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1. Vadodara becomes the second city to successfully issue municipal bonds with assistance from US Treasury (Nov. 3, 2022)

Vadodara

Vadodara city of Gujarat became the second city in India to successfully issue its municipal bonds with the assistance of the US Treasury Department's Office of Technical Assistance.

Earlier **Pune** was the first city in India to issue Municipal bonds in 2017 with the assistance of US Treasury Department's Office of Technical Assistance, Finance Ministry in the United States of America is known as Treasury department.

The successful issuance of the bond was celebrated by the US Embassy and the US Treasury officials, the Union Ministry of Housing and Urban Development, Vadodara city and the Securities and Exchange Board of India (SEBI) on 3 November 2022.

The **Rs 100 crore fund** raised by the bond will be used for infrastructure development in Vadodara.

What is a Municipal Bond?

Municipal Bonds also known as **Muni bonds**. It is a debt instrument which is issued by Urban Local Bodies in India. The fund is used to develop Infrastructure developments in the municipal areas.

The first Municipal bonds were issued in **1997 by the Bangalore Municipal Corporation**.

SEBI guidelines on Municipal bonds

The municipality which meets the following criteria can issue municipal bonds:

- The municipality must not have a negative net worth in each of the three previous years.
- The municipality must have no default history in repayment of loans to financial institutions in the last year.
- The municipality, promoter and directors must not be enlisted in the wilful defaulters published by the Reserve Bank of India (RBI).
- The municipality should have no record of default in the payment of interest and repayment of principal with respect to debt instruments.

Other features of the Bond

The time period of the bonds shall be **3 years**.

The bonds must be rated by Credit Rating agencies with a rating above investment grade.

2. India Post Payment Bank launches India's first Floating Financial Literacy Camp in Srinagar (Nov. 3, 2022)

India Post Payment Bank

The Government of India owned India Post Payment Bank (IPPB) launched India's first floating financial literacy camp around the world-famous Dal Lake of **Srinagar**, Jammu and Kashmir. The financial literacy camp was organised under the **Niveshak Didi** or **female Dakiya** initiative of the IPPB.

Niveshak Didi scheme

Niveshak Didi " or female dakiya, is a joint initiative of [Investor Education and Protection Fund Authority \(IEPFA\)](#), Ministry of Corporate Affairs with **India Post Payment Bank**.

The aim of the scheme is to promote financial and investor education amongst the women.

Trained women agents of the IPPB educate the general female population to develop adequate knowledge, skills, attitude and behaviour which are needed to manage their money better and plan for their future. This is also called as **Financial Literacy**.

Objectives of Financial Literacy

To promote and strengthen financial inclusion in India, government of India and the four financial sector regulators Reserve Bank of India (RBI), Securities Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) have launched National Strategy for Financial Education.

Currently the **2nd National Strategy for Financial Education (2020-2025)** is being implemented in India. It has laid down the following objective to create a financially aware and empowered India:

- Inculcate financial literacy concepts among the various sections of the population through financial education to make it an important life skill
- Encourage active savings behaviour
- Encourage participation in financial markets to meet financial goals and objectives
- Develop credit discipline and encourage availing credit from formal financial institutions as per requirement
- Improve usage of digital financial services in a safe and secure manner
- Manage risk at various life stages through relevant and suitable insurance cover
- Plan for old age and retirement through coverage of suitable pension products
- Knowledge about rights, duties and avenues for grievance redressal
- Improve research and evaluation methods to assess progress in financial education

India Post Payment Bank (IPPB)

It is a payment bank which has been promoted by the Department of Post under the Ministry of Communication, Government of India .

IPPB was launched as a pilot project on 30 January 2017 in Ranchi (Jharkhand) and Raipur (Chhattisgarh).

It was formally launched on 1 September 2018 by Prime Minister Narendra Modi.

The Headquarter of IPPB : **New Delhi**

Punchline of the bank : **Apka Bank Apke Dwar**

Managing Director and Chief Executive Officer : J. Venkatramu

3. Union Cabinet approves naming Hollongi Airport as Donyi Polo Airport (Nov. 2, 2022)

Donyi Polo Airport.

