GK (Jan) 2014

General Knowledge
GK Notes – January

Economy/Business

Growth of Indian Economy in 2014-15

The World Bank in its Global Economic Prospects Report forecasted that the economy of India will grow by just 6 percent in 2014-15. In its forecast, the World Bank has also said that the economic growth of India will improve to 6.6 percent in 2015-16 and 7.1 percent in 2016-17. The economic growth will be followed by the recovery in global demand and increase in domestic investment.

The report released by the World Bank also says that the global GDP growth in 2014 will be 3.2 percent from 2.4 percent in 2013. It also said that the global GDP will stabilise at 3.4 percent and 3.5 percent in 2015 and 2016 respectively.

The report also mentions that the global economy is projected to strengthen with growth and will pick up in developing nations. The high income economies will finally come out from the global financial crisis that has lasted for five years. The report has also estimated that the growth of China will remain flat at 7.7 percent in 2014 and will slow to 7.5 percent for 2015 and 2016.

Gold Loan Norms Relaxed by RBI

The Reserve Bank of India allowed the Non-Banking Financial Companies (NBFCs) to lend up to 75 percent of the value of gold. With this order, the people seeking loan against gold can now borrow more.

Earlier, the limitation of loan on gold was 60 percent. The order has been passed in a view of the moderation in the growth of the gold loan portfolios of NBFCs in recent past. The value of loan will be the intrinsic value of the gold content and no other cost like making charges will be given.

The decision was taken following the recommendation of the K. U. B. Rao Working Group, which said that the loan-to-value (LTV) may be increased to 75 percent from 60 percent. The working group has also recommended the standardisation methodology to determine the value of gold.

India's Trade Deficit with China Soars India's trade deficit with its largest trading partner China reached $ 31.42 billion as the bilateral trade fell by 1.5% in 2013, recording a decreasing trend for the second consecutive year. Compared to 2012, India’s trade deficit surged by $ 2.5 billion in 2013, which brought into attention the failure of Indian exports to make headway into China despite repeated assurances by China to address India’s concerns.

About India-China Trade:

Trade between India and China is seen as a stabilising factor in Sino-India relationship. In 2011, China emerged as India’s largest trading partner when the bilateral trade reached a record $ 74 billion. Both the countries have set a trade target of $100 billion to be achieved by 2015. However, many are doubtful over the possibility of realising this goal as there are a number of systemic impediments. Since 2011, India’s exports to China have decline by 20%. The fall in exports was largely due to curbs on the export of iron ore, which had emerged as India’s single biggest export to resource-hungry China. In response to India’s concerns on widening trade deficit, China has promised to open up its market to Indian IT and pharmaceuticals. It is hoped that Indian exports to China will improve following the MoUs inked during Chinese Premier Li Keqiang visit to India to facilitate India’s exports of oil meal, pharmaceuticals, marine products and buffalo meat.

Little Eye Labs Acquired by Facebook

Facebook has acquired Bangalore-based startup Little Eye Labs for Rs. 90 crore. It has become the first Indian and the third Asian company to be acquired by Facebook. Facebook is the world's largest social networking site.
Little Eye Labs was founded in May 2012 by Giridhar Murthy, Kumar Rangarajan, Satyam Kandula and Lakshman Kakkirala. Kumar Rangarajan is the current CEO of Little Eye Labs.
Little Eye Labs develops a tool to help Android app developers to measure, analyse and optimise Facebook apps.
The acquisition is expected to help the overall mobile strategy of Facebook with a technology that could help to track and improve the performance of Facebook apps.
This is one of the most high profile acquisitions involving an Indian product start-up. It is a development that could go a long way in boosting the confidence of the fledgling tech newbie.

Firms Permitted to Issue Debt to Non-residents as Bonus

The Reserve Bank of India (RBI) has granted permission to Indian companies to issue non-convertible or redeemable preference shares or debentures to non-resident shareholders from their general reserves as bonus. This facility will also include the depositories that act as trustees for the ADR/GDR holders. The issue of preference shares (excluding nonconvertible/redeemable preference shares) and convertible debentures (except optionally convertible or partially convertible debentures) would be subject to Foreign Direct Investment Scheme.

As per the notification issued by the RBI, the step has been taken with a view to rationalise and simplify the norms following references from some Indian companies to issue non-convertible or redeemable bonus preference shares or debentures to non-resident shareholders from the general reserve under a scheme of arrangement by a court, under the provisions of the Companies Act.

