

## EVERYDAY CURRENT AFFAIRS – MAY 21, 2022

### NATIONAL

- **Jet Airways - is all set to become the first Indian carrier to resume flying soon under the country's bankruptcy law.**
- ✓ Jet Airways has been granted the licence to resume commercial flights by the aviation regulator Directorate General of Civil Aviation (DGCA).
- ✓ The airline was granted the air operator certificate (AOC) after completing two proving flights this month
- ✓ Jet Airways suspended operations in April 2019, after its then promoters failed to provide liquidity and the insolvency resolution process started for the airline in June 2019.
- ✓ The airline in its older form was owned by Naresh Goyal and had operated its last flight on April 17, 2019.
- ✓ Before it suspended operations, Jet flew to over 65 destinations in India and across the world with 124 aircraft.

#### NEED TO INFUSE FUNDS

➤ Jet 2.0 plans to resume operations with features of both budget and full-service carrier



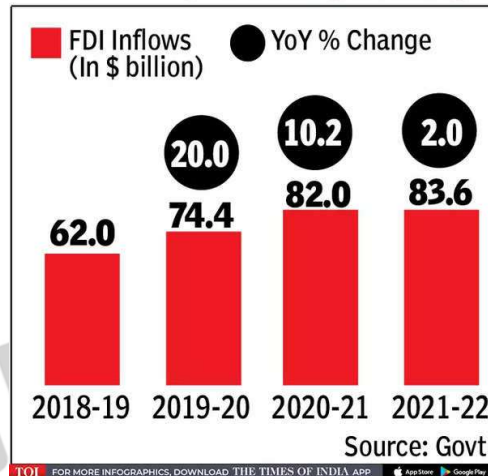
➤ Its revival will depend on Jalan-Kalrock's ability to infuse significant amount of funds regularly and bear losses for first few years

➤ AirAsia India (started operations in 2014) and Vistara (started flying a year later) are yet to see a profitable year

- ✓ The Jalan-Kalrock Consortium is currently the promoter of Jet Airways and it has fulfilled all the conditions under the NCLT-approved resolution plan.
- ✓ In October 2020, the airline's Committee of Creditors (CoC) approved the resolution plan submitted by the consortium of the UK's Kalrock Capital and the UAE-based entrepreneur Murari Lal Jalan

- ✓ The airline plans to restart commercial flight operations in the July-September quarter this year.
- **India - has reported the highest foreign direct investment (FDI inflow) to the tune of \$83.57 billion for the financial year 2021-2022**
- ✓ The country's foreign investment inflows increased 20-fold since the financial year 2003-04 when it recorded mere \$4.3 billion.
- ✓ The figures for 2021-22 have overtaken the previous financial year by \$1.60 billion despite the Ukraine war and Covid-19 pandemic, according to the Ministry of Commerce and Industry

## RIDING REFORMS



- ✓ According to the government, the FDI inflow in the manufacturing sectors increased by 76% in the previous financial year (\$21.34 billion) as compared to the \$12.09 billion in the financial year 2020-21
- ✓ Among the top contributors to India's FDI inflow, Singapore topped the charts with a share of 27%, followed by US at 18% and Mauritius accounting for 16%
- ✓ The computer software and hardware remained the top sector which received the FDI inflow with around 25% share, followed by services sector and automobile sector getting 12% each
- ✓ In the computer hardware and software sector, Karnataka (53%), Delhi and Maharashtra (17% each) bagged the share of the FDI inflow
- ✓ Karnataka is the top recipient state with 38% share of the total FDI Equity inflow reported during the previous financial year followed by Maharashtra (26%) and Delhi (14%).
- **Prime Minister Narendra Modi - inaugurated the country's first 5G testbed recently at the silver jubilee celebrations of the Telecom Regulatory Authority of India (TRAI) held through video conferencing on May 17**
- ✓ The testbed will enable startups and industry players to test and validate their products locally and reduce dependence on foreign facilities



