

## **Business/Economy**

### **Banks Barred from Trading in Bonds for Infrastructure Lending**

According to the Reserve Bank of India, banks will not be permitted to trade bonds issued by other lenders for infrastructure lending that would be exempted from mandatory reserve requirements under the new guidelines issued by RBI.

RBI had allowed banks to issue bonds for infrastructure lending, but forbade them from holding each other's bonds. Now the central bank has clarified that the restrictions on cross holding also applies to trading. RBI wants these bonds for infrastructure lending attracts investors from outside the banking sector. The idea is funds to come from outside the banking system.

### **49 percent Foreign Investment in Insurance Sector Approved**

The Union Cabinet gave its approval to 49 percent foreign investment in insurance companies through the FIPB route ensuring management control in the hands of Indian promoters.

The decision was taken in the meeting of the Cabinet Committee on Economic Affairs (CCEA) headed by Prime Minister Narendra Modi. With this decision, the FDI cap in the insurance sector has been raised from 26 percent to 49 percent.

It is important to note that in his first budget speech in the Lok Sabha, the Union Finance Minister, Arun Jaitley had explained that the insurance sector is investment starved and there is a need to increase the composite cap in the sector to 49 percent, with full Indian management and control, through the FIPB route.

The move will prove beneficial for the insurance firms, which will now be able to enjoy much needed capital from overseas partners.

### **Investment target for DFC Revised**

Government has revised investment target for Dedicated Freight Corridor (DFC) from Rs. 27,000 crore to Rs. 80,000 crore. As per the government, expenditure on land acquisition has multiplied several times leading to hike in investment target.

Government will construct more corridors and more investment which will reduce the cost and improve the technological levels in Railways.

India needs to urgently act on developing connectivity to ports, mines and power plants by expediting DFC which will provide a booster to the economy. As per experts, timely execution of projects will boost manufacturing output to 25% of GDP by 2025 and result in job creation.

## **Certificate of Registration of Six NBFCs Cancelled**

The Reserve Bank of India (RBI) cancelled the certificate of registration of six non-banking financial companies (NBFCs). With this cancellation, these six NBFCs based in Delhi will not be able to conduct business of non-banking financial institution.

### **These six non-banking financial companies (NBFCs) are**

- GE Strategic Investments India (GESII)
- Profound Exports Private Limited
- Two Brothers Holding Limited
- Swank Services Private Limited
- Praxis Consulting and Information Services Private Limited
- Credible Microfinance Ltd. (formerly known as "Credible Securities & Finance Pvt. Ltd.")
- However, reason for the cancellation of registration was not disclosed by RBI.

### **Power granted to RBI to cancel registration certificate of NBFC**

The registration certificate of a non-banking financial company can be cancelled by RBI under the powers conferred under Section 45-IA(6) of the Reserve Bank of India Act, 1934. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

### **Flipkart Raises \$1 Billion**

India's home-grown e-retailer Flipkart announced that it has raised funds worth \$1 billion (over Rs.6,000 crore), the largest-ever by an Indian e-commerce firm.

Flipkart has been raising funds aggressively as it raised \$210 million in May 2014. This year the e-retailer also surpassed \$1 billion in gross merchandise value in March 2014 and then went on to acquire rival Myntra.com in one of the biggest deals in the e-commerce space.

As per experts, with this the company is valued between \$6 billion and \$7 billion.

Flipkart co-founder Sachin Bansal, described the deal inked last week as a milestone for the Indian Internet as a whole and said that the company hoped to become one of India's first \$100 billion company in the next five years or more.

### **RBI to Designate Six Banks as Systemically Important Banks (SIBs)**

The Reserve Bank of India will designate at least six banks as Systemically Important Banks (SIBs), for the domestic financial market which will need to have higher capital than other banks to prevent the financial system from collapsing in the event of a crisis. The central bank would now work on identifying these banks which are too big to fail and would release a list of names in August 2015.

As per experts, the list may include State Bank of India, Punjab National Bank, Citibank, Standard Chartered Bank, ICICI Bank and HDFC Bank. Banks classified under SIB category will have to set aside

more capital per loan than their peers. Size, interconnectedness, lack of readily available substitutes or financial institution infrastructure and complexity will determine the systemic importance of banks as determined by Basel global standards. But, as per RBI, in India, size would be given higher weightage than other factors.

Based on the category it is relegated, a bank will have to set aside 0.2% to 0.8% of the loan as capital buffer. In simpler terms, if a bank was setting aside Re. 1 earlier, it would now have to set aside between Rs. 1.20 and Rs. 1.80. As per RBI, banks having a size beyond 2% of GDP will be selected in the sample. However banks whose size is less than 2% of GDP may also face rigorous norms. After the 2008 credit crisis, banking regulators across the globe are tightening capital norms for banks and other key financial institutions.

## **Twelve Banks Fined in Deccan Chronicle Holdings Case**

RBI in an unexpected move imposed monetary penalties on 12 banks including HDFC Bank, ICICI Bank and State Bank of Hyderabad after scrutinising their loans and current accounts of Deccan Chronicle Holdings.

While ICICI Bank got a penalty of Rs. 40 lakh, Ratnakar Bank and HDFC Bank were fined Rs. 5 lakh each. Axis Bank and IDBI Bank were penalised Rs. 15 lakh each, while the remaining banks are to pay Rs. 10 lakh each.

The RBI had scrutinised loans and current accounts of Deccan Chronicle Holdings in some branches of these banks in late 2013. Based on the scrutiny, RBI issued showcause notices to the said banks in March 2014. Following replies and explanations by the banks, RBI arrived at a judgment that some of the violations were substantiated and warranted imposition of monetary penalty.

