



# Civils Cafe

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## IMPORTANT CURRENT AFFAIRS FOR PRELIMS VOL 33

- PUBLIC ACCOUNTS COMMITTEE
- ELECTION LAWS AMENDMENT BILL 2021
- G20
- INTERNATIONAL SOLAR ALLIANCE
- FINANCIAL STABILITY REPORT
- PAYMENT BANKS
- ALGO TRADING
- RUPAY CREDIT CARDS
- ULIP HACKATHON
- PINAKA EXTENDED RANGE ROCKET SYSTEM
- STAND OFF ANTI TANK MISSILE

SCAN TO EXPLORE



ION PANG

113,000  
WEB LINKS SHUT DOWN

277  
ARRESTS

23 MILLION  
USD WORTH OF

10-12  
Masks  
Antibiotics  
Painkillers





**IMPORTANT CURRENT AFFAIRS**

**FOR PRELIMS VOL - 33**

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## INDIAN POLITY

**1) PUBLIC ACCOUNTS COMMITTEE**

**IN NEWS:-**The Public Accounts Committee has completed 100 years of its formation.

**ABOUT PUBLIC ACCOUNTS COMMITTEE**

- The PAC is the oldest parliamentary committee in Indian legislative affairs and has been crucial in upholding the principle of accountability as it exercises oversight of public expenditure.
- First set up in 1921 in the wake of the Montague-Chelmsford Reforms.
- The Public Accounts Committee consists of 22 members elected according to the principle of proportional representation by means of single transferable vote:
- Fifteen members elected by Lok Sabha every year from amongst its members.
- Seven members of Rajya Sabha elected by that House in like manner are associated with the Committee.
- This system of election ensures that each Party/Group is represented on the Committee in proportion to its respective strength in the two Houses.
- In April, each year, a motion is moved in Lok Sabha by the Minister of Parliamentary Affairs or Chairperson of the Committee, if in office, calling upon members of the House to elect from amongst themselves 15 members to the Public Accounts Committee.
- The Chairperson of the Committee is appointed by the Speaker from amongst the members of Lok Sabha elected to the Committee.
- As a convention, starting from the Public Accounts Committee of 1967-68, a member of the Committee belonging to the main opposition party/group in the House is appointed as the Chairperson of the Committee

- A Minister is not eligible to be elected as a member of the Committee and if a member, after election to the Committee, is appointed as a Minister, she/he ceases to be a member of the Committee from the date of such appointment.
- The term of office of members of the Committee does not exceed one year at a time.
- The Committee is assisted by the Comptroller and Auditor General (CAG) in the examination of Accounts and Audit Reports.
- CAG has been described as a friend, philosopher, and guide to the PAC.
- A number of Working Groups/Sub-Committees are constituted by the Chairperson from amongst the members of the Committee to facilitate the examination of the subjects selected by the Committee and for considering procedural matters.
- A Sub-Committee may also be constituted for scrutiny of action taken by the Government on the recommendations contained in the previous Reports of the Committee.
- Role & Functions
  - Check on the government especially with respect to its expenditure bill.
  - Examines the audit report of C&AG after it is laid in the Parliament.
  - PAC promotes the basic principle that parliament embodies the will of the people by exercising check over the executive.
  - Keeps a check on the money spent on any service during a financial year.
  - It examines the accounts of State corporations, Trading concerns and Manufacturing projects.

**PRACTICE QUESTION**

Consider the following statements

1. The Public Accounts Committee is the oldest parliamentary committee
2. It was formed under the directions of Morley Minto Reforms

Which among the above statements are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 or 2

**Answer: - a**

**2) ELECTION LAWS AMENDMENT BILL 2021**

**IN NEWS:** - Introducing The Election Laws (Amendment) Bill, 2021, the Union Law Minister said the legislation will end bogus voting in the country and make the electoral process more credible.

