

## **Testwale Current Affairs PDF**

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### **1. Centre bars 13 states from power exchange over dues ( Aug. 20, 2022 )**

**Power System Operation Corporation (POSOCO), the national grid operator under the Ministry of Power, has barred 12 states and one Union Territory of Jammu and Kashmir from buying/selling electricity due to non-payment of dues.**

#### **IMPORTANT FACTS -**

- These states include Andhra Pradesh, Tamil Nadu, Telangana, Karnataka, Bihar, Jharkhand, Madhya Pradesh, Maharashtra, Chhattisgarh, Jammu and Kashmir, Rajasthan, Manipur and Mizoram.
- This is the first time that the grid operator has invoked the Electricity (Delay Payment Surcharge and Related Matters) Rules, 2022, to not allow discoms to buy power from alternative short-term sources.
- The total outstanding dues of non-payment discoms is Rs 5,000 crore, of which Telangana has the highest dues of Rs 1,380 crore.
- Under the new Late Payment Surcharge (LPS) rules, it will be implemented from August 19.
- As per the LPS rule, if the discoms do not clear the pending dues to Genco within seven months, their power exchange is suspended.

#### ***Power System Operation Corporation (POSOCO) :***

- It is a wholly owned Government of India Enterprise under the Ministry of Power, Gov of India.
- Earlier it was a wholly owned subsidiary of Power Grid Corporation of India Limited (POWERGRID).
- It was set up in March 2009 to handle the power management functions of PGCIL.
- It is responsible for ensuring the integrated operation of the grid in a reliable, efficient and safe manner.
- It consists of 5 Regional Load Despatch Centers and one National Load Despatch Center (NLDC).

### **2. CBIC revises guidelines on arrest, prosecution for Customs violations ( Aug. 18, 2022 )**

**The Central Board of Indirect Taxes and Customs (CBIC) has issued revised guidelines for prosecution, arrest and bail under the Customs Act.**

**IMPORTANT FACTS -**

- CBIC has increased the limit of fine for violation of these rules.
- Smuggling of high value goods such as gold and unauthorized import of goods, the market value of which is more than Rs 50 lakh, can lead to prosecution and arrest.
- Cases of wrong declaration or evasion of duty of goods worth Rs 2 crore or more will also face similar action.
- Arrest will also be made if the amount of fraudulent duty refund or duty exemption in export of goods exceeds Rs.2 crore.
- However, the above limit of value will not apply to certain items like ammunition, antiquities, art treasures, wildlife and endangered species.

***What is Custom Duty?***

- Customs duty refers to the tax levied on goods when they are transported across an international border.
- It is a tax that is levied on the import and export of goods.
- The government uses this duty to increase its revenue, protect domestic industries and control the movement of goods.

***Types of custom duty :***

- Basic Customs Duty (BCD)
- Countervailing Duty (CVD)
- Additional Customs Duty or Special CVD
- Protective Duty,
- Anti-dumping Duty

***Central Board of Indirect Taxes and Customs (CBIC) :***

- It is a subsidiary board of the Department of Revenue under the Union Ministry of Finance.
- It mainly deals with the functions of policy formulation and implementation relating to levy and collection of Customs Duty, Central Excise Duty and Goods and Services Tax.
- It also works for the prevention of smuggling.
- CBIC is headed by a Chairman and consists of 6 members.
- Present Chairman - Vivek Johri

### **3. Taxpayers will no longer be part of Atal Pension Yojana ( Aug. 13, 2022 )**

According to a gazette notification issued by the Ministry of Finance Any citizen who is or has been an income-tax payer, shall not be eligible to join Atal Pension Yojana (APY). The rule will come into effect on October 1, 2022.

#### **Important facts**

- As per notification those who are already participating in the scheme will cease to be a part of it from October 1. However, they will receive the money deposited in their respective accounts.
- If a subscriber, who has joined on or after October 1, 2022, is later found to be an income tax payer on or before the date of application, the APY account will be closed and the pension amount accumulated till now will be given to the subscriber
- Income tax payer is a person who is liable to pay income tax as per the Income Tax Act, 1961 as amended from time to time.

#### **About Atal Pension Yojana (APY)**

- Launched - **2015**

#### **Purpose**

- To provide social security to the people working in the unorganized sector as the people working in such sectors mainly belong to the low income group.

