

## **Business/Economy**

### **RBI Announced Second Bi-Monthly Monetary Policy Statement**

India (RBI) announced second Bi-Monthly Monetary Policy Statement. RBI in its second bi-monthly monetary policy statement has kept the policy rates unchanged.

Based on the assessment of the current and evolving macroeconomic situation the following are the changes:

- The repo rate under the liquidity adjustment facility (LAF) unchanged at 8.0 percent.
- The cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 percent of net demand and time liabilities (NDTL).
- The statutory liquidity ratio (SLR) of scheduled commercial banks reduced by 50 basis points from 23.0 percent to 22.5 percent of their NDTL with immediate effect.
- Reduce the liquidity provided under the export credit refinance (ECR) facility from 50 percent of eligible export credit outstanding to 32 per cent with immediate effect.
- Introduce a special term repo facility of 0.25 percent of NDTL to compensate fully for the reduction in access to liquidity under the ECR with immediate effect.
- The policy is continued to provide liquidity under 7-day and 14-day term repos of up to 0.75 percent of NDTL of the banking system.
- The reverse repo rate under the LAF remained unchanged at 7.0 percent and the marginal standing facility (MSF) rate and the Bank Rate at 9.0 percent.

### **Assessment of the macroeconomic situation in India**

Though inflation in India has slowed, the RBI still considers many factors that could inflame inflation such as weak rain during the June-September monsoon due to chance of the occurrence of El Nino. India current account deficit (CAD) narrowed sharply to 1.7 percent of GDP for 2013-14 due to decline in gold imports, although other non-oil imports also contracted with the weakening of domestic demand. In April 2014, the trade deficit narrowed sharply due to resumption of export growth after two consecutive months of decline, and the ongoing shrinking of import demand.

The foreign direct investment supported inflows of portfolio investment and external commercial borrowing, kept external financing conditions comfortable and helped add to reserves.

### **MoU Signed Between IICA and Grant Thornton**

The Indian Institute of Corporate Affairs (IICA) and Grant Thornton India LLP signed a memorandum of understanding (MoU). The MoU was signed to develop capacity of the Indian companies for effective implementation of the CSR (Corporate Social Responsibility) rules laid in Section 135 of the Companies Act, 2013.

The rules and the agenda of the CSR Rules of the Companies Act, 2013 will impart knowledge and awareness of the corporate that how they can help in national development.

## The Companies Act 2013

The Companies Act, 2013 that replaced the Companies Act, 1956 received the assent of the President in August 2013 after being passed by the Parliament. The Act consolidated and amended the law related to companies and was notified in the Official Gazette in August 2013. Some of the provisions of the Act have been implemented by a notification published in September 2013. Some provisions of Companies Act, 1956 are still in force.'

The Companies Act of 1956 replaced the first Companies Act that was created in 1919 (the pre-independent India). The Act of 1956 has been amended 25 times in all these years since its formation.

## India Second Largest Exporter of Textiles in the World

India became the second largest exporter of textiles in the world. This was revealed by the data recently released by UN Comtrade in Global Textiles as well as Apparel Exports.

### Global Textile Exports

- In Global Textiles Exports, India overtook Italy to become the second largest exporter. China still remains the largest exporter of textiles in the world.
- India's share in Global Textiles increased by 17.5% in the year 2013 compared to 2012. As a result India's share in the global textile exports in 2013 is 5.2%
- Currently India's textile exports to the world stand at 40.2 billion US dollars.
- Indian textile exports grew by 23%. This is in contrast to global textile growth rate of only 4.7%, and China and Bangladesh growth rate of 11.4% and 15.4% respectively.
- This growth in the increase in share of the textiles exports from India is mainly due to the growth in the Apparel and Clothing sector, which accounts for almost 43% of the share alone.

## Lithuania Ready to Join Euro in 2015

Lithuania is set to adopt the euro in January 2015 as it had met the criteria for joining the single currency.

It will become the 19th member of the eurozone out of 28 countries in the European Union, and the last of the Baltic states to join.

The Commission said a formal decision would be made by EU governments next month.

The UK and Denmark are the only EU states with opt-outs from the euro.

All other countries are expected to join. Estonia was the first Baltic state to become a member of the Eurozone in 2011 followed by Latvia in January 2014.

Lithuanian President Dalia Grybauskaitė, welcomed the decision. The Prime Minister Algirdas Butkevičius said dropping the existing currency, the 'lita' and joining the euro also gave Lithuania added security in the face of the Ukrainian crisis.

Prospective members have to meet "convergence criteria", which are also assessed by the European Central Bank (ECB), requiring

- Sound government finances - government deficit no higher than 3% of GDP
- Sustainable public finances - government debt no greater than 60% of GDP
- Price stability

- Low inflation

In its assessment, the ECB warned that keeping inflation low in Lithuania "will be challenging in the medium term". Lithuania tried to join the euro earlier but was badly affected by the financial crisis.