Agreement to Raise BSA to 50 Billion Dollars

The Bank of Japan (BOJ) and the Reserve Bank of India (RBI) agreed to expand the maximum amount of the Bilateral Swap Agreement (BSA) to 50 billion dollars between the two countries. The agreement was signed by Raghuram Rajan, the Governor of RBI and Haruhiko Kurodo, the Governor of BOJ. The agreement came into force from the day of signing the agreement.
With this agreement, the current BSA would be effective for 3 years from 2012 to 2015 and has seen an expansion from the original size of 15 billion dollars. The BSA is aimed to address the short-term liquidity difficulties.

ONGC Offered Two Oil and Gas Blocks at Petrotech 2014

Oil-rich Sudan offered two oil and gas blocks to ONGC Videsh Limited (OVL) on the sidelines of Petrotech 2014. The offer by Sudan will help India to strengthen its energy ties with the African nations.
Sudan offered the on land Block 8 and offshore Block 15 to the OVL on a nomination basis. Block 8 will have an oil discovery while Block 15 will have exploration acreage. OVL will evaluate the data and take 100 percent rights if it finds them feasible for investment.
OVL, the overseas arm of Oil and Natural Gas Corporation, has been present in Sudan since 2003. In 2003, it acquired 25 percent stake in the Blocks 1, 2 and 4 of the Greater Nile Project (GNOP) and Sudan Crude Transport System.

India's Trade Deficit Narrowed in December 2013

The export of India has grown 3.49 percent to 26.3 billion dollars and the imports dipped 15.25 percent to 36.4 billion dollar in December 2013. The export growth slowed because of the drop in petroleum exports.
Lower imports have helped the country in narrowing the trade deficit to 10.1 billion dollars in the month as compared to 17.5 billion dollars in December 2012. The imports of gold and silver dropped to 1.77 billion dollars from 5.6 billion in December 2012.

Refinance Rate for Banks Reduced

National Bank for Agriculture and Rural Development (NABARD) reduced the refinance rates for banks and other lending agencies by 0.20 per cent. This has been done with an aim to promote rural credit and rural infrastructure. The new rates will be in effect from 7th January, 2014.
The revised rate of interest on refinance for a period of five years for commercial, state cooperative, regional rural and primary urban cooperative banks will be 9.70 percent, which has been decreased from 9.90 percent.
In its notification, NABARD has also mentioned that banks drawing refinance of Rs. 500 crore and more in a single drawl would be allowed further reduction of 0.10 percent. In its notification, it also mentioned that the reduction of 10 basis points for the State Cooperative Agriculture and Rural Banks (SCRDBs) will be allowed for a single drawl of Rs. 200 crore and above.

General Awareness

Malaysia Invited IITs to Open its Centre

Malaysia urged India to open a branch of Indian Institutes of Technology in Kuala Lumpur. The Federal Minister for Natural Resources and Environment of the Republic of Malaysia made this announcement at the ongoing 12th Pravasi Bhartiya Diwas in the capital.
IITs are autonomous institutions and are governed by the Institutes of Technology act, 1961. Many Malaysian students come to India for better education service. If IITs open its branch in Malaysia, then they can get quality education at much lower cost.

Sheikh Hasina - Prime Minister of Bangladesh

Awami League chief Ms. Sheikh Hasina was sworn in as Prime Minister of Bangladesh for the third time along with a 48-member cabinet. President Abdul Hamid administered the oaths of office and secrecy to Ms. Hasina and her new cabinet members.
Awami League won 231 seats, of which 127 seats were uncontested, giving it a clear three-fourth majority in the country's 10th parliament. The 18-party alliance led by former premier Khaleda Zia's Bangladesh Nationalist Party (BNP) boycotted the polls after her arch-rival Hasina rejected the opposition's demand for a neutral caretaker regime for election oversight. Ms. Hasina first came to power in 1996 and then defeated Khaleda Zia in the 2008 elections.

National Youth Policy, 2014

The Union Cabinet approved the introduction of the National Youth Policy, 2014 (NYP, 2014). The NYP, 2014 will replace National Youth Policy, 2003 which is currently in force.