## **General Awareness**

### **RBI Gets New Deputy Governor**

The government has appointed S. S. Mundra, chairman and managing director of Bank of Baroda (BoB), a Deputy Governor of the Reserve Bank of India (RBI) for a three-year term.

Mundra took charge as Chairman and Managing Director of BoB in January 2013. Prior to his elevation, he was the Executive Director of Union Bank of India.

One post of RBI Deputy Governor fell vacant after K. C. Chakrabarty retired nearly three months before schedule, in the last week of April.

Of the four Deputy Governors, two are selected from outside RBI, while the other two are from within.

Of the two outsiders, one is a commercial banker and the other an economist. Earlier in July, RBI extended deputy governor H. R. Khan's term by two years.

The central bank is planning to have one more Deputy Governor; this would need a change in the rules.

Till the time this is done, RBI has proposed to appoint an officer on special duty or chief operating officer with the rank of a Deputy Governor.

## **Shashi Kant Sharma Took Charge as Member of UN Board of Auditors**

The Comptroller & Auditor General of India, Shashi Kant Sharma assumed office as Member of the United Nations Board of Auditors for a term of six year up to June 2020. Shashi Kant Sharma took over the charge from Liu Jiayi, the Auditor General of the People's Republic of China at the United Nations headquarters at New York. He was elected to this position defeating Philippines by a margin of 62 votes in November 2013.

## **United Nations Board of Auditors**

The United Nations General Assembly established the United Nations Board of Auditors to audit the accounts of the United Nations Organization and its funds and programmes and to report its findings and recommendations to the UN General Assembly.

For this purpose, the Assembly appoints three members, each of whom must be the Auditor-General of a Member State. Other two members of the Board besides Shashi Kant Sharma are Amyas Morse, Comptroller and Auditor General, United Kingdom of Great Britain and Northern Ireland and Ludovick Utouh, Controller and Auditor-General of United Republic of Tanzania.

## **India Voted in Favour of the UNHRC Resolution**

India voted in favour of United Nations Human Rights Council (UNHRC) resolution for a probe on Israel's offensive in Gaza.

The resolution titled Ensuring Respect for international law in The Occupied Palestinian Territories, including East Jerusalem saw 29 countries voting in favour of resolution while 17 countries including European countries abstained from the voting. In the 47-member UNHRC the US was the only nation to vote against the resolution.

## **Highlights of the UNHRC resolution**

- The Council strongly condemned the failure of Israel to end its prolonged occupation of the Occupied Palestinian Territory, including East Jerusalem.
- It also condemned all violence against civilians wherever it occurs, including the killing of two Israeli civilians.
- It also called for an end to attacks against all civilians, including Israeli civilians.
- It demanded Israel to immediately and fully end its illegal closure of the occupied Gaza Strip.
- It called upon the international community to provide urgently needed humanitarian assistance and services to the Palestinian people in the Gaza Strip.
- It expresses deep concern at the condition of Palestinian prisoners and detainees in Israeli jails and detention centres.

## **K. N. Tripathi Sworn in as Governor of West Bengal**

Keshari Nath Tripathi was sworn in as the 22nd Governor of West Bengal. The acting Chief Justice of the Calcutta High Court Asim Kumar Banerjee administered the oath of office to K.N. Tripathi. He will replace D. Y. Patil the Governor of Bihar, who was given the additional charge as Governor of West Bengal by the President of India Pranab Mukherjee after M. K. Narayanan resigned from the office in June 2014. (*Article 153 of the Constitution states that one Governor can be appointed as Governor of two or more States.*)

## **Kargil Vijay Diwas Celebrated Across the Country**

The 15th anniversary of Kargil Vijay Diwas was celebrated in India. The day is celebrated in the honour of war heroes of Kargil every year. The Day was celebrated with equal pomp in Dras sector in Jammu & Kashmir and at Amar Jawan Jyoti, India Gate in New Delhi. Defence Minister Arun Jaitley, Army chief Bikram Singh, Navy chief Robin Dhowan and Air Force chief Arup Raha paid tribute to martyrs at Amar Jawan Jyoti.

## **About Kargil War**

Kargil War was fought between India and Pakistan in 1999. The war started with the reports that intruders from Pakistan had come deep inside Indian territory in strategic positions that overlooked the only road link between Srinagar and Leh. The 73-day conflict fought during May – July 1999 saw Indian forces come out victorious against the intruders and taking back all the occupied strategic positions in Kargil and Dras sector.

## **The Lives of Others Written by Neel Mukherjee Shortlisted for Man Booker Prize 2014**

‘The Lives of Others’ authored by Neel Mukherjee was shortlisted for Man Booker Prize. Neel Mukherjee is a Kolkata-born British Indian writer and this is his second novel. The novel is set in 1960s Bengal and revolves around a man's extremist political activism during troubled times. The Novel is published by Granta which has so far sold 300000 copies in the United Kingdom and almost 500000 copies worldwide. His first novel was ‘Past Continuous’ which was joint winner of the Vodafone-Crossword Award, India's premier literary award for writing in English for best novel of 2008.

