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1. Russian Gazprombank opens account with UCO bank (Oct. 22, 2022)

Russian Gazprombank opens account with UCO bank

The Russian bank Gazprombank has opened a Special Vostro Account with the Kolkata based **UCO bank**. UCO bank was the first Indian bank to get permission from the Reserve Bank of India (RBI) to provide such a facility to settle international trade in Indian rupees.

Why UCO bank has been chosen

Gazprombank is the third largest bank in Russia and has been set up by the world's largest gas producer and exporter Gazprom. Gazprom has not been included into the Specially Designated Nationals list of the United States but only faces sectoral sanctions.

The United States imposes sanctions on companies or banks which deal with the companies included in its sanctions list. A company which faces US sanctions finds it very difficult to conduct business in the world as the world financial market is dominated by American financial institutions.

UCO banks have minimal international presence and there will be little or no impact on its business even if the United States imposes sanctions on it.

Earlier when sanctions were imposed on Iran by the United States, UCO bank was chosen by the government to conduct trade with Iran.

Special Vostro Account

The Indian government is keen to promote Indian rupee for settlement of International Trade and to lessen dependence on the American dollars. RBI on 11 July 2022 permitted the use of a special Vostro account for settlement of international trade (export and Import) in India Rupee.

Under this mechanism foreign banks of a country will open a special Vostro account with an Indian bank.

Suppose the Indian bank is SBI and foreign country is Russia and the Russian Bank is Gazprombank. An Indian businessman buys gas from a Russian company for Rs 200. The amount will be deposited in the Gazprombank account with SBI.

A Russian company buys Rs 125 worth of Tea from an Indian company.

Then Rs 125 will be deducted from the Rs 200 deposited in the Gazprom bank account with the SBI.

RBI says that the balance Rs 75 amount can be invested in the government securities.

Here the whole trade is being conducted in Indian Rupee and the settlement is also being done in Indian Rupee.

What is Nostro and Vostro bank account?

The key word to understand Nostro and Vostro is that Nostro means **Ours** and Vostro means **Yours** in Latin.

Nostro account

It is a bank account which is opened by a bank with a foreign bank in the foreign country's currency.

Vostro accounts

It is a bank account which a bank holds of other foreign bank in local currency.

Explanation

Nostro and Vostro accounts are the same bank account but two terms are used to explain it.

E.g. suppose SBI goes to London and opens an account with HSBC bank branch in London. While opening the account SBI has to deposit some money in its account. The money will be in pound sterling which is the currency of Britain.

SBI will tell HSBC that “**our**” account is with you. HSBC will say to SBI “**Yours**” account is with us. It is the same bank account but HSBC and SBI are using different terms to describe it.

Here SBI has used the word **Ours**, it means the SBI account with HSBC is a **Nostro account**.

HSBC has used the word ‘**Yours**’ so for HSBC the SBI account is Vostro account.

Thus the Gazprombank account with UCO bank is a Vostro account because UCO banks is saying to Gazprombank that ‘your’ account is with us.

UCO Bank

It was founded by Ghansyham Das Birla as United Commercial Bank Ltd. on 6 January 1943 at Kolkata (then Calcutta).

It was nationalized in 1969 and its ownership passed into the hands of the Government of India.

Its name was changed to UCO Bank in 1985.

Its overseas branches are in Singapore and Hong Kong.

Headquarters: **Kolkata**

Managing Director (MD) and Chief Executive Officer (CEO) : **Soma Sankara Prasad**

Tagline: **Honours Your Trust**

2. Atul Kumar Goel re-elected as the President of Indian Bank Association (Oct. 22, 2022)

President of Indian Bank Association

The Indian Bank Association (IBA) has announced on 21 October 2022 that **Atul Kumar Goel** has been re-elected as the President for 2022-23.

He was elected as the President of the IBA for 2021-22.

Atul Kumar Goel is currently the Managing Director (MD) and Chief Executive Officer (CEO) of Punjab National Bank.

Normally a public sector bank chief is made the President of IBA.

Indian Bank Association

It is a representative body of banks in India to promote and develop in India sound and progressive banking principles, practises and conventions and to contribute to the developments of creative banking.

It helps the government in formulating Human Resources policy for the banking sector.

The Indian Banks' Association (IBA) was formed on September 26, 1946 with 22 members. As of April, 2018 the total Membership of the Association is 239.

It includes Public sector Bank. Private Sector Banks, Foreign Banks, Co-operatives, Regional Rural Bank, and All India Financial Institutions.

