



RBI/ BANKING/ BUSINESS NEWS THIS MONTH

- ✓ **Feb 4:** The Reserve Bank of India has raised the Foreign Institutional Investors, FIIs investment limit in the Power Grid Corporation to 30 per cent of its paid up capital.
- ✓ **Feb 7:** The Reserve Bank has issued 'certificate of authorisation' to four non-bank entities, including Tata Communications Payment Solutions and Muthoot Finance, to set up White Label ATMs (WLAs) in the country.
Note: The other two non-bank entities to which the Reserve Bank has issued the certificate for setting up and operating the White Label ATMs are Prizm Payment Services and Vakrangee Ltd.
- ✓ **Feb 8:** For greater adoption of mobile banking in the country, a Reserve Bank of India panel has recommended that all mobile network operators (MNOs) load single mobile banking application on all new SIMs (subscriber identification modules), which use encrypted SMS (short messaging service) for transaction processing.
- ✓ **Feb 8:** Plastic notes in the denomination of 10 will be introduced on a pilot basis.
- ✓ **Feb 9:** Reserve Bank of India (RBI) has said that it has removed 26 per cent cap on the interest rate that can be charged by a microfinance company to its borrowers.
- ✓ **Feb 9:** Operations at public sector banks are impacted as employee unions are on a two-day nation-wide strike to press for wage revision.
- ✓ **Feb 12:** People without a bank account in India would soon be able to withdraw cash from an automated teller machine (ATM) with the use of mobile technology.
Note: The Nachiket Mor Committee suggests the creation of Payment Banks as a step towards this goal.
- ✓ **Feb 20:** Nominated banks and agencies would not be permitted to import gold in excess of their entitlements in the first or second lot under the 80:20 scheme, the Reserve Bank of India (RBI) declared.
- ✓ **Feb 21:** Punjab National Bank has applied for opening of two branches in Pakistan, one each in Lahore and Karachi, but these branches have not been approved by the competent authority.
- ✓ **Feb 22:** Bharatiya Mahila Bank (BMB), the first all-women bank, tied with New India Assurance to launch health insurance products for women account holders of the bank.
- ✓ **Feb 25:** The Bimal Jalan panel which was scrutinising applications for new bank licences has submitted its report to the Reserve Bank of India.
Note: The report contains names of entities eligible for bank licences. It was not immediately known how many applicants have been shortlisted by the high-level advisory panel.
- ✓ **Feb 26:** NABARD Chairman H K Bhanwala has said that the process of migrating to the core banking solution has been completed at all the Regional Rural Banks.
- ✓ **Feb 27:** ICICI Bank launched 'branch on wheels' in Odisha as part its financial inclusion plan to provide banking services in remote villages in the state which are devoid of banking facilities.
- ✓ **Feb 28:** Union Finance Minister P. Chidambaram inaugurated the country's first post office savings bank ATM at the Head Post Office in Thyagaraya Nagar, Chennai.

NATION THIS MONTH

- ♣ **Feb 1:** Nepal and India have amended a bilateral transit treaty to facilitate the export of goods from a third country through India.
- ♣ **Feb 6:** India has offered to provide buyer's credit of 100 million dollars to Namibia for infrastructure projects.
- ♣ **Feb 6:** Australia said it was keen to sign the Comprehensive Economic Cooperation Agreement with India to bring trade and investment ties to the forefront.
- ♣ **Feb 6:** The AAP government directed its Anti-Corruption Bureau (ACB) to probe a number of Commonwealth Games related projects that were implemented during the reign of Sheila Dikshit.
- ♣ **Feb 8:** The Union Cabinet cleared the Telangana Bill which will be introduced in Parliament.

- ♣ **Feb 9:** Waitlisted passengers will soon get status messages in their mobile phones if their tickets get confirmed before journey.
- ♣ **Feb 11:** India celebrates a landmark achievement in public health – ‘the victory over polio’.
Note: The country has now completed three years without any polio, one of the key pre-requisites for polio-free certification, amidst a very sensitive surveillance system for poliovirus.
- ♣ **Feb 11:** The French Consul General in Kolkata, Fabrice Etienne was on a fact-finding mission to explore opportunities for investment in mineral-rich Jharkhand.
- ♣ **Feb 13:** Asian Development Bank will provide USD 275 million loan for improving rural road connectivity in five states in the country.
- ♣ **Feb 14:** Defying Lt Governor's advice, the AAP Government tabled the Jan Lokpal Bill in Delhi Assembly amidst stiff protests from BJP and Congress members triggering an uproar and forcing adjournment of the House.
- ♣ **Feb 15:** Delhi Lt Governor Najeeb Jung has recommended for President's rule in his report submitted to the President on the follow up action in the wake of resignation of the Aam Aadmi Party Government.
- ♣ **Feb 15:** Arvind Kejriwal has become caretaker Chief Minister of Delhi after resigning from the Delhi Cabinet.
- ♣ **Feb 15:** A new chapter in Afghanistan-India relations began with the joint inauguration of the Afghan National Agricultural Science and Technology University.
- ♣ **Feb 15:** India and Poland have agreed to expand cooperation in the restoration and digitization of film archives.
- ♣ **Feb 16:** Central rule was imposed in Delhi and the Legislative Assembly kept in suspended animation after President Pranab Mukherjee accepted the resignation of Chief Minister Arvind Kejriwal.
- ♣ **Feb 18:** In an unprecedented move, live telecast of Parliament proceedings was stopped as the Lok Sabha passed the controversial bill that seeks to create a Telangana state by dividing Andhra Pradesh.
- ♣ **Feb 18:** Legendary freedom fighter Bhagat Singh's ancestral house, school and his village in Punjab Province in Pakistan will be restored under a Rs 80-million project.
- ♣ **Feb 18:** In a major relief to three condemned prisoners in the Rajiv Gandhi assassination case, the Supreme Court commuted their death sentence to life imprisonment on the ground of 11 years delay in deciding their mercy plea by the Centre.
- ♣ **Feb 19:** Chief Minister N. Kiran Kumar Reddy submitted his resignation to the Governor E.S.L. Narasimhan.
- ♣ **Feb 19:** Expelled Congress MP L Rajagopal, who had created a storm by splashing pepper spray in Lok Sabha, is no longer a member of the House with Speaker Meira Kumar accepting his resignation.
- ♣ **Feb 19:** Taj Mahotsav, the ten day annual festival began in Agra, Uttar Pradesh.
- ♣ **Feb 20:** The third edition of Brand Summit of Confederation of Indian Industry will be held on March 4.
- ♣ **Feb 21:** The Finance Minister P Chidambaram has called a meeting of chief executives of public sector banks on March 5.
- ♣ **Feb 22:** Whistleblower Protection Bill was passed by Union Legislature on 21 February 2014.
- ♣ **Feb 25:** A five-day Global Ayurveda Festival will be held from 20th February in Kerala to highlight the state's emergence as the global destination in which Mauritius President Rajkeswar Puryaag will be the chief guest.
- ♣ **Feb 25:** Federation of Nepalese Chamber of Commerce and industry (FNCCI) and the Confederation of Indian Industry (CII) have agreed to organize Nepal-India Economic Summit every year alternatively in the two countries.
- ♣ **Feb 25:** Manmohan Singh, the Prime Minister of India inaugurated Indira Paryavaran Bhawan on Jorbagh Road, New Delhi.
- ♣ **Feb 26:** The Supreme Court issued non bailable arrest warrant against Sahara Chief Subrata Roy for his failure to appear before it in connection with the case in which his two companies have been directed to refund Rs 20,000 crore to investors.
- ♣ **Feb 26:** India and Canada held talks on a range of bilateral and international issues and decided to expand ties in diverse sectors including health, audio-visual co-production and skill development.
- ♣ **Feb 28:** Government approved the proposal to ensure Rs 1,000 minimum monthly pension under a scheme of retirement fund body EPFO that would immediately benefit 28 lakh pensioners.
- ♣ **Feb 28:** Government raised dearness allowance to 100%, from 90%, benefiting its 50 lakh employees and 30 lakh pensioners.
- ♣ **Feb 28:** Andhra Pradesh, which is being split to create Telangana, will be put under President's Rule and the Assembly placed under suspended animation.
- ♣ **Feb 28:** India and Russia agreed to conclude at an early date the general framework agreement on reactors 3 and 4 of the Kudankulam nuclear power project in Tamil Nadu.
- ♣ **Feb 28:** The Bangalore Metropolitan Transport Corporation (BMTCL) introduced the country's first electric zero-emission bus in the city.

