



WEEKLY CURRENT AFFAIRS

FEBRUARY, 2023

Week-1

1-7 Feb., 2023

★★ Useful for ★★

**CSE, ESE, PSUs, State Services Exams,
SSC and Banking Exams**

1st FEBRUARY, 2023

Union Budget 2023-2024

- **Context:** Finance minister Nirmala Sitharaman presented a budget worth Rs 45,03,097 crore in 2023-24.

Budget Highlights

- The government proposes to spend Rs 45,03,097 crore in 2023-24, which is an increase of 7.5% over the revised estimate of 2022-23. In 2022-23, total expenditure is estimated to be 6.1% higher than the budget estimate.
- The receipts (other than borrowings) in 2023-24 are expected to be to Rs 27,16,281 crore, an increase of 11.7% over revised estimate of 2022-23. In 2022-23, total receipts (other than borrowings) are estimated to be 6.5% higher than the budget estimates.
- The government has estimated a nominal GDP growth rate of 10.5% in 2023-24 (i.e., real growth plus inflation).
- Revenue deficit in 2023-24 is targeted at 2.9% of GDP, which is lower than the revised estimate of 4.1% in 2022-23. Fiscal deficit in 2023-24 is targeted at 5.9% of GDP, lower than the revised estimate of 6.4% of GDP in 2022-23. While the revised estimate as a percentage of GDP was the same as the budget estimate, in nominal terms, fiscal deficit was higher by Rs 94,123 crore (increase of 5.7%) in 2022-23. Interest expenditure at Rs 10,79,971 crore is estimated to be 41% of revenue receipts.
- Among the top 13 ministries the highest allocations, in 2023-24, is observed in the Ministry of Railways 2.45 lakh crore, followed by the Ministry of Jal Shakti 69,684 crore and the Ministry of Road Transport and Highways Rs 2.7 lakh crore.

Tax proposals

- **Changes in the new income tax regime:** The number of tax slabs has been reduced from six to five. The surcharge on the income when it exceeds Rs 5 crore

will be reduced from 37% to 25%. Currently, those with income up to Rs 5 lakh can avail a rebate and not pay any tax; this limit has been raised to Rs 7 lakh. Further, the standard deduction will be available under the new tax regime.

- **Changes in tax exemptions:** The tax exemption for news agencies set up solely for the collection and distribution of news will be removed.
- **Charitable trusts** are required to apply 85% of their income within the year to avail income tax exemption. From April 2023, if a charitable trust donates to another charitable trust, only 85% of such a donation would be considered as application of income.
- **Presumptive taxation:** The upper limit on turnover for MSMEs to be eligible for presumptive taxation has been raised from Rs 2 crore to Rs 3 crore. The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from Rs 50 lakh to Rs 75 lakh.
- **Co-operative societies:** The income tax rate for new co-operative societies engaged in manufacturing activities has been lowered from 22% to 15% (plus 10% surcharge).
- **Capital gains:** Capital gains from sale of residential property can be deducted to the extent of purchase or construction of another residential property. The deduction will be capped at Rs 10 crore.
- **Life insurance:** Income from investments in life insurance policies will be taxable if premium of Rs 5 lakh has been paid in any year. The amount paid upon the death of the policy holder will continue to be exempt from income tax.
- **Online Games:** Winnings from online games will be subject to 30% tax deductible.
- **Startups:** Startups incorporated within a time-period and meeting other conditions can deduct up to 100% of their profits; the end of this period has been extended from March 31, 2023 to March 31, 2024. In addition, the period within which losses of startups may be carried forward has been extended from seven to ten years.

- **Indirect Taxes:** Customs duty on several items have been changed. On a few items such as gold, platinum, and aeroplanes the amount of cess has been increased with a corresponding decrease in customs duties.
- **CGST:** The CGST Act will be amended such that input tax credit will not be available for goods and services purchased for use in activities related to corporate social responsibility.

Policy Highlights

- **Legislative proposals:** Amendments will be made to the Banking Regulation Act, 1949, Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970, and the Reserve Bank of India Act, 1934 to improve bank governance and enhance investors' confidence. Several measures will be taken to improve business activities in the Gujarat International Finance Tech-City International Financial Services Centre (GIFT IFSC). For instance, the IFSC Authority Act, 2019 will be amended to provide for arbitration and ancillary services in GIFT IFSC, and avoiding dual regulation under the Special Economic Zones Act, 2005.
- **Infrastructure:** The scheme providing 50-year interest free loans to state governments will be made available in 2023-24 also with an outlay of Rs 1.3 lakh crore. 100 critical transport infrastructure projects for last and first mile connectivity for various sectors such as ports, coal, steel will be taken up. This will have an investment of Rs 75,000 crore including Rs 15,000 crore from private sources.
- **Urban Development:** An Urban Infrastructure Development Fund will be established for development of urban infrastructure by public agencies in tier-2 and tier-3 cities. The Fund will be managed by the National Housing Bank and is expected to have an annual allocation of Rs 10,000 crore. States and cities will be encouraged to undertake urban planning reforms such as efficient land use and transit-oriented development. Cities will be incentivised to improve their credit worthiness for municipal bonds through property tax reforms and setting aside user charges.
- **Agriculture:** An Agriculture Accelerator Fund will be set up to encourage agri-startups in rural areas. A sub-scheme of PM Matsya Sampada Yojana will be launched with an investment of Rs 6,000 crore to support fishermen, fish vendors, and MSMEs. Decentralised storage capacity will be set up for farmers to store their produce. PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth (PM-PRANAM) will be launched to incentivise states/UTs to promote balanced use of chemical fertilisers and alternative fertilisers.
- **Energy and Environment:** A Green Credit Programme will be notified under the Environment (Protection) Act, 1986 to incentivise environmentally friendly actions by companies, individuals, and local bodies, and help gather additional resources for such actions. Battery Energy Storage Systems with 4,000 MWh capacity will be supported with viability gap funding.
- **Research and Development (R&D):** Three centres of excellence for R&D in Artificial Intelligence will be established in select educational institutions. 100 labs will be set up in engineering institutions for developing applications using 5G services. A National Data Governance Policy will be released to enable access to anonymised data. A programme to promote research and innovation in pharmaceuticals will be taken up through centres of excellence.
- **Health:** Nursing colleges will be started along with all existing 157 medical colleges. In order to eliminate sickle cell anaemia by 2047, a Mission will be launched covering seven crore people in the age group 0-40 in affected tribal areas.
- **Finance:** A National Finance Information registry will be set up for accessing all financial and ancillary information. A small savings scheme, Mahila Samman Saving Certificate will be launched for two years. Further, the deposit limit for senior citizens savings scheme will be increased from Rs 15 lakh to Rs 30 lakh.