#### **Eligibility**

- Any Indian citizen in the age group of 18-40 years having a savings bank account / post office savings bank account.
- The minimum period of contribution by the subscriber under APY shall be 20 years or more.
- It is administered by Pension Fund Regulatory and Development Authority (PFRDA).

#### **Pension under the APY**

- Under the scheme a subscriber receives a minimum guaranteed pension of Rs 1000 to Rs 5000 per month from the age of 60 years, depending upon his contribution.
- In the event of the death of the pensioner, the amount of pension will be given to his/her spouse.
- In case of death of both the subscriber spouse, the pension amount deposited till the age of 60 years of the subscriber will be returned to the nominee.

**4. 7.3 percent of the population in India has cryptocurrencies: UNCTAD report ( Aug. 13, 2022 )**

According to the report of UNCTAD, a UN trade and development body, 7.3 percent of the Indian population held cryptocurrencies in 2021.

**Highlight of the report**

- According to the report Global use of cryptocurrencies has increased exponentially during the COVID-19 pandemic, including in developing countries.
- 15 of the top-20 economies in terms of the share of the population holding cryptocurrencies include developing economies.
- Ukraine is on the top in the list with 12.7 per cent, followed by Russia (11.9 percent), Venezuela (10.3 percent), Singapore (9.4 per cent), Kenya (8.5 per cent) and the US (8.3 percent).
- India ranks seventh in the list, while Pakistan is at 15th with 4.1 per cent.
- The report said that digital currency is being used to fight inflation.

**What is Digital currency?**

- It refers to any mode of payment that is done purely electronically.
- This is accounted for and transferred using an online system.
- A well-known form of digital money is the cryptocurrency bitcoin.

**What is cryptocurrency?**

- A cryptocurrency is a virtual currency used for financial transactions.
- It uses blockchain technology for various transactions.
- Earlier, the RBI has issued a circular prohibiting use of these virtual currencies.
- Cryptocurrencies typically use decentralized control as opposed to centralized digital currency and central banking systems.
- Bitcoin is the first decentralized cryptocurrency.

**5. Govt to bring model by-laws to govern all Primary Agricultural Cooperative Societies ( Aug. 13, 2022 )**

Union Home and Cooperation Minister Amit Shah has said that the government will bring a model bye-law to govern all Primary Agriculture Cooperative Societies (PACS) in the country.

**Important facts**

- He was addressing a national conference on rural cooperative banks organised by the Ministry of Cooperation and the National Federation of State Cooperative Banks (NAFSCOB) at Vignan Bhavan in New Delhi on 12 August.
- He said that sick and discontinued packs should be revived or taken for liquidation.
- PACS will not be viable just by giving agriculture loans, they should diversify their business.
- He stressed the need to set up more than 2 lakh new PACS across the country to achieve the target of providing agri-finance of Rs 10 lakh crore through cooperatives.
- Presently there are more than 95,000 packs, of which only 63,000 packs are operational.
- The implementation of these model bye-laws will depend on the states as cooperatives are a subject in the State List (Schedule VII).

### **What are Primary Agricultural Cooperative Societies (PACS)?**

- These are grassroots level cooperative credit institutions that provide short-term and medium-term agricultural loans to farmers for various agricultural and agricultural activities.
- It works at the gram Panchayat and village level.
- The first Primary Agricultural Credit Society (PACS) was set up in 1904.
- PACS are registered under the Co-operative Societies Act and regulated by RBI.

### **Objectives of PACS**

- Raise capital for the purpose of making loans
- Supporting members' essential activities
- Collect deposits from members with the goal of improving their savings habit
- Arrange for the supply and development of improved breeds of livestock to the members
- Supply agricultural inputs and services to members at reasonable prices

## **6. Retail inflation in India eases to 6.71% in July ( Aug. 13, 2022 )**

India's retail inflation eased to 6.71% in July on moderation in food inflation, according to data from the National Statistical Office, but remained well above the 4-6% limit set by the Reserve Bank of India for the seventh consecutive month.

### **Important facts**

- Food inflation in July 2022 moderated to 6.75% as against 7.75% in June, according to the data.

