

Testwale Current Affairs PDF

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1. No TDS on one time settlement of loans: CBDT (Sept. 14, 2022)

The Central Board of Direct Tax (CBDT) has clarified in a circular issued on 13 September 2022 that the banks are not required to deduct 10 per cent Tax Deduction at Source (TDS) on one-time settlement (OTS) or loan waivers.

- The CBDT said OTS on loan waiver by a bank will not be treated as a benefit or a perquisite and not face Tax Deduction at Source (TDS) as they would have to bear the additional cost of tax deduction along with the haircut.

IMPORTANT FACTS -

Who will benefit ?

- This exemption from TDS includes public financial institutions, scheduled banks, cooperative banks, rural development banks, state financial corporations, and state industrial investment corporations.

Others who are exempted from TDS :

- The CBDT also clarified that the TDS provisions will not apply to the issuance of **bonus/ rights shares** issued by a company ,where bonus/rights shares are issued to all shareholders of such a company.

Concept clearing :

One time Settlement :

- It is a scheme which is offered to the defaulters who are unable to repay their loans and does not seem in foreseeable future to generate enough resources to pay back the loans.
- In these types of loan settlements banks often take Haircuts on the loan.

Haircut on loan settlement :

- Haircut simply means that banks are willing to accept less than what is their due. For example if the person owes Rs 100 to the bank the bank accepts Rs 80 from the borrower and closes the loan. Here the bank is taking a haircut of 20%.

Tax Deduction at Source (TDS) :

- It was introduced under the Income Tax Act 1961 to stop tax evasion. The concept of TDS was introduced with an aim to collect tax from the very source of income.
- As per this concept, a person (**deductor**) who is liable to make payment of specified nature to any other person (**deductee**) shall deduct tax at source and remit the same into the account of the Central Government.

- The deductee from whose income tax has been deducted at source would be entitled to get credit of the amount so deducted on the basis of Form 26AS for TDS certificate issued by the deductor.
- For example a person opens a fixed deposit with a bank and deposits an amount. If the interest income on the deposit is more than Rs 5000 per year then the bank will deduct 10% TDS on the interest amount. So if the interest income is Rs 6000 per year then the bank will deduct $1000 \times 10\% = \text{Rs } 100$.
- Here the bank is the deductor while the depositor is the deductee.

The TDS rates are different for different financial transactions.

Bonus issues :

- When a company issues new shares of the company to its existing shareholder in the form of dividend then it is called as Bonus issues.

Right Issue :

- When a company issues new shares to its existing shareholders at a price, it is called Right Issues.

ADDITIONAL INFORMATION -

Central Board of Direct Taxes (CBDT) :

- The Central Board of Direct Taxes is a statutory authority functioning under the Central Board of Revenue Act, 1963.
- The CBDT is a part of the Department of Revenue in the Ministry of Finance.
- On one hand, CBDT provides essential inputs for policy and planning of direct taxes in India, at the same time it is also responsible for administration of direct tax laws through the Income Tax Department.
- Chairperson: **Nitin Gupta**

2. Honda motorcycle to launch fully ethanol run two wheelers in 2025 (Sept. 14, 2022)

World's largest motorcycle manufacturer company Honda has announced that it will introduce ethanol-only motorcycles in India in the year 2025.

The Japanese company is the **first company** in the world to introduce a bike powered by an eco-friendly fuel mixed with bio-ethanol and petrol. It was first introduced in **Brazil in March 2022.**

IMPORTANT FACTS -

Ethanol fuel based Bike :

- Initially Honda will introduce E 20 fuel bikes having a fuel content of 20 percent ethanol mixed with petrol in 2023.

- It will introduce an E100 fuel bike having a fuel content of 100 percent ethanol in 2025.

Biofuels in India :

- Bio fuel is the fuel obtained by mixing hydrocarbon based fuel with agricultural produce. In India, Ethanol obtained from molasses (produced during the production of sugar from sugarcane) is mixed with Petrol.