The Union Cabinet, chaired by Prime Minister Narendra Modi, on 2 November approved naming of **greenfield airport at Hollongi, Itanagar, as 'Donyi Polo Airport**.

Important facts

- A resolution was passed by the state government of Arunachal Pradesh to name this airport '**Donny Polo Airport, Itanagar**'.
- The '**Doni Polo**' reflects the people's respect for the **Sun (Doni)** and the **Moon (Polo)**, symbols of the state's traditions and rich cultural heritage.
- The Government of India had given 'in-principle' approval for the development of Hollongi Greenfield Airport in **January 2019**.
- The project is being developed by the **Airports Authority of India (AAI)** in collaboration with the Central Government and the State Government of Arunachal Pradesh at a cost of **Rs 646 crore**.
- Hollongi Airport is the **third airport** in the state and the only airport in the capital city after Pasighat and Tezu airports.
- Doni Polo Airport in Itanagar is the **16th airport in Northeast India**.

Operational airports in the north-eastern region

- Guwahati, Silchar, Dibrugarh, Jorhat, Tezpur, Lilabari, and Rupsi (Assam); Pasighat and Tezu (Arunachal Pradesh); Agartala (Tripura); Imphal (Manipur); Shillong (Meghalaya); Dimapur (Nagaland); Lengpui (Mizoram) and Pakyong (Sikkim).

4. RBI Governor Shaktikanta Das inaugurates the FIBAC 2022 (Nov. 2, 2022)

RBI Governor Shaktikanta Das

Reserve Bank of India Governor Shaktikanta Das inaugurated one of the largest annual banking conferences of Asia, FIBAC 2022 in **Mumbai** on 2 November 2022.

The FIBAC 2022 has been organized by [Federation of Indian Chambers of Commerce and Industry](#) (FICCI) and [Indian Banks' Association](#) (IBA) on 2nd and 3rd of November 2022 at Mumbai, Maharashtra.

Theme of the Conference: '**Helping India step change its growth: How tech enabled banking can contribute to realization of \$5 trillion economy goal**'.

Speaking on occasion the governor said that the e-rupee launch on 1 November 2022 was a landmark moment in the history of currency in the country as it will transform the way business is done and transactions are conducted.

He added that the central bank hopes to launch digitized **Kisan Credit Card** loans in a full-fledged manner by the calendar year 2023.

Indian Bank Association is an association of Banks and Financial institutions in India which was set up in 1946.

5. Invest Karnataka - 2022 Summit (Nov. 2, 2022)

Invest Karnataka

The Prime Minister, **Narendra Modi**, addressed the inaugural function of the **Global Investors Meet Invest Karnataka 2022** through video conferencing on November 2, 2022.

Important facts

- More than 80 speakers will present their views in the three-day event to be held in **Bengaluru from November 2-4.**
- The key **themes** to be addressed during the event will be related to **innovation, sustainability, equity and resilience.**
- Speakers include some top industry leaders including **Kumar Mangalam Birla, Sajjan Jindal, Vikram Kirloskar** among others.
- **The aim of the Summit** is to attract potential investors and establish a growth agenda for the next decade.
- The sessions of the conference will be hosted separately by **Germany, Netherlands, South Korea, Japan and Australia** who are in India along with high level ministerial and industrial delegations from their respective countries.
- The global scale of the event will give Karnataka an opportunity to showcase its culture to the world as well.

6. RBI to launch a pilot project on Digital Rupee in the Wholesale segment on 1 November 2022 (Oct. 31, 2022)

RBI launch Digital Rupee

The Reserve Bank of India (RBI) has on 31 October 2022 announced that it will begin a pilot launch of the Digital Rupee (e₹) for specific use cases. The first pilot project of the Digital Rupee will be launched in the **Wholesale segment (e₹-W)** on November 1, 2022.

Where it will be used?

The digital rupee will be used for settlement of secondary market transactions in government securities. According to the RBI, nine banks including **State Bank of India, Bank of Baroda, Union Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Yes Bank, IDFC First Bank,** and **HSBC** will participate in the pilot project.

Digital Currency in India

Union Finance Minister Nirmala Sitharaman had earlier announced that the RBI will launch a **Central Bank Digital Currency (CBDC)** in 2022-23. According to the FM, the introduction of CBDC will boost the digital economy and will be based on Blockchain technology.