- **Governance:** The KYC process will be simplified and financial sector regulators will be encouraged to have a KYC system. A Unified Filing Process will be set up for submitting information to different government agencies. A Voluntary Settlement Scheme will be launched to settle contractual disputes of government and its undertakings. The financing system of certain schemes will be changed from input-based to result-based on a pilot basis.

About Union Budget

- According to Article 112 of the Indian Constitution, the annual financial statement of a year is a statement of the estimated receipts and expenditure of the government for that particular year.
- The term 'Union Budget' is nowhere mentioned in the Indian Constitution.
- It keeps the account of the government's finances for the fiscal year that runs from 1st April to 31st March.

Economic Survey 2022-23

- **Context:** Union Minister for Finance tabled the Economic Survey (2022-23) highlighting the outlook for India's growth, inflation and unemployment in the coming years.

Key Highlights

Gross Domestic Product (GDP)

- The Survey has estimated real GDP growth in 2023-24 at 6.5%. It observed that the actual growth rate would lie in the range of 6-6.8%
- Growth in the upcoming year will be supported by domestic demand and increase in investment. However, developments around the world, such as increase in interest rates by central banks, prolonged strains in supply chain, and geo-political conflict, pose a risk to economic growth.
- In 2022-23, GDP is estimated to grow at 7% in real terms.

Inflation

- In 2022-23, retail inflation is estimated at 6.8%, higher than 2021-22 (5.5%). Retail inflation increased to

7.8% in the month of April 2022 before falling to 5.7% in December 2022.

- The Survey noted that retail inflation was driven by international crude oil prices and food inflation (mainly vegetable, cereals, and edible oil prices).
- The Survey expects inflation in 2023-24 to be lower than 2022-23 on the back of less economic uncertainties. However, certain global events, such as supply chain disruptions due to re-emergence of COVID-19 in China, may present risks to India's domestic inflation.

Current Account Balance

- India recorded a current account deficit of USD 36.4 billion (4.4% of GDP) in the second quarter of 2022-23 as compared to a deficit of USD 9.7 billion (1.3% of GDP) in the second quarter of 2021-22. Between April-September 2022, India's recorded a current account deficit of 3.3% of GDP due to an increase in merchandise trade deficit.
- The Survey observed that the current account deficit needs to be closely monitored. Sharp rise in oil prices and foreign portfolio investment outflows due to rise in interest rates abroad put pressure on India's Balance of Payments in 2022.
- India's export may be impacted by uncertainties around global growth. However, cushioned by a surplus in export of services and remittances, the current account deficit would be within manageable limits.

Fiscal deficit

- The central government's fiscal deficit moderated to 6.7% of GDP in 2021-22, after increasing to 9.2% of GDP in 2020-21. Buoyant revenue collection over the last two years have helped in bringing down the fiscal deficit.
- The Survey estimated that the central government is on track to meet its fiscal deficit target for 2022-23 (6.4% of GDP).
- In 2022-23, general government deficit is estimated to be 9.4% of GDP, lower than in 2021-22 (10.3% of GDP).

Debt

- Total liabilities of the central government are estimated to decline from 59.2% of GDP in 2020-21 to 56.7% of GDP in 2021-22. Outstanding liabilities of the general government are estimated to be 86.5% in 2022-23.
- The Survey noted that India's public debt profile is relatively stable. Most of it is held by residents and is denominated in rupees (95.1% of the total). External debt is entirely owed to official sources, which insulates it from changes in international capital markets. About 98% of the debt is contracted at fixed interest rates, insulating from changes in interest rates. Historically, nominal GDP growth rate has been higher than interest rates. Steady economic growth will accelerate debt consolidation.

Agriculture and Allied Sector

- India's agriculture sector has grown at an average annual rate of 4.6% during the last six years. In 2021-22, it grew by 3% lower than 2020-21 (3.3%).
- India has also emerged as a net exporter of agricultural products with exports reaching an all-time high of USD 50.2 billion in 2021-22. This was driven by promotion of farmer-producer organisations, crop diversification, and support provided for mechanisation and creation of the Agriculture Infrastructure Fund.
- The production of food grains and oil seeds has been increasing year-on-year. However, wheat production was adversely impacted in 2022 due to an early heat wave.
- Allied sectors of Indian agriculture, including livestock, forestry and logging, and fishing, are becoming a potential source of better farm incomes.
- The Survey observed that there has been a consistent increase in institutional agricultural credit. In 2021-22, agricultural credit was 13% higher than the target of Rs 16.5 lakh crore. The target for agricultural credit for 2022-23 is Rs 18.5 lakh crore.