## General Awareness

### All GoMs and EGoMs Eliminated for Better Accountability and Empowerment

In a key move to authorise the Ministries and Departments, the PM Narendra Modi decided to eliminate all the prevailing 9 Empowered Group of Ministers (EGoMs) and 21 Groups of Ministers (GoMs). This would speed up the process of decision-making and bring in more answerability in the system. The Ministries and Departments will now process the matters unresolved before the EGoMs and GoMs and take suitable resolutions at the level of Ministries and Departments itself. If at anyplace a Ministry faces any issue, the Cabinet Secretariat and the PMO (Prime Minister's Office) will smooth the resolution making process.

During the UPA regime, former Defence Minister A. K. Antony was leading most of the EGoMs. The panels were fashioned to take decisions on matters like corruption, inter-state water disputes, administrative reforms, gas, telecom pricing, etc. These EGoMs had the power to take judgments on the line of the Union Cabinet.

The suggestions of the GoMs were placed before the Cabinet for the final verdict.

### Arundhati Bhattacharya amongst Forbes' Most Powerful Women

SBI Chairperson Arundhati Bhattacharya is amongst the 5 Indian women who featured in this year's Forbes' 100 most powerful women in the world list. The list was topped by German Chancellor Angela Merkel.

#### Indian women in the list:

- Indra Nooyi (Pepsi Co)
- Arundhati Bhattacharya (SBI)
- Chanda Kocchar (ICICI Bank)
- Padamshree Warrior (Cisco)
- Kiran Mazumdar (Biocon)

#### Top 10 Most Powerful Women in the World:

1. Angela Merkel (Germany – Politics)
2. Janet Yellen (US – Finance)
3. Melinda Gates (US – Philanthropy/NGO)
4. Dilma Rousseff (Brazil – Politics)
5. Christine Lagarde (France – Philanthropy/NGO)
6. Hillary Clinton (US - Politics)
7. Mary Barra (US – Business)
8. Michelle Obama (US – Politics)

9. Sheryl Sandberg (US – Technology)
10. Virginia Rometty (US – Technology)
11. Anand Mahindra First Indian to Receive Harvard Medal

Mahindra Group Chairman Anand G. Mahindra became the first Indian to receive the prestigious Harvard Medal. The award was presented during the Harvard's 363rd Commencement at the annual meeting of the Harvard Alumni Association.

He was chosen for this award for his dedication, generosity and service to the university.

Anand Mahindra is an alumnus of Harvard University. He did his graduation from Harvard in 1977.

Mahindra is also a founding member of the university's South Asia Institute (SAI), the HBS India Research Centre and the SAI field office in Mumbai, India. He is also a long-time member of the Asia Centre Advisory Committee.

## **Yogeshwar Dutt and Sushil Kumar Win Medals in Italy**

The celebrated Indian wrestling duo of Yogeshwar Dutt and Sushil Kumar sparked on debut in the new weight categories by winning a gold and silver medal respectively in the International Competition in Sassari city, Italy.

London Olympics bronze-medallist Yogeshwar won the gold medal in the 65 kg category while two-time Olympic medallist Sushil won the silver in the 74 kg division. This was a strong performance by the Olympic Gold Quest-backed wrestlers in their first competitive tournament post the 2012 London Olympics.

With just over 50 days left for the Commonwealth Games in Glasgow, the performance of both the wrestlers will be a huge boost to their confidence after a sabbatical to recuperate from injuries post the London Olympics. At the upcoming Commonwealth Games in Glasgow, Sushil will fight in the 74 kg category whereas Yogeshwar will compete in the 65 kg.

Sushil had won a bronze medal at Beijing 2008 and a silver medal at London 2012 in the 66 kg category while Yogeshwar had won a bronze medal at London 2012 in the 60 kg division.

## **World Environment Day Observed**

World Environment Day (WED) was observed on June 5 across the world. The day is observed every year to raise the awareness around the globe for taking positive action to protect nature and planet earth. This year's theme was 'small islands and climate change'.

United Nations Environment Programme (UNEP) established in 1972 is the voice of United Nations for the environment. UNEP is a body that acts as a catalyst, advocate, educator and facilitator to promote the wise use and sustainable development of the global environment.

## **Emergence of Concept of World Environment Day**

The concept of celebrating the Environment Day came from the Stockholm's United Nations Conference on the Human Environment of 1972.

The first World Environment Day was hosted in 1973 and since then is being held every year with a different theme in different cities.

## Quebec First Province of Canada to Adopt Right-to-Die Legislation

Quebec became the first province of Canada to adopt the legislation 'Right-to-Die' that allows terminally ill patients to kill themselves with a doctor's help. The legislation was adopted in a historic vote in the National Assembly with 94-22 majority.

It seems that legislation that legalises euthanasia or assisted suicide will call on a judicial row with Ottawa, as federal law forbids euthanasia even with a person's consent. On the other hand, Canada's federal criminal code also prohibits assisted suicide and euthanasia and hence, the legality of the legislation could be challenged.

Whereas, Quebec defended it by terming it a health issue, which falls under the jurisdiction of the province and not federal jurisdiction as it is not a criminal act. It was also defended by Quebec Premier Philippe Couillard by terming that it deals with end of life care and not euthanasia.

## G7 Summit 2014 held at Brussels

The 40th G7 summit 2014 was held at Justus Lipsius building, Brussels at the Council of the European Union in the first week of June 2014.

