of deposits and repayment of deposits as defined in Section 5(b) read with Section 56 of the Banking Regulation Act, 1949.

Reason for cancellation of Vasantdada Nagari Sahakari Bank Ltd:

The bank has failed to comply with the requirements of **Section 11(1)** read with Section 56 of Banking Regulation (BR) Act, 1949 and Section 22(3) (a), 22(3) (b), 22(3) (c), 22(3) (d) and 22(3) (e) of BR Act.

- This decision has been taken to protect the interest of depositors as the present financial position would be unable to pay its present depositors in full.

Is consumer Interest Protected?

Yes, with the cancellation of licence, the process of paying to the depositors of banks will be initiated under DICGC (Deposit Insurance and Credit Guarantee Corporation) Act, 1961. Every depositor is entitled to repayment of his/her deposits up to **Rs 5,00,000** from the DICGC. More than 99% of the depositors of the bank will get full repayment of their deposits from DICGC.

Recent Related News:

i. Banking Licence of Subhadra Local Area Bank at Kolhapur, Maharashtra under Section 22 (4) of the Banking Regulation Act, 1949 was cancelled by RBI with immediate effect from December 24, 2020.

ii. In November 2020, RBI cancelled the following Certificate of Authorisation (CoA) of the five Payment System Operators (PSOs) in exercise of the powers conferred on it under the Payment and Settlement Systems Act, 2007.

About Deposit Insurance and Credit Guarantee Corporation:

Establishment– 1978

Chairman– Michael Debabrata Patra (Deputy Governor, RBI)

Headquarter– Mumbai, Maharashtra

About Reserve Bank of India (RBI):

Headquarters– Mumbai, Maharashtra

Establishment – 1 April 1935

Governor– Shaktikanta Das

Deputy Governors– 4 (Bibhu Prasad Kanungo, Mahesh Kumar Jain, Michael Debabrata Patra, and M Rajeswar Rao)

RBI's 22nd FSR 2021 Released: Banks gross NPA may rise to 13.5% by Sep 2021

On January 11, 2021, Reserve Bank of India (RBI) released the 22nd issue of its bi-annual Financial Stability Report (FSR) 2021. It stated that **gross non-performing assets** (GNPAs) may rise to **13.5%** by September 2021, from 7.5% in September 2020 under the baseline scenario.

- In case of severe stress scenario, it is projected that the GNPA ratio will rise to 14.8% which would be **24-year high**. It was 15.7% in March 1997.
- Banks GNPA and net NPA (NNPA) declined and stood at 7.5% and 2.1%, respectively, in September 2020.
- The above mentioned information is based upon the RBI's **macro stress tests** covering the first six months (April-September) of the FY20-21.

September 2020 & Projected GNPA of Banks- Category Wise:

Public Sector Banks (PSBs)

PSBs GNPA ratio was 9.7% in September 2020.

- **Projection:** It may rise to 16.2% by September 2021 under the baseline scenario.
- **Projection in severe stress scenario:** 6%

Private Banks (PVBs)

The GNPA ratio of PVBs was 4.6% in September 2020.

- **Projection:** It may rise to 7.9% by September 2021 under the baseline scenario.
- **Projection in severe stress scenario:** 8%

Foreign banks (FBs)

FBs GNPA ratio was 2.5% in September 2020.

- **Projection:** It may rise to 5.4% in September 2021.
- **Projection in severe stress scenario:** 5%

Other Highlights and Projections for SCBs:

—**CRAR:** The capital to risk-weighted assets ratio (CRAR) of Scheduled Commercial Banks (SCBs) improved to **15.8%** in September 2020 from 14.7% in March 2020.

—**System Level CAR:** The system level capital adequacy ratio (CAR) projected a downgrade to **14%** in September 2021 from 15.6% in September 2020 under the baseline scenario and to **12.5%** in severe stress scenario.

—**GNPA:** Their GNPA ratio trimmed to **7.5%** in September 2020 from 8.4% in March 2020.

—**PCR:** The provision coverage ratio (PCR) improved to **72.4%** in September 2020 from 66.2% in March 2020.

- PCR is the percentage of bad assets that the bank has to provide for from their own funds.

—**CET 1:** The common equity Tier I (CET 1) capital ratio forecasted a decline to **10.8%** in September 2021 from 12.4% in September 2020, in the baseline scenario. In the severe stress scenario it may further decline to 9.7%.

- Tier 1 common capital ratio is a measurement of a bank's core equity capital, compared with its total risk-weighted assets. It signifies a bank's financial strength.

— The focus is towards supporting the recovery of businesses and households.

—Policy measures in response to COVID-19 impacts by the regulators and the government is ensuring the smooth functioning of domestic markets and financial institutions. [Click Here for Important Regulatory Measures](#)

- This resulted in an improvement in Performance parameters of banks.

—Total bilateral exposures in the financial system increased marginally during the Q2FY21.

—The contagion risk to the banking system under various scenarios declined as compared to March 2020.

[Click Here for Official Report](#)

What are Stress Tests?

These are carried out by RBI on the basis of banks' balance sheet positions viz. NPAs, profitability, capital and other relevant data reported by banks.

About Financial Stability Report (FSR):

It states the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) on risks to financial stability which includes development and regulation of the financial sector.

Recent Related News:

i. After the commencement of Test Phase of First Cohort under the Regulatory Sandbox (RS) by Reserve Bank of India (RBI) on November 17, 2020, now the apex bank has announced the opening of the Second Cohort on the theme of "Cross Border Payments".

ii. On December 18, 2020, the Reserve Bank of India (RBI) has amended the Master Direction (MD) on "Know Your Customer (KYC)", dated February 25, 2016, by extending the applicability of centralized KYC registry to legal entities (LEs), from individual accounts w.e.f. April 1, 2021.

Static points about Reserve Bank of India (RBI):

-It was established on the recommendation of the Hilton Young Commission.

-RBI is responsible only for printing the currency notes. Minting of coins is done by the Government of India.

-Dr. Manmohan Singh is the only Prime Minister to have also served as the Governor of RBI.

KVGB Signs MoU with Jai Kisan, a Fintech platform for Expanding Financial Service Access in Karnataka

On January 12, 2021 Karnataka Vikas Grameena Bank (KVGB) has signed a Memorandum of Understanding (MoU) with Jai Kisan, a rural-focused fintech platform of Greenizon Agritech Consultancy Pvt Ltd to expand access to financial services for individuals and businesses in Karnataka, including farmers and non-farmer entrepreneurs.

Key People

MoU was signed by P Gopikrishna, Chairman of KVGB, and Arjun Ahluwalia, founder and CEO of Jai Kisan in Dharwad, Karnataka

About the MoU

Jai Kisan procure a wide range of clients for KVGB

Jai Kisan will procure a wide range of clients for KVGB enabling end-to-end operations and facilitation of credit and other financial services for customers through its technology capabilities.

KVGB intends to extend its services to SMEs among others

KVGB through this partnership aims to extend its services to small and micro enterprises (SME), joint liability groups (JLG), self-help groups (SHG), and to farmers through Kisan Credit Card (KCC) and credit for farm mechanisation efforts

Benefits of Partnership:

This partnership enables KVGB to systemically increase reach and serve consumers and create grassroots level impact by providing low-cost credit to the rural ecosystem in the service areas of 9 districts.

9 districts– Dharwad, Gadag, Haveri, Bagalkot, Vijayapura, Belagavi, Uttara Kannada, Udupi, and Dakshina Kannada districts.

Info about Regional Rural Banks (RRBs)

i. RRBs were established under the provisions of an Ordinance passed in September 1975 and the RRB Act 1976 on the recommendations of the M. Narasimham Working Group

ii. The 1st RRB in India is Prathama Bank. It has its Head Office at Moradabad, Uttar Pradesh (UP). It is sponsored by Syndicate Bank (Syndicate Bank was amalgamated into Canara Bank w.e.f 1st April 2020).

About Karnataka Vikas Grameena Bank (KVGB):

i. It is owned by Central Govt, State Govt and Sponsor Bank in the ratio of 50:15:35 respectively.

ii. Syndicate Bank is the sponsor bank. (Now It is Canara Bank, because Syndicate Bank has been merged with Canara Bank).

iii. It was formed by amalgamating 4 RRBs namely, Malaprabha Grameena Bank, Bijapur Grameena Bank, Varada Grameena Bank and Netravathi Grameena Bank

Note – RRBs were established under the provisions of an Ordinance passed on September 1975 and the RRB Act 1976 on the recommendations of the M. Narasimham Working Group.

Formed- 12th September 2005

HeadOffice- Dharwad, Karnataka

Chairman- P Gopi Krishna

About Jai Kisan:

Founder, CEO- Arjun Ahluwalia

Headquarters- Mumbai, Maharashtra

GDP to expand by 10.1% in FY22: ICRA

In accordance with the report by rating agency ICRA (formerly Investment Information and Credit Rating Agency of India Limited), India's real GDP (Gross Domestic Product) will expand by 10.1% in FY2022 with multi-speed recovery. However in absolute terms India's GDP will "**mildly**" surpass the levels of FY20.

- The rating agency had projected a **8%** contraction for FY21.

Key Points:

-India's general Government (Centre + states) fiscal deficit is projected to moderate to 8.5% of GDP in FY2022 from the 12.0-12.5% of the GDP expected in FY21.

-The current account balance will have a modest deficit of US\$15-20 billion (or 0.6% of GDP) in FY2022 from a surplus of US\$35-40 billion in FY2021.

-Retail inflation is forecasted at 4.6% for FY22 against the projected 6.4% for FY21.

Recent Related News:

i.In accordance with the official data released by the National Statistical Office (NSO), Union ministry of statistics and programme implementation (Mospi) on August 31, 2020, India's gross domestic product (GDP) contract by 23.9% (-23.9%) in April-June period quarter of 2020 due to downfall in businesses and livelihood amid COVID-19 pandemic induced nationwide lockdown restrictions.

About ICRA:

Managing Director (MD)- N. Sivaraman

Headquarter- Gurgaon, Haryana

India Post Payments Bank Collaborated with FSS to Promote Financial Inclusion

On January 12, 2021, India Post Payments Bank (IPPB) has collaborated with the leading payment processor and provider of integrated payment products, Financial Software and Systems (FSS) to promote Financial Inclusion in underserved and unbanked segments of India. To attain this purpose, IPPB will use FSS' Aadhaar Enabled Payment System(AePS).

Objective - The objective of this collaboration to provide doorstep delivery of banking service to customers in India.

Note - FSS is also IPPB's preferred payment partner for Bill Payments, UPI, Card Management System, PoS ability, Aadhaar Pay, Smart Recon and Switching systems.

Benefits of the Collaboration:

i.The IPPB Partnership with FSS' AePS solution combines the low-cost structure of a branchless business model, digital distribution, and micro-targeting that lowers acquisition costs & reaches all customers in rural area.

ii.After this collaboration, IPPB bank has become the single-largest platform in India for providing interoperable banking services to customers of any bank.

iii. With this collaboration, IPPB will provide all the banking service to nearly 410 million Jan Dhan accounts in India.

Reason behind deployment in Rural Area:

i.Only less banking operation takes place in rural area due to difficulty in Accessing banks.A Statistics states that, one can reach the bank in 30 minutes in Urban areas but the people in rural area takes 1.5 hours to 5 hours to reach banks.

Background:

Earlier in 2017, FSS has partnered with India Post to provide AePS solution to then established IPPB.IPPB has empowered citizens with digital payment products and advance India's vision towards a less-cash economy

Achievements of this collaboration:

i.As on date, IPPB has crossed the milestone of over ₹8,000 crore cash withdrawals using FSS' AePS solution since the lockdown(March 2020).

ii. IPPB offers a range of products such as savings and current accounts, money transfer, direct benefit transfer, bill and utility payments and enterprise and merchant payments. Customers can access these products and related services across various channels—counter services, micro-ATM, mobile banking app, text messages and phone calls.

About India Post Payments Bank (IPPB):

It was setup under the Department of Post, Ministry of Communication with 100% equity owned by Government of India.

Established – 2018

MD & CEO – J. Venkatramu

Headquarter – New Delhi, Delhi

Tagline– Aapka Bank, Aapke Dwaar

About Financial Software and Systems (FSS)

Established – 1991

Founder, Chairman and Managing Director – Nagaraj Mylandla

Headquarter – Chennai, Tamil Nadu

Mahindra Lifespace Developers Signed an MoU with SBI to Speed Up Home Loan Approvals & Discounts

On January 12, 2021, **Mahindra Lifespace Developers** has signed an memorandum of understanding (**MoU**) with State Bank of India (**SBI**) **to speed up the home loan approvals** as well as offer special discounts to customers and employees of both the companies.

Key People:

MoU was signed by Mr. Shreekant, Chief General Manager and Head of the Real Estate vertical of SBI & Mr. Arvind Subramanian, Managing Director and CEO, Mahindra Lifespaces.

Highlights of MoU:

i. It provides various co-promotional activities and outreach initiatives, customers and employees of SBI and Mahindra Lifespaces.

ii. Homebuyers will benefit by saving on expenses incurred on obtaining Title Investigation Report (TIR) and valuation for approved projects.

iii. Mahindra Lifespaces' development has build 25.1 million sq ft (2.3 million sq mtr) of completed, ongoing and forthcoming residential projects across seven Indian cities; and over 5,000 acre of ongoing and forthcoming projects under development/management at its integrated developments/ industrial clusters across four locations.

Background:

Mahindra Lifespaces projects across MMR, Bengaluru, Pune, Chennai and Nagpur has already received approval from SBI.

