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BANKING AND FINANCIAL AWARENESS DIGEST: JANUARY 2021

ADB AND GOI SIGNED LOAN AGREEMENT TO FINANCE HORTICULTURE IN HP

- The Asian Development Bank (ADB) and the Government of India has entered into a loan agreement to support the horticulture in Himachal Pradesh.
- They have signed a \$10 million project readiness financing (PRF) agreement for same.
- The funds under the PRF facility will support to undertake advanced solutions which will create an environment for subtropical horticulture development in the state.

'RUPAY POS'—BY RUPAY AND RBL BANK

- The National Payments Corporation of India (NPCI) announced that RuPay has partnered with RBL Bank to launch 'RuPay PoS' in association with PayNearby.
- The 'RuPay PoS' is an innovative payment solution for Indian merchants.
- It will help to convert smartphones into merchant Point of Sale (PoS) terminals for the retailers.

RBI DIGITAL PAYMENT INDEX

- The Reserve Bank of India has released the 'Digital Payments Index (DPI)' which measures the extent of digitisation of payments in India.
- The DPI is based on 5 key parameters which are used to measure deepening and penetration of digital payments in the country over different time periods.
- The base period considered to measure DPI is March 2018 by RBI with the score set at 100.

ADB APPROVED LOAN TO UPGRADE POWER DISTRIBUTION SYSTEM IN BANGALORE

- The Asian Development Bank (ADB) has approved the loan amount for India to upgrade the power distribution network in Bangalore city.
- ADB has approved the loan amount of USD 100 million (around Rs 730 crore) for same.
- Besides the USD 100 million sovereign loans, the ADB will also be providing to Bangalore Electricity Supply Company Ltd (BESCOM).

WORLD BANK, GOI AND WEST BENGAL GOV. SIGNED LOAN AGREEMENT

- The World Bank, Government of India and Government of West Bengal have entered into a loan agreement to improve waterways in West Bengal.
- For this purpose, a loan agreement of \$105 million was signed.
- This funds will be utilized to upgrade inland water transport infrastructure, logistics and special development project in Kolkata.

INDIAN ECONOMY TO CONTRACT BY 9.6% IN FY 2020-21—WORLD BANK

- The World Bank has predicted that India's economy to contract by 9.6% in FY 2020-21.
- It has also projected that India to recover growth to 5.4% in 2021.
- The global economy is expected to expand to 4% in 2021.

LEGAL ENTITY IDENTIFIER FOR NEFT, RTGS TRANSACTION ABOVE RS 50 CRORE

- The Reserve Bank of India has introduced Legal Entity Identifier (LEI) for the payment transactions above the value of Rs 50 crore in Centralised Payment Systems like RTGS and NEFT.
- It will be effective from 1st April 2021.
- The LEI is a 20 digit number which will be used to uniquely identify parties to financial transactions worldwide.

INDIAN ECONOMY TO CONTRACT BY 7.7% IN FY 2020-21--NSO

- The National Statistical Office (NSO) has predicted that India's GDP to contract by 7.7% for FY 2020-21.
- They have predicted this contraction on account of the impact of COVID-19 on the economy.
- NSO comes under the Ministry of Statistics and Programme Implementation (MOSPI).

RBI ANNOUNCED OPERATIONALIZATION OF PIDF SCHEME

- The Reserve Bank of India has announced the operationalization of Payments Infrastructure Development Fund (PIDF) Scheme.
- The functioning of PIDF Scheme will be managed by RBI's Deputy Governor, BP Kanungo.
- The main aim of this PIDF scheme is to increase the number of payment acceptance devices in Tier 3 to Tier 6 centres of India.

INDIA'S GDP TO CONTRACT AT 7.5% FOR FY2020-21—UBS INVESTMENT BANK

- The UBS Investment Bank, which is a major Swiss brokerage has projected that India's GDP to contract 7.5% for FY2020-21.
- It has also made an estimation that the economy will rebound at 11.5% in FY22.
- For FY2023, the UBS Investment Bank has projected that GDP growth will stabilize at 6%.

FSS PARTNERED WITH IPPB

- The global payment processor and integrated payment products provider, FSS (Financial Software and Systems) has announced its partnership with India Post Payments Bank (IPPB).
- They have partnered to boost the financial inclusion in underserved and unbanked areas of India.
- Under this partnership, IPPB will be able to offer banking services to around 410 million Jan Dhan accounts in India.

ICICI BANK PARTNERED WITH FINTECH NIYO

- India's private sector bank, ICICI Bank has partnered with Fintech Niyto to launch and issue prepaid cards to MSME workers.
- Due to this partnership, MSME will be able to avail 'ICICI Bank Niyto Bharat Payroll Card', which will be offered to MSME's blue-collar workers who are mostly unbanked.
- The card will also allow workers to get the benefit of the funds up to Rs. 1 lakh into the card account.

'YES BANK WELLNESS' AND 'YES BANK WELLNESS PLUS' CREDIT CARDS

- The Yes Bank in partnership with Aditya Birla Wellness Private Limited launched the themed credit cards.
- These themed credit cards are launched to offer holistic health, self-care and wellness facilities to the consumers.
- The holder of the cards will be able to avail complimentary health benefits by registering on Aditya Birla Multiply App.

YES MSME

- The private sector bank, Yes Bank has rolled out YES MSME.
- It is a proposition to strengthen MSMEs with fast and easy access to funds and support them with digital solutions.
- The Yes Bank under YES MSME programme will offer collateral-free funds up to Rs 5 crore.

'INSTAFX' MOBILE APP—ICICI BANK

- India's Private sector bank, ICICI Bank launched a new mobile application called 'InstaFX'.
- The 'InstaFX' app is launched to help the customers of any bank to get 'ICICI Bank Forex Prepaid Card' swiftly.
- Thus by doing so, ICICI Bank has become first in the country to offer this facility to money changers.

'AURA' CREDIT CARD—AXIS BANK

- India's private sector bank, Axis Bank has launched 'AURA' credit card.
- The AURA Credit Card comes up with health and wellness benefits features at an affordable cost to the users.
- To launch this card with exclusive benefit features, Axis Bank has partnered with Poshvine, Decathlon, Practo, Fitternity, IndushealthPlus, 1MG etc.

GRAYQUEST PARTNERED WITH SBM BANK INDIA

- India's Education Fintech Company named GrayQuest has entered into a partnership with SBM Bank India.
- They have partnered with SBM Bank India with an aim to offer support to its clients with affordable funds to pay their children's academic fees in monthly payments.
- Both the entities collaborated with an aim to enhance access to education in India by providing financial support to pay academic fees.

INDIA'S ECONOMY TO CONTRACT BY 8% -- BY IMF

- The International Monetary Fund (IMF) has revised the growth forecast for India.
- As per IMF, India's GDP to contract by 8% in the fiscal year 2021-22.
- For 2020, global growth to contract at 3.5% and the global economy to grow by 5.5% in 2021.

FRAMEWORK FOR STRENGTHENING GRIEVANCE REDRESS MECHANISM IN BANKS--RBI

- The Reserve Bank of India (RBI) announced the framework for strengthening the grievance redress mechanism in banks.
- It is also launched with an aim to address the complaints lodged by customers in a time-bound manner.
- The RBI also drafted this framework to have a review of these grievance redress mechanism by itself.