It was the first time that the EU hosted a G7 summit. The summit is jointly represented by the European Council President Herman Van Rompuy and the European Commission President.

The leaders of Canada, France, Germany, Italy, Japan, the United Kingdom, the United States, the President of the European Council and the President of the European Commission (G7 leaders) met for the summit.

Originally, a G8 summit was scheduled to take place in Sochi (Russia) in early June 2014 under a Russian presidency. Due to the Russian Federation's violation of Ukraine's sovereignty and territorial integrity, the G7 leaders decided to meet in Brussels in the G7 format.

## Business/Economy

### CRR Raised for Non-Scheduled Urban Co-operative Banks

The Reserve Bank of India raised the cash reserve ratio (CRR) for non-scheduled urban co-operative banks (UCBs) by 100 basis points to 4%. One basis point is equal to one hundredth of a percentage. This increase will come into effect from July 12. The move will bring non-scheduled urban co-operative banks on par with scheduled primary urban co-operative banks. There are around 1500 non-scheduled urban cooperative banks in India.

CRR is a portion of a bank's deposits that the lender needs to maintain with RBI. This money earns no interest. The current CRR level is 4%.

To bring the primary urban co-operative banks on par with commercial banks, the central bank reduced the statutory liquidity ratio (SLR) requirement for them by 50 basis points to 22.50%. SLR is a percentage of a bank's deposits that it needs to deploy in gold, government bonds and securities.

## KYC Norms Simplified for Opening Bank Account

The KYC norms for opening bank account were eased by the Reserve Bank of India. RBI said that only one documentary proof of address (either the current or permanent) can be used to open bank account or for periodic updation.

It also said that in case the address mentioned as per proof of address undergoes a change, then fresh proof of address may be submitted to the branch within a period of six months.

In conditions, when the furnished address by customer is not the local address or address where he is residing, then the bank may take a declaration of the local address on which the correspondence will be made by the bank with customer. Whereas, no proof of address of correspondence or local address will be required in such conditions. The address may be verified by the bank through positive confirmation such as acknowledgement of receipt of

- Letter, cheque books, and ATM cards
- Telephonic conversation
- Visits and others

If due to any reason the customers address changes, then he should intimate the new address for correspondence to the bank within two weeks of such a change.

## About Know Your Customer Norm (KYC)

- KYC is a term used for customer identification process.
- The objective of the KYC guidelines is to prevent banks being used, intentionally or unintentionally by criminal elements for money laundering.
- KYC has two components - Identity and Address. While identity remains the same, the address may change and hence the banks are required to periodically update their records.
- RBI issued guidelines to banks under Section 35A of the Banking Regulation Act, 1949 and Rule 7 of Prevention of Money Laundering Rules, 2005.
- These guidelines were issued on the recommendations made by the Financial Action Task Force (FATF) on Anti Money Laundering (AML) standards and on Combating Financing of Terrorism (CFT).

## Refinance Rates Reduced by NABARD to Boost Investment Credit

The National Bank for Agriculture and Rural Development (NABARD) has reduced interest rate by 0.20 per cent on long-term refinance facility provided to banks, to promote investment in agriculture. The new rate is applicable from June 6.

The revised interest rates on refinance now stand at 9.50 per cent for 5 years and above and 9.70 per cent for 3-5 years period.

The banks availing more than Rs. 500 crore in a single drawl will further be incentivised by a reduction of 0.10 per cent in interest rates.

To combat food inflation, efficient agricultural technologies get a further incentive of 50 basis points. The reduction in rates would incentivise the co-operative banks, regional rural banks and commercial banks in reversing the decelerating trend of investment credit and will aid in enhancing capital formation in agriculture.

## **Growth Forecast Lowered for Developing World to 4.8 percent**

The World Bank released Global Economic Prospects (GEP) report and revised down the economic growth forecast for developing world in 2014 to 4.8 percent from 5.3 percent estimated in January 2014. It also highlighted that the growth in 2015 and 2016 at 5.4 and 5.5 percent, respectively. The World Bank also said that developing nations should make economic reforms to promote growth. The forecasted growth rates are too modest to create jobs needed to improve the lives of the poorest 40 percent.

In context of India, the report claimed that weakness will be due to subdued manufacturing activity and sharp slowing of investment in the country. Growth in India is projected at 5.5 percent in FY2014-15, accelerating to 6.3 percent in 2015-16 and 6.6 percent in 2016-17.

The release claimed that growth of China would be 7.6 percent in 2014 but it depends on the success of rebalancing efforts of the country.

## **General Awareness**

### **New Permanent Signatory to the Washington Accord**

India became a permanent signatory to the Washington Accord. The Accord was signed by National Board of Accreditation at a meet of International Engineering Alliance of WA member countries held in Wellington, New Zealand.

With India becoming the permanent signatory, India joined a select group of 17 countries who are permanent signatories of the Washington Accord (WA). The signatory status will substantially increase global employment opportunities for technical and engineering graduates of India.

### **About Washington Accord**

Washington Accord is an international agreement between prominent nations of the world and is a charter that promotes mobility and quality assurance of engineers across international boundaries. Charter of the accord needs setting up of suitable accreditation standards that ensure minimum quality of attainment for their engineering graduates.