The vision of NYP, 2014 is to empower youth to achieve their full potential, and through them enable India to find its rightful place in the community of nations.
The Policy is basically aimed at development of an educated and healthy young population, who are not only economically productive, but are also socially responsible citizens contributing to the task of nation-building.
For achieving the vision of NYP, 2014; five well-defined objectives and 11 priority areas have been identified.
The priority areas are: education, skill development and employment, entrepreneurship, health and healthy lifestyle, sports, promotion of social values, community engagement, participation in politics and governance, youth engagement, inclusion and social justice.
The Youth Policy, 2014 will cover the entire country. It will cater the needs of all youth in the age-group of 15-29 years. According to the Census 2011, the youth in the age group of 15-29 years constitute 27.5 per cent of the population, that is about 33 crore persons.
The Policy has proposed broad policy interventions for the youth, which are consistent with the 12th Plan priorities. It has not proposed any specific programme/scheme, having financial implications.

Fast Patrol Vessel Abhinav

The Indian Coast Guard Ship Abhinav was commissioned in Kochi by the Director General of Coast Guard Vice Admiral Anurag G. Thapliyal. Abhinav is the third in the series of twenty Fast Patrol Vessels (FPVs) and has been designed and built by Cochin Shipyard Limited.
The ship has been named ICGS Abhinav (which literally means Modern). It will be based at Kochi under the administrative and operational control of the Commander, Coast Guard Region (West). The ship is commanded by Commandant (JG) Raman Kumar and has complement of 5 officers and 34 other ranks.
In next five years, the Indian Coast Guard will have 150 ships/boats and 100 aircraft maritime force. Apart from these, a Coastal Surveillance Network is being established, which will have 46 stations to ensure real time coastal surveillance. The Government of India has an emphasis on the coastal security following asymmetric threats from the sea.

Economy/Business

Hong Kong and Macau Included in the Sensitive List

The Reserve Bank of India (RBI) included Hong Kong and Macau in the sensitive list of countries along with Pakistan and China. Macau and Hong Kong are two Special Administrative Regions controlled by China.
This means that establishments from Hong Kong and Macau will require prior approval of RBI for setting up business or related activities in India. The activities include establishment of liaison, branch, project offices or any other place of business.

To this effect, Regulation 4 of Foreign Exchange Management (Establishment in India of Branch or Office or Other place of Business) Regulations, 2000 has been amended to substitute words, Iran and China, with words **Iran, China, Hong Kong and Macau.**
Pakistan, Bangladesh, Sri Lanka, Afghanistan, Iran and China are already included in the sensitive list.

Foreign Buyers can Invest in South Indian Bank

The Reserve Bank of India has given its permission to foreign investors to buy shares in South Indian Bank.
The restrictions placed on the purchase of shares of the South India Bank are withdrawn with immediate effect. At this point, equity shares of South Indian Bank can be purchased through primary market and stock exchanges.

Why RBI permitted foreign investors to buy shares in South Indian Bank?
Under the existing FDI policy, the foreign share holding through Foreign Institutional Investors (FIIs), Non- Resident Indians (NRIs), Persons of Indian Origin (PIOs), Foreign Direct Investment (FDI), American Depository Receipt(ADR), Global Depository Receipts (GDR) in **the South Indian Bank** have gone below the prescribed threshold caution limit. For this reason, RBI has allowed foreign buyers to invest in South Indian Bank.
Under the Portfolio Investment Scheme (PIS) **-** FIIs, NRIs and PIOs are allowed to invest in the primary and secondary capital markets in India. They can acquire shares/debentures of Indian companies through the stock exchanges.
The ceilings on FIIs/ NRIs/ PIOs investments in Indian companies are monitored by RBI on a daily basis. For effective monitoring of foreign investment ceiling limits, the RBI has fixed cut-off points that are 2% points lower than the actual ceilings.

Wal-Mart Registered Wal-Mart India Private Ltd.

Global Retail giant Wal-Mart registered a new entity called Wal-Mart India Private Ltd. in India to enter the lucrative multi-brand market in India. Wal-Mart India Private Ltd. was registered as a new entity with the Ministry of Corporate Affairs.
A joint venture of Wal-Mart and Bharti private Ltd. was set up to operate wholesale stores and it was not catering directly to retail consumers. The Wal Mart and Bharti Enterprises in 2013 decided to independently own and operate their business formats in India.

Iran Seeks Permission to Open Multiple Bank Accounts in India

Iran has requested the Ministry of Finance and the Reserve Bank of India (RBI) to allow it to open accounts in multiple banks to facilitate better non-oil trade between the two nations.

As per Iran's Ambassador, Iran is looking at diversifying its economic relations with India through joint ventures, investments and technology transfer. It wants to strengthen relations with India by having multiple bank accounts to boost non-oil trade.

• For this, it has a proposal to build north-south rail corridor in Iran which would boost trade in the region.

