

Monthly Current Affairs Gk Digest



BANK
EXAMS
Today

June 2022

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SEBI issues norms for Dispute Resolution

Current Context: Markets regulator SEBI has issued new Standard Operating Procedures (SOP) for dispute resolution under the stock exchange arbitration mechanism.

Highlights

- This mechanism will help to resolve the between a **listed firm or Registrars to an Issue and Share Transfer Agents (RTAs) and its shareholders.**
- The arbitration mechanism will also look out for the resolution of complaints received through the SCORES portal.
- As per the SEBI circular, the new **framework will come into force with effect from June 1.**
- A sole arbitrator will be appointed in case of arbitration matters involving a claim of up to Rs 25 lakh, and, if it is more than Rs 25 lakh, a panel of three arbitrators will be appointed.
- The process of appointment of an arbitrator **is required to be completed by the stock exchange within 30 days from the date of receipt of the complete application from the applicant.**
- Arbitrator fees will be Rs 18,000 plus stamp duty and service charge and this amount will be collected from RTAs or listed companies and shareholders or investors.
- Besides Arbitral award will be issued **within four months from the date of appointment of the arbitrator.**

India's GDP growth Expands 8.7% in FY22

Current Context: During the period of January-March period of 2021-22, India's economy grew 4.1% even though the rate of growth slowed with the Omicron wave-induced restrictions, but still it leads to creating a space for growth expansion of 8.7% in FY22.

Key Facts

- According to the National Statistics Office **clipped down the overall growth estimate for FY22 to 8.7% from 8.8% in February.**
- As per the report, growth in private final consumption expenditure decreased to 1.8%, and government spending increases to 4.8%. Gross fixed capital formation slowed to 5.1%.
- Besides **manufacturing sector contracted 0.2%** in the March quarter due to supply chain disruptions, whereas agriculture growth of 4.1% remained healthy despite the decline in wheat output due to the ongoing heatwave.
- In addition to that Gross value added (GVA) at basic prices grew at 3.9% in the fourth quarter and 8.1% in FY22.
- **Nominal GDP is estimated to grow 19.5% in FY22 to Rs 236.4 trillion.**

Credit offtake remains Robust in April across all Sectors

Current Context: According to the Reserve Bank of India data report, credit to industry enhanced to 8.1% in April 2022 which is, higher than 7.1% in March 2022.

Key Points

- In the first month of the new financial year April, it has been observed that credit offtake continued to be vigorous across all sectors like farming, industry, services, and retail.
- **As per data credit to medium-sized industries registered a growth of 53.5%, micro and small industries rose to 29.0% and the large industries segment also showed growth of 1.6%.**
- There has been major growth in the services sector mainly due to finance companies, trade, tourism, hotels & restaurants, and transport operators.
- Credit growth in agriculture and allied activities **has also shown an increase of 10.6 percent in April 2022.**
- The evolving patterns in credit allocation **across sectors** show that **credit offtake remained** on the higher side in the upcoming months.

Takeaways from World Economic Forum meet 2022

Current Context: Recently WEF annual meeting took place physically in the Swiss town of Davos from May 22 to May 26 after two years. Theme 'History at a Turning Point: Government Policies and Business StrategiesDee.

Details

- **Highlights:**
 - A New platform **"Alliance of CEO Climate Action Leaders India"** has been created that will work **towards fast-tracking decarbonization pathways during India's net-zero journey.**
 - Due to an increase in crude oil prices India's aim of a 20 percent ethanol blend has been pushed ahead from 2030 to 2025. To provide a platform for alternative sources.
 - **WEF is building a Global Collaboration Village"** as the virtual future of public-private cooperation, in collaboration with Accenture and Microsoft.
 - Besides India is determined to be a politically stable, economically dynamic, and growth-driven investment destination.

- **State-wise Agreements**

- Maharashtra joined the **WEF's Global Plastic Action Partnership (GPAP)** to advance regional efforts to fight plastic pollution.
- **Andhra Pradesh** has signed renewables investments with India's **Adani Green Energy, GIC-backed Greenko, and India's Aurobindo Realty & Infrastructure**.
- Karnataka has also signed agreements with two major companies for a total investment flow of 52,000 crore rupees.

GST collections Slip below the Rs 1.5-trn mark in May

Current Context: It is been expected that the collection of goods and services tax (GST) will be Rs 1.5-trillion level in May, but it has recorded as Rs 1.41 trillion in May which is 16% lower than the record collection of Rs 1.68 trillion in April.

Highlights

- As per Govt Data, the collection in May is, however, 44% higher than Rs 97,821 crore a year ago and also May is still the fourth-highest since the beginning of GST in July 2017.
- The reason behind the sudden fall as explained by the finance ministry is the first month of the financial year, has always been lesser than that of April, which pertains to the returns for March, the closing of the financial year.
- Maharashtra contributed the most to GST collections.
- The total revenue after settlements is Rs 52,960 crore for CGST and Rs 55,124 crore for the SGST. In addition, the Centre has also released GST compensation of Rs 86,912 crores to states which were pending.
- The revenue from imports of goods was 43% higher than the corresponding month last year. Collections from domestic transactions were 44% higher than the revenues from these sources in May 2021.

SEBI Issues New Norms for tightening IPO Rules and Ensuring Genuine Bids

Current Context: The Securities and Exchange Board of India has issued new rules for the initial public offering norms in a bid to ensure that only genuine entities participate.

Key Points

- This decision has been taken because some large institutional investors and high net worth individuals were putting in bids only to inflate the subscription numbers and not to get allotments.
- Now the IPO applications should only be processed if there are supporting funds in an investor's bank account.
- In addition to it, stock exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.
- This rule will apply to all categories of investors including retail, qualified institutional buyers (QIBs), non-institutional investors, and other reserved categories.
- It will affect Public issues which are opening on or after 1st September.
- Apart from that Sebi planning to cancel recent IPOs as bidders didn't have sufficient funds in their bank accounts.

Govt of India hikes Premium Rates for Insurance Premiums

Current Context: Recently the government has hiked the insurance premium rates for Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY). It will get effective from June 1, 2022.

Key Facts

- First time in 7 years of launch the premium rates for both schemes has been increased i.e for PMJJBY being increased from Rs. 330 to Rs. 436 and PMSBY being increased from Rs. 12 to Rs. 20.
- The decision to increase has come into effect after the review of the schemes and it was shown that the claims ratio is higher for PMJJBY and PMSBY was 145.24% and 221.61%.
- The hike in premium would make the schemes sustainable and encourage other private insurers to come on board for implementing PMJJBY and PMSBY.
- The Centre has also set a target to increase insurance coverage from 64 million to 150 million under PMJJBY and from 220 million to 370 million under PMSBY.
- The Pradhan Mantri Jeevan Jyoti Bima Yojana is a one-year, renewable life insurance scheme that provides death coverage. PMJJBY provides life insurance cover worth Rs 2 lakh to all account holders aged 18-50 years.
- The Pradhan Mantri Suraksha Bima Yojana is a type of personal accident insurance that protects you from death or disability as a result of an accident. The insurance coverage is for a year. The scheme covers a total sum insured of Rs 2 lakh.

Reserve Bank of India will focus on Interest Rate Hikes

Current Context: Reserve Bank of India will focus on interest rate hikes in the coming months with the repo rate expected to reach its terminal level early in 2023.

Details

- According to a Reuter's poll the central bank is expected to hike its benchmark policy rate by at least 100 basis points during the next four MPC meetings.
- Monetary Policy Committee has backed even more in upcoming sessions this year to keep price pressures under control which reached an eight-year high in May.
- It has also been estimated that the repo rate is likely to reach or exceed its pre-pandemic level of 5.15 percent next quarter.
- Many economists estimated that inflation was to remain in the 6%-7% range well into the current and next fiscal year.
- As inflation is also expected to remain high due to high global energy and food costs still RBI doesn't achieve the target of inflation and needs to take a decision on it and also what to do about interest rates.

World's 1st Nano Urea Liquid Plant by IFFCO

Current Context: Prime Minister Narendra Modi today inaugurated the world's first nano urea liquid plant by Indian Farmers Fertiliser Cooperative Limited at Kalol, Gujarat.

About

- The first IFFCO nano urea (liquid) production unit at Kalol has been made with an investment of Rs 175 crore.
- Apart from that IFFCO has set up additional manufacturing facilities for the production of nano fertilizers at its Aonla, Bengaluru, Paradeep, Kandla, Deoghar, and Guwahati units for the production of nano urea, nano.
- All these units shall have a design production capacity of 2 lakh bottles per day with a total investment of Rs 3,000 crore.
- This nano urea liquid was indigenously developed through proprietary technology at the IFFCO nanobiotechnology research lab.
- India is the second-largest consumer of urea in the world and it remains the third-largest producer of urea.

Digital payments in India projected to reach \$10 trn by 2026

Current Context: According to a recent report Digital payments in India will reach \$10 trillion in value by 2026 compared to \$3 trillion now.

Highlights

- Over the past few years, the digital payments ecosystem has gained from the entry of multiple new players with diverse offerings driving digital payments adoption at scale.
- United Payment Interface saw about **9x transaction volume increase in the past 3 years, increasing from 5 billion transactions in FY19 to about 46 billion transactions in FY22.**
- According to a report, India is set to become a digital payment economy with **65% of transactions being done digitally by 2026.**
- Besides, it is noted that the frequency of digital payments will constitute two out of three payment transactions by 2026.
- In addition to that **Tier 1-2 cities have witnessed a high acceptance of digital payments, and Tier 3-6 cities show potential growth.**
- Apart from that govt of India has come up with many initiatives to promote digital payments like **BHIM Referral and cashback schemes, Lucky Grahak and Digi-Dhan Vyapar Yojana**, etc.

Bank Credit to NBFCs increases 10% to Rs 10.5 trn in FY22

Current Context: As per Recent report Bank credit to NBFCs grew double-digit in FY22 as it was increased by 10.4 percent compared to earlier.

Key Points

- The report has stated that bank credit to **NBFCs grew double-digit in FY22 with outstanding bank credit rising by 10.4 percent to Rs 10.5 lakh crore.**
- According to an analysis by Care Ratings, bank credit to non-banking **financial companies (NBFCs) expanded by Rs 99,000 crore in FY22, from FY21.**
- The percentage share of funds deployed by mutual funds in commercial papers of **NBFCs in FY22 stood at 4.4% of debt assets under management (AUMs), compared to 3.6% in FY21.**

- Apart from that banks' credit exposure to NBFCs fluctuated around Rs 9 lakh crore for FY22 and crossed Rs 10 lakh crore threshold in December 2021.
- In addition to it, NBFCs **issued more CPs to fund IPOs as they shifted from long-term to short-term.**
- There has been increasing in investments of mutual funds' debt exposure through commercial papers and corporate bonds, to NBFCs rose 14.3% to Rs 1.7 lakh crore in FY22.

SEBI Smoothens approval Process for Change in Control of Portfolio Manager

Current Context: Recently Sebi streamlined the process of providing its approval to the proposed change in control of a portfolio manager.

Key Facts

- According to the new circular it has specified that **portfolio managers who are involved in the scheme of arrangement must need the sanction of the National Company Law Tribunal.**
- An online application needs to be made to the market regulator for prior approval through the Sebi Intermediary Portal.
- **The prior approval granted by the regulator will be valid for a period of six months.**
- Apart from that he also needs to inform its existing investors about the proposed change prior to effecting the same.
- The option to exit without any exit load, **within a period of at least 30 calendar days from the date of such communication.**
- Once the compliance was done SEBI will provide clearance and the validity of such clearance will be three months.

SBI Revises FY23 economic growth Forecast to 7.5%

Current Context: According to SBI research it has projected the Indian economy to grow by 7.5 percent in 2022-23.

Details

- The economy grew by **8.7 percent in FY22, net adding Rs 11.8 lakh crore in the year to Rs 147 lakh crore.**
- The report has shown positive results on corporate revenue and profit, the growing bank credit, etc.
- Listed companies reported 29% top line growth and a 52 percent jump in net profit.
- **Construction including cement, steel, etc reported 45% growth in revenue and 53% in net income.**
- According to the report, the **inflation target was kept at 6.5-6.7% for FY23.**
- It has also been expected that RBI is likely to raise the repo rate cumulatively by 125-150 basis points and CRR by another 50 basis points.

Purchasing Managing Index surges to 11-year high in May

Current Context: S&P Global India Services Purchasing Managers' Index rose to 58.9 in May from 57.9 in April, it's highest since April 2011.

About

- The reopening of the Indian economy continued to help lift growth in the service sector.

- As economic activity continued to normalize with the lifting of pandemic restrictions. **It separates growth from contraction for a tenth consecutive month.**
- The main factor behind it was Strong Services and manufacturing activity boosted the composite index to such a high level.
- **Apart from that country's economy expanded 4.1% year-on-year in the January-March quarter.**
- As per data, there has been a rise in retail inflation due to energy and commodity price rises caused by the Russia-Ukraine war.
- Besides we all knew that India's economy is grappling with eight-year high inflation in April RBI must come up with strong policy rates to tackle it.

eSanjeevani Integrated with NHA's Ayushman Bharat Digital Mission

Current Context: The National Health Authority has successfully integrated of eSanjeevani with its flagship scheme Ayushman Bharat Digital Mission.

Highlights

- It will enable users of eSanjeevani to create their **14-digit unique Ayushman Bharat Health Account and use it to link their existing health records like prescriptions, lab reports, etc.**
- This integration will help in better **clinical decision-making and ensure the continuum of care.**
- eSanjeevani service is available in two variants. The first one is eSanjeevani **Ayushman Bharat-Health and Wellness Centre (AB-HWC)** and the second one is **eSanjeevani OPD.**
- This enables the government to provide general and specialized health services in rural areas and isolated communities.
- Apart from that eSanjeevani telemedicine platform also **joins 40 digital health applications to provide a wide range of services.**

Centre approves 8.1% EPF Interest Rate for 2021-22, lowest in 4 Decades

Current Context: Recently the government has approved an 8.1% rate of interest on employees' provident fund (EPF) deposits for 2021-22.

Key Points

- Employees Provident Fund Organisation had decided to lower the interest on **provident fund deposits for 2021-22 to 8.1% compared to 8.5% provided in 2020-21.**
- This prescribed 8.1% EPF rate of interest is the **lowest since 1977-78 when it stood at 8%.**
- Later it has been increased to an 8.5% interest rate on **EPF deposits for 2020-21 which was decided by the Central Board of Trustees.**
- The interest rate on provident fund deposits **has also gone down to a seven-year low in March 2020. i.e 8.5%.**
- Apart from that EPFO has also added **1.53 million subscribers in March this year, over 19% more than 1.28 million enrolled in February.**
- Many experts believed that these rates should be unchanged as inflation is very high and it goes against real social security returns.

Female Workforce in India declined to 9% since the Covid pandemic

Current Context: As per the report due to the COVID-19 outbreak, female employment in India fell steeply to 9% in 2022.

Key Facts

- According to **World Bank data between 2010 and 2020**, the number of working women in India **dropped from 26% to 19%**.
- Besides inflation also turned the situation **worst which leads to the loss of 100 million jobs**.
- As of now, the **employment gap between men and women is about 58% point**.
- It has been noted that from Bloomberg Economics closing that gap could expand **India's GDP by close to a third by 2050**.
- Considering the GDP percentage of women **they contribute only around 17% of GDP compared to 40% in China**.
- According to a report there increased domestic duties, weddings, and lack of childcare options after school shutdowns involved a declining female workforce.

India's Retail Inflation may be at 5.7-6.9% in FY23, say Economists

Current Context: Recently RBL Bank chief economist Rajni Thakur estimated the inflation rate at 5.75% for FY23 compared to the 6% projected earlier.

Details

- Reserve Bank of India's monetary policy committee (MPC) is likely to decide on the exact rate hike **based on its inflationary expectations**.
- Many factors like Retail inflation touched a nearly **eight-year high of 7.7% in April** on other hand **WPI inflation increased by 15.1%**.
- It has been estimated that CPI will still likely average above the RBI 6 percent upper tolerance limit in FY23.
- According to the ICRA chief economist, the **high WPI inflation is being driven by commodity prices**.
- It has also believed that MPC will raise the **policy rate by at least 75 bps in the rest of FY23 and 50 bps in June and another 25 bps in October**.
- Along with it, the cash reserve ratio could **also be hiked by 50 bps to 5 percent by the FY23 end**.

Country's First Liquid Mirror Telescope

Current Context: The first liquid mirror telescope in the country and the largest in Asia was set up in Uttarakhand.