**ABOUT ELECTION LAWS AMENDMENT BILL 2021****Salient Features of the bill:**

- **De-Duplication of Electoral Roll:** It provides for amendment of section 23 of the Representation of People's Act, 1950, enabling the linking of electoral roll data with the Aadhaar ecosystem.
  - This aims to curb the menace of multiple enrolment of the same person in different places.
  - This will help in stopping bogus voting and fraudulent votes.
- **Multiple Qualifying Dates:** The citizens get voting rights when they turn 18. However, many are left out of the electoral rolls even after turning 18. This is because in the system, 1st January is the qualifying date.



- According to the bill, four qualifying dates will be declared for updating the voting rolls to include those who have turned 18 — the first day of the months of January, April, July and October.
- **Bringing Gender Neutrality:** The language for registration of 'wives of service voters' will now be replaced by 'spouse'. This will make the laws more "gender-neutral".
- **Linking Aadhaar to the Voter ID:** The Election Laws (Amendment) Bill also seeks to allow the electoral registration officers to ask for Aadhaar number from "persons already included in the electoral roll for the purposes of authentication of entries in the electoral roll."
  - And also to identify registration of names of the same person in the electoral roll of more than one constituency or more than once in the same constituency.
- **Voluntarily link Aadhaar data to electoral rolls:** Amendment bill makes it clear that no application for inclusion of name in the electoral roll shall be denied and no entries in the electoral roll shall be deleted for inability of an individual to furnish or intimate Aadhaar number due to such sufficient cause as may be prescribed.
  - Such people will be allowed to furnish other documents as may be prescribed.
- **Representation of the People Act, 1950 and 1951:** Various sections of the Representation of the People Act, 1950 and 1951 will be amended.
  - Section 23 of the RP Act, 1950 will be amended to allow linking of electoral roll data with the Aadhaar ecosystem "to curb the menace of multiple enrolment of the same person in different places.
  - Section 14 of the RP Act, 1950 will allow having four "qualifying" dates for eligible people to register as voters.

## INTERNATIONAL RELATIONS

**3) G20**

**IN NEWS:-**Recently, India joined the G20 Troika comprising the current, previous and incoming presidencies of the grouping. A “Troika”, represented by the country that holds the Presidency, its predecessor and its successor, works to ensure continuity within the G20. Currently, Italy, Indonesia, and India are the Troika countries.

**ABOUT G20**

- The G20 is a premier forum for international economic cooperation.
- It is a strategic multilateral platform connecting the world’s major developed and emerging economies.
- The G20 holds a strategic role in securing future global economic growth and prosperity.
- In the wake of the 1997 economic crisis, the G7 Finance Ministers announced the creation of the “Group of 20”, aimed at including other countries in their discussions related to global economics and finance.
- The G20 members represent more than 80 per cent of world GDP, 75 per cent of international trade and 60 per cent of the world population.
- The G20 has evolved into a yearly summit involving the Head of State and Government.
- In addition to that, the Sherpa meetings (in charge of carrying out negotiations and building consensus among Leaders), working groups, and special events are also organized throughout the year.
- The Presidency rotates every year among its members, with the country that holds the presidency working together with its predecessor and successor, also known as Troika, to ensure the continuity of the agenda.

- The G20 has no permanent secretariat. Agenda and the work coordination is completed by G20 leaders' personal representatives, known as sherpas together with finance ministers and central bank governors.
- Members: Argentina, Australia, Brazil, Canada, China, France, Germany, Japan, India, Indonesia, Italy, Mexico, Russia, South Africa, Saudi Arabia, South Korea, Turkey, the United Kingdom, the United States, and the European Union. Spain is also invited as a permanent guest.
- Each year, the Presidency invites guest countries, which take full part in the G20 exercise. Several international and regional organizations also participate, granting the forum an even broader representation.
- **Objectives:**
  - Policy coordination between its members in order to achieve global economic stability, sustainable growth;
  - To promote financial regulations that reduce risks and prevent future financial crises; and
  - To create a new international financial architecture.

