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1. ATM withdrawal charges increased (Jan. 1, 2022)

From 1 January 2022, banks have increased the penalty charges on the ATM withdrawal beyond the permissible limit.

RBI has allowed the banks to impose a maximum fine of Rs 21 plus GST of 18% on per excess ATM transaction.

According to the RBI:

- Banks have to allow its account holder a minimum three free transactions from other bank ATMs (financial and/or non-financial) in metros and five in non-metros per month
- Banks have to allow its account holder a minimum five free transactions (financial and/or non-financial) every month from their own bank ATMs.
- Financial transaction means withdrawal of cash from ATM
- Non-financial transaction means non cash transaction like balance enquiry, etc.
- Metro ATM transaction means transaction done in ATMs located in Delhi, Mumbai, Chennai, Kolkata, Bengaluru and Hyderabad .
- ATM stands for Automated Teller Machine

2. RBI Data on Indian Economy (Jan. 1, 2022)

RBI has released Developments in India's Balance of Payments during the Second Quarter (July-September) of 2021-22 report.

Key Features of India's Balance of Payment in second quarter of 2021-22:

- India's current account balance recorded a deficit of US\$ 9.6 billion (1.3 percent of GDP) in second quarter in 2021-22 as against a surplus of US\$ 6.6 billion (0.9 percent of GDP) in first quarter of 2021-22
- The deficit in the current account in second quarter of 2021-22 was mainly due to widening of trade deficit to US\$ 44.4 billion from US\$ 30.7 billion in the preceding quarter and an increase in net outgo of investment income.
- Net foreign direct investment recorded an inflow of US\$ 9.5 billion, lower than US\$ 24.4 billion a year ago.
- Net foreign portfolio investment was US\$ 3.9 billion as compared with US\$ 7.0 billion in second quarter 2020-21.

3. Wheat Export Jumps to \$872 mn in April-Oct 2021 (Jan. 1, 2022)

- In the first seven months (April-October) of the current financial year (2021-22), India's wheat exports in terms of volume rose by more than 527 per cent to 3.2 Million Tonne (MT) from 0.51 MT reported during April-October period of 2020-21.
- In terms of value, India's wheat exports in the current fiscal (April - October) rose by 546 per cent to \$ 872 million from \$ 135 million reported during the same period of the previous fiscal.
- Bangladesh was the main export market for Indian Wheat.
- In 2020-21, The top ten importing countries for Indian wheat were Bangladesh, Nepal, United Arab Emirates, Sri Lanka, Yemen, Afghanistan, Qatar, Indonesia, Oman and Malaysia.

Note

- India is the largest exporter of Rice in the world and in wheat it is not even in the top 10 exporting countries.
- **One million is equal to 10 Lakhs.**

4. IRDAI extends D-SII tag of LIC,GIC and New India Insurance (Jan. 1, 2022)

- Insurance Regulatory and Development Authority of India (IRDAI) has kept government owned Life Insurance Corporation (LIC), General Insurance Corporation of India (GIC),and New India Insurance as Domestic Systemically Important Insurers (D-SIII) for 2021-22.
- Last year also the same insurance companies were in the D-SIII list.
- D-SIII means that they are so important to the insurance sector in India that if any of these companies fails then it will cause massive problems for the insurance sector as a whole.
- D-SIII means these companies are perceived to **be too big or too important to fail.**
- These Companies will be subjected to close watch and regulation of the IRDAI.

IRDAI

- It was set up in 1999
- Its Headquarters is at Hyderabad
- It is the regulator of the Insurance sector in India.
- It was set up on the recommendation of R.N. Malhotra Committee set up by the government of India in 1993 on the Insurance sector.

5. Government forms a panel on Energy Transition Strategy (Jan. 1, 2022)

- The Government of India has set up the Energy Transition Advisory Committee headed by former petroleum secretary **Mr. Tarun Kapoor.**
- The committee will suggest a transition roadmap for the oil and gas sector so that India can achieve its target of zero carbon emissions by 2070.