### **Bharat Ratna JRD Award Conferred to Somasundaram**

Somasundaram of Airports Authority of India (AAI) was conferred with the prestigious Bharat Ratna JRD Tata Award for 2013 by the Aeronautical Society of India (ASI).

He received the award for his contribution in improving ANS infrastructure in the country for enhancing safety, efficiency and capacity of the airspace and also towards seamless ATM and global harmonisation. He also won international ATC Awards consecutively for three years.

The Bharat Ratna JRD Tata Award was instituted by Aeronautical Society of India (ASI) and is given to an

individual making outstanding contributions in the field of civil aviation.

## **An Award in Honour of Nelson Mandela**

UN General Assembly announced an award in honour of Nelson Mandela. The award was announced to pay tribute to the achievements and contributions of anti-apartheid icon Nelson Mandela.

The terms of the criteria and the procedure for bestowing the prize will be established within the next six months, i.e. December 2014. This is to be adopted by the Assembly no later than November 2014.

The UN General Assembly declared 18th July as Nelson Mandela International Day.

## **About Nelson Mandela**

Nelson Mandela was South Africa's first black President after the first all-race polls in 1994. He died on 5<sup>th</sup> December 2013 at the age of 95 after battling a protracted illness.

## **Kudankulam Unit-1 Hits Full Capacity**

The first reactor of the Kudankulam Nuclear Power Project attained its maximum rated generation capacity of 1,000 MW, marking a final technical milestone in the history of the atomic project coming up on the Tamil Nadu coast.

This wraps up a gradual three-stage ramping up of power levels in the first reactor of the project that was initiated by NPCIL — the state-owned operator of the project last year. It signifies that the reactor is almost ready for commercial power generation, 11 months after it attained criticality in July 2013 and over 14 years after the “first pour of concrete” way back in March 2002.

At 1,000 MW, Kudankulam-I is now also the single largest power generating unit in the country, higher than the 800 MW thermal sets deployed at the Tata Mundra project in Gujarat that had the distinction of being the largest single generation units in operation. The largest nuclear reactor units currently in operation have a capacity of 540 MW while projects based on a range of 700 MW indigenous pressurised heavy water reactors are currently under construction at two sites.

## **Tennis French Open 2014**

Spaniard Rafael Nadal maintained his dominance in the French Open as he defeated Serbian Novak Djokovic in the final match. French Open 2014 is Nadal's 14th career Grand Slam title. World no.1 Nadal also became the first man to win five Roland Garros crowns in a row as he took his record at the tournament to 66 wins against just one defeat. With 14 Grand Slams, Nadal has equalled the mark of Pete Sampras. Now, he is just three behind the all-time record of Roger Federer.

Maria Sharapova won the women's French Open title after defeating Simona Halep in the final. It was Sharapova's second French Open title victory. She has now won five Grand Slam titles, taking her to joint-11th on the Open era list alongside Martina Hingis.

## **P.K. Mishra is Additional Principal Secretary to PM**

Former Agriculture Secretary P.K. Mishra has been appointed as Additional Principal Secretary to the Prime Minister.

The appointment of Mr. Mishra will be co-terminus with the term of the Prime Minister or till further orders. Mr. Mishra, served as Principal Secretary to Mr. Modi when he was Gujarat Chief Minister between 2001- 2004.

He was Secretary in the Ministry of Agriculture between December 1, 2006 and August 31, 2008.

He was appointed Chairman of the Gujarat Electricity Regulatory Commission after his retirement in 2008 for a five-year term. Mr. Mishra retired as the Chairman of Telecom Regulatory Authority of India in 2009.

## **Ranjit Kumar Appointed as Solicitor General of India**

Senior advocate Ranjit Kumar was appointed as the Solicitor General of India.

Along with Solicitor General of India, other senior advocates namely Maninder Singh, Tushar Mehta, L. Nageshwar Rao, P. S. Patwalia, Neeraj Kishen Kaul and P. S. Narasimha were appointed as additional Solicitors General of India.

## **About Solicitor General**

The Solicitor General (SG) of India is subordinate to the Attorney General for India (AG). Attorney General is the chief legal advisor of the Indian Government and its primary lawyer in the Supreme Court of India while the Solicitor General of India is the secondary law officer of the country. The Solicitor General of India is appointed for a period of 3 years.

Like the Attorney General for India, the Solicitor General and the Additional Solicitors General advise the Government and appear on behalf of the Union of India in terms of the Law Officers.

However, unlike the post of Attorney General for India, which is a Constitutional post under Article 76 of the Constitution of India, the posts of the Solicitor General and the Additional Solicitors General are merely statutory.

## **Four Standing Committees of the Cabinet Scrapped**

Narendra Modi, the Prime Minister of India decided to discontinue four Standing Committees of the Cabinet.

The discontinued standing committees included Cabinet Committee on Management of Natural Calamities, Cabinet Committee on Prices, Cabinet Committee on World Trade Organisation Matters and Cabinet Committee on Unique Identification Authority of India related issues.

