

## Testwale Current Affairs PDF

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### **1. Ministry of Steel signs MoU with selected companies under PLI scheme ( March 17, 2023 )**

Ministry of Steel signs MoU with selected companies under PLI scheme

The **Ministry of Steel** on 17 March **signed MoUs with selected companies under the Production-linked Incentive (PLI) scheme** for specialty steel in New Delhi.

#### **An overview of the news**

- India has become a growth center for the future of the steel industry. India will play an important role in this sector in the next two decades.
- A total of **57 MoUs were signed with 27 companies during the event.**
- The production linked incentive scheme aims to boost domestic manufacturing and cut down on import bills by encouraging local companies to set up or expand existing manufacturing units.

#### **Production Linked Incentive (PLI) scheme**

- It is an initiative that provides incentives to **domestic industries to promote production at the local level.**
- Through this scheme, the government aims to incentivize **companies to increase the sales of manufactured products in domestic units.**
- The **objective of the scheme is to make domestic manufacturing globally competitive and to become a global champion in manufacturing.**
- The government has launched this scheme with an outlay of around **Rs 2 lakh crore for 14 sectors** including Automobiles and Auto Components, White Goods, Pharma, Textiles, Advanced Chemistry Cell and Specialty Steel.

### **2. RBI and Central Bank of UAE signed a Memorandum of Understanding (MoU) to promote innovation in financial products and services ( March 16, 2023 )**

Central Bank Digital Currencies (CBDCs) and examine interoperability between the CBUAE and the CBDCs of the RBI.

The MoU involves both the central banks working together to explore **Central Bank Digital Currencies (CBDCs) and examine interoperability between the CBUAE and the CBDCs of the RBI.**

#### **An Overview of the News**

- The cooperation aims to increase efficiency and reduce costs in cross-border transactions, which further the **economic ties between India and the UAE.**

- The MoU also includes **technical cooperation and knowledge sharing on matters related to fintech and financial products and services.**
- The collaboration between RBI and CBUAE is an important step towards **fostering innovation and collaboration in the area of FinTech.**
  - The joint exploration of CBDCs and cross-border testing is expected to pave the way for increased efficiency and cost reduction in cross-border transactions, benefiting both India and the UAE.

### **About Reserve Bank of India (RBI)**

- The Reserve Bank of India (RBI) was established through the **Reserve Bank of India Act 1934** and began operations on **April 1, 1935.**
- The Government of India **nationalised the RBI in 1949**, and since then it is wholly owned by the government.
- Under the **Banking Regulation Act of 1949**, RBI has the authority to regulate banks in India.
- RBI is also empowered to regulate **Non-Banking Financial Companies (NBFCs)** under the RBI Act of 1934.
- The **Payment and Settlement Act of 2007** designates the RBI as the regulator for digital payment systems.
- The headquarter of RBI is located in **Mumbai, India.**

### **3. 3 lakh 61 thousand crore rupees loan given to MSMEs under Emergency Credit Line Guarantee Scheme ( March 14, 2023 )**

3 lakh 61 thousand crore rupees loan given to MSMEs under Emergency Credit Line Guarantee Scheme

**Micro, Small and Medium Enterprises (MSMEs)** have so far been given a **loan of Rs 3 lakh 61 thousand crore** under the **Emergency Credit Line Guarantee Scheme (ECLGS).**

#### **An overview of the news**

- Minister of State for Finance **Dr. Bhagwat Kisanrao Karad** gave this information in a written reply to a question in the Lok Sabha on March 14.
- He informed that this scheme covers all sectors of the economy.

#### **About Emergency Credit Line Guarantee Scheme**

- It was announced as part of the **Atma Nirbhar Bharat Package in 2020.**

- **Its objective** is to help businesses including MSMEs to meet their operational liabilities and resume business in view of the distress caused by the COVID-19 crisis.
- It provides **100 percent guarantee** to lending institutions for any losses incurred due to non-payment of ECLGS funding by borrowers.
- The scheme is under the operational domain of the **Ministry of Finance, Department of Financial Services (DFS)**.

#### **4. IREDA gets 'Infrastructure Finance Company' status from RBI ( March 14, 2023 )**

IREDA gets 'Infrastructure Finance Company' status from RBI

The **Reserve Bank of India (RBI)** has granted an '**Infrastructure Finance Company (IFC)**' status to **Indian Renewable Energy Development Agency (IREDA)** on 13 March.