6. Government asks banks to lend only on negotiable Warehouse receipts (Dec. 31, 2021)

- The Government of India has asked the bank to provide loans only against Negotiable Warehouse Receipt(NWR) and electronic-NWR or e-NWR.
- This will encourage more warehouses to seek **WADA(Warehouse Development Regulatory Authority)** registration and help in the development of the organised Warehousing system in India .
- At present only 10% of the warehouses in the country are registered with WADA.
- Farmers and businessmen can store their agricultural produce in WADA registered warehouses and can get a loan from banks against the receipt issued by the warehouses.
- **RBI has recently increased the loan limit for banks lending against NWR and e-NWR to Rs 70 Lakh from Rs 30 Lakhs per borrower .**
- However, RBI did not increase the loan limit of the NWR issued by non regulated warehouses.

According to the Government of India the total cold storage capacity is 37.83 million tonnes and the warehouse capacity is 173.65 million tonnes in India.

7. ICRA forecast 9% growth rate in 2021-22 for India (Dec. 31, 2021)

- Indian Credit rating agency **ICRA Ltd. has forecasted the Indian economy to grow by 9% in the fiscal year 2021-22.**
- The Indian economy grew by 20.15% in the first quarter (April-June) of 2021-22.
- The Indian economy grew by 8.4% in the second quarter (July-September) of 2021-2022.

8. HDFC Bank ties up with IPPB to deliver banking services in semi-urban, rural areas. (Dec. 28, 2021)

- HDFC Bank has tied up with India Post Payments Bank (IPPB) to offer its banking services to the unbanked and underserved segments in semi-urban and rural areas.
- The financial products of HDFC bank will now be offered to the customers of the IPPB, majority of whom live in rural areas where HDFC is not present.

HDFC Bank

- HDFC Bank is the largest private sector bank and second largest bank in India after SBI.
- The Headquarters of HDFC Bank is Mumbai .

IPPB

- India Post Payment bank was set up by the Government of India as a payment bank and it started its operation by setting up a branch in Ranchi and Raipur on 30 January 2017.
- The headquarters of the Bank is in New Delhi .

9. Record Capital raised by Indian Company through Overseas Bonds in 2021 (Dec. 28, 2021)

- Indian companies has raised a record \$22 billion in 2021 through overseas bonds
- Earlier in 2019 the Indian companies raised \$19 billion through overseas bonds.
- The issuance of ESG compliant bonds by the Indian companies was \$8.29 billion in 2021 as compared to \$ 1.37 billion in 2020.

Overseas bonds

- **It is a debt creating receipt issued by a company in foreign market to raise capital for its business.**
- **It is generally issued in the currency of the country.**
- **It has a fixed time period(maturity period) and the company which has issued the bonds pays interest on it to the person who has bought the bonds till the maturity period of the bond**

- **At the end of the maturity period the company returns the principal amount to the person who has bought the bond.**

ESG

- **It stands for Environment, Society and Governance.**
- **The ESG criteria is used by environmentally and socially conscious investors to judge a company business and its impact on environment and other ethical issues .**
- **Companies which score high on these criteria will be able to attract more funding at an easier interest rate .**

10. IndusInd Bank NCPI tie up for Cross Border Remittances (Dec. 28, 2021)

- IndusInd Bank has tied up with the National Payments Corporation of India (NPCI) for offering real-time cross-border remittances to India using UPI IDs, for its Money Transfer Operator (MTO) partners.
- With this initiative, IndusInd Bank has become the first Indian bank to go live on UPI for Cross Border Payments/NRI Remittances.
- This collaboration will enable partners of IndusInd Bank to facilitate remittances from Non-Resident Indians (NRI) and People of Indian Origin (PIO) living across the globe to transfer money to their Non-Residential External (NRE) and Non-Resident Ordinary (NRO) accounts as well as to their families and relatives back in India.
- IndusInd Bank has started with Thailand for Foreign Inward Remittance (FIR) through UPI and DeeMoney – a Thailand-based financial solutions provider offering money transfers and foreign currency exchange services. Customers using DeeMoney website can easily transfer funds just by adding the beneficiary's UPI ID.