General Knowledge
GK Notes – February

Economy/Business

Rules Set To Revitalise Distressed Assets

The Reserve Bank of India (RBI), issued guidelines for revitalising distressed assets by forming Joint Lenders' Forum (JLF) and adoption of Corrective Action Plan (CAP) for operationalising the framework. The RBI suggested JLF/CDR to consider several options, including the possibility of transferring equity of the company by the promoters to the lenders "to compensate for their sacrifices" when a loan is restructured.

The RBI suggested infusion of more equity into their companies by promoters and transfer of their holdings to a security trustee or an escrow arrangement till the turnaround of the company. "This will enable a change in management control, should lenders favour it," it said. Banks would be required to report credit information, including classification of an account to Central Repository of Information on Large Credits (CRILC), on all their borrowers having aggregate fund and non-fund based exposure of Rs.5 crore and above with them.

Mahila Bank, New India Assurance Sign Pact

Bharatiya Mahila Bank (BMB), signed a memorandum of understanding (MoU) with New India Assurance Company to deliver three unique innovative health insurance policies for women account holders of the bank.

The policies — BMB-Sakhee, BMB-Nirbhaya and BMB-Parivar Suraksha — provide customised health insurance package for women. Sakhee, aims at rural women and those in the unorganised sector, offers a cover up to Rs.50, 000 an year; the Nirbhaya scheme offers cover limit up to Rs.5 lakh, and will include insurance for accidental situations unique to women, particularly working women. Parivar Suraksha covers the family of the woman account holder of the bank.

Joint Liability Group Formed by NABARD

National Bank for Agriculture and Rural Development (NABARD) announced to form a new concept called Joint Liability Group (JLG).

JLG aims to provide institutional credit to small farmers like share croppers, oral lessees and agricultural labourers. JLG scheme will be highly beneficial for states like Punjab and Haryana where average land holdings are shrinking and strength of such farmers is large in these states. A Joint Liability Group (JLG) is an informal group comprising preferably of 4 to10 individuals but can be up to 20 members, coming together for the purposes of availing bank loan either singly or through the group mechanism against mutual guarantee. The JLG members would offer a joint undertaking to the bank that enables them to avail loans. The JLG members are expected to engage in similar type of economic activities like crop production.

New Bank Licences

Bimal Jalan Committee submitted its report on new bank licenses to the Reserve Bank of India (RBI). The report contains names of entities eligible for bank licences. The committee was constituted by RBI under the chairmanship of Bimal Jalan to examine the criteria, business plans and corporate governance practices of applicants applying for new bank licenses.

There are around 25 players in the group to get bank license, among them primarily are Public sector units, India Post and IFCI and private sector Anil Ambani group and Aditya Birla group. Bajaj Finance, Muthoot Finance, Religare Enterprises and Shriram Capital have also applied.

In the past 20 years, the RBI has licensed 12 banks in the private sector in two phases. Ten banks were licensed on the basis of guidelines issued in January 1993. Kotak Mahindra Bank and Yes Bank were the last two entities to get banking licenses from the RBI in 2003-04.

New CSR Rules

Union Ministry of Corporate Affairs notified new Corporate Social Responsibility (CSR) rules for companies. The new CSR rules will become effective from 1st April, 2014.

The new rules give effect to Section 135 and Schedule VII of the Companies Act, 2013, which relate to CSR related spending by companies. The new rules mandate that Companies having huge profits would have to spend at least 2% of profits on the CSR activities which in turn would be used for the benefits of the society.

Companies having minimum of Rs. 500 crore net worth or Rs. 5 crore as net profit or Rs. 1000 crore turn over are mandated to spend 2% on CSR activities. However, while undertaking net profit criteria, profits from overseas branches and dividends received from other companies in India will be excluded.

Launch of Electric Car e2o

Mahindra and Mahindra Ltd. launched electric car e2o in Thimphu, Bhutan. The company has also signed an MoU with the Government of Bhutan for a strategic partnership to promote the usage of electric vehicles in the Kingdom of Bhutan.

The e2o has is the future ready all electric zero emission urban mobility solution and its launch in the country is a part of the commitment of the company with Bhutan to partner with its vision to create a sustainable, clean and green society. As per the signed MoU, Mahindra will establish infrastructure and set up of service stations for swappable batteries for the customers of the car.