About

- This Telescope will help in surveying the sky, **making it possible to observe several galaxies and other astronomical sources**.
- The dimensions will be a **4-meter-diameter rotating mirror made up of a thin film of liquid mercury to collect and focus light**.
- It is located at an **altitude of 2,450 meters** at the Devasthal Observatory campus of Aryabhata Research Institute of Observational Sciences.

- It has built by astronomers from **India, Belgium, and Canada.**
- The major role played by **Advanced Mechanical and Optical Systems (AMOS) Corporation and the Centre Spatial de Liege in Belgium.**

Biological E's Corbevax gets DCGI nod as a Heterologous Covid Booster Dose

Current Context: The Hyderabad-based company has come up with a booster dose of Corbevax that increased the neutralizing antibody titers in the Covishield and Covaxin groups significantly when compared to placebo.

Key Highlights

- Recently the Drug Controller General of India (DCGI) approved **Biological E's Corbevax and it becomes the first vaccine to get to be used as a heterologous booster** for adults who have either received two shots of Covaxin or Covishield.
- As of now, India was using a homologous booster shot for all precaution doses. Now, this become the **first heterologous booster for adults.**
- Corbevax shot can be booked through the Co-WIN portal by anyone who wished to take a shot.
- Corbevax booster dose provided significant enhancement in immune response and excellent safety profile required for an effective booster.
- Apart from that, it has been claimed that **there were no severe or adverse events of interest for 3 months of follow-up after the booster dose was administered.**
- Homologous boosters increased **neutralizing antibody titers by a factor of 4 to 20**, whereas heterologous boosters **increased titers by a factor of 6 to 73.**

RBI likely to go for another 0.40% rate Hike Next Week

Current Context: As per the recent report, it has been estimated that the Reserve Bank of India to go for another rate hike of 0.40% at the scheduled review of the monetary policy next week.

Key Points

- By looking at the present condition Bofa securities report stated that the central bank's rate-setting panel **will follow it up with a 0.35% hike in rates at the next review in August, or make it into a 0.50% hike next week.**
- While considering the inflation the report said that already it sees the headline inflation for May to come at 7.1% due to a sharp increase in consumable goods. So it is difficult for RBI to maintain the inflation target below 6%.
- Besides, it said the consumer price inflation **will average 6.8% which is much above the RBI's tolerance limit of 6% in FY23.**
- It is expected that RBI MPC **to hike the policy repo rate by 0.40% in June and 0.35% in August.**
- The report also said **it also sees another 0.50% hike in the Cash Reserve Ratio (CRR)** or the ratio of demand deposits parked by lenders with the RBI.

Forex reserves up by \$3.8 bn to \$601.3 bn as Foreign Currency Assets Rise

Current Context: According to RBI data the country's foreign exchange reserves increased by USD 3.854 billion to USD 601.363 billion.

Key Facts

- **The main factor behind** the rise in forex reserves was due to an increase in the **Foreign Currency Assets (FCA) and the gold reserves.**
- These foreign currency assets include the **effect of appreciation or depreciation of non-US units like the euro, pound, and yen** held in the foreign exchange reserves. It is also expressed in dollar terms.
- Apart from that The Special Drawing Rights (SDRs) with the International Monetary Fund (IMF) rose by **USD 132 million to USD 18.438 billion.**
- Gold reserves increased by **USD 94 million to USD 40.917 billion.**
- RBI would seek to keep its stash of foreign exchange to provide an adequate cushion through the current commodities super-cycle, record inflation in the West, and the Ukraine war.
- Foreign exchange reserves **facilitate external trade and payment and promote orderly development and maintenance of the foreign exchange market in India.**

75% of River Monitoring Stations show Heavy Metal Pollution

Current Context: According to the report by the Centre for Science and Environment (CSE), the seven states and Union Territories which are under threat are Assam, Arunachal Pradesh, Sikkim, Bihar, Himachal Pradesh, Jammu and Kashmir, and Ladakh. Due to over 40% rise in their water spread areas since 2009.

Details

- Besides it also reported that over a third of India's coastline witnessed some degree of erosion between 1990 and 2018. **West Bengal is the worst hit with over 60% of its shoreline under erosion.**
- Reported highlighted that the main reason behind coastal erosion was an increase in the frequency of cyclones and rise in the sea level, and anthropogenic activities such as the construction of harbors, beach mining and building of dams, etc.
- It has also considered the fact about **India's forest cover according to the data, 45 to 64% of India's forest cover is likely to become a climate hotspot by 2030.** By 2050, almost the entire forest cover of the country is likely to become a climate hotspot.
- The report has shown that **India recycled 12% and burnt 20% of the 3.5 million tonnes of plastic waste it generated in 2019-20.**
- Apart from that India has recorded alarming levels of heavy toxic metals like lead, iron, nickel, cadmium, arsenic, chromium, and copper in three out of four rivers.

Prime Minister Narendra Modi leading the Global Climate Movement

Current Context: In a recent meeting at the Indian Institute of Petroleum at Dehradun Union Minister Dr. Jitendra Singh informed that PM Narendra Modi leading the Global Climate Movement.

About

- It has also been observed that India **has achieved a commitment of 40% energy production from renewable sources, way ahead of the 2030 Paris Agreement target.**
- The major announcement on Hydrogen energy from the Prime Minister has laid out the roadmap of our collective intention to fight for preserving the environment.

- Many Entrepreneurs are coming up with **innovative ways to use carbon waste for useful things that would meet the twin goals of 'Atmanirbhar Bharat' and Make-in-India**. It will also create awareness and that will lead to the application of science and ease of living.
- India is now a hub for the start-up ecosystem **not only for IT-enabled services but also open to the untapped opportunities in the Agrotech sector**.
- Now the World is also ready to be led by India in its fight against climate change a concern that like the COVID pandemic; knows no borders, respects no wealth, or any other artificial human division.

MFs' debt Exposure to NBFCs rises 14.3% to Rs 1.7 trn in March

Current Context: As per a recent report Mutual funds' debt exposure in the form of commercial paper (CP) and corporate debt (CD) to non-banking finance companies (NBFCs) rose by 14.3% which amounts to Rs 1.7 trillion.

Highlights

- This has happened due to the issuance of CPs by NBFCs for funding investments in initial public offerings (IPOs) and **shifting long-term to short-term investments as the market expected a hike in interest rates**.
- According to the report percentage share of funds deployed by MFs in **NBFCs' CPs stood at 4.4% of debt assets** under management and, investments in corporate **debt of NBFCs rose by 7.4%**.
- While considering the proportion of commercial paper and corporate debt deployed together in **NBFCs increased to 17.2% compared to 14% last year**.
- Credit exposure also plays a vital role in that as per the report the credit exposure of banks to **NBFCs fluctuated around the Rs 9-trillion-mark for the better part of the year and crossed the Rs 10-trillion threshold in December**.
- But now the overall borrowing cost is expected to become expensive as the RBI has raised rates and bond yields have risen in the capital market.

RBI to begin a three-day Monetary Policy Meeting

Current Context: The Reserve Bank's rate-setting panel will begin its three-day deliberations by today to decide the next monetary policy in the backdrop of high inflationary concerns and evolving geo-political situation.

Key Points

- It is expected that MPC is likely to increase the benchmark lending rate in quick succession in its forthcoming monetary policy review with inflation showing no signs of drop.
- Earlier it has hiked rates by 0.40% to maintain its core mandate of inflation in the targeted band of under 6%.
- While considering the Russia-Ukraine conflict, the monetary policy committee again decided **to hike the policy repo rate by 40 basis points to 4.40%** this was the first increase in the policy repo rate since May 2020.
- Not only has that **it also hiked CRR by 50 basis points to 4%**. The impact of which is drawn out Rs 87,000 crore liquidity from the system.
- The wholesale price-based inflation has remained in double digits for 13 months and **touched a record high of 15.08% in April and retail inflation at 7.79%**.

- Now many experts and economists believed that the central bank will take an aggressive step in rising the policy rates to bring down the inflation to a tolerance limit.

SEBI Allows virtual Annual Meetings for InvITs and REITs

Current Context: Sebi has allowed Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) to conduct annual meetings of their unitholders and other meetings through video-conferencing and other audio-visual means till the end of December.

Key Facts

- **This decision has been taken after receiving representations from REITs/InvITs** to further extend the facility to conduct annual meetings and other meetings through a video call.
- Apart from that, SEBI also issued strict guidelines **to maintain recorded transcripts of the meetings held through video conferences in the safe custody** of the investment managers.
- Once the session was recorded, it made compliance on InvITs and REITs **to upload the transcripts on their respective websites.**
- A REIT is roughly like a mutual fund **that invests in real estate** while enabling investors or unit holders to invest in these assets without actually owning them.
- Whereas in InvITs enables **direct investment of small amounts of money from possible individual/institutional investors** in infrastructure to earn a small portion of the income as a return.

PM inaugurates 'Iconic Week' celebrations launches Jan Samarth Portal

Current Context: The Iconic Week Celebrations of the Ministry of Finance and Ministry of Corporate Affairs has inaugurated by PM Narendra Modi.

About

- It is part of the Azadi Ka Amrit Mahotsav the "iconic week" is **being celebrated from June 6 to June 11, 2022.**
- PM Modi has also unveiled a digital exhibition that traces the journey of the two ministries for the past 8 years.
- A special series of Re 1, Rs 2, Rs 5, Rs 10, and Rs 20 coins have also been **unveiled with the theme of the logo of Azadi ka Amrit Mahotsav.**
- **Jan Samarth Portal, an e-portal for linking government credit schemes** that directly connect beneficiaries to lenders has also been released.
- It will encourage inclusive growth and development of various sectors by providing them with the right type of government benefits with a hassle-free experience.

Supreme Court bans Mining, Factories within a Km of National Parks, Sanctuaries

Current Context: Recently, the Supreme Court passed a judgment that bans mining and developmental activities inside national parks and wildlife sanctuaries and within a 1-km buffer zone around them.

Details

- In addition, it has also been said that **no permanent structures or prohibited activities will be allowed within the 1-km eco-sensitive zone** around such parks and sanctuaries.

- The Supreme Court has also clarified that for the activities that are already undertaken **within the 1-km buffer zone** may continue with the permission of the principal chief conservator of forests of the state or Union Territory concerned.
- The concerned authority will **have to obtain permission within six months**.
- Apart from that many activities like setting up sawmills and industries causing pollution, commercial use of firewood, the establishment of major hydroelectric projects, etc have been prohibited.

Reserve Bank comes out with Provisioning norms for large NBFCs

Current Context: Reserve Bank of India came out with a set of norms for provisioning standard assets by large Non-Banking Financial Companies because of the increasing role played by such entities in the financial system.

Highlights

- Based on their size, activity, and perceived riskiness a framework for scale-based regulation for NBFCs has been designed.
- While considering scale-based regulation for **NBFCs, the four layers are Base Layer, Middle Layer, Upper Layer, and Top Layer**.
- The upper layer comprises those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirements based on a set of parameters and scoring methodology.
- Besides **it also consists of the top ten eligible NBFCs in terms of their asset size**.
- In the case of individual housing loans and loans to **Small and Micro Enterprises (SMEs), the rate of provision has been specified at 0.25% and for housing loans, it has been fixed at 2%**.
- Apart from that, the rate of provision for medium enterprises has been fixed at 0.4% and restructuring loans will be as per the stipulation in the applicable prudential norms.

India in talks to Increase Russian oil imports from Rosneft

Current Context: India is planning to double down on its Russian oil imports with state-owned refiners eager to take more heavily-discounted supplies from Rosneft.

Key Facts

- State processors are working to secure new six-month supply contracts for Russian crude to India.
- It will consist of both **public and private refiners like Indian Oil Corp, Hindustan Petroleum, Bharat Petroleum, Reliance Industries, and Nayara Energy, which is partly owned by Rosneft**.
- Procurement activities for state and private companies are done independently.
- According to a recent report till **now India has bought more than 40 million barrels of Russian oil between late-February and early May**.
- In Between, the country has come under pressure from the Biden administration and the EU to stop doing business with Moscow to cut off Kremlin's access to oil revenue and funds.
- Apart from that Discounted Russian oil has provided some relief to India as we all know that due to inflation and Ukraine crisis the prices of both food and fuel have increased.

Govt New Social Media laws in response to Rights Violations

Current Context: Centre has come up with new social media laws because the companies had violated Indians' constitutional rights.

Key Points

- The government brought back a proposal to amend the rules that govern social media companies. It also **includes a plan to set up a new government-appointed committee.**
- Besides the central government plans to set up an appellate committee to look into appeals filed by individuals against the decisions of grievance officers of social media platforms.
- **This Grievance Appellate Committee consists of a Chairperson and other Members which government informs from time to time.**
- This appeal has to be disposed panel has to dispose within 30 days of receiving them.
- Apart from that this grievance panel also has the **power to override the decisions of social media companies and other internet firms.**

Finance Ministers & Central Bank Governors of BRICS

Current Context: Finance Ministers and Central Bank Governors of BRICS countries issued a joint statement to deepen financial cooperation and strengthen coordination on macroeconomic policy.

About

- This FMCBG meeting **took place under the BRICS China chairmanship.**
- The main objective of this meeting is to have coordination in driving the **world economy out of the crisis and shaping a strong, sustainable economy.**
- In addition to that, it has also been discussed about the importance of transition finance has in facilitating orderly green and low-carbon transition.
- They have also engaged in dialogues and facilitated the exchange of experiences, concerns, and **ideas for rebuilding sustainable and inclusive growth.**
- Considering India's economic growth it has been committed that fiscal spending along with an investment push, **will be provided imparting at the macro level to provide momentum to economic growth.**

RBI may go for 40bps rate hike on June 8

Current Context: According to a recent poll Reserve Bank of India (RBI) is likely to raise the repo rate by 40 basis points for the second time.

Details

- The Committee held an unscheduled meeting in early May and voted unanimously **for a 40 basis point repo rate hike due to an increase in April inflation.**
- In addition to that CPI inflation also surged to a near-eight-year high of **7.79 percent in April which is beyond the 2-6 percent tolerance band.**
- According to the poll it has also been estimated that MPC is likely to increase policy rates ranging from 25 basis points to at least 50 basis points.

- While the median of economists' predictions points to a **40-basis-point rate hike on June 8 which equals to 4.80%**.

RBI hikes Repo Rate, raises Inflation Forecast

Current Context: Reserve Bank of India (RBI) has increased the repo rate by 50 bps to 4.90%.

Highlights

- As per the RBI governor, the rate hike has happened to contain the soaring inflation.
- It has also been stated that as of June 2022 **India's forex reserves stood at \$601.1.**
- The **limit for e-mandates on cards** and Prepaid Payment Instruments (PPIs) **has increased from Rs 5,000 to Rs 15,000.**
- Besides all the Credit cards, starting with **RuPay credit cards** can be linked to the **UPI platforms.**
- It has also hiked the **limit of individual loans** extended by **cooperative banks by 100%.**
- CPI inflation forecast for FY23 has increased to **6.7% from 5.7% earlier.**
- The **GDP forecast** for FY23 was maintained at **7.2%.**
- Both **Marginal Standing Facility Rate & Bank rate** has increased to **5.15% from 4.65% earlier.**

World Bank cuts India's Economic Growth Forecast to 7.5% for FY23

Current Context: Recently the World Bank cut India's economic growth forecast for the current fiscal to 7.5% by seeing rising inflation, supply chain disruptions, and geopolitical tensions.

Key Points

- World Bank has revised its GDP growth forecast for India in the **current fiscal 2022-23 for the second time initially it pegged at 8.7% later it was changed to 8% and now it gains revises to 7.5%.**
- According to a World Bank report it stated that the main reason behind it was **rising inflation, supply chain disruptions, geopolitical tensions, etc.**
- To revive the growth, the government has introduced incentives and reforms to improve the business climate.
- Besides it has also been estimated that Growth is **expected to slow further to 7.1% in 2023-24 back towards its longer-run potential.**
- As we all know that a rise in prices across all items from fuel to vegetables and cooking oil increases **wholesale price-based inflation to a record high of 15.08% in April and retail inflation to 7.79%.**
- **Other Institutions Growth Forecast**
 - **S&P Global Ratings** had cut India's growth projection for 2022-23 to 7.3% compared to **7.8% earlier.**
 - **Fitch** had cut India's growth forecast to **8.5%, from 10.3%.**
 - According to **Asian Development Bank (ADB)**, India's growth **stood at 7.5%.**
 - **RBI** in April reduced the **forecast to 7.2% from 7.8%.**

Center amends Rules for Appointment of CDS

Current Context: The Ministry of Defense issued a gazette notification of guidelines that widens the scope of eligible officers for the post of the Chief of Defence Staff (CDS).

