

Current Affairs Roundup - 2020

Economy

Tata Sons to buy 32.67% stake in AirAsia India

Tata Sons will purchase 32.67 per cent stake in AirAsia India from Malaysian AirAsia Group Bhd, taking its holding in the joint-venture airline up to 83.67 per cent.

- ★ As of December 29, AirAsia held a 49 per cent stake in AirAsia India, while Tata Sons held 51 per cent. In addition to this, Tata Sons also owns 51 per cent stake in full-service airline Vistara, the rest of which it is owned by Singapore Airlines.

BSE launches e-agricultural spot market BEAM

Bombay Stock Exchange launches (BSE) has launched an electronic spot platform for agricultural commodities "BSE E-Agricultural Markets Ltd. (BEAM)" through its subsidiary BSE Investments on December 13.

- ★ The platform functions as a "national level, institutionalized, electronic, transparent commodity spot trading platform in line with the Prime Minister's vision to create a "single market".
- ★ BEAM facilitates spot agricultural commodities transactions across the value chain consisting of producers, intermediaries, ancillary services, and consumers.



RBI kept the repo rate unchanged

The Reserve Bank of India (RBI), in its latest bi-monthly monetary meet on December 4 decided to keep the repo rate unchanged yet again. This is the third time in a row the apex bank has kept the key rates unchanged.

- ★ The repo rate and reverse rate remain at 4% and 3.35%, respectively, after the announcement. RBI kept the repo rate unchanged in this monetary policy review was expected by many market participants. This is due to the fact that the latest data showed that retail inflation rose to 7.61% in October which was the highest since May 2014.

SBI launches RuPay JCB contactless debit card

State Bank of India joined hands with the National Payments Corporation of India (NPCI) and Japan's JCB International Co to launch a new 'SBI RuPay JCB Platinum Contactless Debit Card' on December 1.

- ★ The unique dual interface feature of this card enables the customers to use it for both contact and contactless transaction. Customers can use this new debit card in the domestic market as well as for transactions overseas.



US is the second biggest FDI source for India

The US has emerged as the second-biggest source of foreign direct investment (FDI) into India, during the first half of the current financial year, according to data of the commerce and industry ministry on November 29. Mauritius was the second biggest FDI source during the same period in 2019.

- ★ The DPIIT (Department for Promotion of Industry and Internal Trade) data showed that during April-September 2020, India attracted FDI worth USD 7.12 billion from the US and USD 2 billion from Mauritius, which slipped to the fourth position.

- ★ Singapore with USD 8.3 billion foreign inflows continued to be the top source of FDI for India in April-September 2020-21.
- ★ India has received USD 2.1 billion inflows from the Cayman Islands. The islands were followed by Netherlands (USD 1.5 billion), UK (USD 1.35 billion), France (USD 1.13 billion), Japan (USD 653 million), Germany (USD 202 million), and Cyprus (USD 48 million).

India's GDP falls by 7.5% in July-September

India's gross domestic product or GDP contracted 7.5% in the quarter ending September in comparison to the same period last year, data released by the Union ministry of statistics and program implementation (Mospi) showed on November 27.

- ★ India's GDP fell by 23.9% in the April-June period quarter, worst in decades, amid the coronavirus pandemic.
- ★ Data showed earlier that India's GDP growth had slowed even before the Covid-19-induced lockdown restrictions. The growth rate in Q4 FY20 at 3.1% was the weakest point in the new data series that had started in 2012-2013. The FY20 real GDP growth is 4.2%, which is also the weakest in the series.
- ★ India's economy grew at its weakest pace since 2013 between April and June period last year as consumer demand and government spending slowed amid global trade frictions, raising chances of the central bank cutting interest rates further at its next meeting. Asia's third-largest economy expanded just 5.0% year on year, it grew 8% in the same quarter of 2018, and 5.8% in the previous quarter.

Google pays Rs.33,737 crore to Jio Platforms

Alphabet Inc's Google has paid Rs. 33,737 crores to Reliance Industries Ltd's (RIL) digital subsidiary, Jio Platforms Ltd, joining the list of global investors such as Facebook to have infused capital in the Mukesh Ambani-led company.