General Awareness

Union Cabinet Approved Coal Regulatory Authority

The Union Cabinet approved the setting up of Coal Regulatory Authority (CRA). The proposal for setting up CRA was made by the Union Coal Ministry.

It will be empowered to specify the principles and methodology to determine the price of raw and washed coal and any other by-product generated during washing. The regulator will not have the power to decide the price in the domestic market, and Coal India will continue to enjoy its freedom to set the rates. The regulator will also have no say in the allocation of coal acreages.

It will not have the powers and functions that are vested with the Coal Controller under the present law.
Powers, such as the settlement of disputes over quality, will be transferred to the regulator once the bill is
passed.

However, it will regulate testing methods to declare grades or quality, specify the procedure for automatic sampling and adjudicate upon disputes. It will also monitor the closure of mines and the approval of mining plans.

Angela Merkel Awarded Israel's Highest Honour

German Chancellor Angela Merkel received Israel's highest civilian honour for her "unwavering commitment" to the country. President Shimon Peres awarded Merkel with the Presidential Medal of Distinction in a ceremony at the President's Residence in Jerusalem.

Past recipients of the medal include U.S. President Barack Obama, former U.S. President Bill Clinton and former Secretary of State Henry Kissinger, as well as Israel Philharmonic Orchestra director Zubin Mehta and Holocaust survivor and human rights activist Elie Wiesel.

India's Largest Solar Power Plant

Narendra Modi unveiled the country's and perhaps Asia's largest solar power plant at Diken in Jwad area of Neemuch district of Madhya Pradesh. he 151 (DC) MW project operated by leading power generating company Welspun Energy Limited (WEL) has been commissioned eight months ahead of schedule and is expected to cater to power needs of 6.24 lakh homes in the state, besides mitigating over 2.16 tonnes of carbon emission annually.

Economy/Business

Economic Growth for 2012-13 Lowered

The Union Government of India announced that economy might have expanded by 4.5 percent in fiscal year 2012-13 when compared to the previous estimate of 5 percent in account of subdued performance in agriculture, mining and manufacturing. However, as per the estimates of National Income, Consumption Expenditure, Saving and Capital Formation, the Gross Domestic Product (GDP) growth in 2011-12 has been revised upwards to 6.7 percent from 6.2 **percent. Growth in 2012-13 is the lowest of the decade with previous low of 4 percent that was recorded in 2002-03.**
The revised estimates for 2012-13 estimated the primary sectors including agriculture, mining, quarrying and fishing has grown by one percent against the previous estimate of 1.6 percent. About the secondary sector that includes manufacturing, electricity, gas, water supply and construction has gone down by 1.2 percent from the previous estimate of 2.3 percent.

Visa on Arrival

India extended the facility of visa on arrival for the tourists of 180 nations after barring tourists of eight nations. The decision was made in order to boost tourism activity in the country.
The electronic Visa offered to the tourists would be valid for a period of 30 days from the date of their visit to India.
To receive the electronic version of the visa, the tourists will have to apply in the designated website with the required fees, which would be granted within three days.

The countries, who have been barred from the facility includes

- Pakistan
- Sudan
- Afghanistan
- Iran
- Iraq
- Nigeria
- Sri Lanka
- Somalia

FDI Proposal of Rs. 10141 crore Approved

The Cabinet Committee on Economic Affairs (CCEA) approved Vodafone's FDI proposal of buying out minority shareholders in its Indian branch for Rs. 10141 crore. This will be the single largest foreign investment in the telecom sector in India. Also, Vodafone has become the first

telecom operator to be fully owned by a foreign firm since the government allowed 100 percent FDI in the telecom sector in 2013.
In December 2013, the FDI proposal of Vodafone was cleared by the Foreign Investment Promotion Board (FIPB).
As per the proposal Vodafone was to buy the remaining outstanding shares from minority shareholders Ajay Piramal and Analjit Singh. Piramal holds 10.97 percent stake in Vodafone India, while Analjit Singh, who is Vodafone India's non-executive chairman, holds 24.65 percent. Vodafone Group Plc will pay Analjit Singh Rs. 1241 crore and Piramal Enterprises Rs. 8900 crore for their stakes in Vodafone India as part of the proposal. At present, Vodafone holds 64.38 percent stake in the CGP India, an indirect Mauritian subsidiary of Vodafone International Holdings BV Indian unit.