Industrial sector

- Industry accounts for 31% of India's GDP and employs over 12.1 crore people. In 2022-23, the industrial sector is estimated to grow by 6.7%.
- In the current financial year, the sector faced high input costs for imports due to the Russia-Ukraine conflict. The increase in the capital expenditure of the central government in the post-pandemic period has crowded in investment from the private sector, which has provided a stimulus to industrial growth. The sector has been helped by pent-up demand, export stimulus, and strengthening of corporate balance sheets.
- The importance of electronics manufacturing has been increasing. India aims to achieve USD 300 billion in electronics manufacturing with USD 120 billion in exports by 2025-26. High growth on both fronts indicate that India is on track to achieve these targets. Production-linked incentive schemes will help attain economies of scale in domestic production of electronics goods.
- The volatility in international commodity prices and disruptions in supply of raw materials can adversely impact industrial growth. Normalcy in China from COVID-19 can increase commodity demand and lead to higher prices. However, industrial output should continue to grow based on resilient domestic demand.

Services sector

- The services sector recovered swiftly in 2021-22 after bearing the maximum burden of the pandemic. In 2021-22, the services sector grew by 8.4% as compared to a contraction of 7.8% in 2020-21.
- In 2022-23, the services sector is estimated to grow by 9.1%. The contact-intensive services sub-sector recovered to its pre-pandemic level driven by pent-up demand, easing mobility restrictions, and near-universal vaccination. The sector is likely to be the growth driver in 2023-24.

- The Survey observed that the pandemic brought a change in individual home buyers' sentiment in favour of owning a house. With easing of curbs, there was an increase in interest in the residential housing sector. Improved affordability due to lower interest rates, reduction in circle rates, and cut in stamp duties on immovable property transactions have played an important role in the rebound of the real estate sector. The recent measure to reduce import duties on steel products, iron ore and steel intermediaries will help check the increase in housing prices.
- The e-commerce sector witnessed a sharp increase in penetration in the aftermath of the pandemic. Lockdowns and mobility restrictions disrupted consumer behaviour and gave an impetus to online shopping. There was also an increase in adoption of digital solutions by MSMEs.

Infrastructure sector

- Increase in infrastructure investment provides a critical push to the potential growth of the economy. The central government has given increased impetus to infrastructure development and investment in recent years when capital expenditure by the private sector has been subdued. Capital expenditure in 2022-23 is targeted at 7.5 lakh crore, 35.4% higher than 2021-22.
- To sustain the investment drive, the National Infrastructure Pipeline (NIP) has provided a forward-looking roadmap of investible projects of around Rs 111 lakh crore between 2019-20 and 2024-2025. Currently, the NIP has 8,964 projects with a total investment of more than Rs 108 lakh crore under different stages of implementation. The transport sector constitutes more than half of these projects.

Employment sector

- Labour markets have recovered beyond pre-COVID levels in both urban and rural areas. The unemployment rate decreased from 5.8% in 2018-19 to 4.2% in 2020-21. There was also an increase in the rural female labour force participation rate from 19.7% in 2018-19 to 27.7% in 2020-21. Unemployment

rate in urban areas decreased from 8.3% in July-September 2019 to 7.2% in July-September 2022.

- The number of persons demanding work under MGNREGS was seen at levels similar to the pre-pandemic period during July-November 2022. The decline in monthly demand for work under the scheme is driven by normalisation of the rural economy. The number of works done under MGNREGS has steadily increased over the years with 85 lakh completed works in 2021-22 and 70.6 lakh completed works in 2022-23 as on January 9, 2023. Works done on individual's land, such as creating animal sheds, farm ponds, and horticulture plantations, has increased under the scheme which leads to positive impact on agricultural productivity and income per household.

Insurance and Pension related Developments

- Insurance penetration (insurance premiums to GDP ratio) in India increased from 2.7% in 2000 to 4.2% in 2021. The Survey noted that life insurance penetration in India was 3.2% in 2021. However, most life-insurance products sold in India are savings-linked with only a small protection component. Hence, households remain exposed to a significant financing gap in the event of the premature death of the primary breadwinner. Government schemes and financial inclusion initiatives have driven insurance adoption and penetration across all segments. An increase in FDI limit for insurance companies and digitisation of the insurance market is likely to facilitate growth.
- In June 2015, the central government launched the Atal Pension Yojana (APY) with a focus on underprivileged and low-income individuals employed in the unorganised sector.
- India's pension sector has expanded since the introduction of the National Pension Scheme (NPS) and APY. The coverage of population under NPS and APY as a share of total population increased from 1.2% in 2016-17 to 3.7% in 2021-22. The Survey noted that there is significant scope for growth in India's pension sector as per capita income is expected to rise in the future.

Climate Change and Environment

- India declared the Net Zero Pledge to achieve net zero emissions goal by 2070.
- India achieved its target of 40 per cent installed electric capacity from non-fossil fuels ahead of 2030.
- A mass movement LIFE (Lifestyle for Environment) was launched.
- Sovereign Green Bond Framework was issued in November 2022.
- National Green Hydrogen Mission launched to enable India to be energy independent by 2047.

About Economic Survey

- The Economic Survey has its roots in the British colonial era, with the first survey being presented in 1950-51.
- The Economic Survey of India is an annual document presented to the Parliament by the Ministry of Finance.
- It reviews the performance of the Indian economy in the previous financial year and presents the outlook for the next year.
- It is prepared by the Economic Division of the Department of Economic Affairs (DEA) of the Ministry of Finance and is not governed by any specific act or legislation.
- The comments or policy solutions contained in the Survey are not binding on the government.

2nd FEBRUARY, 2023

Ekalavya Model Residential Schools (EMRS)

- **Context:** Government in the union budget announced hiring of 38,800 teachers and support staff for Ekalavya Model Residential Schools (EMRS) for tribal students across the country over the next three years.

Key Highlights

- Finance Minister Nirmala Sitharaman presenting the Union Budget on February 1, 2023 announced hiring of 38,800 teachers and support staff for Ekalavya

Model Residential Schools (EMRS) in the next 3 years the Centre will recruit 38,800 teachers and support staff for 740 schools serving 3.5 lakh tribal students.