About Mahindra Lifespace Developers

Chairman – Mr. Arun Nanda

Managing Director & CEO – Mr. Arvind Subramanian

Tesla Inc Registers India subsidiary in Bengaluru, Karnataka

Tesla Inc, United States based Electric car maker has incorporated a fully owned subsidiary in Bengaluru, Karnataka as a first step to establish a Research & Development (R&D) unit in India. It has registered with the Registrar of Companies in Bengaluru, Karnataka as 'Tesla India Motors and Energy Private Limited'. It is also in the process of setting up a manufacturing plant at Dharwad, Karnataka for producing electric vehicles in India. It has registered itself as a private company with an authorised capital of Rs 15 lakh.

Tech Mahindra to acquire Payments Technology Services for about ₹66 crore

On January 12, 2021, IT services major, **Tech Mahindra** is set to acquire **100% share** of Hong Kong based Payments Technology Service Ltd (**PTSL**) a subsidiary of Fidelity Information Services (FIS) for **\$9 million (about Rs.66 Crore)** to scale its enterprise payments and banking capabilities. In regard to this acquisition, Tech Mahindra had signed an memorandum of understanding (**MoU**) with FIS. The transaction is expected to completed by 31 March 2021.

Highlights of the MoU:

i. The acquisition will give Tech Mahindra access to Internet Protocol (IP) and licenses for two products – **Open Payment Framework (OPF) and Multi-Bank System (MBS)**.

ii. With this agreement, Tech Mahindra has planned to expand its BFSI (banking, financial services and insurance) footprint globally. In support of this strategy, Tech Mahindra will also build a state-of-the-art Centre of Excellence (CoE) in Chennai, India

Note – Turnover of the PTSL for Financial Year ended December 31, 2019, was USD 5.4 million.

About Payments Technology Service Ltd (PTSL):

Established – 2007

Headquarter – Hong Kong

About Tech Mahindra:

Managing Director and Chief Executive Officer – CP Gurnani

Headquarter – Pune, Maharashtra

CBIC introduces Flagship initiative “Liberalised MSME AEO Package” benefiting MSME Sector

In a move to ease out the difficulties caused by Covid-19 pandemic to the Micro Small and Medium Enterprises (MSMEs), Central Board of Indirect Tax & Customs (CBIC) introduced its new flagship initiative “Liberalised MSME AEO Package” Scheme. The scheme is a voluntary compliance programme enabling MSMEs to become Authorised Economic Operations (AEOs), providing various benefits including faster customs clearance.

Criteria to avail for AEO status:

- MSMEs should have to file minimum 10 Customs clearance documents from earlier 25 customs clearance documents in 1 year.
- The requirement to have business activities for at least three financial years preceding the date of application has been relaxed to two financial years.
- The qualifying period for legal and financial compliance has been reduced to two financial years.
- The time limit for processing of AEO T1 and AEO T2 application has been reduced to 15 working days and three months respectively, after electronic submission of complete documents.
- Certain additional benefits, like further reduction in bank guarantee requirements, have also been granted and will be expanded subsequently.

Note- AEO status should be provided within 15 days from online submission by MSMEs.

Benefit under AEO status:

i. Direct Port Delivery (DPD) for imported containers

ii. Direct Port Entry (DPE) of their Export Containers

iii. Reduced cargo release time

iv. Exemptions on Bank Guarantees

About CBIC:

Chairperson- M. Ajit Kumar

Formed- 26th January, 1944

Headquarters- Ministry of Finance, New Delhi

Divisions- GST, Customs, Customs (Preventive) and airport authorities, Taxpayer Services.

RBI forms WG to Examine Lending Transactions via Online Portals, Apps; Chaired by Jayant Kumar Dash

On January 13, 2021, the Reserve Bank of India (RBI), has formulated a 6-member **Working Group (WG)** to study all aspects of digital lending activities (including lending through online platforms and mobile apps) in the regulated financial sector as well as by unregulated players so that an appropriate regulatory approach can be put in place.

- The group will be chaired by **Jayant Kumar Dash**, Executive Director, RBI and will submit its report within three months.

Composition of WG:

Internal Members (RBI): 4 (Including Chairman)

1. Ajay Kumar Choudhary, Chief General Manager-in-Charge, Department of Supervision, RBI
2. P. Vasudevan, Chief General Manager, Department of Payment and Settlement Systems, RBI

- Manoranjan Mishra, Chief General Manager, Department of Regulation, RBI (Member Secretary)

External members: 2

1. Vikram Mehta, Co-founder, Monexo Fintech
2. Rahul Sasi, Cyber Security Expert & Founder of CloudSEK

Responsibilities of WG:

- Identify risks posed by unregulated digital lending
- Suggest regulatory changes to promote orderly growth of digital lending;
- Recommend measures for expansion of specific regulatory
- Recommend a robust Fair Practices Code for digital lending players
- Suggest measures for enhanced Consumer Protection
- Recommend measures for robust data governance, data privacy and data security standards for deployment of digital lending services.

Recent Related News:

i.RBI said retail inflation is likely to remain elevated and pegged it at 6.8% for the third quarter of the current fiscal. However, retail inflation is projected to be 5.8% in the fourth quarter of 2020-21.

ii.The Internal Working Group (IWG) of RBI which was formulated on June 12, 2020 to review extant ownership guidelines and corporate structure for Indian private sector banks has recommended an increase in the promoters' stake in Private Banks to 26% from 15% of the paid-up voting equity share capital of the bank in 15 years.

About Reserve Bank of India (RBI):

Headquarters- Mumbai, Maharashtra

Formation- 1 April 1935

Deputy Governors- 4 (Bibhu Prasad Kanungo, Mahesh Kumar Jain, Michael Debabrata Patra, M. Rajeshwar Rao)

CARE Lowered Centre's Fiscal Deficit Projection to 7.8% of GDP from 9-9.5% for FY21

On January 13, 2021, CARE Ratings downgraded its projection of the Centre's fiscal deficit to 7.8% of GDP (Gross Domestic Product) during FY21 against its earlier estimate of 9-9.5%. As per this the Fiscal deficit is likely to be around **Rs 15.3 lakh crores**.

- This revision followed the release of the first advance estimate of GDP for FY21 by the Ministry of Statistics and Programme Implementation (MOSPI).
- It should be noted that, if borrowings of Rs 1.1 lakh crs for GST shortfall is added separately, the fiscal deficit could **widen to 8.4%** of GDP.

Prime Variables of Deficit Funding:

The funding of the deficit is primarily going to be via market borrowing, National Small Savings Funds (NSSF), short term borrowings, drawdown of cash balances.

Assumptions taken while computing the Gross Fiscal Deficit

- Nominal GDP is assumed to be around Rs 195 lakh crs as per the 1st advance estimates of the Government.
- In case of tax revenues, the tax to GDP ratio is assumed at 10.8%.
- A shortfall of around Rs 2.2 lakh crs in FY21 in tax revenues.
- A shortfall of Rs 50,000 crs in Non-tax revenues.
- Increase in total expenditure by around Rs 3.6 lakh crs during FY21.

Additional Info:

Before the outbreak of the Covid-19 pandemic, the Government had budgeted a fiscal deficit of 3.5% GDP for FY21.

Recent Related News:

- S&P Global Ratings (previously Standard & Poor's), in its report on Asia Pacific stated that. it has retained its forecast of 9% contraction(-9%) in the Indian economy for FY21 and projected that it will grow at 10% in FY22.
- In accordance with the official data released by Controller General of Accounts (CGA), the Central Government's fiscal deficit increased to Rs 9.53 lakh crore (9,53,154 crore), or 119.7% of the annual budget estimate of FY21, at the end of October 2020. It was 114.8% of the annual budget estimate at the end of September 2020. Also, in the first 7 months of the FY20, the deficit was at 102.4% of the annual target.

About CARE Ratings:

Managing Director & Chief Executive Officer (CEO)– Ajay Mahajan

Headquarter– Mumbai, Maharashtra

IRDAI formulated expert committee to improve health insurance in India

India's Insurance regulator IRDAI (Insurance Regulatory and Development Authority of India) formulated a 10-member advisory committee to improve the product quality and coverage of the health insurance in the country.

- The committee will be chaired by **IRDAI chairman (Presently Dr. Subhash Chandra Khuntia)** and will have tenure of 1 year.
- Some of the members of the committee are Nachiket Mor, A K Chand, B K Mohanti, K Hari Prasad and Pankaj Sharma .

Responsibilities of Committee:

–To examine the availability of products, suggest approaches on the coverage of specific diseases, and develop a strategy on treatment protocol or rate structure.

–To examine that policy conditions are protecting the interest of the policyholders.

Reason behind the formation of committee:

It is a move to improve penetration of health insurance in India, which is at less than 4% of the GDP (Gross Domestic Product) which is quite low as compared to most advanced and emerging economies.

- Also, the demand for Health Insurance in India has grown significantly since the outbreak of COVID-19 pandemic. So, there is a need to reform.

About IRDAI (Insurance Regulatory and Development Authority of India):

Chairman– Dr. Subhash Chandra Khuntia

Headquarter– Hyderabad, Telangana

ICICI Bank ties up with Niyto issue prepaid cards 'ICICI Bank Niyto Bharat Payroll Card' to MSMEs

On January 14, 2021, Industrial Credit and Investment Corporation of India (ICICI) Bank collaborated with Niyto, a new age fintech to issue prepaid cards namely "ICICI Bank Niyto Bharat Payroll Card" to the blue-collar workers of Micro, Small & Medium Enterprises (MSMEs).

- This will enable MSMEs to upload the salaries of their workers on the card, which the workers can then utilise as per their need.
- The card also allows an individual to receive funds upto **1 lakh** into the card account.
- The cardholders also get a **free accidental death insurance cover**.

Key Points:

–This partnership is on the lines of Niyto's mission to reach 5 million blue-collar workers in the next 5 years with its flagship product Niyto Bharat.

–Niyto Bharat currently has over 1.7 million customers and relationships with over 7000 corporates, adding nearly 5000 customers every day.

–Workers can use the card to withdraw funds at ATMs (automated teller machine), make online transactions on e-commerce portals and make payment at Point of Sale (PoS) machines.

–Niyto also offers a multilingual app called '**Niyto Bharat Mobile app**' which enable workers to transfer funds, pay bills or do recharges online along with the facility of blocking/unblocking the card.

Recent Related News:

i. ICICI Bank won the mandate to be the designated financial institution for all monetary transactions under National Health Mission (NHM) in West Bengal (WB) as it quoted the lowest bid.

ii. On December 14, 2020 Aceware in association with ICICI Bank launched 'AceMoney Micro ATM (Automated Teller Machine) service' in Kochi, Kerala. This service will enable people to withdraw money from their bank account from home. The customers of all banks can avail this service.

About ICICI Bank:

Headquarters– Mumbai, Maharashtra

Managing Director (MD) and Chief Executive Officer(CEO)– Sandeep Bakhshi

Tagline– Hum Hai Na, Khayal Apka

Incorporated-1994

About Niyo:

Chief Executive Officer– Vinay Bagri

Corporate offices– Bengaluru (Karnataka), Mumbai (Maharashtra) and Delhi

Kotak Mahindra AMC Signed up with Climate Action 100+

Kotak Mahindra Asset Management Company (KMAMC) has become a signatory to Climate Action 100+, which focuses on clean energy transition, and reduces greenhouse gas emission to achieve the Paris Agreement's goals.

About Climate Action 100+:

Initiated in 2018, Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. It will continue till **2023**.

- It is coordinated by five partner organisations: Asia Investor Group on Climate Change (AIGCC); Ceres; Investor Group on Climate Change (IGCC); Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI).

Key Point:

In April 2018, KMAMC became the **first domestic** AMC to sign up with the Principles for Responsible Investment supported by the United Nations (UN).

Recent Related News:

i. On December 7, 2020, Kotak Mahindra Asset Management Company Limited (KMAMC) or Kotak Mutual Fund launched India's first diversified REIT (Real Estate Investment Trusts) Mutual Fund namely "Kotak International REIT Fund of Funds".

ii. On December 14, 2020 Kotak Mahindra Life Insurance Company (Kotak Life) launched its five-city outdoor campaign to increase awareness about its 1st health insurance product, 'Kotak Health Shield'. The 5 cities are Bangalore, Chennai, Kolkata, Ahmedabad and Pune.

About Kotak Mahindra Asset Management Company Limited (KMAMC):

Group President & Managing Director (MD)– Nilesh Shah

Headquarter– Mumbai, Maharashtra

Singapore-based Investment Opportunities V raises Stake in PNB Housing Finance to 9.92% from 8.19%

Singapore-based Investment Opportunities V Pte Ltd raised its holdings in PNB Housing Finance to 9.92% from 8.19% during Q3FY21 (Ended December 2020). With this increase, V Pte Ltd now hold **1.67 crore equity shares** in PNB Housing Finance at the end of December, against 1.38 crore shares held three months back.

- All foreign portfolio investors taken together have 24.55% holdings in PNB at the end of December 31, up from 23.95% as of September 30, 2019
- Punjab National Bank, the promoter, holds 32.65%. The Carlyle Group held 32.22% in PNB Housing as of September through a group company called Quality Investment Holdings.

About Punjab National Bank (PNB):

Founded– May 19, 1894

Commenced Operations– April 12, 1895

MD & CEO– CH S.S. Mallikarjuna Rao

Headquarters– New Delhi, India

Tagline– The name you can bank upon

Piyush Goyal inaugurated 'Prarambh' in New Delhi; Seed fund of Rs 1,000 cr announced by PM

On January 15-16, 2021, a two-day event 'Prarambh' – Startup India International Summit 2021 was virtually organized by Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India from New Delhi. It was inaugurated by **Piyush Vedprakash Goyal**, Ministry of Commerce and Industry.

- The inaugural event saw the participation of members of BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) countries.

- The summit is a demonstration of **neighbourhood first policy** to boost partnership among the member countries.

-PM Modi addressed Prarambh Summit; Rs.1,000-crore 'Startup India Seed Fund' Announced for Startups

Prime Minister Narendra Modi interacted with startups and addressed the Summit on January 16, 2021.