Key Facts

- According to new rules amended by the center, **any serving or retired Lt General, Air Marshal, and Vice Admiral under the age of 62 years will be eligible for appointment to the post of Chief of Defence Staff (CDS).**
- The tenure of three service chiefs is three years of service **or when they turn 62, whichever is earlier.**
- Due to this the recently retired Chiefs of the Army, the Navy, and the Air Force are unlikely to be considered for the post of the CDS as the age to become eligible for the post has been put at 62 years.
- Besides the **three-star officers are now eligible to become the CDS** along with serving chiefs of the three services like Army Air force or Navy.
- In addition, the government may extend the service of the **Chief of Defence Staff for such a period as it may deem necessary subject to a maximum age of 65 years.**
- A post of CDS has recommended a high-level committee set up to examine the gaps in India's security system in the wake of the Kargil war in 1999 and **Gen Bipin Rawat took charge as India's first CDS.**

Non-Bank lenders Witness Strong Collections at the beginning of FY23

Current Context: As per the ICRA report, the collection efficiency of non-banking financial companies (NBFCs) and housing finance companies (HFCs) has been healthy in the range of 97% to 101% at the beginning of FY23.

About

- It has been observed from past instances that collections remained in line with the trajectory of improvement for most of the second half of FY22 **as the impact of the second wave of the covid-19 pandemic reduced.**
- The collections had seen a modest decline of **about 3% following the third wave of infections in January 2022 but the recovery has happened again.**
- Besides With business activities close to pre-Covid levels for most sectors coupled with a **heavy focus on collections by the NBFCs and HFCs**, the concern on collection efficiency.
- It is also been expected that **collection efficiency is to remain largely stable this fiscal**, as long as there is no fresh COVID wave that results in lockdowns by the governments.
- Apart from that, it has also been observed that the performance of secured asset classes, especially mortgage-backed loans, has been stronger than the unsecured asset classes during the COVID period.
- But the unsecured loan segment, such as microfinance loans, **SME loans, or personal loans, had seen the sharpest decline in collections during the first and second COVID waves.**
- According to the report, **this trend will continue to remain strong** for the entire **first quarter of FY2023.**

Govt unveils policy for Air Sports, sees 10x Annual Revenue Growth

Current Context: The Union Ministry of Civil Aviation (MoCA) unveils the country's first national air sports policy in 2022 which will cover aerobatics, aeromodelling, model rocketry, amateur-built and experimental aircraft, ballooning, and drones.

Details

- The main objective behind this program aimed is **to create interest in aerial sports. Schools, colleges, and universities will be encouraged to have air sports included in the curriculum.**

- It also includes gliding and powered gliding, hang-gliding and powered hang-gliding, parachuting including skydiving, BASE jumping, and wingsuit flying.
- **Air Sports Federation of India (ASFI) and associations for each air sport** are proposed a **two-tier governance structure** for air sports in the country.
- The ASFI will be an autonomous body under the Ministry of Civil Aviation and will represent **India at the Lausanne (Switzerland) headquartered**.
- Apart from that air sports activities will gain more from the growth of travel, tourism, infrastructure, and local employment, especially in the hilly regions.
- It has been estimated that **Rs 8,000–10,000 crores annual revenue** and generate **over 1,00,000 employment opportunities**.

India's Economy to Grow at 6.9% in FY23

Current Context: The Organization for Economic Cooperation and Development (OECD) forecasted India's FY23 economic growth at 6.9%.

Highlights

- Earlier the Gross domestic product growth was 8.7% in FY22, and **now it has reduced to 6.9% in FY23 and 6.2% in FY24**.
- The main reason behind it was with weaker external demand growth and tighter monetary conditions were mitigated by strong government spending and an ambitious set of measures to simplify the business environment.
- Apart from that, it has also been estimated that headline inflation will remain above the **central bank's upper tolerance limit of 6% throughout 2022 and 2023**.
- Besides the World Bank had cut its **FY23 real GDP growth forecast for India to 7.5% from 8%**.
- Even though the country's economic growth recorded the strongest rebound from the Covid-related downturn of any G20 economy **but still faces the issue related to rising global food and energy prices**.

Expect the Current Account Deficit to Remain at a Sustainable Level

Current Context: As per RBI Governor the current account deficit to remain at a sustainable level and the normal flows will enable to meet the financing of the current account deficit.

Key Points

- The country's current account **deficit increased to \$23 billion, or 2.7% of GDP**, in the third quarter of FY 2021-22 compared to \$9.9 billion or 1.3% of GDP in the second quarter.
- The reason for the widening of CAD in Q3 FY22 **was mainly on account of a higher trade deficit**.
- Apart from that higher exports are the good signs for the economy. Higher imports also play a very important role in capital expenditure and investment.
- Besides **Rural and urban demand are showing signs of further improvement** and disbursement of bank **credit** is also picking up rapidly.
- It has been observed that the **Indian rupee is one of the better-performing currencies among its emerging market peers**.

India participates in East Asia Summit in Cambodia

Current Context: Ministry of External Affairs and Former Ambassador to Myanmar and Iran, Saurabh Kumar took part in the East Asia Summit Senior over a videoconference chaired by Cambodia as ASEAN Chair.

Key Facts

- The meeting has discussed issues of **regional and international importance**.
- Now a Days East Asia Summit (EAS) acts as a **leading mechanism for the promotion of a free, open, inclusive, and rules-based Indo-Pacific with ASEAN at its center**.
- The East Asia Summit (EAS) create such a premier leaders-led forum **to exchange views on strategic issues in the Indo-Pacific**.
- The EAS conference was **first initiated in 2015** and the **first conference was held in New Delhi**. The second was held in Goa in 2017, the third in Bhubaneswar in 2018, and the fourth in Chennai last year.
- In this meeting, India shares its strategic vision which envisages a free, open, inclusive, and rules-based Indo-Pacific with respect for sovereignty and territorial integrity of all nations and peaceful settlement of issues through cooperation.
- Apart from that, **it focuses on seven pillars** for cooperation and collaboration namely maritime security, maritime ecology, maritime resources, capacity building, and resource sharing, disaster risk reduction, and management, science, technology and academic cooperation and trade, and connectivity.

Rupee Closes at all-time Low of 77.74 against USD amid Elevated Oil Prices

Current Context: Recently the rupee settled at 77.74 marginally weaker to hit a fresh all-time closing low against the US dollar. This has happened because domestic currency traded in a narrow range amid sustained foreign capital outflows and elevated global crude oil prices.

Details

- Apart from that the **hike in policy repo rate by 50 basis points** in line with market expectations and maintaining the status quo on banks' cash reserve ratio, also plays a role in the volatility of the currency.
- According to the Clearing Corporation of India (CCIL) data, at the open, the yield on the 10-year government **bonds was 7.51% and closed the day at 7.49%**.
- The market had priced in the quantum of the repo rate hike, which in turn gave elevated levels of inflation. Bond yields are expected to move in a range for a certain period.
- As of now during the current policy, the **10-year yield was broadly stable between 7.47 and 7.5%**.
- In near future, the yield could move up to 7.75-8% as the **RBI moves towards the calibrated withdrawal of liquidity**.

Most e-lending apps not registered with RBI

Current Context: As per recent data, RBI has cleared that Customers borrowing from unregistered digital lending apps should approach the local police in case of any issue, as the central bank will only act against entities registered with it.

About

- It has been observed that there is an increase in a spate of alleged suicides abetted by harassment by agents or officials of lending apps, RBI has cleared that many e-lending apps are not registered with the central bank and operate by themselves.
- If any complaints come from the unregistered e-lending app the **central bank directs customers of such to approach the local police**, which will conduct an investigation and take necessary action on the issue.
- Apart from that to provide the proper clarity **RBI has listed the apps that are registered with it.**
- Besides RBI had set up a **Working Group on Digital Lending in February 2021** and the group released a comprehensive report suggesting regulating the space in November 2021.
- RBI also cautioned customers against falling for fraud **by clicking on links in SMSes promising quick loans.**

Current Account Deficit to moderate to 1.96% in Q4 FY22

Current Context: According to a recent report of India Ratings and Research (Ind-Ra) it has been expected that the current account deficit to be maintained at **1.96% of GDP in the 4Quartee of FY22.**

Highlights

- According to an assessment by the rating agency it is estimated to amount to **\$17.3 billion in the fourth quarter of FY22 compared to Rs 8.2 billion earlier a year ago.**
- This improvement has happened due to an increase in merchandise exports in FY22 when they **grew 42.4% compared with the 7.5% contraction.**
- The world trade body pegged import growth for India's key exporting partners such as **North America and Europe at 3.9% and 3.7%, respectively.**
- It is also expected that merchandise exports to come in **\$112.5 billion, growing by 17.7% in the first quarter of FY23.**
- The main reason behind India's merchandise imports is acceleration on the back of escalated commodity prices and rupee depreciation in FY23.
- However, the rupee is expected to average at 77.1 against a US dollar in Q1, down 4.5% over Q1 FY22.

Crisil launches Benchmarks for AIFs

Current Context: Crisil Research launched sub-category-level benchmarks for the domestic alternative investment fund (AIF) industry.

Key Points

- This sub-category level has been introduced **to enable metrics-driven investment decision-making by stakeholders in the fast-growing industry,** based on a comparison of equivalent funds.
- The Indian AIF industry continues to grow at a healthy pace, **increasing 42% between March 2021 and March 2022 to Rs 6.41 lakh crore.**
- These benchmarks have been developed in accordance with **SEBI guidelines and in consultation with industry participants.**
- Alternative Investment Funds are those funds established in India as **privately pooled investment vehicles in order to collect funds from specific investors.**
- As per the Securities and Exchange **Board of India, AIFs are divided into three categories.**

- However, AIF does not include funds covered under the SEBI (Mutual Funds) Regulations, 1996.

India's FDI Rank Rises to 7th Position

Current Context: According to the United Nations Conference on Trade and Development, India jumped one position to 7th among the top recipients of foreign direct investment compared to 2021.

Key Facts

- As per UNCTAD, even FDI inflows into India declined to \$45 billion in 2021 from \$64 billion in the preceding year. But still, it retains at 7th position. While the United States with \$367 billion remained the top recipient of FDI, China with \$181 billion and Hong Kong with \$141 billion also retained second and third positions respectively.
- Among the top 10 host economies, only India saw a decline in its inflows. However, outward FDI from India rose 43% which amounts to \$15.5 billion in 2021.
- It has been observed that in the recent past multinational enterprises of the US targeted India in 8% of deals, mostly buying minority stakes to gain access to the market and to local innovative solutions.
- The report also stated that global FDI flows recovered to pre-pandemic levels last year, growing 64% to \$1.6 trillion but the prospects this year are weak as the business and investment climate has changed dramatically due to the war in Ukraine resulting in a triple crisis of high food and fuel prices and tighter financing.
- It has also been forecasted that the growth momentum cannot be sustained, still, global FDI flows in 2022 will likely move on a downward trajectory, and remains flat.
- As per the report, FDI flows to developing economies rose 30% to \$837 billion the highest level ever recorded largely due to strength in Asia, a partial recovery in Latin America and the Caribbean, and an upswing in Africa.

Payments Infrastructure Development Fund corpus touches Rs 811 crore

Current Context: According to RBI's recent data Payments Infrastructure Development Fund (PIDF) has reached a corpus of Rs 811.4 crore.

Details

- PIDF was set up by the Reserve Bank of India to subsidize the deployment of Points of Sale infrastructure in tier-3 to tier-6 centers and northeastern states of the country in June 2020.
- It is also in line with the RBI's proposal to set up an Acceptance Development Fund which will be used to develop card acceptance infrastructure across small towns and cities.
- Besides RBI had made an initial contribution of Rs 250 crores to the PIDF and the remaining will take by the card-issuing company.
- The fund will be governed through an advisory council but will be managed and administered by the RBI.
- As per data number of physical devices installed under this scheme is 4,11,492 while the number of digital devices 1,14,05,116.

Finance Ministry launches EASE 5.0 'Common Reforms Agenda' for PSBs

Current Context: Finance Minister Nirmala Sitharaman has unveiled that the EASE 5.0 EASENext is well-positioned to channel reforms with a specific focus on customer-centric initiatives.

About

- Ease 5.0 'Common reforms agenda' of the **EASENext program** has been developed for **Public Sector Banks** and was launched through video-conferencing.
- It has evolved over **four annual editions from FY19 to FY22** and has catalyzed reforms in diverse areas in **Public Sector Banks**.
- EASENext would comprise 2 major initiatives: **EASE 5.0 common PSB reforms agenda and Bank specific strategic 3-year roadmap based on individual bank's business priorities**.
- It will help to invest in new-age capabilities and deepen the ongoing reforms to respond to evolving customer needs, changing competition, and the technology environment.
- This will act as a **dual role as these reforms should bring ease for customers as well as for employees**.
- Apart from that it provided a specific focus on customer-centric initiatives and emphasized customer-first strategy and focuses on employee development.

Insurance market in India to reach \$222 bn by FY26

Current Context: As per recent report Insurance penetration in India is increased rapidly with the market set to reach a size close to **\$222 billion by FY26**.

Highlights

- The main factor behind the increase in the insurance sector, **it is mainly driven by the growing middle class and increasing digital access in coming years**.
- According to the report, new online distribution models such as **business to consumer (B2C), business to business (B2B), and business to business to consumer (B2B2C)** are key drivers of growth.
- Among it, business to consumer model seems to have a significant advantage.
- As they offer many opportunities like end-to-end digital experience through technological applications, app-based claims assistance, proactive conversions using call centers, etc.
- The **persistence rate is higher** due to better customer awareness.

Fitch cuts India's GDP growth Forecast to 7.8%

Current Context: Global rating agency Fitch has cut India's growth forecast for **FY 2023 by 70 basis points to 7.8 percent**.

Key Points

- But it enhanced India's growth outlook to **'stable' from 'negative'** on the back of reduced risks to India's economic growth.
- It has also been observed that India's growth is expected to be robust in comparison to its peers.
- Due to its **rapid economic recovery and easing of India's financial sector weaknesses**, India withstands global uncertainties, especially the Russia-Ukraine war.
- Earlier In March, Fitch Ratings had cut **India's growth forecast for FY 2023 to 8.5%**. Now it has further cut India's economic growth due to the inflationary impacts of the global commodity price shock.

- Fitch forecasts India's **debt-to-GDP ratio to drop to 83% in FY 2023** from a peak of 87.6% in FY 2021.
- By looking government's infrastructure push, reform agenda, and easing pressures in the financial sector, **Fitch forecasted growth of around 7% between FY24 and FY27.**

Industrial activity Jumps to 7.1% in April

Current Context: According to the index of industrial production Industrial activity in April jumped 7.1% year on year compared to 1.9% in March.

Key Facts

- As per the data released by the Ministry of Statistics and Programme Implementation, the larger growth seen in the **mining sector was 7.8% in April 2022.**
- Followed by the **manufacturing sector at 6.3% and the Power sector at 11.8%.**
- The primary goods segment, which accounts for nearly **34% of the index, expanded by 10% in April 2022.**
- In addition to it, Reserve Bank retained its GDP growth **forecast at 7.2 for the current fiscal.**
- Apart from that manufacturing and services purchasing managers' indices (PMIs) for May point towards further expansion of activity.

Disinvestment plan aims to up Efficiency and Investments

Current Context: Government's disinvestment strategy is aimed at boosting the production and efficiency of state-run companies and attracting investments into the companies instead of shutting them down.

Highlights

- Privatization of CPSEs is intended at ensuring that these companies are run efficiently and cost-effectively.
- The main aim of **being privatized is to give it in the hands of people who can run it, bring in more capital, and give the same production.**
- In the current fiscal year, the government has received over Rs 24,000 crore from CPSE disinvestment compared to 13,000 crores earlier. **The target for the full fiscal year has been set at Rs 65,000 crore.**
- Apart from that CPSE Bharat Bond ETF constitutes about 84% of all Exchange Traded Funds in the market. **The Asset under Bharat Bond ETF stands at over Rs 53,000 crore.**
- The government has also lined up over half a dozen companies for strategic sale. These include Shipping Corp, CONCOR, Vizag Steel, IDBI Bank, Nagarnar Steel Plant of NMDC, and HLL Lifecare.

India's First Display Fab to be established in Telangana worth Rs 24,000 cr

Current Context: Elest, the company will be setting up the country's first display fab facility in Telangana with investments worth Rs 24,000 crore.