- EMRS started in the year 1997-98 to impart quality education to ST children in remote areas in order to enable them to avail of opportunities in high and professional educational courses and get employment in various sectors.
- The schools focus not only on academic education but on the all-round development of the students.
- Each school has a capacity of 480 students, catering to students from Class VI to XII.
- Non-ST students can be admitted in these schools on seats up to 10% of the total seats.
- CBSE curriculum is followed in these schools, and education is completely free.
- Grants were given for construction of schools and recurring expenses to the State Governments.
- In order to give further impetus to EMRS, it has been decided that every block with more than 50% ST population and at least 20,000 tribal persons, will have an EMRS.
- Eklavya schools will be on par with Navodaya Vidyalaya and will have special facilities for preserving local art and culture besides providing training in sports and skill development.

Mahila Samman Saving Certificate Scheme

- **Context:** Finance Minister Nirmala Sitharaman in her Budget 2023 speech launched a one-time new small saving scheme, Mahila Samman Savings Certificate.

Key Highlights

- Mahila Samman Savings Certificate is a savings scheme for women or girls which offers a 7.5% interest rate and will have the benefit of a partial withdrawal option.
- Scheme will be made available for a period of two years, up to March 2025-end.

- The scheme will offer a deposit facility of up to 2 lakh in the name of women or girls for a tenure of 2 years at a fixed interest rate of 7.5% with a partial withdrawal option.

Urban Infrastructure Development Fund

- **Context:** Finance Minister in the Union Budget stated that municipal bodies will be allowed to issue bonds for improving their infrastructure, and cities will be incentivised to improve their creditworthiness over the bonds.

Key Highlights

- Government will provide incentives to urban civic bodies to improve their finances and credit worthiness and help them raise funds through municipal bonds.
- The government will also set up an Urban Infrastructure Development Fund (UIDF), which will be managed by the National Housing Bank and can be used by public agencies to create urban infrastructure in tier-II and tier-III cities.
- The government is expected to make available Rs 100 billion for setting up UIDF.
- Between 2016-17 and 2020-21, nine municipal bodies raised around 38.40 billion rupees through bonds.

About Municipal Bond

- A municipal bond or Muni Bond is a debt instrument issued by municipal corporations or associated bodies in India.
- The funds raised are used to finance socio-economic development projects.
- It was first issued in 1997 by the Bangalore local body for infrastructure development projects.
- Municipal bonds are exempted from tax provided the buyer adheres to the rules laid by the municipal corporations.
- The interest is also exempted from taxes.

Upper Bhadra Project

- **Context:** Union Finance Minister Nirmala Sitharaman announced a grant of Rs 5,300 crore for the Upper Bhadra Project in Karnataka in the Union Budget 2023-24.

Key Highlights

- Finance minister Nirmala Sitharaman said, "In the drought prone central regions of Karnataka, a central assistance of Rs 5,300 crore will be given for the Upper Bhadra Project."
- The Upper Bhadra Project envisages lifting of 17.40 thousand million cubic feet (TMC) of water from river Thunga to Bhadra reservoir and 29.90 TMC from Bhadra reservoir for utilisation in Upper Bhadra Project.
- The announcement of central assistance of 5300 crore rupees for the Upper Bhadra Project will help rejuvenate the barren and drought-hit areas of the state and bring happiness to the life of farmers.
- In 2022, Central government gave national project status to "Upper Bhadra Project".

About Upper Bhadra Project

- The Upper Bhadra Project is a major lift irrigation Scheme under implementation in the central region of Karnataka which envisages lifting up to 17.40 Thousand Million Cubic Feet (TMC) of water in first stage from Tunga to Bhadra and lifting 29.90TMC of water in second stage from Bhadra to Tunnel near Ajjampura, in Tungabhadra sub-basin of Krishna basin.
- It is planned to irrigate an extent of 2,25,515 hectares by micro irrigation in drought-prone districts of Chikkamagalur, Chitradurga, Tumkur and Davangere.
- Tungabhadra is a sacred river in southern India that flows through the states of Karnataka, Andhra Pradesh and Telangana formed by the confluence of two rivers, the Tunga River and the Bhadra.
- Both the rivers originate in Western Ghats.
- Major Tributaries are Tunga, Kumudvati, Varada, Bhadra, Vedavathi, and Handri.

Sickle Cell Anemia by 2047

- **Context:** Finance Minister Nirmala Sitharaman in the Union Budget 2023 in Parliament announced that the government will launch a mission to eliminate sickle cell anemia by the year 2047.

Key Highlights

- The mission will entail awareness creation, universal screening of seven crore people in the age group of 0-40 years in affected tribal areas and counseling through collaborative efforts of central ministries and state governments.
- A blood test can determine sickle cell trait.
- All states now check babies as part of their screening programmes, allowing treatment to begin as soon as possible.

About Sickle Cell Anemia

- It is an inherited blood disorder which affects hemoglobin, the molecule in red blood cells that delivers oxygen to cells throughout the body, basically caused by a defective gene, called a sickle cell gene.
- People with this disease have atypical hemoglobin molecules called hemoglobin S, which can distort red blood cells into a sickle, or crescent, shape.
- These sickle cells also become rigid and sticky, which can slow or block blood flow.
- A person will be born with sickle cell disease only if two genes are inherited—one from the mother and one from the father.
- The only cure for this disease is bone marrow or stem cell transplantation.

Lab-grown Diamonds

- **Context:** During her budget speech, the Finance Minister announced the government's move to focus on lab-grown diamonds.

Key Highlights

- Customs duty on the seeds used in lab-grown diamond manufacturing will be reduced.