• The UCO bank account is for oil transactions and there is a need for multiple channels, as the trade relations between the two nations extend beyond oil.

• For all oil imports from Iran since July 2011, India has been paying 55 % of the amount in Euros through Ankara-based Halkbank. The remaining money is being remitted in rupees in Kolkata-based UCO Bank. Presently, only UCO Bank facilitates oil related transactions with Iran.

India Economic Growth

International Monetary Fund (IMF) released its World Economic Outlook report. In the report, IMF projected the Indian economy growth at 4.5 percent for 2013-14, which is much less than ASEAN countries such as Indonesia and Philippines.

IMF in its earlier report in October 2013 had projected that Indian economy would grow by 3.8 percent in 2013-14. The lower growth rate of 3.8 percent was caused due to global slowdown and domestic factors like interest rates.

However with India receiving a favourable monsoon and higher export revenues since October 2013, the growth in the second largest economy of Asia picked up. The growth is expected to firm further on strong structural polices supporting investment. The economic growth rate can expand up to 5.4 percent and 6.4 percent in next two fiscals.

General Awareness

Currency Notes to be Withdrawn

The Reserve Bank of India (RBI) has decided to withdraw all currency notes issued prior to 2005 from circulation.

From 1st April 2014, Banks will provide exchange facility to the general public for exchanging the pre-2005 issued bank notes. The notes issued before 2005 do not have the year of printing on the reverse side.

However, bank notes issued before 2005 would continue to be legal tender. That is banks are required to exchange the notes for their customers as well as for non-customers. From 1st July 2014, those wanting to exchange more than 10 pieces of 500 and 1000 rupee notes in a bank where they do not have an account will have to provide proof of residence and identity.

The move by the RBI is to capture the money flows into the system and also to help flush out counterfeit notes. This would leave currency hoarders with no option but to liquidate their unaccounted holdings by spending or exchanging them.

First Woman Chief of National Police Academy

The Union Government appointed IPS Aruna Bahuguna as chief of Sardar Vallabhbhai Patel National Police Academy, Hyderabad. The Appointments Committee of Cabinet (ACC) issued the orders for the appointment.
Aruna Bahuguna is the first woman to be appointed as the chief of the National Police Academy. She is the 28th chief of the academy and will be at its helm till February 2017.
She will replace Subhas Goswami who was appointed as the Director General of the Indo-Tibetan Border Police (ITBP) in November 2013.

About National Police Academy

• Sardar Vallabhbhai Patel National Police Academy was established on 15th September, 1948 in Mount Abu,Rajasthan as Central Police Training College.
• It was shifted to Hyderabad in November 1975.

Youngest Person to Reach South Pole

Sixteen year old Lewis Clarke, became the youngest person to trek to the South Pole.
Clarke from Bristol, UK aimed to enter the record books as the youngest person in the world to ski from the Antarctic coast to the Pole using the 1,100 kilometre Hercules Inlet route.
Eighteen year old Sarah Mc Nair Landry from Canada previously held the same coast to the Pole route in 2005. The Antarctic is the highest and coldest continent and is nearly as big as Europe in size, which is entirely buried by snow and ice.

New President of Madagascar

Mr. Hery Rajaonarimampianina (55) has been declared as the President of Madagascar to restore democracy on the island nation in the following elections. He was officially declared as the President of the country by the President of the special electoral court, Mr. Francois Rakotozafy. Mr. Hery got 53.49% votes during the runoff presidential election while Jean Louis Robinson had 46.51%.
Mr. Hery is the 8th elected Malagasy President and 11th chief of state since Madagascar's independence in 1960. He was the former Finance Minister of Madagascar.

First Women to be Appointed as Police Chief of Kabul Province

Jamila Bayaz was appointed as the police chief of District One of Kabul province. She is the first woman in Afghanistan to be appointed as police chief of an entire district.

She joined Afghan police force more than three decades ago and at present serving as Colonel in Kabul's police force. The appointment of Jamila Bayaz is significant in more than one sense. Firstly, the appointment will pave the way for more Afghani women to rise through the ranks. Secondly, her appointment as police chief to one of the core districts of Kabul testifies that women position in Afghan society is improving since the Taliban were driven out from power in 2001.
District One of Kabul province houses the presidential palace and numerous ministries. Besides it houses the Central Bank of Afghanistan and is the main money and gold market of Afghanistan.

