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### **1. Global Findex Database 2021 ( July 8, 2022 )**

The World Bank recently released the “Global Findex Database 2021”.

- **Major findings of the report**

- **Account ownership**

- According to this report, account ownership has increased worldwide.
- Today three out of four adults have a financial account, according to this report. Yet 1.4 billion adults do not have a bank account.
- Account ownership has increased by 50% worldwide, with 76 percent of the adult population having access to accounts.
- Account ownership has increased widely in dozens of developing economies, and most new accounts have been opened in India and China.

- **Access to Formal Banking**

- The bulk of the global population (130 million and 230 million, respectively) without formal banking lives in India and China.
- Men in developing countries accounted for 74%, while women were six points behind, with 68% of the accounts.

- **Unbanking**

- Globally 24% of adults are unbanked, with one of various reasons being a lack of money, with distance being a barrier for 31% of unbanked adults.
- People who do not have an account with any financial institution or mobile money service provider are classified as unbanked.
- Globally, 64% of unbanked adults are educated at the primary level or below.
- 36% of unbanked adults worldwide say financial services are too expensive.

- **Covid-19 and digital payments**

- In 2021, 18% of adults in developing countries paid utility bills directly from the account. About one-third of these bills were paid online for the first time.

- **Mobile money**

- Mobile Money is supporting financial inclusion in sub-Saharan Africa, especially for women.
- There are 11 economies where adults have more mobile money accounts than financial institution accounts, all located in sub-Saharan Africa.

**2. Vivo India transferred Rs 62,476 crore to China to avoid taxes ( July 8, 2022 )**

According to a statement issued by the Enforcement Directorate, Rs 62,476 crore has been "illegally" transferred to China by smartphone maker Vivo to evade payment of taxes in India between 2017 and 2021.

**• Important facts**

- 18 companies that were incorporated fraudulently helped the smartphone maker Vivo to transfer 50 percent of the turnover outside India to mainly China.
- Under the provisions of the Prevention of Money Laundering Act (PMLA), 119 bank accounts of entities with a gross balance of Rs 465 crore have been seized so far.
- While transferring money to China, Vivo India has shown losses in most of its associate firms.
- The Ministry of Corporate Affairs (MCA) has filed a police complaint against Vivo's subsidiary Grand Prospect International Communication Pvt Ltd (GPICPL), its directors, shareholders, certifying professionals etc.

**• Prevention of Money Laundering Act**

- It was enacted in 2002 and came into force in 2005.
- The objective of the Act is to prevent money laundering, that is, the process of converting black money into white.
- The Act empowers government officials to confiscate property acquired through illegal sources and money laundering.
- Under the Act the burden of proof lies with the accused, who has to prove that the suspect property has not been obtained through unfair means.

**• Enforcement Directorate**

- It is a specialised financial investigation agency under the Department of Revenue, Ministry of Finance, Government of India.
- It is a law enforcement and economic intelligence agency responsible for enforcing economic laws and fighting economic crime in India.
- Its name was changed to Enforcement Directorate (ED) in 1957.
- Its headquarters is in New Delhi and has many regional offices all over the country.
- The Directorate of Enforcement (ED) - Sanjay Kumar Mishra

**3. HDFC, ICICI, Axis Bank allowed to provide services for overseas procurement ( July 7, 2022 )**

The Defence Ministry on 7 July has approved three Private Sector Banks to provide financial services in overseas procurement.

- The ministry has allowed HDFC Bank, ICICI Bank and Axis Bank to provide letter of credit and direct bank transfer business for overseas procurement.
- In this regard, PCDA on behalf of the Ministry of Defence had recently signed a Memorandum of Understanding (MoU) with these three banks in New Delhi.
- Till now only authorized public sector banks were used to provide these services to the Ministry of Defence.
- For the first time, three private sector banks have also been allowed by the Defence Ministry to provide financial services for overseas procurement.
- Selected banks can be allotted with LC business of Rs 2,000 crore (Rs 666 Crore for each bank under both capital as well as Revenue) on capital and revenue side for a period of one year on concurrent basis.
- The performance of these banks will be regularly monitored so that further action can be taken as required.