- FM also announced a grant to IITs to facilitate the growth of LGDs in India.
- Usually graphite is used as the “diamond seed”
- As the Earth's reserves of natural diamonds are depleted, LGDs are slowly replacing the prized gemstone in the jewelry industry.
- Crucially, like natural diamonds, LGDs undergo similar processes of polishing and cutting that are required to provide diamonds their characteristic lustre.
- There are multiple ways in which LGDs can be produced. The most common (and cheapest) is the “High pressure, high temperature” (HPHT) method.
- Other processes include “Chemical Vapor Deposition” (CVD) and explosive formation that creates what are known as “detonation nanodiamonds”.

About Lab-grown Diamonds

- Lab-grown diamonds are diamonds that are produced using specific technology which mimics the geological processes that grow natural diamonds.
- LGDs have basic properties similar to natural diamonds, including their optical dispersion, which provide them the signature diamond sheen.
- However, since they are created in controlled environments, many of their properties can be enhanced for various purposes.
- For instance, LGDs are most often used for industrial purposes, in machines and tools.
- Their hardness and extra strength make them ideal for use as cutters.
- Furthermore, pure synthetic diamonds have high thermal conductivity, but negligible electrical conductivity.
- This combination is invaluable for electronics where such diamonds can be used as a heat spreader for high-power laser diodes, laser arrays and high-power transistors.

3rd FEBRUARY, 2023

Green Growth

- **Context:** Ministry of Finance listed priorities for Green Growth in the Budget submission for 2022-2023.

Key Highlights

- The Union Ministry has listed a series of seven initiatives from green hydrogen to mangroves protection to green credit to replacement of polluting vehicles.
- These principles complement each other and act as the 'Saptarishi' guiding India through the Amrit Kaal.
- Previously, the Prime Minister has given a vision for "LiFE", or Lifestyle for Environment, to spur a movement of environmentally conscious lifestyle.
- India was moving towards the 'panchamrit' and net-zero carbon emission by 2070 to usher in green industrial and economic transition.

Initiatives related to Green Growth

- **Green Hydrogen Mission:** The recently launched National Green Hydrogen Mission, with an outlay of Rs 19,700 crores, will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports, and make the country assume technology and market leadership in this sunrise sector and India aims to reach a target of an annual production of 5 MMT of green hydrogen by 2030
- **Energy Transition:** The Budget has provided Rs 35,000 crore for priority capital investments towards energy transition and net zero objectives, and energy security by Ministry of Petroleum and Natural Gas.
- **Energy Storage Projects:** To steer the economy on the sustainable development path, Battery Energy Storage Systems with capacity of 4,000 MWH will be supported with Viability Gap Funding. A detailed framework for Pumped Storage Projects will also be formulated.
- **Renewable Energy Evacuation:** The Inter-state transmission system for evacuation and grid

integration of 13 GW renewable energy from Ladakh will be constructed with investment of Rs 20,700 crore including central support of ₹ 8,300 crore.

- **Green Credit Programme:** For encouraging behavioural change, a Green Credit Programme will be notified under the Environment (Protection) Act. This will incentivize environmentally sustainable and responsive actions by companies, individuals and local bodies, and help mobilize additional resources for such activities.
- **PM-PRANAM:** A new "PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth" will be launched to incentivize States and Union Territories to promote alternative fertilizers and balanced use of chemical fertilizers.
- **GOBARdhan scheme:** 500 new 'waste to wealth' plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme will be established for promoting circular economy. These will include 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at total investment of Rs 10,000 crore.
- **Bhartiya Prakritik Kheti Bio-Input Resource Centres:** The Finance minister has proposed to facilitate over the next three years 1 crore farmers to adopt natural farming. For this, 10,000 Bio-Input Resource Centres will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.
- **MISHTI:** Building on India's success in afforestation, 'Mangrove Initiative for Shoreline Habitats & Tangible Incomes', MISHTI, will be taken up for mangrove plantation along the coastline and on salt pan lands, wherever feasible, through convergence between MGNREGS, CAMPA Fund and other sources.
- **Amrit Dharohar:** Wetlands are vital ecosystems which sustain biological diversity. The government will promote their unique conservation values through Amrit Dharohar, a scheme that will be implemented over the next three years to encourage optimal use of wetlands, and enhance bio-diversity, carbon stock, eco-tourism opportunities and income generation for local communities.

- **Coastal Shipping:** Coastal shipping will be promoted as the energy efficient and lower cost mode of transport, both for passengers and freight, through PPP mode with viability gap funding.
- **Vehicle Replacement:** Replacing old polluting vehicles is an important part of greening our economy. In furtherance of the vehicle scrapping policy mentioned in Budget 2021-22, I have allocated adequate funds to scrap old vehicles of the Central Government. States will also be supported in replacing old vehicles and ambulances.

The Finance Bill, 2023

- **Context:** The Finance Bill, 2023, unveiled by the Finance Minister has proposed to amend the Section of the Income Tax Act which might affect Start-Ups funding in India.

Key Highlights

- The Finance Bill, 2023 has proposed to amend Section 56(2) VII B of the Income Tax Act.
- These new age firms, that offer their shares to foreign investors, may have to pay 'angel tax', which was earlier only supposed to be paid for investments raised by resident Indian investors

Changes by the Finance Bill, 2023

- The government has proposed to also include foreign investors in the ambit, meaning that when a start-up raises funding from a foreign investor, that too will now be counted as income and be taxable.
- For example, if the fair market value of a start-up share is Rs 10 apiece, and in a subsequent funding round they offer it to an investor for Rs 20, then the difference of Rs 10 would be taxed as income.

About Angel Tax

- Angel tax is a term used to refer to the income tax payable on capital raised by unlisted companies via the issue of shares where the share price is seen in excess of the fair market value of the shares sold.
- The excess realisation is treated as income and taxed accordingly.