#### **4) INTERNATIONAL SOLAR ALLIANCE**

**IN NEWS:** - The United Nations General Assembly(UNGA) has granted Observer Status to the International Solar Alliance (ISA).

#### **ABOUT INTERNATIONAL SOLAR ALLIANCE**

- The ISA is an intergovernmental treaty-based organisation with a global mandate to catalyse solar growth by helping to reduce the cost of financing and technology.
- ISA is the nodal agency for implementing One Sun One World One Grid (OSOWOG), which seeks to transfer solar power generated in one region to feed the electricity demands of others.
- It is an Indian initiative that was launched by the Prime Minister of India and the President of France on 30th November 2015 in Paris, France on the



side-lines of the UNFCCC Conference of the Parties (COP-21), with 121 solar resource rich countries lying fully or partially between the tropic of Cancer and tropic of Capricorn as prospective members.

- It has 101 members, after being joined by the US.
- The Headquarters is in India with its Interim Secretariat being set up in Gurugram.
- The objective is to collectively address key common challenges to the scaling up of solar energy in ISA member countries.

### PRACTICE QUESTION

Consider the following statements

1. The International Solar alliance is headquartered at Hyderabad
2. ISA is the nodal agency for implementing One Sun One World One Grid (OSOWOG)

Which among the above statements are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 or 2

**Answer:- b**

## INDIAN ECONOMY

### 5) FINANCIAL STABILITY REPORT

**IN NEWS:** - The Reserve Bank of India (RBI) released the 23rd issue of its Financial Stability Report (FSR).

#### ABOUT FINANCIAL STABILITY REPORT (FSR)

- The FSR which is published biannually reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council

(FSDC - headed by the Governor of RBI) on risks to financial stability and the resilience of the financial system.

- The Report also discusses issues relating to development and regulation of the financial sector.
- The Reserve Bank of India released the 24th issue of the Financial Stability Report (FSR) on December 29, 2021.

### **MAJOR HIGHLIGHTS**

#### **Macro financial Risks**

- The global economic recovery has been losing momentum in the second half of 2021 in the face of resurfacing COVID-19 infections, the new variant Omicron, supply disruptions and bottlenecks, elevated inflationary levels and shifts in monetary policy stances and actions across advanced economies and emerging market economies.

#### **Domestic Economy and Markets**

- On the domestic front, progress in vaccination has enabled the recovery to regain traction after the debilitating second wave of the pandemic, notwithstanding signs of slowing pace more recently.
- The corporate sector is gaining strength.
- Bank credit growth is showing signs of a gradual recovery, led by the retail segment, although flow of credit to lesser rated corporates remains hesitant.
- Micro, small and medium enterprises (MSMEs) as also the micro finance segment are reflecting signs of stress.

#### **Financial Institutions: Soundness and Resilience**

- The capital to risk-weighted assets ratio (CRAR) of scheduled commercial banks (SCBs) rose to a new peak of 16.6 per cent and their provisioning coverage ratio (PCR) stood at 68.1 per cent in September 2021.
- The CRAR of urban co-operative banks (UCBs) stood at 12.9 per cent in September 2021 while that of NBFCs stood at 26.3 per cent.

- Macro stress tests for credit risk indicate that the gross non-performing asset (GNPA) ratio of SCBs may increase from 6.9 per cent in September 2021 to 8.1 per cent by September 2022 under the baseline scenario and to 9.5 per cent under a severe stress scenario.
- SCBs would, however, have sufficient capital, both at the aggregate and individual levels, even under stress conditions.

### **Regulatory Initiatives and Other Developments in the Financial Sector**

- Financial regulators are devoting attention to distilling the lessons learned from the pandemic, analysing the ripple effects of rollback of policy support measures and enhancing the resilience of the financial system.
- On the domestic front, Government and financial sector regulators continued with their efforts towards achieving a sustainable recovery and enhancing the resilience of the financial system.