Current Chairman: Punjab National Bank's MD &CEO Atul Kumar Goel is the chairman of the Indian Banks' Association (IBA)

Headquarters of IBA: **Mumbai**

3. HDFC gets best housing finance company award under the PMAY-CLSS scheme (Oct. 21, 2022)

best housing finance company award

India's leading housing finance company HDFC Ltd has been awarded as the best performing housing finance company under the Credit Linked Subsidy Scheme (CLSS) of the government's flagship scheme - Pradhan Mantri Awas Yojana (PMAY) at the [Indian Urban Housing Conclave 2022](#) in Rajkot, Gujarat.

Union Minister for Housing and Urban Affairs **Hardeep Singh Puri**, conferred the award on Sanjay Joshi, Senior General Manager and Head CLSS and Affordable Housing, HDFC Ltd.

Since the launch of the subsidy scheme under the PMAY in June 2016, HDFC has provided loans worth Rs 67,000 crore to over 3.13 lakh customers under the scheme .

This is the third time that HDFC has been given this award .

In July 2018, HDFC was awarded as the best performing primary lending institution in the Economically Weaker Section (EWS) and Low-Income Group (LIG) segment .

In March 2019, HDFC was awarded the 'Best Private Sector Financial Institution' for PMAY-CLSS at the PMAY- Affordable Housing Awards 2019.

HDFC Limited was set up as NBFC (Non-Banking Finance Company) in 1977. It is the promoter of India's largest private sector bank HDFC Bank .

HDFC Ltd is based in **Mumbai** .

Chairman of the HDFC is **Deepak Parekh**.

4. SEBI approves government's proposal to convert Vodafone Idea telecom debt into equity (Oct. 21, 2022)

Vodafone Idea telecom debt into equity

The capital market regulator **Securities Exchange Board of India** (SEBI) has approved the central government's proposal to convert around \$1.92 billion telecom dues of Vodafone Idea to equity shares.

In September 2021 the government of India announced a relief package for the telecom sector so that they can pay back the due they owe to the government of India after a Supreme Court judgement of 2019.

Under the package the telecom companies, Reliance Industries' Jio, Bharti Airtel and Vodafone Idea were given an option to convert their dues into equity shares and issue it to the Government of India. Jio and Airtel opted to pay back the dues to the government but Vodafone opted to convert its dues into equity shares.

The package was primarily for Vodafone Idea which was on the verge of bankruptcy and the government did not want the telecom sector to be dominated by two companies.

Under the deal the government stake in Vodafone Idea will be around **35.8%** of the total outstanding shares of the Vodafone-Idea Company, while the promoters Vodafone and Aditya Birla Group would hold around 28.5% and around 17.8% stake in the company, respectively.

The government intends to sell the share of the company when Vodafone Idea becomes profitable.

Vodafone Idea

It is a joint venture of Vodafone (United Kingdom) and Aditya Birla Group.

It has the third largest mobile telecommunication network in India.

Headquarters: **Gandhinagar**, Gujarat

Corporate Headquarters: Mumbai

Chairman: **Ravinder Takkar**

Chief Executive Officer: **Akshay Moondra**

5. World Bank to launch 'Business climate sturdy' which will replace the discontinued Ease of Doing Business report (Oct. 21, 2022)

Business Enabling Environment"

The [World Bank](#) has said that it will launch a new system for assessing the business and investment climate in economies worldwide following the discontinuation of the Ease of Doing Business report. The report titled **"Business Enabling Environment"** (BEE) is expected to be launched in April 2024.

The Ease of Doing Business report which was first published by the World Bank in 2003 titled "Doing Business" report. The report ranked the country on their business friendly environment by about 12 indicators.

The report which was annually published by the World Bank was discontinued **in September 2021** after a data rigging scandal came to light.

An internal audit of the World Bank revealed data irregularities in reports on China, Saudi Arabia, the United Arab Emirates and Azerbaijan in the 2018 and 2020 editions.

Subsequently, the Bank decided to come out with a new system that would be far more robust and credible than the earlier one. Hence it will come out with “**Business Enabling Environment**’.

India has performed very well on the Ease of Doing Business Index. It improved by 79 ranks to record **63rd** positions in 2019 , according to the last Bank’s Doing Business report 2020.

Other Important World Bank reports

- World Development Report
- Global Economic Prospect

President of World Bank: **David Malpass**

6. CCI fines Google Rs 1337.76 crore for abusing its dominance in the Smartphone Android platform (Oct. 21, 2022)

CCI fines Google Rs 1337.76 crore

The [Competition Commission of India](#) (CCI) imposed a Rs 1,337.76 crore fine on **Google**, owned by Alphabet company for abusing its dominant position in the Android mobile device market.

The antitrust regulator also barred Google from conducting unfair business practices, including offering incentives to smartphone makers for exclusively carrying its search services.

Background to the case

In May 2019 there was a complaint against Google that it used its dominant position as the supplier of the Android operating system to stifle competition and give it undue advantage.

