

## Daily Current Affairs 10 January 2018

### Finance and Banking

#### ***Housing and Urban Affairs Ministry, Allahabad Bank ink MoU for web portal to process***

- The Housing and Urban Affairs Ministry today inked an MoU with Allahabad Bank for setting up an online portal for processing interest subsidy to be paid to people who availed loans under the Centre's DAY-NULM scheme.
- The move is aimed at faster payment of subsidy to the people and enhanced monitoring system with availability of a mechanism to ascertain whether the subsidy has reached the beneficiary or not, an official release said.
- Under the Self-Employment Programme (SEP) component of Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM), loans up to Rs 2 lakh is available to individuals in urban areas for setting up micro-enterprise. The loan limit is 10 lakh for a group.
- Besides, loans are also available for self-help groups (SHGs) under the scheme.
- Interest subvention from the ministry is available for the amount of interest charged over and above 7 per cent, by the banks, and women SHGs are eligible for additional three per cent subvention on timely loan repayment.
- Currently, processing of interest subvention is done manually. Banks submit claims to urban local bodies (ULBs) on a monthly basis, who then verify and settle them – a tedious and time-taking process.

#### ***Cabinet approves 49% foreign investment in Air India under approval route***

- The Union Cabinet today approved changes in Foreign Direct Investment (FDI) norms to allow foreign carriers to own 49 per cent in Air India under approval route, a change that will allow foreign carriers to bid for the national carrier but with an Indian partner.
- The earlier FDI policy allowed foreign carriers to own 49 per cent in Indian carriers, but had kept Air India out of it, which has been amended by the Cabinet now.
- "Foreign investment(s) in Air India including that of foreign Airline(s) shall not exceed 49 per cent either directly or indirectly. Substantial ownership and effective control of Air India shall continue to be vested in Indian National," government said in a release.
- The substantial ownership and effective control (SOEC) clause will still be applicable on the national carrier, which means the new promoters of Air India will have to keep its chairman as Indian and cannot shift its operational headquarters to anywhere out of India.

#### ***Cabinet Approves 100% FDI In Single Brand Retail Via Automatic Route***

- The Union Cabinet today approved a proposal to allow 100 per cent FDI or foreign direct investment through automatic route in single brand retail. Currently, FDI up to 49 per cent is permitted under automatic route in single brand retail but beyond that limit, government nod is required. The Union Cabinet today reviewed foreign direct investment policy in certain sectors with a view to attract more overseas funds.
- The Cabinet also allowed foreign airlines to invest up to 49 per cent in national carrier Air India under the approval route.
- The relaxation of policy is aimed at providing a more investor-friendly climate to foreign players and in turn attract more FDI to boost economic growth and create jobs.
- It also cleared 100 per cent FDI in construction development via automatic route.
- FDI during April-September this fiscal year grew by 17 per cent to \$25.35 billion. FDI into India increased by 9 per cent to \$43.48 billion in 2016-17.
- Foreign direct investment (FDI) is a major driver of economic growth and a source of non-debt finance for the economic development of the country. Government has put in place an investor friendly policy on FDI, under which FDI up to 100 percent, is permitted on the automatic route in most sectors/ activities.

#### ***Bank of India inks MOU with RXIL for discounting invoices of MSMEs***

- Public sector lender Bank of India (BoI) on Wednesday said it has entered into an Memorandum of Understanding (MoU) with Receivables Exchange of India Ltd (RXIL) as a Trade Receivables Discounting System (TReDS) partner for discounting invoices of MSMEs on digital platform.
- Speaking on the development, Dinabandhu Mohapatra, MD and CEO, BOI emphasized on the importance of MSME sector, the backbone of Indian economy and thrust given by the government for promoting the MSME sector.

