

Current Affairs search results for tag: economicsbusiness

1. Indian and Vietnam sign Memorandum of Understanding (MoU) towards promoting scientific and technical cooperation in marine science and ecology (Dec. 18, 2021)

- The agreement was signed between the Union Minister for Science & Technology, Dr.Jitendra Singh and the visiting Vietnamese Natural resources & Environment Minister, **Tran Hong Ha**.
- The MoU is the first agreement related to marine science and ecology between the two countries.

2. PSU Banks go on 2-days strike (Dec. 17, 2021)

Bank unions under the **United Forum of Bank Unions (UFBU)** have declared a nationwide strike on **December 16 and 17** against the proposed privatisation of two **public sector banks (PSBs)**.

Key Highlights:

- The Public sector bank unions went on strike to protest against privatisation of banks and demand that the government withdraw the Banking Laws (Amendment) Bill, 2021. The Banking Laws (Amendment) Bill, 2021 will enable the privatisation of the two public sector banks in India . The bill has not been introduced in the Parliament. NITI Aayog has shortlisted Indian Overseas Bank and Central Bank of India for the proposed privatisation of the public sector banks. The strike has been called by the United Forum of Bank Unions (UFBU), an umbrella body of nine unions, including the All India Bank Officers' Confederation (AIBOC), All India Bank Employees Association (AIBEA) and National Organisation of Bank Workers (NOBW).

Public Sector Banks in Indi

Public sector banks are the banks where majority stakes (51% or more) are held by the Government **of India**.

Currently, India has 12 Public sector banks

List of Public sector banks:

- **Punjab National Bank**
- **Bank of Baroda**
- **Indian Bank**
- **State Bank of India**
- **Canara Bank**
- **Union Bank of India**
- **UCO Bank**
- **Indian Overseas Bank**
- **Central Bank of India**
- **Punjab and Sind Bank**
- **Bank of Maharashtra**
- **Bank of India**

3. RBI fines ICICI bank and PNB (Dec. 17, 2021)

- Reserve Bank of India has imposed a fine of Rs 30 lakhs on the ICICI bank for not following the RBI direction on the “levy of charges on customer for the non maintenance of minimum balance in Saving accounts “
- RBI has fined Punjab National Bank Rs 1.80 crore for not following RBI directions on holding shares of a company as collateral .

- Under the Banking Regulation act 1949 ,RBI is the regulator of the banks and it has the power of supervision of the banks .
- Under supervisory function RBI has the power to audit the accounts of the Banks and if it finds any deficiency in the banks then it has the power under section 47 of the Banking Regulation Act 1949, to impose monetary fine on the bank.

ICICI Bank

- ICICI Bank was set up in 1994
- It is the second largest private bank in India after HDFC Bank
- Its Headquarters is at Vadodara

CEO: Sandeep Bakshi

PNB(Punjab National Bank)

- It was set up in 1894 at Lahore .
- It is the third largest public sector bank of India after SBI and Bank of Baroda .
- The Headquarter of PNB is at New Delhi .
- CEOand MD : S.S. Mallikarjuna. Rao

Lala lajpat Rai was the first person to open an account with the bank.

4. PMJDY accounts increased from 60.38% in March'17 to 85.70% in November'21 (Dec. 16, 2021)

- According to the Government of India the number of Pradhan Mantri Jandhan Yojana (PMJDY) account holders in India was 43.94 crore and 31.78 crore Rupay Debit card was issued to the PMJDY account holder as on 24 November 2021.
- It covers 85.70% of the household in India as of November 2021.
- It was 60.38%in March 2017.
- The maximum PMJDY account was opened in Uttar Pradesh, 756.69 lakhs.

PMJDY SCHEME

- Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner.
- It aims to bring the poor and the marginalised section of the society into the formal banking system by opening their account in banks and providing them access to credit facilities etc.