##### **An overview of the news**

- It was earlier classified as '**Investment and Credit Company (ICC)**'.
- With IFC status, IREDA will be able to take **higher exposure in renewable energy financing**.
- The IFC status will help the company access a **wider investor base to raise funds**, resulting in competitive rates for raising funds.
- This will **boost investor confidence, enhance brand value and create a positive outlook** in the market.
- The awarding of IFC status is recognition of **IREDA's 36 years of infrastructure financing and renewable energy development**.
- With IFC status, IREDA will contribute to the government's target of **500 GW of non-fossil fuel** installed capacity by 2030.

##### **Indian Renewable Energy Development Agency (IREDA)**

- It was incorporated as a **Public Limited Company in the year 1987** as a '**Non-Banking Financial Institution**'.
- It is a **Miniratna (Category 1) type company** functioning under the administrative control of '**Ministry of New and Renewable Energy**, Government of India.
- Its function is to encourage projects related to new and renewable energy sources and to provide them financial assistance for their development.
- It has been notified as a '**Public Financial Institution**' under **section 4'A' of the 'Companies Act, 1956'**.
- Chairman and Managing Director - **Pradip Kumar Das**

## **5. High Level Committee approves Rs 1,816.162 crore of additional Central assistance to five States ( March 14, 2023 )**

approved Rs 1,816.162 crore of additional Central assistance to five States.

A High Level Committee meeting, chaired by Union Home Minister, **Amit Shah** on 13 March **approved Rs 1,816.162 crore of additional Central assistance to five States.**

### **An overview of the news**

- This additional central assistance has been given under the **National Disaster Response Fund (NDRF) to five states** affected by floods, landslides, cloud bursts during 2022.
- This additional assistance is in addition to the funds released by the Center to the states in the **State Disaster Response Fund (SDRF).**
- During the financial year 2022-23, the central government has released **Rs 15,770.40 crore to 25 states** in their SDRF and Rs 502.744 crore to 4 states from NDRF.

### **Additional central assistance to five states**

1. Rs 520.466 crore to **Assam**
2. Rs 239.31 crore to **Himachal Pradesh**
3. Rs 941.04 crore to **Karnataka**
4. Rs 47.326 crore to **Meghalaya**
5. Rs 68.02 crore to **Nagaland**

### **National Disaster Response Fund (NDRF)**

- It is a fund managed by the **Central Government.**
- It is used to meet the expenses of emergency response, relief and rehabilitation for any disaster situation.
- It was earlier called **National Disaster Contingency Fund (NCCF).**
- **In 2005**, the **Disaster Management Act** was enacted and its name was changed to **National Disaster Response Fund (NDRF).**
- NDRF was established in accordance with **Section 46 of the Disaster Management Act, 2005.**
- In **June 2020**, the Finance Ministry approved a proposal to allow individuals and institutions to contribute directly to the NDRF.

### **State Disaster Response Funds (SDRF)**

- It has been constituted under the **Disaster Management Act, 2005**.
- It was constituted on the recommendations of the **13th Finance Commission**.
- It is the primary fund available with the State Governments to meet the expenditure for providing immediate relief for the response to **notified disasters**.
- The **Centre contributes 75%** of the SDRF allocation for general category States and Union Territories.
- The **Centre contributes 90%** for **special category States and Union Territories (northeastern States, Sikkim, Uttarakhand, Himachal Pradesh, Jammu and Kashmir)**.
- Disaster covered under SDRF are **Cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloudburst, pest attack, frost and cold waves**.

## **6. Over 38 crore loans provided since launch of Pradhan Mantri Mudra Yojana ( March 14, 2023 )**

In a written reply to a question in the Lok Sabha on March 14, Minister of State for Finance **Dr. Bhagwat Kisanrao Karad** said that since the launch of the **Pradhan Mantri Mudra Yojana in April 2015**, more than **38 crore loans** have been disbursed so far.