- ✓ The testbed has been set up at a cost of around Rs. 220 crore and will be available at 5 different locations
- ✓ In the absence of a 5G testbed, startups and other industry players were required to go abroad to test and validate their products for installation in a 5G network.
- ✓ The 5G testbed has been developed as a multi-institute collaborative project by eight institutes led by IIT Madras
- ✓ The other institutes that participated in the project are IIT Hyderabad, IIT Bombay, IIT Delhi, IIT Kanpur, IISc Bangalore, Society for Applied Microwave Electronics Engineering & Research (SAMEER) and Centre of Excellence in Wireless Technology (CEWiT).
- ✓ TRAI was established in 1997 through the Telecom Regulatory Authority of India Act, 1997

## INTERNATIONAL

- **Sri Lanka – has become the first Asia-Pacific country in this century to default on its debt**
- ✓ The country missed the 30-day grace period deadline for interest payments on two of its sovereign bonds worth up to \$78 million and fell into a 'pre-emptive default'
- ✓ Defaults can damage a country's reputation with investors, making it harder to borrow the money it needs on international markets, which can further harm confidence in its currency and economy.
- ✓ Colombo had last month declared it would not repay its \$12. 6 billion international debts to conserve foreign currency reserves for imports such as fuel, medicine and food amidst an economic crisis.
- ✓ Sri Lanka has already suspended repayments for international sovereign bonds, commercial bank loans, Exim bank loans, and bilateral loans



- ✓ Sri Lanka had to pay \$106.34 million this year but only managed to pay \$12.4 million by April.
- ✓ On May 19, Moody's Investors Service also confirmed that Sri Lanka has 'defaulted on its international bonds for the first time'
- ✓ Pakistan was the last Asian country that defaulted in 1999, according to Moody's
- ✓ Sri Lanka owes about \$51 billion in overseas debt to international creditors as well as its bilateral creditors, including China, Japan and India.
- ✓ Sri Lanka is facing its worst economic crisis since gaining independence from Britain in 1948
- ✓ The country, which has a 30-year-long history of unrest and civil war, started borrowing heavily in 2009 to fund the development of the country with infrastructural growth.
- ✓ The continuous shortage of foreign currency has left the country unable to import food, medicine, fuel and other essentials, with its inflation nearing 40%.
- ✓ S&P Global Ratings last month downgraded Sri Lanka's foreign currency ratings to "selective default" on the missed interest payments
- ✓ New York-based ratings agency Fitch has downgraded debt-ridden Sri Lanka's sovereign rating to "restricted default"
- ✓ Sri Lanka has begun negotiations with the IMF over a loan programme and is appointing advisers for debt restructuring talks with its creditors.
- ✓ India has committed more than \$3 billion to debt-ridden Sri Lanka in loans, credit lines and credit swaps since January this year

## INDIA AND NEIGHBOURS

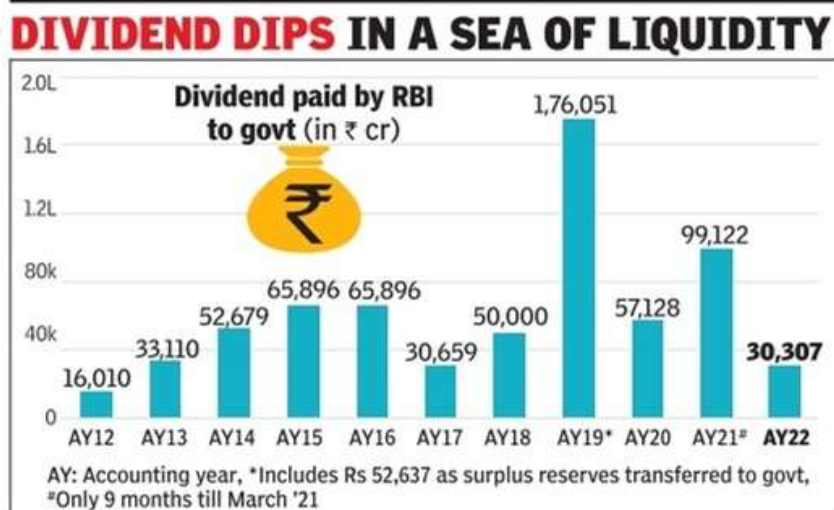
- **India and Bangladesh - jointly released the trailer of the co-production film 'Mujib – the Making of a Nation' on the sidelines of the Cannes Film Festival in France at the Indian pavilion on May 19, 2022**