- In an important move, he announced a Startup India Seed Fund worth Rs 1,000 crore for startups to set-up and to enhance their businesses.

Key points from his address:

— India became the **third largest startup ecosystem** of the world since the launch of Startup India Initiative in 2016.

–The 44% recognized startups have women directors and the number of women working in these start-ups is also very high.

–In 2014 only 4 Indian startups were in the 'unicorn club' now, more than 30 startups have crossed the 1 billion mark. Notably, 11 startups joined the Unicorn Club in 2020, during the Covid-19 crisis.

–More than 8,000 startups are registered with the Government e-Marketplace (GeM) and have done business worth Rs 2,300 crore of the Rs 80,000 crore total business done through the GeM portal.

–The aim for the **next five years** is to make Indian startups as global giants.

–India is one of the biggest nations in the start-up ecosystem with more than 41,000 start-ups with nearly 5,700 in the IT (Information Technology) sector, 3,600 in the health sector and 1,700 startups in agriculture.

Prarambh and its Objective:

As a noun, 'Prarambh' means 'an auspicious beginning'. As a verb, it implies 'to start'. It acted as a platform to bring together over 200 top policy makers, industry, academia, investors, startups and all stakeholders from over 25 countries.

Key Objectives:

–To utilize good practices from best of the global startup ecosystems.

–To showcase entrepreneurship based on innovation in India in order to attain global capital for startups, mobilize domestic capital, and to provide opportunities to Indian start-ups for accessing international markets.

–Enable ease of doing business for startups and investors.

Background:

PM Narendra Modi launched the Startup India Action Plan on January 16, 2016 which states "Organizing international events to showcase innovation and provide a collaborative platform to startups".

- Additionally, in the Plenary Session of the 4th BIMSTEC Summit held in Kathmandu, Nepal on 30th-31st August 2018 he announced to host BIMSTEC Startup Conclave.
- The Prarambh followed the above mentioned events.

Other Key Participants:

Dr. Guruprasad Mohapatra, Secretary, DPIIT, Minister of State (MoS) for Commerce & Industry, MoS (I/C) for Civil Aviation and Housing & Urban Affairs Hardeep Singh Puri

Recent Related News:

i. On December 1, 2020, Union Minister for Finance & Corporate Affairs, Nirmala Sitharaman delivered the Keynote Address virtually at the inauguration of the 20th Edition of Sri Lanka Economic Summit (SLES) 2020. It was organized by the Ceylon Chamber of Commerce (CCC).

ii. Minister of State (MOS), External Affairs V Muraleedharan addressed the 6th India-CLMV (Cambodia, Lao PDR, Myanmar & Vietnam) Business Conclave 2020: "Building Bridges for Constructive Development" held in CII (Confederation of Indian Industry) HIVE, the virtual platform of CII from December 3-4, 2020.

About BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation):

- There are 7 BIMSTEC countries viz. Bangladesh, Bhutan, India, Nepal, Sri Lanka, Myanmar and Thailand.

Secretary General– Tenzin Lekphell

Headquarter– Dhaka, Bangladesh

Present Chair– Sri Lanka

India set to implement New Foreign Trade Policy 2021-26 from April 1, 2021

Union Ministry of Commerce & Industry has stated that the 'New Foreign Trade Policy 2021-26' of India will come into effect from April 1, 2021. The main mission of the policy would be to make India a leader in International Trade in the next 5 years.

The policy aims

i. To make India an **USD 5 Trillion economy** by boosting exports from both **services & merchandise sectors**.

- It will be achieved by addressing various overseas and domestic constraints related to regulatory, policy, and framework to lower transaction costs & enhance the ease of doing business.
- A low-cost operating environment will be created with the help of efficient utility and logistical infrastructure.

ii. **Implementation of District Export Hubs initiative** to make each district of India to achieve its potential as an Export hub.

- The Commerce Department through the Regional Authorities of Directorate General of Foreign Trade (DGFT) will engage with State Governments & Union Territories to implement the initiative.
- It will be implemented in a phased manner.

iii. Improve the operations of domestic services & manufacturing sectors with infrastructure support from the Government to correct Trade imbalances within India.

iv. Meetings will be held with Industry Associations, Chambers of Commerce, and Export Promotion Councils, State Government to take their inputs.

v. The **Parliamentary Consultative Committee** of the Ministry of Commerce & Industry chaired by Minister of State for Commerce & Industry Hardeep Singh Puri held discussions on the New Foreign Trade Policy 2021-26.

Foreign Trade Policy 2015-20:

The previous Foreign Trade Policy 2015-20 was extended for a year till 31 March 2021 due to the Pandemic.

- It came into effect on 1 st April 2015

Recent Related News:

i. On December 18, 2020, Piyush Goyal, Union Minister of Commerce and Industry launched Australia Economic Strategy Report 2020 prepared by Confederation of Indian Industry (CII) team.

About Parliamentary Consultative Committee of the Ministry of Commerce & Industry:

Chairman - Union Minister of Commerce & Industry (Piyush Goyal)

Total Strength of the Committee – 17 (10 from Lok Sabha & 7 from Rajya Sabha)

SPMCIL Paid Rs 215.48 Crore Final Dividend to Government

The Security Printing & Minting Corporation of India Limited (**SPMCIL**), paid the final dividend of Rs.215.48 crore to Finance Minister Nirmala Sitharaman, Government of India for the financial year of 2019-20.

- In the previous fiscal (FY19), SPMCIL had paid dividend of Rs.218.48 crores to the central government.
- The dividend, in compliance with DIPAM guidelines, amounts to 5% of the net worth of the company at 31st March 2020 & 41% of Profit after tax for FY20.
- SPMCIL has also achieved Excellent grading for Corporate Governance from Department of Public Enterprises (DPE) for the year 2019-20.
- During the year 2019-20, the revenue from operations of the company stood at Rs 4,966 crore and profit before tax increased to Rs 1,026.79 crore.

About SPMCIL:

SPMCIL is a Mini Ratna company wholly owned by Government of India, Schedule "A" Company under the administrative control of Department of Economic Affairs (DEA), Ministry of Finance

SPMCIL is engaged in manufacture of security paper, minting of coins, printing of currency and bank notes, non-judicial stamp papers, postage stamps, travel documents.

CMD– Tripti P. Ghosh

Headquarters– New Delhi

ADB, EIB join Hands to Protect Oceans by Supporting Blue Economy

On January 15, 2021, The **Asian Development Bank (ADB)** and the **European Investment Bank (EIB)** initiated a Clean and Sustainable Ocean Partnership to achieve Sustainable Development Goals (SDGs) and the climate goals as advised in the Paris Agreement. In this regard, both entities will support the initiatives in **Asia** and the **Pacific**.

- This partnership will strengthen the capacity of both entities to support high-impact projects.
- They will also develop **joint technical assistance programs** and advisory support to help their partners in achieving SDGs of blue economy.
- Healthy oceans are a key priority of ADB's Strategy 2030.

Key Points:

- Both lenders will finance projects aimed at promoting cleaner oceans through the reduction of land-based plastics and other pollutants discharged into the ocean.
- They will also finance projects relating to the improvement in the sustainability of socioeconomic activities that take place in oceans.
- There will be integrated solid waste management projects, such as recycling; and promotion of clean rivers and waterways through improved wastewater management and inclusive sanitation.

Other Focuses:

- Sustainable fisheries management and sustainable seafood supply chains; sustainable management, protection, and restoration of marine and coastal ecosystems and resources
- Integrated coastal protection activities
- Disaster risk preparedness
- Green shipping, green ports, and maritime infrastructure

ADB and EIB cooperation in joint selected areas viz:

- i. Alignment with the country partnership strategies of both ADB and EIB;
- ii. Support for the achievement of the SDGs and the Paris Agreement by countries in Asia and the Pacific;
- iii. Encouragement of stakeholder participation and mobilization of third-party finance;
- iv. Environmental and social sustainability; and
- v. Country ownership of investment policies and programs.

Additional Info:

- In 2019, ADB launched a **\$5 billion** Action Plan for Healthy Oceans and Sustainable Blue Economies (the Action Plan) to boost investment and technical assistance to protect and restore oceans in Asia and the Pacific.
- EIB is committed to double its lending to sustainable ocean projects to €2.5 billion (around \$3 billion) over the period **2019-2023**.

Recent Related News:

- i. On December 1, 2020 The Asian Development Bank (ADB) approved a \$430 million (about Rs 4,143 crore) Multitranche Financing Facility (MFF) for Uttar Pradesh (UP) Power Distribution Network Rehabilitation Project.
- ii. On December 4, 2020 The Asian Development Bank (ADB) approved a \$190 million (over Rs 1,400 crore) loan for the Bengaluru Smart Energy Efficient Power Distribution Project.

About Asian Development Bank (ADB):

Establishment- 1966

Headquarters- Mandaluyong, Manila, Philippines

President- Masatsugu Asakawa

Membership- 68 countries (Including India)

About European Investment Bank (EIB)

Secretary General- Marjut Falkstedt

Headquarter- Kirchberg, Luxembourg

India to Set up \$ 1 Million Financial Facility for Academic Collaboration with Arab: 3rd Senior Officials Meeting of Arab-India Cooperation Forum

On January 12, 2021 **3rd Senior Officials Meeting of Arab-India Cooperation Forum** was held through video conference. The meeting was co-chaired by **Sanjay Bhattacharyya**, Secretary (CPV&OIA), Ministry of External

Affairs, Government of India and **Ambassador Mohamed Abu Al-Kheir**, Assistant Foreign Minister and Permanent Representative of Egypt to the League of Arab States.

India to Set up \$ 1 Million Financial Facility for Academic Collaboration with Arab

- During this meeting India decided to establish a **USD 1 million** (about Rs 7.32 crores) **financial facility** for academic collaboration with Arab.
- This establishment will have a vast impact on people to people contacts between Delhi and its extended neighbours.

Points to Recall:

India has been elected as a non-permanent member for the UN Security Council (UNSC) for a two-year term (2021-2022)

Key Discussions Made During the meeting:

The senior officials discussed the following

Mutual concern

i. Issues related to the mutual concern on both regional and international levels, that highlights the significance of strengthening cooperation and coordination mechanisms between 2 sides.

- This was discussed in terms of serving mutual interests and maintaining regional and international peace and security

Ways and means to boost cooperation in Forum's Framework

ii. In addition to this discussion was also made by both sides about the ways and means to boost the cooperation in the framework of the Arab-India Cooperation Forum, including in the fields of economy, trade and investment, energy and environment, agriculture and food security, tourism and culture, human resources development, education and health care, science and technology, and media.

Early scheduling of the Joint activities of the Forum:

i. Both sides agreed on the early scheduling of the joint activities of the Forum, including the 3rd Session of Arab-India Cultural Festival, the Symposium on Arab-India Cooperation in the field of Energy.

ii. In addition to this they also agreed to early schedule the joint activities of the 1st Arab-India University Presidents Conference, the 2nd Symposium on Arab-India Cooperation in the field of Media, and the 6th Session of Arab-India Partnership Conference.

Note

The 2nd Ministerial Meeting of the Arab-India Cooperation Forum is to be held in India.

Recent Related News:

On December 17, 2020, the 20th Indian Ocean Rim Association (IORA) Council of Ministers (COM) Meeting 2020 hosted virtually by United Arab Emirates (UAE) where Indian side was represented by Vellamvelly Muraleedharan, Minister of State (MoS) Ministry of External Affairs (MEA). France became the 23rd member of the IORA.

YES Bank Partners with Aditya Birla Wellness Pvt Ltd to Launch 'YES Bank Wellness' and 'YES Bank Wellness Plus' Credit Cards

On January 13, 2021 **YES Bank** partnered with **Aditya Birla Wellness Private Limited** to launch '**YES Bank Wellness**' and '**YES Bank Wellness Plus**' Credit Cards. This co-branded wellness themed credit cards encourages self-care and fitness of consumers.

Aim of the Launch– To encourage & promote holistic health (mental and physical) and wellness of consumers.

Key People

Among others, Prashant Kumar, MD & CEO, YES Bank and Mayank Bathwal, CEO, Aditya Birla Health Insurance Company Ltd unveiled the Wellness Credit Card at Mumbai, Maharashtra.

About YES Bank Wellness and YES Bank Wellness Plus Card

Features

Aditya Birla Multiply App

i. Consumers by registering on the Aditya Birla Multiply app can benefit from the bouquet of complimentary health benefits

ii. It allows consumers to avail complementary benefits like annual health check-up, round the clock doctor or counsellor helpline among others

Key benefits

i. YES Bank Wellness Plus Card

- 30 reward points will be awarded to the customer on every Rs 200 spent on pharmacy.
- The cardholder can get diet plans as per their goals and a free Fitness Assessment.
- Complimentary annual preventive health check-up (31 parameters) can be availed by the customer.

ii. YES Bank Wellness Card

- Customer can get unlimited doctor consultations on call
- The cardholders can get counselling for mental wellbeing
- Complimentary eye and dental check-up can also be availed by the customer.

Recent Related News:

On June 21, 2020, Yes Bank Limited, an Indian public bank, joined hands with Delhi-based fintech startup Affordplan, to launch a co-branded healthcare card called 'Swasth Card' under the Swasth program with the aim to enable families plan and manage their finances for their healthcare needs.

About YES Bank:

Headquarters– Mumbai, Maharashtra

MD & CEO– Prashant Kumar

Incepted– 2004

Tagline– Experience our expertise

About Aditya Birla Wellness Private Limited:

It is the subsidiary company of Aditya Birla Capital, which is the single brand for financial services of Aditya Birla group.

