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1. Vijender Sharma elected as the President of the Institute of Cost Accountant of India (Dec. 2, 2022)

Vijender Sharma elected as the President of the Institute of Cost Accountant of India

The Institute of Cost Accountant of India (ICMAI) has elected **Vijender Sharma** as the President and **Rakesh Bhalla** as the Vice-President of the Institute for the year 2022-23. The Institute conducted the election for President and Vice-President on Nov 28, 2022 in New Delhi.

Institute of Cost Accountants of India (ICMAI)

It is a statutory body set up on 28 May 1959 under the Cost and Works Accountants Act, 1959. It is under the administrative control of the **Ministry of Corporate Affairs**, Government of India.

The ICMAI is a professional body for the regulation of the profession of cost and management accountancy in India.

The ICMAI Institute is the **2nd largest** Cost & Management Accounting body in the world and the largest in Asia.

The Institute is headquartered in **Kolkata** having four Regional Councils in Kolkata, Delhi, Mumbai and Chennai, 113 Chapters in India and 10 overseas Centers.

The Institute is a founding member of the International Federation of Accountants (IFAC), the Confederation of Asian & Pacific Accountants (CAPA) and the South Asian Federation of Accountants (SAFA).

2. Govt approves Production Linked Incentive scheme for drones and drone components (Dec. 2, 2022)

Linked Incentive scheme for drones and drone components

The government has approved the [Production Linked Incentive \(PLI\) scheme](#) for **drones and drone components** for implementation during **2022-23 to 2024-25** with an outlay of **120 crore rupees** on 2 December.

Important facts

- The scheme is being implemented by the **Ministry of Civil Aviation**.
- The objective of this scheme is to incentivize the manufacturing of **drones and drone components** in the country with a focus to make the indigenous' industries globally competitive.
- Support under the scheme will be provided only to companies engaged in the manufacturing of drones and drone components in India.
- As per the guidelines, the minimum annual sales turnover to claim the benefit of PLI should be **Rs 2 crore for drones** and **Rs 50 lakh for single component segment** for MSMEs and startups.

- **Non-MSMEs** must have an annual sales turnover of **Rs 4 crore** for drones and **Rs 1 crore** for components segment.
- **Empowered Group of Secretaries** chaired by the Cabinet Secretary will monitor the scheme.

3. Kirit Parekh panel suggest complete deregulation of Gas prices from 1 January 2026 (Dec. 1, 2022)

Kirit Parekh panel suggest complete deregulation of Gas prices from 1 January 2026

The **Kirit Parekh panel** set up by the government of India to **review the gas pricing formula** in India has submitted its report to the Government of India on 30 November. It has made a host of recommendations to deregulate gas prices in India by January 1, 2026. Deregulation here means the price of the gasses shall be decided by the market not by the government.

In September, the government constituted the committee, led by energy expert and former Planning Commission (since renamed NITI Aayog) member Kirit Parikh, to review the gas pricing formula for gas produced in the country with the aim to ensure a fair price.

Background to the Issue

India is a major importer of gas in the world but there are certain gas fields in India which produce Natural Gases.

There are broadly two types of Gas field in India.

One is called **a legacy gas field. They are those** gas fields that were allotted to Government owned **ONGC** and **Oil India Limited** (OIL). The price of the gasses produced from these fields are decided by the government and they are provided to consumers at a highly subsidized price. Also ONGC and OIL neither give any royalty to the government nor share their profit with the government.

Such fields account for about **80 per cent of annual gas output of India.**

Other Gas fields

The other gas fields are owned by private companies like Reliance, Vedanta. They have to give royalty to the government. In these gas fields there is pricing freedom but the **maximum price is fixed by the government.**

Recommendation of the Parekh Committee

- For the **Legacy gas field** it has recommended a minimum price of USD 4 per Metric Million British Thermal Unit (mmBTU) and the maximum price at USD 6.5/mmBTU.
- It has recommended increasing the upper limit by USD 0.5/mmBTU every year. The proposal is to implement this from 1 January 2027.
- For the other gas field it has recommended that **the upper price limit shall be removed from 1 January 2026.** This will give them full freedom to set prices and make marketing strategies.