INDIAN ECONOMY THIS MONTH

- ♣ **Feb 1:** India has joined the elite group of nations when the Shore Based Test Facility (SBTF) was commissioned into the Indian Navy at INS Hansa in Panaji.

Note: This is the third such facility in the world, after the United States and Ukraine.

- ♣ **Feb 1:** Rajasthan scrapped its approval for the foreign direct investment in multi-brand retailing. The approval was given earlier by the previous Congress state government led by former Chief Minister, Ashok Gehlot.
- ♣ **Feb 4:** Communications and Information Technology Minister Kapil Sibal launched the GI Cloud to utilize the benefits of cloud computing in the country.
- ♣ **Feb 4:** Nabard has sanctioned Rs1,112 crore for creation of 1,336 warehouses in various States and State Government Corporations in the country.
- ♣ **Feb 4:** Delhi Cabinet cleared the draft of the much talked-about Jan Lokpal bill which provides for covering all public servants — from chief minister to Group D employees — and seeks life term as maximum punishment for those found guilty of corruption.
- ♣ **Feb 6:** The government today set up a committee to suggest suitable remedial measures to address concerns regarding security of people from North East.
Note: The six-member panel is to be headed by M P Bezbaruah.
- ♣ **Feb 7:** After the direct benefit transfer project, the Government is now planning to usher in a Direct-To-Home (DTH) scheme to plug leakages and handover pensions, work wages and other entitlements directly to beneficiaries across the country.
- ♣ **Feb 7:** The Union Government approved the increase in the Fair and Remunerative Price (FRP) for sugarcane by 10 rupees per quintal for 2014-15 marketing season (October - September).
- ♣ **Feb 8:** Economic growth in the current fiscal is estimated to rise by 4.9 per cent as compared to the growth rate of 4.5 per cent in 2012-13, with good performance of the farm sector.
- ♣ **Feb 9:** The National Bank for Agriculture and Rural Development has sanctioned Rs 348.63 crore to Karnataka under Rural Infrastructure Development Fund.
- ♣ **Feb 14:** Wholesale inflation eased to a seven-month low of 5.05 per cent in January, on decline in the rate of price rise in food articles, mainly vegetables.
- ♣ **Feb 14:** Securities and Exchange Board of India (SEBI) board approved the new corporate governance norms in a meeting held in New Delhi.
Note: The new corporate governance norms would become applicable for all listed companies with effect from 1 October 2014.
- ♣ **Feb 17:** Finance Minister P Chidambaram allocated an additional Rs 1,000 crore to the Nirbhaya Fund for the safety and empowerment of women.
- ♣ **Feb 18:** Global rating agency Moody's said India's interim budget is in line with the policy assumptions that underpin the government's Baa3 rating with a stable outlook.
- ♣ **Feb 19:** Minister for Minority Affairs K Rehman Khan inaugurated country's first Minority Cyber Village in Chandoli in Alwar district of Rajasthan.
- ♣ **Feb 20:** The government decided to convert 7,200 kilometres of state roads into national highways.
- ♣ **Feb 20:** The National Mission for Green India, which was first announced by the then Minister of Environment and Forests, Jairam Ramesh, in early 2011, has received approval from the Cabinet Committee on Economic Affairs as a Centrally-sponsored scheme.
- ♣ **Feb 20:** The economy is likely to expand by six percent next year as the decline in growth seems to have ended, Prime Minister's Economic Advisory Council Chairman C Rangarajan has said.
- ♣ **Feb 21:** International Monetary Fund released its annual report on the state of the Indian economy and projected that India's economic growth for 2014-15 will be 5.4 percent.
- ♣ **Feb 21:** Rural development agency NABARD is to roll out a new concept called Joint Liability Group (JLG) to provide institutional credit to small farmers like share croppers, oral lessees and agricultural labourers.
- ♣ **Feb 22:** Indian Railways Catering and Tourism Corporation (IRCTC) launched E-Wallet Scheme to make payment process fast and to reduce transaction failures due to bank payment related problems.
- ♣ **Feb 23:** International rating agency Moody's said it expects Indian economy to pick up growth to only 5.5 per cent in FY' 15.
- ♣ **Feb 23:** Cheteshwar Pujara, the middle order batsman of Indian cricket team was appointed as the brand ambassador of the Gujarat State Election Commission.
- ♣ **Feb 25:** NTPC signed a MoU with Bihar State Power Generation Company Limited and Lakhisarai Bijlee Company Private Limited (LBCPL) to develop a 1320 MW (2 X 660 MW) Thermal Power Project at Kajra in Lakhisarai district of Bihar.
- ♣ **Feb 26:** With the Lok Sabha elections round the corner, the government is planning to raise the workdays under its ambitious rural employment guarantee programme MNREGA from 100 to 150 days a year.
- ♣ **Feb 26:** Vodafone said its mobile commerce initiative called M-Pesa will be launched in south India in March-April.
- ♣ **Feb 27:** The largest 130-MW Solar Power Plant of India Welspun Solar MP Project was launched at Bhagwanpur in Neemuch, Madhya Pradesh.
Note: It is also the Asia's Largest Solar Power Plant.

INDIAN LEADERS VISITING ABROAD/ FOREIGN COUNTRY NATIONALS VISITING INDIA

- Σ **Feb 4:** German President Joachim Guack was on a visit to New Delhi.
- Σ **Feb 4:** President of Zanzibar, Dr. Ali Mohamed Shein was on an official visit to India from 1 to 9 February 2014.
- Σ **Feb 13:** US Ambassador to India, Nancy Powell has met BJP Prime Ministerial candidate and Gujarat Chief Minister Narendra Modi in Gandhinagar.
- Σ **Feb 14:** King of Bahrain Hamad bin Isa Al Khalifa is paying a state visit to India from February 18-20, during which he will hold talks with Prime Minister Manmohan Singh on bilateral, regional and global issues.
- Σ **Feb 28:** Oman's Foreign Minister Yousuf bin Alawi bin Abdullah was on a visit to New Delhi to discuss bilateral, regional and other issues of mutual interest.

MoUs/ AGREEMENTS SIGNED THIS MONTH

- **Feb 2:** India and Germany could sign an agreement for €1 billion for greenfield projects during the visit of the German President.
- **Feb 24:** India and Canada have signed three MoUs for cooperation in health sector, audio-visual co-production and skill development.
- **Feb 26:** India and Azerbaijan propose to constitute a joint working group in the field of hydrocarbon.