## **The functions of these committees will be handled by**

- The functions of Cabinet Committee on Management of Natural Calamities will be handled by the Committee under the Cabinet Secretary whenever natural calamities occur.
- The functions of Cabinet Committee on Prices will be handled by the Cabinet Committee on Economic Affairs.
- The functions of Cabinet Committee on World Trade Organisation matters will be handled by the Cabinet Committee on Economic Affairs and, whenever necessary, by the full Cabinet.
- Cabinet Committee on Unique Identification Authority of India related issues: Major decisions in this area have already been taken and the remaining issues will be brought to the Cabinet Committee on Economic Affairs.

Whereas, the Prime Minister Narendra Modi will re-constitute the Appointments Committee of the Cabinet, the Cabinet Committee on Economic Affairs, the Cabinet Committee on Parliamentary Affairs, the Cabinet Committee on Political Affairs and the Cabinet Committee on Security. The CCEA is headed by Prime Minister and includes the Finance, Commerce & Industry, Home and Defence ministers as other members.

## **World Blood Donor Day Observed**

World Blood Donor Day was observed across the world on 14th June, 2014. Theme for the year's World Blood Donor Day campaign is "Safe blood for saving mothers."

The goal of the campaign is to increase awareness about why timely access to safe blood and blood related products is essential for all countries as part of a comprehensive approach to prevent maternal deaths.

According to World Health Organisation, every year around 800 women die due to pregnancy or childbirth related complications. The major cause for mortality, morbidity and long-term disability is severe bleeding during delivery and after childbirth.

The day is observed on 14 June every year on the date of birth of Karl Landsteiner, the person who helped make modern blood transfusions possible.

World Blood Donor Day established in 2004 is one of the eight official public health campaigns marked by the World Health Organisation (WHO).

## Business/Economy

### Finance Facilitation Centre Set up by CII

To facilitate access to finance and credit for SMEs, the Confederation of Indian Industry (CII) set up an Online Finance Facilitation Centre for SMEs with the aim of providing advisory and credit facilitation support to SMEs.

The centre will operate as a one-stop shop, aggregating financing options from various major financial institutions.

SME members across India can approach the centre for their credit requirements through an online interface, and the centre will facilitate the documentation and preparation of bankable project proposals.

The Union minister for MSMEs, launched the centre, which will also conduct outreach programmes in partnership with the ministry of MSME and seven partner financial institutions across the country through CII's network of offices in states to create awareness among SMEs on the avenues for accessing finance.

The seven partner financial institutions - Indian Bank, Indian Overseas Bank, Federal Bank, Muthoot Fincorp Ltd, Religare Finvest, DCB Bank and State Bank of Travancore - are signing a memorandum of understanding with CII for this centre.

### Banks Directed to Disclose Sector-Wise Advances in Financial Statements

The Reserve Bank of India has asked banks to disclose sector-wise advances in the 'Notes to Accounts' to the financial statements from the financial year 2014-15 onwards.

Within the sector-wise advances, the central bank called for disclosure on priority sector (agriculture and allied activities, advances to industries sector eligible as priority sector lending, services, and personal loans) and non-priority sector advances (agriculture and allied activities, industry, services, and personal loans).

Banks may also make disclosures on sub-sectors where the outstanding advances exceed 10 percent of the outstanding total advances to that sector.

For instance, if a bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it should disclose details of its outstanding advances to mining separately under the 'Industry' sector.

## General Awareness

### **Netherlands Won the 2014 Edition of Women's Hockey World Cup**

Netherlands won the 2014 edition of Women's Hockey World Cup held in the Hague, Netherlands. It defeated Australia 2-0 in the finals. This is Netherlands seventh title. It previously won the titles in 1974, 1978, 1983, 1986, 1990 and 2006.

Argentina won the Bronze medal by defeating the USA 2-1 in the finals. This was the Argentina's fourth successive medal in the World Cup. Argentina won the title in 2002 and 2010, and bagged a Bronze in 2006.

Women's Hockey World Cup was held for the first time in 1974. It was organised by the International Federation of Women's Hockey Associations (IFWHA) until 1981. The Event is organised every four years by the International Hockey Federation since 1982.

### **Magnus Carlsen Bagged FIDE World Rapid Chess Championship**

Magnus Carlsen, the world number one chess player bagged the FIDE World Rapid Chess Championship title in Dubai. To win the Gold medal, he scored 11 of 15 points.

The silver medal was won by Fabiani Caruana and Vishwanathan Anand clinched the bronze medal.

The World Rapid Chess Championship was organised by the aegis of FIDE for the third time. The championship took place from 16 to 18 June 2014 in the Chess Club of Dubai.

### **Shaktikanta Das Appointed as Revenue Secretary**

Shaktikanta Das, a 1980 batch IAS officer, was appointed as the Revenue Secretary replacing Rajiv Takru.

Takru who has been Revenue Secretary since March, has been appointed Secretary to the Department of North Eastern Region (DONER).

Das was appointed as Fertilizer Secretary in December last year. Prior to that, he was Special Secretary at Department of Economic Affairs in Ministry of Finance.

This is the first major top bureaucratic change in the Finance Ministry since Narendra Modi government came to power.