Key Points

- The Telangana government signed a MoU with Karnataka-based Elest for the proposed fabrication unit **which will manufacture next-generation displays for smartphones, tablet computers, and laptops.**
- It is considered to be the largest investment in the high-tech manufacturing sector in India.

- Apart from that, it will also give will major boost to the thriving electronics and IT ecosystem in the state and its ancillaries.
- It will also attract some of the finest global talents and **would generate direct opportunities for more than 3,000 people.**
- Elest would also be setting up a research and development center for research in the next-generation areas of advanced display technology.

Govt bond for Rs 33,000 crore Sails through as RBI accepts Bids

Current Context: Recently the Reserve Bank of India (RBI) accepted bids for four government bonds worth Rs 33,000 crore.

Key Facts

- The RBI accepted bids for a **10-year benchmark with a cut-off level of 7.51% for Rs 13,000 crore.**
- When these Govt bonds get matured next year i.e 2023 the cut-off yield was **6.41% for Rs 4,000 crore.**
- The yield on a 10-year paper is expected to remain range-bound in the near term.
- It has also been expected that if RBI moves towards the calibrated **withdrawal of liquidity then the yield could inch up 7.75-8%.**
- Apart from that central bank will also support the government with its record borrowing program and is monitoring yields.

RBI Issued Fresh Norms for Urban Co-operative Banks

Current Context: The Central Bank issued fresh provisioning norms for urban cooperative banks' inter-bank exposure which relates to non-cumulative preference shares and equity warrants, and asked them to adjust by 20% for such exposures.

Details

- This decision has been taken due to the bankruptcy of the **Punjab & Maharashtra Cooperative Bank in September 2019** and the subsequent merger of the cooperative bank with **Unity Small Finance Bank, which came into effect on January 25, 2022.**
- Urban Co-operative Bank has the power to make provisions on inter-bank exposures arising from outstanding uninsured deposits, **as of April 20, 2020.**
- It also said the new norms are applicable for all Urban Cooperative Banks (UCBs) and are in force with immediate effect.
- The RBI has also said that after the allotment of equity warrants, provisions made on exposures arising from deposits **will be reversed only if such provisions are more than the loss.**
- Besides Equity warrants shall be valued **at a price of Re 1 per warrant**, when they are converted into equity shares, the valuation will be based on market prices.
- Apart from that, **the RBI had capped the exposure at 20% for the next five years for UCBs** for deposits placed by them under all-inclusive directions and their non-performing exposures.

5 Countries were elected to U.N. Security Council

Current Context: The United Nations General Assembly elected Ecuador, Japan, Malta, Mozambique, and Switzerland to the U.N. Security Council for a two-year term starting on Jan. 1, 2023.

About

- All five candidates were running unopposed. They will replace the outgoing non-permanent members of **India, Ireland, Kenya, Mexico, and Norway**.
- Among the five newly elected members, Mozambique and Switzerland have never served on the Security Council. **Japan will set the record for 12 Security Council terms. Brazil is currently serving its 11th term.**
- **The Security Council has 15 members**, five of which are permanent ones Britain, China, France, Russia, and the United States. The 10 non-permanent seats of the council are allocated by geographic region, with five replaced each year.
- A candidate **must obtain the support of two-thirds of the UN member states** present and vote at the General Assembly session to secure a non-permanent seat on the Security Council.
- The five newly elected countries **represent Africa, Asia-Pacific, Latin America and the Caribbean, and Western Europe and other states.**
- The Security Council is considered the most powerful body of the United Nations. It helps to maintain international peace and security, can make legally binding decisions, and has the power to impose sanctions and authorize the use of force.

India to provide \$55 mn Economic support to Lanka

Current Context: India has decided to extend a Line of Credit (LOC) of \$55 million to Sri Lanka for the procurement of urea. As farmers waiting for fertilizer to start the Yala season.

Key Highlights

- **A LOC agreement was signed between the government of Sri Lanka and the Export-Import Bank of India** at Colombo in the presence of Sri Lanka Prime Minister Ranil Wickremesinghe.
- This LOC will help the government secure urea fertilizer for the ongoing paddy sowing Yala season. Both have agreed to complete all procurement procedures expeditiously so that urea supplies can reach Sri Lanka in a short period.
- Besides **the speedy finalization of the LOC testifies to the importance Government of India attaches to the welfare of the people of Sri Lanka.**
- Following its '**Neighbourhood First**' policy, India has extended multi-pronged assistance to the people of Sri Lanka in the last few months.
- The support from India ranges from **economic assistance of close to \$3.5 billion** to help secure Sri Lanka's food, health, and energy security by supplying essential items like food, medicines, fuel, kerosene, etc.

China releases the World's most detailed map of the Moon

Current Context: Chinese scientists from multiple research institutes and universities have created a high-resolution topographic map based on data from China's lunar exploration Chang e project and other data.

Key Points

- That digital map showed the moon's geology in, what the Science Centre described as, **incredible detail at a scale of 1:5000000.**
- The map includes **12,341 impact craters, 81 impact basins, 17 rock types, and 14 types of structures**, providing abundant information about the geology of the moon and its evolution.

- It is expected to make a great contribution to **scientific research, exploration, and landing site selection** on the moon.
- The Institute of Geochemistry of the Chinese Academy of Sciences has led the project, along with other organizations such as the Chinese Academy of Geological Science, China University of Geosciences, and Shandong University.
- In January 2019, **China's Change-4 probe landed on the far side of the moon**, making it the first spacecraft to touch down on the part of the moon, which is never visible from earth.
- Apart from that China's **Change-5 mission has returned to Earth with the cargo of rock and "soil"** collected from the lunar surface.
- All these missions of China for the Moon have helped them to develop such a precise and incredible map.

Intrusion Detection System at 'Hyper-Sensitive' Airports by 2023

Current Context: The Bureau of Civil Aviation Security recently issued a circular saying that all hyper-sensitive airports in India will have to install a Perimeter Intrusion Detection System by December next year.

Key Facts

- According to the BCAS, the deadline given for the installation of a **Perimeter Intrusion Detection System in all country's all hyper-sensitive airports is 31st December 2023** as per minimum technical specifications.
- Greenfield airports shall plan the installation of this system at the design stage itself to get **clearance of design stage security under the Aircraft Security Rules 2011**.
- In addition to that, the airports coming up under the Regional Connectivity Scheme will plan the installation of PIDS at the development stage itself.
- This guideline has been issued to ensure the safety and security of air passengers, ground staff, crew as well as the general public in all matters relating to safeguarding against unlawful interference.
- Besides many state government has already come up with their systems like **Bengaluru International Airport in Karnataka has recently introduced Artificial Intelligence-driven, assistance robots**. These AI-driven robots have been introduced to enhance the experience of flyers.
- PIDS is a sensor that helps in **alerting security agencies of any intrusion through the airport's boundary walls**.

FinMin issues Draft SoP for e-com Jewellery exports via Courier Route

Current Context: The finance ministry has come out with a draft SoP for facilitating e-commerce jewellery exports through courier routes, to develop a regulatory framework for manufacturers and traders who want to export jewellery.

Details

- Recently the Central Board of Indirect Taxes and Customs has asked for suggestions from stakeholders on the Standard Operating Procedure and **to facilitate the export of jewellery made of precious metals and imitation jewellery through e-commerce in courier mode**.
- It has also proposed to amend the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 **to include the proper regulation for the reimport of jewellery**.

- The main objective of SoP for bring uniformity and certainty to the process and steps to be followed to facilitate such exports through International Courier Terminals.
- The new rules specify that jewellery export through courier mode is permitted **only after receipt of full advance and photos of the export jewellery** and Hallmark certificate are uploaded on the customs system.
- This Integration of export through e-commerce **platforms would boost the livelihood of millions of people engaged in the sector.**
- It has also provided the option of reimports of physically damaged or defective Jewellery exported through courier mode to keep menace makers at bay.

Anti-Profiteering Authority to be merged with Competition Commission

Current Context: According to report National Anti-profiteering Authority (NAA) is all set to be subsumed into the Competition Commission of India.

About

- **NAA is the anti-profiteering watchdog of GST** which came into existence in 2017.
- The main objective is to make sure that the **benefit of tax rate reduction reaches the consumer immediately.**
- At the time of GST, implementation Authorities received several complaints saying that the benefit of the **input tax credit has not been fully passed on to consumers.**
- It has already received two extensions since then and **now no extension has been planned.**
- NAA's investigation arm will continue to function in some form under CCI. And **this move will reduce the multiplicity of regulators as CCI can handle cases independently.**

Centre issues Advisory for ads on Online Betting, Gambling

Current Context: The advisory comes in light of instances of a number of advertisements of online betting websites/platforms appearing in print, electronic, social, and online media.

Highlights

- As per Ministry Betting and gambling are illegal in most parts of the country and **pose significant financial and socio-economic risks for consumers.**
- Apart from that these advertisements for online betting have the effect of **promoting this largely prohibited activity.**
- Presently the advertisements for online betting are misleading and do not appear to be in strict conformity with the **Consumer Protection Act 2019, Advertising Code under the Cable Television Networks Regulation Act, 1995.**
- It has advised the print and electronic media to **refrain from publishing advertisements on online betting platforms.**
- The earlier ministry had advised Private Satellite TV channels to adhere to the Advertising Standards Council of India (ASCI) guidelines on advertisements for online gaming.

Non-Banks, mortgage lenders see asset Quality Improve

Current Context: Non-bank financial companies (NBFC) and housing finance companies (HFCs) has shown improvement in their asset quality after the omnicron variant.

Key Points

- The main reason behind it was stricter standards for income recognition, asset classification, and disposal that came into force in October.
- Apart from this, NBFC depreciation **remained high and marginally high compared to last year, while HFC depreciation was modest.**
- According to the credit rating agency, the bad loans for NBFCs decreased significantly during the quarter compared to Housing Finance Loans
- Bad loans from **NBFC decreased to 4.4% in March 2022 from 5.7% in December 2021.**
- In the case of mortgages, the bad loans slowed, in line with expectations, to **3.3% compared to 3.6% in December 2021.**
- In addition, the restructured standard book for **NBFC is estimated to have decreased to 2.7-3% in March 2022 from the peak of 4.5% in September 2021.**
- While in the case of **HFC, it got decreased to 1.4-1.6% from 2.2%** in December 2021.

Russia becomes India's second Biggest oil Exporter

Current Context: As per a recent report **Russia rose to become India's second-biggest supplier of oil in May, pushing Saudi Arabia into third place.**

Key Facts

- During May Indian refiners received about **819,000 barrels per day (bpd) of Russian oil, the highest compared to about 277,00 in April.**
- It accounted for about 16.5% of India's overall oil imports in May, whereas in the case of the **Middle East declined to about 59.5%.**
- Western sanctions against **Russia for its invasion of Ukraine provided Russian crude to record discounts against other grades.**
- This provided Indian refiners, an opportunity to purchase crude oil at low prices.
- Apart from that India's oil imports in **May were about 5.6% up from the previous month and about 19% from last year.**
- Higher oil imports from Russia curbed OPEC's share in India's overall imports to 65% in April.

RBI should do periodic Review of Regulations

Current Context: Regulations Review Authority has submitted its report, which contains a set of recommendations to reduce the burden on Regulated Entities (REs) by streamlining the regulatory instructions and rationalizing reporting requirements.

Details

- It has also suggested for periodic review of existing regulations has to align them with evolving developments in the industry practices and financial landscape

- Every regulatory instruction should contain a brief Statement of Object to **address gaps in understanding, interpreting, and implementing the instructions.**
- Apart from that a periodic review of regulatory and supervisory returns is filed by the **REs at least once in three years to ascertain their relevance and periodicity.**
- In addition to that RRA has recommended that the Master Circulars may be updated in a time-bound manner and may eventually be converted into Master Directions, wherever feasible.
- **RRA 2.0 was set up by RBI** in April last year intending to reduce the compliance burden on Regulated Entities **by streamlining the regulatory instructions and rationalizing reporting requirements.**

Exim Bank estimates India's merchandise exports at \$117.2 bn

Current Context: As per the report of India Exim Bank country's total merchandise exports are likely to be at USD 117.2 billion in the first quarter of FY23.

About

- It is observed that Non-oil exports continue to witness a double-digit **growth of 12.6% amounting to USD 93 billion, 2022-23, compared to USD 82.6 billion in the year-ago period.**
- As per the Exim bank, it has observed that continued increase in global commodity prices, enhanced price competitiveness owing to exchange rate movements, and benefits from possible trade diversion, are the main factors behind it.
- Apart from that, the growth forecast may also be subject to commodity price volatility and uncertainties in the global economy.
- As of now the total merchandise exports stood at **USD 95.5 billion in the corresponding quarter of the previous year.**

Over 50 crore Indians on track to lose 7.6 years of life due to Air Pollution

Current Context: About 51 crore people living in north India are on track to lose 7.6 years of their life if the current air pollution levels persist.

Highlights

- According to the Energy Policy Institute at the University of Chicago (EPIC)'s Air Quality Life Index, about **44% of the world's increase in pollution has come from India since 2013.**
- Besides India's average annual particulate pollution has increased by 61.4% since 1998.
- Air Quality Life Index also shortens average Indian life expectancy by five years, and in the Indo-Gangetic plains of northern India.
- Nearly **40% of the country's population, is on track to lose 7.6 years of life expectancy** on average if current pollution levels persist.
- As per the report **India's 1.3 billion people live in areas where the annual average particulate pollution level exceeds the WHO guidelines.**
- Due to Air pollution child and maternal malnutrition reduces average life expectancy by about 1.8 years.

RBI much ahead in containing inflation but Rate hike possible

Current Context: As per the SBI research report Reserve Bank is much ahead of the curve in containing inflation but it is expected that RBI will hike rates again in August and October.

Key Facts

- It has been observed **after an almost 8 years high of 7.79% in April**, Consumer Price Index-based inflation moderated to 7.04% in May.
- The report also CPI moderated in **May to 6.09% compared to 6.97% in April**.
- The report also expected that the RBI could bring changes in a rate hike in August and even in October which leads to going higher than the pre-pandemic level by October to 5.5%.
- Recently RBI raised the short-term lending rate by 40 basis points in May and 50 basis points in June, taking the repo rate to 4.9%.
- Apart from that RBI also revised upwards its inflation projection to 6.7% for the current fiscal year.

RBI to hike Repo Rate to 5.9% by Dec-end

Current Context: Fitch Ratings expects RBI to raise the policy repo rate further to 5.9% by December 2022 due to a deteriorating inflation outlook.

Key Points

- Fitch expects the repo rate to rise further to 6.15% by the end of 2023 compares to the forecast of 5%.
- According to them, the Indian economy faces drawbacks such as a worsening external environment, elevated commodity prices, and tighter global monetary policy.
- Fitch expects growth to likely improve in April - June quarter on a rebound in consumption as COVID-19 cases subsided towards end-March.
- Compared to the last two monetary policies, RBI has hiked the interest rate by 90 basis points. Now, the repo rate stands at 4.9%.
- By looking at statistics, **Fitch lowered its Indian economy forecast to 7.8% in 2022-2023 compared to its previous estimate of 8.5%**.
- Apart from that Fitch upgraded India's sovereign rating to 'stable' from 'negative' after two years.

India, UN signed an agreement for use of the 'Wayfinding App'

Current Context: The Union Cabinet has approved the proposal for the signing of an agreement between the Government of India and the United Nations on a 'Way Finding Application' to be used in the Palais des Nations, United Nations Office at Geneva.

Details

- The estimated financial implication for the **development deployment and maintenance of the app is \$2 million**.
- Due to the complexity of buildings and huge participation, there was a requirement for a navigational application **that can help the visitors and other delegates in finding their way inside the premises**.
- This app has been designed for the UN, it is expected to significantly ease the navigation of delegates within the building.
- In addition to that, the Cabinet also approved a **Memorandum of Association for the establishment of the BIMSTEC Technology Transfer Facility (TTF)**.
- The main objectives of the BIMSTEC TTF are to **coordinate, facilitate and strengthen cooperation in technology** transfer among the BIMSTEC Member States.

- It also approved an agreement on cooperation in the field of youth work among the authorized bodies of the member states Shanghai Cooperation Organization.

OmniCard becomes 1st RBI licensed PPI to launch Cash Withdrawal

Current Context: Recently OmniCard has announced that it became the 1st RBI-licensed PPI to launch cash withdrawal using a RuPay-powered card from any ATMs across the country.