GLOBE-TROT THIS MONTH

- ❖ **Feb 5:** North and South Korea agreed to hold a reunion later this month for families separated by the 1950-53 Korean War -- the first such event for more than three years.
- ❖ **Feb 7:** Indian-origin hedge fund portfolio manager Mathew Martoma has been convicted for his role in the \$275 million insider trading scheme, the most lucrative in U.S. history, which involved sharing of secret information on testing of a potential breakthrough Alzheimer's drug.
- ❖ **Feb 10:** Prime Minister Nawaz Sharif has sacked Zaka Ashraf as the Chairman of the PCB and suspended the Governing board with immediate effect.
- ❖ **Feb 11:** Indian-origin Mathew Martoma, convicted for his role in the most lucrative insider trading scheme in US history involving \$275 million, will be sentenced in June and could face about 20 years in prison.
- ❖ **Feb 12:** South Africa's postal service has issued a commemorative stamp with a portrait of Nelson Mandela on the 24th anniversary of his release from prison during white minority rule.
- ❖ **Feb 12:** China and Taiwan began their first official-level talks since the end of the brutal Chinese civil war in 1949 on 11 February 2014.
- ❖ **Feb 14:** Parliament of Belgium legalised death to terminally ill children of any age.
- ❖ **Feb 15:** Chinese Academy of Sciences, have developed a new type of paper that is resistant to fire, even under 1,000 degrees Celsius temperature.
- ❖ **Feb 15:** G-4 Director Generals for UN Affairs met in New Delhi.
Note: During the meet, the four G-4 nations namely Brazil, Germany, India and Japan also conducted an Outreach Seminar on UNSC Reform on 12 February 2014.
- ❖ **Feb 23:** World's top 20 nations pledged to boost global growth by 2 percent, or over USD 2 trillion, over five years, and agreed to work on automatic tax information flow and IMF reforms -- meeting key demands of India.
- ❖ **Feb 27:** UNAIDS Executive Director Michel Sidibé launched the Zero Discrimination Day with a major event in Beijing, China.

APPOINTMENTS/ RESIGNATIONS THIS MONTH

- ☆ **Feb 1:** Janet Yellen, the first woman to chair the Federal Reserve in its 100-year history, had taken over the reins of the US central bank.
Note: She succeeds Chairman Ben Bernanke, whose second four-year term expired.
- ☆ **Feb 1:** Harish Rawat will be the new Chief Minister of Utrarakhand.
- ☆ **Feb 2:** The Asian Development Bank has a new Country Director for India in Teresa Kho.
Note: She replaces Hun Kim, who is now Deputy Director General of ADB's South Asia Department in Manila.
- ☆ **Feb 4:** Former Supreme Court Justice Ashok Kumar Mathur has been appointed as the Chairman of the 7th Pay Commission.
- ☆ **Feb 4:** Social Welfare minister Parveen Amanullah resigned from the Cabinet.
- ☆ **Feb 4:** Poonam Khetrapal Singh took charge as the Regional Director of World Health Organisation (WHO) South-East Asia Region on 1 February 2014.

- ☆ **Feb 5:** Satya Nadella was appointed as the Chief Executive Officer of Internet Giant Microsoft in Washington.
Note: He will earn \$4.8 million in the current financial year.
- ☆ **Feb 7:** WWF (World Wide Fund for Nature) appointed Marco Lambertini as director-general (DG) of the WWF International.
Note: His new role as the DG will start on 1 May 2014.
- ☆ **Feb 7:** Pakistani schoolgirl Malala Yousafzai, was nominated for the World Children's Prize in Sweden today for championing education rights for girls.
- ☆ **Feb 7:** John Thompson was appointed as the Chairman of Microsoft.
- ☆ **Feb 8:** BCCI President N. Srinivasan will be the new Chairman of the International Cricket Council from July onwards for a period of two years.
- ☆ **Feb 9:** Veteran Nepali Congress leader Sushil Koirala is set to become the next prime minister of Nepal with the support of the CPN-UML, ending months of political gridlock following last year's elections.
- ☆ **Feb 9:** Indian Olympic Association has elected N Ramachandran as the president.
- ☆ **Feb 11:** R.K.Tiwari was appointed as the new chairman of Central Board of Direct Taxes (CBDT).
Note: The appointment was approved by the Appointments Committee of the Cabinet. He succeeded Chairperson Sudha Sharma who was scheduled to retire on 28 February 2014.
- ☆ **Feb 11:** Jatinder Bir Singh was appointed Chairman and Managing Director of Punjab and Sind Bank (PSB) on 6 February 2014.
Note: He will succeed D.P.Singh.
- ☆ **Feb 12:** Vinod Sawhny was appointed as the Chief Executive Officer (CEO) of Reliance Communications (RCom).
Note: Vinod Sawhny will succeed Gurdeep Singh.
- ☆ **Feb 14:** Former chief justice of Punjab and Haryana High Court Mukul Mudgal will take over as the new chairperson of Broadcasting Content Complaints Council (BCCC), a self-regulatory body for non-news channels.
- ☆ **Feb 15:** Italy Prime Minister Enrico Letta resigned.
Note: The statement released by the Italian presidential palace stated that the Italy's President, Giorgio Napolitano accepted the resignation.
- ☆ **Feb 16:** Italy's Matteo Renzi was nominated to be the European Union's youngest prime minister and immediately outlined an ambitious reform plan, promising "energy, enthusiasm and commitment" to revitalise the eurozone's third largest economy.
- ☆ **Feb 17:** The Mumbai Police got a new police commissioner. Senior IPS officer Rakesh Maria, who was the head of the Maharashtra Anti Terrorism Squad was appointed as Mumbai Police Commissioner.
- ☆ **Feb 19:** Indian Institute of Management-Bangalore (IIM-B) has appointed Kiran Mazumdar-Shaw as the Chairperson of its board of governors.
- ☆ **Feb 19:** Edward Snowden, former National Security Agency contractor, was elected as the new Rector of the University of Glasgow.
Note: He will replace Charles Kennedy.
- ☆ **Feb 20:** Saurabh Chandra, Secretary in the Department of Industrial Policy & Promotion, will be the new Oil Secretary.
Note: He will replace Vivek Rae who is retiring on February 28.
- ☆ **Feb 21:** The Chairman and Managing Director of the United Bank of India, Archana Bhargava has resigned.
- ☆ **Feb 21:** The Centre has appointed Yaduvendra Mathur as Chairman and Managing Director of Export-Import Bank of India (Exim Bank) on deputation for three years.
- ☆ **Feb 22:** Matteo Renzi will be sworn in as Italy's youngest Prime Minister.
- ☆ **Feb 23:** In a surprise development, Egypt's military-backed government led by Prime Minister Hazem El-Beblawi resigned after a Cabinet meeting.
- ☆ **Feb 23:** Oleksandr Turchynov, the Speaker of Ukraine was named as the interim President of the country.
- ☆ **Feb 27:** Indian Navy Chief Adm. D.K. Joshi has resigned, claiming "moral responsibility" for the Feb. 26 fire of a Russian-made Kilo-class submarine, INS Sindhuratna. The government accepted the resignation with immediate effect.
- ☆ **Feb 27:** Dinesh Sarraf appointed as next Chairman and Managing Director (CMD) of Oil and Natural Gas Corporation.
Note: Dinesh Sarraf will replace Sudhir Vasudeva who will be due to retire on 28 February 2014.
- ☆ **Feb 27:** Ibrahim Mahlab was sworn in as new Egypt Prime Minister.
Note: He is a former member of Hosni Mubarak's political party.
- ☆ **Feb 28:** Ukraine's parliament has approved Arseniy Yatsenyuk as the country's new Prime Minister.
- ☆ **Feb 28:** Lt Gen P R Kumar took over as Director General Military Operations (DGMO) from Lt Gen Vinod Bhatia, who retired the same day.