### **An overview of the news**

- He informed that out of this, more than **26 crore loans** have been given to **women entrepreneurs**.
- About **20 crore loans** have been disbursed to **SC, ST and OBC borrowers**.
- The Ministry of Labor and Employment had conducted a **large sample survey** at the national level to assess the employment generation under the **Pradhan Mantri Mudra Yojana**.
- According to the results of the survey, **1 crore 12 lakh net additional employment** has been generated in the country from **2015 to 2018** by this scheme.

### **Pradhan Mantri Mudra Yojana**

- It was launched on **8 April 2015**.
- Under the scheme, the people of the country are given loans up to a **maximum of 10 lakhs** to start their own small business.
- Any person who wants to further his business can take a loan under this scheme.
- People are issued a **Mudra card** to avail loans under this scheme.
- The loans are provided through Banks, **Non-Banking Financial Companies (NBFCs), Micro Financial Institutions (MFIs)**, and other financial intermediaries.

- More than **64 per cent of the loan accounts** opened under the scheme are of **women**.

### **Three types of loans under Mudra Yojana**

1. **Shishu**- Loans up to Rs.50,000.
2. **Kishor** - Loans above Rs.50,000 and less than Rs.5 lakh.
3. **Tarun** - Loans above Rs.5 lakh and up to Rs.10 lakh.

## **7. US shuts down Silicon Valley banks in biggest collapse since 2008 ( March 12, 2023 )**

California-based **Silicon Valley Bank (SVB)**, the **16th largest bank in the United States**, was **closed** on 9 March by the **California Department of Financial Protection and Innovation**.

### **An overview of the news**

- It is the **biggest banking failure since the 2008** financial crisis.
- It is considered the biggest financial crisis since the collapse of **Washington Mutual and Lehman Brothers** during the 2008 recession.
- The regulator appointed the **Federal Deposit Insurance Corp.** as the receiver.
- As of **December 31, 2022**, the Silicon Valley Bank had approximately **\$209.0 billion** in total assets and about **\$175.4 billion** in total deposits.
- The FDIC created a new bank, the **National Bank of Santa Clara**, to hold the failed bank's deposits and other assets. The new entity began operating.

### **Why did SVB have to be shut down?**

- SVB announced the **sale of securities worth \$21 billion** from its portfolio.
- The company said that to strengthen its financial position, shares **worth \$ 2.25 billion** are being sold.
- The widespread slowdown in the startup industry led to **high deposit withdrawals** in the bank, resulting in the move.
- The **increase in interest rates by the Federal Deposit Insurance Corp** also messed up SVB Bank's math.
- Experts believe that the biggest reason for the closure of SVB was the **simultaneous withdrawal of money** from the bank by its investors.

### **About Silicon Valley banks**

- It was established in **1983**, it was the **16th largest bank in America**.

- It primarily invested in **Silicon Valley based startups** and provided banking related services.
- It provided a range of services to **venture capital and private equity firms**, as well as **private banking services** to high net-worth individuals.
- The firm had a deal with **half of all venture-backed startups in the US in 2022**.
- As of December 31, 2022, the bank had close to \$212 billion in assets with clients such as **Shopify, Pinterest, VC firm Andreessen Horowitz, CrowdStrike and Teladoc Health**.

## **8. Centre launches MSME Competitive (LEAN) scheme ( March 12, 2023 )**

Union Minister for MSME **Narayan Rane** launched the **MSME Competitive (LEAN) Scheme** on 10 March.

### **About the Scheme**

- It aims to provide a **roadmap to global competitiveness for the MSMEs of India**.
- The scheme will not only strive to improve quality, productivity and performance, but also change the mindset of manufacturers and provide them the ability to become world class manufacturers.
- Under this scheme, MSMEs will implement LEAN manufacturing tools like **5S, Kaizen, Kanban, Visual Workplace, Poka Yoka** etc. under the able guidance of trained and competent LEAN consultants to acquire LEAN levels like Basic, Intermediate and Advanced.
- Through this scheme, MSMEs can significantly **reduce wastage, increase productivity, improve quality, expand their markets**, operate in a safer manner and ultimately become competitive and profitable.
- To assist MSMEs, the government will contribute **90 per cent of the implementation cost and consultancy fee** for providing initial support.
- There will be an additional contribution of **5 per cent for MSMEs** which are owned by women/SC/ST and are part of SFURTI clusters located in North Eastern States.
- Nodal Agency of the scheme will be the **National Productivity Council (NPC)**.