What is Central Bank Digital Currency (CBDC)?

According to the Reserve Bank of India the CBDC has the following features:

- It is a legal tender issued by a central bank in a digital form,
- It is similar to sovereign paper currency (Indian Rupee) but takes a different form. It will not be in paper form but in digital format,
- It shall be exchangeable at par with the existing currency and shall be accepted as a medium of payment, legal tender and a safe store of value,
- CBDCs would appear as liability on a central bank's balance sheet.

Advantage of a CBDC

- Unlike the paper currency, a digital currency can never be torn, burned, or physically damaged. In comparison to currency notes, the lifeline of a digital form of currency will be indefinite.
- It will promote cashless financial transactions which will reduce the cost of financial transactions.
- Central bank digital currencies would also reduce the risks of using other digital currencies like Bitcoins. Cryptocurrencies are highly volatile, with their value constantly fluctuating which could cause severe financial stress in many households and affect the overall stability of an economy.
- CBDCs, backed by a government and controlled by a central bank, would provide households, consumers, and businesses with a stable means of exchanging digital currency.

7. Income Tax Department launches HARIT Aaykar initiative on the occasion of the National Unity Day (Oct. 31, 2022)

income tax department

The Income Tax Department on the occasion of the [National Unity Day](#) has launched the **HARIT Aaykar** initiative to increase greenery and create micro forests. National Unity day is observed in India on 31 October to commemorate the birthday of the first Home Minister and Deputy Prime Minister of Independent India Sardar Vallabha Bhai Patel.

Under the HARIT (**Hariyali Achievement Resolution by Income Tax**) initiative, the Department resolves to increase the green cover by planting trees and creating micro-forests in and around the Income Tax Department's buildings and other public areas.

Income Tax in India

Income tax is a direct tax which is imposed on the income of an Individual or Corporates.

It was first imposed in India on 24 July 1860. The first income tax was imposed in India in 1860 by Sir James Wilson.

Income Tax day is observed every year on 24 July .

When the Income Tax Act 1922 was introduced it laid a proper framework for the direct tax administration in the country. After Independence the Income Tax act 1961 consolidated and replaced the 1922 Act.

Applicability

It is applicable all over India. Sikkim was brought under the Income Tax act 1961 in **1989** and Jammu and Kashmir was brought under the act in **2019**.

Tax administration Structure in India

In 1924, the Central Board of Revenue was constituted as a statutory body with functional responsibilities for administering the Income Tax Act.

In 1963, the Central Board of Revenue was bifurcated, and a separate Board for Direct Taxes known as Central Board of Direct Taxes (CBDT) was constituted under the Central Board of Revenue Act, 1963.

Who can levy Income Tax in India?

Income tax is levied by the central government on the income of a person or a company as specified by the Income Tax act.

However **Income tax on agricultural income** is levied by the respective state government.

8. Maharashtra's first Electronics Manufacturing Cluster to be set up at Ranjangaon, Pune (Oct. 31, 2022)

Maharashtra's first Electronics

The government of India has approved the first Electronics Manufacturing Cluster (EMC) in Ranjangaon Phase III, near Pune in Maharashtra. This was announced by the Union Minister of State for Electronics & Information Technology and Skill Development & Entrepreneurship, **Rajeev Chandrasekhar** on 31 October 2022.

The Rs 492.85 crores Greenfield project is being developed by the Maharashtra Industrial Development Corporation (MIDC) and the State government's State Industrial Agency. Government expects investment of over Rs 2000 crore from Indian and multinational companies in the Pune EMC.

The Minister said that these EMCs in India will prove to be the pivot points around which the electronics manufacturing and design ecosystem will flourish. It will help **achieve the target of US \$300 Billion of electronics manufacturing by 2025/26**.

Electronics Manufacturing Cluster scheme

The Electronics Manufacturing Cluster scheme was launched by the government of India in 2012 to make India a global player in the field of Electronics Manufacturing.

The EMC provides for creation of world-class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) Sector.