INS Vikrant has completed Operational life and should be disposed

Union Ministry of Defence justified its decision to scrap INS Vikrant to High Court of Mumbai. The ship has completed its operational life and the decision of scrapping it in the best interest of the naval services of India to dispose it instead of preserving. INS Vikrant is the first aircraft carrier of India.
The hull (body) of Vikrant is over 70 years old and it was decommissioned on the completion of its operational life. At this stage, the ship cannot be repaired or refurbished economically and its maintenance and berthing of such ship requires a heavy expenditure of public funds, mentioned an affidavit of the Ministry of Defence. The affidavit also mentioned that the Indian Navy has spent 22 crore rupees on the repairs and dry cocking of the ship and has been preserving and maintaining INS Vikrant till date.

Economy/Business

RBI eases Gold Dore Import Norms

In consultation with the Government of India, the Reserve Bank of India (RBI) partially eased restrictions on import of gold dore after taking into account representations from refiners.

As per new norms:

• Refineries are allowed to import dore up to 15% of their gross average feasible quantity based on their license entitlement in the first two months for making this available to the exporters on **First in First out (FIFO) basis**. Following to this, the quantum of gold dore to be imported should be determined lot-wise on the basis of export performance.
• Before the next import, not more than 80% should be allowed to be sold domestically.
• The dore so imported shall be refined and shall be released based on FIFO basis following 20 : 80 principle.

• The imports will be allowed only up to 5 times the quantum for which proof of export has been submitted. Note: In August, the RBI had imposed curbs on gold imports and linked it with exports. Consequently, 20% of every lot of gold imported had to be exclusively made available for exports and the balance for domestic use.

What is Gold Dore?

Gold doré (pronounced gold doh-rey) is a bar of semi-purified gold (e.g. bullion). After being mined, the first stage in the purification process of the gold ore produces a cast bar (gold dore) that is approximately 90% gold. The other 10% is mostly metals like silver and copper.

CRISIL Launches Financial Inclusix Index 2013

Indian credit rating agency CRISIL launched the Financial Inclusix Index 2013.

The index showed an improvement of 2.7 percent in the year 2012. The score was the highest since 2009. The index was based on the data provided by Reserve Bank of India (RBI).
The all India CRISIL Inclusix score of 42.8 on a scale of 100, reflects under penetration of formal banking in the country. The index measured the financial inclusion in each district of India.

About CRISIL Inclusix Index

CRISIL Inclusix index is a comprehensive index to measure the progress of financial inclusion in India across 638 districts. It is a relative index measured on a scale of 0 to 100.
It combines three critical parameters of basic banking services — branch penetration, deposit penetration, and credit penetration into one metric.

Tesco Gets Approval to Invest in Brownfield Entity

Government of India allowed British retailer Tesco to invest in brownfield entities in India. Tesco could now invest up to 50 per cent of the total Foreign Direct Investment (FDI).
Government of India has amended its current provision of FDI. Out of the total FDI, 50 per cent has to be mandatorily invested in back-end infrastructure such as warehouses, supply chain and logistics. This would be in addition to investments in front-end Greenfield assets such as retail stores.
Previously, it was mentioned that the front-end retail stores must also be set up as additionality and not through acquisition of existing stores. According to the current policy, a foreign investor in the multi-brand retail sector can invest 51 per cent, the minimum investment size being $100 million.

Tesco, the world's third-largest retailer, has a franchise agreement to provide support to Trent's Star Bazaar chain. Initially, Tesco would open stores at Karnataka and Maharashtra.

CCIL Legal Entity Identifier

The Reserve Bank of India (RBI) selected the Clearing Corporation of India Ltd. (CCIL) for issuing globally compatible legal entity identifiers (LEIs). CCIL will act as a local operating unit for issuing globally compatible legal entity identifiers (LEIs) in India. Legal Entity Identifiers (LEI) are a 20-character unique identity code assigned to entities, which are parties to a financial transaction. Clearing Corporation of India Ltd. (CCIL) will issue unique identifier codes to the eligible legal entities participating in financial markets across the globe on a non-profit cost recovery basis.

CCIL is recognised by the Regulatory Oversight Committee of the global LEI system and the unique identity codes issued by it will be accepted globally. Once the infrastructure is set up, the LEI numbers will be mandatory for Over-the-Counter (OTC) derivative transactions. The implementation of the global LEI system is led by the Financial Stability Board (FSB).The functioning of CCIL as LEI will be under the regulation and oversight of the Reserve Bank of India.