Main feature of the scheme:

One Basic Savings Bank Account (BSBD) is opened for unbanked people in **any bank in India**

- There is no requirement to maintain any minimum balance in PMJDY accounts.
- Interest is earned on the deposit in PMJDY accounts.
- RuPay Debit card is provided to the PMJDY account holder.
- Accident Insurance Cover of Rs.1 lakh (enhanced to Rs. 2 lakh to new PMJDY accounts opened after 28.8.2018) is available with RuPay card issued to the PMJDY account holders.
- An overdraft (OD) facility up to Rs. 10,000 to eligible account holders is available.
- PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Micro Units Development & Refinance Agency Bank (MUDRA) scheme.

The scheme was announced on 15 August 2015 by the Prime Minister and was started on 28 August 2015.

5. Bengaluru based Neo-banking platform Open acquires Finin (Dec. 15, 2021)

- Bengaluru based, Google-backed business-focused **Open** has acquired consumer **neobanking startup Finin for \$10 million in a cash-and-stock deal.**
- **Open**, is Asia's first neobanking platform for SME (Small and Medium Enterprises) and startups.
- It operates an SME banking platform and also provides banks with infrastructure to launch their own digital banks.
- Launched in 2019, Finin is among the first consumer-focused neobanking startups in India. The startup, which had raised about \$1 million from Unicorn India Ventures and others, will see key executives, including the founder and chief executive Suman Gandham, move to Open.
- Finin offers a savings account that allows consumers to save and invest their money.
- Founded in 2019 by Suman Gandham and Sudheer Maram, Finin is backed by Unicorn India Ventures and Archana Priyadarshini.

Neo-banking

- A neobank (also known as an online bank, internet-only bank, virtual bank or digital bank) is a type of direct bank that operates exclusively online and they don't have any physical branches.
- Their services may be accessed by clients through their respective computers or mobile devices.
- The range of services provided by neobanks is not as broad as that of their traditional banks.
- A large portion of the income of neobanks is mainly made up of transaction fees received when customers pay with their debit card.

These are the 10 neo-banks in India: YOLO, FREE, 811 BY KOTAK, DIGIBANK BY DBS, FREO MONEY, INSTANT PAY, NiYo, WALRUS, YoNo BY SBI and OPEN.

6. 12,892 companies removed from Registrar of Companies in 2020-21 (Dec. 15, 2021)

- According to the Union Minister of State for Corporate Affairs Shri Rao Inderjit Singh, 12,982 companies' licences have been cancelled by the Registrar of Companies in 2020-21.
- Under section 248(2) of the Companies Act 2013, the Registrar of Companies has the power to remove a company from its list of companies and cancel its license.

7. ADB reduces India's expected growth rate for 2021-22. (Dec. 15, 2021)

- **The Asian Development Bank has released its Asian Development Outlook Report**
- The Asian Development Bank (ADB) has marginally lowered its growth projection for the Indian economy to 9.7% in 2021-22, from 10% estimated in September.
- The bank cited the lower than expected 8.4% growth in the July to September quarter and expects supply chain factors such as chip shortages and rising semiconductor prices to continue to suppress growth.
- **Asian Development Bank Headquarter : Mandaluyong City, Manila, Philippines**
- **President of ADB : Masatsugu Asakawa of Japan**
- **It was established in 1966.**

8. WPI Inflation at 13 months high (Dec. 15, 2021)

- Wholesale Inflation in India increased to 14.2% in the November month 2021 as compared to 2.29% in November 2020.
- This was the eight successive month, that saw wholesale inflation inflation in double digits.
- This was also the highest wholesale inflation since 1991.

Highlights of the November Data

Core Inflation: It moved to a record high of 12.3% in the month of November

It indicates that the manufactures are passing on the higher input cost to the consumers.

Fuel and power inflation has also increased to an all time high of 39.8% due to the increase in the oil prices like petrol, diesel etc.