The Finance Ministry, preparing the Modi government's first budget, has Arvind Mayaram as Finance Secretary, R. P. Watal as Expenditure Secretary, Ravi Mathur as Disinvestment Secretary and G. S. Sandhu as Financial Services Secretary.

### **Largest Water Reservoir Located inside Earth's Mantle**

Earth's largest water reservoir might be located deep inside the Earth's mantle. This was revealed by a study published in the journal Science in June 2014.

The study was conducted by the Northwestern geophysicist Steve Jacobsen and University of New Mexico seismologist Brandon Schmandt.

The study is the first to provide direct evidence that there may be water in the area of the mantle known as the transition zone, the layer between the lower mantle and the upper mantle.

## About the discovery

In the study, geophysicists found that deep pockets of subterranean magma indicating presence of water was located about 643 km beneath North America. The water is not in a liquid, ice or vapour form. The fourth form of water is trapped inside the molecular structure of the minerals in the mantle rock.

The discovery found the evidence that melting may occur about 643 km deep in the Earth. H<sub>2</sub>O, that is, water was stored in mantle rocks where the mineral ringwoodite is present.

The discovery suggest water from the Earth's surface can be driven to such great depths by plate tectonics which eventually caused partial melting of the rocks found deep in the mantle.

Scientists have long speculated that water is trapped in a rocky layer of the Earth's mantle located between the lower mantle and the upper mantle, at depths between 400 km and 660 km.

## India's first One Stop Crisis Centre named Gauravi launched in Bhopal

India's first One Stop Crisis Centre (OSCC) named Gauravi was launched by actor Amir Khan in Bhopal, Madhya Pradesh.

The centre is first of its kind in India for women who are victims of violence. It will provide help and assistance to rape survivors and victims of dowry harassment, domestic violence and other atrocities on women, all under one roof.

The OSCC will provide legal advice, medical aid and police assistance. Victims can call the helpline number or visit the facility centre for the assistance. It will also provide assistance in filing FIRs, providing security, rehabilitation of the victim and forensic support.

Madhya Pradesh government along with two non-government organisations (NGOs) will provide the training to doctors, counsellors and other personnel at the centre. It is also planned to set up similar centres across the state along with the help of the Union Government.

The state government will issue an advisory to all central hospitals and to the state governments to set up OSCC-like institutions.

## Sanjaya Rajaram to be Honoured with World Food Prize of 2014

India-born Mexican plant scientist, Sanjaya Rajaram will be honoured with the World Food Prize for the year 2014. The award will be presented to Rajaram in Des Moines, Iowa.

He won the prize for his outstanding work in the improvement of wheat crop. He is credited with increasing world wheat production by more than 200 million tons during the 25-year-period known as the golden years of wheat – building upon the successes of the Green Revolution. It had a far-reaching impact in alleviating world hunger.

Honouring of Dr. Rajaram with World Food Prize coincided with the centennial year of his mentor, Dr. Norman Borlaug and the UN-FAO's International Year of Family Farming.

The prize was established in 1986 by Dr. Norman Borlaug to focus the world's attention on hunger and on those whose work has significantly helped efforts to end the hunger. Dr. Charity Kawira Mutegi of Kenya in 2013 and Dr. Aditi Mukherji of India in 2012 received the award.

## **Inaugural Tang Prize Winners Announced**

The Tang Prize Foundation in Taiwan announced the recipients of the inaugural Tang Prizes.

The Tang Prize in Rule of Law was awarded to South African human rights lawyer and activist Albie Sachs "for his contributions to human rights and justice globally, in particular for his efforts in the realisation of the rule of law in a free and democratic South Africa.

Historian Yu Ying-shih, from Princeton University in 2001, awarded the prize in sinology for his work on the history of public intellectuals in China. James P. Allison of the University of Texas MD Anderson Cancer Center and Tasuku Honjo of Kyoto University were jointly awarded the prize in biopharmaceutical science for discoveries in immunotherapy that have opened up new possibilities in cancer treatment. Former Norwegian Prime Minister Gro Harlem Brundtland, deputy chairman of the Elders and a former UN Special Envoy on Climate Change, received the prize for sustainable development for her pioneering work in that field.

The Tang Prizes are awarded on biennial basis. Recipient of the 2014 prizes will each receive a cash award of up to NT\$40 million (\$1.34 million) as well as a NT\$10 million (\$330,000) grant to facilitate further research and/or nurture talent in the field.

## **Rajiv Topno Appointed Modi's Private Secretary**

Rajiv Topno, a Gujarat-cadre IAS officer of 1996 batch, has been appointed private secretary to Prime Minister Narendra Modi. Earlier, Topno had served at the Prime Minister's Office (PMO) under Manmohan Singh for almost five years. His five years of central deputation was to end this month but his term has been extended.

Under Manmohan Singh, Topno was a director at the PMO. Now he has been appointed to the crucial post of PS to the Prime Minister. He will be the youngest IAS officer to serve at this post.

Topno's last posting in Gujarat was as managing director, IndextB. Earlier, he had served as collector at Vadodara and at Bharuch. His promotion was held back by the Modi government for one-and-half years because of an inquiry pending against him for irregularities allegedly committed during his stint as Kutch district collector. However, he was promoted last year, almost two years after his batch mates.