AWARDS/HONOURS/WORLD TITLES THIS MONTH

- ✦ **Feb 4:** Bharat Ratna, the country's highest civilian honour, was conferred on legendary cricketer Sachin Tendulkar and eminent scientist Prof C N R Rao.
Note: CNR Rao became the third scientist and Sachin Tendulkar, the first sportsman, to get the country's highest civilian award.
- ✦ **Feb 4:** Nathpa Jhakri Hydro Power Station awarded a gold shield on 4 February 2014 for its meritorious performance in 2013-14. Nathpa Hydro power Station consecutively third time received the award.
- ✦ **Feb 5:** Indian-Americans here have honoured US Democratic Congressman Joe Crowley for his work for the community, particularly his efforts in getting the FBI to track hate crimes against Sikhs and Hindus.
- ✦ **Feb 7:** Eminent Hindi writer Vishwanath Tripathi been selected for the prestigious Vyas Samman for the year 2013.
- ✦ **Feb 7:** All India Management Association has conferred the high performance brand award for 2013 on Amul, the milk brand marketed by Gujarat Cooperative Milk Marketing Federation.
- ✦ **Feb 10:** The Akshaya Patra Foundation has been awarded the Gold Shield and Hall of Fame by the Institute of Chartered Accountants of India (ICAI) for Excellence in Financial Reporting for the year 2012-13.
Note: Akshaya Patra is the first NGO to receive the Hall of Fame.
- ✦ **Feb 11:** The President of India, Pranab Mukherjee, presented Krishi Karman Awards for the year 2012-13 on 10 February 2014.
- ✦ **Feb 13:** President Pranab Mukherjee got the Rotary's highest award for his leadership in the country's victory over polio.
- ✦ **Feb 15:** Bharat Gupta, Executive President, Marketing and Digital of Jagran Prakashan Limited has been conferred with the 'Youth Achievers Award' at the sixth Global Marketing and Social Media award ceremony
- ✦ **Feb 16:** Indian batting icon Sachin Tendulkar and Virender Sehwag will be amongst the nominees for the 'ESPNcricinfo@20 Cricketer of the Generation' award.
- ✦ **Feb 17:** British director Steve McQueen's '12 Years A Slave' took home two of the biggest awards of the night but it was Alfonso Cuarón's 'Gravity' that dominated the BAFTA, winning six of the 11 honours it was nominated for.
- ✦ **Feb 18:** Killa, a Marathi film won the Crystal Bear (Gläsernen Bär) for the best film award by the Children's jury in Generation Kplus section at the 64th Berlin International Film Festival.
Note: The film has been directed by Avinash Arun. In the entire history in Berlinale, Killa is the third Marathi film to be selected and is the first Indian film to win this award.
- ✦ **Feb 26:** German Chancellor Angela Merkel has been awarded Israel's highest civilian honour, the "Medal of Distinction" for her unwavering commitment to the country.
- ✦ **Feb 27:** Madan Babu, an Indian-born scientist, won the Protein Science Young Investigator Award for 2014 at Cambridge.

SPORTS NEWS THIS MONTH

- **Feb 2:** Karnataka defeated Maharashtra by seven wickets to lift the Ranji Trophy for cricket
- **Feb 2:** Rafael Nadal remains top of the men's ATP tennis rankings.
- **Feb 2:** Serena Williams retains her commanding advantage at the top of the WTA women's tennis rankings.
- **Feb 2:** Virat Kohli slipped a rung but was still the best-placed Indian batsman at fourth in the latest ICC Twenty20 rankings.
- **Feb 8:** Retired batting icon Sachin Tendulkar will be seen in cricketing gears once again when he leads the MCC team against Shane Warne-led Rest of the World side at the Lord's in a one-day game on July 5 to mark the bicentenary celebrations of the historic club.
- **Feb 9:** Kumar Sangakkara, the cricketer of Sri Lanka national team became the second person in the history of Cricket to score a triple century and a century in the same test match.
- **Feb 10:** In a major embarrassment to BCCI president N. Srinivasan and raising questions over the status of Chennai Super Kings, his son-in-law Gurunath Meiyappan's role in CSK as the team official and his involvement in betting during the IPL matches stands proved.
- **Feb 10:** Fifteen-year-old Russian figure skater Yulia Lipnitskaya has become the youngest athlete in the world to win a Gold medal at the Winter Olympics.
- **Feb 10:** Abhinav Bindra, the Indian shooter won his third gold-medal in the Inter-Shoot Tri-series Shooting in the Air Pistol event.
Note: With this, he became the first person to win three gold medals in the event that is being held at the Hague, Netherlands.
- **Feb 11:** A ban on India's Olympic Association (IOA) has been lifted, allowing the country to return to the Olympic fold.
- **Feb 13:** Karnataka beat Rest of India by an innings and 222 runs in the Irani Trophy on the penultimate day at M.Chinnaswamy stadium in Bangalore.
- **Feb 17:** India has defeated Scotland by five wickets in the ICC Under 19 cricket World Cup in Dubai.
- **Feb 18:** India have retained their second position in the ICC Test team rankings following a draw in the second and final Test against New Zealand, which won the series 1-Nil.

- **Feb 18:** Peng Shuai of China was ranked World Number 1 in the latest Women's Tennis Association (WTA) Doubles ranking.
- **Feb 18:** Li Na of China was ranked World Number 2 in the latest Women's Tennis Association (WTA) singles ranking.
- **Feb 19:** Tina Maze skied through rain and snow to win Olympic gold, and then swam through slush to celebrate.
- **Feb 21:** Indian captain Mahendra Singh Dhoni has been ruled out of the upcoming Asia Cup cricket tournament due to a side-strain injury that he suffered during the second Test in New Zealand, paving the way for Virat Kohli to lead the side.
- **Feb 21:** Badminton teen sensation P V Sindhu improved one more place to close the gap with ace Indian shuttler Saina Nehwal in the latest world ranking released in Kuala Lumpur.
- **Note:** Sindhu reached the ninth spot, to stay just one place behind Saina, who remained static at the seventh spot.
- **Feb 23:** Delhi Waveriders beat Jaypee Punjab Warriors to emerge as the champions in Hockey India League at Ranchi.
- **Feb 24:** India's top singles star Somdev Devvarman lifted his third ATP Challenge Tennis title beating top seed Aleksandr Nedovyesov.
- **Feb 24:** Asia cup, biggest cricketing event in the sub-continent, Asia Cup, is scheduled to kick-start from February 25.
Note: India have won the Asia Cup five times, more than any other country, whereas Sri Lanka are at the second spot with four trophies under their belt and Pakistan are the defending champions.
- **Feb 27:** Skipper Virat Kohli smashed a magnificent 136 and shared a 213-run partnership with Ajinkya Rahane (73) to lead India to a comfortable six-wicket win over hosts Bangladesh in the Asia Cup, in Fatullah

EULOGIES THIS MONTH

- ✪ **Feb 2:** Silverine Swer, the first Padma Shri awardee of Meghalaya died on 1 January 2014 at her residence at Riatsamthiah.
- ✪ **Feb 2:** Oscar-winning actor Philip Seymour Hoffman was found dead in his New York apartment.
- ✪ **Feb 11:** Former Hollywood child star Shirley Temple has died at the age of 85.
- ✪ **Feb 13:** Renowned filmmaker Balu Mahendra died.
- ✪ **Feb 18:** Tom Finney, the former England footballer died at the age of 91.
- ✪ **Feb 25:** Prokash Karmakar, an eminent painter died following age-related illness.
- ✪ **Feb 28:** Legendary Spanish guitarist Paco de Lucia passed away in Mexico.
- ✪ **Feb 28:** Janamaddhi Hanamachhaastri, the renowned Telugu writer died.