Headquarters– Mumbai, Maharashtra

CEO– Mayank Bathwal

Fitch Ratings projected India's GDP Rise to 11% in FY22 from -9.4% in FY21

Fitch in its report titled, 'India Set for Slow Medium-Term Recovery' has projected that India's Gross Domestic Product (GDP) will expand by 11% in 2021-22 in contrary to the down gradation by 9.4%(-9.4%) in the FY21 fiscal (April 2020 – March 2021).

- Though the expansion is there, the level of GDP remain well below its pre-pandemic scenario. This is due to the decrease in GDP growth more than ten-year low of 4.2% in 2019.
- Fitch also projected that the medium-term recovery will be slowdown to 6.5% from FY23-FY26.

Key Points with respect to India:

–The rollout of COVID-19 vaccines is supporting the recovery phase of India.

–The agency downgraded its projection of supply-side potential growth to 5.1% annually over the five-year period from 2020-25 as compared to its pre-pandemic expectation of 7%.

–GDP in April-June (Q1FY21) was 23.9% below its 2019 level. Further 7.5% decline in GDP in Q2FY21 pushed India into an unprecedented recession.

–Fitch puts **FY23-26** growth at 6.5%.

Nomura Estimates India's GDP to contract 6.7% in FY21

The Japanese brokerage Nomura has upgraded the GDP forecast for India in 2020-21 to -6.7% from earlier -7.7%. It further projected the GDP of India to rise to 13.5% in FY22.

- There will be strong recovery in Q4FY21.

Recent Related News:

i.On December 8, 2020, Fitch Ratings in its recent Global Economic Outlook-December 2020 upgraded the India's Gross Domestic Product (GDP) forecast to – 9.4% in FY21 from a previously projected contraction of 10.5%(-10.5%).

ii.The 'Asian Development Bank(ADB)'s 'Asian Development Outlook (ADO) 2020 Supplement: Paths Diverge in Recovery from the Pandemic'- December 2020, has revised India's Gross Domestic Product (GDP) FY21 rate upwards to -8%(contract by 8) from -9% projected in Asian Development Outlook 2020 Update in September 2020.

About Fitch Ratings:

President– Ian Linnell

Headquarter– New York, United States

GoI to Sell 10% of its Stake in SAIL through OFS to Raise Rs 2,600 crore as part of its Disinvestment Drive

Government of India to sell 10% of its stake in Steel Authority of India Ltd (SAIL) through an Offer for Sale (OFS) route to raise ~Rs 2,600 crore as part of its disinvestment drive. The Govt sells 206.5 million shares or 5% equity with a 5% green shoe option. After selling of stake the government will hold 65% stake in SAIL from 75%.

Union Minister Nitin Gadkari Virtually Launched YES Bank's 'YES MSME', a Proposition for MSMEs

On January 18, 2021 **Nitin Gadkari**, Union Minister of Micro, Small and Medium Enterprises (MSMEs) virtually launched **YES Bank's YES MSME**. It is a comprehensive proposition to strengthen MSMEs with speed and easy access to funds, knowledge partnerships and digital solutions. It will offer collateral-free funding up to INR 5 crore.

Objective of YES MSME– To support MSMEs to expand their business, sustain momentum and accelerate growth.

Note

YES MSME is a new addition under the bank's MSME sector initiative and the long-term plan to strengthen the ecosystem.

Key People

Nitin Gadkari launched the proposition in the presence of Shri Prashant Kumar, MD and CEO, YES BANK.

Gist about 'YES MSME'

Offerings & Solutions

i. Under YES MSME, curated offerings are provided to cater the business and individual needs of MSMEs, nurture new age entrepreneurs and also to enhance their potential.

ii. MSMEs are supported through solutions across lending, deposits, insurance, customized and digital solutions for retail, manufacturing, wholesale, trade and service providers.

- This also includes special current account offerings for the self-employed segment.

iii. The unique endeavour is yet another step for a meaningful push to increase the GDP contribution of the MSME sector – which came under strain in the aftermath of COVID-19 – from the current 30 per cent to 50 per cent, as the Government of India has envisioned.

Key Differentiating Elements

Borrow

This element offers MSMEs with easy borrowing channels like government schemes, trade and finance SME initial public offering (IPO) etc.,

In addition to this, it also quickly obtains GST/ITR details.

Save

Current account to savings account/fixed deposit sweep; Focused programmes- YES Premia, YES First Business and assets-focused loyalty rewards programme.

Simplify

The start up can lend upto Rs 5 crore under YES SPARK; Digital applications- YES MSME, YES Transact; fintech partnerships and digital payroll solutions

Partner

It has YES BizConnect, a collaborative solution to build strong market linkages involving over 700 industry associations.

Protect

It offers Business insurance products and individual – life, health, general; wealth solutions and investments.

Benefits

i. It offers comprehensive, micro-segmented services to stimulate the MSME growth.

ii. MSMEs can get capital with low Turn Around Time (TAT) and reduced documentation.

iii. It enhances customer experience with digital innovations in the key areas of the industry including incorporation, tax filing, payroll management, among others.

iv. Other benefits include pre-approved commercial credit cards, advisory and wealth management solutions along with dedicated relationship managers.

SME Carnival from January 18-22, 2021:

i. YES Bank launched YES MSME program during the SME carnival from January 18-22, 2021 at the MSME focused branches of the bank across India.

ii. During the carnival there are many customer-centric programmes and partnered activations through dealer and OEM partners.

iii. The bank has partnered with over 700 associations to host these carnivals with the associations.

Info about MSMEs in India:

MSMEs is the backbone of the Indian economy and accounts for 30% of the economy creating 11 crore jobs till now.

Recent Related News:

On December 2, 2020 Razorpay and PayPal partnered to enable Indian MSMEs (Micro, Small & Medium Enterprises) and Freelancers to seamlessly accept international payments. This removes the need to write a single line of code.

About YES Bank:

Headquarters– Mumbai, Maharashtra

MD & CEO– Prashant Kumar

Incepted– 2004

Tagline– Experience our expertise

Chatbot– YES ROBOT

Vishwavir Ahuja Re-Appointed as MD & CEO of RBL Bank

On January 18, 2021, The Board of Directors of RBL Bank approved the **re-appointment** of **Vishwavir Ahuja** as the Managing Director (**MD**) & Chief Executive Officer (**CEO**) of the Bank for three years, with effect from June 30, 2021 to June 29, 2024.

- The bank has recommended this re-appointment to the Reserve Bank of India (RBI) for approval.

Note– Reappointment is based on the recommendation of the nomination and remuneration committee of the bank.

About Vishwavir Ahuja:

i. He has been the MD & CEO of RBL bank since June 30, 2010.

ii. Earlier to joining RBL Bank in July 2010, he was the MD & CEO of Bank of America, India from 2001 to 2009.

iii. He has more than 38 years of experience and is expertise in banking, economics, finance, risk management, HR and business management.

About RBL Bank:

It is formerly known as Ratnakar Bank.

Headquarters– Mumbai, Maharashtra

Tagline– Apno Ka Bank

Founded– 1943

Chatbot– RBL Cares

Adani Group & Total SE Signs USD 2.5 billion Deal; Total SE will acquire 20% stake in Adani Green Energy

Adani Group and **Total SE (Total)** signed **USD 2.5 billion** (about Rs 18,000 crore) Deal. Under this agreement, Total will acquire **20% stake** in Adani Green Energy Ltd (AGEL). In addition to this, Total will get seats on AGEL Board of Directors and Total will acquire 50% in a 2.35-gigawatt portfolio of operating solar assets owned by AGEL. This is the third partnership between Total and the Adani group.

Kerala Finance Minister Thomas Isaac presents State Budget for the FY 2021-22

On January 15, 2021, Kerala Finance Minister Thomas Isaac presented the State Budget for the Financial Year (FY) 2021-22. During the budget, he stated that the State Government aims to make Kerala as a **Knowledge economy** and announced several schemes to promote the education sector of Kerala. The Budget has set a target to create 8 Lakh jobs in 2021-22.

i. Budget Estimates for 2021-22

Revenue Receipts	INR 1,28,375.88 Crore
Revenue Expenditure	INR 1,45,286 Crore
Revenue Deficit	INR 16,910 Crore

The Government has set a target to bring down Revenue Deficit below 1%, reduce Fiscal Deficit & increase State's Revenue by 15%.

- **Revenue Receipts** – Receipts which neither create liabilities nor reduce assets
- **Revenue Expenditure** – Payment of Salaries, wages, pensions, subsidies & Interests, also the expenses incurred by Government for its operational needs.
- **Revenue Deficit** arises when Revenue Expenditure exceeds the total Revenue Receipts (Total Revenue Receipts-Total Revenue Expenditure).

ii. Unemployment of Educated – Biggest Development Challenge of the State

- **INR 200 Crores** set aside for Kerala Development & Innovation Strategic Council (**K-DISC**) to utilise digital platforms to provide jobs for Youths.
- Skills Training will be provided in the fields of Industry 4.0, Data Analytics, Artificial Intelligence, Business Skills, Fintech Skills among others.
- 500 '**Nava Kerala**' post-doctoral fellowships ranging from INR 50, 000 – 1, 00, 000 will be granted to attract Young Scientists from Abroad to work in State Universities.
- Under the Six-Point Programme, **2500 start-ups** which will provide employment to 20, 000 people will be started in 2021-22.
- Around 16, 000 Micro, Small & Medium Enterprises (MSME) to be established in 2021-22, INR 2000 Crore has been earmarked for promotion of small enterprises.

iii. Poverty Alleviation

- Proposal for micro planning to identify, register & provide poor families with jobs, ration cards & health cards.
- Integration of poverty Alleviation schemes were also announced.
- **INR 6000 Crore** will be allocated for poverty alleviation programmes over 5 years.

iv. Agriculture, Fisheries & Coastal Development

- INR 1500 Crore has been set aside for the fisheries sector & INR 250 crore for Coastal Development.
- Around 10, 000 Families residing in coastal areas will be provided houses under various schemes.
- INR 258 Crore allocated for farm mechanisation & horticulture development.

v. Environment Friendly Measures

- **Relaxation of Motor Vehicle Tax** for electric & Hybrid vehicles
- 50% waiver on one-time building tax for eco-friendly constructions.
- Value Added Tax (VAT) on Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) to be decreased to 5%.
- 236 Electric Charging Stations to be set up by Kerala State Electricity Board Limited (KESB) in 2021-22.

vi. Tourism

- Highest Allotment of INR 100 Crores for Tourism Marketing
- INR 7 Crores for Muziris-Kochi Biennale, INR 50 Crores for Kozhikode, Thiruvananthapuram **Heritage Projects**.
- Interest free loans for entrepreneurs in the Tourism sector.

Fund Allocation towards Kerala's Flagship Projects:

1. Funds have been allocated for Government's flagship projects like
 - INR 166 Crore for K-FON (Kerala-Fiber Optic Network) which will ensure affordable Internet Connectivity for all.
 - **Silver Rail** – semi high-speed railway corridor between Kasaragod-Thiruvananthapuram to connect One end of the state to other under 4 hours compared to the present 12 hours.
 - Carbon-neutral Coffee Project in Wayanad.
 - '**Karunya at Home**' project for delivering medicines for senior citizens

Other Announcements:

- Hike in Allowance to ASHA (Accredited Social Health Activist) workers by INR 1, 000 to recognize their services during the pandemic & Increase in Pension of Journalists & non-journalists by INR 1000.
- 50 lakh families get extra 10kg rice at Rs 15 per kg.
- Laptops to be provided to poor families at half the price
- Allocation of INR 10 Crores for welfare of Migrant workers.
- Floor price of Rubber raised to INR 170, increase in Procurement price of paddy and coconut.
- Welfare Pensions hiked to INR 1600.
- INR 3000 pension for Non-Resident Keralites (NRK) who have returned to Kerala due to COVID-19.

- INR 100 crore set aside for Ayyankali Employment Guarantee Scheme.

About Kerala:

Stadium – Jawaharlal Nehru International Stadium (Multipurpose International Stadium)

Rivers – Periyar, Pamba, Chalakudy

MP Becomes 1st State to Give Power Subsidy to Farmers through DBT; Received Rs 1,423cr Additional Borrowing

Madhya Pradesh (MP) has become the first State to give electricity subsidy through Direct Benefit Transfer (DBT) thereby successfully implementing one out of the three stipulated reforms in the power sector.

- This achievement has made it eligible for additional borrowing equivalent to 0.15% of its Gross State Domestic Product (GSDP). In this regard, the Expenditure Department under the Finance Ministry already approved **Rs 1,423 crore** through Open Market Borrowings.

Implementation Process of electricity subsidy through DBT by MP:

In December, 2020, the phase-1 of DBT of electricity subsidy scheme to farmers was initiated by the state in its **Vidisha district** where electricity is supplied through the MP Madhya Kshetra Vidyut Vitaran Co Ltd. There, the state transferred an amount of Rs 32.07 crore to the bank accounts of 60,081 beneficiaries.

- The State also started implementing this process in Jhabua and Seoni districts. Based on the outcome, the scheme will be rolled out in the entire State in FY2021-22.

What are the three stipulated reforms in the power sector?

In order to create hassle-free provision of power subsidy and to improve the financial condition of power distribution companies, the Central government has stipulated a set of three reforms in the power sector for the states. Upon their fulfilment, the states become eligible for additional financial resources of up to **0.25%** of the GSDP. These are:

i.Reduction in Aggregate Technical and Commercial losses in the State.

- Additional Borrowing Allowed: 0.05% of GSDP

ii.Reduction in the gap between Average Cost of Supply and Average Revenue Realisation (ACS-ARR gap) in the State.

- Additional Borrowing Allowed: 0.05% of GSDP

iii.Introduction of DBT to all farmers in the State in lieu of free/subsidised electricity.