## **Other Books shortlisted for the Man Booker Prize 2014**

- **We Are All Completely Beside Ourselves:** Karen Joy Fowler
- **To Rise Again at a Decent Hour:** Joshua Ferris

- **The Narrow Road to the Deep North:** Richard Flanagan
- **History of the Rain:** Niall Williams
- **The Blazing World:** Siri Hustvedt
- **Orfeo:** Richard Powers
- **The Dog:** Joseph O'Neill
- **J:** Howard Jacobson
- **The Wake:** Paul Kingsnorth
- **The Bone Clocks:** David Mitchell
- **Us:** David Nicholls
- **How to be Both:** Ali Smith

## Dalbir Singh Suhag Takes over as Army Chief

Lt Gen Dalbir Singh Suhag has succeeded General Bikram Singh as the head of the 1.3 million strong Indian Army.

Suhag, whose appointment had kicked up a row, was designated as Army chief in May by the outgoing UPA government ignoring protests from his predecessor Gen V. K. Singh and the BJP.

He will have a tenure of 30 months as the 26th Chief of the armed forces.

Suhag was made the Vice Chief of Army Staff in December last year. Earlier, he had taken over as the Eastern Army Commander in June 2012.

The ban on Suhag, the then 2 Corps Commander, was lifted soon after General Bikram Singh took over in May 2012.

## Key Points in Proposed Judicial Appointment Commission Bill

The controversy over the efficacy of the collegium system for appointing Supreme Court judges has gained momentum with many leaders and even eminent jurists including well-known names such as Markandey Katju have been candid on the failure of the current collegium system. There are demands for overhaul of the existing provisions.

To address this issue the government has proposed Judicial Appointments Commission (JAC) Bill as an alternative to the existing system. Highlights of JAC Bill:

- Establishment of a six-member Judicial Appointments Commission (JAC) to make recommendations to the President on appointment and transfer of judges to the higher judiciary.
- It will encourage collaborations between the judiciary and executive.
- The Chief Justice of India, two other senior most judges of the Supreme Court, the Union Minister for Law and Justice and two eminent persons to be nominated by the Prime Minister, and the Leader of Opposition of the Lok Sabha will be its members. Law Commission of India Chairman and former Delhi High Court Chief Justice A. P. Shah have suggested raising the strength of the body to seven.
- JAC basic function: Making recommendations for appointments of the CJI, SC judges, Chief Justice and other High Court judges, and even the transfer of HC judges.
- It would empower the Parliament to pass a law providing for the composition, functions and procedures of the JAC.
- Transparency will be the underlining feature of the entire process under the JAC. As per suggestions, the entire record of the process, starting from the nominations received up to the final recommendation made to the President, must be publicly disclosed.

## Sports

### **Dipa Karmakar First Indian Woman Gymnast to Win a Medal in Commonwealth Games**

Dipa Karmakar scripted history as she clinched the bronze medal in the vault event in the Commonwealth Games 2014 at Glasgow, Scotland, becoming the first Indian woman gymnast and second person of the country to win a medal at the Commonwealth Games.

Karmakar, who belongs to Tripura, secured 14.366 points to finish third in the women's vault final at the SSE Hydro in Glasgow.

First Indian male gymnast to win a medal at CWG was Ashish Kumar. He won a silver in vault and bronze in floor events in the 2010 Delhi Commonwealth Games.

**Sabine Lisicki Sets Record of Fastest Serve in Women's Tennis**

Sabine Lisicki of Germany created a record of the fastest serve in the women's tennis. The world No. 29 Lisicki set the record by serving at 131 miles per hour.

The previous record of the fastest serve in women's tennis was held by Venus Williams achieved at the 2007 US Open, at a speed of 129 miles per hour.

Apart from this, the fastest serve record in the men's side is held by Australian Sam Groth at a pace of 163.4 miles per hour. This record was created at a Challenger event in South Korea in 2012.

**Sukhen Dey & K. Sanjita Chanu Won Gold Medal on Day 1 of Commonwealth Games 2014**

Weightlifters Sukhen Dey and K. Sanjita Chanu clinched a Gold Medal each in weightlifting in the 20th Commonwealth Games in Glasgow, Scotland. In all, India won seven medals on day 1 of the Games.

In the men's 56 kg contest, Sukhen Dey lifted a total of 248 kg. In the women's 48 kg weightlifting, K. Sanjita Chanu won with a total lift of 173 kg.

### **Other medal winners from India**

S. Mirabai Chanu: Silver medal (Weightlifting, Women's 48 kg)

Ganaesh Mali: Bronze medal (Weightlifting, Men's 56 kg)

Navjot Chana: Silver medal (Judo, Men's 60 kg)

Shushila Likmabam: Silver medal (Judo, Women's 48 kg)

Kalpana Thoudam: Bronze medal (Judo, Women's 52 kg)

The first Gold medal of the 20th Commonwealth Games was won by Jodie Stimpson of England in women's triathlon.

**Jacques Kallis Announced Retirement from all Formats of International Cricket**

Jacques Kallis, the South African all-rounder announced his retirement from all-formats of international cricket, viz., One Day Internationals and T20s. In December 2013, he had announced his retirement from Test cricket after playing the Test series against India. But he would continue to play further for club cricket like Sydney Thunder and Kolkata Knight Riders.

**Abhinav Bindra Won Gold medal in Men's 10m Air Rifle Olympic Gold medalist Abhinav Bindra won the Gold medal in Men's 10-m Air Rifle event at the 2014 Commonwealth Games in Glasgow, Scotland. He shot 205.3 points to win the Gold.**

The Silver medal was won by Abdullah Baki of Bangladesh and the Bronze medal was won by Daniel Rivers of England.

This was Bindra's first individual Gold medal in Commonwealth Games. Earlier he had won Gold medal in pairs in Manchester (2002), Melbourne (2006) and Delhi (2010).