MISCELLANEOUS NEWS THIS MONTH

- ⊕ **Feb 1:** India's first monorail service has been launched in Mumbai.
- ⊕ **Feb 2:** Facebook — with more than 1.2 billion users worldwide — is celebrating its 10th birthday amidst challenges of keeping its original base of young users with new innovative social networks coming to the fore.
- ⊕ **Feb 9:** Sikkim has become the only state in the country to achieve more than 100 percent sanitation in rural and urban households, schools, sanitary complexes and Aanganwadi centres.
- ⊕ **Feb 9:** Maruti Suzuki India Limited (MSIL) announced that it has stopped the production of the iconic car brand Maruti 800 that had been carrier for millions of middle class Indian families. The company in its announcement claimed the production was the car was stopped in 18 January 2014.
- ⊕ **Feb 11:** Indian skipper Mahendra Singh Dhoni and Suresh Raina are among the six capped Indian players named in the Mudgal Panel report.
- ⊕ **Feb 12:** India has been ranked 140th in the list of 180 countries in the World Press Freedom Index 2014, whereas China and Pakistan were placed at 175th and 158th position respectively.
Note: Pakistan remains one of the most dangerous countries in the world for journalists.
- ⊕ **Feb 12:** Any person found guilty of spreading or propagating hatred against people living with HIV/AIDS will face strict punishment of imprisonment up to two years and a maximum fine of Rs one lakh, according to a proposed legislation.
- ⊕ **Feb 13:** India was ranked 8th in the list of ten countries in terms of digital governance. The report on digital governance was released by Accenture.
- ⊕ **Feb 17:** Indian scientists have designed ready-to-eat therapeutic food (TF-RTE) products and handed over associated scientific findings and technology to an industry partner, a step that could benefit the millions of children afflicted with severe acute malnutrition (SAM) - the most dangerous level of malnutrition.
- ⊕ **Feb 18:** Arun Jaitely, a BJP leader unveiled a book entitled ModiNomics: Inclusive Economics, Inclusive Governance at the Indian Habitat Centre, Lodhi Road in New Delhi.
- ⊕ **Feb 19:** Bubba Watson won the Northern Trust Open at Riviera Country Club in Pacific Palisades, California, USA.
- ⊕ **Feb 20:** The Cabinet has given its nod for classifying Odia as a classical language to give impetus to scholarships in the language.
- ⊕ **Feb 20:** If you are planning to buy hallmarked jewellery sometime later this year, chances are that the jewel may sport a nine-digit alpha numeric unique identity number (UIN).

- # **Note:** The Bureau of Indian Standards (BIS) proposes to introduce UIN as a component of hallmark to ensure traceability of such certified articles in a bid to protect consumers from being cheated.
- # **Feb 20:** Social media giant Facebook will acquire mobile messaging company WhatsApp for 19 billion dollars in a cash and stock deal, the largest acquisition by the Mark Zuckerberg-led firm so far that will give it a stronghold in the market for messaging.
- # **Feb 20:** Children's favourite *Amar Chitra Katha* launched an all-new title in Hindi '**Do Bael** – Munshi Premchand Ki Kahaaniyan', based on the work of the legend Munshi Premchand.
- # **Feb 20:** Hamid Ansari, the Vice President of India released a book entitled Public Issues Before Parliament written by Vijay Darda.
- # **Feb 21:** The iconic Taj Mahal is among 30 Indian monuments which can now be "visited" online with a 360-degree panoramic view, thanks to a novel initiative.
- # **Feb 22:** The Orchid Biology team at **JNTBGRI** developed a hybrid species of orchid and named it after Prof. Valiathan who had been instrumental in launching the orchid breeding programme at JNTBGRI during his tenure as Executive Vice-President, Kerala State Council for Science, Technology and Environment.
- # **Feb 22:** The Vadodara Municipal Corporation (VMC) has got its name registered in the Guinness Book of World Records for measuring the blood pressure of over 8,000 people in a matter of just eight hours.
- # **Feb 22:** Ailing Air India, which was recently hit by LTC scam, has stumbled upon another case of fraud involving crores of rupees in a scheme meant for family members of the employees of the state-run airline.
- # **Feb 25:** Indian IT bellwether Wipro Ltd announced it had won a 10-year multi-million dollar contract from the Britain-based leading integrated support services firm Carillion Plc.
- # **Feb 26:** Hamid Ansari, the Vice President of India released a commemorative postage stamp in the honour of Maulana Hasrat Mohani in New Delhi.
Note: Mohani was a freedom fighter and an eminent poet.
- # **Feb 26:** Hyderabad has become the world's most affordable office locations due to rupee depreciation and fall in rentals amid political instability over Telangana, according to global realty consultant DTZ.
- # **Feb 28:** Mahindra and Mahindra Ltd launched electric car e2o in Thimphu, Bhutan.
- # **Feb 28:** Sahara Chief Subrata Roy was arrested in Lucknow, after evading for two days a non-bailable warrant issued by the Supreme Court for his failure to appear before it in a case of non-refund of Rs 20,000 crore to investors.

RECURRING TERMS IN NEWSPAPER THIS MONTH

- * **FII:** Institutional investors are organizations which pool large sums of money and invest those sums in securities, real property and other investment assets. They can also include operating companies which decide to invest their profits to some degree in these types of assets.
- * **Cloud Computing:** In computer networking, cloud computing is a phrase used to describe a variety of computing concepts that involve a large number of computers connected through a real-time communication network such as the Internet. It is very similar to the concept of utility computing. In science, cloud computing is a synonym for distributed computing over a network, and means the ability to run a program or application on many connected computers at the same time.
- * **South East Asian Regional Organisational:** SEARO is one of the six regions of World Health and its headquarters is in New Delhi. SERO has 11 countries namely India, Nepal, Bhutan, Bangladesh, Myanmar, Thailand, Indonesia, Sri Lanka, Maldives, Timor Leste and DPR Korea. SERO is headed by a Regional Director (RD) who is elected by the members of the SEARO countries.
- * **Microsoft:** Microsoft founded in April 1975 by Bill Gates and Paul Allen in Redmond, US. At present it is the fourth largest company in the world in terms of market capitalization. It acquired Nokia in September 2013 in a 7.2 billion dollar deal.
- * **Satya Nadella:** Nadella was born in Hyderabad, India and joined Microsoft in 1992. Satya is a proven leader with hard-core engineering skills, business vision and the ability to bring people together. Nadella holds a bachelor of degree in electrical engineering from Manipal Institute of Technology. Nadella completed masters in computer science from the University of Wisconsin and an MBA from the University of Chicago. Nadella joined Microsoft in 1992 and he served as the Executive Vice President of Cloud and Enterprise Group in 2012. His father BN Yugandhar is a former planning commission member and served as special secretary to former Prime Minister P V Narasimha Rao.
- * **Exim Bank:** Export-Import Bank of India is the premier export finance institution in India, established in 1982 under the Export-Import Bank of India Act 1981. Since its inception, Exim Bank of India has been both a catalyst and a key player in the promotion of cross border trade and investment. Commencing operations as a purveyor of export credit, like other Export Credit Agencies in the world, Exim Bank of India has, over the period, evolved into an institution that plays a major role in partnering Indian industries, particularly the Small and Medium Enterprises, in their globalisation efforts, through a wide range of products and services offered at all stages of the business cycle, starting from import of technology and export product development to export production, export marketing, pre-shipment and post-shipment and overseas investment.

- * **Vyas Samman:** Vyas Samman was instituted by the K.K. Birla Foundation in 1991 and is awarded annually in recognition of the hindi literary work published in past 10 years in genres like plays, novels, poetry, short stories, critiques and others. The award carries 2.5 lakh rupees and a citation and a plaque.
- * **Financial Inclusion:** Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable.
- * **Krishi Karman Awards:** Krishi Karman awards were instituted in 2010-11 by the Government of India, Ministry of Agriculture. Krishi Karman awards are given to States for their effort and contribution towards raising the country's food grain production. Krishi Karman Awards comprises of three awards for total food grain production and four awards for production of rice, wheat, coarse cereals and pulses - the crops that constitute the food grain basket. Each award winning State gets a trophy, a citation and cash award. The cash award is 2 crore rupees for total food grain production and 1 crore rupees for each of the four crops included in food grains.