- Additional Borrowing Allowed: 0.15% of GSDP

Background:

On May 17, 2020, the Central Government enhanced the borrowing limit of the States by **2% of their GSDP** in order to meet the challenges posed by the Covid-19 pandemic. Half of this disbursement is subject to the condition that states must carry out reforms in the following 4 identified areas:

- Implementation of One Nation One Ration Card System
- Ease of doing business reform
- Urban Local body/ utility reforms
- Power Sector reforms.

Currently, **14 States** have carried out at least one of the four stipulated reforms. Out of these, 11 States have implemented the One Nation One Ration Card System, 8 States have done ease of doing business reforms, 4 States have done local body reforms and Madhya Pradesh has implemented power sector reforms.

- So far, the Central Government has issued **62,762 crore** as an additional borrowing for the above mentioned reforms.

Recent Related News:

i.On 1st December, 2020 Cabinet Minister of Tribal Affairs, Arjun Munda launched the first ever virtual edition of Aadi Mahotsav, at Madhya Pradesh. Aadi Mahotsav also known as National Tribal festival is conducted to promote the tribal, products, culture thereby increasing Tribal income.

ii.On December 26, 2020, Madhya Pradesh (MP) cabinet headed by Shivraj Singh Chouhan approved the Dharma Swatantrya (Religious Freedom) Bill, 2020. The aim of the bill is to outlaw marriages which take place with a sole motive of religious conversions.

About Madhya Pradesh:

Chief Minister (CM)– Shivraj Singh Chouhan

Capital– Bhopal

Governor– Anandiben Mafatbhai Patel

WEF releases 16th Edition of Global Risks Report 2021

The World Economic Forum (WEF) has released the Global Risks Report 2021, 16th Edition. The findings of the report are based on the **Global Risks Perception Survey (GRPS)** undertaken by over 650 members of WEF's diverse leadership communities.

- The Report is prepared with Strategic Partners, Marsh McLennan in Partnership with SK Group and Zurich Insurance Group.
- The report is being released before WEF's upcoming virtual Davos Agenda scheduled to be held between January 25-29, 2021.
- The main objective behind the publishing of the report is to **enable better preparation** by Government & other International Communities during the times of crisis

The report has ranked Risks based on Survey

Nature of Risks	Time Period	Top 3 threats ranked by Correspondents in Survey
Clear & Present Dangers (Short Term)	0-2 Years	Infectious Diseases, Livelihood Diseases & Extreme Weather events
Knock-on effects – cumulative effect (Medium Term)	3-5 Years	Asset Bubble Burst, IT Infrastructure Breakdown & Price Instability
Existential Threats (Long-Term)	5-10 Years	Weapons of Mass Destruction, State Collapse, Biodiversity Loss

i. The Survey respondents also assessed Individual Global Risks based on Likelihood & Impact

- The Top 3 Risks by **Likelihood** (Very Likely to happen in the next 10 years) are Extreme Weather, Climate Action Failure & Human Environmental Damage
- The Top 3 Risks by **Impact** (amount of impact they are expected to create) are Infectious diseases, Climate Action Failure & Weapons of mass destruction.

ii. Widespread Effects:

COVID-19 has brought a major change in the 2021 rankings compared to Global Risks Report Rankings of 2020.

- In 2020, Infectious diseases was ranked 10th in the list of most critical threats.
- COVID-19 has caused both widespread loss of life & delay of economic development in poorest parts of the world, thus amplifying wealth inequalities across the world.

ii. Climate Concerns:

Even though the carbon emissions have seen a decline due to lockdown & disruption due to Lockdown, they are expected to increase when the recovery process starts.

iii. Process to Counter Risks:

The report has stated the Global Communities to draw lessons from the responses to COVID-19 to boost the Global Resilience in future. This includes

- Formulating Analytical Frameworks
- Creating new forms of partnerships
- Building trust through clear & consistent communication.

[Click Here to read the Full Report](#)

Recent Related News:

i. October 21, 2020, According to the Third Edition of "The Future of Jobs Report 2020" released by the WEF, COVID-19 and Technological Advances will disrupt around 85 Million Jobs by 2025.

About World Economic Forum (WEF):

Founder and Executive Chairman – Klaus Schwab

Headquarters – Coligny, Switzerland

IIFL Home Finance Ltd & Standard Chartered Bank Enters into Co-Lending Arrangement to Extend Credit to MSME Loans

On January 16, 2021 **IIFL Home Finance Ltd** and **Standard Chartered Bank** entered into a **co-lending arrangement** to extend credit to MSME loans (loan against property).

- It is to be noted that this is **one of the 1st co-lending arrangements** in industry after Reserve Bank of India(RBI) launched [Co-Lending Model \(CLM\)](#).

Provisions of Partnership:

Following are the provisions of the partnership:

- IIFL Home Finance Ltd and Standard Chartered Bank will co-originate MSME loans
- IIFL Home Finance Ltd will provide services to the customers throughout the entire loan life-cycle including sourcing, documentation, collection and loan servicing.

Gist about Co-Lending Model (CLM):

i.Launch

RBI revised the loan scheme of the Co-origination Model between Banks and Non-Banking Financial Companies – Non-Deposit taking – Systemically Important (NBFC-ND-SIs) launched in September 2018 and renamed as Co-Lending Model (CLM)

ii.Purpose of Revision

The revision was done to provide greater operational flexibility to the lending institutions

iii.Aim of CLM

To enhance the credit flow to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost

iv.Highlights

Co-Lend

- Under CLM, banks can co-lend with all registered Non-Banking Financial Companies(NBFCs) including Housing Finance Companies(HFCs) to priority sector borrowers based on a prior agreement.

Shares

- **NBFCs**– Required to retain a minimum of 20% share of the individual loans on their books.
- **Co-lending banks**– Take their individual loan share on a back-to-back basis in their books.

What is co-origination?

As per RBI, co-origination is a 'joint contribution of credit by both lenders', where risks and rewards are shared between the banks and NBFCs.

Recent Related News:

On December 19, 2020, IIFL (formerly India Infoline Limited) Home Finance Ltd, the subsidiary of IIFL Finance has joined hands with ICICI (Industrial Credit and Investment Corporation of India) Bank for sourcing and servicing arrangement to provide affordable housing and MSME (Micro, Small and Medium Enterprises) loans.

About IIFL Home Finance Ltd:

IIFL(formerly India Infoline Limited) Home Finance Ltd is a subsidiary of IIFL Finance Limited. IIFL Finance Limited was formerly known as IIFL Holdings Limited

Headquarters– Gurgaon, Haryana

Incorporated under– Companies Act, 1956

Executive Director & CEO– Monu Ratra

About Standard Chartered Bank:

It is an indirect subsidiary of Standard Chartered PLC

Headquarters– London, United Kingdom(UK)

Chief Executive– Bill Winters, CBE(Group Chief Executive of Standard Chartered PLC)

SBI, ICICI Bank, HDFC Bank remains in the 2020 list of D-SIBs

On January 19, 2021, the Reserve Bank of India (RBI) released the 2020 list of Domestic Systemically Important Banks (D-SIBs) on the basis of data collected from banks as on March 31, 2020.

- As per the list SBI (State Bank of India), ICICI (Industrial Credit and Investment Corporation of India), and HDFC (Housing Development Finance Corporation Limited) continue to be D-SIBs or institutions which are 'too big to fail (TBTF)'.

Key Points:

–The D-SIB framework classifies banks under five buckets depending on order of importance. In accordance with this ICICI Bank and HDFC Bank are in **bucket one** while SBI is in **bucket three**.

— The additional CET (Common Equity Tier)-1 requirement as a percentage of Risk Weighted Assets (RWAs) in case of the SBI is 0.6%, while for the other two banks it is 0.2%.

What are D-SIBs?

These are systemically important due to their size, cross-jurisdictional activities, complexity and lack of substitute. The assets of the bank exceeding **2% of GDP** (Gross Domestic Product) are considered part of this group. If such a D-SIB fails, there would be significant disruption in the banking system and the overall economy.

- In case of distress, the government also support these banks therefore these banks enjoy certain advantages in funding.

About D-SIB framework:

The framework was issued by RNI in July 2014. In accordance to this, RBI has to disclose the names of banks designated as D-SIBs from 2015 and place these lenders in appropriate buckets depending upon their Systemic Importance Scores (SISs). Based on the bucket in which a D-SIB is, an additional common equity requirement applies.

- In case a foreign bank having branch presence in India is a Global Systemically Important Bank (G-SIB).

Recent Related News:

i. In accordance with the paper authored by Reserve Bank of India (RBI) Deputy Governor Michael Debabrata Patra and another official Harendra Kumar Behera, maintaining an inflation rate of 4% is appropriate for India.

ii. On October 22, 2020, RBI issued the revised regulatory framework for housing finance companies (HFCs) under which the minimum net owned funds (NOF) size for HFCs is fixed at Rs 25 crore.

About Reserve Bank of India (RBI):

Headquarters– Mumbai, Maharashtra

Formation– 1 April 1935

Governor– Shaktikanta Das

Deputy Governors– 4 (Bibhu Prasad Kanungo, Mahesh Kumar Jain, Michael Debabrata Patra, M. Rajeshwar Rao)

In a first, ICICI Bank Launched 'InstaFX' App for Forex Partners to Help Customers Obtain Forex Prepaid Card

On January 20, 2021 **ICICI Bank** launched a mobile app, '**InstaFX**' that allows authorised money changers, who are the partners of the bank to help customers of any bank to obtain '**ICICI Bank Forex Prepaid Card**' quickly. Through this app, the forex partners can complete the Know Your Customer(KYC) verification & validation of customers digitally and on a real-time basis.

- ICICI Bank becomes the **1st bank in India** to offer such facility to money changer.
- 'ICICI Bank Forex Prepaid Card' gets activated swiftly within a few hours, as against the industry practice of upto two-days.

Key Features of 'InstaFX':

i. It allows money changers to verify the customer's Permanent Account Number (PAN) from National Securities Depository Limited(NSDL) immediately.

ii. Money changers can verify the passport of the customer instantly through the Machine Readable Zone(MRZ) code and also verify the captured live photo.

Note

The 'ICICI Bank Forex Prepaid Card' can be availed from the partner money changer outlets in cities or at airports across the country.

Recent Related News:

On December 7, 2020, ICICI (Industrial Credit and Investment Corporation of India) Bank launched “iMobile Pay” app offering payments and banking services for all i.e. customers of any bank can use this app. Bank claims that, iMobilePay is 1st of its kind app.

About ICICI Bank:

- It was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry.
- It's consolidated total assets stood at Rs 14,76,014 crore at September 30, 2020.

Headquarters– Mumbai, Maharashtra

Managing Director (MD) and Chief Executive Officer(CEO)– Sandeep Bakhshi

Tagline– Hum Hai Na, Khayal Apka

Incorporated-1994

Mastercard Launched Digital Acceleration for Small Businesses Microsite in Asia Pacific

On January 18, 2021 **Mastercard** launched **Digital Acceleration for Small Businesses Microsite** across most of its Asia Pacific websites. The one-stop resource site provides information and resources for Small and Medium Enterprises (**SMEs**) to digitize and operate their business more efficiently. Mastercard has partnered with **Wix** and **Zoho** to enhance the resources for SMEs.

Objective– To help SMEs to recover from COVID-19 pandemic and assist SMEs to shift to digitalisation through curated resources, solutions and offers of this site.

Target customer– SMEs

Partnership:

As per the partnership, Wix and Zoho are sponsoring online guides and articles on various topics to SMEs from creating an online store to shifting themselves to online expense management and accounting platform.

Gist about Digital Acceleration for Small Businesses Center:

Guides & Information

i. It provides SMEs guides on digital transformation, e-learning courses.

ii. It enables SMEs to get information about the products and services of Mastercard for SMEs, cyber security insights and tools to minimise vulnerabilities and access to discounts on business software solutions, e-commerce platforms and digital marketing services.

Availability

The center has been launched throughout the Mastercard's English-language websites for Singapore, Malaysia, the Philippines, Thailand, Hong Kong, India and Southeast Asia.

It will also be launched on particular non-English sites.

Launch is in Line with Mastercard's Global Effort to help SMEs:

i. The launch of this resource site in Asia Pacific is part of the global efforts of Mastercard to help SMEs 'Get Paid, Get Capital and Get Digital' through new product development, partnerships and distribution channels

ii. These also include initiatives in North America, the Caribbean, Australia and New Zealand.

Recent Related News:

On September 28, 2020, BSE (formerly Bombay Stock Exchange) had signed a Memorandum of Understanding (MoU) with Yes Bank in order to empower the Small and Medium Enterprises (SMEs) that are listed on the BSE through awareness and knowledge-sharing programmes.

About Mastercard:

Executive Chairman– Ajay Banga

CEO– Michael Miebach

Headquarters – New York, United States

About WIX:

Co-Founder and CEO– Avishai Abrahami

Siddhartha Mohanty Appointed as MD of LIC; Sanjeev Kumar Appointed as CMD of TCIL

The Appointments Committee of the Cabinet (ACC) approved the appointment of **Siddhartha Mohanty** as Managing Director (MD) of Life Insurance Corporation (**LIC**). Meanwhile, **Sanjeev Kumar** has been appointed as the chairman & MD of Telecommunications Consultants India Ltd (**TCIL**).

Appointment of Siddhartha Mohanty

- i. The appointment is effective from the date of his assumption on or after February 1, 2021 till the date of his superannuation June 30, 2023 or until further orders, whichever is earlier.
- ii. He succeeds TC Susheel Kumar who will retire on 31 January, 2021.
- iii. Siddhartha Mohanty currently serves as the MD and Chief Executive Officer (CEO) of LIC Housing Finance.