## **Women's 10-m Air Pistol**

In the Women's 10-m Air Pistol event, India won its first medal of shooting in the 2014 Games. The medal came in the form of Silver medal won by 16-year-old Malaika Goel. She shot 197.1 points to win the Silver.

Malaika, currently ranked 15th in the world, hails from Ludhiana in Punjab and is a product of Olympic Gold Quest.

The Gold in the Women's 10-m Air Pistol event was won by Shun Xie Teo of Singapore and the Bronze medal was won by Dorothy Ludwig of England.

## **Business/Economy**

### **BRICS to Create 100 Billion Dollar Development Bank and Emergency Reserve Fund**

BRICS nations signed a deal to create a new 100 billion US dollar development bank and emergency reserve fund. The deal to form the bank was signed during the 6th BRICS Summit held in Fortaleza, Brazil in July 2014.

Creation of the bank was announced after a plenary meet at a BRICS summit meet by Brazil's President, Dilma Rousseff.

The founding treaty for the new development bank and the Contingency Reserve Agreement were signed by the economy ministers of the member nations. Initially, the bank will start off with 50 billion dollars in initial capital with the five BRICS putting in 10 billion US dollars each.

As per the deal, the capital of the bank will be split equally among the five participating countries, while the headquarters will be in Shanghai, China. The Bank will have a rotating chair and its first President will come from India for the first six years. The Bank will also have a regional office in Johannesburg, South Africa.

The Bank's board will have five finance ministers and will be chaired by Brazil. Initially the bank will be involved in infrastructure projects in the BRICS nations.

BRICS finance ministers or central banks' governors will form a governing body to manage the CRA while it will be presided over by the BRICS President. The BRICS CRA will not be open to outsiders.

### **Participant leaders of the five nations are**

Brazil - Dilma Rousseff

Russian - Vladimir Putin

Indian - Narendra Modi  
China - Xi Jinping  
South Africa - Jacob Zuma

## **Draft Guidelines for Setting up Small Banks, Payment Banks**

The Reserve Bank of India (RBI) issued draft guidelines for setting up of small banks, which will have a local feel and will provide small-ticket loans to farmers and businesses.

The apex bank also issued draft norms for establishing payment banks, which will provide services to marginalised sections of society, including migrant labourers, for collecting deposits and remitting funds.

### **As per RBI guidelines:**

- The minimum capital requirement for such banks will be Rs. 100 crore as against Rs. 500 crore required for normal commercial banks.
- Small banks will provide a whole range of basic banking services such as deposits and supply of credit, but their area of operation will be limited.
- Payments banks will provide very basic and limited number of products such as acceptance of demand deposits and remittances of funds.
  
- Payments banks will have an extensive network of access points mainly in remote areas, either through their own branch network or through Business Correspondents (BCs) or through networks provided by others.
- Foreign investments in these new category banks would be as per the FDI policy.
- RBI has allowed existing non-bank pre-payment instrument issuers, Non-banking Finance Companies (NBFCs), corporate BCs, mobile telephone companies, supermarket chains, firms, real sector cooperatives and public sector entities to apply for the license to set up payments bank.
- To set up small banks, resident individuals with 10 years of experience in banking and finance, companies and societies will be eligible as promoters.
- Existing NBFCs, Micro Finance Institutions (MFIs), and Local Area Banks (LABs) can also choose for conversion into small banks.
- Local focus and the ability to serve smaller customers will be a key criterion in licensing the new category of banks.

## **Business 20 (B20) Australia Summit**

The business leaders of G20 countries held a meeting named Business 20 (B20) Australia Summit in Sydney.

They issued a blueprint for G20 leaders to boost economic and job growth and make global economy more resilient to deal with any future impacts. The summit was chaired by Richard Goyder, Managing Director and CEO of Wesfarmers.

The Business 20 (B20) is a forum through which the private sector brings forth policy recommendations for the annual summit of the G20 leaders. The forum is the concourse of business leaders from across G20 member nations to reflect the key role of the private sector as the main driver of strong, sustainable and balanced growth.

As President of the G20 in 2014, Australia has established a B20. The B20 Australia Leadership Group includes 30 Australian business leaders representing a range of industries. It is chaired by Richard

Goyder AO, Managing Director and CEO of Wesfarmers. B20 Australia will lead business engagement and coordinate the communication of international business priorities to the G20 during Australia's presidency.

## **Infrastructure Financing Norms Eased to Encourage Infrastructure Development**

Reserve Bank of India (RBI) announced to ease the infrastructure financing norms in order to encourage infrastructure development and affordable housing.

RBI exempted long-term bonds from mandatory regulatory norms of Cash Reserve Ratio (CRR), Priority Sector Lending (PSL) and Statutory Liquidity Ratio (SLR) if the money raised is used for funding of infrastructure projects.

Further, it asked the banks to issue long-term bonds with a minimum maturity of seven years to raise resources for lending to long-term projects in infrastructure subsectors and affordable housing.

The objective of easing infra norms is to mitigate the Asset-Liability Management (ALM) problems faced by banks in extending project loans to infrastructure and core industries sectors. Further it would also ease the raising of long term resources for project loans to infrastructure and affordable housing sectors.

This process of extending loans is sometimes known as the 5:25 structure.

Under the 5:25 structure, bank may fix longer amortisation period for loans to projects in infrastructure and core industries sectors with periodic refinancing, say every five years.