About

- **OmniCard users can withdraw cash from any ATM at their convenience** with full security from frauds like card theft, card cloning, PIN skimming, etc.
- It also provides an alternative platform for users to keep their **bank accounts safe from cyber frauds using a digital wallet linked with Rupay Card and UPI.**
- Nowadays Prepaid RuPay cards act as a boon in augmenting the customer's financial inclusion, security, and convenience.
- These payment instruments are **licensed and regulated by the Reserve Bank of India.**
- There are three types of PPIs **closed system PPIs, semi-closed system PPIs, and open system PPIs.**
- These are generally issued in the form of smart cards, mobile wallets, paper vouchers, and internet accounts/wallets.

IBBI amends rules, creditors may get Power to Remove Liquidator under IBC

Current Context: The Insolvency and Bankruptcy Board of India (IBBI) has proposed a slew of changes to the liquidation regulations to firm out the discrepancies and make the liquidator more accountable under the Insolvency and Bankruptcy Code (IBC).

Highlights

- Under the proposed changes, a committee of creditors (CoC) may act as a stakeholders' consultation committee (SCC), **which is typically set up within 60 days from the date of commencement of the liquidation, to monitor the process from the beginning.**
- Besides it is also proposed that creditors can now replace the liquidator, by a majority vote, in case his conduct is not satisfactory.
- **The SCC works as a monitoring mechanism for liquidation,** similar to the CoC in corporate insolvency.
- This step has been taken because the need was felt to enhance the accountability of the liquidator, like in the case of the resolution professional.
- Apart from that to empower the stakeholders during the liquidation process, the stakeholders' consultation committee may, **by a majority vote of not less than 66%,** can propose the replacement of the liquidator and it shall apply to the adjudicating authority for the appointment of the proposed liquidator.
- IBBI proposes **the completion of the liquidation process in 30 days** from the current 90 days in select cases.

Indian Microfinance industry's Loan Book grows 10% to Rs 2.85 trn in FY22

Current Context: The gross loan portfolio (GLP) of the microfinance sector in India **Increased by 10% to Rs 2.85 trillion as of March 31, 2022, Compared to Rs 2.59 trillion a year ago.**

Key Points

- Even though the number of unique borrowers served by the industry decreased to 58 million in March 2022 from 59.3 million a year ago, **the loan accounts increased from 108.3 million in March 2021 to 113.1 million in March 2022.**
- It is also supported by and Supreme Court's verdict which clearly stated that NBFC regulation is the only purview of the RBI, which is a hugely positive trend. These have supported good growth in 2022-23.
- Due to this microfinance industry **has shown good progress during Q4FY22**, building on the momentum created in the third quarter ended December 2021.
- In addition to that, the loan portfolio of non-banking finance companies working as MFIs (NBFC-MFIs) **expanded by 19.4% to Rs 96,561 crore at the end of March 2022 Compared to Rs 80,906 crore as of March 31, 2021.**
- However, banks continue to be the main contributors with a share of 40% in March 2022, down from about 43.67% a year ago.

India will get 5G services by March 2023

Current Context: India will get a full-fledged 5G services by March 2023, as the auction of the 5G spectrum will be completed by July end.

Key Facts

- Telecom is the primary source of digital consumption and it is very important to bring trusted solutions to telecom. **Presently India has its stack of 4G like radio, equipment, and handset.**
- Recently the Union Cabinet has finally approved the Department of Telecommunications (DoT)'s 5G spectrum auction through which spectrum will be assigned to bidders to provide 5G services to the public as well as enterprises.
- Apart from that, it has also been expected that the Mid and High band spectrum will be utilized by Telecom Service Providers to roll out 5G technology-based services capable of providing speed and capacities which would be about 10 times higher than current 4G services.
- **Besides, India has developed the start-up ecosystem very rapidly. Now Europe recognized India and how it has produced more than 100 Unicorns in a short period.**
- A MoU has also been signed between NPCI, International, and Lyra Network of France for 'Acceptance of UPI & Rupay Card in France.

Ministry of Railways has launched Indian Railways Innovation Policy

Current Context: Indian Railways has launched a policy by the name "StartUps for Railways" in Rail Bhavan, New Delhi, which will bring scale and efficiency in the field of operation, maintenance as well as the creation of infrastructure through the participation of very large and untapped startup ecosystem.

Details

- This platform will provide an opportunity for the start-ups to connect with the national transporter. Out of more than In Phase 1, **eleven problem statements such as rail fracture, headway reduction, etc., have been taken up.**
- The startups will get support from the **national transporter in form of a 50% capital grant, scale, assured market, and ecosystem.**

- Apart from that entire process from floating the problem statement to prototype development is online with a defined timeline to make it objective and transparent.
- **Prototypes trials will be done on Indian Railways.** On the successful performance of prototypes, enhanced funding will be provided to scale up deployment.
- Innovators will be selected by a transparent and fair system which will be dealt with through an online portal.
- Developed Intellectual property rights will only remain with the innovator.
- It has also provided the provision of **de-centralization of the complete process of product development at the divisional level to avoid delays.**

Contactless payments see Six times growth in last 3 years

Current Context: According to a whitepaper released by Visa and Worldline India. Contactless payments' contribution to total face-to-face transactions grew more than six times to 16% in December 2021 compared to 2.5% in December 2018.

About

- This analyses India's journey with digital payments infrastructure and contactless payments, highlighting the rapidly growing adoption across regions and sectors.
- Besides that, the adoption of EMV chip cards has been pivotal for the growth of contactless payments, aided by **supportive regulations that increased the contactless limit in India to Rs 5,000 in 2021.**
- The highest adoption of contactless payments was observed in sectors like quick-service restaurants, pharmacies, food, grocery, etc., which accelerated with the impact of the pandemic.
- According to the report, **25% of all transactions at supermarkets were contactless in January 2020**, later it has **increased to 31% by January 2022.**
- Apart from that Worldline India Digital Payments Report 2021 has shown that while cards contribute to 26% of all digital transactions, **they generate 53% of the value of all digital commerce.**
- Contactless payments can result in repeat purchases, customer stickiness, and financial inclusion through cards.

Banks' Gross NPA drop below 6% in March 2022, lowest in Six Years

Current Context: Gross non-performing assets (NPAs) of the banking sector dropped below 6% as of March 2022 the lowest since 2016 and net NPAs fell to 1.7% during the same period.

Highlights

- This indicates that the sector has remained largely unscathed from the ill effects of the Covid-19 pandemic.
- In addition to that Asset quality of banks has improved, **and the gross NPAs and net NPAs of the banks have improved from the pre-pandemic levels.**
- Besides the fresh slippages have also broadly been brought under control. Banks have also enhanced their provisions including provisions for restructured accounts.
- In the early part of the last decade quality of Indian banks started deteriorating and again peaked in March 2018 with gross **NPA hitting 11.5 percent of gross advances.**
- But in the last year onwards there has been a consistent improvement.

- Gross NPAs of scheduled commercial banks were 7.3 percent in March 2021 and 6.9 percent in September 2021.
- Banks have also increased their capital base to deal with any untoward situation that may arise going forward.

RBI Increases limit of e-mandates for Transactions up to Rs 15,000

Current Context: Reserve Bank raised the Additional Factor of Authentication limit from Rs 5,000 to Rs 15,000 per transaction.

Key Facts

- This limit applies to all e-mandates on cards, Prepaid Payment Instruments (PPIs), and UPI for recurring transactions.
- The main objective of the E-mandate is that an **individual can give standing instruction to the bank to debit a specific amount automatically on a recurring basis.**
- RBI also stated that **additional authentication will not be needed for payment of Rs 15,000 per transaction.**
- Reserve Bank of India (RBI) has, over the past decade, put in place various safety and security measures for card payments, including the requirement of AFA.

Reserve Bank of India turns Net Buyer of dollars in April

Current Context: According to the latest data, the RBI purchased \$1.96 billion in April.

Key Points

- Earlier in March the **RBI sold \$20 billion in the foreign exchange market.**
- Since the war broke out in Europe in late February, the Central bank has been aggressively intervening in the foreign exchange market.
- Apart from that investors are also rushing for safe-haven assets as a result, the value of emerging market currencies increased.
- On other hand, the **rupee has depreciated 4.8 percent against the dollar in 2022** as it traded at 78.08 against the dollar which was an all-time low.
- During fiscal 2022, the **RBI had net purchased \$17.312 billion.** It had bought \$113.991 billion and sold \$96.679 billion in the spot market in FY 2021-2022.
- Apart from that, it has also been estimated that global economic conditions continue to deteriorate as **commodity prices increases and the volatility of the financial market.**

WTO signs landmark deal after nearly a Decade

Current Context: The World Trade Organization has signed agreements at the 12th ministerial conference and it is the first major agreement in nine years.

Details

- The series of trade deals include pledges on **food security, the balanced outcomes on fisheries subsidies, and response to pandemics.**
- Apart from that India defended its right to extend subsidies to its fishermen, and fisheries.

- India also agreed to an **18-month extension of the moratorium on customs duty on electronic imports** that, it argues, favours rich nations.
- The deal on patent waiver on covid-19 vaccines will allow India and other eligible developing countries to manufacture and export vaccines without seeking permission from the original maker.
- Apart from that the **two contentious clauses that proposed a ban on overfishing subsidies** within seven years have been struck off.
- It includes the elimination of harmful subsidies **to stop illegal, unreported, and unregulated fishing activities.**
- The agreement also mentions that the current moratorium on **customs duty on digital imports will continue till 31 December 2023.**

4th Annual Periodic Labour Force Survey

Current Context: National Statistical Office (NSO) launched the Periodic Labour Force Survey (PLFS). The fourth Annual Report is being brought out by NSO on the basis of the Periodic Labour Force Survey conducted during July 2020-June to 2021.

About

- According to the report it was observed that the **Unemployment rate has decreased by 0.6% and fell to 4.2% compared to 4.8% earlier.**
- It has also stated that the Labour force participation rate in the population **was 41.6% during 2020-21 compared to 40.1% earlier year.**
- National Statistical Office (NSO) launched the Periodic Labour Force Survey (PLFS) in April 2017.
- The main objective is to estimate the key employment and unemployment indicators like **Worker Population Ratio, and Labour Force Participation Rate, in the short time interval of three months.**
- Labour Force Participation Rate is defined as the **percentage of persons in the labor force who are working or seeking or available for work.**
- The worker Population Ratio is defined as the **percentage of employed persons in the population.**
- The unemployment rate is defined as the **percentage of persons unemployed among the persons in the labor force.**

Nearly 5 mn in India displaced due to Climate Change, Disasters in 2021

Current Context: As per United Nations Five million people in India were internally displaced due to climate change and disasters in 2021.

Highlights

- Another report by the UN Refugee Agency highlighted that globally **100 million people were forced to flee their homes last year** due to violence, human rights abuses, food insecurity, the climate crisis, etc.
- In addition to that, there were 23.7 million new internal displacements globally **due to disasters which resulted in to decrease of by 23%, compared to the previous year.**
- The main cities which observed the largest displacements in the context of disasters in 2021 occurred were China, the Philippines, and India.
- Apart from that, it has also been observed that the **number of people forced to flee their homes has increased every year over the past decade.**

- It has been estimated that by the end of 2021, **89.3 million people were forcibly displaced worldwide, including 27.1 million refugees, and 21.3 million refugees under UNHCR's mandate.**
- While considering the latest figures as of May 2022, more than 100 million people were forcibly displaced worldwide by persecution, conflict, violence, human rights violations, etc.

FPIs outflow nears Rs 2 lakh cr from Equities in less than 6 months of 2022

Current Context: Foreign portfolio investors plays important role in the Indian market. Now foreign funds outflow has neared Rs. 2 lakh crore in the Indian equity market in less than six months.

Key Points

- As long as inflation stays the selling pressure from FPIs in the domestic equities is expected to continue.
- According to recent data, **FPIs outflow stood at Rs 31,430 crore** in the equity market, and in total the **outflow has climbed to Rs 1,98,585 crore in domestic equities.**
- Earlier in **May 2022, FPIs outflow stood at Rs 39,993 crores**, and in April the outflow was at Rs 17,144 crores.
- This data will be compiled by **NSDL based on reports submitted to SEBI** and Depositories by Custodians and constitutes trades conducted by FPIs.
- If we consider equities, debt, and hybrid markets, **FPIs' total outflow stood at Rs 2,08,587 crore.**

Direct tax collection sees a 45% Surge

Current Context: Net direct tax collections for the current fiscal year surged 45% to Rs 3.39 trillion between April 1 and June 16, compared to Rs 2.33 trillion earlier a year ago.

Key Facts

- Besides advance tax collections for the first quarter of this **fiscal has increased by 33% and stood at over Rs 1.01 trillion.**
- Apart from that gross collection of direct taxes has **increased by 40% for the fiscal stood at Rs 3.69 trillion.**
- Tax collection had been projected at **Rs 27.58 trillion in the budget estimates for FY23.**
- That represents 9.6% growth over the Rs 25.16 trillion estimated in the revised estimates for the previous year.
- In addition to that **refunds of Rs 30,334 crore** were issued during the period.

Gadkari proposes creation of Innovation Bank to focus on quality in infra

Current Context: Minister for Road Transport and Highways Nitin Gadkari has proposed setting up of Innovation Bank for new ideas, research findings, and technologies to focus on 'Quality' in infrastructure development.

Details

- Through **Indian Roads Congress**, India pledged to develop a World-class state-of-art laboratory **with the help of IITs and global institutions in the world.**
- To make India a 5 trillion-dollar economy Infrastructure development has an important role it creates a direct link to the prosperity of a particular region.

- Over the last 8 years, the length of **National Highways has gone up by more than 50 % from 91,000 km in 2014 to about 1.47 Lakh km.**
- It has also been estimated that the **National Highway network will go up to 2 lakh kilometers by 2025.**
- In addition to that, it has also been considered that there should be minimum carbon footprints and exploitation of limited natural resources during the construction and operation phase.

Credit growth hits Three-Year high of 13.1%: RBI Data

Current Context: According to the latest data released by the Reserve Bank of India bank credit grew 13.1% compared to 5.7% earlier.

About

- Banks extended incremental credit of **Rs 1.02 trillion, taking the outstanding loans to Rs 121.40 trillion.**
- Earlier credit growth was even higher in April 2019, **when it goes up to 14.19%.**
- The main factors behind it were working capital utilization improved, credit from the non-banking sector improved, and companies were borrowing from banks at cheaper rates.
- In addition to that **bank deposits grew by Rs 1.59 trillion, taking the total to Rs 167.33 trillion which leads to 9.3%.**
- Bank credit in the system is expanding in double digits amid interest rates going up as the **RBI has hiked the policy repo rate by 90 bps.**
- Bulk deposit rates have witnessed the **sharpest spike of 100-170 bps** in a one-year time.

Overseas Remittances almost double year on year to \$2 billion in April

Current Context: According to recent data outward remittances by resident Indians crossed the \$2 billion mark to \$2.02 billion in April 2022, almost doubling from the level of \$1.18 billion.

Highlights

- RBI stated that the spending on **international travel tripled in April 2022 as Covid-related curbs eased in various countries in FY22.**
- According to estimates, the spending on travel was **\$6.91 billion in FY22 more than twice that spent in FY21.**
- It has also observed that there three heads of spending this April traveled, at \$880 million, maintenance of relatives \$385 million, and Gifts worth \$299 million.
- The remittances **increased by 54.6% to \$19.61 billion in FY22 from \$12.68 billion a year ago.**
- Remittances are usually understood as financial or in-kind transfers made by migrants to friends and relatives back in their communities of origin.

Govt to bring Legal Changes for Social Media Accountability

Current Context: Union Minister IT and Communications Ashwini Vaishnav has assured that the government will bring legal changes and regulations needed to make social media platforms more accountable.

Key Points

- Nowadays social media and the digital world need to be made more accountable, as they **play a very important role in each and every citizen of India as they bring powerful and transformative changes.**

- Through this govt wanted to create a trend that **social media needs to be made accountable.**
- Earlier in June 2022, the IT Ministry circulated the new draft rules that to hear user appeals against inaction on complaints made, or against content-related decisions taken by grievance officers of social media platforms.
- According to the rule, social media platforms remove any content flagged by authorities within stipulated timelines and **set up a robust complaint redressal mechanism with an officer being based in the country.**
- Social media companies who are having **50 lakh users or more** have to publish a monthly compliance report disclosing details of complaints received and action taken.

Study reveals use of Microplastics in Water Bodies

Current Context: A recent study published in the journal, 'American Society for Microbiology' have found that plastic pollution may after all serve as the source of antibiotics in the ocean.