ABBREVIATIONS THIS MONTH

- ▲ **SBTF:** Shore Based Test Facility
- ▲ **CNG:** Compressed Natural Gas
- ▲ **SEARO:** South East Asian Regional Organisation
- ▲ **CEO:** Chief Executive Officer
- ▲ **ECB:** England and Wales Cricket Board
- ▲ **NSIC:** National Small Industries Corporation
- ▲ **ACB:** Anti-Corruption Bureau
- ▲ **AIMA:** All India Management Association
- ▲ **GCMMF:** Gujarat Cooperative Milk Marketing Federation
- ▲ **WWF:** World Wide Fund for Nature
- ▲ **DTH:** Direct-To-Home
- ▲ **FRP:** Fair and Remunerative Price
- ▲ **SAP:** Statutory Advised Price
- ▲ **CACP:** Commission for Agricultural Costs and Prices
- ▲ **SIM:** Subscriber Identification Modules
- ▲ **M-PIN:** Mobile Personal Identification Number
- ▲ **USSD:** Unstructured Supplementary Service Data
- ▲ **RIDF:** Rural Infrastructure Development Fund
- ▲ **MSIL:** Maruti Suzuki India Limited
- ▲ **AITA:** All India Tennis Association
- ▲ **IOA:** India's Olympic Association
- ▲ **CBDT:** Central Board of Direct Taxes
- ▲ **IRS:** Indian Revenue Service
- ▲ **RCom:** Reliance Communications
- ▲ **UNESCO:** United Nations Organisation for Education, Science and Culture
- ▲ **CPCR:** Central Police Control Room
- ▲ **BCCC:** Broadcasting Content Complaints Council
- ▲ **IBF:** Indian Broadcasting Foundation
- ▲ **WTA:** Women's Tennis Association
- ▲ **ASI:** Archaeological Survey of India
- ▲ **JNTBGRI:** Jawaharlal Nehru Tropical Botanic Garden and Research Institute
- ▲ **CVO:** Chief Vigilance Officer
- ▲ **BMB:** Bharatiya Mahila Bank
- ▲ **IRCTC:** Indian Railways Catering and Tourism Corporation
- ▲ **BEPS:** Base Erosion and Profit Shifting
- ▲ **FNCCI:** Federation of Nepalese Chamber of Commerce and Industry
- ▲ **RAW:** Research and Analysis Wing
- ▲ **PSEB:** Public Enterprises Selection Board
- ▲ **WEL:** Welspun Energy Ltd.
- ▲ **DGMO:** Director General Military Operations

IMPORTANT DAYS THIS MONTH

- * **February 1:** Indian Coast Guard Day
- * **February 2:** Groundhog Day
- * **February 4:** National Day of Sri Lanka
- * **February 4:** The World Cancer Day
- * **February 7:** Berlin International Film Festival
- * **February 13:** World Radio Day/ National Women's Day
- * **February 14:** Saint Valentine's Day
- * **February 20:** World Day of Social Justice
- * **February 23:** World Rotary Day
- * **February 24:** Central Excise Day
- * **February 27:** World Sustainable Energy Day/ International Polar Bear Day
- * **February 28:** National Science Day/ Week

SPECIAL FEATURES OF THE MONTH

→ **PAYMENT BANKS**

- ◆ In order to redress the imbalance and issues of risks costs for providing better access to financial services to small businesses and low income households, the Reserve Bank Committee has suggested the setting up of specialised banks.
- ◆ These banks would cater to low income households while ensuring that all citizens have bank accounts by 2016, according to an RBI discussion paper on Banking Structure in India.
- ◆ The paper also discusses the need for differentiated banks as a way to increase the size and strength of the banking sector relative to the needs of the real economy.
- ◆ RBI in September 2013 had set up a Committee on Comprehensive Financial Services for Small Business and Low Income Households, under the Chairmanship of Nachiket Mor, Member on the Reserve Bank's Central Board of Directors.
- ◆ Members of the panel include Prakash Bakshi, former chairman of National Bank for Agriculture and Rural Development, and Bharat Doshi, chairman of Mahindra and Mahindra Financial Services Ltd.
- ◆ The panel advocated setting up of 'Payments Banks' to "provide payment services and deposit products to small businesses and low-income households" with a maximum balance of Rs 50,000 per customer.
- ◆ These banks can be set up with minimum capital requirement of Rs 50 crore, one-tenth of the Rs 500 crore required for full-service bank.

→ **WHITE LABEL ATMs**

- ◆ These are ATM's which are not owned by banks but by private ATM service providers. Customers from any bank can deposit or withdraw money from such ATMs. They will provide ATM services to customers of all banks.
- ◆ White Label ATM or White Label Automated Teller Machines or WLAs in India will be owned and operated by Non Bank entities. From such White Label ATM customer from any bank will be able to withdraw money, but will need to pay a fee for the services. These white label automated teller machines (ATMs) will not display logo of any particular bank and are likely to be located in non-traditional places.
- ◆ In India only Banks are allowed to set up ATMs. Although between 2008 - 2011, there has been 30% growth in number of ATMs and by the beginning of 2012, we have about 87,000 ATMs in India, yet the penetration of ATMs in Tier III and Tier IV cities has been low and downtime of such ATMs has been high. Thus, RBI is feeling that there is a need to expand ATM network, which can be done by only with the help of private operators.
- ◆ Indian gold loan company, Muthoot Finance Ltd became the first and only Non-Banking Finance Company (NBFC) to have obtained license for setting-up WLAs in India. The Muthoot Group launched its first White-Label ATM at its corporate office in New Delhi and has plans to invest Rs 300 crore in the next three years. The rollout will be mainly in tier-3 and tier-4 cities.
- ◆ Recently, the Reserve Bank of India has permitted four non-bank entities to set up white label ATMs in India. The RBI has issued Certificate of Authorisation to Tata Communications Payment Solutions Ltd., Prizm Payment Services Pvt. Ltd., Muthoot Finance Ltd., and Vakrangee Ltd. for setting up and operating white label ATMs.

→ **FOREIGN DIRECT INVESTMENTS**

What is FDI?

- ◆ Foreign direct investment is a direct investment into production or business in a country by an individual or company of another country, either by buying a company in the target country or by expanding operations of an existing business in that country.
- ◆ Foreign direct investment is in contrast to portfolio investment which is a passive investment in the securities of another country such as stocks and bonds.
- ◆ FDI is a direct investment into production or business in a country by an individual or company of another country, either by buying a company in the target country or by expanding operations of an existing business in that country.
- ◆ A foreign direct investor (someone who makes a foreign direct investment) can be a government body, a company, or an individual. China has much foreign direct investment in it from other countries.

Types of FDI

- ◆ **Horizontal FDI** arises when a firm duplicates its home country-based activities at the same value chain stage in a host country through FDI
- ◆ **Platform FDI** Foreign direct investment from a source country into a destination country for the purpose of exporting to a third country.
- ◆ **Vertical FDI** takes place when a firm through FDI moves upstream or downstream in different value chains i.e., when firms perform value-adding activities stage by stage in a vertical fashion in a host country.

Methods of FDI

The foreign direct investor may acquire voting power of an enterprise in an economy through any of the following methods:

- ◆ by incorporating a wholly owned subsidiary or company anywhere
- ◆ by acquiring shares in an associated enterprise
- ◆ through a merger or an acquisition of an unrelated enterprise
- ◆ participating in an equity joint venture with another investor or enterprise

Recent Changes in FDI

Tabular representations of the key changes proposed under the FDI Limits are as follows:

Sector/Activity	Before the proposal		After the proposal	
	% of FDI /Equity	Entry Route	% of FDI / Equity	Entry Route
Defense Sector	26%	Government Route	No Change	Higher limits of foreign investment in "stateof-the-art" manufacturing would be considered by the CCS
Insurance Sector	26%	Automatic Route	49%	Automatic Route
Telecom Services	74%	Automatic up to 49% Government route beyond 49% and up to 74%	100%	Automatic up to 49% Government route beyond 49% and up to 100%
Tea Plantation	100%	Government Route	100%	Automatic up to 49% Government route beyond 49% and up to 100%