India's UPI Growth

- **Context:** National Payments Corporation of India (NPCI) paved the way for NRIs to be able to transact using Unified Payments Interface (UPI).

Key Highlights

- The NPCI has listed 10 countries where non-resident account holders can make transactions through UPI. These countries are Singapore, Australia, Canada, Hong Kong, Oman, Qatar, United States of America, Saudi Arabia, United Arab Emirates and the United Kingdom.
- Since UPI follows SIM binding where the user's bank account is integrated with his/her mobile number, NRIs were unable to use UPI from their international numbers.
- NRIs holding NRE/NRO accounts with banks in India will be able to register themselves on UPI platforms from their international numbers.
- Non Resident External (NRE) accounts are those used by non-residents to transfer earnings from foreign soil to India while Non Resident Ordinary (NRO) accounts are used to manage income earned in India by non-residents.

About Unified Payments Interface (UPI)

- It is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood.
- It was developed by NPCI in 2016.
- Participants in UPI: Payer Payment Service Provider (PSP), Payee PSP, Remitter Bank, Beneficiary Bank, NPCI, Bank Account holders, and Merchants.
- While many countries including Singapore, Bhutan, UAE, Oman, and others have adopted the UPI architecture, the government of India is already in talks with several countries to enable UPI payments in their countries.
- In this context, the NPCI's latest move marks a significant moment for India's UPI going global.

About National Payments Corporation of India (NPCI)

- It is an umbrella organisation for operating retail payments and settlement systems in India, established by Reserve Bank of India (RBI) and Indian Banks' Association (IBA) in 2008 under the provisions of the Payment and Settlement Systems Act, 2007.
- It has been incorporated as a "Not for Profit" Company under the provisions of Section 25 of Companies Act 1956 (now Section 8 of Companies Act 2013), with an intention to provide infrastructure to the entire Banking system in India for physical as well as electronic payment and settlement systems.

India's First Hydrogen Train

- **Context:** The Indian Railways is introducing a green revolution and will be introducing hydrogen and electric trains to the eight heritage routes in the country by December 2023.

Key Highlights

- Hydrogen trains are those that use hydrogen fuel cells rather than traditional diesel engines. The hydrogen fuel cells produce electricity by converting hydrogen and oxygen, which is then used to power the train's motors.
- Hydrogen fuel does not emit harmful pollutants such as carbon dioxide, nitrogen oxides, or particulate matter.
- Although hydrogen-powered train technology is still in its infancy with only a few countries using it on a limited basis, India's early adoption is regarded as a significant step toward green initiatives.
- The upcoming hydrogen-powered trains will be known as Vande Metro. It will initially run on historic, narrow-gauge routes including the Darjeeling Himalayan Railway, the Nilgiri Mountain Railway, the Kalka Shimla Railway, the Matheran Hill Railway, the Kangra Valley, the Bilmora Waghai, and the Marwar-Devgarh Madriya, which will make travel more environmentally friendly.

4th FEBRUARY, 2023

Pradhan Mantri PVTG (Particularly Vulnerable Tribal Groups) Development Mission

- **Context:** The Finance Minister announced the Pradhan Mantri PVTG Development Mission in the Union budget.

Key Highlights

- In order to improve socio-economic conditions of the particularly vulnerable tribal groups (PVTGs), the Finance Minister announced the Pradhan Mantri PVTG Development Mission in the Union budget.
- This will saturate PVTG families and habitations with basic facilities such as safe housing, clean drinking water and sanitation, improved access to education, health and nutrition, road and telecom connectivity, and sustainable livelihood opportunities.
- The Finance Minister further stated that Rs.15,000 crore will be made available to implement the Mission in the next three years under the Development Action Plan for the Scheduled Tribes.

About PVTGs

- PVTGs are more vulnerable among the tribal groups who are in need of greater support and development.
- Out of the 705 Scheduled Tribes in India, 75 have been identified as PVTGs and are spread across 17 states and one Union Territory.

NAMASTE Scheme

- **Context:** Government allocated Rs.100 crore for NAMASTE (National Action Plan for Mechanised Sanitation Ecosystem) scheme.

Key Highlights

- Union government is looking to enable 100% mechanical desludging of septic tanks and sewers in all cities and towns.

- This task is being undertaken “to transition from manhole to machine-hole mode”.
- Enhanced focus will be provided for scientific management of dry and wet waste.
- Since manual scavenging (humans collecting human waste by hand) was no longer practiced in India, the next goal was to eliminate hazardous cleaning of sewers and septic tanks.

About NAMASTE Scheme

- The NAMASTE scheme was launched last year, subsuming the already existing Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS).
- Namaste is a Central Sector Scheme of the Ministry of Social Justice and Empowerment (MoSJE) as a joint initiative of the MoSJE and the Ministry of Housing and Urban Affairs (MoHUA).
- NAMASTE envisages safety and dignity of sanitation workers in urban India by creating an enabling ecosystem that recognizes sanitation workers as one of the key contributors in operations and maintenance of sanitation infrastructure thereby providing sustainable livelihood and enhancing their occupational safety through capacity building and improved access to safety gear and machines.

NAMASTE aims to achieve the following outcomes:

- Zero fatalities in sanitation work in India
- All sanitation work is performed by skilled workers
- No sanitation workers come in direct contact with human faecal matter
- Sanitation workers are collectivized into SHGs and are empowered to run sanitation enterprises
- All Sewer and Septic tank sanitation workers (SSWs) have access to alternative livelihoods
- Strengthened supervisory and monitoring systems at national, state and ULB levels to ensure enforcement and monitoring of safe sanitation work

- Increased awareness amongst sanitation services seekers (individuals and institutions) to seek services from registered and skilled sanitation workers

Voluntary Settlement Scheme

- **Context:** The Union Budget 2023 announced a “voluntary settlement scheme with standardized terms” to amicably end commercial/contractual disputes concerning government undertakings in which arbitral awards are under challenge.