Key Facts

- Scientists and experts who conducted the **study have pointed out that at least 5-13 million tonnes of plastic waste is generated every year which finds its way into the ocean.**
- Plastic debris is rich in biomass, and therefore could be a **good source for antibiotic production** which tends to occur in highly competitive natural environments.
- According to an OECD report, global usage of plastic is **set to increase threefold by the year 2060.**
- This will be a major breakthrough for many researchers to study the variation that occurs in ocean plastic.
- Apart from that researchers isolated 5 antibiotic-producing bacteria from ocean plastic, **including strains of Bacillus, Phaeobacter, and Vibrio, and tested the bacterial isolates against a variety of Gram-positive and negative targets.**
- Earlier scientists for the first time found **microplastics in freshly fallen snow in the Antarctic.**

India, EU re-launch FTA talks in Brussels

Current Context: India and the European Union (EU) resumed negotiations for a comprehensive free trade agreement (FTA) in Brussels, after a gap of nearly nine years.

Details

- This will cover three broad areas free trade agreement, an investment protection agreement, and an agreement on **geographical indications which aim to conclude negotiations by December 2023.**
- Apart from that, the EU team will visit New Delhi for the **next round of FTA talks on 27 June-1 July.**
- India demanded greater access to the EU market for its skilled professionals, among others.
- Whereas India could contribute to labor-intensive sectors, like textiles, gems and jewelry, leather footwear, and metal industries.
- India also remains the top export destination, **accounting for 15% of the Asian country's total outbound shipment.**
- In addition to that, this proposed agreement on investment protection is aimed at increasing investor confidence on both sides, leading to increases in FDI in both directions.

India ranked 3rd Highest Renewable Power Capacity in 2021

Current Context: Recently India added around 15.4 gigawatts (GW) of renewable power capacity in 2021, the third-highest after China and the United States.

About

- Apart from that India is now the 3rd largest market in the world for new solar **photovoltaics (PV) capacity and ranked 4th in the world for total solar energy installations.**
- Besides, there was a rebound in economic activity, due to which there has been a subsequent increase of 4% in global energy demand which was mostly met by fossil fuels.
- Due to the Ukraine war crisis governments started implementing short-term **measures to diversify fossil fuel import sources, ramp up domestic production and subsidize energy use.**
- In addition to that India has allotted \$24.3 billion for its solar energy schemes which provide incentives to domestic and international companies to set up battery manufacturing plants.
- India **invested \$11.3 billion in renewables in 2021, equivalent to the GDP of Brunei Darussalam in 2020.**
- Recently at the Glasgow climate summit, India has announced that non-fossil energy capacity will reach 500GW by 2030.
- **Apart from that India also set a target of net-zero emissions by 2070.**

RBI aims to make India a powerhouse of payments globally by 2025

Current Context: Recently it has been observed that there has been a three-fold jump in the number of digital payments, and aims to establish India as a powerhouse of payments globally.

Highlights

- 'Payment Vision 2025' document also talks about ring-fencing of domestic payment systems, including the need to mandate domestic processing of payment transactions.
- In addition to that the **main theme of the vision documents is 'E-Payments for Everyone, Everywhere, Everytime' (4Es)**, with an overall objective to provide every user with safe, secure, fast, convenient, accessible, and affordable e-payment options.
- Many initiatives of **UPI, RTGS, NEFT and RuPay cards along with bilateral treaties with nations** will hugely benefit Indian residents and their counterparties overseas with online realization at lesser costs.
- RBI has also taken measures to further **enhance safety and security for rural citizens, where digital and financial literacy are at a very rapid pace.**
- As per the RBI, total digital payments have **increased by 216% and 10% in terms of volume and value**, in March 2022, compared to March 2019.
- India become an undisputed global leader in payments.
- Linking credit cards to UPI is another gamechanger as would the globalization of India's Central Bank Digital Currencies.

IRDAI mulls linking insurance frauds with individuals' Credit Score

Current Context: Insurance Regulatory and Development Authority of India (IRDAI) is considering a proposal to make insurance frauds a parameter for calculating credit scores.

Key Points

- It has been recommended by a working group formed by Irdai and the General Insurance Council **that the risk profiles of individuals are evaluated and should be used to calculate their credit scores.**
- A poor credit score can deprive a person of financial services such as loans and credit cards, and deter him from indulging in fraud.
- Over a year there has been a **45,000 crore in the Insurance sector.**
- In order to add it, the changes have to be done through amendments to the Credit Information Companies (Regulation) Act, 2005, Credit Information Companies Regulations, 2006, and Credit Information Companies Rules.
- **Companies to collect this credit information details of borrowers' accounts** such as credit limit, outstanding balance, repayment history, amount and period of default, primary or collateral security taken, as well as **details of insurance fraudsters to provide him a loan or not.**

EU recommends Ukraine and Moldova for membership

Current Context: The European Union's executive recommended Ukraine and Moldova become candidates for membership, as developed economies in the world's largest trading bloc.

Key Facts

- **EU countries have reservations** about enlarging the bloc, Ukraine is backed by France, Germany, Italy, and Romania.
- Apart from that **Ukraine already has a free trade pact with the EU but applied to join days after Russia's invasion.**
- **Ukraine and Moldova won independence in 1991,** Besides Ukraine has sought EU candidate status since 2014.
- In addition to that Georgia is also in search of relief as Russia fought a brief war with Georgia in 2008 and maintains a military presence in two disputed regions of the country.
- But this enlargement policy has been stalled since 2018 because member states cannot agree on **whether to admit other official candidates - Albania, North Macedonia, Montenegro, Serbia, and Turkey.**
- The inclusion of both Ukraine and Moldova will help to **tackle their internal crisis and also leads to their economic development.**

Govt reconstitutes committee to Examine Representation of Officials Sacked

Current Context: Government has constituted a three-member committee to examine the representation of employees who are sacked under Fundamental Rule and Rule 48 of the Central Civil Services (Pension) Rules 1972.

About

- The committee examines the representation of employees who are sacked under Fundamental Rule (FR) 56 and Rule 48 of the Central Civil Services (Pension) Rules 1972.
- Under these rules, the government has the right **to fire government officials for lack of integrity, and ineffectiveness in the public interest.**

- The main objective of the fundamental rule is to **enhance the administrative machinery, by fostering responsible and efficient administration at all levels.**
- It also helps to achieve efficiency, economy, and speed in the disposition of government responsibilities.
- The three panel consists of Arti Ahuja Secretary of chemical and petrochemicals Secretary, Puneet Kansal, Joint Secretary in the Cabinet Secretariat, and One member nominated by the cadre controlling authority.

Broadband as fundamental right will reduce Poverty

Current Context: A recent study by analyst firm Nielsen has found that of the 646 million internet users in India, 352 million are in rural areas.

Details

- Technological transformations become like an octopus with arms dipping into various sectors complementing and feeding each other.
- It creates many possibilities in key development sectors like health, logistics, mobility, water, farming, etc.
- The government has redesigned many development programs with the help of digitals like Digital India, **Digital Saksharta Abhiyan, SWAYAM, PM e-Vidya, Svamitva scheme, and many others.**
- UPI, the digital payments infrastructure built by the National Payments Corporation of India has closed gaps in financial inclusion.
- As per a PwC study, UPI transactions **increased at a 785% compound annual growth rate between 2017 and 2020.**
- This leads to having better access to all people, especially in **rural areas, and helps in decreasing poverty.**
- Now it has been considered a proposal to make broadband connectivity should be made a fundamental right.
- Globally many countries like Finland, Estonia, France, Spain, Greece, and Costa Rica where the internet is a basic human right.
- **Connectivity allows entrepreneurship and great ideas to thrive.**

India Facing twin deficit problem due to Commodity prices Subsidy

Current Context: Finance ministry forewarned the re-emergence of the twin deficit problem in the economy, with higher commodity prices and rising subsidy burden leading to an increase in both fiscal deficit and current account deficit.

Highlights

- This time the government revenues take a hit as there is a **cut in excise duties on diesel and petrol, and also upside risk to the budgeted level of gross fiscal deficit has emerged.**
- Besides India's fertilizer subsidy bill for FY23 **could rise to around Rs 2.5 trillion** against the Budget Estimate of **Rs 1.05 trillion because of a global supply shortage.**
- In addition to that PM Garib Kalyan Anna Yojana until September shall increase the food subsidy **outlay for FY23 to Rs 2.87 trillion, from the Budget Estimate of Rs 2.07 trillion.**
- A Govt decision to provide a subsidy of Rs 200 per gas cylinder to over 90 million beneficiaries of the **Pradhan Mantri Ujjwala Yojana will also cost additional Rs 6,100 crore a year to the exchequer.**

- RBI increased policy rates by **90 basis points** in a month to fight record inflation levels, leading to increased interest rates.
- As long as the Russia-Ukraine conflict continues, many other reasons include trade disruptions, export bans, and the resulting surge in global commodity prices.

Govt extends telecom PLI Scheme by a year, ups Incentive by Rs 4,000 cr

Current Context: Government has extended the productivity-linked incentive scheme for the telecom industry by another year and has expanded its scope to cover design-led manufacturing.

Key Points

- The Centre will provide additional incentives of **over Rs 4,000 crore under the amended productivity-linked scheme.**
- This decision has been taken after considering the complaints of stiff incremental and production targets for the first year 2021-22 from the stakeholders.
- The main objective is to recognize and **encourage R&D-driven manufacturing in the country to enhance its contribution to the global value chain.**
- Besides, the scheme is open to both MSME and non-MSME companies, including domestic and global companies.
- The scheme specifies a minimum investment threshold of **Rs 10 crore for MSME and Rs 100 crore for non-MSME applicants. Land and building costs will not be counted as investments.**
- Apart from that the allocation for MSME has **been enhanced from Rs 1,000 crore to Rs 2,500 crore.**
- In a matter of shortlisting applications from design-led manufacturers shall be prioritized over other manufacturers.

RBI Consider domestic processing of Transactions

Current Context: Reserve Bank of India (RBI) is mandating domestic processing of payment transactions in order to ring-fence the country's domestic payment systems.

Key Facts

- The main reason behind its being sanctioned was imposed on Russia as a **result global card networks stopped processing transactions in Russia.**
- Central banks globally have started making efforts to ring-fence their domestic payment systems like **China has already implemented China Union Pay and Saudi Arabia with its MADA systems.**
- Currently, there is no bar on the processing of payment transactions outside India.
- Now the **RBI wants to ring-fence India's domestic payment systems.**
- RBI also has guidelines in place for the domestic storage of payment data.
- Besides, Banks and non-bank PSOs are allowed to process payment transactions abroad subject to certain conditions.
- A recent geopolitical crisis reveals that the banking and financial services industries are **highly vulnerable to not only cyberattacks but also sanctions.**

PSBs to expedite NPA resolution, focus on Credit Growth

Current Context: In a recent meeting of the Finance Ministry banks were asked to sanction loans for productive sectors to accelerate the revival of the economy.

Details

- They have been asked to expedite **non-performing assets (NPAs) resolution and focus on the recovery of bad loans.**
- In recent times banks have shown more than doubled their net profit to Rs 66,539 crore in FY22. **The collective profit of 12 state-owned banks together was Rs 31,820 crore in FY21.**
- But it has also been observed that there were **collective losses for five straight years during 2015-16 to 2019-20.**
- To improve the financial health of PSBs, the government implemented a comprehensive 4Rs strategy recognition of NPAs transparently.
- The government **has infused Rs 3,10,997 crore to recapitalize banks during the last five financial years from 2016-17 to 2020-21.**
- Apart from that Kisan Credit Card and Emergency Credit Line Guarantee Scheme was extended by a year till March 2023.
- This time coverage, scope, and extent of benefits under **ECLGS 3.0 for hospitality, travel, tourism, and civil aviation sectors were expanded.**

Major changes at Banks Board Bureau

Current Context: Ministry of Finance is planning to bring more representatives from the insurance sector into the Banks Board Bureau in a bid to expand.

About

- The restructured Banks Board Bureau, which will have a remit over a wider set of financial institutions, may also get a new name.
- This decision has been taken when it was found that the **body was not competent enough to recommend appointments to select general managers and directors at PSU general insurers.**
- When revamp was done the board will be able to **recommend full-time appointments at financial institutions**, where currently the executives are given additional roles through interim arrangements.
- **Banks Board Bureau was set up in 2016** by the government with the aim to select executive directors and managing directors and chief executives of PSBs and financial institutions.
- It engages with the board of directors of all the public sector banks to formulate appropriate strategies for their growth and development.
- It also helps in **improving corporate governance at public sector banks, building capacities.**
- The Banks Board Bureau is a public authority as defined in the Right to Information Act, 2005.

Ban On loading through Credit Lines

Current Context: Reserve Bank of India's (RBI's) notification disallowing non-bank prepaid payment instruments (PPIs) from loading their instruments through credit lines has sent industry players.

Highlights

- An Industry body of **PPIs has met the regulator to get clarity** on the issue and present their views to RBI.
- The PPI master directions do not permit the loading of PPIs from credit lines.
- Any penalty will attract for non-compliance under provisions contained in the **Payment and Settlement Systems Act, 2007**.
- PPIs are instruments that facilitate the purchase of goods and services, the conduct of financial services, and enabling of remittance facilities.
- According to the RBI, **there are over 35 non-bank PPI issuers in the country, including Amazon Pay, Bajaj Finance, and Phone Pe, among others.**
- As per a recent report by Macquarie Research, some of the **new generation players were adding closer to 200,000-300,000 cards using PPI licence.**

Govt dept to collaborate with SBI to create Integrated Pension Portal

Current Context: Centre's Department of Pension & Pensioners' Welfare (DoPPW) will collaborate with the State Bank of India (SBI) to create an integrated pension portal to enhance the ease of living of pensioners.

Key Points

- Special Sessions were **organized on income tax matters related to pensioners as well as digital means of submitting annual life certificates.**
- Sessions on pension policy reforms and digitization regarding the **disbursement of pensions to central government pensioners were also organized.**
- Digital life certificates and face authentication technology have been used, which would be a game-changer for pensioners and banks in the submission of life certificates.
- Apart from that immediate efforts are provided for the creation of an **integrated pension portal by linking the existing portals of the DoPPW and the SBI** to provide seamless services to pensioners.
- Besides four awareness programs will be conducted **in collaboration with the State Bank of India to cover the whole country.**

RBI postpones implementation of certain norms related to Cards by 3 Months

Current Context: Reserve Bank gave three more months to banks and NBFCs issuing credit and debit cards to comply with certain norms including activation of cards without the consent of customers.

Key Facts

- Banks and non-banking financial companies (NBFCs) were to implement the Master Direction on '**Credit Card and Debit Card – Issuance and Conduct Directions, 2022**' from July 1st.
- As per the recent circular of RBI, the timeline for implementation of certain provisions of the **Master Direction extended to October 01, 2022.**
- As per the Master Direction, card issuers must seek One Time Password (OTP) based consent from the cardholder for activating a credit card.
- No consent is received for activating the card, **card issuers should close the credit card account.**
- Apart from that, it has also postponed the implementation of a norm related to unpaid **charges and the compounding of interest by three months.**

Cut off yields Ease by 7-8 bps at State bond auction as Borrowings

Current Context: The yields on 10-year state development loans (SDL) eased by 7-8 basis points while amounts raised by state governments continued to be lower than the indicative calendar.

Details

- As per RBI data the **cut-off yield for 10-year SDL at 7.86-88% as against 7.94-95%**.
- Apart from that states raised Rs 6,500 crore through SDLs on June 21, 2022, nearly 60% lower than the indicated amount.
- **The total Rs 90,700 crore raised by 16 state governments/Union Territory (UT) raised s in Q1 FY2023, is nearly 47% lower than the indicated Rs. 1.7 trillion.**
- Besides ICRA has released one more report on borrowing in which it was stated that **Year-on-Year basis, the borrowings are 26.8% lower than the year-ago level.**

AMCs barred from offering Insurance products bundled with MFs

Current Context: The Securities and Exchange Board of India (Sebi) has barred asset management companies (AMCs) in India from offering insurance products bundled with their mutual fund schemes.

About

- Under SIP insurance plans, **mutual funds offer a free life cover on starting SIP investments.**
- Recently AMCs are proposing to introduce bundled products while some existing schemes have such bundled products.
- Due to this SEBI has informed that no existing schemes or ones which are proposed to be launched shall have bundled products.
- The life cover, in most SIP insurance products, **was in the range of up to 100-120 times the SIP amount, subject to an Rs 50 lakh limit.**
- Most fund houses offered SIP insurance to **people in the 18-51 age bracket investing in eligible schemes.**
- They have also added insurance benefits at no additional cost to tap into its popularity.

