

Business/Economy

RBI Will Decide NPA Guidelines Rules

The High Court of Gujarat restored the power of the Reserve Bank of India to decide the period after which the bad loan can be called as a non-performing asset (NPA).

The decision of the Parliament to take away the power from RBI to decide NPA guidelines was termed wrong by the High Court. RBI was the regulator for the banking, non-banking institutions and securitisation agencies for deciding the period after which the loans can be treated as the NPA till the amendment in 2004 to the Act.

After the amendment, the financial institutions were freed to decide their own regulations for NPA, which was decided separately by each firm.

RBI in 2004 set the NPA period

For banks – 90 days

For Non-Banking Financial Companies – 180 days

The ruling of the High Court came on the petitions filed by several defaulters of banks and NBFCs questioning every institution deciding its own NPA period. They claimed it a violation of right to equality.

SARFAESI (Securitization and Reconstruction of Financial Assets and Enforcement of Securities) Act, 2002 gives powers to seize and desist to the banks under which the banks need to send a notice in writing to the defaulting borrower requiring him to discharge its liabilities within 60 days. In case the borrower fails to comply with the notice than the bank can take recourse to one or more following reasons:

- Take possession of the security for the loan
- Sale or lease or assign the right over the security
- Manage the same or appoint any person to manage the same

GMR Infrastructure Signs Agreement for Philippines Airport

GMR Infrastructure has made an upfront 14.4 billion Philippine Pesos (about USD 320 million) payment and signed the concession agreement to develop and operate the Mactan Cebu International Airport in the Philippines. GMR, together with Philippines based construction firm Megawide, had won an international bid to develop and operate the Mactan Cebu International Airport (MCIA). The project is estimated to cost about USD 700 million.

The GMR-Megawide Consortium paid an amount of Philippine Pesos 14.4 billion (approximately USD 320 million) to the Mactan Cebu International Airport Authority in the Philippines as upfront premium for award of the concession of the MCIA. Following the receipt of payment, the Department of Transportation and Communications (DOTC) and Mactan Cebu International

Airport Authority signed the concession agreement with the GMR Megawide Consortium. The GMR-Megawide consortium had emerged as the highest bidder in the international bidding process held in December 2013 for the project after submitting a bid of PHP 14.4 billion. The DOTC had formally issued the Letter of Award to the GMR consortium in April 2014.

Indian Alphonso Mangoes banned in European Union

The 28-nation bloc European Union (EU) has imposed a temporary ban on the import of Alphonso mangoes, the king of fruits, and 4 vegetables from India effective from May 1, 2014. The move by EU has led to protests from the Indian community, legislators and traders. The temporary ban includes Alphonso mangoes, eggplant, taro plant, bitter gourd and snake gourd, and prohibits the import to tackle the deficiency in the sanitary certification system of such products exported to the EU.

The EU's Standing Committee on Plant Health decided to impose the ban after 207 consignments of fruits and vegetables from India imported into the EU in 2013 were found to be contaminated by pests such as fruit flies and other quarantine pests. As per the Committee, the potential introduction of new pests could pose a threat to EU agriculture and production.

Uniform Accounting Norms for Asset Reconstruction Companies Issued

The Reserve Bank of India issued uniform accounting standards for Asset Reconstruction Companies (ARCs).

The norms were issued with regard for acquiring non-performing loans, recognising revenue and management fees to ensure common treatment for firms.

The guidelines issued by RBI on uniform accounting standard for ARCs are as under:

Acquisition cost (Pre and post-acquisition)

- **Revenue Recognition**
- **Valuation of Security Receipts (SRs)**

Nokia Handset Business Acquired by Microsoft

Microsoft, the US software giant completed the acquisition of Nokia's mobile handset business, excluding the Nokia's Chennai factory. This exclusion of the Finnish firm's largest manufacturing facilities of Chennai plant will continue to operate under Nokia on a service contract for Microsoft. In September 2013, the Finnish handset maker Nokia agreed to sell all of its Devices and Services (D&S) business to Microsoft.