Primary food inflation also increased to a 13 month high of 4.9% in November due to the increase in the prices of vegetables, eggs, fish meats and spices.

The WPI inflation data is released by the Ministry of Commerce and Industry, Government of India.

Inflation

It refers to the continuous increase in the price of goods and services over a period of time.

Inflation is measured in India on two indexes.CPI and WPI.

Consumer Price Index(CPI) :

- **It is also called retail inflation.**
- A Consumer Price Index (CPI) is designed to measure the changes over time in the general level of retail prices of selected goods and services that households purchase for the purpose of consumption.
- Such changes affect the real purchasing power of consumers' income and their welfare.
- The CPI measures price changes by comparing, through time, the cost of a fixed basket of commodities.
- **However, over the years, CPIs have been widely used as a macroeconomic indicator of inflation, and also as a tool by the Government and RBI for targeting inflation and monitoring price stability.**
- **CPI is also used as deflators in the National Accounts.**
- The CPI data is released by the Central Statistical Office (CSO) and the Base Year is 2010.

WPI**Wholesale Price Index(WPI)**

A wholesale price index (WPI) is an index that measures and tracks the changes in the price of goods in the stages before the retail level. This refers to goods that are sold in bulk and traded between entities or businesses (instead of between consumers).

The commodities which are included in the WPI are grouped in 4 major groups

All Commodities	weight%
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All commodities	100%
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- | | |
|--------------------------|--------|
| 1. Primary articles | 22.62% |
| 2. Fuel and Powers | 13.15% |
| 3. Manufactured Products | 64.23% |

A separate fourth Index, Food Index has been made which has a weightage of 24.38 % in the WPI index. It includes: The Food Index consisting of 'Food Articles' from Primary Articles group and 'Food Product' from Manufactured Products group.

Primary Articles : It includes both Food article and Non Food articles

Food articles includes wheat, rice, pulses, vegetables, etc

Non-food articles include crude oil, minerals, natural gas, oil seeds etc.

Fuel and Powers: It includes coals, diesel, petrol, electricity etc.

Manufactured products include: It includes industrial products like chemical products, textile, paper products etc.

- **The base year of the WPI is 2011-12.**
- **The WPI data is released by the The Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade, under the Ministry of Commerce and Industry.**

NOTE

Whenever government refers to:

- **Core Inflation** : It refers to the increase in prices of the Manufactured Products of the WPI.
- **Food Inflation** : It refers to the increase in the price of the commodities included in the food Index of the WPI.
- **Imported Inflation** : It refers to the increase in the imported goods and service which is used in India for production purposes.
- For e.g if the price of crude oil increases in the international market and it is imported in India and made diesel . The price of diesel will also increase and the transporter will also increase their prices . The vegetable which is transported in the truck ,price will also increase .

9. NSE launches Digital Index (Dec. 15, 2021)

- NSE Indices the subsidiary company of National Stock Exchange (NSE) has launched **Nifty India Digital Index**.
- The Nifty India Digital Index is a sector specific index which aims to track the performance of a portfolio of stocks that broadly represent the Digital theme within basic industries like software, e-commerce, IT enabled services, industrial electronics and telecom services companies.
- The Nifty Digital Index will include stocks of 30 largest companies in the chosen basic industries sectors.
- The index is expected to act as a benchmark for asset managers and be a reference index tracked by passive funds in the form of Exchange Traded Funds (ETFs), index funds and structured products.
- The base date for the index is April 01, 2005 and base value is 1000. Index reconstitution will be done on a semi-annual basis.

What are Stock Market Index/Indices

- It is a statistical tool which reflects changes in the financial market .Stock market indices are indicators that reflect the performance of the market as a whole or of a certain segment of the market.
- A stock market index is created by selecting certain stocks of similar companies or certain stocks that meet a set of predetermined criteria. These shares are all already listed and traded on the exchange. Share market indices can be created based on a variety of selection criteria, such as an industry, a segment, or market capitalization, among others.
- Each share market index measures the price movement and the performance of **the** shares that constitute that index. This essentially means that the performance of any stock market index is directly proportional to the performance of the underlying stocks that make up the index. In simpler terms, if the prices of the stocks in an index go up, that index, as a whole, also goes up. And if they plummet, so does the index.