Asset Reconstruction Company	74% of paid-up capital of ARC (FDI+FII)	Government Route	100%	Automatic up to 49% Government route beyond 49% and up to 100%
Petroleum & Natural Gas	49%	Government Route	49%	Automatic Route
Commodity Exchanges	49% (FDI & FII) + [Investment by Registered FII under Portfolio Investment Scheme (PIS) will be limited to 23% and Investment under FDI Scheme limited to 26%]	Government Route (For FDI)	49%	Automatic Route
Power Exchanges	49% (FDI &FII) FDI limit of 26 per cent and an FII limit of 23 per cent of the paidup capital	Government Route (For FDI)	49%	Automatic Route
Stock Exchanges/ ClearingCorporations	49% (FDI &FII) FDI limit of 26 per cent and an FII limit of 23 per cent of the paid-up capital	Government Route(For FDI)	49%	Automatic Route
Credit Information Companies	49% (FDI & FII)	Government Route	74%	Automatic Route
Courier Services	100%	Government Route	100%	Automatic Route
Single Brand product retail trading	100%	Government Route	100%	Automatic up to 49% Government route beyond 49% and up to 100%

Sectors prohibited for FDI

- ◆ Atomic Energy
- ◆ Lottery Business
- ◆ Gambling and Betting
- ◆ Business of Chit Fund
- ◆ Nidhi Company
- ◆ Agricultural
- ◆ Housing and Real Estate business
- ◆ Trading in Transferable Development Rights (TDRs).
- ◆ Tobacco

Difference between FDI and FII

- ◆ FDI is an investment that a parent company makes in a foreign country. On the contrary, FII is an investment made by an investor in the markets of a foreign nation.
- ◆ FII can enter the stock market easily and also withdraw from it easily. But FDI cannot enter and exit that easily.
- ◆ Foreign Direct Investment targets a specific enterprise. The FII increasing capital availability in general.
- ◆ The Foreign Direct Investment is considered to be more stable than Foreign Institutional Investor.

→ **7th PAY COMMISSION**

- ◆ The Government of India has initiated the process to constitute the 7th Central Pay Commission along with finalization of its Terms of Reference, the composition and the possible timeframe for submission of its Report.
- ◆ On September 25, 2013 the finance minister P Chidambaram announced that the Prime Minister Manmohan Singh has approved the constitution of the 7th Pay Commission.
- ◆ Its recommendations are likely to be implemented with effect from January 1, 2016.
- ◆ Justice A.K Mathur will be heading the Seventh Pay commission, announcement of which was done on 4th of February 2014.

Name	Designation	Role in Commission
Justice Ashok Kumar Mathur	Retired Judge of the Supreme Court and Retired Chairman, Armed Forces Tribunal	Chairman
Vivek Rae	Secretary, Petroleum & Natural Gas	Member (Full Time)
Dr. Rathin Roy	Director, NIPFP	Member (Part Time)
Meena Agarwal	OSD, Department of Expenditure, Ministry of Finance	Secretary

Controversy Related

- ◆ Several government services, most notably the armed forces have complained bitterly of downgradation due to pay commissions exceeding their brief, and introducing anomalies in the relative scales of pay of government services.
- ◆ At present, the armed forces have represented to the government for the removal of anomalies which it is felt that the civil servants on the commission have deliberately introduced to upgrade themselves vis-a-vis service officers in the defence forces.

Latest News

- ◆ The Cabinet gave mandate to the 7th Pay Commission for revising salaries of over 50 lakh central government employees and remuneration of 30 lakh pensioners.

→ **RBI THIRD QUARTER MONETARY POLICY**

In the Third Quarter Monetary Policy, the Reserve Bank of India has sprang up a big surprise by hiking up the key interest rates by 0.25% to tame inflation. This policy clearly communicates that the price stability remains the overriding objective of the RBI's monetary policy and the focus has shifted from WPI-based inflation to CPI-based inflation. This review is according to the Urijit Patel Committee Recommendations. The monetary policy review to be followed for the next two months.

Some key features of Third Monetary Policy:

- ◆ Key lending rate hiked by 0.25 per cent to 8 per cent
- ◆ Cash reserve ratio kept unchanged at 4 per cent
- ◆ Marginal Standing Facility (MSF) rate stands at 9 per cent
- ◆ GDP growth to be less than 5 per cent in the current fiscal
- ◆ Growth to improve to 5.5 per cent in 2014-15
- ◆ Current Account Deficit to be below 2.5 per cent this fiscal
- ◆ March-end inflation could exceed 8 per cent
- ◆ Rate hike will set economy securely on disinflationary path
- ◆ Growth likely to lose momentum in Q3 of 2013-14
- ◆ Slowdown in economy getting increasingly worrisome
- ◆ Inflation is a tax that is grossly inequitable, falling hardest on the very poor
- ◆ Fiscal and monetary authorities should continue to work for macroeconomic stabilization
- ◆ Henceforth, policy review to take place every two months

Next monetary policy review of the RBI will be on the 1st April 2014.

→ BHARAT RATNA

- ◆ Bharat Ratna (Jewel of India or Gem of India in English) is the Republic of India's highest civilian award.
- ◆ Until 2011, the official criteria for awarding the Bharat Ratna stipulated it was to be conferred "for the highest degrees of national service.
- ◆ This service includes artistic, literary, and scientific achievements, as well as "recognition of public service of the highest order."
- ◆ In December 2011, the Government of India modified the criteria to allow sportspersons to receive the award; since then, the award may be conferred "for performance of highest order in any field of human endeavour."
- ◆ Any person without distinction of race, occupation, position or sex is eligible for the award.
- ◆ The recommendations for an award of the "Bharat Ratna" are made by the Prime Minister of India to the President of India; a maximum of three awards may be made in a given year.
- ◆ In 2014, Renowned scientist C.N.R. Rao and former cricketer Sachin Tendulkar were conferred the Bharat Ratna, the highest civilian award of the country for exceptional contribution in any field of human endeavour.

→ GUIDELINES FOR NEW BANKING LICENCE

- ◆ Entities/groups should have a past record of sound credentials and integrity, be financially sound with a successful track record of 10 years.
- ◆ The minimum paid-up capital for setting up a bank has been pegged at Rs 500 crore.
- ◆ The cap on the foreign investment, including FDI/FII and NRI, has been set at 49 per cent.
- ◆ As per norms notified by RBI, on receipt of licence, promoter has to start operations within one year and list the company within three years of commencement of the business.
- ◆ New banks should open at least 25 per cent of branches in unbanked rural centres.
- ◆ Those seeking to set up a bank would have to submit applications by July 1, 2013. The RBI will display names of applicants on its Website.
- ◆ Following the grant of licence, the promoter group, which could be a public sector entity as well, will be required to set up a wholly-owned Non-Operative Financial Holding Company.
- ◆ The NOFHC is aimed at protecting the banking operation from extraneous factors like other business of the Group i.e., commercial, industrial and financial activities not regulated by financial sector regulators.
- ◆ Existing non-banking financial company (NBFC) will be eligible to apply for a bank licence.
- ◆ If considered eligible, NBFCs may be permitted to promote a new bank or convert themselves into banks.
- ◆ According to norms, the business plan has to be realistic and viable and should address how the bank proposes to achieve financial inclusion.
- ◆ The new entity will have to comply with the priority sector lending targets and sub-targets as applicable to the existing domestic banks, it said.
- ◆ Banks promoted by groups having 40 per cent or more income from non-financial business will require RBI's prior approval for raising paid-up voting equity capital beyond Rs 1,000 crore for every block of Rs 500 crore.
- ◆ The guidelines said the NOFHC will hold the bank as well as all the other financial services entities of the group regulated by RBI or other financial sector regulators.
- ◆ The general principle is that no financial services entity held by the NOFHC would be allowed to engage in any activity that a bank is permitted to undertake departmentally.

→ 2014 WINTER OLYMPICS

- ◆ The 2014 Winter Olympics, officially known as the XXII Olympic Winter Games, were a major international multi-sport event held in Sochi, Russia, in the tradition of the Winter Olympic Games.
- ◆ Scheduled for 7–23 February 2014, opening rounds in certain events were held on the eve of the opening ceremony, 6 February 2014.
- ◆ Both the Olympics and 2014 Winter Paralympics were organized by the Sochi Organizing Committee (SOC).
- ◆ Sochi was selected as the host city in July 2007, during the 119th IOC Session held in Guatemala City.
- ◆ It is the first Olympics in Russia since the breakup of the Soviet Union in 1991.
- ◆ For the first time in Olympic history, a public vote was held to decide the mascots for the 2014 Winter Olympics.
- ◆ On 26 February 2011, the official mascots were unveiled, consisting of a polar bear, a snow hare, and a snow leopard.
- ◆ In commemoration of the Games, Russian Post released a series of postage stamps depicting athletes, venues, and the mascots of the Games.