General Awareness

NSA Gets New Director

Michael Rogers has been nominated as the Director of National Security Agency by the US President. His name was announced by Defence Secretary of the US. The Defence Secretary also announced the name of Rick Ledgett as the new Deputy Director of NSA who is at present its Chief Operating Officer. Vice Admiral Michel Roger will succeed Keith Alexander who served as the Director of NSA for almost nine years. Michel Roger will take the charge as Director of NSA in March 2014.

India's First Monorail Service

The Mumbai monorail was inaugurated by Maharashtra's Chief Minister Prithviraj Chavan and Deputy Chief Minister Ajit Pawar. The monorail service that will link the city to major stations will begin its first phase of 8.93 km between Wadala and Chembur in the eastern fringes of the commercial capital.
The second phase of the 3,000 crore rupees monorail project that will be extended to Sant Gadge Maharaj Chawk in South Mumbai is expected to be operational by mid 2015. The first phase of the monorail will cover seven stations between Chembur and Wadala, which are Wadala depot, Mysore Colony, Bhakti Park, Bharat Petroleum, V.N. Purav Marg, Fertiliser Colony, and Chembur. The second phase (to be completed in 2015) will cover a distance of 11.2 km and will include the following 11 stations: Chinchpokli, Chembur Naka, Wadala Bridge, Mint Colony, Acharya Atra Nagar, Antop Hill, Wadala, GTB Nagar, Fertilizer Company and Bharat Petroleum.

New MD and CEO of MCX

Manoj Vaish took charge as the Managing Director (MD) and Chief Executive Officer (CEO) of Multi Commodity Exchange of India Ltd. (MCX). Forward Markets Commission (FMC) the commodity markets regulator approved the appointment of Vaish. His appointment is for a period of three years. His appointment came following the step down of Shreekant Javalgekar in October 2013 as the Managing Director and CEO of MCX following the 5600 crore rupees scam related to National Spot Exchange Limited (NSEL). At the time of appointment, Vaish was the Managing Director of NSDL Database Management. Between 1998 and 2004, he served as the executive director of the BSE and CEO of financial services research firm Dun & Bradsheet.

Vivek Lall Appointed as Special Advisor

Renowned aerospace and cyber security expert Vivek Lall has been appointed as a special advisor to the United Nations, a role in which he will steer the multi-nation body frame policy and its implementation in the area of broadband and associated cyber security issues.
Lall, who is currently President and CEO of Reliance New Ventures Ltd. had been actively engaged in the India-US dialogue in various fields such as defence, aviation, aerospace and cyber security. He will be working with the President of the General Assembly, John W. Ashe, for the implementation of this policy. The objective of the UN is to design, develop and deploy a cyber security strategy that will identify the unique challenges within the global community and provide services that will help to address them in an efficient and cost effective manner.

Economy/Business

Production of Maruti 800 Stopped

Maruti Suzuki India Limited (MSIL) announced that it has stopped the production of the iconic car brand Maruti 800. The spare parts of the car will be available in the market for next 8 to 10 years as per the rules, even after the production was stopped.
The sale of the car was stopped in 13-cities in April 2010 including Bangalore, Hyderabad, Kanpur and Pune.
It was launched in India in early 1980s. At the time of its launch, it was priced at Rs. 50,000 only and at the time of closure of production it was priced at Rs. 2.35 lakh.

NABARD Sanctions Loans

National Bank for Agriculture and Rural Development (NABARD) sanctioned loans worth more than Rs. 19,100 crore to states for agriculture and allied activities. The loans were sanctioned under the Rural Infrastructure Development Fund (RIDF) till last week. In 2013-14 Budget, the government had allocated NABARD Rs. 20,000 crore for agriculture and allied activities.
In its last meet, NABARD sanctioned Rs. 6,000 crore in loans for 33 projects under agricultural and allied sector, 250 and 804 projects under the rural connectivity sector and the social sector, respectively. Recently, NABARD decreased the refinance rate by 0.20 per cent for state cooperative banks and regional rural **banks as well as primary urban cooperative banks.**