India needs \$223 bn to meet 2030 renewable Capacity Goals

Current Context: According to a BloombergNEF India will need USD 223 billion of investment to meet its goal of wind and solar capacity installations by 2030.

Highlights

- The government has set a target of **increasing non-fossil power capacity to 500 GW by 2030.**
- It wants non-fossil fuel power sources to provide half of its electricity supply by 2030.
- India plans to reduce emission intensity by **more than 45% by 2030 to below 2005 levels.** He also announced a net-zero by 2070 target.
- Central Electricity Authority expected that the country's reliance on coal to drop from **53% of installed capacity in 2021 to 33% in 2030.**
- Apart from that government scaling up financing to meet 2030 goals requires Independent Power Producers to tap into new or underutilized sources of capital.

- Many players like revolving construction debt, investment infrastructure trusts and for retail investors, insurance companies, and pension funds contribute funds.

Foreign Exchange reserves up by \$30.3 bn in FY22

Current Context: According to RBI data foreign exchange reserves, increased by \$30.3 billion in 2021-22 compared to \$ 99.2 billion last year.

Key Points

- The current account balance recorded a **deficit of \$ 38.8 billion against a surplus of \$ 23.9 billion in the fiscal ended 2021.**
- US dollar against major currencies amounted to **\$ 17.2 billion during 2021-22** as against a valuation gain of **\$ 11.9 billion during 2020-21.**
- In the case of balance of payments foreign exchange reserves **increased by \$ 47.5 billion during 2021-22** as compared with **\$ 87.3 billion during 2020-21.**
- Apart from that capital account surplus has increased to \$ 86.3 billion, compared to a surplus of \$ 63.4 billion.
- Foreign exchange reserves are assets held on reserve by a central bank in foreign currencies, which can include bonds, treasury bills, and other government securities.

High inflation 'a major concern' for Economy

Current Context: According to the RBI Monetary Policy Committee (MPC) meeting high inflation is a major concern for the economy, even though they have hiked key interest rates to check price rise.

Key Facts

- As per RBI, this is the time appropriate to go for a further **increase in the policy rate to effectively deal with inflation and inflation expectations.**
- The primary mandate of RBI is a commitment to price stability its prerequisite for sustainable growth over the medium term.
- Besides raising the repo rate to **4.9%**, **the Reserve Bank also revised upwards its inflation** forecast for the **current fiscal to 6.7%** from its **earlier estimate of 5.7%.**
- It is also important for both government state & center to develop their budgeted Capex plans and work through their counter-cyclical policy levers to ensure a soft-landing for the economy.
- It is also expected that the **repo rate is still below the pre-pandemic level** and the **liquidity surplus is still higher than what it was prior to the pandemic.**

India Reports CAD of 1.2% of GDP in FY22 on widening Trade Deficit

Current Context: As per RBI data India witnessed a current account deficit of 1.2% of GDP in 2021-22 compared to a surplus of 0.9% in FY2020-21 due to a wider trade deficit.

Details

- From January-March 2022 the CAD decreased on to \$13.4 billion or **1.5% of GDP compared to \$22.2 billion.**

- In addition to that Balance of Payments, data suggested that goods imports stood at **\$618.6 billion in FY22 as compared to \$398.5 billion the year ago.**
- BoP of a country can be defined as a systematic statement of all economic transactions of a country **with the rest of the world during a specific period, usually one year.**
- A current account deficit occurs when the total value of goods and services a country imports **exceeds the total value of goods and services it exports.**
- According to an earlier report for 2021, High Oil Imports, and High Gold Imports are the major driving force, widening the CAD.

NSDC & MoHUA has launched NIPUN scheme for Construction Workers

Current Context: Union Minister of Housing & Urban Affairs and Petroleum & Natural Gas, Hardeep Singh Puri, launched an innovative project for skill training of construction workers called 'NIPUN'.

About

- The project NIPUN is an initiative of the **Ministry of Housing & Urban Affairs (MoHUA)** under its flagship scheme of the Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM).
- It helps to train over **1 lakh construction workers, through fresh skilling and upskilling programs** and provides them with work opportunities in both domestic and foreign countries.
- On-site skill training will be provided to **80,000 construction workers through industry associations** under the RPL certification, co-branded with MoHUA.
- While **14,000 candidates will receive fresh skilling through the plumbing and infrastructure Sector Skill Council (SSC).**
- It will also provide trainees with Kaushal Bima i.e **3-year accidental insurance with coverage of Rs 2 lakhs** and digital skills like cashless transactions and BHIM app etc.
- As per recent data, the construction industry is p to become the largest employer by 2022 and **needs 45 million additional skilled workers over the next 10 years.**

Rapid Transition to clean Energy could create 15 mn Jobs by 2025

Current Context: According to a new report, the shift from fossil fuels to clean energy could lead to the creation of 1.5 crore new jobs in India by 2025 and increase savings on electricity bills.

Highlights

- It was published by the **'We Mean Business Coalition' and Cambridge Econometrics.**
- India could witness a **10% reduction in per capita energy expenditure by 2025** compared to the present scenario.
- The reduction in per capita energy expenditure in **India is projected to be 34 dollars or 31% by 2030 and 74% by 2035.**
- The report also suggested that the governments set out national action plans this year to **eliminate all fossil fuel subsidies by 2025.**
- It also suggested that G-7 nations phase out domestic coal-fired power generation by 2030 and rapidly scale up renewable energy deployment **towards achieving 70% of power generation by the next eight years.**
- It has also asked **to commit to 100% sales of zero emissions by 2035** for new light-duty vehicles and increase public spending for energy efficiency.

World Bank approves Rs 4,400-cr funding for three projects in India

Current Context: World Bank has approved three loans totaling \$562 million to fund many projects.

Key Points

- These projects include an education program in Gujarat, a social protection program in Tamil Nadu, and a project to help recovery in the fisheries sector.
- World Bank has approved **additional financing of \$250 million for Outcomes for Accelerated Learning (GOAL)**, a program that aims to improve education results for children across the state of Gujarat.
- These will benefit an additional 3,000 schools that have been disproportionately affected by the Covid-19 pandemic.
- In 2020-21, the **fisheries sector saw losses of about USD 5.5 billion** and fish production fell almost 40% in one year due to the Covid-19 pandemic.
- While Additional financing will scale up the coverage of the original program from a total of 9,000 to 12,000 schools, while also supporting new efforts to test the efficacy of the program's interventions.
- As per World Bank **\$150 million loans to support the recovery of India's fisheries sector** as it employs about 12 million people directly and another 13 million through associated activities.
- Incentives for larger private investment in the fisheries sector in India have been limited, **mainly due to a lack of access to financing or credit, and perceptions that the sector is high-risk.**

Committee suggests deferment of Decision on levying GST on Crypto

Current Context: The committee of officers comprising both the Centre and states suggested, that a deeper study was needed on the issues involved in crypto.

Key Facts

- It has been suggested the GST Council defer a **decision on the taxability of cryptocurrency and other virtual digital assets.**
- Committee felt that it was required to identify all relevant supplies associated **with crypto-ecosystem which are under the ambit of GST.**
- A recent 2022-23 Budget has brought clarity with regard to the levy of income tax on crypto assets.
- But bringing cryptocurrency under the ambit of the Goods and Services Tax (GST) front is still not clear.
- **1% TDS on payments over Rs 10,000 towards virtual currencies** has also been introduced which will affect from July 1.
- **The threshold limit for TDS would be Rs 50,000** a year for specified persons, which includes individuals/HUFs who are required to get their accounts audited under the I-T Act.

Card-based fintech players may have to Stop Offers

Current Context: Prepaid payment instruments (PPIs) from credit lines, card-based fintech players may have to stop their offers until the RBI clears them.

Details

- PPIs from credit lines should be stopped immediately. And, non-compliance may attract action under the **Payment and Settlement Systems**.
- Card-based fintech players who leveraged **PPI partnerships to facilitate credit to the customers through cards will be the most affected**.
- **“Buy now pay later”** products with direct merchant integration may not be affected because there is no underlying credit instrument.
- But in the market, there is huge customer demand for flexible credit products, including credit cards, and hence there is a promising opportunity for fintech lenders to meet the demand.
- **New-age players** were onboarding **300-400k people per month**.
- In the past **18 months**, fintech has been leveraging **PPIs to facilitate credit**.

RBI Proposes norms for outsourcing of IT services by banks, NBFCs

Current Context: Reserve Bank proposed norms for the outsourcing of IT services to protect banks and other regulated entities from financial, operational, and reputational risks.

About

- As per the RBI draft, Regulated Entities will **not require prior approval** from the central bank for the outsourcing of IT and IT-enabled services.
- Banks, payment banks, cooperative banks, credit information companies, NBFCs, and other regulated entities, would be required **to put in place a comprehensive board-approved IT outsourcing policy**.
- RE shall take steps to ensure that the service provider employs the same **high standard of care in performing the services**.
- Apart from that, it should set up a robust grievance redressal mechanism, which in no way shall be compromised on account of outsourcing.
- The risk management framework for the outsourcing of IT services should **comprehensively deal with the processes and responsibilities for the identification, measurement, management, etc**.
- In addition, it has also proposed additional requirements for cross-border outsourcing.

Debt of Expenditure warns against extending the free food scheme: Report

Current Context: Finance ministry's Department of Expenditure has warned against extending the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) beyond September leads to an increased country's fiscal position.

Highlights

- Recently the government in March extended the **PMGKAY, the free food ration scheme for six months till September**.
- The Centre has **allocated Rs 2.07 trillion for food subsidies** in the current fiscal year.
- But the extension of PMGKAY till September is expected **to increase the subsidy bill to nearly Rs 2.87 trillion**.
- More tax cuts or food subsidy extensions would adversely hit the fiscal position of India.

- Besides the Centre's recent decisions to, hike fertilizer subsidy, reintroduce cooking gas subsidy, excise duty cut on petrol, diesel and cut in customs duty on edible oils have already created a serious fiscal situation.
- For FY23, the government has budgeted a **fiscal deficit of 6.4% of GDP**, As per Fitch Ratings, it is expected **to be 6.8%** due to higher subsidies and revenue loss due to duty cuts.

RBI acts in forwards market to protect forex reserves: Report

Current Context: Reserve Bank of India has taken the decision to advance the delivery of outstanding long-forward dollar positions points to its desire to protect the fast-depleting foreign exchange (forex) reserves.

Key Points

- This decision has come into consideration as dollar strength has been pushing the rupee to record lows and the RBI wanted to ensure that its forex reserves do not drop below a certain level.
- Recently it has seen a headline fall in the reserves from \$640 billion to \$600 billion.
- As per RBI data also it has been observed that forex reserves dropped by over \$10 billion to \$590.59 billion in just two weeks.
- The current level of forex reserves is enough for less than 10 months of imports projected for 2022-23
- The main reason behind it was the rupee, earlier this week, touched a record low of 78.39/\$, the 4.9 % year-to-date depreciation in the domestic currency compared to the dollar.
- The rate was at 4.65% it then dropped to 3.81% at the end of March.

GST Council likely to consider changes in monthly tax payment form

Current Context: GST Council is likely to consider a proposal for introducing auto-population of outward supplies from sales return and non-editable tax payment table.

Key Facts

- This decision has been taken to curb the **menace of fake billing**, and also to counter the lower GST liability.
- The committee has also proposed the Introduction of **auto-population of values from GTSR-1 into GSTR-3B** in specific rows to establish one-to-one correspondence to a large extent.
- The tax payment table in Form GSTR-3B **will be non-editable**, as per the amended form recommended by the Law Committee of the Council.
- Once the changes proposed by the **Law Committee gets an in-principle approval of the GST Council**, the revamped form will be put in the public domain for stakeholder consultation.
- If it has happened **tax filings are set to change for e-commerce operators** rendering passenger transportation services, accommodation services, and housekeeping services.

World Health Network declares Monkeypox a pandemic

Current Context: Monkeypox cases reported across 58 countries, World Health Network (WHN) has declared the current monkeypox outbreak a pandemic.

Details

- The outbreak is rapidly expanding across multiple continents and will not stop without concerted global action.
- As per WHN said the purpose of declaring Monkeypox a pandemic is to **achieve a concerted effort across multiple countries or over the world to prevent widespread harm.**
- The WHN is urging immediate action by the WHO and national CDC organizations.
- Monkeypox and smallpox come from the same virus family, called **Orthopoxvirus.**
- Monkeypox is a viral infection that originated in **rodents and primates and is transmitted to people.**
- According to WHO, Monkeypox typically presents clinically with fever, rash, and swollen lymph nodes and may lead to a range of medical complications.

Investments in AI to cross \$880 mn by 2023: NASSCOM Report

Current Context: Investments in India's Artificial Intelligence (AI) capabilities are growing at a CAGR of 30.8% and are poised to reach \$881 million by 2023.

About

- As per a recent report, Global **AI investments have doubled** in the last year, but India's share in global investment remains at 1.5%.
- AI will aggregate a value-add worth **\$450-500 billion to India's GDP by 2025.**
- The study has also found that around 65% of the organizations have defined AI strategy either at a functional, or enterprise level.
- **Chatbots** are the most widely-implemented AI applications in the country.
- **Personal Data Protection Bill** acts as a major change in policy.
- It has been suggested that companies should consider data sanitization and removal of personal identifiers for complying with the proposed norms.

RBI extends deadline for card Tokenisation by another 3 months

Current Context: RBIs extending the deadline for card-on-file (CoF) tokenisation by another three months to September 30.

Highlights

- The **initial deadline was January 1**, which was extended by six months.
- It was mandated that no entity in the card transaction or payment chain, **other than the card issuers or card networks, can store the CoF data.**
- CoF mainly deals with card **information stored by payment gateway and merchants to process future transactions.**
- This decision has been taken since there have been instances where such card numbers, expiry dates stored by merchants, etc., have been compromised.
- RBI also encourages cardholders to **tokenise their cards for their own safety.**
- RBI has also given chance to the industry to use the extended time to facilitate stakeholders to be ready for handling tokenised transactions.

Ship-borne weapon system VL-SRSAM successfully Flight-Tested

Current Context: India has successfully flight-tested the Vertical Launch Short Range Surface to Air Missile (VL-SRSAM) from a ship at Integrated Test Range (ITR), Chandipur, off the coast of Odisha.

Key Facts

- VL-SRSAM is a **ship-borne weapon system** that is meant for neutralizing various aerial threats at close ranges including sea-skimming targets.
- The launch was conducted against a **high-speed aerial target** that resembles aircraft and was successfully engaged.
- The flight path of the vehicle along with the health parameters was monitored **using a number of tracking instruments deployed by ITR, Chandipur.**
- This development of an indigenous missile system will further strengthen the defensive capabilities of the Indian Navy.

Vaishnav launches Policy and Portal of e-auction

Current Context: Indian Railways has to move ahead to bring commercial earning and non-fare revenue contracts under the ambit of electronic auction through the Indian Railway e-Procurement System (IREPS), for scrap sale.

Key Points

- This will not only increase Railways earnings but also helps in **ease of doing business.**
- In addition to that, the Lengthy process of tendering would get simplified **it will also provide opportunities for youth to join the e-auction process.**
- Besides, this policy enhances ease of living and promotes **transparency in Indian Railways.**
- Participation in present e-tendering requires physical registration with the concerned field unit.
- A successful bidder would be able to receive acceptance online and through e-mail in a concise span of time.

Bharat Electronics signs MoU with Belarus firm

Current Context: BEL has signed a MoU with Defense Initiatives (DI), Belarus, to build cooperation amongst the three companies for the supply of Airborne Defense Suite for the Indian Air Force's helicopters.

Details

- ADS is used for providing protection to helicopters **BEL will be the prime contractor** and will be supported by DI.
- The main objective of this MoU is to explore various business opportunities for India and **global markets for ADS.**
- The manufacturing and maintenance for the supply of advanced Electronic Warfare (EW) suites for helicopters will be done under the **'Make in India' category.**
- The Air defence suite will ensure aircraft **protection against the friendly fire of air intercept missile systems as well as ground-based air defense systems.**

India's Fintech Reckoning Arrives

Current Context: India's fintech industry faces a regulatory reckoning as India's central bank banned the loading of so-called prepaid payment instruments (PPIs).