Nokia's Chennai plant

The Chennai plant employs about 8000 workers, which is equivalent to about a third of Nokia's 25,000 staffs who are being transferred to Microsoft although they will remain on the rolls of the Finnish firm.

Goldman Prize for Environmental Activist Ramesh Agrawal

Six environmental advocates from India, Peru, Russia and three other countries have won this year's Goldman Prize, which is awarded for grass-roots activism. India's Ramesh Agrawal received the prize for helping villagers fight coal mining in Chhattisgarh. Peru's Ruth Buendia was recognised for helping to prevent two dams in the Peruvian Amazon, while Russian zoologist Suren Gazaryan won for defending protected areas from Olympic development in Sochi.

The foundation said American lawyer Helen Slottje was selected for helping to shut down fracking in New York State, South Africa's Desmond D'Sa was selected for closing a toxic dump site in Durban, and Indonesian biologist Rudi Putra for shutting illegal palm oil plantations in Sumatra.

Agreement on Development of Hydropower Projects Signed between India and Bhutan

India and Bhutan signed an agreement for the development of hydropower. The inter-governmental agreement provides framework for implementing four hydroelectric projects (HEP) totalling to 2120 MW on a joint venture model between public sector undertakings (PSU) of India and Bhutan.

The four projects are

- 600 MW Kholongchu project
- 180 MW Bunakha project (with 230 MW downstream benefit from Tala, Chukha and Wangchu HEPs)
- 570 MW Wangchu project
- 770 MW Chamkarchu project

Three hydro-electric projects (HEPs) totalling 1416 MW are already operational in Bhutan and are supplying electricity to India. The projects are Chukha project (336 MW), Kurichu project (60 MW) and Tala project (1020 MW). Other three HEPs totalling 2940 MW are under construction and are scheduled to be commissioned by 2018. The projects are Punatsangchu-I project (1200 MW), Punatsangchu-II project (1020 MW) and Mangdehchu project (720 MW).

Cadbury Renamed as Mondelez India Foods Limited

Cadbury India Ltd. a subsidiary of Mondelez International Inc, has changed its name to Mondelez India Foods Limited. The change in the name of Cadbury is in line with the gradual changeover of the name of all subsidiaries of the Nasdaq-listed \$35-billion firm globally. The change in company's name will have no impact on the names or packaging of its popular products like Cadbury Dairy Milk, 5 Star, Gems, Bournville, Perk, Celebrations, Choclairs, Halls, Bournvita, Tang and Oreo, which will continue to be sold under the same brand names as before. The only change consumers will experience is that the new name of the company will appear on the back of packaging of products.

Dissolution of Andhra Pradesh Assembly Gets Approval

President Pranab Mukherjee gave his approval for dissolution of the Andhra Pradesh assembly and a fresh proclamation for central rule in the state. President's rule was imposed in Andhra Pradesh after N. Kiran Kumar Reddy resigned as Chief Minister following the parliament's nod for bifurcation of the state to create separate Telangana.

The President's nod came after the Union Cabinet had recommended dissolution of the state assembly and proclamation of President's rule there beyond 30 April, circumventing the need for convening a special session of Parliament to ratify the proclamation. Centre's decision came following a report of Andhra Pradesh Governor who appraised the Centre of the prevailing situation in the state. The move will help Centre gain two more months before approaching Parliament for the mandatory ratification of President's rule in Andhra Pradesh. Assembly elections in Andhra Pradesh are being held along with the Lok Sabha polls.

Rajeev Suri Named President and CEO of Nokia

Nokia Corp. announced that its board has appointed Rajeev Suri as President and Chief Executive Officer.

Risto Siilasmaa, who has also been serving as an interim CEO, will return to focusing exclusively on his role as Chairman of Nokia's Board of Directors. Nokia named Rajeev Suri as President and CEO of Nokia, Timo Ihamuotila as Executive Vice President and Group Chief Financial Officer, Michael Halbherr as CEO of HERE, Henry Tirri as Executive Vice President, and acting Head of Technologies, Samih Elhage as Executive Vice President and Chief Financial and Operating Officer of Networks Nokia also announced the appointment of Hans-Juergen Bill as Executive Vice President of Human Resources, Barry French as Executive Vice President of Marketing and Corporate Affairs, and Maria Varsellona as Executive Vice President and Chief Legal Officer.