Indian Economy to Grow at 4.9 percent

The Indian economy is expected to grow by 4.9 percent in the financial year ending March 31, 2014 as compared to 4.5 percent expansion recorded in the previous year.
The country's Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices in 2013-14 is likely to be Rs. 57.5 lakh crore as compared to Rs. 54.8 lakh crore in the previous year, registering year-on-year increase of 4.9 percent.
The government had recently lowered the economic growth number for 2012-13 to 4.5 percent from the earlier projection of 5 percent.
For the current fiscal, the sectors which are expected to register more than five percent growth are financing, insurance, real estate and business services, community, social and personal services; and electricity, gas and water supply.
The agriculture sector is expected to grow at 4.6 percent, manufacturing is projected to contract by 0.2 percent and mining output will drop by 1.9 percent year-on-year in 2013-14.

India and Netherlands Signed a MoU

India and Netherlands signed a Memorandum of Understanding (MoU) for intensifying cooperation on renewable energy. The MoU will encourage cooperation not only at the official and governmental levels but also between leading Indian and Dutch private companies and research institutions.
India plans to add over 30 GW of renewable energy to its energy mix in the next 5 years. India and Netherlands have great potential for enhancing cooperation in promoting renewable energy and offered to provide all possible assistance for the purpose.

General Awareness

Cabinet Cleared Telangana Bill

Union Cabinet cleared the Telangana Bill with minimum changes in it and decided that Hyderabad will not get the status of a Union Territory. The leaders of Seemandhra demands included grant of a Union Territory to Hyderabad. This clearance of the Telangana Bill has paved the way for introduction of it in the Parliament.
Now, the Bill will be sent to the President of India for his consent and then will be placed in Rajya Sabha in the present form and the government will move 32 amendments. The amendments include some administrative aspects of the bifurcation of the state.
The Bill, which was sent back by the Andhra Pradesh Legislature after its discussions in two Houses, got the nod at its special meeting held in New Delhi. The Cabinet has also decided not

to accept the demand of the Seemendhra region for making Hyderabad a Union Territory. As earlier decided, Hyderabad will remain as the joint capital of both the states for a maximum period of 10 years after that it will belong to Telangana.

Hong Kong Police Dismantled 'Biggest' World War II Bomb

Hong Kong police successfully dismantled the largest World War II bomb found in the city after its discovery on a construction site, 2,260 people were evacuated.
The nearly one-tonne US Navy ANM66 bomb was discovered by building workers in the Happy Valley district, near the city's famous downtown racing track. Bomb disposal experts took 15 hours to remove the live explosives from the bomb.

Sangakkara Became Second Cricketer to Hit Triple Century and a Century in the Same Match

Kumar Sangakkara became the second person in the history of cricket to score a triple century and a century in the same test match. By performing the rare record, he joined Graham Gooch, the former skipper of England team.
He achieved this by scoring 319 runs in the first inning of the match and 105 runs in the second innings. He achieved this record, while playing in the second test match against Bangladesh. But he failed to break the record of most runs in a Test match of Gooch by 32 runs as in 1990. Gooch scored 333 and 123 runs in two innings.

New Chairman of CBDT

The Appointments Committee of the Cabinet (ACC) approved the appointment of R. K. Tiwari. R. K. Tiwari succeeds Chairperson Sudha Sharma as the new chairman of Central Board of Direct Taxes (CBDT). Mr. Tiwari is a 1976-batch Indian Revenue Service (IRS) officer. He is currently working as the Member of Legislation and Computerisation Department in the CBDT.

About CBDT

CBDT is a part of Department of Revenue in the Ministry of Finance. The Central Board of Direct Taxes is a statutory authority functioning under the Central Board of Revenue Act, 1963. CBDT is a seven-member body including the Chairman, and it is an apex authority for policy planning and administrative control over the IT department and collection of direct taxes in the country.

Punjab and Sind Bank Gets New CMD

The Appointments Committee of the Cabinet (ACC) under the Union Government has approved the appointment of Jatinder Bir Singh as Chairman and Managing Director of Punjab and Sind Bank (PSB). He will succeed D. P. Singh Jatinder Bir Singh is 1983-batch IAS officer of Assam-Meghalaya cadre.
Prior to this, Singh was an Additional Secretary in the Ministry of Water Resources.