## **Union Government Notified Public Servants Rules, 2014**

The Union Government notified Public Servants (Furnishing of Information and Annual Return of Assets and Liabilities and the Limits for Exemption of Assets in Filing Returns) Rules, 2014. Also, the Department of Personnel and Training (DoPT) under Union Ministry of Personnel Public Grievances and Pensions notified the rules under Lokpal and Lokayuktas Act, 2013.

As per the new rules, it has now become mandatory for all Government employees to file declarations of their assets and liabilities as well as of their spouses and dependent children. The new rules state that the Government will issue new forms that will seek information on cash in hand, bank deposits, investment in bonds, debentures, shares and units in companies or mutual funds, insurance policies, provident fund, personal loans and advance given to a person or any entity, among others and many such other rules have been formulated.

If the employees have already filed declaration, information and annual returns of property, shall file revised declarations as on 1 August 2014, to the competent authority on or before 15 September 2014.

While as per the Lokpal and Lokayuktas Act 2013, a Lokpal for the Union as well as Lokayuktas for the States will be established in order to inquire the corruption charges against Government officials.

As per this Act, a public servant shall furnish to the competent authority the information relating to the assets of which he, his spouse and his dependent children, jointly or severally, own. The Act also makes it mandatory for a government servant to declare his liabilities and that of his spouse and his dependent children, as per the Act.

## **Global Standard for Automatic Exchange of Financial Account Information Released**

The Organisation for Economic Co-operation and Development (OECD) released single global standard for automatic exchange of financial account information between jurisdictions.

The Standard for Automatic Exchange of Financial Account Information in tax matters calls on governments to obtain detailed account information from their financial institutions and exchange that information automatically with other jurisdictions on an annual basis.

### **Two Components of the Standard**

Competent Authority Agreement (CAA)

Common Reporting Standard (CRS)

### **Main Elements of the Standard for Automatic Exchange**

- The Standard provides for annual automatic exchange between governments in the field of financial account information. The financial account information includes balances, interest, dividends, and sales proceeds from financial assets which are reported to governments by financial institutions. It also covers accounts held by individuals and entities, including trusts and foundations.

- The Standard also provides confidentiality clause and safeguards in the exchange of information. For this the countries will need to pass domestic laws as per their respective legal jurisdictions to enable such cooperation.

- Also, the Standard provides that each competent authority needs to notify the other competent authority immediately regarding any breach of confidentiality or failure of safeguards and any sanctions and remedial actions consequently imposed.

The OECD will formally present the Standard to G20 Finance Ministers at their meeting in Cairns, Australia, on 20-21 September 2014.

## **General Awareness**

### **TCS First Indian Company to Achieve Market Capitalisation of 5 lakh crore rupees**

Tata Consultancy Services (TCS) became the first Indian company to achieve a market capitalisation of 5 lakh crore rupees. This feat was achieved by the company on the back of Quarter 1 results.

In terms of market capitalisation, TCS is followed by Oil and Natural Gas Corporation (ONGC) at 3.5 lakh crore rupees and Reliance Industries at 3.3 lakh crore rupees.

The market capitalisation of TCS is higher than the combined market capital of the next 4 biggest Indian IT companies, viz. Infosys (1.90 lakh crore rupees), Wipro ( 1.39 lakh crore rupees) and HCL Tech (1.07 lakh crore rupees) and Tech Mahindra (45000 crore rupees). The combined market value of these four IT companies in India is approximately 4.88 lakh crore rupees.

TCS is the largest software services exporter of the country and is currently the most valued company in India in terms of market valuation.

## **Bashar al-Assad Sworn in as President of Syria**

Bashar al-Assad was sworn in as Syria's President in Damascus for a seven-year term. With this he became the President for the third consecutive term. He was re-elected after a presidential election held in June 2014.

Assad won 88.7 percent of the votes in the first multi candidate election that was conducted only in the areas of Syria which were under government control.

After his swearing-in, Assad vowed to fight terrorism until security was restored to all of the country. However, he also promised to offer national reconciliation to opponents.

## **Should the Juvenile Justice Act be amended?**

Union Women and Child Development Minister Maneka Gandhi emphasised that Juvenile Justice (Care and Protection of Children) Act, 2000 needs to be amended in light of increasing crimes against women committed by juveniles.

Justice Juvenile Act, 2000 was brought in by repealing the earlier Justice Juvenile Act of 1986 so as to bring the law related to care and protection of children in line with the UN Convention on Child Rights, 1989.

The Act defines a juvenile who is 16 years old and provides for children-sensitive approach towards prevention and treatment of underage offenders. It provides for a maximum three years of punishment to an underage offender in a reformatory home.

The demand to amend the JJ Act gained momentum after the brutal Nirbhaya case of December 2012 in which the most brutal offender out of the six was below 18 but was given only three years of punishment.

Further, if we see the number of crimes being committed by juveniles or under-18 children, the data provided by National Crime Record Bureau (NCRB) are shocking. As per NCRB data, there has been a 60 percent increase in the rapes committed by under-18 in the year 2013 compared to 2012.

## **B. Ashok is the New Chairman of IOC**

B. Ashok took charge as Chairman of Indian Oil Corporation (IOC), the India's largest oil firm.

His appointment was cleared by the Appointments Committee of the Cabinet headed by the Prime Minister Narendra Modi.

He was to succeed R. S. Butola who retired from service on 31 May 2014. Since a full-time Chairman was not appointed in time, R. K. Malhotra, Director (R&D) and senior most Director on IOC board, was given additional charge.

Malhotra retired in June 2014 and A M K Sinha, Director (Planning and Business Development) was given the additional charge.