- Retail inflation remained above 7% in the first three months of the current fiscal.
- Retail inflation remained elevated despite a fall in vegetable and edible oil and other commodity prices.
- In such a situation, the RBI may make another hike in the policy rate in the proposed monetary policy review at the end of September.
- According to the data, the main reason for the moderation in retail inflation in July is the reduction in vegetable and edible oil prices. In terms of fuel and power, prices remain high.
- As per the data, inflation in vegetable and oil and fat segments moderated in July to 10.90 per cent and 7.52 per cent, respectively.
- In the month of June, it was 17.37 percent and 9.36 percent respectively.
- Fuel inflation stood at 11.76 per cent in July as against 10.39 per cent earlier.
- India's factory output, as measured by the Index of Industrial Production (IIP), fell to 12.3 per cent in the month of June, compared to 19.6% in May.
- Manufacturing sector output grew 12.5% in June 2022.
- Mining production grew by 7.5% and electricity generation by 16.4% in June this year.
- The index rose 12.7% in April-June 2022, compared to a rise of 44.4% in the same period a year ago.

### **What is CPI based inflation or retail inflation?**

- CPI (Consumer Price Index) monitors retail prices at a certain level for price movement of a particular commodity, goods and services at rural, urban and all India levels.
- The change in the price index over a period of time is known as CPI-based inflation, or retail inflation.
- CPI formula -  $(\text{Price of basket in current period} / \text{Price of basket in base period}) \times 100$

## **7. India-UK conclude fifth round of FTA talks ( Aug. 12, 2022 )**

India and the United Kingdom (UK) concluded the fifth round of talks for an FTA on the 29th of last month.

### **Important facts**

- In the fifth round of talks, technical experts from both sides came together to discuss 15 policy areas.
- Currently, India is holding FTA talks with some of its trading partners including the European Union, Canada and Israel.

### **Consensus between both countries**

- Officials in India and the UK will continue to work intensively throughout the summer to finalize talks on a comprehensive and balanced free trade agreement by the end of October 2022.
- UK agrees to end duties on Indian rice and textile items.
- India may allow duty-free entry of British apples, medical equipment and machinery manufactured in the UK.
- India initially proposed an early harvest agreement or interim FTA that would be ready by Diwali.
- Through this agreement, India-UK bilateral trade is estimated to double to about \$100 billion by 2030.
- An agreement is also expected to be reached on mutual recognition of higher education qualifications.
- India is likely to get more skill visas, as the UK currently faces a shortage of experts in the IT and programming sectors.
- The India-UK FTA agreement is also expected to give a boost to the domestic textile sectors.

### **What is Free Trade Agreement (FTA)?**

- Under this agreement, customs duties, regulatory laws, subsidies and quotas etc. are simplified on the products under import-export between two countries.
- Its main objective is to simplify trade.
- A major advantage of FTA is that the cost of production of the two countries between which this agreement is made becomes cheaper as compared to other countries.
- This encourages trade and gives impetus to the economy.

### **8. India achieves landmark milestone, over 75000 startups recognised so far ( Aug. 3, 2022 )**

Union Minister of Commerce & Industry, Consumer Affairs, Food and Public Distribution and Textiles Piyush Goyal on August 3 announced that India has achieved a milestone, recognizing 75000 startups in the country.

#### **Important facts**

- Out of the total recognized startups, about 12% are established in IT Services, 9% in Healthcare and Life Sciences, 7% in Education, 5% in Professional and Commercial Services and 5% in Agriculture.
- So far, 7.46 lakh jobs have been created by the Indian startup ecosystem, an annual growth of 110 per cent in the last 6 years.
- About 49% of these startups are from Tier II and Tier III.

**Present Status**

- India is the third largest start-up ecosystem in the world after the US and China.
- 44 Indian start-ups have achieved unicorn status in 2021, taking the total number of unicorns to 83.
- Most unicorns are from the services sector.
- Some of the successful Indian unicorns include Lenskart, Cred, Meesho, PharmEasy, Lycius, Grofers, etc.
- Bangalore has been listed among 20 leading startup cities in the world in the 2019 Startup Genome Project Rankings.

**Related Government Initiatives**

- **SETU (Self-Employment and Talent Utilization) Fund** - Rs 1,000 crore has been allocated by the government for creating self-employment and new jobs opportunities mainly in the technology driven domain.
- **Credit Guarantee Fund** - It was launched by the Government of India to make available collateral-free credit to the micro and small enterprise sector.
- **Fund of Funds for Start-ups (FFS)** - Under the Startup India programme, the government set up a Fund of Funds for Startups (FFS) with a corpus of Rs 10,000 crore to provide funding support for startups.
- **Tax exemption** - Tax exemption on capital gains tax, removal of angel tax, tax exemption for 3 years and tax exemption on investments above fair market value.
- **MUDRA Scheme** - Through this scheme, start-ups get loans from banks to establish and grow their business.

