



Current Affairs of the Day

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Monsoon to be weak till July

1. The monsoon rainfall, 40% above normal from June 1 to 18, has reduced to a trickle over the previous week. The latest update from the India Meteorological Department (IMD) computes the monthly rainfall until June 24 to be just 26% of the normal and there is unlikely to be a significant boost until the first week of July.
2. As of Thursday, India had received 152 mm of rainfall as against the normal 121.2 mm. On Tuesday, the IMD said India is in the grip of a “weak monsoon spell.”
3. The southwest monsoon has so far covered most parts of the country except parts of the northwest — Rajasthan, Delhi, Haryana and Punjab.
4. Unusually, for this period, the monsoon has progressed to eastern, central and adjoining northwest India earlier than normal by seven to 10 days. However, further progress over the remaining parts of the country is unlikely for the last week of June, the IMD noted.
5. All the broad subdivisions have posted above normal rainfall so far. East and northeast India has posted 8% extra, northwest India 58%, central India 46% and the southern Peninsula 15%, according to data as of June 23.
6. Rainfall activity is likely to increase over most parts of the country after the first week of July especially in peninsular and central India, which is also part of India’s core agricultural zone dependent on the monsoon for irrigation.
7. The India Meteorological Department (IMD), on June 1, said it expects more rain in the monsoon months from June to September than its previous estimate in April. The monsoon rainfall was likely to be 101% of the Long Period Average (LPA) of 88 cm.

In contact with stakeholders on Afghanistan, says India

1. India said it was in contact with “various stakeholders” in and around Afghanistan, confirming that South Block has adopted a broad-based approach to discussing the future of Afghanistan and the region around with various parties involved.
2. The response came after National Security Adviser Ajit Doval addressed a meeting of his counterparts of the Shanghai Cooperation Organisation (SCO).
3. India supports all peace initiatives and has a long-term commitment to the development and reconstruction of Afghanistan. In this context, we remain in touch with various stakeholders, including regional countries.



4. Arguing in favour of stronger ties with Kabul, India said it has brought development to Afghanistan which was ravaged by violence inflicted by cross-border actors. India has brought electricity, dams, schools, health clinics, roads and community projects to Afghanistan.
5. India also proposed an action plan against Pakistan-based terror outfits Lashkar-e-Taiba (LeT) and Jaish-e-Mohammad (JeM) as part of the anti-terror framework of the SCO and sought adoption of international standards to counter-terror financing, including an MoU between the SCO and the Financial Action Task Force (FATF).
6. India also called for monitoring of new technologies used by terrorists, such as drones, the dark web, Artificial Intelligence, blockchain and social media.

S&P cuts India's FY22 growth forecast to 9.5%

1. S&P Global Ratings cut India's growth forecast for the current fiscal to 9.5%, from 11% earlier, and warned of the risk to the outlook from further waves of the COVID-19 pandemic.
2. The agency lowered the growth outlook saying that a severe second COVID-19 outbreak in April and May led to lockdowns imposed by States and a sharp contraction in economic activity.
3. Stating that permanent damage to private and public sector balance sheets would constrain growth over the next couple of years, it projected India's growth at 7.8% in the fiscal year ending March 31, 2023.
4. Further pandemic waves are a risk to the outlook given that only about 15% of the population has received at least one vaccine dose so far, although vaccine supplies are expected to ramp up.

'88% of SMBs yet to avail stimulus benefits'

1. As much as 88% of self-employed, small and micro-businesses (SMB) were yet to avail any benefit under the stimulus schemes unveiled by the Centre, the findings of a survey by the Consortium of Indian Associations (CIA) and its 40 partner SMB associations show.
2. Also, 82% of the more than 81,000 self-employed, micro/small businesses (SMBs) surveyed opined that the Union and State governments were not taking care of their interests.
3. The respondents included manufacturers (49%), service providers (15%), self-employed (14%) besides consultants, start-ups, traders, food and hospitality units.



4. As per the findings, 73% of SMBs had not made any profit during the last fiscal and 42% were unable to decide on retention of employees; 59% said they had reduced/sacked/removed their staff compared with the pre-COVID period.
5. The findings suggest the need for a three-pronged approach by exempting SMBs from statutory compliances, penal actions and litigation; protecting them from a high-interest burden, price wars, high cost of raw materials, losing employees, penalties, and late fees, and supporting them by giving liberal loans, clearing pending dues, offering moratorium with interest waiver and not declaring sectoral NPAs for a year.
6. CIA proposed that the Centre amend the Micro, Small and Medium Enterprises Development Act, 2006, to strengthen State facilitation councils.
7. It also suggested collecting data on self-employed, MSME units from banks, which could help in the correct classification of businesses.

‘Ensure GST cuts reach users’

1. The National Anti-Profitteering Authority (NAA) has directed GST officials across the country to ensure that the tax rate cuts notified on some COVID-19-related essentials are passed on to consumers.
2. Complaints from end-users about lack of price reductions commensurate with the tax cuts, are to be treated on a priority basis and forwarded to the State-level Screening Committees and Standing Committees on Anti-Profitteering, the NAA said.
3. The GST Council had waived the indirect tax levied on two critical drugs, Tocilizumab and Amphotericin B, and reset the tax rate to 5% on 14 COVID-19 essentials.
4. The suppliers are required to commensurately reduce the prices of each of the supplies of Goods and Services made by them so that the benefit of the reduction in tax rates and/or of input tax credits is passed on to the recipients/consumers.
5. Tax experts said that producers of items ranging from ambulances to pulse oximeters and oxygen concentrators would need to ensure retail price reductions were effected soon and paperwork filed to justify the extent of reductions, in order to avoid action under the anti-profitteering framework.