### **Important Regulatory Measures**

- Access for Non-banks to Centralised Payment Systems.
- A Comprehensive Financial Inclusion Index (FI-Index) has been introduced.
- Payments Infrastructure Development Fund (PIDF) Scheme extended to street vendors.
- The three existing Ombudsman Schemes for Banks, NBFCs and System Participants were merged into a single scheme viz., the Reserve Bank – Integrated Ombudsman Scheme, 2021 adopting the ‘One Nation One Ombudsman’ approach for grievance redressal.

## **6) PAYMENT BANKS**

**IN NEWS:** - A payments bank (Airtel Payments Bank, India Post Payments Bank, etc.) is like any other bank, but operating on a smaller or restricted scale.

### **ABOUT PAYMENT BANKS**

- A payments bank (Airtel Payments Bank, India Post Payments Bank, etc.) is like any other bank, but operating on a smaller or restricted scale.

- Credit risk is not involved with the Payments Bank. It can carry out most banking operations but cannot advance loans or issue credit cards.
- It can accept demand deposits only i.e. savings and current accounts, not time deposits.
- The Payment Banks cannot set up subsidiaries to undertake non-banking financial services activities.
- A committee headed by Dr. Nachiket Mor recommended setting up of 'Payments Bank' to cater to the lower income groups and small businesses.
- **Scope of Activities**
  - Acceptance of demand deposits, initially restricted to holding a maximum balance of Rs 100,000 per individual customer.
  - Issuance of ATM/debit cards.
  - They cannot issue credit cards.
  - They are not allowed to give loans.
  - Payments and remittance services through various channels.
  - Distribution of non-risk sharing simple financial products like mutual fund units and insurance products, etc.
  - They are only allowed to invest the money received from customers' deposits into government securities.
  - They cannot accept NRI deposits.
  - A payments bank account holder would be able to deposit and withdraw money through any ATM or other service providers.
  - Payments licensees would be granted to mobile firms, supermarket chains and others to cater to individuals and small businesses.
- **Eligible Promoters**
  - Existing non-bank Pre-paid Payment Instrument (PPI) issuers;
  - individuals/professionals;
  - Non-Banking Finance Companies (NBFCs),

- Corporate Business Correspondents (BCs), mobile telephone companies,
- Supermarket chains, companies, real sector cooperatives; that are owned and controlled by residents; and
- Public sector entities may apply to set up payments banks.
- A promoter/promoter group can have a joint venture with an existing scheduled commercial bank to set up a payments bank.
- Scheduled commercial banks can take equity stake in a payments bank to the extent permitted under the Banking Regulation Act, 1949.
- **Regulation**
  - The Payments Bank will be registered as a public limited company under the Companies Act, 2013. It is governed by the provisions of the Banking Regulation Act, 1949; RBI Act, 1934; Foreign Exchange Management Act, 1999, Payment and Settlement Systems Act, 2007, other relevant Statutes and Directives.
  - They need to maintain a Cash Reserve Ratio (CRR).
  - Required to invest a minimum 75% of its "demand deposit balances" in Statutory Liquidity Ratio (SLR) eligible Government securities/treasury bills with maturity up to one year.
  - Need to hold maximum 25% in current and time/fixed deposits with other scheduled commercial banks for operational purposes and liquidity management.
- **Other Important Provisions**
  - Capital requirement: The minimum paid-up capital for payments bank is Rs 100 crore.

- Promoter's contribution: Minimum initial contribution to the paid-up equity capital shall at least be 40% for the first five years from the commencement of its business.
- Foreign shareholding: The foreign shareholding in the payments bank would be as per the Foreign Direct Investment (FDI) policy for private sector banks as amended from time to time.

### PRACTICE QUESTION

Consider the following statements

1. A payments bank can accept Demand Deposits
2. A payments bank account holder would be able to deposit and withdraw money through any ATM or other service providers.

Which among the above statements are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 or 2

**Answer: - c**

### 7) ALGO TRADING

**IN NEWS:** - The Securities and Exchange Board of India (SEBI) has issued a discussion paper on regulating Algorithmic or Algo Trading, or trades generated out of automatic execution and logic.

