

Daily Economic News Summary: 12 December 2016

1. Government launches DigiShala channel to promote digital payments

Source: Live Mint ([Link](#))

Law and information technology (IT) minister Ravi Shankar Prasad on Friday launched DigiShala, a free Doordarshan DTH channel to educate and inform the people about the various modes of digital payments. The channel will help people understand the use of unified payments interface (UPI), USSD, aadhaar-enabled payments system, electronic wallets, debit and credit cards. The minister also launched a website (www.cashlessindia.gov.in) which will serve as a repository of knowledge regarding digital payments. Both the channel and website were launched as a part of the 'Digi Dhan Abhiyan', a campaign conceptualized by the IT ministry to enable every citizen, small trader and merchant to adopt digital payments in their every day financial transactions. "All modes of digital payments are showing enormous rise at an average growth of 400-1000% since the last one month. These figures are without any formal digital education. With DigiShala being introduced we can only imagine the growth figures in the coming days," said Prasad during the event.

The channel, with a potential viewership of more than two crore across the country, will be available initially in English and Hindi and subsequently in regional languages. "DigiShala will enable and empower every citizen of the country, especially farmers, students, Dalits and women in rural areas to learn the usefulness and benefits of digital payment in our everyday life to adopt the same on a mass scale," Prasad said. The idea is to educate the people through talk shows and panel discussions on the adoption of digital modes of payments, he added. The website has been designed to provide all official information at one source regarding digital payment methods and different schemes undertaken by the government. It also targets educating people about safeguarding their accounts from cyber crimes and phishing.

2. Ratan Tata hailed as savior of UK steel industry

Source: Live Mint ([Link](#))

Tata Sons interim chairman Ratan Tata was on Sunday hailed as the saviour of the UK steel industry after the Tata Group announced a 10-year commitment of £1 billion investment to save thousands of jobs for its embattled steelworks in the country last week. Nearly 11,000 British workers at Tata Steel have been rejoicing after the company has indicated that it would

not take any dividends from its British plants until their profit tops £200 million a year. The company made the pledge last week as part of a plan that will keep the Port Talbot site in south Wales open until at least 2021. It promised no job cuts for five years and to pump £1 billion into its UK plants over 10 years. Tata said in a statement, “The immediate target of £200 million provides sufficient funds to invest in the business and to manage working capital needs. However, beyond this level the business will balance the needs of all its stakeholders, including the financing of dividends”. In return, workers must accept the closure of the British Steel Pension Scheme to future accruals.

3. PayU to launch new businesses in bid to become payments hub

Source: Live Mint ([Link](#))

Payments processing firm PayU India plans to launch two new businesses—consumer credit and digital banking—and accelerate merchant acquisition as it aims to diversify and become an all-round payments hub, chief executive B. Amrish Rau said. The company plans to process \$10 billion in transactions in the year ending March 2018, up from an estimated \$5.5 billion this financial year. In September, PayU, the digital payments provider owned by South Africa’s Naspers Group, bought rival Citrus Pay for \$130 million in an all-cash deal. Rau, a co-founder of Citrus, became CEO of the merged entity, replacing former PayU India head Nitin Gupta, who left to start his own venture. Since then, PayU has been working on providing credit to customers, initially for low-price purchases such as groceries and movie tickets. It will launch a product called LazyPay this month that will allow customers to buy things and pay a few days later. “Purchase and payment don’t need to be together. If we’ve seen customers transact over a few months, we know the likelihood of getting paid back. The crucial part with LazyPay is the speed of transaction. It allows people to pay at their convenience, much like how telephone companies allow post-paid. The next step will be to increase the credit limit,” Rau said. Some time next year, PayU also plans to introduce a digital payments platform that will put the company in direct competition with the likes of Paytm, Freecharge and Mobikwik.

4. ONGC to roll out new ‘basin’ in Agartala by 2017

Source: Live Mint ([Link](#))

State-run energy behemoth Oil and Natural Gas Corp (ONGC) will set up a new ‘basin’ in Agartala by the end of next year as it looks to focus more on exploration of oil and gas in the North-East region. “We are discussing about setting up a ‘basin’ in Agartala. Director of

exploration and I visited Agartala around five months ago. We checked the facilities. Currently work for creation of workstation is going on,” ONGC director (Onshore) Ved Prakash Mahawar said. Construction work is going on as earlier there was no proper building to start functioning of a ‘basin’ in Agartala, he added. “A ‘basin’ receives huge amount of data, which are processed subsequently. It will take around a year to prepare the facility. By 2017, we will roll out the Agartala Basin,” Mahawar said. ONGC’s North East operations are divided into two areas— Assam Shelf from Jorhat to Duliajan and Assam Fold Belt from Silchar to Agartala. While exploration is being done only by Assam-Arakan ‘basin’ based at Jorhat, the production is divided by three ‘assets’— Assam Asset at Nazira, Jorhat Asset at Jorhat and Tripura Asset at Agartala.

5. DLF net profit flat at Rs206 crore in Q2

Source: Live Mint ([Link](#))

India’s largest realty firm DLF on Friday reported a flat consolidated net profit at Rs206.09 crore for the second quarter of this fiscal. Its net profit stood at Rs206.18 crore in the year-ago period, the company said in a regulatory filing. Income from operations rose to Rs2,070.67 crore in the July-September period from Rs2,040.84 crore in the corresponding three months of the previous year. Finance cost fell to Rs735 crore from Rs740 crore, while tax expenses declined to Rs69 crore from Rs117.69 crore during the period under review. The company’s shares closed at Rs114.90 a piece on the BSE, up 1.41%.

By Shreya Chopra

