

ECONOMIC CURRENT AFFAIRS

APRIL 2021

1. Indian government provides NRs 800 crores financial aid to Nepal for road construction project

The Government of Nepal has identified 10 priority roads to be built under the Indian Government funding of INR 800 crores.

2. RBI's Bi-monthly Monetary Policy Review: Repo rate unchanged at 4%, real GDP projection retained at 10.5%

The MPC has retained the projection of real GDP growth for 2021-22 at 10.5 percent, informed RBI Governor Shaktikanta Das.

3. IMF upgrades India's growth forecast to impressive 12.5 per cent in 2021

India's projected growth rate in 2021 is stronger than that of China which was the only major economy globally to have a positive growth rate amid the pandemic in 2020.

4. RXIL becomes first TReDS platform to cross Rs 1,000 monthly throughout

The Receivables Exchange of India Ltd (RXIL) crossed the monthly transaction volumes of Rs 1,000 crore in the month of March.

Receivables Exchange of India Ltd (RXIL) is an RBI accredited TReDS platform that enables financing and discounting of trade receivables of MSMEs through several financiers.

It was incorporated in 2016 as a joint venture between the National Stock Exchange of India Limited (NSE) and the Small Industries Development Bank of India (SIDBI), the apex financial institution for promotion and financing of MSMEs in India along with ICICI Bank, Yes Bank, and State Bank as other stakeholders.

It is the first platform to receive the RBI's approval to launch the first TReDS Exchange of India.

TReDS - Trade Receivables Discounting System is an electronic platform that enables the financing and discounting of trade receivables of MSMEs from corporate and other buyers, including Government departments and Public Sector Undertakings (PSUs), through several financiers.

5. RBI increases limit of maximum balance for payment banks

The limit of maximum end-of-day balance for the payment banks is increased from Rs. 1 lakh per individual to Rs. 2 lakh with an immediate effect.

According to the RBI Governor Shaktikanta Das, the step has been taken to further the financial inclusion and for expanding the ability of the payment banks to cater to the customer's growing needs.

6. RBI to periodically publish Financial Inclusion Index

The Financial Inclusion Index will measure the extent of financial inclusion in the country.

The Financial Inclusion Index will be published annually in the month of July and it will cover the financial year ending on previous March month.

Annual **Financial Inclusion Index (FII)** will measure access and usage of a basket of formal financial products and services that includes savings, remittances, credit, insurance and pension products.

It would rate states on their performance on last-mile banking services availability.

The index will have three measurement dimensions, viz. (i) access to financial services; (ii) usage of financial services; and (iii) the quality of the products and the service delivery.

7. ADB approves USD 484 mn loan to improve CKIC in Tamil Nadu

The loan has been approved to improve the road maintenance and transport connectivity in the Chennai-Kanyakumari Industrial Corridor - CKIC in Tamil Nadu. The project aims at increasing the participation

of manufacturing industries in production networks and global value chains. It will also facilitate creating jobs along the corridor.

8. Ghaziabad lists India's first green municipal bonds on BSE

Ghaziabad becomes the first city in India to successfully issue 'green municipal bonds' on the Bombay Stock Exchange (BSE). Green Municipal Bonds are financial instruments for raising capital through the debt capital market. The issuer of these bonds raises capital from investors over a set time and repays the capital along with the interest when the bonds mature.

Unlike regular bonds, the issuer of green bonds is raising capital to fund 'green' projects and add to environmental benefit.

9. NCDC secures Rs. 600 crores loan from Germany's Deutsche Bank

An agreement in this regard was inked between National Cooperative Development Corporation - NCDC and Germany's largest bank, Deutsche Bank, in the presence of the Union Agriculture Minister Narendra Singh Tomar. The Union Minister also presided over the signing of an agreement between the NCDC and the Indian Chamber of Commerce- ICC in order to boost the farmers' linkages with the markets.

10. Axis Bank Theft

A security guard from a private company stole Rs 4.04 crore from the currency chest of Axis Bank located in sector 34 in Chandigarh on April 10 night. The accused has been nabbed but this robbery calls for an explainer on currency chests.

Currency chests are the rooms across selected branches of a bank where the Reserve Bank of India (RBI) stocks the money reserved for ATMs and banks.

Currency chests, located on the premises of different banks, are authorized by RBI. The money in these chests belongs to the RBI. There are 4,075 currency chests and 3,746-coin depots across the country. The RBI inspects these currency chests on a timely basis.

The RBI, with 31 offices across the country, receives the notes and coins post-printing.

The RBI then sends these notes to the currency chests of selected banks and coins to the coin depots of selected banks. These notes and coins are distributed to other bank branches.

11. Union Minister for Commerce & Industry Piyush Goyal launches Startup India Seed Fund Scheme

The scheme will support the domestic entrepreneurs as well as their business ideas that often are not able to take off because of the absence of critical capital at an early stage.

The Startup India Seed Fund Scheme aims at ensuring the adequate availability of funds, especially to the startups with good ideas in various fields.

The scheme will help in securing seed funding, support the transformative ideas, will inspire innovation, and will also facilitate the implementation of the ideas.

As the smaller towns in India are often not provided with appropriate funding, the scheme will help in creating a robust startup ecosystem in Tier 2 and 3 regions.

The scheme will be implemented from April 1, 2021. It aims at supporting an estimated 3,600 entrepreneurs through 300 incubators.

12. RBI issues guidelines regarding term of bank MDs, CEOs

As per the latest RBI guidelines, the post of Managing Director (MD) and Chief Economic Officer (CEO) MD or Whole Time Director (WTD) of a bank cannot be held by the same person for more than 15 years.

The apex bank clarified that the guidelines are not applicable to foreign banks operating as branches in India.

13. India ranked 49th in Chandler Good Government Index (CGGI).

India has been ranked 49th in the Chandler Good Government Index (CGGI) 2021 among 104 countries in terms of government capabilities.

The Chandler institute of Governance, headquartered in Singapore, releases the **Chandler Good Government Index (CGGI)**.

The CGGI is the index of effective governance in the world. It ranks 104 countries in terms of their government capabilities and outcomes.

The Chandler Good Government Index shows the importance of measuring and investing in governance capabilities that matter. It highlights a key need for ‘pracademics’ in government *i.e.* people who combine a rigorous understanding of research and data with a practical and grounded sense of what governments need to do to succeed,” he added.

Finland, with an index score of 0.848, ranked first on the CGGI list. Switzerland, Singapore, Netherlands, and Denmark ranked second, third, fourth and fifth on the CGGI list, respectively.