Appointment of Sanjeev Kumar

- i. Sanjeev Kumar is appointed as the Chairman & Managing Director (CMD) of TCIL for 5 years.
- ii. He succeeds Mr. Rajiv Gupta.
- iii. Sanjeev Kumar is currently serving as the Director (Technical) of Mahanagar Telephone Nigam Limited (MTNL)

About Life Insurance Corporation (LIC):

In total there are 4 MD in LIC namely Vipin Anand, TC Susheel Kumar (will be succeeded by Siddhartha Mohanty), Mukesh Kumar Gupta and Raj Kumar

Founded– September 1, 1956,

Headquarters– Mumbai, Maharashtra

Chairman– M R Kumar

About Telecommunications Consultants India Ltd (TCIL):

It functions under the Administrative control of Department of Telecommunications, Ministry of Communications, Govt. of India.

Headquarters– New Delhi, India

J&K Bank board Decided to Transfer 8.23% stake to UT of Ladakh

The board of Jammu & Kashmir (J&K) Bank has given its consent to transfer 8.23% J&K government's stake (4,58,29,445 Equity Shares), as on October 31, 2019, to the Union Territory (UT) of Ladakh.

- This decision is on the lines of implementation of the General Administration Department, Govt. of Jammu and Kashmir notification on October 30, 2020.
- It should be noted that the government of J&K is a **designated promoter** of the bank. As on December 30, 2020, it holds 68.18% in the bank.
- One post of director on the Board of the J&K Bank is also earmarked for Ladakh.

Addition Info:

The state of J&K was divided into UTs of Jammu & Kashmir and Ladakh after the abrogation of Article 370 in 2019. The UT status came into effect from October 31. Therefore, the transfer of stake in J&K bank is required.

Recent Related News:

- i. On September 12, 2020, Jammu & Kashmir (J&K) Governor, Manoj Sinha announced Universal Health Insurance Coverage Scheme for all residents of the Union Territory at an annual expenditure of Rs 123 Crores.
- ii. On December 29, 2020, Union Minister of Earth Sciences, Dr Harsh Vardhan virtually inaugurated India's Highest Meteorological (Met) Centre at Leh, Ladakh (UT). It is situated at a height of 3500 metres from the mean sea level.

About Jammu & Kashmir (J&K) Bank:

Establishment – 1938

Chairman & Managing Director (CMD)– Rajesh Kumar Chhibber

Tagline– Serving to Empower

Headquarter– Srinagar, J&K

PM Releases Financial Assistance around Rs 2691cr to 6.1 lakh beneficiaries in UP under PMAY-G

On January 20, 2021, the Prime Minister Narendra Modi released financial assistance of around **Rs 2691 crores** to ~6.1 lakh beneficiaries in Uttar Pradesh (**UP**) under Pradhan Mantri Awas Yojana – Gramin (PMAY-G) through video conference.

- It was also attended by Union Minister Narendra Singh Tomar, Ministry of Rural Development; Anandiben Mafatbhai Patel, Governor of UP; and Yogi Adityanath, Chief Minister (CM) of UP.
- Through this financial aid, 5.30 lakh beneficiaries will get their first instalment under the scheme while 80,000 beneficiaries will receive the second instalment.

PM also wished beneficiaries on the Prakash Purab (Birth Anniversary) of 10th Sikh Guru, **Shri Guru Gobind Singh ji**.

About Pradhan Mantri Awas Yojana-Gramin:

Initiated on April 1, 2016, Pradhan Mantri Awas Yojana –Gramin (PMAY-G) was launched on the lines of Government’s commitment to provide “Housing for All” by 2022. The scheme has replaced Indira Awas Yojana (IAY) launched in 1996.

- It aims at providing a pucca house, with basic amenities, to all houseless householder and those households living in kutcha and dilapidated house.
- The cost of unit assistance is shared between Central and State Government in the ratio 60:40 in plain areas and 90:10 for North Eastern and the Himalayan States.
- Under the scheme, so far 1.26 crore houses have been built all over the country.
- In Uttar Pradesh 22 lakh Garmin Awas are to be constructed out of which 21.5 lakh have been approved for construction while 14.5 lakh families have already got their house.
- The beneficiaries of PMAY-G are also provided support of unskilled labour wages under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and assistance of ₹12,000 for construction of toilets through the Swachh Bharat Mission-Gramin (SBM-G).

Recent Related News:

i. On November 22, 2020, Prime Minister (PM) Narendra Modi launched “Har Ghar Nal Yojna” (tap water to every household) worth Rs 5,555.38 crore for drinking water projects in Mirzapur and Sonbhadra districts in Vindhyachal region of Uttar Pradesh (UP).

ii. On December 17, 2020, UP launched India, South Asia’s 1st blockchain-enabled Peer to Peer (P2P) Trading Platform for Rooftop Solar Power Producers in Lucknow, UP. The Pilot project will be implemented by India Smart Grid Forum (ISGF), Power Ledger (Australia based Blockchain technology partner) & Abajyon Consulting.

About Uttar Pradesh (UP):

Tiger Reserve– Etawah Lion Safari, Chuka Pilibhit Tiger Reserve, Dudhwa Tiger Reserve

Stadium– Eklavya Sports Stadium, Pandit Madan Mohan Malviya Sports stadium , Buddh International Circuit.

Axis Bank Launched ‘AURA’, a Credit Card with Affordable Health and Wellness Benefits

On January 19, 2021 **Axis Bank Ltd** launched ‘AURA’, a **credit card** with health and wellness benefits at an affordable price for its individual users.

The features of the card is powered by Poshvine , Decathlon, Procto, Fitternity, IndushealthPlus, 1MG etc.,

Aim– To provide complete health and wellness solutions to its users.

Benefits of the Card

i. Cardholders will can get discount on annual medical checkup through IndushealthPlus.

ii. It offers upto 4 free online video consultations for a month, with round the clock access to doctors on all 21 specialties. This is offered by Procto.

iii. It also offers 4 free online interactive fitness sessions for a month by Fitternity.

iv. Through this card, the users can have access to 16 recorded training sessions for one month and can choose from a wide range of sessions such as yoga and cross-functional training programs, etc.,

Recent Related News:

On December 8, 2020 YES Bank in partnership with Mastercard launched ‘Yes Private Prime Credit Card’ for the Affluent and Ultra High-Net-Worth-Individuals (HNWIs) of India. The card is available on the Mastercard World Elite platform. The card is a strictly by-invitation-only lifestyle Credit Card.

About Axis Bank Ltd:

It is 3rd largest private sector bank in India

Commenced operations- 1994(Incorporated- 1993)

Headquarters- Mumbai, Maharashtra

Tagline- Badhti Ka naam Zindagi

Managing Director(MD) and Chief Executive Officer(CEO)- Amitabh Chaudhry

PPBL Partners with Suryoday SFB to Launch FD Service & Becomes India's 1st Payment Bank to Launch the Multi Partner FD Service

On January 19, 2021 Paytm Payments Bank Ltd (**PPBL**) partnered with **Suryoday** Small Finance Bank(**SFB**) Ltd to enable its account holders to avail Fixed Deposit(FD) services.

i.It is to be recalled that PPBL has been offering FD services in partnership with IndusInd bank with a minimum investment of Rs. 100.

ii.PPBL with the partnership with Suryoday SFB has become the **1st payments bank in India** to launch the multi-partner FD service. Through this service an account holder can select the partnered bank as per their preference.

Note

PPBL charges zero penalty for liquidating FD that is placed in any of the partner banks. Most of the account holders prefer 'Auto-Create Fixed Deposit' feature wherein a user can set the FD limit on their savings account.

Recent Launches of PPBL

i.PPBL has recently enabled banking services through Aadhaar by integrating Aadhaar enabled Payment System (AePS).

ii.It has launched a Direct Benefits Transfer (DBT) facility, whereby customers can get benefits of more than 400 government subsidies directly into their PPBL Savings Account.

Recent Related News:

On May 21, 2020 The Private sector ICICI bank has introduced a special fixed deposit (FD) scheme for senior citizens called 'ICICI Bank Golden Years FD' which offers an interest rate of 6.55% per annum(p.a) for deposits up to Rs 2 crores with a tenure of more than 5 years(5 years and 1 day) to 10 years.

About Paytm Payments Bank Ltd (PPBL):

It is India's only mobile-first bank with zero balance - zero digital transaction charge accounts.

Launched- 2017

Headquarters- Noida, Uttar Pradesh

Chairman- Vijay Shekhar Sharma

MD & CEO- Satish Kumar Gupta

About Suryoday Small Finance Bank Ltd:

Launched-January 23rd 2017

Headquarters- Navi Mumbai, Maharashtra

Tagline- A Bank of Smiles

MD and CEO- Baskar Babu Ramachandran

CCI Approves Aditya Birla Fashion and Retail Ltd- Flipkart Investments Pvt Ltd Deal, Axis- Max life Deal & Altico-Ares SSG Deal

On January 20, 2021 Competition Commission of India (CCI) has approved the following deal:

Flipkart Investments Private Ltd Acquires 7.8% Stake in Aditya Birla Fashion and Retail Ltd

i.CCI gave approval for the acquisition of **7.8% minority stake** in Aditya Birla Fashion and Retail Limited (**ABFRL**) by Flipkart Investments Private Limited (**FIPL**) on a fully diluted basis. The deal is worth Rs 1,500 crore.

ii.The acquisition will happen through subscription of equity shares.

iii.After the deal is completed the promoter and promoter group companies of ABFRL will hold about 55.13% stake

About Aditya Birla Fashion and Retail Limited (ABFRL)

It is part of the Aditya Birla group

Head Office– Mumbai, Maharashtra

Managing Director– Ashish Dikshit

About Flipkart Investments Private Limited (FIPL):

FIPL is a newly incorporated company and is a wholly owned subsidiary of Flipkart Private Limited (FPL). FPL belongs to the Walmart Group.

Axis Bank, Axis Capital and Axis Securities Acquires ~12.9% Stake in Max Life Insurance Company Ltd

CCI has given approval to the deal between **Max Life Insurance Company Ltd** and **Axis entities**(Axis bank Ltd, Axis Capital Ltd and Axis Securities Ltd).

Proposed Combination

- About 9% stake in Max life insurance will be acquired by Axis Bank.
- Axis Capital and Axis Securities will acquire 2% and 1% stake respectively in Max Life Insurance.

Note

Additionally the Axis entities has the right to acquire additional stake upto 7% in Max life, in one or more tranches, taking their total stake to 19.99%

About Max Life Insurance Company Ltd:

Headquarters– New Delhi, India

MD & CEO– Prashant Tripathy

Ares SSG Acquires Altico Capital India Ltd

CCI under Section 31(1) of the Competition Act, 2002 gave approval to the acquisition of Altico Capital India Ltd (**Altico**) by Ares SSG Capital Management (Singapore) Pte. Ltd (**Ares SSG**).

Proposed Combination

As per the proposed combination, the loan assets of Altico will be acquired by India Special Situations Scheme II (ISSS II), Investment Opportunities V Pte. Limited (IOV) and Assets Care & Reconstruction Enterprise Ltd (ACRE) that are the entities identified by Ares SSG.

About India Special Situations Scheme II (ISSS II):

It is a scheme of the India Special Situations Trust, an Alternative Investment Fund. It is registered with the Securities and Exchange Board of India (SEBI) under the SEBI (Alternative Investment Funds-AIF) Regulations, 2012.

About Investment Opportunities V Pte. Limited (IOV):

It is registered as a Foreign Portfolio Investor (FPI) under the SEBI (FPI) Regulations, 2019 and also holds a Category I FPI license.

About Assets Care & Reconstruction Enterprise Ltd (ACRE):

It is an Asset Reconstruction Company (ARC) under the provisions of the Securitization and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002, registered with the Reserve Bank of India (RBI).

About Altico Capital India Limited:

It is a Non Banking Financial Company (NBFC)

Headquarters– Mumbai, Maharashtra

Recent Related News:

i. On November 2, 2020 The Competition Commission of India (CCI) under Section 31(1) of the Competition Act, 2002, approved the acquisition of General Insurance Business of Bharti AXA General Insurance Company Limited (Bharti AXA) by ICICI Lombard General Insurance Company Limited (ICICI Lombard).

ii. On November 20, 2020 The Competition Commission of India (CCI) approved the acquisition of retail and wholesale undertaking and logistics and warehousing undertaking of the Future Group by Reliance Retail Ventures Limited (RRVL) and Reliance Retail and Fashion Lifestyle Limited (RRVL WOS). The approval was given under Section 31(1) of the Competition Act, 2002.

About Competition Commission of India (CCI):

Established by– The Central Government with effect from 14th October 2003

Headquarters– New Delhi, India

Chairman– Ashok Kumar Gupta

SEBI Gives Approval to Future Group and Reliance Retail Deal

The Securities and Exchange Board of India (**SEBI**) has given approval to the deal between **Future Group** and Reliance Retail Ventures Ltd(**RRVL**), where Future group will sell its retail, wholesale, logistics and warehouse businesses to Reliance Retail for **Rs 24,713 crore**.

- This deal was earlier approved by Competition Commission of India(CCI).

Key Info about the Acquisition:

i.This acquisition is part of the scheme in which Future Group is merging certain companies carrying on the above said businesses into Future Enterprises Limited (FEL).

ii.As a part of the same Scheme:

- The **retail & wholesale** undertaking will be transferred to Reliance Retail and the Fashion Lifestyle Limited (**RRFL**), a wholly-owned subsidiary of RRVL.
- The **logistics & warehousing** undertaking will be transferred to **RRVL**.

iii.This deal was announced in August 2020.

iv.After the amalgamation, 74.2% of the business value of FEL will be transferred to RRFL and RRVL.

Note

Future Group and RRVL is directed to get approvals from the National Company Law Tribunal (NCLT) and its other stakeholders.

Recent Related News:

On November 11, 2020 Insurance Regulatory and Development Authority of India(IRDAI) gave its final approval for the merger of HDFC ERGO Health Insurance (formerly Apollo Munich Health Insurance Co Ltd) with HDFC ERGO General Insurance Co Ltd (HDFC ERGO).