The Clearing Corporation of India Ltd (CCIL) was set up in 2001 for providing exclusive clearing and settlement for transactions in Money and Foreign Exchange. In 2013, the Reserve Bank designated CCIL as a critical Financial Market Infrastructure (FMI) for oversight. Recently, CCIL was granted the status of a Qualified Central Counterparty (QCCP).

Specialised Banks for Low Income Households

A panel of Reserve Bank of India led by Nachiket Mor has suggested to set up specialised banks to cater to the low income households. These banks will ensure that every citizen has a bank account by 2016. The panel has also suggested that facility for withdrawals, payments and deposits to be set up within a 15 minute walking distance across the country.

The panel was set up by Raghuram Rajan on the same day when he took the charge as the Governor of RBI. He constituted the panel to suggest steps for promoting financial inclusion.

The panel has advocated setting up the Payments Banks to provide payment services and deposit products to low income households and small businesses. It has limited the maximum balance for an individual customer to Rs. 50,000. In its suggestion, it has mentioned that these banks can be set up with a minimum capital requirement of Rs. 50 crore, which is one-tenth of Rs. 500 crore that is required for a full-service bank. It has also suggested that an Aadhaar card should be used automatically to open a bank account. These recommendations have made a provision of sweeping changes in the banking structure.

General Awareness

New MD for Corporate Banking of SBI

The country's biggest lender, State Bank of India (SBI) appointed Mr. P.Pradeep Kumar as its Managing Director and group executive in charge of corporate banking. The seat was lying vacant as of Ms. Arundhati Bhattarcharya became the Chairman of SBI in October 2013.
Previously, Mr. Kumar was the Deputy Managing Director and group executive of the corporate banking group of SBI, which looks after corporate accounts and project finance of the bank. The other three managing directors are K Krishna Kumar (national banking), Hemant Contractor (global banking) and A. Vishwanathan (subsidiaries and associates).
The top management at SBI consists of a chairman, four managing directors, over a dozen deputy managing directors and about 35 chief general managers.

Bikram Singh took Charge as Chairman

Army chief General Bikram Singh took over as the Chairman, Chiefs of Staff Committee. He received the baton of Chairman from outgoing Chief of Air Staff, Air Chief Marshal N. K. Browne.
General Singh will have a brief tenure of around seven months as the CoSC as he is expected to retire in July 2014. Browne was a member of the CoSC since August 2011 and its Chairman from September 2012. CoSC is the senior most officer of the three services and is in-charge for looking after the joint issues related to them. The senior most of the three services chiefs takes over the post.

The 18th Member of Eurozone

Latvia became the 18th member of the Eurozone. The small ex-Soviet state has been preparing for the switch since European Union finance ministers formally announced in July 2013 that Latvia could adopt the Euro.
Both Standard & Poor's and Fitch have raised the country's credit ratings in anticipation of its euro entry.
The economy of Latvia shrank by a quarter during 2008-2010, but then grew at the fastest pace in the EU, expanding by 5.6 per cent in 2012, after the government slashed spending and wages and hiked taxes in one of the harshest austerity programs in Europe.
Latvia has emerged from the financial crisis to become the EU's fastest growing economy.
Latvia became the fourth smallest member of the currency area, ahead of Cyprus, Estonia and Malta. Estonia joined the eurozone in 2011 and Lithuania aims to do so in 2015.

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Federal Reserve Bank of the US gets First Woman Chief

Janet Yellen (67) is the new chief of the Federal Reserve Bank of the US. With this, she has become the **first woman to head the world's most powerful central bank.** Yellen who was earlier nominated by President Barack Obama and was elected with the 56-26 vote in the US senate voting. Yellen will replace Ben Bernanke, who steps down on January 31, 2014 after 8 years in this service, during which the pair tackled the country's worst economic crisis since the Great Depression.

Presidents of Infosys

B. G. Srinivas and U.B. Pravin Rao appointed as Presidents of the Infosys Ltd. B. G. Srinivas will focus on global markets while U. B. Pravin Rao will focus on global delivery and service innovation. The financial services, insurance, manufacturing, engineering services, energy and communications, Infosys public services, Infosys Lodestone, strategic global sourcing, marketing and alliances will report to Srinivas.

Economy/Business

RBI Hikes Policy Rate

Reserve Bank of India (RBI) raised the Repo rate under Liquidity Adjustment Facility (LAF) by 25 basis points from 7.75 percent to 8 percent. Besides it kept the Cash Reserve Ratio (CRR) of scheduled banks unchanged at 4 percent of Net Demand and Time Liability (NDTL). The decision to raise the repo rate and keep the CRR unchanged was announced by the RBI in its Third Quarter Monetary Policy Review on January 28, 2014.
As a result, the reverse repo rate under the LAF stands adjusted at 7 percent and the marginal standing facility (MSF) rate and the Bank Rate at 9.0 percent.