B. Ashok, Executive Director (Retail Sales) was chosen for the post of Director by the Public Enterprise Selection Board (PESB) in October 2013, but the previous UPA government could not appoint him before its tenure ended.

## Global Innovation Index 2014 Released

The Global Innovation Index 2014 (GII) was released at the B20 Australia Summit held in Sydney. GI 2014 in its 9th edition covers 143 countries around the world and uses 81 indicators across a range of theme.

The theme of the GI 2014 is 'Human Factor in Innovation' and the main authors of the GI 2014 are Soumitra Dutta, Bruno Lanvin, and Sacha Wunsch-Vincent.

## Main highlights of the Index

- Switzerland topped the GI rankings like 2013 while the UK took the second position. Sweden, Finland and the Netherlands are ranked third, fourth and fifth, respectively.
- USA is ranked on 6th position followed by Singapore, Denmark, Luxembourg and Hong Kong at seventh, eighth, ninth and tenth position, respectively.
- The GI 2014 confirms the continued existence of global innovation divides even within income groups. All top 25 economies are in the high-income group. China and Malaysia are the only upper-middle income countries getting closer to these ranks
- Sub-Saharan Africa is the region that sees the most significant improvement in GI rankings in 2014. Thirty-three countries make up the region in the GI.
- The BRICS economies show signs of divergence, with China improving at a significantly faster pace than its BRICS counterparts and India slipping back.

## India and GI 2014

- India slipped 10 notches on the Global Innovation Index (GI) 2014. India fell from the 66th position to the 76th on the index.
- India became the only one among the BRICS economies that fell in the rankings of countries based on their innovation capabilities.
- China was the best among BRICS nations at 29th position, an improvement of six places. Russia went up 13 places at 49th rank. South Africa ranked 53rd, went up five places, while Brazil at 61st position, moved up three places.
- The divergence of India from the rest of the BRICS economies is the result of the challenges it faces in integrating its efforts along the different dimensions of innovation to sustain a high level of innovation success.

## Sports

### Laureus World Sports Academy Elected Rahul Dravid as its New Member

Indian cricket legend Rahul Dravid was elected as the member of Laureus World Sports Academy. He is the 47th member of the Academy.

After his election to the Academy, Dravid (nicknamed The Wall) met and played cricket with the young coaches of the Urban Academy of London's East End. He was joined by fellow Academy member Steve Waugh, the Australian cricketing legend, who is the most successful captain in the history of Test Cricket. The young coaches of the Academy were being trained with support from Laureus Sport for Good Foundation.

The other Indian cricketing legend who is the member of the Academy is Kapil Dev.

### Laureus World Sports Academy

The Laureus World Sports Academy is a unique association of 47 of the greatest living sporting legends from sports as diverse as football, tennis, athletics, skateboarding and motor racing. The members of the Academy believe in the power of sport to break down barriers and bringing people together to improve lives of young people around the world.

### New FIFA Rankings Released With Germany on Top

The 2014 World Cup was a thrilling soccer tournament in Brazil, with Germany coming out victorious over Argentina, 1-0, in the final game to win their fourth World Cup title.

Even though this year's World Cup is over, fans are already looking forward to 2018, when the World Cup heads to Russia. The first FIFA rankings since the tournament ended have been released, and they seem to mirror the results of this year's World Cup closely:

### TOP TEAMS IN FIFA RANKINGS

1. Germany
2. Argentina
3. Netherlands
4. Colombia
5. Belgium
6. Uruguay
7. Brazil
8. Spain
9. Switzerland

## Business/Economy

### India and China Inked Three Agreements

India and China signed three agreements in the fields of commerce, water resources and human resources.

These agreements will facilitate China to set up industrial parks, share hydrological information during Brahmaputra floods and impart training to public officials.

These agreements were signed after delegation level talks between Hamid Ansari, the Vice President of India and Chinese counterpart Li Yuanchao.

### List of documents signed

1. Memorandum of Understanding on Cooperation on Industrial Parks in India
2. Implementation Plan for Provision of Hydrological Information of the Yarlung Zangbu/ Brahmaputra River in Flood Season by China to India
3. Memorandum of Understanding concerning communication and cooperation of training in the area of Capacity Building of Public Officials

### RBI Restored the Limit of Overseas Direct Investment Taken Under Automatic Route

The Reserve Bank of India restored the limit of Overseas Direct Investment (ODI) by an Indian company under the automatic route of Foreign Exchange Management Act, 2004.

With this decision now, an Indian company can undertake financial commitment or invest up to 400 percent of the net worth in all its Joint Ventures (JVs) and/or Wholly Owned Subsidiaries (WOSs) abroad. However, RBI decided that any financial commitment exceeding one billion US Dollars or its equivalent in a financial year will require prior approval from the Reserve Bank. This rule is applicable even if the total commitment undertaken by an Indian company falls within the eligible limit.

In August 2013, RBI reduced the ODI limit to 100 percent of net worth of a company from 400 percent for all Indian companies by considering the prevailed macro economic situation. The decision was taken in order to control the unprecedented appreciation of the dollar when the rupee touched an all-time low of 68.80 rupees.

However, the restriction was not applicable on public sector firms like Oil India and ONGC Videsh.

### Overseas Direct Investments (ODI)

ODI is the reverse of Foreign Direct Investment (FDI), i.e. Indian direct investment abroad.

ODI brings host of benefits along with it. These are: promotes economic co-operation between India and the host countries; helps in transfer of technology and skills; enables sharing of results of Research & Development; provides access to the global market; enables promotion of the brand image; generates employment and aids in utilization of raw materials available in India and the host country.