#### ***Paytm sets up investment arm 'Paytm Money'***

- Paytm on Wednesday announced that it has set up 'Paytm Money Limited', a wholly owned subsidiary of One97 Communications to build Investment and Wealth Management products for its users.
- Paytm Money will be the fourth consumer brand from the company after Paytm, Paytm Mall and Paytm Payments Bank.
- In addition, Paytm has also announced the appointment of Pravin Jadhav as Senior Vice President to lead this new venture. An ex-entrepreneur, Pravin led Product and Growth at Servify and Rediff in his earlier roles; was the Founder and CEO of Wishberg.
- Paytm Money is setting up its operations in Bangalore and plans to launch in the first quarter of 2018 post regulatory approvals.
- Earlier this year, it launched Paytm Payments Bank, a mobile-first bank with zero charges on all online transactions and no minimum balance requirement. The bank has been designed to help achieve financial inclusion in the country. Paytm also recently allowed its millions of merchants

to accept unlimited Paytm, UPI, and Card payments directly into their bank accounts through its QR.

### ***Government divests paid-up capital in NMDC***

- The Government of India on Wednesday divested 2.52 percent of paid-up capital in National Mineral Development Corporation (NMDC) for an amount of Rs. 1200 crore approximately.
- Rs. 980.05 crore came from non-retail investors and Rs. 232 crore approximately came from retail investors through Offer for sale (OFS) mechanism.
- Originally, the disinvestment in NMDC OFS was pegged at basic issue size of 1.5 percent of paid-up capital at floor price of Rs.153.50 per share.
- The issue got over-subscribed by three times the base issue size.
- Further, to encourage retail participation, a discount of five percent on the cut off price was offered to retail investors.
- The retail portion has been over-subscribed by 439.64 percent.
- The issue has attracted investments from foreign investors, domestic institutional investors, and mutual funds.

### ***Digital transactions cross 1-billion mark in December***

- Overall digital transactions for the first time has breached the 1-billion mark in a month, having clocked 1.06 billion in December, according to data released by RBI. It jumped by around 6.5% against November transaction numbers, which was 998 million.
- The growth has been driven by strong show from all forms of payments across Unified Payments (UPI), IMPS, cards as well as wallets. The spectacular show of UPI has played a vital role having clocked almost a 40% jump in transaction volume month-onmonth. UPI clocked 145.5 million transactions against 104.8 million done in November.
- Further jump in the volume was also seen for NPCI managed Immediate Payment Service or IMPS which grew almost 10% to reach 98 million in December against 89.5 million in November.
- While smartphone-based transactions showed strong growth, traditional card payments also grew at a respectable 8% month-on-month. Debit and credit card payments clocked 264 million transactions in December against 244.6 million in the previous month.
- A closer look at the numbers reveals that UPI has shown the strongest growth in terms of volume through 2017 albeit a low starting point. The payment mode which got a huge boost post demonetisation has been riding a spectacular growth wave assisted by entities like Paytm and Google Tez joining the bandwagon along with players like PhonePe and government promoted BHIM (Bharat Interface for Money).
- From around 2 million in December last year, UPI has reached 145.5 million transactions in one year.

### ***CAIT launches Digital Rath to boost digital payments***

- In its efforts to incentivise digital payments in the country, the Confederation of All India Traders (CAIT) has launched a Digital Rath under its national campaign “Cashless Bano India” in association with MasterCard to boost digital payments among traders and consumers across the country and to motivate trading fraternity transform from cash-based business formats to technology-led digitalised transactions.
- The Digital Rath was flagged off today at Kashmiri Gate Market in walled city area of Delhi. The Digital Rath is targeted to touch about 10 lakh persons across the country in ten cities including Gwalior, Jhansi, Kanpur, Kolkata, Puducherry, Nagpur, Bhopal, Pune, Navi Mumbai and Mumbai.
- The campaign will continue till January 30 and Digital Rath will cover about a distance of 10,000 kms in this phase. Beside these cities, the campaign will be conducted simultaneously in other parts of the country as well. The campaign is designed to also include customers/ buyers in the horizon by way of providing them incentives for every transaction done by MasterCard credit/ debit card and chance for seller/ trader to win a reward.
- The Cashless Bano India campaign will prove to be a game changer in adoption of digital payments in the country. At a time when we are moving ahead towards Digital India, the adoption of digital payments is the nucleus of this change.