- The committee has also recommended bringing natural gas under the ambit of **Goods and Services Tax (GST)** to bring transparency in the pricing of gas.

Gas price mechanism in India

The government sets the price of gas every six months, on **April 1** and **October 1** of each year, based on rates prevalent in gas-surplus nations such as the US, Canada and Russia in one year with a lag of one quarter.

4. IDFC AMC to be renamed as Bandhan Mutual Fund as SEBI approves change in ownership (Dec. 1, 2022)

IDFC AMC to be renamed as Bandhan Mutual Fund

The name of the IDFC Asset Management Company Limited (AMC) which manages the Mutual Fund business of the IDFC will be changed to **Bandhan Asset Management Company Limited**. The IDFC Mutual Fund (MF) is proposed to be renamed as Bandhan Mutual Fund with **Bandhan Financial Holdings Limited (BFHL)** becoming the Sponsor of the Mutual Fund.

This has been done after [Securities Exchange Board of India \(SEBI\)](#) approved the change in ownership at the IDFC AMC. **SEBI is the regulator of Mutual Funds in India.**

The IDFC AMC was set up by IDFC financial company in 2010. It is the 9th largest Mutual fund in India.

In April 2022 a consortium of Bandhan Financial Holdings (BFHL), private equity firm ChrysCapital and Singapore's sovereign fund GIC had announced the acquisition of IDFC Asset Management Company for Rs 4,500 crore. **Bandhan Financial Holdings (BFHL) is the promoter of the private sector bank Bandhan Bank.**

The deal has already been approved by the Competition Commission of India and RBI.

Bandhan Financial Holdings (BFHL) will hold **60% of the shares** in the IDFC AMC, and ChrysCapital and GIC will hold **20% each**.

Bandhan Bank

The Bandhan Bank started as an NGO and later it was converted into an **NBFC -MFI (Micro Financial institution)**.

It was converted into a private sector bank in 2015.

The Bank's Headquarters: **Kolkata**

MD and CEO: **Chandra Shekhar Ghosh**

Tagline: Aapka Bhalai. **Sabki Bhalai.**

5. India Australia Trade agreement to come into force from 29 December 2022 (Nov. 30, 2022)

India Australia Trade agreement to come into force

The Union Commerce and Industry Minister **Piyush Goel** has tweeted on 30 November 2022 that the **India-Australia Economic Cooperation and Trade Agreement (“IndAus ECTA”)** will come into force from **29 December 2022**.

The trade agreement was signed between the two countries on 2 April 2022 and it was ratified by the Australian Parliament on 22 November 2022. With the completion of the legal and political formalities the government of both the countries has decided to implement the provisions of the trade agreement from 29 December 2022.

Under the trade agreement both the countries will reduce tariffs on agreed goods and services.

The trade agreement will give a boost to the close economic ties between the two countries. It is expected to boost bilateral trade from the present USD 31 billion to USD 45-50 billion in the next 5 years.

6. The Indian economy grew by 6.3% in the second quarter (July-September) of the financial year 2022-23 (Nov. 30, 2022)

The Indian economy grew by 6.3% in the second quarter

The Indian economy grew by **6.3%** in the second quarter (July-September 2022) of the 2022-23 financial. The Indian economy grew by **13.5%** in the first quarter (April to June 2022). The latest data means India's GDP has grown by **9.7 percent in the first half of 2022-23**.

The sharp fall in GDP growth in July-September was due to the fading away of a favourable base effect.

Problem in Industrial sector

The Agriculture and Service sector did well but the Industrial sector has shown a negative growth.