### **Initiatives related to MSME Sector**

- The **Micro, Small and Medium Enterprises Development Act** was notified in the year 2006 to address policy issues affecting MSMEs as well as the coverage and investment limits of the sector.
- **Prime Minister's Employment Generation Program (PMEGP)** :- It is a credit linked subsidy scheme for setting up new micro enterprises and generating employment opportunities in rural and urban areas of the country. Commencement - 15 August 2008

- **Scheme of Fund for the Upliftment of Traditional Industries (SFURTI) :-** Its objective is to organise artisans and traditional industries into clusters and thus provide financial assistance to make them competitive in the current market scenario.
- **Credit Guarantee Scheme for Micro and Small Enterprises :-** Under this scheme launched to facilitate easy flow of credit, guarantee cover is provided for collateral free loans given to MSMEs.
- **Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS) :-** It aims at facilitating technology up-gradation to Micro and Small Enterprises (MSMEs) by providing 15% capital subsidy for purchase of plant and machinery.
- **CHAMPIONS Portal :-** It aims to help Indian MSMEs to establish themselves as national and global champions by resolving their grievances and providing them encouragement, support.

## **9. Piyush Goyal chair meeting of National Startup Advisory Council ( March 11, 2023 )**

Piyush Goyal chaired the sixth meeting of the National Startup Advisory Council (NSAC)

Union Minister of Commerce and Industry **Piyush Goyal chaired the sixth meeting of the National Startup Advisory Council (NSAC)** in New Delhi on 11 March.

### **An overview of the news**

- The NSAC meeting deliberated on matters important for the **development of the Indian startup ecosystem.**
- The meeting covered important topics like Tech Landscape and the way forward, **Innovation in Logistics, Making India a Global Skill Market, Innovation Hub, Women Entrepreneurship, Capacity Building for Domestic Capital.**
- The meeting is expected to launch the Startup India Investor Connect portal, which has been conceptualized by NSAC and developed jointly by DPIIT and SIDBI.

### **About National Startup Advisory Council**

- It was formed by the **Department for Promotion of Industry and Internal Trade (DPIIT).**
- Its objective is to advise the Government on measures needed to build a strong startup ecosystem.

### **Composition**

- **Chairman** - Minister for Commerce and Industry.
- **Convener of the Council** - Joint Secretary, Department for Promotion of Industry and Internal Trade.



- **Ex-officio Members** - Nominees of the concerned Ministries, Departments and Organisations not below the rank of Joint Secretary.
- **Non-Official Members** - Founders of successful Startups nominated by the Government from various categories, people who have grown and expanded companies in India, persons capable of representing the interests of investors in Startups, etc.

## **10. India and Australia target \$100 billion bilateral trade in next five years ( March 11, 2023 )**

Union Commerce and Industry Minister **Piyush Goyal** said on 11 March, **Australia and India** will target **\$100 billion trade in the next five years.**

### **An overview of the news**

- Both the countries are currently dissatisfied with the **\$30 billion trade.**
- Both countries expressed their commitment to **complete negotiations to expand the scope of the existing Free Trade Agreement** by the end of this year.
- He was addressing the media in New Delhi on the **India-Australia 18th Joint Ministerial Commission** along with Australian Trade and Tourism Minister **Don Farrell.**
- On 29 December 2022 India and Australia implemented an **economic cooperation and trade agreement (ECTA).**
- They are now negotiating to expand its scope for a **comprehensive economic cooperation agreement (CECA).**
- Both sides are looking at firming up the ambitious **CECA by 2023.**

### **India-Australia Trade Relations**

- Australia is the **17th largest trading partner** of India and India is Australia's 9th largest trading partner.
- India-Australia bilateral trade in goods and services is pegged at **US\$ 27.5 billion in 2021.**
- India's merchandise exports to Australia grew by **135% between 2019 and 2021.**
- **India's exports to Australia** - Manufactured goods such as petroleum, medicaments, diamonds, jewellery, railway coaches and vehicles, milled rice and herbicides.
- **India's imports to Australia** - 82% of its imports from Australia are coal, gold, copper ore, aluminum oxide, liquified natural gas, manganese ore, aluminum waste, pigments, lentils, etc.