#### ***French car maker Groupe PSA ties up with TCS for smart cars***

- In what is a validation of rise of Indian engineering and design process, French car maker Groupe PSA has partnered with homegrown IT and engineering major Tata Consultancy Service for the development and engineering of its ambitious emerging market Smart Cars plan.
- Designed with a motto of 'Be Indians in India', the hiring of TCS by PSA is an attempt by a global conglomerate to design and develop products for Indian buyers at Indian cost and compete strongly against Maruti and Hyundai.
- Learning from the past mistakes of other multinational car makers of transporting global engineering into India and failing especially on the cost, PSA has decided to rely on Indian engineering, which has proven its mettle on a global stage now.
- Interestingly, TCS bagged the contract beating its Group's sister concern Tata Technologies for this Smart Car Project.

#### ***GDP growth to touch 7.3 percent in 2018-19: World Bank***

- India's Gross Domestic Product (GDP) is expected to grow by 6.7 percent in FY 2017-18 and will pick up to 7.3 percent in 2018-19, and to 7.5 percent a year in the medium term, a report released by the World Bank on Wednesday stated.
- The report titled 'Global Economic Prospects' for 2018 noted that the GDP figures of 6.7 percent for FY 2017-18 can be attributed to short-term disruptions arising from the introduction of the Goods and Services Tax (GST).
- "Strong private consumption and services are expected to continue to support economic activity, while private investment is expected to revive as the corporate sector adjusts to the GST; infrastructure spending increases, partly to improve public services and internet

connectivity; and private sector balance sheet weaknesses are mitigated with the help of the efforts of the government and the Reserve Bank of India (RBI)," the report read.

- The World Bank noted that over the medium term, the GST is expected to benefit economic activity and fiscal sustainability by reducing the cost of complying with multiple state tax systems, drawing informal activity into the formal sector, and expanding the tax base.
- It also takes cognisance of the recent recapitalisation package announced for public sector banks by the Prime Minister Narendra Modi-government, which is expected to help resolve banking sector balance sheets, support credit to the private sector, and lift investment. Further, trade recovery at a global level is expected to lift exports, it claimed.

## India and states

### *UIDAI introduces 'Virtual ID' for Aadhaar to privacy*

- UIDAI today introduced a new concept of 'Virtual ID' which Aadhaar-card holder can generate from its website and give for various purposes, including SIM verification, instead of sharing the actual 12-digit biometric ID.
- This will give the users the option of not sharing their Aadhaar number at the time of authentication.
- The Virtual ID, which would be a random 16-digit number, together with biometrics of the user would give any authorised agency like a mobile company, limited details like name, address and photograph, which are enough for any verification.
- Officials said a user can generate as many Virtual IDs as he or she wants. The older ID gets automatically cancelled once a fresh one is generated.
- The Unique Identification Authority of India (UIDAI) has also introduced the concept of 'limited KYC' under which it will only provide need-based or limited details of a user to an authorised agency that is providing a particular service, say, a telco.
- The Virtual ID will be a temporary and revocable 16 digit random number mapped to a person's Aadhaar number and the Aadhaar-issuing body will start accepting it from March 1, 2018.
- From June 1, 2018, it will be compulsory for all agencies that undertake authentication to accept the Virtual ID from their users.

### *IIT establishes its first food testing lab in Kharagpur*

- The Indian Institutes of Technology (IIT) has established its first food testing lab at its Kharagpur campus.
- The agricultural and food engineering department's Analytical Food Testing Laboratory received the National Accreditation Board for Calibration and Testing Laboratories (NABL) accreditation, which empowered the IIT Kharagpur to certify food items for their nutritional value and also check for adulteration.

- After getting the accreditation, the IIT has already started the process of certification for some Kolkata-based company for fish items and neem oil.