#### **4. Hurun India Future Unicorn Index 2022 ( July 6, 2022 )**

According to the findings of the recently released Hurun India Future Unicorn Index 2022 by Hurun Research Institute, Bengaluru continues to be the start-up capital of India. It is home to 46 possible unicorns.

- After Bangalore, Delhi NCR has 25 potential unicorns.
- Mumbai is in third place with 16 possible unicorns.
- **Important facts of the index**
  - According to this index, there will be 122 new unicorns in India in the next two to four years.
  - Startups Zepto, Shiprocket, Turtlemint are in the top list of potential unicorns according to this report.
- **Classification of companies**
  - **Will-Be Unicorns** - Companies that were founded after 2000 and were valued at least US\$1 billion.
  - **Gazelles** - Companies that are likely to become unicorns in the next two years.
  - The Gazelles are expected to be valued between USD 500 million and USD 1 billion.
  - The Gazelles pack is led by Shiprocket, a five-year-old logistics tech start-up.
  - Shiprocket is followed by Zepto, Turtlemint, Ather Energy and Vivriti Capital.
  - The other five start-ups on the list include Ninjakart, Rapido, Dunzo, Cleartax and Twin Health.

- **Cheetah** – The start-up that could turn into a unicorn in the next four years.
- Pepperfry leads the cheetah pack. After this comes the number of Juspay and Mswipe Technologies.
- Sugar Cosmetics, ZestMoney, Waycool, QMath, Bluestone, Winzo are other startups in this list.
- **What is a Unicorn Company?**
- A unicorn is a private start-up company, valued at over USD 1 billion.

## **5. Govt hands over Nilachal Ispat Nigam Limited to Tata Steel Long Products Limited ( July 5, 2022 )**

In Odisha, the Department of Investment and Public Asset Management (DIPAM) completed the strategic disinvestment process of Neelachal Ispat Nigam Limited (NINL) on 4 July.

- The disinvestment transaction was completed with the transfer of 93.7 per cent shares of the Joint Venture partners namely, MMTC, NMDC, BHEL, MECON.
- All four are Central Public Sector Enterprises and two PSUs of Government of Odisha, OMC and IPICOL to the strategic buyer Tata Steel Long products Limited.
- The acquisition is completed in accordance with the terms and conditions of the share sale and purchase agreement entered into on March 10, 2022 and as per the procedure of Department of Disinvestment and Public Asset Management (DIPAM).
- The total consideration paid by TSLP is Rs 12,100 crore.
- NINL is the second successful privatization of the present government.
- Air India, the first company in the privatization list, was also bought by the Tata group.
- There is also a plan to increase the capacity of NINL to 10 million tonnes per annum by 2030.
- The NINL was non-functional for over two years.
- NINL was not functioning for more than two years and was running at a loss.
- The disinvestment of the NINL will open up a big investment window in Odisha.
- **About Tata Steel**
- Tata Steel was established in India in 1907 as Asia's first integrated private steel company.
- It is one of the top global steel companies with an annual crude steel capacity of 34 million tonnes per annum.
- It is spread across five continents with an employee base of over 65,000 including its subsidiaries, affiliates and joint ventures.

- Tata Steel has won several awards including World Economic Forum's Global Lighthouse Recognition for its Jamshedpur, Kalinganagar and Jamuiden plants.
- It has won the Prime Minister's Trophy for the best performing integrated steel plant for 2016-17.

## **6. Business Reforms Action Plan (BRAP) Report, 2020 ( July 4, 2022 )**

Recently the Union Finance Minister Nirmala Sitharaman has released the Ease of Doing Business (EoDB) ranking of the Ministry of Commerce and Industry, which is based on the Business Reforms Action Plan (BRAP) Report, 2020.