PSB was set up in 1908. Punjab & Sind Bank (PSB) is a major public sector bank in Northern India and working 100 percent on CBS platform. The bank’s government shareholding is 79.86 percent. Of its 1249 branches and offices spread throughout India, almost 515 are in Punjab state.

Justice Mukul Mudgal - Chief of BCCC

Justice Mukul Mudgal, former Chief Justice of Punjab & Haryana High Court, was appointed as the chief of the Broadcast Content Complaints Council (BCCC). The appointment was approved by the Indian Broadcasting Foundation (IBF). Justice Mudgal will replace Justice A. P. Shah, former Chief Justice of Delhi High Court who has been appointed as head of the Law Commission of India.

About BCCC

BCCC is an independent complaint redressal system established in June 2011 by the IBF - an apex body of
broadcasters. The Council is a thirteen member body consisting of a Chairperson who is a retired Judge of
the Supreme Court or a High Court.

Economy/Business

Air Costa to Buy 50 Embraer Jets

Vijayawada-based airline Air Costa signed an agreement with Brazil-based Embraer for 50 Embraer Jets E2s.
The deal has an estimated value of 2.94 billion dollars.
The acquisition of aircrafts is a mix of 25 E190-E2s and 25 E195-E2s with an additional purchase rights for 50 aircrafts bringing the total potential order up to 100 aircrafts and can reach 5.88 billion dollars if all are exercised. Air Costa become the first customer of E-Jet E2s in the Indian market and will take delivery of the E190-E2 in 2018 and the E195-E2 is scheduled to enter service in 2019.
Embraer S.A is the world's largest manufacturer of commercial jets up to 130 seats and is one of Brazil's leading exporters. Air Costa currently operates a fleet of four aircrafts in the southern Indian cities of Bangalore, Hyderabad, Chennai and other cities. The airline, which started operations in October 2013, is a part of the privately held LEPL Group, a diversified company with interests in property development and infrastructure projects.

Import Tariff Value on Gold and Silver Raised

Union Government raised the import tariff value on gold and silver. The gold tariff has been raised to $421 US per 10 grams and silver is $663 US per kilogram considering the global prices.

The Central Board of Excise and Customs (CBEC) issued notification of the tariff value on imported gold and silver. Gold is the second largest import item in India after petroleum. The gold imports declined as government has taken several measures to curb shipment of jewels/gold to reduce the high current account deficit.

Interim Union Budget 2014-15 Tax Proposal

Interim Budget 2014-15 was presented in the Lok Sabha by Union Finance Minister, P. Chidambaram. This was the 83rd budget of the Union Government and 9th personal budget by Chidambaram as Finance Minister.
In the union budget 2014-15, the Finance Minister left the direct taxes untouched.
Following changes in some indirect tax rates are proposed:
• States to partner in development so as to enable the Centre to focus on Defence, Railways, National Highways and Telecommunication.
• The Excise Duty on all goods falling under Chapters 84 and 85 of the Schedule to the Central Excise Tariff Act is reduced from 12 percent to 10 percent for the period up to 30 June, 2014. The rates can be reviewed at the time of regular budget.
• To give relief to the Automobile Industry, which is registering unprecended negative growth, the excise duty is reduced for the period up to 30 June, 2014 as follows:
    • Small Cars, Motorcycle, Scooters and Commercial Vehicles from 12% to 8%
    • SUVs from 30% to 24%
    • Large and mid-size cars from 27/24% to 24/20%

Gross NPAs of Listed Banks during the First Three Quarters of 2013-14

The gross non-performing assets (NPAs) of listed banks rose 35.2 percent to 2.43 trillion rupees during the first three quarters of the current financial year 2013-14. Stressed loans of listed banks rose to 50 percent for the calendar year 2013, even as the banks struggle to recover their dues and restructure loans.
Bad loans stood at Rs. 138613 crore for December 2013 against Rs. 92398 crore in December 2012.
Among the listed banks, SBI had the highest share of gross NPAs at Rs. 67799 crore followed by PNB at Rs. 16596 crore rupees and Bank of Baroda at Rs. 11926 crore. ING Vysya's net NPAs increased the most at 359 percent followed by Bank of Maharashtra at 352 percent.

WhatsApp Acquired by Facebook

Social media giant Facebook Inc acquired WhatsApp a mobile messaging company for 19 billion dollars in a cash and stock deal.