Justice R. M. Lodha Sworn in as Chief Justice of India

Justice Rajendra Mal Lodha was sworn in as the 41st Chief Justice of India. The oath was administered by the President of India, Pranab Mukherjee. Justice Lodha will have a brief tenure of five months as the Chief Justice as he will retire on 27th September, 2014. Justice Lodha

took over the office from Justice P. Sathasivam, who served as Chief Justice of India from July 2013 to April 2014.

New Interceptor Missile Named Prithvi Defence Vehicle Test-fired Successfully

India successfully test-fired an exo-atmospheric interceptor missile, called Prithvi Defence Vehicle with capability to neutralise any long-range missile at higher altitude. This interceptor was test-fired for the first time from launch pad-IV of Integrated Test Range at Wheeler Island. The exo-atmospheric interceptor missile is a part of India's efforts to create a shield against incoming enemy missile. In the process of testing, it successfully intercepted an incoming ballistic missile a modified variant of the Prithvi fired from a ship off the coast near the integrated test range at Chandipur-on-sea in Balasore district, about 70 km from Wheeler Island. Before this, the Prithvi Air Defence interceptor missile had already demonstrated its killing capability at an altitude of 50 km and 180 km. Till date the Defence Research and Development Organisation (DRDO) had successfully test-fired six interceptor missiles developed by it.

Business/Economy

World Bank Projects 5.7% Growth for India in 2014-15

The World Bank projected an economic growth rate of 5.7 per cent in 2014-15 for India on the back of a more competitive exchange rate and many large investments going forward. Another multilateral agency IMF had forecast that Indian economy would recover from 4.4 per cent growth in 2013 to 5.4 per cent in 2014. The estimate triggered a rally on Indian bourses, with BSE benchmark sensex surging close to 360 points to alltime closing high of 22,702.34.

The Indian rupee, which plunged to all-time low of 68.85 in August last year, has since then recovered to trade in 60-levels against the US dollar. The International Monetary Fund (IMF) had also cited export competitiveness as a reason for possible growth recovery.

South Asian countries — Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka — appeared to have largely recovered from last year's financial turmoil caused by changes in US Federal Reserve monetary policy.

Piramal to Sell Vodafone India Stake for Rs. 8,900 crore

Piramal Enterprises said it will sell its 11 per cent stake in Vodafone India to the UK based telecom giant for Rs. 8,900 crore. The company has agreed to divest its entire equity stake comprising 45,425,328 shares (11 per cent), in Vodafone India Ltd. to Prime Metals, an indirect subsidiary of Vodafone Group Plc, for a total consideration of Rs. 8,900 crore, The company has valued the shares of Vodafone India Ltd. at Rs. 1,960 per share. Piramal had acquired Vodafone India shares at an average price of Rs 1,290 per share for a total consideration of Rs. 5,864 crore in two tranches during FY12, the company said.

India Became Net Steel Exporter after a Gap of 6 Years

India became net steel exporter in 2013-14 after a gap of six years. Total steel exports by India during the last fiscal year stood at 5.59 million tonnes (MT), as against imports of 5.44 MT according to Joint Plant Committee (JPC), a unit of the Union Steel Ministry.

Steel consumption of India grew by 0.6 percent (in 2013-14) to 73.93 MT. About 4.1 per cent higher exports and 31.3 per cent decline in imports helped India to become net exporter of steel once again. Volatile rupee and low demand-supply ratio lead to higher exports and slow domestic economy caused poor domestic demands, which resulted in lower import costs.