#### ABOUT ALGO TRADING

- Almost everything in the digital world is based on algorithms. Algorithms leverage user data, behaviour and usage patterns, and take in pre-specified instructions to achieve certain goals.
- Algo trading refers to orders generated at superfast speed by the use of advanced mathematical models that involve automated execution of trade.



- Even a split-second faster access is considered capable of bringing huge gains to a trader.
- The algo trading system automatically monitors the live stock prices and initiates an order when the given criteria are met.
- This frees the trader from having to monitor live stock prices and initiate manual order placement.
- It's like asking a broker to buy or sell shares at a specific time or at a certain price, except that algorithmic trading is faster – computers analyse a lot more data than a human can in a given time and have less scope for error.
- Also, significant price changes can be avoided because orders are executed within seconds.
- Thus, investors can execute more trades faster since less time is required to manually monitor, select, buy, sell, initiate order placements and so on.

### **SEBI's Proposal**

- **Regulating Framework:** There is a need to create a regulatory framework for algo trading.
- **Algo-Order:** All orders emanating from an APIs (Application Programming Interface), should be treated as an algo order and be subject to control by stock broker and the APIs to carry out algo trading should be tagged with the unique algo ID provided by the stock exchange granting approval for the algo.
- An API is an interface that can be used to program software that interacts with an existing application.
- **Exchange Approval:** Each algo strategy, whether used by broker or client, has to be approved by exchange and as is the current practice, each algo strategy has to be certified by Certified Information Systems Auditor (CISA)/ Diploma in Information System Audit (DISA) auditors.

- Algo-ID: Stock exchanges have to develop a system to ensure that only those algos which are approved by the exchange and having unique algo ID provided by the Exchange are being deployed.
- Broker to Control Client Orders: All algos developed by any entity have to run on the servers of brokers wherein the broker has control of client orders, order confirmations and margin information.
- Authentication: Two factor authentication should be built in every such system which provides access to an investor for any API/algo trade.

### 8) RUPAY CREDIT CARDS

**IN NEWS:** - The Union Cabinet has approved an incentive scheme worth ₹ 1,300 crore to promote RuPay Debit cards and low-value (upto Rs. 2,000) BHIM-UPI transactions (Person-to-Merchant (P2M)) in the country.

#### ABOUT THE SCHEME

- Under the scheme, the acquiring banks will be incentivised by the Government, by paying percentage of value of transactions (P2M) done through RuPay Debit cards and low-value BHIM-UPI modes of payments, for a period of one year (w.e.f. April 01, 2021).
- Significance:
  - Facilitate acquiring Banks in building a robust digital payment ecosystem
  - Promote RuPay Debit card and BHIM-UPI digital transactions, across all sectors and segments of the population
  - Deepen the digital payments in the country.
  - Help in making accessible digital modes of payments to unbanked and marginalized populations, who are outside of the formal banking and financial system.

- The scheme has been formulated in compliance with the Budget announcements (FY 2021-22) by the Government to give further boost to digital transactions in the country.

### **ABOUT RUPAY CARDS**

- RuPay is the first of its kind global card payment network of India with wide acceptance at ATMs, Point of Sale Devices, and e-commerce platforms across the country.
- It was launched in 2012 by the Reserve Bank of India (RBI).
- The name RuPay is derived from 'Rupee' and 'Payment' which emphasizes that it is India's very own initiative for VCard Payments.
- RuPay is an initiative of the National Payment Corporation of India (NPCI), the umbrella organization that powers retail payments in the country.
- RuPay was launched with the vision of building the necessary banking infrastructure to drive India towards a "less cash economy".
- At present, more than 1,100 banks issue RuPay Cards. These banks include Public Sector Banks, Private Sector Banks, Regional Rural and Co-operative Banks.
- Its ten core promoter banks are State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank, HDFC Bank, Citibank N. A. and HSBC.