- The objective of the ranking is to promote ease of doing business to encourage investors and ease of doing business across the country through a healthy competitive environment through a system of assessing states based on their performance in the BRAP.
- The parameters include various areas, such as construction permits, labour regulation, environmental registration, access to information, land availability and single window system.
- **The Business Reforms Action Plan (BRAP) report has classified the states into four categories -**
  - **Top Achievers**
    - Seven states - Andhra Pradesh, Gujarat, Haryana, Karnataka, Punjab, Telangana and Tamil Nadu - were classified as 'Top Achievers' in the Ease of Doing Business ranking of states and union territories.
  - **Achievers**
    - Himachal Pradesh, Uttar Pradesh, Odisha and Madhya Pradesh are the other states classified as achievers in the ranking.
  - **Aspirants**
    - Seven states - Goa, Assam, Kerala, Rajasthan, Jharkhand, Chhattisgarh and Bengal - have been classified as 'aspirational' districts.
  - **Emerging Business Ecosystem**
    - Six states - Manipur, Meghalaya, Nagaland, Tripura, Puducherry and Jammu and Kashmir - were 'emerging trading ecosystems'.
- **About BRAP**
  - It was launched in the year 2015.
  - It was introduced to encourage a healthy competition among the states.
  - This will help in attracting investment and ease of doing business in each state.

- The Department for Promotion of Industry and Internal Trade has been assessing the performance of States/UTs since 2014 in implementing the reforms prescribed in the BRAP exercise.
- So far, the estimates of States/UTs for the years 2015, 2016, 2017-18, 2019 and 2022 have been released.

## **7. Establishment of Financial Services Institutions Bureau in place of Banks Board Bureau ( July 4, 2022 )**

The Cabinet Appointments Committee (ACC) has passed a government resolution to establish the Financial Services Institutions Bureau (FSIB) in place of the Banks Board Bureau (BBB).

- The new framework was proposed by the Department of Financial Services, Ministry of Finance.
- The Delhi High Court had nullified the BBB's power to select directors of public sector undertakings, general insurance companies and the government had already implemented the decision by cancelling all appointments of then serving directors chosen by the BBB.

### **• Financial Services Institutions Bureau**

- The Bureau of Financial Services Institutions will select the heads of public sector banks and insurance companies.
- The FSIB will have a clear mandate to issue guidelines and select general managers and directors of state-run non-life insurance companies, general insurers and financial institutions.
- FSIB will be the single body to make recommendations for appointment of whole time directors and non-executive chairman in public sector banks, India Private Limited Company and financial institutions.
- The Department of Financial Services will make necessary amendments in the first Nationalised Banks (Management and Miscellaneous Provisions) Scheme 1970/1980 (Revised).
- Chairman of FSIB- ACC has approved the appointment of Bhanu Pratap Sharma as the initial chairman of FSIB for two years. He is also the former president of BBB.

### **• Banks Board Bureau (BBB)**

- The Banks Board Bureau (BBB) was formed in the year 2014 based on the recommendations of P J Nayak to address the challenges faced by the banking sector of the country.
- The BBB functions as an autonomous recommender body.
- The Banks Board Bureau was a public authority as defined in the Right to Information Act, 2005.

- Besides recommending personnel for public sector banks, the bureau was also entrusted
- with the task of recommending personnel for appointment as directors in state-owned insurance companies.
- It was also entrusted with the task of liaising with the Board of Directors of all PSBs to devise suitable strategies for their growth and development.

## **8. GST (Goods and Services Tax) Day ( July 2, 2022 )**

To commemorate the anniversary of the implementation of the historic tax reform of the Goods and Services Tax, 1 July is observed as GST (Goods and Services Tax) Day.

### **• Important facts**

- The first GST Day was celebrated on 1st July 2018 to mark the first anniversary of the new indirect tax regime i.e. Goods and Services Tax (GST).
- GST was implemented on the intervening night of 30 June and 1 July 2017 in a function held in the Central Hall of Parliament.
- On 29 March 2017, the Goods and Services Tax Act was passed in the Parliament and the Act came into force on 1 July 2017.
- GST was enacted as the 101st Constitutional Amendment Act, 2016.