- ✓ The film is a biopic of the founder and first Prime Minister of Bangladesh, Bangabandhu Sheikh Mujibur Rahman.
- ✓ The film, co-produced by India and Bangladesh, depicts the life and legacy of Sheikh Mujibur Rahman, the father of the nation of Bangladesh.
- ✓ The total budget of the film is over \$10 million (Rs.75 crore) shared in the ratio of 40:60 by India and Bangladesh respectively.
- ✓ The film, extensively shot in India & Bangladesh, is directed by Shyam Benegal.
- ✓ The main cast includes Arifin Shuvoo in the titular role, Nusrat Imrose Tisha as Sheikh Mujibur Rahman's wife Sheikh Fazilatunnesa, and Nusraat Faria as their daughter Sheikh Hasina
- ✓ The 90-second trailer was released by Union Minister of Information and Broadcasting Anurag Thakur and his Bangladesh counterpart Hasan Mahmud
- ✓ The idea of co-producing the film on Bangabandhu was mooted by Prime Minister Narendra Modi and his Bangladesh counterpart Sheikh Hasina
- ✓ Veteran filmmaker Shyam Bengal, hailed as one of the pioneers of Indian parallel cinema, is the recipient of the coveted Padma Shri, the Padma Bhushan, and the Dadasaheb Phalke Award.
- ✓ 'Mujib: The making of a Nation' is slated to release in September
- ✓ India is the Country of Honour at this year's Marche du Film Festival (Cannes Film Festival).

## ECONOMY

- On May 20, the Reserve Bank of India (RBI) - has approved the transfer of Rs. 30,307 crore as surplus to the Central Government for the accounting year 2021-22, the lowest in 10 years



- ✓ This is in sharp contrast to the second ever highest surplus transfer of Rs. 99,122 crore for nine months ended March 31, 2021 (July 2020-March 2021).
- ✓ In FY21, the RBI had transitioned to the April-March accounting year from July-June earlier

- ✓ The decision of payout was taken at the 596th Meeting of the Central Board of Directors of RBI held in Mumbai under the Chairmanship of Governor Shaktikanta Das
- ✓ For the current fiscal, the government had estimated a receipt of Rs 73,948 crore as dividend revenue from the central bank and public sector financial institutions.
- ✓ This is 27% lower than the Rs 1.01 lakh crore received in FY22.
- ✓ The bank's central board of directors also decided to maintain the contingency risk buffer (CRB) at 5.50% to cover monetary, credit, fiscal stability, and operational risks in line with recommendations of the Bimal Jalan Committee report.
- ✓ The Bimal Jalan panel had prescribed a Contingency Risk Buffer range of 6.5% to 5.5%.
- ✓ The board also discussed the working of RBI during the year April 2021 – March 2022 and approved the annual report and accounts for the accounting year 2021-22
- ✓ Deputy Governors Mahesh Kumar Jain, Dr. Michael Debabrata Patra, M. Rajeshwar Rao, T. Rabi Sankar and other Directors of the Central Board, Satish K. Marathe, S. Gurumurthy, Revathy Iyer and Prof. Sachin Chaturvedi attended the meeting
- ✓ In 2018-19, RBI paid the highest ever total of Rs 1.76 lakh crore to the government of which Rs 1.23 lakh crore was dividend and Rs 52,637 crore was towards excess provisions identified as per the revised Economic Capital Framework (ECF).