Google Purchased Deep Mind Technologies

Google purchased the British start-up DeepMind Technologies – an artificial intelligence company. This deal represents Google's biggest ever single acquisition in Europe.
The acquisition of DeepMind would prove to be helpful for Google in further developing its most recent Hummingbird search update. The Hummingbird search update was created to make Google more human, and searches which can now understand context like a human brain.

About DeepMind Technologies

The artificial intelligence company DeepMind Technologies was founded by Demis Hassabis, neuroscientist
and computer genius together with Shane Legg and Mustafa Suleyman in London. Artificial intelligence uses
computers for tasks normally requiring human intelligence, like speech recognition or language translation.

Indian Rupee to be a Legal Tender

The Reserve Bank of Zimbabwe (RBZ) announced the Indian rupee as a legal tender.
RBZ was adding the Indian rupee and three other Asian currencies to the basket of currencies to be circulated in the country. These include China, Japan and Australia.
The public can now open accounts in Chinese Yuans, Australian Dollars, Indian Rupees and Japanese Yens.
Till now, Zimbabwe accepted the US Dollar and the South African Rand as the main legal tender, which helped the country to stabilise the economy after world-record inflation threw it into a tailspin.
Zimbabwe abandoned the use of its own currency in 2009 after world record inflation levels precipitated an economic collapse under the Zanu PF government. It was a coalition government in 2009 that introduced the multi-currency system that brought stability in Zimbabwe.

Financial Stability Report Released by RBI

The Reserve Bank of India (RBI) released its 8th Financial Stability Report (FSR). The FSR was released against the backdrop of a mild positive market reaction to the announcement of tapering in the US Federal Reserve bond purchase plan.

Highlights

India's external sector has improved with reduction in Current Account Deficit (CAD). CAD is expected to be less than 3 per cent of the GDP during the current financial year 2013-14. The report revealed that the banking system is facing rising tide of bad loans. The gross non-performing assets (NPAs) in the system will rise to 4.6 per cent by September 2014 from 4.2 per cent in September 2013. The amount of recast loans touched an all-time high of 10.2 per cent of the overall advances as of September 2013.
Asset quality continues to be a major concern for Scheduled Commercial Banks (SCBs). The gross nonperforming assets ratio of SCBs as well as their restructured standard advances ratio

has increased. Five sectors — infrastructure, iron & steel, textiles, aviation and mining have a high level of stressed advances.

Financial Sector Regulators Asked to Implement FSLRC Proposals

Union Finance Minister told the regulators must implement proposals of the Finance Sector Legislative Reforms Commission (FSLRC). The Finance Sector Legislative Reforms Commission (FSLRC) report contains 12 key proposals and these do not require legislative changes. According FSLRC report's proposal, financial sector regulators likely to take serious action with higher penalties on violators and time bound investigations that would act as deterrents and improve consumer protection. The report included a draft Indian Financial Code that is expected to replace the current financial sector legislations but is unlikely to be tabled in Parliament soon.

General Awareness

National Waterway-4 project in Tamil Nadu

Union Government launched the project for the development of the stretch of 37 km of the National Waterway-four (NW-4) between Sholinganallur to Kalpakkam in South Buckingham Canal in Tamil Nadu.
NW-4 covers a total length of 1078 km consisting of Kakinada-Puducherry canal systems integrated with Godavari and Krishna Rivers. Main components of the project include dredging and excavation to develop navigational channel, construction of three terminals and navigational locks, replacement of one existing bridge at Kelambakkam, and installation of navigational aids.
The project is expected to be completed in two years.The project will ease out the transportation problems in Chennai suburbs to a great extent besides promoting tourist movement to important tourist spots at Mahabalipuram and Puducherry. Other stretches of the National Waterway-4, which cover the states of Andhra Pradesh, Tamil Nadu and Puducherry, would also be taken up for development subsequently.

National Waterways:

National Waterway 1 from Allahabad to Haldia with a distance of 1620 km

National Waterway 2 from Sadiya to Dhubri in Assam state

National Waterway 3 from Kollam to Kottapuram

National Waterway 4 connects Kakinada to Pondicherry

National Waterway 5 connects Orissa to West Bengal

National Waterway 6 is the proposed waterway in Assam state and will connect Lakhipur to Bhanga in river Barak.