Target set by government of India :

- Under the national Biofuel policy 2018 as amended in 2022, the government of India has set a target of:
- 10% blending of petrol with ethanol by **2022**
- 20% blending of petrol with ethanol by **2025-26**
- 10% blending of ethanol with diesel or biodiesel by **2030**.

3. Govt constitutes M Damodaran committee to suggest ways to attract VC/PE investments (Sept. 13, 2022)

The Union Ministry of Finance on 13 September 2022 has set up a committee to suggest ways to attract venture capital and private equity (VC/PE) investments in India.

IMPORTANT FACTS -

- The Committee will be headed by the former chairman of the Securities and Exchange Board of India (SEBI), **M Damodaran**.
- The Finance minister in her Budget speech for the fiscal year 2022-23 had stated that the government was considering forming a committee that will encourage Private Equity and Venture Capital investment in India.
- According to the Ministry the committee will "comprehensively study, using a systems approach, the end-to-end frictions and potential accelerants from regulatory policy and taxation to facilitate ease of investing, as well as to encourage investments in India".

Venture Capital Fund and Private Equity are regulated by SEBI in India.

4. Newly Constituted Board of Trade first meeting held in New Delhi (Sept. 13, 2022)

The first meeting of the newly constituted Board of Trade was held in New Delhi on 13 September 2022. The meeting was presided over by the Union Minister for Commerce and Industry Piyush Goel.

The Board of Trade meeting focused on export target setting, the new Foreign Trade Policy (2022-27), and the strategies and measures to be taken in order to take forward domestic manufacturing and exports.

IMPORTANT FACTS -

Board of Trade and its functions :

- The Board of Trade was set up by the government of India by merging Council for Trade Development and Promotion with Board of Trade,
- The Board of Trade advises the Government on policy measures connected with the Foreign Trade Policy in order to achieve the objectives of boosting India's trade.
- It provides a platform to state governments and Union Territories (UT) for articulating state-oriented perspectives on Trade Policy.
- It also acts as a platform to the Government of India for appraising State Governments and UT about international developments affecting India's trade.
- It is an important mechanism for deliberations on trade related issues with industry bodies, associations, export promotion councils, and state and UT governments.

5. Vedanta, Foxconn signs MoU with Gujarat government to set up a semiconductor unit in the state (Sept. 13, 2022)

In a boost to the government's semiconductor mission, Anil Agarwal led Vedanta Group and electronic manufacturing giant Foxconn of Taiwan signed a Memorandum of Understanding (MoU) with the Gujarat Government on 13 September 2022 to set up a FAB manufacturing unit in the state. The manufacturing unit which will include display and semiconductor facilities will be set up near Ahmedabad.

Update on 16 September 2022

The Vedanta Limited has issued a clarification on 16 September 2022 that **Volcan Investments** would undertake the business of manufacturing semi-conductors and not Vedanta Limited. Volcan Investments is a holding company wholly owned by the Agarwal family trust. It is also the majority shareholder of the London based Vedanta Resources and owns more than 50 percent stake in Vedanta India. However, unlike Vedanta India, Volcan Investments is unlisted.

- The agreement was signed in the presence of Union Minister for Railways, Communication, Electronics and Information Technology **Ashwini Vaishnaw**.
- A fab (fabrication facility) is short for fabrication plant where raw silicon wafers are processed and turned into integrated circuits.

IMPORTANT FACTS -

Joint Venture partners :

- The manufacturing giant Foxconn will be the technical partner in the Joint venture while the oil-to-metals conglomerate Vedanta is financing the project, as it looks to diversify into chip manufacturing.

- **Under the Joint Venture , Volcan Investment will hold a majority stake of up to 60%, and the remaining 40% will be held by Foxconn.**
- The total investment in the manufacturing unit will be Rs 1, 54,000 crore to set up the facility in Gujarat which is expected to create one lakh job opportunities.