Agreement

WhatsApp co-founder and CEO Jan Koum will join Facebook Board of Directors.
• The acquisition will not impact the WhatsApp's brand, which will be maintained and the company's headquarters will remain in California's Mountain View.

• WhatsApp's core messaging product and Facebook's existing messenger app will continue to operate as standalone applications.

General Awareness

Cricketer of the Generation award

Indian batting icons Sachin Tendulkar and Virendra Sehwag were nominated amongst the nominees for the ESPNcricinfo@20 Cricketer of the Generation award.
The two new special awards - Cricketer of the Generation and Contribution to Cricket will add to the six categories announced earlier. The award ceremony will be held in Mumbai in March 2014.

Other nominees for the award are:

• Shane Warne
• Braine Lara
• Muttiah Muralitharan
• Jacques Kallis

The finest player of the last 20 years to be honoured with this award will be judged by a 50-member jury of current and former cricketers along with sportswriters. This is the ESPNcricinfo's 20th anniversary celebration.
Former Indian captain, Rahul Dravid will nominate the winner of the Contribution to Cricket award and under this every person who has contributed to cricket in all forms will be considered and includes pitch curators, grounds men, umpires to grassroots organizers or a person who has made a positive impact on the game.

The longest Underwater Tunnel of the World

China announced a plan to build the longest underwater tunnel of the World. Water tunnel will be constructed beneath the Bohai Sea. The 123-km long underwater tunnel will connect the port cities of Dalian in Liaoning province and Yantai in Shandong province. The project will cost 36 billion dollars to construct the shortcut between the two northern port cities in an earthquake-prone region. The work on the tunnel is expected to start from 2015 or 2016 and is expected to be completed by 2026. Once complete, it would drastically cut the current travel time between the two cities to about 40 minutes, which are currently separated by a 1400-km drive or about eight hours by ferry.

The US and Finnish Companies Selected to Destroy Remaining Chemical Weapons of Syria

The Organisation for the Prohibition of Chemical Weapons (OPCW) selected two US and Finnish companies to help in destroying Syria's chemical arsenal. This is the part of an ambitious plan to destroy all the chemical arsenal of Syria by 30 June, 2014 that has suffered a string of setbacks.
The two companies were chosen from 14 bids floated from around the world to destroy the remainder of the chemicals arsenal of Syria. Finland's company **Ekokem** and the US subsidiary of French company **Veolia Environment** would destroy chemical weapon ingredients as well as some effluent left over from destruction activities aboard a US ship. Hydrolysis systems aboard the US ship Cape Ray are to mix the chemicals with heated water and other chemicals to break down the lethal agents resulting in a sludge equivalent to industrial toxic waste.
Syria has declared around 700 tonnes of most dangerous chemicals, 500 tonnes of less dangerous precursor chemicals and around 122 tonnes of isopropanol, which can be used to make sarin gas. The OPCW and the United Nations are participating in a joint mission overseeing the destruction of Syria's chemical weapons programme under a UN resolution 2118 approved in August 2013.

The Telangana Bill

Capping months of tumult in and outside Parliament, the Lok Sabha approved amid protests the contentious bill for the creation of Telangana after the BJP lent its support. The Bill, approved by voice vote in less than 90 minutes, was passed even as the Lok Sabha TV, curiously went blank for the entire duration, evoking sharp reaction from opposition parties. The Bill will now go to the Rajya Sabha where the BJP plans to move amendments to address “concerns” of Seemandhra. If the Bill goes through in the Upper House, Telangana will become the 29th State of the country.

Coal Regulator Gets Cabinet Approval

The Union Cabinet has cleared the coal ministry’s proposal for setting up a regulator through an executive order for the coal sector. The regulator will not have statutory powers and will have no say in pricing of the fuel or allocation of captive blocks. The aim of setting up the watchdog is to contain the muck in the coal sector, which is currently dogged by controversies in allocation of coal blocks. The regulator for the coal sector would be set up through an executive order. The regulator will be empowered to specify the principles and methodology for determination of price of raw coal and washed coal and any other by-product generated during washing. The regulator will also regulate methods for testing for declaration of grades or quality of coal, specify procedure for automatic coal sampling and adjudicate upon disputes between the parties besides monitoring closure of mines and approval of mining plans, among other things.