The **manufacturing sector** showed a negative growth of 4.3 per cent in the July-September quarter, compared to 5.6 per cent growth in the previous quarter.

Mining sector showed a negative growth of 2.8 per cent as against 14.5 per cent growth a year earlier.

However the **construction segment** registered a growth of 6.6 per cent in July-September.

The latest economic data was released on 30 November 2022 by the **National Statistical Office (NSO), Ministry of Statistics and Programme Implementation**.

GDP growth rate at constant price (2011-12 base year)

Sector of Economy	Growth rate of GDP in Q1(April-June) 2022-23	Growth rate of GDP in Q2 (July-September) 2022-23
Agriculture	4.5%	4.6%
Industry	8.5%	-0.8%
Service sector	17.6%	9.3%
GDP	13.5%	9.7%
Gross value Addition (GVA)	12.7%	5.6%

GVA=GDP + subsidies on products - taxes on products.

Nominal GDP

The Nominal GDP at Current Prices in Q2 2022-23 is estimated at Rs 65.31 lakh crore, as against Rs 56.20 lakh crore in Q2 2021-22, showing a growth of **16.2 percent**.

While calculating the nominal GDP the market price of goods and services are included. It makes no adjustment for inflation

GDP at Constant Price or Real GDP

The Real Gross Domestic Product (GDP) at Constant Price (2011-12) in Q2 2022-23 is estimated at Rs 38.17 lakh crore, as against Rs 35.89 lakh crore in Q2 2021-22, showing a growth of **6.3 percent**.

While calculating the GDP at constant price the price rise in the goods and services due to inflation is not counted. Prices are fixed to a base year. It measures the actual increase in the production of goods and services.

GDP at constant price is the best indicator to measure the growth of an economy.

Expected GDP growth rate in fiscal year 2022-23

The Growth of the Indian economy is expected to slow down sharply in the second half of the year.

RBI has predicted that Indian economy is expected to grow by **4.6 percent** in both October-December 2022 and January-March 2023 quarter.

For the full year, RBI has forecasted a growth rate **of 7 percent**.

7. South Korea to provide Rs 1495 crore loan for an Intelligent Transport System in Maharashtra (Nov. 30, 2022)

Intelligent Transport System on Nagpur-Mumbai Super Communication Expressway Project.

The [South Korean](#) government signed an agreement with the Government of India on 30 November 2022 to provide a loan of Korean **Won 245.081 billion (approx. Rs. 1,495.68 crore)** for **Establishment of Intelligent Transport System on Nagpur-Mumbai Super Communication Expressway Project**.

This is the **first project** in India to be funded by an EDCF loan. India was made an Official Development Assistance (ODA) partner for development cooperation in October, 2016 by South Korea.

The objectives of the project are to enhance the efficiency in traffic management through establishment of the Intelligent Traffic Management System (ITMS) and traffic centre, and to improve the efficiency in toll management through the establishment of the Toll Collection System (TCS).

Economic Development Cooperation Fund (EDCF)

The Economic Development Cooperation Fund (EDCF) was set up by the Government of South Korea on June 1, 1987 with the purpose of promoting economic cooperation between Korea and developing countries. The EDCF assists partner countries by providing funding for their industrial development and economic stability.

8. SBI to issue Rs 10,000 crore infrastructure bonds in 2022-23 (Nov. 30, 2022)

SBI to issue Rs 10,000 crore infrastructure bonds in 2022-23

India's largest commercial bank State Bank of India's board on 29 November 2022 has approved a proposal to raise **Rs 10,000 crore** through issuance of **infrastructure bonds** during 2022-23.

The bank said that it will issue infrastructure bonds up to an amount of Rs 10,000 crore (including a **green shoe option of Rs 5,000 crore**) through a [public issue or private placement](#), during 2022-23.

The capital raised through the infrastructure bonds will be used to provide loans to companies in the infrastructure sector.