Tax Exemption for Olympics, CWG and Asian Games Winners

Indian sportspersons who win medals at Olympics, Commonwealth and Asian Games won't have to pay Income Tax on cash or other rewards given by the government.
An order in this regard was issued by the Central Board of Direct Taxes (CBDT).

The CBDT has invoked provisions of the section 10, sub-clause (ii) (17A) to exempt this category of sportspersons saying "any payment made, whether in cash or in kind, as a reward by the central government or a state government to the medal winners of Olympic Games or Commonwealth Games or Asian Games with effect from January 28, 2014". Achievers from other fields like winners of National Film Awards and Ramon Magsaysay awardees used to be exempted from I-T under the said clauses of the Act till now.

Multi-Coloured 3D Printer

World's first 3D-printer Objet500 Connex3 was launched. The printer is manufactured by the USA based company Stratasys, the owner of the MarkBot range of printers. Object500 Connex3 is the world's first 3D printer that can produce multi-colour, multi-material objects at the same time. It will be commercially available in the second quarter of 2014 and will cost around 33, 0000 dollars. It enables users to get exact intended colour, material properties and surface finish as conceptualised.
The printer uses three different base resins and 10 colour palettes and can craft a variety of objects like a pair of sports goggles, flexible shoes, headphones, a blender and even bike helmets.

PAN Allotment Process

PAN (Permanent Account Number) allotment process will undergo a change from February 3, 2014. The official release mentioned that an applicant of PAN will have to submit self-attested copies of Proof of Identity (POI), Proof of Address (POA) and Date of Birth (DOB) documents.
The applicant will also have to produce the original documents for verification at the counter of PAN facilitation centres.
The POI, POA and DOB documents attached with the application PAN form will be verified with their original documents at the time of application submission.

World's largest Solar Power Project

Six state-owned companies have come together to set up the world's largest single location 4000 MW ultra mega solar power project in Rajasthan.
The joint venture company will have equity participation of 26 per cent from BHEL, 23 per cent from SECI (Solar Energy Corporation of India), 16 per cent from SSL (Sambhar Salt Ltd.), 16 per cent from Power Grid, 16 per cent from SJVNL (Satluj Jal Vidyut Nigam) and 3 per cent from REIL (Rajasthan Electronics & Instruments Ltd.).
Conceived in August last year, it took five months for the project to come to the MoU stage.
The memorandum of understanding (MOU) will need to get the approval of the Cabinet minister of heavy industries and public enterprises Praful Patel. The project will come up on 19,000 acre of surplus land available with SSL in Sambhar, Rajasthan. The equipment will be supplied by BHEL, power evacuation by Power Grid, sale of electricity by SECI, operation and maintenance by REIL and project management by SJVNL.

Indonesian Government announced to build new sanctuary to save World's rarest Javan Rhinos

Indonesian Government announced to build a new sanctuary to save World's rarest Javan rhinos. The new sanctuary will be carved out of the Ujung Kulon National Park. Ujung Kulon National Park, a UNESCO World Heritage Site, is situated on the western tip of Indonesia's main island of Java.
It will encompass 12,600 acres of lush rainforest, freshwater streams and mud holes in the park. In Indonesia, Javan rhinos are locally termed as Abah Gede or the Great Father.
As per the latest report of the International Union For Conservation of Nature (IUCN), decline in the strength of rhino's had reached to the level of extinction. There are thought to be only around 50 of the rhinos in existence. Poaching in particular represents a severe threat with rhino horns used in traditional Asian medicine. It fetches higher prices in the black market despite a lack of scientific evidence showing horn has any medicinal value.
Recently, Asia has stepped up efforts to save the region's dwindling rhino populations. There was a conference held in October 2013 with representatives from several countries on the issue in the western Indonesian island of Sumatra. Countries including Indonesia, Nepal and India, pledged to take steps to increase their rhino populations by three percent annually.

Pakistan's Sharia Court gets first Woman Judge

For the first time in its history, a 56 year old female judge was sworn in as Pakistan's national Sharia Court, which hears cases under the Islamic legislation. The court was established in 1980 during the rule of military dictator Ziaul Haq as part of his policy towards Islamisation of Pakistan's institutions. The law is also known as the 'Hudood Laws', which run parallel to the penal code. Chief Justice of the Shariat court Agha Rafiq Ahmed said, "I took the initiative as it would send the message in the world that we are enlightened people and would dispel many misconceptions."