**9. India's July preliminary trade deficit widens to \$31 billion ( Aug. 3, 2022 )**

India's July trade deficit widened to \$31.02 billion, from \$10.63 billion a year ago, on increased imports of crude oil and coal.

**Important facts**

- Merchandise exports fell to a five-month low of \$35.2 billion in July, while imports fell sequentially to \$66 billion, according to data released by the commerce ministry.
- Seven of the top 10 export items witnessed contraction - engineering goods (2.5 per cent), petroleum products (7.1 per cent), gems and jewellery (5.2 per cent), pharmaceuticals (1.4 per cent), readymade garments (0.6 per cent), cotton yarn (28.3 per cent), and plastic (3.4 per cent).
- However, some items showed strong growth - chemicals (7.9 per cent), electronic goods (46.1 per cent), and rice (30.2 per cent).



- Among major import items, gold declined 43.6 per cent to \$2.4 billion after the Center raised import duty on the metal last month.
- However, imports of non-oil and non-gems and jewellery products increased by 42.9 per cent due to improved domestic economic activity as well as increased price pressures.

**Reason of trade deficit and its effect**

- Rising interest rates and the closure of economic stimulus packages are likely to have a negative impact on trading volumes in the remaining months of 2022.
- Volatility in commodity prices and geopolitical factors will also continue to make business development uncertain.
- The conflict in Ukraine is putting further pressure on international prices of energy and primary goods.
- In the short term, due to stagnant global demand for food and energy products, an increase in food and energy prices is likely to lead to higher trade values and a slight decrease in trade volume.
- The current account deficit is likely to have crossed \$30 billion in Q1 FY23.

**Can India compensate for the trade deficit?**

- The recently signed trade deals with UAE and Australia will boost exports.
- These two countries can export \$ 15-16 billion.
- The trade arrangement announced by the Reserve Bank of India will boost trade with Russia and Sri Lanka.
- There are huge opportunities in Russian tea, telecom, pharmaceutical products, leather etc.
- Exports could exceed \$500 billion in this fiscal year, as restrictions on exports of wheat, iron and steel, and petroleum products have curbed growth in shipments.

**What is trade deficit?**

- A trade deficit occurs when a country's imports exceed its exports.
- It is also known as negative balance of trade.
- A trade deficit is calculated by subtracting the total value of a country's exports from the total value of its imports.

**10. UPI records 6 billion transactions in July ( Aug. 2, 2022 )**

The Unified Payments Interface (UPI) saw over 6 billion transactions in July, the highest ever by India's leading digital payments platform since its inception in 2016.

**Important facts**

- According to data released by the National Payments Corporation of India (NPCI), which operates the platform, UPI handled 6.28 billion transactions totaling Rs 10.62 trillion.
- Month-on-month, the volume of transactions was up 7.16% and value increased 4.76%.
- Year-on-year (YoY), transaction volume nearly doubled, while transaction value grew by 75%.
- UPI crossed 1 billion transactions for the first time in October 2019, almost three years after its launch.
- In October 2020, the UPI processed more than 2 billion transactions.
- In the next ten months, the UPI processed 3 billion transactions.
- It took only three months for UPI to reach from 3 billion to 4 billion transactions per month.
- The incremental one billion transactions were achieved in just six months' time.
- Apart from some reduction during the first two waves of the pandemic, UPI transactions are on the rise as the economy recovers.

**About UPI**

- Unified Payments Interface (UPI) is a single platform that integrates various banking services and facilities under one umbrella.
- It is developed by National Payments Corporation of India (NPCI).
- The names of the top UPI apps currently are – PhonePe, Paytm, Google Pay, Amazon Pay and BHIM.
- NPCI launched UPI in 2016 with 21 member banks.

**National Payments Corporation of India (NPCI)**

- It is an umbrella organisation for operating retail payment and settlement systems in India.
- It has been launched by the 'Reserve Bank of India' (RBI) and 'Indian Banks' Association' (IBA) under the 'Payment and Settlement Systems Act, 2007'.
- It is a 'non-profit' company established under the provisions of section 25 of the Companies Act 1956.
- It aims to provide the infrastructure for physical and electronic payments to the entire banking system in India.