This trend is likely to continue in 2014-15 as both private and public producers are aiming for more export to compensate for subdued domestic demand. Rashtriya Ispat Nigam Ltd. (RINL) exported 1 lakh tonne steel last year. It now has kept target of tripling this amount in the current fiscal. Similarly, Steel Authority of India (SAIL) had registered a 30 per cent growth in exports in 2013-14 and aims to more than double the shipments to 1 MT in 2014-15.

Presently, India is the fourth largest steel maker. India had been a steel importer from 2007-08 to 2012-13.

About 60 percent of the country's total steel demand is made by the construction sector and about 15 percent is consumed by the automobile sector.

General Awareness

INS Vikrant Sold for Rs. 60 crore

The decommissioned aircraft carrier of the Indian Navy, INS Vikrant, which played an important role in the 1971 Indo-Pak war, has been sold for Rs. 60 crore. A company named IB Commercial Pvt. Ltd. won the bid in the auction process of INS Vikrant.

Earlier, the Maharashtra government had expressed its inability to maintain INS Vikrant, the Indian Navy's first aircraft carrier, which was commissioned in 1961. It was decommissioned in January 1997. In January 2014, during the hearing of a public interest litigation which opposed the plan to scrap the ship, the Union Ministry of Defence told the Bombay High Court that it had completed its operational life. While the Maharashtra government stated that to preserve it as a museum would not be viable financially.

Justice R. M. Lodha Sworn in as Chief Justice of India

Justice Rajendra Mal Lodha was sworn in as the 41st Chief Justice of India. He succeeds Justice P.

Sathasivam who had been heading the top Court since July last. At 64, Justice Lodha is the senior-most judge of the Supreme Court after Justice Sathasivam. He will have a brief tenure of five months as the Chief Justice as he is scheduled to retire on 27th September.

His name, as the next Chief Justice of India (CJI), was recommended by Justice Sathasivam. As per the Memorandum of Procedure, which governs the appointment of members of the higher judiciary,

appointment to the office of the Chief Justice of India should be of the senior most judge of the Supreme Court considered fit to hold the office. It stipulates that the law minister would, at the appropriate time, seek the recommendation of the outgoing Chief Justice of India for the appointment of his successor.

Gulzar Selected for the Dadasaheb Phalke Award 2013

The Union Ministry of Information and Broadcasting announced that legendary poet and film lyricist Gulzar was selected for the Dadasaheb Phalke Award 2013. He is the 45th winner of the Dadasaheb Phalke Award.

Sampooran Singh Kalra famous as Gulzar is a lyricist, director, screen writer, producer and poet.

The award is conferred by the government for outstanding contribution to the growth and development of Indian cinema. Gulzar was conferred by the Sahitya Akademi Award in 2002 and the Padma Bhushan in 2004.

He had won a number of National Film Awards and 20 Filmfare Awards. At the 81st Oscars in 2009, he won the Academy Award for best original song for Jai Ho with Rahman.

The Dadasaheb Phalke Award is the highest award of India in cinema. The award is given annually by the Government of India for lifetime contribution to Indian cinema. The award was introduced in 1969, to commemorate the birth centenary year of Dadasaheb Phalke.

India Born Poet Vijay Seshadri won 2014 Pulitzer

Vijay Seshadri won the prestigious 2014 Pulitzer Prize in the poetry category for his collection of poems entitled '3 Sections' published in 2013. The Pulitzer Committee described Vijay's (India-born US poet) creation '3 Sections' as a compelling collection of poems that examines human consciousness, from birth to dementia that turns witty and grave compassionate and remorseless.

The 98th annual Pulitzer Prizes in Journalism, Drama, Letters and Music was announced by Columbia University in New York. As a reward, Vijay would receive \$10000.

The prize is given in the poetry category for a distinguished volume of original verse by an American author.

With this, Seshadri became the fifth person of Indian origin to win the prestigious award. The other four Indian origin people to bag the award are:

Gobind Behari Lal in 1937 – was a science editor and was awarded in the reporting category:

Jhumpa Lahiri (Indian-American author) got Pulitzer for fiction in 2000 for her collection of stories Interpreters of Maladies. Geeta Anand (Journalist-writer of Indian origin) was awarded in 2003.