About Reliance Industries Limited (RIL):

Reliance Retail Ventures Ltd(RRVL) is the subsidiary of RIL

Chairman & Managing Director(CMD) – Mukesh Ambani

Headquarters – Mumbai, Maharashtra

About Future Group:

Founder & Group CEO– Kishore Biyani

Headquarters– Mumbai, Maharashtra

Small Finance Banks' Assets Grew 150% Annually between FY18-FY20 & NPA ratio Moderate:RBI

In accordance with an article '**Small Finance Banks: Balancing Financial Inclusion and Viability**' published in Reserve Bank of India's (RBI) monthly bulletin on January 21, 2021, the assets of Small Finance Banks (SFBs) between financial years (FY) 2017-18 and 2019-20 have grown 150% annually. Their share in total assets of the financial sector stood at **0.4%** in March 2019.

- The article prepared by **Richa Saraf** and **Pallavi Chavan** from the RBI's Department of Supervision provided an overview of SFB's business between FY 2017-18 and 2019-20.

Branches Concentration of SFBs:

There has been rapid growth in the branch network of SFBs. The number of branches of SFBs rose to **4,307** by March 2020, but they are concentrated in urban and semi-urban areas with limited penetration in rural and smaller semi-urban centres. In Urban and semi-urban areas also they are concentrated in Tier 1 to Tier 3 centres having populations of 20,000 persons and above.

- In March 2020, about 39% of the total SFB branches were semi-urban areas followed by 26% in urban centres, and 18% in Tier 5-6 (rural) centres with a population of less than 10,000 persons.

Regional Front:

In regional front also the growth in branch network of SFBs has been concentrated in the India's well-banked regions i.e. **southern (highest)**, western and northern regions while it is lacking in the north-eastern region which is also known as least banked region.

State Front:

At the State level, they are concentrated in Tamil Nadu (16.6), Maharashtra (13.1%), Rajasthan (8%), Karnataka (7.7%), Madhya Pradesh (7%), Kerala (5.5%) and Punjab (4.7%)

Non-Performing Assets (NPAs) of SFBs

The bad loan ratio or NPA ratio is low among the freshers of India's financial system. Notably their NPA remained moderate since inception, which states a healthy asset quality.

- In March 2020, 99.9% and 83% of SFBs total loan accounts and total loan amount, respectively, had a credit limit of up to **Rs 25 lakh**.
- It should be noted that RBI guidelines specify that SFBs must have at least 50% of their loan book in the Rs 25-lakh category.

CASA of SFBs

Their percentage of current accounts and savings accounts (CASA) remains lower than other Scheduled Commercial Banks (SCBs). The share of CASA in total deposits for SFBs stood at 15% in March 2020 as compared to 41% for other SCBs.

Serving the Priority Sector:

The SFBs are catering to priority sectors like agriculture, small scale trade and professional services, which are relatively under-served by scheduled commercial banks. These three sectors accounted for about 65% of the total credit of SFBs in March 2020.

- It should be noted that as per SFBs licensing guidelines **at least 75% of the adjusted net banking credit** to be in the PSL compared to 40% for universal banks.
- Even within the industrial and services sector credit, these banks have succeeded reasonably in reaching out to MSMEs (micro, small and medium enterprises).
- As of March 2020 about 41% of total loans by SFBs were to small businesses.

Story of SFBs:

The RBI issued licensing guidelines for SFBs in 2014, following which 10 SFBs have commenced operations so far.

- The first two SFBs are **Capital Small Finance Bank** based in Jalandhar, Punjab and **Equitas Small Finance Bank** headquartered in Chennai, Tamil Nadu, who started operations in 2016.

Additional Info:

-Private sector new projects have risen by 8% in Q3FY21, while the same fell by 71% in the government sector.
-Indian economy is projected to contract by **7.7%** in FY21, as per the first advance estimates of GDP (Gross Domestic Product) by National Statistical Office (NSO), Ministry of Statistics and Program Implementation (MoSPI).

[Click Here for Official Article](#)

It should be noted that the views expressed in the paper are those of the authors and do not reflect any point of RBI.

Recent Related News:

- i.RBI announced to increase the limit for contactless card transactions and recurring payment mandates through cards and unified payments interface (UPI) to Rs 5,000 from Rs 2,000 earlier from January 2021.
- ii.In December 2020, RBI decided to extend on-tap Targeted Long-Term Repo Operations (TLTRO) by bringing 26 stressed sectors identified by the Kamath Committee under the chairmanship of Kundapur Vaman Kamath in order to provide more liquidity in the economy.

About Reserve Bank of India (RBI):

Formation- 1 April 1935

Governor- Shaktikanta Das

Headquarters- Mumbai, Maharashtra

Deputy Governors- 4 (Bibhu Prasad Kanungo, Mahesh Kumar Jain, Michael Debabrata Patra, and M Rajeswar Rao)

SBI Executed Money Market Deals linked to SOFR

On January 21, 2021, the State Bank of India (SBI) has executed two inter-bank short term money market deals with pricing linked to SOFR (Secured Overnight Financing Rate) through its Hong Kong (China) branch.

- The transaction states the growth of SBI in **Alternate Reference Rates (ARRs)**.
- ARR are overnight rates which are published at the end of the overnight borrowing period. This means they are "backward-looking."
- It should be noted that SBI is one of the first major banks to sign the ISDA (International Swaps and Derivatives Association) 2020 IBOR Fallbacks protocol on December 11, 2020.

About SOFR:

SOFR is a benchmark interest rate that banks use to price dollar-denominated derivatives and loans. Notably, SOFR will replace **USD LIBOR** (London Inter Bank Offered Rate) by December 2021. The decision regarding the closing of LIBOR was taken by Financial Conduct Authority (FCA) in the United Kingdom (UK).

- SOFR is based on transactions in the Treasury repurchase market where investors offer banks overnight loans backed by their bond assets.

Recent Related News:

i. According to a study conducted by State Bank of India (SBI) Research, North-Eastern (NE) states (All NE states combined as one) topped the list of states in managing Pandemic, Bihar came second, followed by Uttar Pradesh.

ii. On 4th December 2020, CREDAI-MCHI partnered with State Bank of India, Google and BookMyShow for the first virtual edition of India's largest real-estate expo from 4th December 2020 to 13th December 2020.

About SBI (State Bank of India):

Founded– July 1, 1955 as SBI

Headquarters– Mumbai, Maharashtra

Chairman– Dinesh Kumar Khara

Tagline– The banker to every Indian; With you all the way; Purely banking nothing else; The nation banks on us; A bank of the common man

GrayQuest Partners with SBM Bank India to Enhance Access to Quality Education in India

On January 22, 2021 **GrayQuest** partnered with **SBM Bank (India) Limited** to help its clients to access affordable funds to pay their **children's education fees in monthly payments**. GrayQuest has partnered with over 2000 leading schools, colleges and universities across India to enable this kind of payment.

Aim of the Partnership– To enhance access to quality education in India by increasing the convenience of paying educational fees.

Monthly Payment System

Process

i. Parents can convert their annual or bulk semester school / college fees into affordable monthly payments by signing up for a monthly payment option on the GrayQuest platform through a paperless process.

ii. The company does not charge extra cost for this conversion.

Benefits

The parents who signed up in GrayQuest platform will get benefits like complimentary insurance cover and access to more than 50 exclusive rewards for their children.

Note

As per the data of GrayQuest, the average Indian household spends 13% of their annual income on the education fees of a child.

About GrayQuest

Founder, CEO– Rishab Mehta

HeadOffice– Mumbai, Maharashtra

About SBM Bank (India) Limited:

i. It is the first bank to receive a banking license from the Reserve Bank of India (RBI) and to establish a universal banking business in India through the Wholly Owned Subsidiary (WOS) mode.

ii. SBM became the 1st foreign Bank in India to operate as a new Indian bank.

Headquarters– Mumbai, Maharashtra

Managing Director(MD) and Chief executive Officer(CEO)– Sidharth Rath

Commenced Operations– 1st December 2018

Govt of India Increased Authorized Share Capital of Punjab & Sind Bank From Rs 3,000 Crore to Rs 10,000 Crore

Government of India has increased the **authorised share capital** of **Punjab & Sind bank** to **Rs 10,000 crore** from **Rs 3,000 crore**. The government in 2020 had approved to infuse Rs 5,500 crore capital into the bank by

preferential allotment of shares. The fund was approved from Rs 20,000 crore cleared by the Parliament in September 2020 to infuse capital in Public Sector Banks (PSBs) as part of the 1st batch of Supplementary Demands for Grants for 2020-21.

NSE Retains World's Largest Derivatives Exchange Title for 2nd consecutive year in 2020: FIA

In accordance with the **Futures Industry Association (FIA)**, National Stock Exchange of India Ltd (NSE) remained the world's largest derivatives exchange for the second consecutive year in 2020 in terms of number of contracts traded.

- On the other hand, **World Federation of Exchanges (WFE)** has ranked it 4th in terms of cash equities by number of trades for calendar year 2020.

Key Points:

-In 2020, NSE launched a series of new products and services.

-In capital market segment it has listed T-bills (Treasury Bills) and SDLs (State Development Loans) facilitating investors to transact in these securities

-In debt segment, it launched the Request for Quote Platform for execution and settlement of trades in debt securities.

-On the derivatives front, it launched weekly futures and options contracts on the EUR-INR, GBP-INR and JPY-INR pair where EUR is Euro, GBP is Pound Sterling, and JPY is Japanese Yen.

-In the commodity derivatives segment, NSE launched its **first commodity options contract** on gold, followed by silver.

-It also marked an initiation towards agricultural commodities with a futures contract on **Crude Degummed Soybean Oil**.

Key Numbers regarding NSE:

-There were 70 lakh new registrations in 2020, the highest in a calendar year and 2.3 times the number of registrations in 2019.

-It's capital market segment average daily turnover saw a growth of 57% in 2020.

-The volumes transacted through mobile and internet-based platforms also increased stating 35% of cash market turnover.

Recent Related News:

i. On 19th October 2020, BSE (formerly known as Bombay Stock Exchange) signed a Memorandum of Understanding with the Industries and Commerce Department, Government of Telangana along with GlobalLinker to support micro, small and medium enterprises (MSMEs) of the state to raise equity funds.

ii. On December 11, 2020 BSE (formerly known as Bombay Stock Exchange), through its subsidiary BSE Investments Ltd., launched 'BSE E-Agricultural Markets Ltd.(BEAM)', an electronic spot platform for agricultural commodities.

About National Stock Exchange:

Managing Director (MD) & Chief Executive Officer (CEO)- Vikram Limaye

Headquarter- Mumbai, Maharashtra

About Futures Industry Association (FIA):

Chairman- Nicholas Rustad

Headquarter- Washington D.C., United States (US)

RBI proposes 4 Layered Bank-Like Norms for NBFCs

On January 22, 2021, the Reserve Bank of India (RBI) released a Discussion Paper on "**Revised Regulatory Framework for NBFCs- A Scale-Based Approach**" on the lines of the announcement made in the Statement on Developmental and Regulatory Policies on December 4, 2020.

- It envisages a four-layered regulatory and supervisory framework for NBFCs. As per the framework, there will be Bank-like regulations for the top 25 to 30 NBFCs in the country.
- The apex bank has invited comments on the Discussion Paper from NBFCs, market participants and other stakeholders within one month

What is in the new proposed framework?

As per the new framework, the NBFCs will be grouped into four-layers viz. Base Layer (BL), Middle Layer (ML), Upper Layer (UL) and a possible Top Layer (TL).

This grouping is in the form of pyramid which states that there will be least regulatory intervention for NBFCs in BL. As one moves up the pyramid, the regulatory regime will get stricter.

Here is the detail of pyramid:

Base Layer:

This group will consist of NBFCs, currently classified as non-systemically important NBFCs (NBFC-ND/Non-Deposit taking), Peer to Peer lending platforms, Account Aggregators, Non-Operative Financial Holding Company, and NBFCs up to Rs 1,000 crore asset size.

- About 9,209 NBFCs will be in this category.
- The entry point norms will be revised from Rs 2 crore to Rs 20 crore.
- The extant NPA classification norm of 180 days will be harmonized to **90 days**.

Middle layer

It will consist of NBFC-ND-SI/Non-Deposit taking-Systemically Important, deposit-taking NBFCs, Housing Finance Companies, Infrastructure Finance Companies, Infrastructure Debt Funds, Standalone Primary Dealers and Core Investment Companies.

- No changes are proposed in capital requirements for NBFC-ML.
- Credit Concentration norms prescribed for NBFC-ML for their lending and investment can be merged into a single exposure limit of 25% for the single borrower and 40% for a group of borrowers.
- These NBFCs should have a Board approved policy on **Internal Capital Adequacy Assessment Process** (ICAAP). Internal capital can be assessed by factoring credit, market, operational, and all other residual risks.
- An independent **Chief Compliance Officer** should be appointed, for NBFC's corporate governance structure.
- As NBFCs have attained a unique business model, therefore their Initial Public Offer (IPO) financing should be put under close scrutiny. In this regard, it is proposed that a limit of **Rs 1 crore per individual** for any NBFC should be prescribed. The limit for IPO financing in banks is Rs 10 lakh.

Upper Layer

This layer will consist of NBFCs which are identified as systemically significant and can impact financial stability.

- Under this category, the regulatory framework for NBFCs will be bank-like with suitable and appropriate modifications. A total of not more than 25 to 30 NBFCs will occupy this layer.
- A 9% CET (Common Equity Tier) 1 capital will be introduced for NBFC-UL to enhance the quality of regulatory capital.

Top Layer

This top layer of the pyramid will remain empty unless RBI views specific NBFCs catering to this category.