- ★ With this transaction, Google now holds a 7.73% stake in Jio Platforms. With this, Jio Platforms has raised a total of Rs. 1.52 trillion by selling nearly 33% stake to 13 financial and strategic investors in just 11 weeks. This has helped RIL erase its net debt much ahead of the March 2021 target.

Tata Motors achieves new production milestone

Tata Motors announced that it has achieved a new production milestone in the country on October 25. The Indian carmaker noted that it has manufactured 40 lakh passenger vehicles in the country.

- ★ It achieved this production milestone with Altroz hatchback that was launched earlier this year. Tata Motors entered the passenger vehicle segment in India in 1991 with Sierra SUV and since then has manufactured several models, including the first completely indigenous car Indica that was launched in 1999. By 2006, Tata had manufactured 10 lakh passenger vehicles in the country and managed to produce another 20 lakh vehicles by 2015. This means that it produced 10 lakh vehicles over the last five years.



- ★ Tata Motors Passenger Vehicles Business Unit, President, Shailesh Chandra

KV Kamath committee report approved by RBI

The KV Kamath Committee has listed FMCG, consumer durables, and corporate retail outlets among 26 sectors that require financial restructuring in the aftermath of the COVID crisis.

- ★ The five-member committee appointed by the Reserve Bank of India (RBI) has recommended five financial parameters or ratios with sector-specific thresholds that lending institutions can factor in as part of a graded approach to restructuring or finalizing a resolution plan for a borrower.

- ★ The five parameters for each sector are the total outstanding liability to adjusted net worth, total debt to EBITDA, debt service coverage ratio (DSCR), average DSCR, and current ratio.
- ★ The panel tabled its report on September 4 wherein it has suggested financial parameters that include aspects related to leverage, liquidity, and debt serviceability.

Reliance Industries Ltd. in Fortune Global

Billionaire Mukesh Ambani's Reliance Industries ranked 96th (USD 86.2 billion) on the Fortune Global 500 list - 2020.

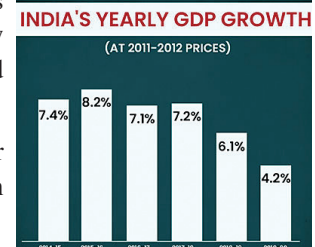
- ★ This is the highest any Indian company has been ranked on the Fortune Global 500 list.
- ★ Reliance had broken into the top 100 in 2012 ranking when it was ranked 99th but slipped in subsequent years to rank 215th in 2016. Since then it has risen steadily, according to the ranking.
- ★ State-owned Indian Oil Corp (IOC) slipped 34 positions to rank 151st on the 2020 ranking while Oil and Natural Gas Corp (ONGC) is ranked 190th, 30 notches lower than its last year's ranking. The country's top lender State Bank of India (SBI) has risen 15 ranks to the 221st position.
- ★ Other Indian firms on the list include Bharat Petroleum Corp Ltd (BPCL) at rank 309th, Tata Motors at 337, and Rajesh Exports at 462.
- ★ Fortune said companies are ranked by total revenues for their respective fiscal years ended on or before March 31, 2020.

Top 10 companies list: 1. Walmart (\$523,964), 2. Sinopec Group (\$407,009), 3. State Grid (\$383,906), 4. China National Petroleum (\$379,130), 5. Royal Dutch Shell (\$352,106), 6. Saudi Aramco (\$329,784), 7. Volkswagen (\$282,760), 8. BP (\$282,616), 9. Amazon.com (\$280,522), 10. Toyota Motor (\$275,288)

India's GDP in 2019-20 sinks to 11-year low

According to data released by National Statistical Office (NSO), India's economic growth slowed to 3.1 percent in January-March and to an 11-year low of 4.2 per cent for the full fiscal 2019-20 amid a drop in consumption and investment on May 29.

- ★ During 2019-20, the Indian economy grew at 4.2 per cent as against 6.1 per cent in 2018-19. The economic growth was the lowest since 2008-09 when the economy had expanded at 3.1 percent.



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