#### ***India to sign pact with UK on illegal migrants***

- India will sign an MoU with the United Kingdom to enable the return of illegal Indian migrants within a month of their detection by authorities, an official said on Wednesday.
- Union Minister of State for Home Kiren Rijiju's visit to London along with a delegation on Wednesday is a step towards the move that could affect hundreds of Indians. The UK has consistently raised the issue of return of illegal migrants with India.
- The Memorandum of Understanding comes ahead of Prime Minister Narendra Modi's proposed visit to the UK in March.
- The British authorities will first identify the illegal migrants, inform the Indian authorities, followed by police verification back home.

#### ***Cabinet approves India-Canada MoU for cooperation in Science & Technology***

- The Union Cabinet, chaired by Prime Minister Narendra Modi on Wednesday, approved a Memorandum of Understanding (MoU) with Canada for cooperation in the field of Science & Technology.
- The MoU will provide a mechanism and help foster scientific cooperation between R&D and academic institutions of the two countries.
- Under the MoU, an innovative model of R&D cooperation between India and Canada will be implemented. Furthermore, the India-Canada Centre for Innovative Multidisciplinary Partnership to Accelerate Community Transformation and Sustainability (IC-IMPACTS) programme will be supported to promote multidisciplinary research partnerships between the two countries.
- In lieu of the strengthened cooperation in this segment, the R&D projects will be aimed at accelerating social transformation by providing solutions through application of science and technology. The participants will include researchers from scientific organisations, academia and R&D laboratories from India and Canada.

## **Appointment**

#### ***'Rocket man' K. Sivan appointed new ISRO chief***

- Eminent scientist K. Sivan, known as the "Rocket Man" for his significant contribution in the development of cryogenic engines for India's space programme, was on Wednesday appointed as the new Chairman of Indian Space Research Organisation (ISRO).

- Currently the Director of Vikram Sarabhai Space Center in Thiruvananthapuram which is responsible for the design and development activities for all launch vehicles, Sivan will succeed A.S. Kiran Kumar and have a three year term as the ISRO chief.
- Sivan's appointment was cleared by the Appointment Committee of Cabinet (ACC) on Wednesday. It comes at a time when ISRO is planning to outsource construction of satellites and rockets for future launches.
- An alumnus of IIT Bombay, Sivan has contributed significantly in Polar Satellite Launch Vehicle (PSLV), Geosynchronous Satellite Launch Vehicle (GSLV) and GSLV Mk-III vehicle design. He has been credited for development of the PSLV rocket that launched 104 satellites in a single mission, setting a world record in February last year.
- Sivan also designed a software called Sitara, which ISRO uses for simulating trajectories of its rockets.

#### ***Paytm appoints Pravin Jadhav to lead Paytm Money***

- Digital payments firm, Paytm has appointed Pravin Jadhav to lead its wealth management and investment business under Paytm Money, the company announced Tuesday .
- Jadhav, who has earlier worked with Servify and Rediff, has joined the company as SVP.
- Paytm Money will be based out of Bengaluru, as per a prepared statement from the company. The payments firm is awaiting regulatory approvals before kicking off operations in the first quarter of this year.
- Paytm also has a payments bank and the company wants to sell its wealth management products to its bank account holders. The way payments banks are structured they cannot lend to users and Paytm is looking to sell these products as a source of revenue.

## **Sports**

#### ***Aanchal Thakur creates history by winning India's first medal in an international skiing competition***

- Aanchal Thakur, a 21-year-old from Himachal Pradesh, created history on Tuesday when she became the first Indian to win an international medal in skiing. Aanchal clinched bronze at the Alpine Ejder 3200 Cup in Turkey.
- The event is organised by the International Ski Federation (FIS) — skiing's international governing body — at the Palandoken Ski Centre in Erzurum. Aanchal won the medal in the slalom race category
- Aanchal is a resident of Burua, a small village in Manali and is the daughter of Roshan Thakur, the secretary general of the Winter Games Federation of India. She picked up the sport from her father, before working with former Olympian Heera Lal.
- Prime Minister Narendra Modi congratulated Aanchal on Twitter, saying that the entire country was ecstatic on her “historic accomplishment”.