9. Government of India extends ban on sugar export to 2022-23 season (Oct. 30, 2022)

ban on exports of sugar

The Government of India has extended the ban on exports of sugar including raw, refined and white for one more year starting 31 October 2022 till 31st of October 2023. The sugar season in India is from October to September. As per the notification, the restriction is not applicable to Sugar being exported to the European Union and the USA, This has been done by the government to increase the availability of sugar in India and control its prices.

In the 2021-22 sugar season government has allowed the export of 10 million tonnes of sugar

Sugar in restrictive list

In a notification issued by the Directorate General of Foreign Trade(DGFT), Sugar has been kept in the restricted category and not in Open General License(OGL). It means that sugar can be exported from India with the permission of the government of India . If a commodity is put in the OGL list then it can be freely imported or exported without the need of government permission .

Sugar production and buffer stock

The government of India maintains a buffer stock of around 6 million tonnes .The buffer stock is used by the government to increase the supply of the sugar in the market when its prices shoot up .

According to Indian Sugar Mills Association (ISMA), the total production of sugar in the 2022-23 season is expected to be 41 million tonnes of which 4.5 million tonnes is expected to be diverted for making ethanol. These ethanol are blended with petrol to create biofuels . The consumption of sugars in India is expected to be around 27.5 million tonnes. India is expected to have a surplus of around 9 million tonnes.

Sugar exporters expect the government of India to allow export of the surplus sugar from India as prices of sugar are very high in the international market.

Sugar Export from India

- India is the largest producer and consumer of sugar in the world and second largest exporter of sugar in the world after Brazil.
- In the current 2021-22 season the government has allowed the export of 10 million tonnes of sugar .
- Uttar Pradesh, Maharashtra and Karnataka account for nearly 80 percent of the total sugar production in the country.

10. SEBI reduces the face value on debt securities to Rs 1 Lakh (Oct. 29, 2022)

SEBI reduces face value of debt

The Capital and Commodity markets regulator Securities Exchange Board of India (SEBI) on 28 October 2022, reduced the face value of **debt security** and **non-convertible redeemable preference shares** issued on **private placement** basis to **Rs 1 lakh** from the current Rs 10 lakh.

The new guidelines will be applicable from **1 January 2023**.

According to SEBI this has been done to increase the participation of investors and which will also enhance the liquidity in the corporate bond market.

What is a Debt securities?

Debt securities is a type of financial document which is issued by a company to borrow money from the market .The issuers of the debt securities promise that it will return the money after a certain time period and will also pay mentioned interest on the borrowed money . Some of the examples of the debt securities are bonds, debentures etc.

What is the face value, tenure and coupon rate of a securities?

Face value is the nominal value which is written on the securities issued by a company. For example a company issues a bond of Rs 100 for a period of 5 years and with an interest rate of 10%.

Here the **face value** of the bond will be Rs 100.

The time period for which it is borrowed is called **tenure**. Here in the example the tenure of the bond will be 5 years.

Rate of Interest mentioned on the bond is called the **coupon rate**. In this example the coupon rate is 10%.

What is Public and Private Placement of securities?

There are two options for a company which wants to raise capital from the market by selling its securities (shares, bonds, etc). The company can either go for Public offer or can opt for Private placement of its securities.

Public offer means that the company will have to come out with an Initial Public offerings (IPO). The company has to hire a merchant banker which handles the sale of the company's securities to the general public.

IPO refers to the sale of securities of the company for the first time to the public and after the IPO the company's securities are listed on a stock exchange. Public offering is a time consuming process and also costly for the company.

Private Placement

There is another option for the company. The company can directly approach select investors like Banks, Mutual funds, High Net worth Investors (HNI) and sell the company securities to them. The company does not need to list security on a stock exchange after the private placement.

This method is less time consuming and less costly for the company .

SEBI

Securities Exchange Board of India (SEBI) was set up on 12 April 1988 and it was given statutory status by the SEBI Act 1992 on 30 January 1992.

- It comes under the Ministry of Finance, Government of India.
- It is the regulator of the Capital market and Commodities market in India.
- The first SEBI chairman was Dr S A Dave (1988-90)

- **Madhabi Puri Buch** is the current and 10th Chairperson of the SEBI.
- Headquarters: Mumbai