Key Highlights

- Voluntary settlement scheme is introduced to settle contractual disputes of government and government undertakings; wherein arbitral award is under challenge in a court.
- This will be done by offering graded settlement terms depending on pendency level of the dispute.
- Under the scheme, a voluntary option is given to the private sector to come into the scheme or not.

Vivad se Vishwas

- It is a direct tax scheme introduced by the Government of India in 2020 for settling disputes between taxpayers and the income tax department.
- It aims to minimize tax-related litigation.
- Under this scheme, an individual taxpayer can claim full waiver on interest and penalty on the full and final settlement of the disputed tax amount.
- There was a time limit set for the payment of taxes under the scheme.

5th FEBRUARY, 2023

Centre for Development of Advanced Computing (C-DAC)

- **Context:** Centre for Development of Advanced Computing (C-DAC) is working on the country's first indigenously designed and developed family of microprocessors.

Key Highlights

- The Centre for Development of Advanced Computing (C-DAC) is working on the country's first indigenously designed and developed family of microprocessors.
- C-DAC's roadmap for processors is aimed at helping the country become self-reliant in microprocessors development using indigenous design.
- C-DAC has achieved significant progress in the development of the VEGA series of dual core and quad core microprocessors and two designs are ready for fabrication.
- The first one is a 32-bit embedded processor which could be used in smart energy meters, smart water and gas meters, IoT devices, multimedia processing and AR/VR applications.
- The company was working closely with industry which could absorb this technology and make it a part of their next-generation product. C-DAC was also directly approaching end-users including government and utility companies.
- Apart from C-DAC's Vega series of processors, IIT Madras has developed the Shakti series of microprocessors and has also made significant progress in this initiative of making the country self-reliant.
- C-DAC has also developed another microprocessor Teja, which is a high-end 64-bit chip with 180-nanometer technology. This is being fabricated at the semiconductor laboratory foundry in Chandigarh.
- Under the ministry of electronics and information technology's (MeitY), National Supercomputing Mission (NSM) programme, a power-efficient AUM HPC processor based on ARM architecture is being designed. C-DAC has also indigenously designed and developed a computer server, Rudra. Rudra, along with the AUM processor and Trinetra interconnect technology would help the country achieve self-reliance in supercomputing, Nath said.
- The country depends on imports for its microprocessors.

Paris Club

- **Context:** The Paris Club, an informal group of creditor nations, will provide financial assurances to the International Monetary Fund on Sri Lanka's debt.

Key Highlights

- The Paris Club of creditor nations is ready to provide financing assurances to Sri Lanka, a key step needed to unlock a \$2.9 billion bailout by the International Monetary Fund (IMF).
- Sri Lanka needs financing assurances from key bilateral lenders before the fund's executive board approves the programme.
- India has already sent financing assurances to the International Monetary Fund (IMF) becoming the first of Sri Lanka's creditors to officially back the crisis-hit island nation's debt restructure programme.
- This is crucial as it will open the way for a \$2.9-billion package from IMF, which will be made contingent on "receiving financing assurances from Sri Lanka's official creditors and making a good faith effort to reach a collaborative agreement with private creditors.
- China, Japan, and India are Sri Lanka's three largest bilateral lenders.
- With India getting on board, Sri Lanka's chances of swiftly tapping IMF assistance now depend on similar assurances from Japan and China.
- Sri Lanka's public debt stood at 122% of GDP, of which 60% is denominated in foreign currency, according to data in a country presentation to investors in November.

Solomon Islands

- **Context:** The United States opened an embassy in the Solomon Islands recently in its latest move to counter China's push into the Pacific.

Key Highlights

- The United States has opened an embassy in the Solomon Islands after a 30-year absence as it seeks to boost diplomatic relations in the Pacific as a counter to China.

- The region is strategically crucial for the US as a gateway to Asia for Pacific allies like Australia.
- Last year, China signed a security agreement with Solomon Islands.
- Concerns about Beijing's increasing influence and military expansion in the Pacific has prompted the US and Australia to step up their focus there in recent years.
- Last year, the US President invited 14 Pacific island nations to the White House for the first-ever in-person summit. Washington signed a partnership and development agreement with the island nations.
- This marks an important milestone in journey to better understand planet Earth and our changing climate
- NISAR will provide critical information on Earth's crust, ice sheets, and ecosystems. By delivering measurements at unprecedented precision, NISAR's promise is a new understanding and a positive impact in communities.
- NISAR will gather radar data with a drum-shaped reflector antenna almost 40 feet (12 meters) in diameter.
- It will use a signal-processing technique called interferometric synthetic aperture radar, or InSAR, to observe changes in Earth's land and ice surfaces down to fractions of an inch.

About Solomon Islands

- Solomon Islands is a country in the southwestern Pacific ocean. It consists of a double chain of volcanic islands and coral atolls in Melanesia.
- Solomon Islands are east of Papua New Guinea, comprising more than 990 islands. Its capital is Honiara, located on the island of Guadalcanal.

6th FEBRUARY, 2023

NISAR Mission

- **Context:** NISAR which was jointly built by the National Aeronautics and Space Administration (NASA) and the Indian Space Research Organisation (ISRO), got send-off ceremony in California before it ships out to its last stop in India.
- This flagship partnership would have major contributions from both agencies. NASA is responsible for providing the L-Band SAR payload system in which the ISRO supplied S-Band SAR payload and both these SAR systems will make use of a large size (about 12m diameter) common unfurl able reflector antenna. In addition, NASA would provide engineering payloads for the mission, including a Payload Data Subsystem, High-rate Science Downlink System, GPS receivers and a Solid State Recorder.
- This would be the first dual frequency radar imaging mission in L-Band & S-Band using an advanced Sweep SAR technique to provide L & S band space-borne SAR data with high repeat cycle, high resolution, and larger swath, with capability of full-polar metric and interferometric modes of operation.