Other Chip manufacturing proposals :

- Vedanta is the third company to announce a chip plant location in India after international consortium **ISMC** and Singapore-based **IGSS Ventures**, which are setting up in the southern states Karnataka and Tamil Nadu, respectively.
- The world chip market is dominated by China and Taiwan and India wants to be self-sufficient in this critical technology

India's Semiconductor Mission :

- On 29 December 2022, the Information Technology Minister, Ashwini Vaishnaw, launched the India Semiconductor Mission.
- Under the policy, the government will provide Rs 76000 crore incentives for companies setting up manufacturing facilities in India.
- This was done by the government to encourage companies to set up chip manufacturing plants in India.

What is semiconductor :

- Semiconductors are materials which have a conductivity between conductors and insulators. They can be pure elements, silicon or germanium or compounds; gallium, arsenide or cadmium selenide.
- They are the basic building blocks that serve as the heart and brain of all modern electronics and information and communications technology products.
- These chips are now an integral part of contemporary automobiles, household gadgets and essential medical devices such as ECG machines.

Fabrication units in India :

- Currently, India has two fabrication facilities (fab). One is Society for Integrated Circuit Technology and Applied Research (SITAR) of the Defense Research and Development Organisation (DRDO) in Bengaluru and a semiconductor laboratory in **Chandigarh**, which builds silicon chips for strategic purposes like defense and space and not for commercial use.

ADDITIONAL INFORMATION -***Vedanta limited :***

- It is a multinational company headquartered in Mumbai, India.
- It is in the business of Zinc-Lead-Silver, Iron ore, Steel, Copper, Aluminium, Power, Oil and Gas.
- The Chairman of Vedanta group: **Anil Aggarwal**

6. MeitY Startup Hub, Meta to launch program to accelerate XR technology startups in India (Sept. 13, 2022)

The Ministry of Electronics and Information Technology (MeitY) will launch a program to support and accelerate XR technology startups across India in collaboration with Startup Hub META.

IMPORTANT FACTS -

- This collaboration is part of the government's efforts to skill in emerging and futuristic technologies.
- With a large talent pool of creators, developers and a vibrant technology ecosystem, India has the potential to play a significant role in the metaverse.
- MeitY Startup Hub, an initiative of MeitY, is a national platform focused on promoting technology innovation, start-ups and creation of intellectual property.
- Currently, it has over 3,000 tech startups, with the expectation of growing to over 10,000 startups in the next three to five years.

Minister of Electronics and IT - **Ashwini Vaishnaw**

7. India joins 3 pillars of the US led Indo-Pacific Economic Framework (IPEF) (Sept. 10, 2022)

India has decided not to join the trade pillar of the United States-led [Indo-Pacific Economic Framework \(IPEF\)](#) for now but has agreed to join the other three pillars: supply chains, tax and anti-corruption and clean energy.

IMPORTANT FACTS -

- This was declared by the Union Commerce and Industry Minister **Piyush Goel** at the end of the trade ministers first in person meeting of the IPEF, held in Los Angeles, United States on 9 September 2022.

Why India has not joined the Trade pillar :

- The Minister said that the trade pillar which deals with trade requires commitment of the member countries on environment, labour, digital trade, and public procurement.
- He said that India is not certain what benefit it will get by joining this trade pillar.
- He expressed the fear that the trade pillar may set high standards of compliance which may discriminate against the developing countries.
- Giving an example he said that the United State has set a high standard on environment protection which is applicable on the energy companies. It has set stringent norms for

power plants so that they are low polluting and more environment friendly. This mandates investment in new technology which makes the power produced costly.

- If India follows the US standards then it will adversely impact India's economic development. India needs cheap power so that it is accessible to all. It cannot afford costly powers.
- Similar concerns are also there in the field of labour, digital trade, and public procurement.