Siddhartha Mukherjee (Indian-American physician) was awarded in 2011 for his book on cancer named 'The Emperor of All Maladies: A Biography of Cancer'.

G. Rohini Sworn in as Delhi High Court Chief Justice

Justice G. Rohini was sworn in as the first woman Chief Justice of the Delhi high court. Justice Rohini, who was a judge of the Andhra Pradesh High Court, succeeds N. V. Ramana, who was elevated to the Supreme Court in February. Justice Badar Durrez Ahmed has been the acting Chief Justice since then. Justice Ramana was also from the Andhra Pradesh High Court. Lt Governor Najeeb Jung administered the oath of office to Justice Rohini. Justice Rohini is the 10th woman judge of the 40 judges in the Delhi High Court and is expected to stay for a period of four years. She enrolled as an advocate in December 1980 and later became chairman of the Andhra Pradesh State Bar Council. She was appointed a government pleader in the high court in 1995. She was appointed additional judge in 2001 and made a permanent judge in 2002.

Economy/Business

Ten More Chapters in the New Company Act

Union Ministry of Corporate Affairs notified rules for ten more chapters in the new Companies Act, 2013. The new Companies Act, 2013 that was passed by the Parliament in August 2013 came into effect in April 2014.

The new Companies Act includes 29 Chapters, 7 Schedules and 470 Sections. All the 7 Schedules were notified earlier. In February 2014, the Union Ministry of Corporate Affairs notified rules for Corporate Social Responsibility. 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. Notifications related to National Financial Reporting Authority, Sick companies, Investor and Education Protection Fund, Special courts and National Company Law Tribunal will be notified later.

Repo Rate kept Unchanged

Reserve Bank of India (RBI) in its first bi-monthly monetary policy statement 2014-15 kept the policy repo rate unchanged at 8.0%.

In the first bi-monthly monetary policy statement for 2014-15, the RBI Governor Raghuram Rajan decided to pause and not disturb status quo. The repo rate and the rate at which RBI lends money to banks remained at 8 per cent.

Other policy instruments such as cash reserve ratio also remained unchanged at 4%. The economic growth of country slipped to a decade-low of 4.5 per cent in 2012-13 and is estimated at 4.9 per cent in the current financial year 2013-14.

Thus, on the basis of an assessment of the current and evolving macroeconomic situation, the RBI decided to:

- Keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8.0 per cent

- Increase the liquidity provided under 7-day and 14-day term repos from 0.5 per cent of net demand and time liabilities (NDTL) of the banking system to 0.75 per cent
- Decrease the liquidity provided under overnight repos under the LAF from 0.5 per cent of bank-wise NDTL to 0.25 per cent with immediate effect

Japan Announced 15000 crore loan for 5 Indian Projects

Japan announced Official Development Assistance (ODA) loan for more than 15000 crore rupees for 5 Indian projects. This is the biggest amount in the history of the ODA loans ever signed in the single occasion.

Projects covered under loan are:

- New and Renewable Energy Development Project
- Micro, Small and Medium Enterprises Energy Saving Project
- Haryana Distribution System Upgradation Project
- Delhi Mass Rapid Transport System Project

The ODA has allotted 1800 crore rupees loan to the power producers under New and Renewable Energy Development Project (Phase 2). The project aims to develop solar and wind power. The ongoing project includes a loan of 220 crore rupees for solar power project in Andhra Pradesh and a loan of 1160 crore rupees for wind power projects in Andhra Pradesh, Karnataka and Gujarat.

The ODA loan pledged about 8933 crore rupees to Delhi Mass Rapid Transport System Project (phase 3).

This will facilitate in expansion of Delhi metro apart from improving transportation services. The project on completion will result in the extended length of 329.4 km.

RBI Sets Govt's Weekly WMA at Rs. 35,000 Crore for H1

The Reserve Bank capped the ways and means advances limit for the central government in the first half of the new financial year (FY 2015) at Rs. 35,000 crore per week.