Types of Index

There are different types of Indices based on the kind of stocks which are selected to create indices.

Some of the important ones are as follows :

1. **Benchmark Indices** : They statistically represent the overall market performance

In India there are two benchmark Indices

1. **BSE Sensex** : It consist of 30 companies listed on the Bombay Stock Exchange
2. **Nifty** : It consists of 50 companies listed on the National Stock Exchange .

2. Indices created based on market capitalization of companies, such as BSE Midcap and BSE Smallcap.

3. Sector-specific indices like Nifty FMCG, Nifty Bank Index.

10. Economics/Business (Dec. 12, 2021)**1. Contribution of Manufacturing of MSME sector**

In a statement to the Rajya Sabha the **Union Minister for Micro Small and Medium Enterprise(MSME) Narayan Rane** gave information about the contribution of the MSME sector in Indian Economy:

- The share of the MSME manufacturing in All India manufacturing gross value output during the year 2018-19 and 2019-20 were 36.9% and 36.9% respectively.
- The share of export of specified MSME related products to All India exports during 2019-20 and 2020-21 was 49.8% and 49.4% respectively.

2. City Union Bank Launches payment keychain “On the Go”

- Private sector lender City Union Bank (CUB), in collaboration with the National Payments Corporation of India (NPCI) and manufacturing partner Seshaasai, has unveiled ‘On-the-Go’ contactless wearable keychains for debit cards.
- The device would enable customers to make fast payments up to ₹5,000 in all RuPay enabled point-of-sale devices without entering a PIN,
- For payments above ₹5,000, customers would need to tap and then enter the PIN.

Headquarters of City Union Bank :Kumbakonam, Tamil Nadu.

3. RBI to extend UPI to feature phone users

The UPI facility will soon be extended to feature phone users. At the moment, the unified payments interface (UPI) — the single largest retail payments system in the country in terms of volume of transactions for small value payments — is available only for smartphones.

- It will help to further deepen digital payments and make them more inclusive, ease transactions for consumers, facilitate greater participation of retail customers in various segments of financial markets and to enhance the capacity of service providers.
- This will be done by leveraging innovative products from the RBI’s regulatory sandbox on retail payments.

4. RBI to mop up surplus liquidity as it ‘rebalances

The monetary policy panel of **Reserve Bank of India (RBI)** decided to increase the amount of money absorbed through **variable-rate reverse repo (VRRR)** auctions.

- Variable-rate reverse repo (VRRR) is a tool used by RBI to absorb excess liquidity from the banking system. Since Jan 2021, the Reserve Bank of India (RBI) has been taking out about ₹2 lakh crore from the banking system every two weeks. It has now decided to increase that figure substantially by around 14 Lakh Crore by the next two fortnights till the end of December 2021.

5. Paytm Payments Bank gets ‘scheduled bank’ status from RBI

- Reserve Bank of India (RBI) has included “Paytm Payments Bank Limited”, a subsidiary of One97 Communications, in the Second Schedule to the Reserve Bank of India Act, 1934.
- As per RBI Act 1934, banks satisfying the RBI that its affairs are not being conducted in a manner detrimental to the interests of its depositors, are included in the second schedule.

6. Imports made up 86% of India's gold supply between 2016-2020: WGC

According to the World Gold Council (WGC)’s ‘Bullion Trade in India’ report:

- Imports made up 86% of India’s gold supply between 2016-2020, and inbound shipments continue to grow despite high import duty.
- In 2020, India imported 377 tonnes of gold bars and dore from over 30 countries, of which 55% came from just two countries — Switzerland (44%) and the UAE (11%).