## **MoU Signed by NABARD and SFAC for Development of Small Farm Producers**

National Bank of Agriculture and Rural Development (NABARD) and Small Farmers Agribusiness Consortium (SFAC) signed a Memorandum of Understanding for the development of Small Farm Producers.

The MoU seeks to bring the two institutions in close coordination for implementing schemes for promotion of Producer Organisations (POs).

The SFAC is implementing a scheme of the Government of India whereby the Producer Organisations are given equity support and the financing banks are given credit guarantee cover to enable formation of Producer Organisations.

NABARD will proactively leverage the benefits of the equity grant and credit guarantee fund for Follow on Public Offers (FPO) set up by SFAC to ensure that finance for producer company flows smoothly.

NABARD will actively collaborate with the SFAC at national, state and district level by participating in the Food Security Mission. NABARD informed that it has a fund of 50 crore rupees for supporting producer organisations.

FPO is a process by which a company, which is already listed on an exchange issues new shares to the investors or the existing shareholders, usually the promoters. FPO is used by companies to diversify their equity base.

## **Adani Ports & SEZ Ltd and CMA CGM Form Joint Venture**

Adani Ports & SEZ Ltd formed an equal joint venture (JV) with French shipping company CMA CGM to build a container terminal at **Mundra** in Gujarat.

This will be the fourth container terminal at Mundra, with a capacity to handle 1.3 million twenty foot equivalent containers annually. The construction phase will start immediately and will be completed in 24 months.

CMA CGM is the third-largest container shipping line in the world.

The strategic value of such a partnership with a major global player like CMA CGM is very significant and opens up a whole set of additional opportunities and synergies for both the companies.

This JV is another major step by APSEZ to continue to rapidly expand its container terminals footprint across India's coastline.

The new terminal adds to the company's existing two container handling locations at Mundra and Hazira along with its already announced two container terminals to be constructed at Ennore in Chennai and Dhamra in Odisha.

## General Awareness

### C. Rangarajan Committee Presents Report on Poverty to the Union Government

C. Rangarajan Committee reviewed the Methodology for Measurement of Poverty and presented its report to the Union Planning Minister Rao Inderjit Singh.

The report retained consumption expenditure estimates of NSSO as the basis for determining poverty. On the basis of this, it pegged the total number of poor in India at 363 million or 29.6 percent of the population. This is higher than 269.8 million poor people or 21.9 percent pegged by the Suresh Tendulkar committee.

#### Highlights

- The daily per capita expenditure is pegged at 32 rupees for the rural poor and at 47 rupees for the urban poor.
- Poverty line based on the average monthly per capita expenditure is pegged at 972 rupees for rural India and 1407 rupees for urban India.
- The all-India poverty line in terms of consumption expenditure for a family of five was estimated at 4760 rupees per month in rural areas and 7035 rupees per month in urban areas in 2011-12.
- The percentage of people below the poverty line in 2011-12 was 30.95 in rural areas and 26.4 in urban areas.
- The respective ratios for the rural and urban areas were 41.8 percent and 25.7 percent, respectively, and 37.2 percent for the country as a whole in 2004-05. In 1993-94, it was 50.1 percent in rural areas, 31.8 percent in urban areas and 45.3 percent for the country as a whole.
- In 2009-10, about 91.6 million people were lifted out of poverty as compared to 454.6 million poor in 2009-10.

### 240MW Uri-II hydroelectric project Inaugurated in Jammu and Kashmir

Prime Minister of India, Narendra Modi inaugurated the 240MW Uri-II Hydroelectric Project (HEP) in Jammu and Kashmir. This Uri-II project will be able to generate an estimated 1124 million units of hydel-energy annually from its four units of 60 MW each.

The Uri-II project is the second power project on the Jhelum River in Uri area. It is located on the downstream of the 480-MW Uri-I HEP that is operational whose work was completed in 1997.

### Japan Issued Multiple Entry Visas to Indians

Japan issued multiple entry visas for short term stay to Indians. The visas will allow Indian visitors to spend up to 15 days on a visit and the visas are likely to be valid for three years.

The multiple entry visas will be issued at the Japanese diplomatic missions in India and also at all the

Japanese embassies and Consulate Generals overseas.

The decision will increase the number of Indian tourists to Japan and improve convenience in business activities and further development of bilateral exchanges between the two countries.

The decision was taken in the backdrop of the announcement made by Prime Minister Shinzo Abe when he visited India in January 2014.

## **New Liberal Visa Policy for Afghanistan Nationals**

India announced a new liberal visa policy for nationals of Afghanistan on humanitarian grounds. The policy was released by Union Home Ministry and will be effective from 1st July, 2014.

The new policy allows nationals of Afghanistan to stay in India on stay visa or resident permit for a period of two years at a time. Besides, Afghanistan nationals below 12 years or above 65 years are also granted exemption from police reporting.

The policy has also the liberal provisions in relation to exemption from the requirement of police reporting to various categories including Afghan students, medical patients, short-term visitors, businessmen, scholars and eminent persons.

A system of biometric enrolment and photography will be introduced to ensure that the provided facilities are not misused by unscrupulous elements. The new policy further streamlines procedures being implemented in the current visa policy for citizens of Afghanistan.

## **India - The First Country to Ratify the Marrakesh Treaty**

India become the first country to ratify the Marrakesh Treaty to facilitate access to published works for persons who are visually impaired, or otherwise print disabled. The treaty was adopted by 79 member countries of the World Intellectual Property Organisation (WIPO) in June 2013, and India ratified it in June 2014.