About

- Fintech players have issued hundreds of thousands of such cards with the aid of PPI licenses and loaded those using credit lines from banks and nonbanking financial institutions.
- According to recent data, in the past 18 months, the financial technology sector in India has **absorbed about \$14 billion of investment capital**.
- Fintech lending companies doubled disbursements in the financial year ending in March 2022 to a **total of \$2.3 billion**.
- In the coming months, RBI will likely introduce formal rules for India's loosely regulated digital-lending ecosystem.
- Apart from that, RBI also formed a new fintech department to regulate it properly.

Finance Ministry Asks banks to explore Fintech Partnership

Current Context: In order to expand the business, Public sector banks need to explore fintech partnerships and co-lending opportunities as per Finance Ministry.

Key Highlights

- Apart from that lenders were asked to focus on technology and data analytics to push their lending.
- Besides public sector lenders need to strengthen IT security systems and cybersecurity to check fraud.
- As per RBI's latest data, growth in lending by PSBs has improved significantly to 7.8% in March 2022 from 3.6% earlier.
- In addition to that, banks were asked to expedite non-performing assets (NPAs) resolution and focus on the recovery of bad loans.
- Earlier, to improve the financial health of PSBs, the government implemented a comprehensive 4Rs strategy -- recognition of NPAs transparently.

Govt in talks with RBI to allow RRBs tap Credit Depository

Current Context: The Centre is in discussion with RBI to allow regional rural banks to tap its Central Repository of Information of Large Credit in reducing their non-performing assets.

Key Points

- As of now banks and financial institutions provide credit information with an aggregate fund-based and non-fund-based exposure of Rs 5 crore to CRILC.
- Earlier, the RBI had allowed RRBs to refer to CRILC and require notifying such lenders as under 'banking companies' under Section 45 (A) (a) of the RBI Act.
- The main objective of this discussion is that center is looking to restructure RRBs and wanted to improve the health of such lenders.
- As per the report, the gross NPAs of 43 RRBs have improved from 10.4% in FY20 to 9.4% in FY21.
- For their betterment, the center is also considering allowing RRBs to invest in perpetual debt instruments issued by other banks.

Fantasy games may be taxed at 28%, Input Tax Credit & More

Current Context: Goods and Services Tax Council is likely to consider a proposal for imposing a flat 28% tax on online skill or fantasy gaming.

Key Facts

- It will help to boost the revenue collection and can cover the compensation regime for states for revenue shortfall which decided to end this month.
- The ministerial panel's report on online gaming suggested that a Uniform GST should be imposed on casinos, race courses, and online gaming.
- As of now, most online gaming platforms pay 18 percent tax on the commission collected for each game.
- It has also suggested about Integration of GST data with NPCI.
- Biometric verification of premises of high-risk businesses should be captured.
- Tightening of restrictions process to identify fake invoices.

SEBI's total income rises to Rs 826 crore in FY21

Current Context: Capital markets regulator SEBI's total income marginally grew to Rs 826 crore in 2020-21, mainly due to an increase in earnings from investments and fees.

About

- The fee income included earnings from annual fees or subscriptions, listing fees contribution from stock exchanges, income from registration, renewal, application, etc.
- Specifically, the regulator's fee income rose to Rs 610.10 crore, income from investments widened to Rs 182.21 crore and other income increased to Rs 21.5 crore.
- Apart from that income from investments head for the year 2020-21 by Rs 1.09 crore.
- SEBI was formed by the government in 1988, under the SEBI Act of 1992.
- It is mandated to protect the interests of investors in securities as well as promote and regulate the securities markets.

One fourth of MSMEs lost more than 3% market share Last Fiscal

Current Context: More than a quarter of India's micro, small and medium enterprises (MSMEs) lost over 3% market share due to the covid pandemic.

Details

- Pandemic-induced supply chain disruptions impacted small pesticide manufacturers etc.
- Edible oil SMEs lost market share because of an increase in hygiene quotient and fewer buyers for oil that was sold loose.
- Besides 40% of the SMEs lost market share because of their essential nature, such as pharmaceutical and agricultural millers.
- The majority of tobacco selling points remained closed due to health concerns, as a result, tobacco processing SMEs faces huge loss.
- As per the report, many sectors such as transport operators, edible oil, gems, and jewellery are most vulnerable to EBITDA losses.

- In addition to that MSMEs should see revenue increase 9-11% this fiscal to 1.25 times the fiscal 2020 level.

India saw 9.36 bn Transactions worth Rs 10.2 trn in Q1 2022

Current Context: As per the new report India saw 9.36 billion transactions amounting to Rs 10.25 trillion in the first quarter through various payment modes led by the Unified Payment Interface (UPI).

Highlights

- UPI Person to Merchant transactions emerged as the most preferred payment mode among consumers with a **market share of 64% in volume and 50% in terms of value.**
- Apart from that, total UPI transactions touched over **14.55 billion transactions in volume and Rs 26.19 trillion in terms of value.**
- The top UPI apps in terms of volume were **PhonePe, Google Pay, Paytm Payments Bank App, and Amazon Pay.**
- Among that Phone Pe, Google Pay, and Paytm accounted for 94.8 percent of UPI transactions.
- Credit cards and debit cards account for **7% and 10% of transactions respectively.**
- Besides, **consumers made 15.6 billion mobile-based payments** whereas net banking/Internet browser-based transactions were over 1 billion.

Indian banks to post a larger Increase in Margins in FY23

Current Context: As per Credit rating agency Moody's Investors Service banks in India, Saudi Arabia, and South Africa would post larger increases in margins in FY23.

Key Points

- The rating agency has also said a more rapid acceleration of inflation would necessitate higher loan-loss provisions.
- The main reason behind the rising **inflation rates is supply constraints, increases in the prices of commodities, and currency pressures.**
- As the inflation increases, the Banks' credit costs also increase which leads to increases in credit costs in seven of the 10 systems.
- The rating agency's focus is on banks in the ten G-20 emerging markets: Argentina, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, and Turkey.
- Among the ten G-20 emerging markets, **Turkey has been facing the steepest inflation, which hit 73% in May 2022, followed by 61% for Argentina.**

Non-banking finance sector's profit to be Stable

Current Context: As per the report non-banking financial institutions (NBFI) shows good progress in credit growth and a decrease in asset quality.

Key Facts

- The report also supports NBFI's performance amid a broadening economic recovery, but few segments could still be vulnerable to higher-than-expected inflation.
- Earlier Fitch has also revised India's **'BBB-' sovereign rating to Stable from Negative in June 2022.**

- The gross domestic product (GDP) was **reinstated by 8.7% in FY22 after contracting by 6.6% in FY21.**
- It has also projected that medium-term growth potential of around **7% between FY24 and FY27.**
- Apart from that, large NBFIs' funding and liquidity profiles are likely to remain stable. **Funding costs rise in line with rising policy rates both domestically and globally.**

Finance Ministry permits State-owned NBFCs

Current Context: In a recent meeting, the finance ministry has permitted state-owned NBFCs to issue a 'Letter of Comfort (LOC)' to banks for fund tie-up for infra projects.

Details

- This decision has been taken because **CPSE-NBFCs are important players in the infrastructure sector.**
- Earlier In March, the finance ministry had asked other ministries and departments not to issue a 'Letter of Comfort' to any hired entity to improve transparency in fiscal management.
- NBFCs should be involved in the infrastructure sector and LOCs should be provided by banks only for opening letters of credit for the supply of goods and services by foreign suppliers.
- Apart from that, the liability under this LOC **should devolve on the government of India under no circumstances.**
- A **letter of Comfort** is a letter issued to a lending institution by a stakeholder of the company **acknowledging the support of the attempt for financing asked by that company.**

India's 1st mRNA Covid-19 vaccine likely to be Available Soon

Current Context: The Subject Expert Committee recommended Emergency Use Authorisation for India's first mRNA COVID-19 vaccine.

About

- Besides the **Drugs controller general of India (DCGI)** is expected to give Emergency Use Authorisation to Genovax's mRNA vaccine.
- The vaccine - **GEMCOVAC-19** - is the country's **first homegrown mRNA COVID-19 vaccine** and is seen as a game-changer for the healthcare industry.
- The company has conducted phase 2 and phase 3 data trials on 4000 participants to evaluate vaccine safety, immunogenicity, and tolerability.
- mRNA vaccines use mRNA **to teach our cells how to make a protein or a protein that triggers an immune response inside our bodies.**
- It is **based on the Moderna model** but has been built with the information available in the open and indigenous technology and materials.

Share of CASA in total Bank Deposits rose to 44.8% in March 2022

Current Context: As per RBI data the share of current and savings accounts deposits of commercial banks has increased to **44.8%** as of March 2022-end compared to **41.7%**.

Highlights

- CASA re low-cost deposits of banks **accounted for 60.9% and 55.6 % incremental deposits** during 2020-21 and 2021-22.

- The main reason behind it was **interest rates on fixed deposits have risen** and also RBI followed an **ultra-loose monetary policy** since the Covid-19 pandemic.
- Apart from that, **Overall deposit growth moderated to 10.0% in March 2022, compared to 11.9% a year ago.**
- Besides, it has also seen an **increase in savings and term deposits by 10.9% 13.3%, and 7.9% respectively.**
- It has also been observed that the household sector held the dominant share of 62.6% in total deposits followed by non-financial corporations, general government, etc.
- **Female depositors** accounted for **19.8% of total deposits in March 2022.**
- Maharashtra, Delhi, Uttar Pradesh, Karnataka, Tamil Nadu, West Bengal, and Gujarat together accounted for 63.3% of bank deposits.

VISA Creates 100 mn card-on-file tokens as per RBI norms

Current Context: Visa, the global payments company, has created 100 million card-on-file tokens in India.

Key Points

- RBI last week extended the **deadline for tokenization to September 30** after which no entity in the card transaction payment chain, other than the card issuers **can store the CoF data.**
- **Visa** has achieved **CoF tokenization**, focusing on two key benefits **consumer & ecosystem security and an enhanced checkout experience.**
- Apart from that, they have also run consumer awareness programs on technology enablement for seamless adoption of card tokenization.
- As per recent data, tokenized transactions have seen significant adoption across merchants, **clocking 4.5X growth over the past two months.**
- RBI CoF tokenization guidelines mandate replacing actual card data **with encrypted digital tokens**, which are then used to facilitate and authenticate transactions.

GST Council clears proposal to remove tax exemptions on a Few Items

Current Context: Many important decisions have been taken at the 47th meeting of the GST Council, chaired by the Union Finance Minister Nirmala Sitharaman and comprising state counterparts.

Key Facts

- It has approved a host of compliance procedures for **GST-registered businesses on high-risk taxpayers to check evasion.**
- Pre-packed and labeled food items such as meat, fish, curd, paneer, and honey will now attract GST.
- In addition to that, they have approved changes in tax rates on some goods and services while allowing states **to issue an e-way bill for the intra-state movement of gold and precious stones.**
- It has also been demanded that either the revenue sharing formula under the GST regime should be changed or the **compensation period should be extended by five years.**
- GST was introduced on July 1, 2017, and states were assured of compensation for the revenue loss, **till June 2022.**
- Besides a **proposal** for extension of compensation to states beyond June 2022 and the **imposition of 28% GST on casinos, online gaming, etc is made in this meeting.**

Covovax is approved by DCGI for children aged 7 to 12 years

Current Context: The Serum Institute of India's (SII) Covid-19 vaccine Covovax has been approved by the Drugs Controller General of India (DCGI) for children between the age's group of 7 and 12 years.

Details

- As per the recommendation of the expert committee on Covid-19 of the **CSDCO DCGI's given approval for emergency use in children.**
- The SEC discussed the EUA application of SII and recommended granting emergency use authorization for **Covovax for children aged 7 to 11 years.**
- With this approval, it is almost the last mile covered in the mission of the COVID-19 vaccine for all.
- **Earlier in December 2021,** the government had cleared **Covovax for restricted use in an emergency in adults and the 12 to 17 years age group.**
- **India began inoculating children aged 12-14 years** in the past two months.
- Apart from that, they have also begun administering precautionary doses of vaccines to healthcare and frontline workers and those aged 60 and above.

Govt mulling on MSME Code for streamlining all Regulations

Current Context: The government may adopt an MSME Code that will provide a comprehensive set of norms for the sector and brings uniformity to both state and central.

About

- The new code aims to **streamline rules and regulations** for MSMEs and **improve the ease of doing business.**
- The code may also bring clarity regarding the norms for **entry and exit of MSMEs.**
- Besides govt has introduced a pre-packaged insolvency resolution process for small businesses in 2021.
- Apart from that government is also working on **bringing small and medium enterprises under the ambit of the Fast Track Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016.**
- It will also help the **smooth establishment** of small businesses.
- These codes are necessary as several government departments do not know which companies are MSMEs.

Rupee Falls 18 paise to close at new low of 79.03 against US Dollar

Current Context: Rupee Depreciated 18 paise to close at a record low of 79.03 against the US dollar due to persistent foreign capital outflows and a surge in crude oil prices.

Highlights

- At the Interbank foreign exchange market, the rupee opened lower at 78.86 against the greenback and finally settled at 79.03.
- The main reason behind it as foreign institutional investors were net sellers in the capital market but they offloaded shares worth Rs 1,244.44 crore.
- Global oil benchmark Brent crude futures advanced 0.34% to \$118.38 per barrel.
- The rupee is also depreciated due to risk-averse sentiments and weaker regional currencies.

- Apart from that, the domestic unit has lost 1.97% and maintained at 6.39% since the beginning of this year compared to earlier.

Central Banks need stronger communication in Turbulent Times

Current Context: Central Banks must strengthen their communication about policy in turbulent times like the coronavirus pandemic and use alternative indicators.

Key Points

- As per United Nations, more than 95% of National Statistical Offices had partially or completely stopped face-to-face data collection in May 2020.
- In addition to that, the Ministry of Statistics and Programme Implementation published figures for the consumer price index (CPI) with immense difficulty during the first wave of the pandemic in 2020 as data was not accessible.
- Not only that, even short-term forecasting has become a challenge for central banks in the aftermath of the pandemic as large shifts in economic conditions.
- India requires regional dimensions of national indicators to tackle this situation due to its geographical diversity.
- As per RBI, there is a need to enhance the granularity, regularity, and better validation of data should be done.

PM Modi launches schemes to strengthen MSME Sector

Current Context: Prime Minister Narendra Modi launched the Rs. 6,000 crore 'Raising and Accelerating MSME Performance' (RAMP) scheme in the 'Udyami Bharat' program.

Key Facts

- As per the scheme, no global tender will be undertaken for orders up to Rs 200 crores.
- More than Rs 500 crores have been digitally transferred to 18,000 MSMEs.
- The main objective is to create a local supply chain for Make in India, which can reduce India's dependence on foreign countries.
- Apart from that, there were many schemes like MUDRA Yojana, Emergency Credit Line Guarantee Scheme, and SFURTI to provide necessary and timely support to the MSME sector.
- Besides PM has also launched the 'Capacity Building of First-Time MSME Exporters' (CBFTE) scheme.
- The main aim of the Capacity Building of First-Time MSME Exporters scheme is to encourage MSMEs to offer products and services of international standards for the global market.
- Udyami Bharat' is reflective of the continuous commitment of the government, which work towards the empowerment of MSMEs.

100% Electric Two-Wheelers penetration by FY27, NITI Aayog Report

Current Context: NITI Aayog and Technology Information, Forecasting and Assessment Council has forecasted that 100% penetration of electric two-wheelers in the Indian market by FY2026-27.

Details

- It has been estimated that the R&D program manages to enhance the range and power of electric two-wheelers by 5% annually between FY2023-24 and 2025-26, and by 10% in FY 2026-2027.
- Then the penetration of electric-two-wheelers may reach about 72% in FY 2031-32.
- As per the report, the sale of electric two-wheelers may cross 220 lakh units by FY2028-29.
- If the installed capacity of electric two-wheelers and charging infrastructure is sufficient then sales may even reach about 250 lakh units.
- TIFAC is an autonomous organization set up in 1988 under the Department of Science & Technology.
- Its main aim is to look ahead in the technology domain, assess the technology trajectories, and support innovation.

Monkeypox spreading in vulnerable groups, including children, warns WHO

Current Context: World Health Organisation (WHO) asserted that it is 'concerned' about the fact that the monkeypox virus has started spreading among vulnerable groups.

About

- The vulnerable group consists of pregnant women, immunocompromised people, and children.
- Over 4000 cases of monkeypox infections have been reported from over 50 countries.
- Besides The world health agency is currently tracking the monkeypox outbreak closely and it will reconvene an emergency committee.
- WHO also working on a vaccine-sharing mechanism to provide equal access to all affected countries.
- Most monkeypox patients experience only fever, body aches, chills, and fatigue.
- It will also lead to the development of a rash and lesions on the face and hands.