Earlier the SBI board in May had approved raising up to **\$2 billion (about Rs 15,430 crore)** from the overseas market during the 2022-23 financial year to fund foreign business growth.

Green Shoe Option

Green shoe option means the company has the option to over allot the bonds or shares if there is demand in the market. For example SBI comes in the market and says that it will sell 10 bonds worth Rs 100 each with a green shoe option of Rs 200. The total issue of bonds here is Rs 1000.

Suppose the SBI receives applications from 15 investors worth Rs 1500. In the market language it will be said that the SBI issue has been **oversubscribed**.

Which investor will be allotted the bonds will be decided by lottery.

Now SBI has two options. It can keep Rs 1000 and refund the Rs 500 amount to the investors.

Another option for SBI is that it will exercise the green shoe option. Here the green shoe option is Rs 200 so SBI keeps Rs 200 and refunds the rest Rs 300 to the investors.

State Bank of India (SBI) is an Indian multinational, public sector banking and financial services company. . As of 30 September 2022, the Government of India held 57.52% stake in the bank.

Chairman of the Bank: **Dinesh Kumar Khara**

Headquarters: **Mumbai**

9. Government removes export ban on organic non-basmati rice (Nov. 30, 2022)

Government removes export ban on organic non-basmati rice

The Directorate General of Foreign Trade (DGFT) under the Union Ministry of Commerce and Industries has issued a government notification allowing the **export of organic non-basmati rice, including broken rice, on** 29 November 2022. The move is expected to boost the export of rice from India.

Organic rice means chemical fertilizers and pesticides are not used by the farmer while cultivating the rice.

The government in [September](#) this year had banned the export of broken rice with an aim to increase domestic availability. It also imposed a 20% export duty on the export of non-basmati rice.

The price of rice has increased marginally in the domestic market and the government is confident that there is no possibility of a sharp increase of rice in the domestic market. Hence it has allowed the export of **organic non-basmati rice, including broken rice.**

Export of Rice from India

According to the Union Ministry of Commerce the rice export from India during **April-September 2022 was USD 5.5 billion.**

The country exported **21.2 million tonnes of rice in 2021-22**, of which 3.94 million tonnes were basmati rice. It exported non-basmati rice worth USD 6.11 billion in the same period and the total export of rice was USD 9.7 billion.

India is the **largest exporter of rice** in the world with a **40% share** in the world rice market. Thailand, Vietnam and Pakistan are the other major exporters of rice in the world.

10. Adani Group bags Dharavi Redevelopment Project as highest bidder (Nov. 30, 2022)

Adani Group bags Dharavi Redevelopment Project

Gautam Adani-led Adani Properties on 29 November bagged the **Dharavi redevelopment project**, Asia's second largest slum colony, as the highest bidder.

Important facts

- Adani Properties, the highest bidder offered Rs 5,069 crore as its investment in the project.
- The Adani group quoted **Rs 5,069 crore** for this project, followed by Rs 2,025 crore quoted by the DLF group.
- Dubai-based infrastructure firm Seclink Technologies Corporation turned out to be a successful bidder in January 2019 against Adani.
- Dharavi redevelopment will involve a massive investment of money upfront, amid tricky complications of land acquisition and rehabilitation.

What is the Dharavi redevelopment project?

- Dharavi is only a short drive from India's richest business district, the **Bandra-Kurla Complex**, which has the largest concentration of commercial offices in the country.
- The slum, spread over **2.8 sq km**, is home to an informal **leather and pottery industry** that employs over a lakh people.
- The state government had envisaged to convert this slum area into a cluster of skyscrapers with better urban infrastructure.
- It entailed resettling 68,000 people, including slum dwellers and those with commercial establishments.
- **In 1999, the BJP-Sena government** first proposed to redevelop Dharavi.
- Thereafter, the Maharashtra government in 2003-04 decided to redevelop Dharavi as an integrated planned township, and an action plan for this was approved.