India handed over the Instrument of Ratification to WIPO at the 28th session of the Standing Committee on Copyright and Related Rights in Geneva.

The Marrakesh Treaty will come into force once 20 countries ratify it. The treaty requires signatories to adopt national law provisions that facilitate the availability of published works in formats like Braille that are accessible to the blind and allow their exchange across borders by organisations working for the visually impaired.

The treaty will facilitate import of accessible format copies from the member states by the Indian authorized entities such as educational institutions, libraries and other institutions working for the benefit of the visually impaired. This will also facilitate translation of imported accessible format copies and export of accessible format copies in Indian languages.

## **First Female Four-star Admiral in the US Navy**

Michelle Howard became the first female four-star admiral in the US Navy. She is the first women admiral in the 236 year old history of the US Navy.

Vice-Admiral Michelle was promoted to the highest rank of four-star admiral at the Women in Military Service for America Memorial in the US in July 2014.

Howard is perhaps best known for leading Task Force 151, which oversaw counter-piracy operations in the Gulf of Aden conducted in April 2009 to rescue captured Captain Richard Phillips by Somali pirates.

## **Orbiting Carbon Observatory-2 Launched by NASA to Track Carbon Dioxide**

NASA launched Orbiting Carbon Observatory-2 (OCO-2), a satellite designed to track carbon dioxide which is responsible for global warming. The satellite was launched aboard Delta 2 rocket from Vandenberg Air Force Base in California.

The OCO-2 launch mission preparation was managed by NASA's Launch Services Program, based at Kennedy Space Center in Florida and was handled by the Jet Propulsion Laboratory in California. OCO-2 is the first of its kind mission of NASA dedicated to study the atmospheric carbon dioxide over several seasons. The spacecraft was launched to replace the first OCO that did not make it into orbit due to an anomaly in February 2009.

The mission worth 468 million US dollars and will last for two years. During these two years, it is expected to produce detailed readings to provide regional sources of carbon dioxide as well as sinks for the greenhouse gas.

OCO-2 is a part of the A-Train, a constellation of five other international Earth-observing satellites and joins the train of polar-orbiting environmental satellites of the Earth.

## **Sports**

### **Indian Shooter Jitu Rai Ranked No. 1 in the World**

Jitu Rai became world number 1 pistol shooter in the men's 10 metre air pistol category. This was revealed by the latest rankings released by the International Shooting Federation (ISSF) in July 2014. Earlier, Rai was ranked 26th in the World but his recent performance in Maribor and Munich Shooting World Cup made him number 1 pistol shooter in the World. He won a Gold medal at the Maribor Shooting World Cup in June 2014, and a Silver medal and at the Munich Shooting World Cup the same month. Apart from Jitu Rai, Indian Prakash Nanjappa also moved up to the fifth spot in the 10 metre air pistol category.

Jitu Rai, is the seventh Indian shooter to have achieved the feat. The other six to be ranked number 1 in ISSF release were

- Anjali Bhagwat
- Rajyavardhan Rathore
- Gagan Narang
- Manavjit Singh Sandhu
- Ronjon Sodhi
- Heena Sidhu

### **MCC XI Won the Match played to Celebrate 200 Years of Lord's Cricket Ground**

Marylebone Cricket Club XI won the match played to celebrate 200-years (bi-centenary) of Lord's Cricket Ground. Sachin Tendulkar led MCC XI beat Shane Warne led Rest of the World XI.

Batting first MCC XI made 296 for 3 wickets. Aaron Finch with unbeatable 181 was the highest scorer of the match. On the other hand, Yuvraj Singh of Rest of the World XI was able to make 132 runs and helped the team to reach a respectable score of 293.

## Players of both the team

**Marylebone Cricket Club Team:** Sachin Tendulkar, S. Chanderpaul, Rahul Dravid, Aaron Finch, Brian Lara, Brett Lee, Chris Read, Saeed Ajmal, SW Tait, Umar Gul and Daniel Vettori

**Rest of the World XI Team:** Shane Warne, TL Best, Paul Collingwood, Adam Gilchrist, M. Muralitharan, KP Pietersen, Virender Sehwag, Shahid Afridi, PM Siddle, Tamim Iqbal and Yuvraj Singh.

## Novak Djokovic Won the Men's Wimbledon Tennis Open

Novak Djokovic won the Men's Wimbledon Tennis Open defeating Roger Federer. He defeated Federer 6-7(7), 6-4, 7-6(4), 5-7, 6-4. This is the second Wimbledon title for 27-year-old, Djokovic and seventh career Grand Slam. Djokovic won his first Wimbledon title in 2011.

With this win world number two Djokovic reclaimed the top spot in the men's rankings replacing Rafael Nadal for the first time since September 2013.

This defeat of 32-year-old Federer ended his bid to become the oldest Wimbledon Champion in the Open Era and of breaking the record of seven titles he shares with Pete Sampras.

In the Women's single, Petra Kvitova of Czechoslovakia won the Wimbledon Tennis Open defeating Canada's Eugenie Bouchard 6-3, 6-0.

**Other Results of Wimbledon Open Mixed Doubles:** Nenad Zimonjic (Serbia) and Samantha Stosur (Australia) beat Max Mirnyi (Belarus) and Hao-Ching Chan (China)

**Men's Doubles:** Vasek Pospisil (Canada) and Jack Sock (USA) defeated Bob Bryan and Mike Bryan of USA

**Women's Doubles:** Sara Errani (Italy) and Roberta Vinci (Italy) beat Timea Babos (Hungary) and Kristina Mladenovic (France)