Around 96% of the smartphones in India are run on Android OS as of September, while 4.09% run on Apple’s iOS.

Google sign an agreement with the Original Equipment Manufacturers (OEMs) of smartphones and tablets called Mobile Application Distribution Agreement (MADA). Under this agreement the OEM has to pre-install entire Google Mobile Suite like its search engine, YouTube etc. and place it prominently on their device.

This gave Google an unfair advantage to Google as compared to its competitor.

The CCI found Google guilty of abusing its dominant position to illegally hurt competitors in India.

The Indian case is similar to one faced by Google in Europe, where regulators imposed a \$5 billion fine on the company for forcing manufacturers to pre-install its apps on Android devices.

Google

It was formed by **Larry Page** and **Sergey Brin** in 1998. In 2015, Google was reorganized as a wholly owned subsidiary of Alphabet Company.

It is an American multinational technology company that focuses on search engine technology, online advertising, cloud computing, computer software, quantum computing, e-commerce, artificial intelligence, and consumer electronics.

Chief Executive Officer: **Sundar Pichai**

Global Headquarters: California, United States of America

Google India Headquarters: **Hyderabad**

7. China's total trade surplus with India 'surpasses \$1 trillion' (Oct. 21, 2022)

Since the boom in bilateral trade in the early 2000s, China has taken advantage of a favourable trade balance with India that now exceeds **\$1 trillion**.

India-China bilateral trade

- Bilateral annual trade between India and China crossed \$100 billion for the first time in 2021 to reach \$125.6 billion, of which India's imports were \$97.5 billion.

Important facts

- Trade ties between both countries began to boom in the early 2000s.
- This was largely driven by the import of Chinese machinery and other equipment by India.
- It increased from \$3 billion in 2000 to \$42 billion in 2008 and China became India's largest trading partner in 2008.
- One-third of the machinery and about two-fifths of organic chemicals that India buys from the world come from China.
- Automotive parts and fertilizers are other items where China accounts for more than 25 per cent of India's imports.
- India procures nearly 90 percent of the parts for some mobile phones from China.

India's export to China

- China is also a major partner of India in terms of export market.
- China is the third largest destination for Indian shipments.
- According to the Federation of Indian Export Organisations (FIEO), India's share in China's total exports is only a little over two per cent.

8. NSIC Signs MoU with Phillips Machine Tools India Pvt Ltd (Oct. 21, 2022)

NSIC Signs MoU

A MoU signed between the **National Small Industries Corporation Ltd (NSIC)** and **Phillips Machine Tools India Pvt Ltd** for Skill Development Training in Additive Technologies on October 18, 2022 in New Delhi.

Important facts

- B B Swain, Secretary (MSME), Gaurang Dixit, CMD, NSIC and Mercy Epao, Joint Secretary (SME) were also present on the occasion.
- The MoU was signed by Navin Chopra, CGM-SG (Tech), NSIC.
- This MoU will be a significant step for preparing skilled manpower in additive technologies which is the future of manufacturing.

National Small Industries Corporation

- It is an ISO certified Government of India Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME).
- NSIC is working to promote, assist and promote the development of Micro, Small and Medium Enterprises in the country.
- NSIC works through a countrywide network of offices and technical centres in the country.

9. 41.5 Crore Indian lifted out of Poverty says the Global Multidimensional Poverty Index report 2022 (Oct. 20, 2022)

Global Multidimensional Poverty Index report 2022

According to the 4th Global Multidimensional Poverty Index (MPI) 2022 report, India has successfully lifted 41.5 crore people out of poverty between 2005-06 and 2019-20. The report is jointly brought out by the **UNDP's Human Development Report Office** and the **Oxford Poverty and Human Development Initiative (OPHI)**. The first report was released in 2019 and it is released annually.

The report ranks 111 developing countries in the world on its Multidimensional Poverty index.

Main Points of the report

Poverty in the world

- According to the report 1.2 billion people in the world are multidimensionally poor.
- The highest number of poor people are in **Sub Saharan Africa** (579 million), followed by South Asia (385 million). The two regions together are home to 83% of poor people.

India report

Decline in Poverty over the years

- 41.5 Crore people in the country were lifted out of multidimensional poverty between 2005-06 and 2019-20.
- The data shows that roughly 27.5 crore people exited multidimensional poverty between 2005-6 and 2015-16, which works out to 2.75 crore people a year on an average.
- Between 2015-16 and 2019-20, 14 crore people were lifted from multidimensional poverty, which works out to an average of 2.8 crore people a year.

World's largest poor in India

- **India** has the largest number of poor people worldwide (228.9 million), followed by **Nigeria** (96.7 million projected in 2020)."
- The Index has used 2020 population data of India for this purpose.
- In India "about 4.2 per cent of the population live in severe poverty (meaning their deprivation score is 50 per cent or higher).