## Business/Economy

### **NIC-1987 Upgraded to NIC-2008 to Make it More Investor Friendly**

The Union Ministry of Commerce and Industry upgraded the National Industrial Classification-1987 (NIC-1987) to National Industrial Classification-2008 (NIC-2008). With immediate effect NIC-2008 will assist new businesses, being more investor friendly and internationally-attuned, as compared to the previous version of NIC Code.

The NIC-2008 is an improved version over NIC-1987 which provides a more contemporary industrial classification system in the light of changes in the structure and composition of the economy, changing user requirements and compatibility with international standards.

The National Industrial Classification (NIC) is an essential Statistical Standard for developing and maintaining comparable data base according to economic activities. Such classifications are frequently used in classifying the economically active population, statistics of industrial production and distribution, the different fields of labour statistics and other economic data such as national income.

### **Iraq Crisis Could Impact Oil Prices in India**

The Indian government is keeping a close watch on the ongoing crisis in Iraq where terrorist groups led by ISIS (Islamic State in Iraq and Syria) are attacking and capturing regions in the country. Though the crisis hasn't yet caused any disruption in the country's crude oil supplies to India, it has the potential to push up global crude prices. In FY14, India imported around 13% of its crude oil from Iraq, the most after Saudi Arabia, which provided for about 20% of the country's oil imports of 190 million tonnes in the year. India's dependence on Iraq crude oil surged since FY12 after US sanctions on Iran.

The average price of Indian crude oil basket that was at \$106.94/ barrel during April-May has now increased to \$110.31/barrel. The surge in the price has been witnessed since the intensification of fighting between militants the Sunni minority and Iraq security forces.

As per experts, the oil prices may soar if militants fighting Iraq's security forces mostly in the northern regions advance into southern Iraq, which accounts for around three quarters of the country's crude production.

Normally, Indian refiners have stock of crude oil ranging from 15 days to nearly a month. Any deficiency in supplies from Iraq could be replenished from other suppliers such as Saudi Arabia and Kuwait, but if disturbances prolong, it could impact Indian refiners.

### **List of Indians with Suspected Black Money in Various Swiss Banks Prepared by Switzerland**

Switzerland prepared a list of Indians suspected to have stashed untaxed wealth in various Swiss banks. The names of Indian individuals and entities were prepared on the basis of the Swiss authorities ongoing

exercise to identify real beneficiary owners of funds held in various banks operating in Switzerland. Swiss authorities also decided to provide all necessary support to the Special Investigation Team (SIT) on black money headed by Justice M. B. Shah.

India is one of the 36 countries with which Switzerland has signed treaties to provide administrative assistance in tax matters in accordance with international standards.

The latest official data released by Switzerland's central banking authority says that Indian money stashed in Swiss bank rose by 43 percent during 2013 to close to 14000 crore rupees. Beside this, India has moved to 58th rank in terms of foreign money lying with Swiss banks.

## **NBFCs Allowed to Work as Business Correspondents for Banks**

The Reserve Bank of India (RBI) permitted non-banking finance companies (NBFCs) to act as business correspondents (BCs) of banks, allowing them to offer limited services with the aim of spreading financial inclusion.

The RBI said there should be a contractual arrangement between a bank and an NBFC-ND to ensure that possible conflicts of interest are taken care of.

Banks must ensure the NBFC-ND does not adopt restrictive practices such as offering savings or remittance functions only to its own customers or bundling of their services.

Banks may continue to take measures to address possible reputational risks arising out of the appointment and functioning of BCs.

However, when formulating the board approved policy for engaging BCs, banks should keep in mind the objectives of adequate oversight as well as provision of services to customers while deciding how to modify extant distance criteria, it added.

## **General Awareness**

### **World's Most Powerful Telescope ATLAST to be Built by NASA**

The Royal Astronomical Society, London unveiled the National Aeronautics and Space Administration's (NASA) plan to build ATLAST or Advanced Technology Large Aperture Space Telescope in Portsmouth, the World's most powerful and largest telescope.

The telescope will be able to analyze the environment of other planets and to track the existence of aliens life.

The telescope will track the species which are about 30 light years away.

The telescope will be prepared and set up in space itself, due to the large size of the telescope it is not possible to send the telescope to space from earth via rocket.

For the setting up the telescope, NASA will send a group of astronauts to space via Orion rocket.

The telescope will help astronomers in exploring more than 60 odd new planets. It will also give insights into the proportion of oxygen and other gases in space, which either is, the reason for sustaining life on other planets, or vice-versa.

## **First Indian Shooter to Win Three Medals in Successive ISSF Shooting World Cup**

Jitu Rai became the first Indian to win three medals in successive ISSF Shooting World Cup. By winning his first-ever gold medal and one silver medal at the ongoing ISSF World Cup in Maribor, Slovenia, he became the first Indian shooter to win two medals at the same World Cup.

He won the gold medal with 200.8 points, the silver medal was won by Spain's Pablo Carrera and the bronze medal was won by Russia's Anton Gouriyanov.