8. Gadkari calls for joint effort to achieve 5 trillion dollar economy goal (Sept. 9, 2022)

While addressing the 41st Meeting of the Transport Development Council at Bengaluru ,Karnataka on 9 September 2022 ,Union Minister for Road Transport and Highways Nitin Gadkari said that both the Centre and the States should work together to transform the transport sector.

IMPORTANT FACTS -

- The 41st Transport Development Council meeting was held as part of the 3 day '**Manthan**' organised by the Union Ministry of Road Transport and Highways at Bengaluru.
- Gadkari said that" In the next five years, both the Centre and the states should work together to transform the transport sector of the country to become a five trillion-dollar economy,"
- In 2019, Prime Minister Narendra Modi envisioned making India a \$5 trillion economy and global powerhouse by **2024-25**.
- He further said that efforts should be made to increase the automobile industry from **7.5 lakhs crore to 15 lakhs crore in the next 5 years** enabling India as a top automobile manufacturing hub in the world.
- Ministers of Transport from Uttar Pradesh, Madhya Pradesh, Uttarakhand, Himachal Pradesh, Manipur, Goa, Karnataka, Delhi and Tamil Nadu participated in the 41st Transport Development Council.

9. Indian origin Devika Bulchandani appointed as the Global CEO of Ogilvy (Sept. 9, 2022)

The leading global advertising and public relations agency Ogilvy has named India-born American citizen Devika Bulchandani as its Global Chief Executive Officer. Ogilvy is part of the London based British multinational company WPP.

IMPORTANT FACTS -

- The Amritsar born 53 years old Bulchandani is the latest in a number of Indian origin persons taking leadership positions in multinational companies.
- Last week coffee giant Starbucks appointed **Laxman Narasimhan** as its chief executive.

- The list includes Microsoft CEO **Satya Nadella**, Adobe CEO **Shantanu Narayen**, Alphabet CEO **Sundar Pichai**, Twitter head **Parag Agrawal**, **Leena Nair** from Chanel, IBM Group CEO Arvind Krishna, Bata CEO **Gunjan Shah**, and Novartis CEO **Vasant Narasimhan**.

10. NTPC to Supply Renewable Power to Army's Western command for next 27 years (Sept. 9, 2022)

India's largest power company **NTPC** has signed a long term agreement with the Army's Western Command to supply 25 MW/year of solar power from the national solar grid of the country for the next 27 years.

IMPORTANT FACTS -

- This is the first agreement by the Indian Armed Forces for sourcing power from renewable energy sources," said NTPC in a Twitter post.
- The Memoranda of Understanding (MOU) was signed at Western command headquarters, Chandimandir, Haryana on 8 September 2022.
- According to a statement issued by the Western Command, the new move will decarbonize upto 38 percent of the energy portfolio of Western Command, apart from accruing a substantial savings to the exchequer.
- The solar energy will be sourced from **Sholapur in Maharashtra**.

NTPC Renewable energy capacity :

- Presently, NTPC has 2.3 GW of commissioned renewable capacity.
- The NTPC Group plans to achieve 60 Giga Watt of renewable energy by 2032.
- NTPC recently commissioned India's **largest floating solar plant at Ramagundam, Telangana**. It is a 100 MW plant.

ADDITIONAL INFORMATION -

Command structure of the Indian Army :

- The Headquarter of the Indian Army is at New Delhi with the President being the Commander in Chief of the Army.
- Headquarters of the Indian Army: **New Delhi**
- Chief of Army Staff: **General Manoj Pande**
- The Indian Army has **6 operational commands** and one Training command. Each command is headed by a General Officer Commanding in Chief with the rank of Lieutenant General.

Command	Headquarters
Western Command	Chandimandir (Haryana)
Eastern Command	Kolkata (West Bengal)
Southern Command	Pune(Maharashtra)
Northern Command	Udhampur(Jammu)
Central Command	Lucknow (Uttar Pradesh)
South -Western Command	Jaipur (Rajasthan)
Army Training Command	Shimla(Himachal Pradesh)

Army Day is observed on 15 January every year.