Children are the poorest age group

- Poverty is found more amongst the children as compared to the adults.
- Children are still the poorest age group, with more than one in five (21.8 per cent) children being poor, compared to around one in seven adults (13.9 per cent).
- There are around 9.7 crore poor children in India.

More poor in rural areas

- The percentage of people who are poor is **21.2 per cent** in rural areas compared with 5.5 per cent in urban areas
- Rural areas account for nearly **90 percent of poor people** and 205 million of the nearly 229 million poor people live in rural areas

Poverty more in female headed households

- About **19.7 percent** of people living in female-headed households live in poverty compared with 15.9 per cent in male-headed households.

Performance of the States

- Only West Bengal was successful in coming out of the list of 10 poorest state list prepared in 2015/16.
- **The other 9 poorest states of India are** Bihar, Jharkhand, Meghalaya, Madhya Pradesh, Uttar Pradesh, Assam, Odisha, Chhattisgarh and Rajasthan.
- Across states and union territories the fastest reduction of poverty in relative terms was in **Goa**, followed by Jammu and Kashmir, Andhra Pradesh, Chhattisgarh and Rajasthan.

What is Multidimensional poverty Index?

- Multidimensional poverty assessments aim to measure the **non-income based** dimensions of poverty, to provide a more comprehensive assessment of the extent of poverty and deprivation.
- The Index measures a person's deprivation across **three dimensions** and **10 indicators: health** (child mortality, nutrition), **education** (years of schooling, enrollment), and **living standards** (water, sanitation, electricity, cooking fuel, and assets).
- It first identifies which of these 10 deprivations each household experiences, then identifies households as poor if they suffer deprivations across one-third or more of the weighted indicators.

The Index reflects deprivations on the following indicators:

1. Adult(under 70 years) or child being malnourished

2. Death of any Child (under age of 18 years) within the household in the last 5 years
3. No household member aged above 6 years has completed at least six years of schooling
4. Disrupted or curtailed schooling (a minimum of years 1-8)
5. Any child of the family who is not attending school upto the age at which he/she would have completed class eight study
6. Lack of access to safe drinking water
7. Lack of access to basic sanitation services
8. Lack of access to clean cooking fuel
9. Lack of basic modern assets (radio, TV, telephone, computer, bike, motorbike, etc.)
10. Lack of access to reliable electricity

United Nations Development Programme (UNDP)

It was set up by the United Nation General Assembly on 22 November 1965.

It help the countries in developing their own solutions on the issues of;

- Sustainable Development,
- Democratic governance and peace building, and
- Climate and Disaster resilience.

Headquarters: **New York City**, United States

Reports

- It publishes a **Human Development Report** every year.
- It also publishes the **Multidimensional Poverty Index** with the Oxford Poverty and Human Development Initiative.
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10. Grant of Rs 1,764 crore released to four states for urban local bodies (Oct. 20, 2022)

Grant of Rs 1,764 crore

The Department of Expenditure, Ministry of Finance has released an amount of Rs 1,764 crore to **4 states** on 19 October 2022 for providing grants to **Urban Local Bodies**.

Important facts

- The states to which the grant was released include **Andhra Pradesh** (Rs 136 crore), **Chhattisgarh** (Rs 109 crore), **Maharashtra** (Rs 799 crore) and **Uttar Pradesh** (Rs 720 crore).
- In Uttar Pradesh, this amount has been given for **Agra, Allahabad, Ghaziabad, Kanpur, Lucknow, Meerut and Varanasi**.
- Whereas, Vijayawada and Visakhapatnam in Andhra Pradesh, Durg, Bhilai Nagar and Raipur in Chhattisgarh and Aurangabad, Greater Mumbai, Nagpur, Nashik, Pune and Vasai-Virar cities in Maharashtra will spend this amount.
- A total grant of Rs 4,761.8 crore has been released to urban local bodies in the year 2022-23 so far.

Two categories of Urban Local Bodies

- The **15th Finance Commission** in its report for the period 2021-22 to 2025-26 has divided the urban local bodies into two categories -
 1. Urban agglomeration/cities with population **Million-Plus** (except Delhi and Srinagar)
 2. All other cities and towns with **less than one million population** (Non-Million Plus cities).
- The commission had recommended a separate grant for them.
- Of the total grants recommended by the Commission for over one million cities/urban clusters (MPCs/UAs), more than 2/3 are recommended for the solid waste management component and the remaining 1/3 for ambient air quality.

Sanjay Malhotra, Secretary, Department of Financial Services, will take over as the new **Revenue Secretary** on November 30 2022, currently **Tarun Bajaj** is the Revenue Secretary.

Secretary of Finance - **Benjamin E. Diokno**