Jitu won the silver medal in the 50-meter pistol. In the 50-meter pistol event, the gold was won by Damir Mikec of Serbia. Earlier in June 2014, he had won the silver medal in the 10-meter air pistol event in ISSF World Cup in Munich, Germany.

Jitu Rai is a Junior Commissioned Officer in the Indian Army and was trained at Army's Marksman Unit. He won his first individual medal, the silver medal, in the 10-meter air pistol event in 2013. Currently he holds 26<sup>th</sup> place in world shooting ranking.

## **Chairman of Coal India Limited Gets New Chairman**

A.K. Dubey was appointed as new Chairman of Coal India Limited with immediate effect because the post of Chairman has been vacant since May 2014. S. Narsingh Rao was the former Chairman of Coal India who resigned in May 2014.

Coal India is India's and world largest coal producer company and even in India coal India contribute 81% of coal. Coal India has its headquarters in Kolkata, West Bengal. It has various area offices in Maharashtra, Chhattisgarh, etc.

## **Navratna Status Granted to EIL and NBCC**

The Union Government granted Navratna status to Engineers India Ltd. (EIL) and National Buildings Construction Corporation (NBCC).

Department of Public Enterprises under the Ministry of Heavy Industries and Public Enterprises granted the Navratna status to enhance the greater financial and operational autonomy.

The Navratna status to two Central Public Sector (CPSEs) will provide the companies greater leeway in deciding on business propositions such as forming joint ventures or taking call on projects involving major investments.

## **About Engineers India Ltd.**

EIL has emerged as one of India's leading companies in engineering consultancy. EPC sector has a diverse portfolio of projects in oil and gas, petrochemicals, mining and metallurgy, fertiliser, power and infrastructure sectors.

## About National Buildings Construction Corporation

NBCC provides civil engineering construction services in wide gamut of projects of varied nature, complexities & at socio-political geographical locations, both at home and overseas. NBCC has been operating in infrastructure segment as well, wherein it has been executing projects such as chimneys, cooling towers and various types of power plant works.

## Navratna status Criteria

The Central Public Sector Enterprises (CPSEs) fulfilling the following criteria are eligible to be considered for grant of Navratna status:

- Having Schedule A and Miniratna Category-1 status.
- Having at least three excellent or very good Memorandum of Understanding (MoU) ratings during the last five years.
- Having a composite score of 60 or above out of 100 marks based on its performance during the last three years on the following six identified efficiency parameters such as net profit to net worth, manpower cost to cost of production or services, gross margin as capital employed, gross profit as turnover, earnings per share and inter-sectoral comparison based on net profit to net worth.

## 35th National Games

The 35th National Games dates were announced by the Indian Olympic Association (IOA). The games will be held at 32 different venues across seven districts of Kerala from 31st January to 14th February 2015. The dates for the games were formally approved by Union Minister for Sports and Youth Affairs Sarbanand Sonowal on behalf of Government of India.

The 35th National Games will be held in 36 disciplines and will see a total of 11641 participants that includes 7744 athletes. The participants will compete for a total of 365 gold and silver medals as well as 477 bronze medals. This is for the second time that Kerala will be hosting the National Games.

## States Get 3 More Months to Implement Food Security Act

The state governments have been given three months to implement the Food Security Act that seeks to provide the right to highly subsidised food grain to nearly two-thirds of the population. The previous deadline for the implementation of the National Food Security Act was 4th July.

The National Food Security Act, passed during the UPA government's tenure, seeks to provide highly subsidised food grain to the poor. It has been so far been implemented, partially or fully, only in 11 of the country's 29 states.

The National Food Security Act entitles every poor person to get at least 5 kg of food grain per month at highly subsidised prices.

## **Saina Nehwal Won Australian Open Super Series Title**

Saina Nehwal won 750000 US dollars Australian Open Super Series by defeating Carolina Marin of Spain in straight-game 21-18, 21-11 in the final played at Sydney.

This is the second title win of the year for sixth-seeded, Saina Nehwal. The previous title for her was Indian Open Grand Prix Gold in Delhi.

## **PSLV C23, Carrying Five Satellites, Launched Successfully From Sriharikota**

ISRO's PSLV C23 was launched successfully from Satish Dhawan Space Centre at Sriharikota in Andhra Pradesh at 9.52 am. The PSLV C23 carried five satellites belonging to four countries namely France, Germany, Canada and Singapore.

All these five satellites were launched under commercial arrangements that ANTRIX (ISRO's commercial arm) has entered with the respective foreign agencies.

Earlier, the launch time was fixed at 9.49 am IST but was launched with a delay of 3 minutes due to probability of space debris movement during the launch window.

On its way, PSLV C23 will separate all five satellites, one by one into their intended orbit. The five satellites are

- The French Earth observation satellite SPOT-7 of 714 kg
- 14 kg AISAT of Germany
- NLS7.1 (CAN-X4) and NLS7.2 (CAN-X5) of Canada weighing 15 kg and the 7 kg respectively
- VELOX-1 of Singapore

Till date, ISRO has launched 35 satellites of foreign countries onboard its workhorse, the Polar Satellite Launch Vehicle (PSLV).