### **• What is GST?**

- GST is an indirect tax which has been implemented with the aim of making India a unified common market.
- It is a single tax levied on the supply of goods and services from the producer to the consumer.
- Under GST, on the one hand indirect taxes like Central Excise Duty, Additional Excise Duty, Service Tax, Countervailing Duty are included at the Central level.
- On the other hand, state-levied value addition tax, entertainment tax, octroi and entry tax, luxury tax, etc. are also included.
- It was introduced with the slogan 'One Nation One Tax'.

### **• Tax Structure under GST**

- Central GST (CGST) to cover excise duty, service tax etc.
- State GST (SGST) to cover VAT, luxury tax etc.
- Integrated GST (IGST) to cover inter-state trade.
- IGST itself is not a tax but a tax system to coordinate state and union taxes.
- It has a 4-tier tax structure of 5%, 12%, 18% and 28% for all goods and services under the slab.

**9. PM Modi launches 'Raising and Accelerating MSME Performance' scheme ( July 2, 2022 )**

Prime Minister Narendra Modi launched the 'Raising and Accelerating MSME Performance' (RAMP) scheme under the Entrepreneur India Program at Vigyan Bhawan, New Delhi.

**• RAMP Scheme**

- The scheme was announced by the Finance Minister in the Union Budget 2022-23.
- Recommendations for RAMP Scheme KV Kamath Committee, UK Sinha Committee and the Prime Minister's Economic Advisory Council (PMEAC).
- It is a World Bank assisted central sector scheme under which the Ministry of Micro, Small and Medium Enterprises (MoMSME) is providing necessary support to address the challenges related to COVID-19.
- The total financial outlay for the RAMP scheme is Rs 6,062.45 crore (\$808 million).
- The World Bank will provide a loan of Rs 3750 crore (\$500 million) for this program and the remaining Rs 2312.45 crore (\$308 million) is being funded by the central government.

**• Program Objective**

- The objective of the scheme is to improve access to credit and markets, as well as strengthen institutions and governance in the state and at the Centre.
- It will also look at improving Centre and State partnerships as well as resolving issues related to delayed payments.
- MSME capacity will also be increased through this program and MSME coverage will also be increased in the states and union territories.
- The scheme will promote skill development, capacity building, technology up-gradation, quality enhancement, outreach, digitization, marketing promotion etc.

**• Plan implementation and monitoring**

- Strategic Investment Plans (SIPs) will be prepared for the implementation of RAMP and all the States and Union Territories of the country will be invited to provide inputs.
- An outreach plan will be made to mobilise and identify MSMEs through SIPs.
- The National MSME Council, which will be chaired by the Minister of MSME and comprising representatives from other ministries as well as a Secretariat, will monitor and evaluate the scheme.

**10. GST collections up 56% to ₹1.44 lakh crore in June ( July 2, 2022 )**

Goods and Services Tax (GST) revenue rose to ₹1.44 lakh crore in June, a 56 per cent increase over the same month last year.

- The GST collection in June last year was Rs 92,800 crore.
- Revenue from imports of goods grew 55%, while imports of domestic transactions and services were up 56% in June.
- The GST revenue in the month of May was around ₹ 1.41 lakh crore.
- This is the fifth time the monthly GST collection crossed the 1.40 lakh crore rupees mark since the inception of GST.
- The average monthly gross GST collection for the first quarter of 2022-23 stands at ₹1.51 lakh crore as against ₹1.10 lakh crore in the corresponding quarter last year, showing a growth of 37%.

- **Several States record over 50% growth**

- Tamil Nadu registered a growth of 83% in June GST collection, followed by Uttarakhand (82%), Haryana (77%), Karnataka (73%), Maharashtra (63%), West Bengal (58%), Rajasthan (56 %), followed by Punjab (51%) and Gujarat (50%).

- **Reason for increase in GST collection**

- economic recovery, anti-evasion activities, especially action against fake billers have contributed to the enhanced GST.

- **What is GST?**

- It is a value-added tax levied on most goods and services sold for domestic consumption.
- It is an indirect tax that has replaced many indirect taxes in India such as excise duty, VAT, services tax, etc.
- GST is levied at four rates 5%, 12%, 18% and 28%.
- The Goods and Services Tax Act was passed in the Parliament on 29 March 2017 and came into force on 1 July 2017.