### **9) ULIP HACKATHON**

**IN NEWS:** - The Department for Promotion of Industry and Internal Trade(DPIIT) has launched the Unified Logistics Interface Platform's (ULIP) Hackathon named 'LogiXtics'.

#### **ABOUT ULIP HACKATHON - LogiXtics'**

- LogiXtics is a hackathon organized under the ULIP. The hackathon will be a competitive event where everyone is invited to showcase their strategic,

coding and domain skills on a national-level platform to solve the existing logistics industry issues.

- NITI Aayog and Atal Innovation Mission and supported by National Industrial Corridor Development Corporation(NICDC) and NICDC Logistics Data Bank Services Limited(NLDSL).
- India incurs one of the highest logistics costs as a percentage of GDP in comparison to developed countries like the U.S. and Germany – where it is only 8% to 9% while it is 14% in India. Hence, this hackathon has been launched, as a reduction of logistics cost to 9% can save up to 50 billion USD.

#### **ABOUT ULIP**

- ULIP is being developed as a technology platform in the logistics sector. It aims to enhance efficiency and reduce logistics costs in India by creating a transparent platform that can provide real-time information to all stakeholders and remove all asymmetry of information.
- The platform will also converge the visibility of multi-modal transport across the existing systems of various Ministries/Departments working in silos.

Moreover, the platform will also work with top Indian technology organizations from the private sector and identify solutions to reduce logistics costs.

## **DEFENCE**

### **10) PINAKA EXTENDED RANGE ROCKET SYSTEM**

**IN NEWS:** - The DRDO (Defence Research and Development Organization) successfully test fired the Pinaka Extended Range (Pinaka-ER) Multiple Launch Rocket System (MLRS).

#### **ABOUT PINAKA EXTENDED RANGE ROCKET SYSTEM**

- The Pinaka, a Multi-Barrel Rocket-Launcher (MBRL) system named after Shiva's bow, can fire a salvo of 12 rockets over a period of 44 seconds.

- The new version is equipped with advanced technology to enhance its strength. The metal weight is lesser compared to the earlier version.
- The newly tested system can achieve a range of up to 45km which is a big feat for the Indian Army.
- The existing Pinaka system, which is already in the Army, has a range of up to 35-37km.
- The new incarnation of pinaka represents one of the few examples of an evolutionary process being followed with an indigenous Indian weapon system.

### **PINAKA ROCKETS**

- The development of the Pinaka multi-barrel rocket systems was started by the DRDO in the late 1980s, as an alternative to the Multi Barrel Rocket Launcher systems of Russian make called the 'Grad', which are still used by some regiments.
- After successful tests of Pinaka Mark-1 in the late 1990, it was first used successfully in the battlefield during the 1999 Kargil War. Subsequently, multiple regiments of the system came up over the 2000s.
- DRDO has also developed and successfully tested the Mk-II and guided variants of the Pinaka, which has a range of around 60 km, while the Guided Pinaka system has a range of 75 km and has integrated navigation, control and guidance system to improve the end accuracy and enhance the range.
- The navigation system of the Guided Pinaka missile is also aided by the Indian Regional Navigation Satellite System (IRNSS).
- In 2020, an enhanced version of the Pinaka Mark (Mk)-1 missile was successfully flight-tested from the Integrated Test Range in Chandipur, off the coast of Odisha.

## 11) STAND OFF ANTI TANK MISSILE

**IN NEWS:** - Defence Research and Development Organisation (DRDO) and Indian Air Force (IAF) flight-tested the indigenously designed and developed Helicopter launched Stand-off Anti-tank (SANT) Missile from Pokhran ranges.

### ABOUT STAND OFF ANTI TANK MISSILE

- It is a fourth generation upgraded variant of HELINA missile developed for long distance airborne anti-armour role .
- HELINA (Helicopter-launched Nag) is air-launched version of the Nag with extended range.
- The weapon can neutralise targets in a range up to 10 kms.

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