[Click Here for Official Paper](#)

Additional Info:

In 1964, RBI acquired regulatory and supervisory powers over NBFCs with the insertion of Chapter III-B in the Reserve Bank of India Act, 1934 ('RBI Act').

Recent Related News:

i. RBI will issue guidelines for non-banking financial companies (NBFCs) with regard to distribution of dividend as per a matrix of parameters. Currently there are no guidelines for NBFCs for dividend distribution.

ii. On October 22, 2020, RBI issued the revised regulatory framework for housing finance companies (HFCs) under which the minimum net owned funds (NOF) size for HFCs is fixed at Rs 25 crore.

About Reserve Bank of India (RBI):

Formation– 1 April 1935

Governor– Shaktikanta Das

Headquarters– Mumbai, Maharashtra

Deputy Governors– 4 (Bibhu Prasad Kanungo, Mahesh Kumar Jain, Michael Debabrata Patra, and M Rajeswar Rao)

Airtel Payments Bank Launched 'Airtel Safe Pay', a Safe Mode to Make Digital Payments

Airtel Payments Bank has launched '**Airtel Safe Pay**' to protect the customers when they make digital transactions through Unified Payment Interface (UPI) or net-banking using the Airtel Payments Bank. This safe payment gateway is free of cost, will and offers protection against phishing, stolen credentials or passwords, and phone cloning. Customers can make digital transactions across merchants, online retailers, and transfer money through Airtel Safe Pay. Airtel Payments Bank account can be opened through a video call using the Airtel Thanks application.

HDFC to Sell its 24.48% Stake in Good Host Spaces Pvt. Ltd for Rs 232.81 Crore

Housing Development Finance Corporation (**HDFC**) Ltd announced that it will sell its **24.48% stake**(47,75,241 equity shares) in **Good Host Spaces Pvt. Ltd** for **Rs 232.81 crore** in 4 months. The details of the buyer is not disclosed.

- After the sale, Good Host Spaces Pvt Ltd will not be the associate company of HDFC.

Note

HDFC in 2019 had acquired 25.01% stake(30,52,469 equity shares)in Good Host from Manipal Integrated Services Pvt Ltd for Rs 69.5 crore.

About Good Host Spaces Pvt. Ltd:

President– Nimesh Grover

HeadQuarters– Mumbai, Maharashtra

About Housing Development Finance Corporation (HDFC)Ltd:

It is the first specialized Mortgage Company in India

Managing Director(MD)– Renu Sud Karnad

Chairman– Deepak S. Parekh

HeadQuarters– Mumbai, Maharashtra

Started– 1977

Finance Minister Launched "Union Budget Mobile App" to provide access to Union Budget Information

On 23rd January 2021, Finance Minister Nirmala Sitharaman launched the "**Union Budget Mobile App**" which will provide access to Union Budget Information to all the stakeholders. For the first time in History the Budget will be delivered in paperless form. The app was developed by the National Informatics Centre (**NIC**) under the guidance of the Department of Economic Affairs (**DEA**).

- The mobile app provides complete access to 14 Union Budget documents including the Annual Financial Statement(Budget) Demand for Grants (DG), Finance Bill etc.
- The documents will be made available after the completion of the Budget speech by Finance Minister on 1st February 2021.
- The app supports English and Hindi Language and it is available for both Android and iOS platforms.

Overseas investment by Indian companies fell 42% to \$1.45 billion in Dec 2020

In accordance with the Reserve Bank of India (RBI) data, overseas investment by domestic firms fell by over 42% to USD 1.45 billion in December 2020 in comparison to USD 2.51 billion in December 2019.

- Of the total FDI investment, USD 775.41 million was in the form of equity infusion, USD 382.91 million was in the form of loan, and USD 287.63 million was in the form of issuance of guarantee.
- In November 2020, the total outward foreign direct investment (OFDI) was also trimmed by 27% to USD 1.06 billion as compared to October 2020.

Major Overseas Investors:

—**ONGC** (Oil and Natural Gas Corporation Limited) Videsh Ltd, headquartered in New Delhi, invested a total of USD 131.85 million in joint ventures and wholly-owned subsidiaries in Myanmar, Russia, Vietnam, Colombia, British Virgin Islands among others.

–Ahmedabad, Gujarat-based **Intas Pharmaceuticals** invested USD 75.22 million in a wholly-owned subsidiary in the United Kingdom (UK).

–Mumbai headquartered **Tata Consultancy Services** (TCS) invested USD 27.77 million in a wholly-owned unit in Ireland.

RBI released 3rd "Booklet on Payment Systems"

On January 25, 2021, RBI released the 3rd booklet on Payment Systems titled "Payment and Settlement Systems in India- Journey in the Second Decade of the Millennium 2010-20" described the possibility of a digital version of fiat currency.

The earlier Booklets on Payment Systems were released in the years 1998 and 2008.

- It is in the form of electronic currency, which can be converted or exchanged at par with similarly denominated cash and traditional central bank deposits.
- This 3rd book will serve as a reference document for payment system developments in the country as it states the legal and regulatory environment underpinning the digital payments systems, various enablers, payment options available to consumers, extent of adoption, etc. during 2010 to 2020.

Recent Related news:

i. In the 4th Bi- Monthly Monetary Policy Committee (MPC) 2020-21, GDP growth for Q3FY21 (October-December) is placed at (+)0.1% and (+)0.7% in Q4FY21 (January-March). For H1FY22 (First Half of FY2021-22), it is forecasted at (+)6.5%.

ii. On October 22, 2020, RBI issued the revised regulatory framework for housing finance companies (HFCs) under which the minimum net owned funds (NOF) size for HFCs is fixed at Rs 25 crore.

About Reserve Bank of India (RBI):

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Headquarters- Mumbai, Maharashtra

Deputy Governors- 4 (Bibhu Prasad Kanungo, Mahesh Kumar Jain, Michael Debabrata Patra, and M Rajeswar Rao)

Bharti AXA General Insurance Launches Krishi Sakha App for Indian Farmers

On January 27, 2021, **Bharti AXA General Insurance** launched **Krishi Sakha App**, a one-stop-shop for Indian **farmers** that offers them relevant **information** to cater their daily farming needs. It also provides **guidance** to farmers to adopt best farming practices and enhance their productivity.

- The farmers through this app will also have access to the Pradhan Mantri Fasal Bima Yojana (**PMFBY**) **portal** for crop insurance related information.

Aim:

To empower farmers and educate them to enhance their farming knowledge and productivity.

Gist about Krishi Sakha App

Information & Advisories

i. It provides relevant information about the scientific way of farming, crop cultivation, sowing, or harvesting of major crops.

ii. In addition to this it also offers information relating to weather and enables farmers to have other necessary information and advisories like market price of crops, land unit conversion, news about forthcoming events, crop calendar, etc.,

iii. It addresses the needs and risks of the entire crop cycle from pre-sowing to harvesting and also about post-harvest.

Solutions & Schemes

i. It mentions government schemes that are related to insurance and agriculture.

ii. It offers a variety of innovative and tailored solutions

Note- This new Android app can be downloaded from Google play store free of cost.

Recent Related News:

On October 15, 2020 Stellapps, an IIT(Indian Institute of Technology) Madras incubated dairy-tech startup and World Economic Forum(WEF)'s technology pioneer launched 'mooPay' in Bhilwara district of Rajasthan. The first- of-its-kind fully automated direct payment platform is for dairy farmers in Rajasthan. This platform is one of the Fintech solutions developed by Stellapps for dairy and dairy farmers.

About Bharti AXA General Insurance:

It is a joint venture company has a 51% stake from Bharti Enterprises and 49% stake of the AXA Group.

Established– 2008

Headquarters– Mumbai, Maharashtra

Managing Director(MD) and Chief Executive Officer(CEO)– Sanjeev Srinivasan

Tagline– Suraksha ka Naya Nazariya

IDFC First Bank Enters into Credit Card Business

IDFC First Bank has entered the **credit card** business. The bank will charge interest between **9% and 36%** on revolving credit, based on the customer's track record, credit score, relationship with the bank and internal scoring. In India the credit card businesses charge **about 40% interest per annum on revolving credit** which is about 3.5% per month. It will not charge interest on cash withdrawals during the 45-day free credit period. No annual charge is required for this credit credit. The reward points of the card will not have any expiry.

India's GDP Growth to Contract by 8% in FY21: IMF

The International Monetary Fund (**IMF**) in its latest World Economic Outlook, titled 'Policy Support and Vaccines Expected to Lift Activity' has projected India's Gross Domestic Product (GDP) to contract by 8% (**-8%**) in **FY20-21**. Earlier in its October's forecast, this estimate was -10.3%.

- It also projected India's GDP growth at **11.5%** in **FY 21-22**, which makes the country the only major economy of the world to register a double-digit growth 2021 amid the COVID-19.
- While in FY 22-23 the India's GDP will be at 6.8%.
- The global economy is projected to grow by **-3.5%** in 2020.
- On the **global** front, the **economy** is projected to grow by **5.5%** in 2021 from earlier 5.2%. The projection remained at 4.2% for 2022.

Highlights of the Outlook

Price

i. The oil prices are expected to rise in 2021 over 20% from the low base for 2020, however they will remain below their average for 2019.

ii. The Non-oil commodity prices will also increase with those of metals, in particular.

Growth in 2021

China will be next on the list after India, with 8.1% growth in 2021 followed by Spain (5.9 per cent) and France (5.5 per cent).

Point to Recall:

China is the only major country which had a positive growth rate of 2.3% in 2020.

Other Agencies GDP Estimates for India:

Fitch: -9.4%(2020-21); 11% (2021-22)

Organization for Economic Co-operation and Development (**OECD**): -9.9%(2020-21); 8%(2021-22)

CRISIL : -7.7%(2020-21); 10%(2021-22)

Recent Related News:

On December 15, 2020 Standard & Poors(S&P) Global Ratings has revised India's real Gross Domestic Product (GDP) FY21 rate upwards to -7.7%(contract by 7%) from -9% projected earlier on rising demand and falling COVID infection rates. The growth of India will rebound to 10% in FY22.

About International Monetary Fund (IMF):

Managing Director and Chairman of the Executive Board – Kristalina Ivanova Georgieva Kinova from Bulgaria

Headquarters– Washington, DC, United States of America (USA)

Members– 190 countries

India's GDP to Contract by 8% in 2020-21: FICCI

As per The Federation of Indian Chambers of Commerce & Industry (**FICCI**)'s recent Economic Outlook Survey, India's Gross Domestic Product (GDP) is expected to contract by 8 in (**-8%**) in 2020-21. This survey was conducted in January.

- The survey projected the **Fiscal deficit** for 2020-21 at **5%**.

- It also expects the Indian economy will perform better and have a median GDP growth rate of 9.6% for the financial year 2021-22, with a minimum growth and maximum growth at 7.5% and 12.5% respectively.

Economic Outlook Survey

The annual median growth forecast is based on the responses from leading economists representing the industry, banking and financial services sector.

Highlights of the Survey:

Quarter

The GDP growth in the 3rd quarter of 2020-21 to contract by 1.3%, this projection is as per the indication of quarterly median forecasts.

It is expected that there will be growth of 0.5% by the 4th quarter.

3 Main Sectors of Indian Economy

i. The median growth forecast for agriculture and allied activities is pegged at 3.5% growth for 2020-21.

ii. Industry and service sector will contract by 10% and 9.2% respectively during 2020-21.

- It is to be noted that **Agriculture** is the only sector among three main sectors of Indian economy namely, Industry and services that has registered a growth in 2020-21.

India Industrial Production

The median growth forecast for India Industrial Production (IIP) for 2020-21 is expected to be -10.7%, with a minimum range of -12.5% and maximum range of -9.5%.

WPI & CPI Based Inflation Rate

The Wholesale Price Index (WPI) based inflation rate is expected to be flat in 2020-21.

The Consumer Price Index (CPI) based inflation has a median forecast of 6.5% for 2020-21, with a minimum and maximum range of 5.8% and 6.6% respectively

Recent Related News:

The 'Asian Development Bank (ADB)'s 'Asian Development Outlook (ADO) 2020 Supplement: Paths Diverge in Recovery from the Pandemic' - December 2020, has revised India's Gross Domestic Product (GDP) FY21 rate upwards to -8% (contract by 8) from -9% projected in Asian Development Outlook 2020 Update in September 2020.

The Growth will return in 2021 at 8.0% in India.

About Federation of Indian Chambers of Commerce & Industry (FICCI):

Established– 1927

Headquarter– New Delhi, Delhi

President– Uday Shankar

UN Appointed Economist Jayati Ghosh to the 2nd term High-level Advisory Board on Economic, Social Affairs

Jayati Ghosh (65 years), Indian development economist has been appointed by the United Nations to its 2nd term of High-level Advisory Board (**HLAB-II**) on Economic and Social Affairs.

She has been appointed for a **2-year term** on the board of 20 prominent individuals which will provide recommendations for the U.N. Secretary-General to respond to the current and future socio-economic challenges in the post-COVID-19 world.

High-level Advisory Board on Economic, Social Affairs:

i. The UN's High-level Advisory Board (**HLAB**) on Economic and Social Affairs was first established in June 2018 to strengthen the United Nations Department of Economic and Social Affairs (**UN DESA**).

ii. It was established as a part of the efforts to enhance support to Member States of the United Nations in implementing the 2030 Agenda for Sustainable Development.

iii. The HLAB II will focus on strengthening the UN's leadership on sustainable development and to reinforce the impacts on the forefront of sustainable Development policies at global, regional and local level.

About Jayati Ghosh:

i. Jayati Ghosh is currently working as the Professor of Economics at the University of Massachusetts Amherst.

ii. She worked as the economics professor for around 34 years at Jawaharlal Nehru University, New Delhi.

iii. She has been serving as the Executive Secretary of International Development Economics Associates (IDEAS) since 2002.