The Reserve Bank may trigger fresh flotation of market loans when the government utilises 75 per cent of the ways and means advances (WMA) limit. The second half limit will be fixed in September.

The Reserve Bank would retain the flexibility to revise the limit at any time, in consultation with government, taking into consideration the prevailing circumstances.

The interest rate on WMA/overdraft will be 2 per cent above the repo rate.

The minimum balance required to be maintained by the government with the Reserve Bank will not be less than Rs. 100 crore on Fridays, on the date of closure of government's financial year and on June 30, closure of the annual accounts of the RBI and not less than Rs. 10 crore on other days.

As per the provisions of the agreement dated March 26, 1997 between the government and the RBI, overdrafts beyond 10 consecutive working days will not be allowed.

General Awareness

HAL Received the Most Efficient Navratna Award 2013

Hindustan Aeronautics Ltd. (HAL) received the Most Efficient Navratna Award for the year 2013. It received the award at the 5th Dalal Street Investment Journal Awards ceremony held in New Delhi. The award was collected by the Chairman of HAL, Dr. R K Tyagi. The awards were presented to the various PSUs in different categories in recognition of their performance and contribution to the Indian economy.

The award was given to the company for the measure it has taken on various fronts such as R&D, modernisation, customer initiatives, quality and thrust given on indigenisation. In the financial year 2013-14, HAL achieved its highest ever turnover. In 2013-14, it achieved a turnover of 15180 crore rupees surpassing the figure of 14324 crore rupees in 2012-13.

About Hindustan Aeronautics Limited

Hindustan Aeronautics Limited (HAL) came into existence on 1st October, 1964. The Company was formed by the merger of Hindustan Aircraft Limited with Aeronautics India Limited and Aircraft Manufacturing Depot, Kanpur.

Today, HAL has 19 production units and 10 Research & Design centres in 8 locations in India. At present there are 14 Central Public Sector Enterprises (CPSEs) which have been designated as Navratnas by the Department of Industrial Policy and Promotion (DIPP) under the Union Ministry of Heavy Industries and Public Enterprises.

Karim Massimov Named as the Kazakhstan's New PM

Karim Massimov, the Chief of Staff of Kazakhstan was named as the new Prime Minister of the country by the President, Nursultan Nazarbayev. His appointment came following the resignation of Serik Akhmetov from the post, which was accepted by the President as per the Constitutional provision.

This announcement of acceptance of resignation of Akhmetov was made by the President through a twitter message. Akhmetov was appointed as the Prime Minister of Kazakhstan in September 2012. Earlier, Massimov served as the Kazakh Prime Minister from January 2007 to September 2012 before Akhmetov.

The List of 100 Most Influential Asian People of 2014

The Asian Awards Ltd. released the list of the 100 Most Influential Asian People of 2014. Chinese President Xi Jinping topped the list of the 100 Most Influential Asian People. Congress chief Sonia Gandhi, BJP Prime Ministerial candidate Narendra Modi and Congress leader Rahul Gandhi are among the top 5 in the list. Sonia Gandhi is on second, followed by Modi at fourth position, Rahul Gandhi at fifth position and Prime Minister Manmohan Singh at sixth position. Others in top 10 are: Chinese Premier Le Keqiang (3); Sir Li Ka Shing, Hong Kong-based business tycoon (7); UN chief Ban Ki Moon (8); Japanese Prime Minister Shinzo Abe (9); South Korea President Park Guen-Hye (10).

India's Heena Sidhu Clinched World's No. 1 Spot in 10 mts Air Pistol Event

Heena Sindhu, the Indian shooter clinched the World's number one spot in 10 metres air pistol event. By achieving this feat, she became the first Indian pistol shooter to be ranked at the top position in the list. Sindhu clinched the first spot in the ranking list by replacing world champion Zorana Arunovic of Serbia with total of 1699 rating points. Zorana is now placed at the second position in the list with 1514 points. China's Wenjun Guo with 1190 points is placed at the third position. The ranking was released by International Shooting Sport.