Key Highlights

- NASA-ISRO SAR (NISAR) is a Low Earth Orbit (LEO) observatory being jointly developed by NASA and ISRO.
- NISAR mission, planned to launch in 2024, is expected to systematically map Earth, using two different radar frequencies to monitor resources such as water, forests and agriculture
- This mission will be a powerful demonstration of the capability of radar as a science tool and help us study Earth's dynamic land and ice surfaces in greater detail than ever before,

International Biofuel Alliance

- **Context:** The US and Brazil, two of the world's largest biofuels markets, are joining an India-led initiative that will aim to boost demand for the lower-emissions energy source.

Key Highlights

- India is to launch the International Biofuel Alliance just like the International Solar Alliance. To this, the USA and Brazil have agreed to back India.

- India has been taking lead in several such emission reduction initiatives. The country allocated 4.3 billion USD during the 2023-24 Budget to accomplish its net-zero targets.
- The US ranks number one and Brazil is in second position in Biofuels. They lead in biodiesel and ethanol production. Together they accounted for 84% of the world's ethanol production and 26% of the world's biodiesel production
- India has set a target of achieving 20% ethanol blend in gasoline by 2025. In 2018, India launched the National Biofuel Policy. Since then, India has been increasing its ethanol blend.

Save Wetlands Campaign

- **Context:** The Union Minister for Environment, Forest and Climate Change launched the 'Save Wetlands Campaign' in Goa.

Key Highlights

- The Save Wetlands Campaign aims to enable affirmative actions for wetlands conservation by taking a "whole of society" approach.
- World Wetlands Day: It is observed on 2nd February every year to commemorate the signing of the Ramsar Convention on Wetlands of International Importance in 1971. India is a party to the Convention since 1982 and has so far declared 75 wetlands as Ramsar sites
- The 2023 theme for World Wetlands Day is 'Wetland Restoration' which highlights the urgent need to prioritize wetland restoration

About Wetlands

- Wetlands are areas where water is the primary factor controlling the environment and the associated plant and animal life. They occur where the water table is at or near the surface of the land, or where the land is covered by water.
- According to Ramsar Convention wetlands are defined as: areas of marsh, fen, peatland or water, whether natural or artificial, permanent or temporary, with water that is static or flowing, fresh, brackish or salt, including areas of marine water the depth of which at low tide does not exceed six metres".

7th FEBRUARY, 2022

Yaya Tso: Ladakh's First Biodiversity Heritage Site

- **Context:** Yaya Tso, known as birds' paradise for its beautiful lake has been proposed as Ladakh's first biodiversity heritage site (BHS).

Key Highlights

- The Biodiversity Management Committee, the panchayat of Chumathang village, along with SECURE Himalaya Project resolved to declare Yaya Tso as Ladakh's first BHS under the Biological Diversity Act.
- SECURE Himalaya has also proposed to subsequently develop a management plan for the BHS and pilot interventions to support conservation of this lake.
- The proposed Yaya Tso site will have an approximate area of 60 square kilometers, which will also include the lake's watershed.
- The lake could be reached from Mahe monastery on the way to Tsomoriri lake after driving up to the nunnery and then crossing a small mountain pass.
- The lake is located at an altitude of 4,820 meters.
- Yaya Tso is a nesting habitat for a large number of birds and animals, such as the bar-headed goose, black-necked crane and Brahminy duck.
- It also has the distinction of being one of the highest breeding sites of the black-necked crane in India.

IEA report on LiFE Initiative

- **Context:** The International Energy Agency (IEA) recently launched a report on the LiFE Initiative.

Key Highlights

- This report examines how India has integrated several policies in its energy transition strategy that are aligned with the LiFE initiative, highlighting the potential for behavioral change and consumption choices to help advance energy transitions globally.

- As per report, Lifestyles for the Environment (LiFE) initiative proposed by India for behavioral change and sustainable consumption can, if adopted worldwide, reduce more than 2 billion tonnes of carbon dioxide emissions in 2030.
- It added the initiative could also help lower inequalities in energy consumption and emissions between countries.
- Report also mentions that the LiFE initiative of India for the adoption of energy-efficient behavior can save the world \$440 billion in 2030.
- The report said that the savings would be equivalent to around 5% of all fuel spending across the global economy in that year.
- The report said governments could directly influence or mandate an estimated 60% of the emissions saving through measures proposed under LiFE.
- According to analysis, how individuals behave and choose to consume is shaped by the norms, policies, incentives and infrastructure around them. Thus, although the measures envisaged in LiFE are carried out by individuals, there is a clear role for governments to simultaneously provide a supportive policy framework.
- The IEA said the challenge for clean energy transitions is to create a virtuous circle, where individual choices drive market transformation and government policy. It called for policy and market transformation simultaneously to enable more sustainable consumption choices.
- As per report, India's first G20 Presidency could strengthen the LiFE initiative by anchoring it in the G20's current framing of energy transitions.
- As per report, India's first G20 Presidency could strengthen the LiFE initiative by anchoring it in the G20's current framing of energy transitions and initiating processes to gather experience and best practices of policies and programmes that G20 members are already conducting.
- It said G20 can play an important role in internationalizing LiFE, since countries in the grouping account for around 80% of world GDP, 75% of global trade, and 60% of the global population.

About LiFE Initiative

Launched by Prime Minister Narendra Modi of India, the Lifestyle for Environment (LiFE) initiative aims to encourage the adoption of sustainable lifestyles in India and internationally to tackle the challenges of environmental degradation and climate change.