→ FINANCIAL INCLUSION

In India, RBI has initiated several measures to achieve greater financial inclusion, such as facilitating no-frills accounts and GCCs for small deposits and credit. Some of these steps are:

- ◆ **Opening of no-frills accounts:** Basic banking no-frills account is with nil or very low minimum balance as well as charges that make such accounts accessible to vast sections of the population. Banks have been advised to provide small overdrafts in such accounts.
- ◆ **Relaxation on know-your-customer (KYC) norms:** KYC requirements for opening bank accounts were relaxed for small accounts in August 2005, thereby simplifying procedures by stipulating that introduction by an account holder who has been subjected to the full KYC drill would suffice for opening such accounts. The banks were also permitted to take any evidence as to the identity and address of the customer to their satisfaction. It has now been further relaxed to include the letters issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number.
- ◆ **Engaging business correspondents (BCs):** In January 2006, RBI permitted banks to engage business facilitators (BFs) and BCs as intermediaries for providing financial and banking services. The BC model allows banks to provide doorstep delivery of services, especially cash in-cash out transactions, thus addressing the last-mile problem. The list of eligible individuals and entities that can be engaged as BCs is being widened from time to time. With effect from September 2010, for-profit companies have also been allowed to be engaged as BCs. India map of Financial Inclusion by MIX provides more insights on this.
- ◆ **Use of technology:** Recognizing that technology has the potential to address the issues of outreach and credit delivery in rural and remote areas in a viable manner, banks have been advised to make effective use of information and communications technology (ICT), to provide doorstep banking services through the BC model where the accounts can be operated by even illiterate customers by using biometrics, thus ensuring the security of transactions and enhancing confidence in the banking system.
- ◆ **Adoption of EBT:** Banks have been advised to implement EBT by leveraging ICT-based banking through BCs to transfer social benefits electronically to the bank account of the beneficiary and deliver government benefits to the doorstep of the beneficiary, thus reducing dependence on cash and lowering transaction costs.
- ◆ **GCC:** With a view to helping the poor and the disadvantaged with access to easy credit, banks have been asked to consider introduction of a general purpose credit card facility up to ₹ 25,000 at their rural and semi-urban branches. The objective of the scheme is to provide hassle-free credit to banks' customers based on the assessment of cash flow without insistence on security, purpose or end use of the credit. This is in the nature of revolving credit entitling the holder to withdraw up to the limit sanctioned.
- ◆ **Simplified branch authorization:** To address the issue of uneven spread of bank branches, in December 2009, domestic scheduled commercial banks were permitted to freely open branches in tier III to tier VI centres with a population of less than 50,000 under general permission, subject to reporting. In the north-eastern states and Sikkim, domestic scheduled commercial banks can now open branches in rural, semi-urban and urban centres without the need to take permission from RBI in each case, subject to reporting.
- ◆ **Opening of branches in unbanked rural centres:** To further step up the opening of branches in rural areas so as to improve banking penetration and financial inclusion rapidly, the need for the opening of more bricks and mortar branches, besides the use of BCs, was felt. Accordingly, banks have been mandated in the April monetary policy statement to allocate at least 25% of the total number of branches to be opened during a year to unbanked rural centres.

→ INTERIM RAILWAY BUDGET

Following are the highlights of the Interim Railway Budget 2014-15 presented in the Lok Sabha by railway minister Mallikarjun Kharge:

- ◆ No increase in passenger fares and freight charges
- ◆ 17 new premium trains, 38 express trains and 10 passenger trains to be launched
- ◆ Premium AC trains with dynamic fares on Delhi-Mumbai route with shorter advance reservation period
- ◆ Passenger rail service to Katra and Vaishnodevi to start shortly
- ◆ Railways to expand services to Meghalaya
- ◆ More high-speed trains to be launched
- ◆ Railways exploring low cost option of 160-200 kmph speed trains on select routes
- ◆ Rail Tariff Authority to advise on fares and freight
- ◆ Mumbai to get AC EMUs in July
- ◆ Trains to display info on next stations, arrival times
- ◆ More Jan Ahaar outlets, escalators at stations
- ◆ Upgradation scheme extended to AC Chair Car and Executive Chair car passengers

- ◆ Annual Rail Plan envisaged at Rs 64,305 crore with a budgetary support of Rs 30,223 crore
- ◆ FDI being enabled for creation of rail infrastructure
- ◆ Railways to end current year with surplus
- ◆ Surveys for 19 new lines and 5 doubling of tracks
- ◆ Railways to encourage transportation of milk
- ◆ Steps to reduce running of empty freight carriages
- ◆ Bio-toilet facility to be provided in more trains

→ **INTERIM BUDGET 2014-15**

GROWTH

- ◆ GDP expansion in third and fourth quarters of 2013/14 estimated at 5.2 percent. Growth for the whole year expected at 4.9 percent.

FISCAL DEFICIT

- ◆ Fiscal deficit seen at 4.6 percent of GDP in 2013/14, below target of 4.8 percent.
- ◆ Fiscal deficit projected at 4.1 percent of GDP in 2014/15
- ◆ Says need to bring down the deficit to 3 percent of GDP by 2016/17

CURRENT ACCOUNT DEFICIT

- ◆ Current account deficit for 2013/14 estimated at \$45 billion from last fiscal year's \$88 billion.
- ◆ Forex reserves to rise by \$15 billion by end of 2013/14

BORROWING/DEBT SERVICING

- ◆ Gross market borrowing for 2014/15 seen at 5.97 trillion rupees, net market borrowing at 4.57 trillion rupees.
- ◆ Government plans to buy back/switch bonds of 500 billion rupees in 2014/15.
- ◆ Ways and Means advances for 2014/15 estimated at 100 billion rupees
- ◆ Debt repayment in 2014/15 seen at 1.397 trillion rupees
- ◆ Interest payments seen rising to 4.27 trillion rupees in 2014/15 from a revised estimate of 3.8 trillion rupees for the current fiscal year.

PRIVATISATION

- ◆ Target from stake sale in state run firms for 2013/14 revised to 258.41 billion rupees
- ◆ Target for 2014/15 increased to 569.25 billion rupees

SPENDING

- ◆ Plan expenditure for 2014/15 seen at 5.55 trillion rupees, the same level as the previous fiscal year
- ◆ Non plan spending estimated at about 12.08 trillion rupees in 2014/15

SUBSIDIES

- ◆ Total spending on food, fertilisers and fuel at 2.5 trillion rupees in 2014/15
- ◆ Food subsidy estimated at 1.15 trillion rupees, fertiliser subsidy at 679.71 billion rupees. Petroleum subsidy seen at 634.27 billion rupees versus revised figure of 854.8 billion rupees for 2013/14.

DEFENCE

- ◆ Spending raised to 2.24 trillion rupees in 2014/15, up 10 percent year on year.

EXPORTS

- ◆ Merchandise exports seen at \$326 billion in 2013/14, up 6.3 percent year on year.
- ◆ Agriculture exports expected to touch \$45 billion in 2013/14, up from \$41 billion in 2012/13

TAX PROPOSALS

- ◆ No major change in tax rates
- ◆ Factory gate tax to be reduced to 10 percent from 12 percent on some capital goods, consumer durables
- ◆ Cut excise duty on small cars, two wheelers, commercial vehicles to 8 percent from 12 percent
- ◆ Recommends excise duty reductions on larger vehicles
- ◆ Restructure of factory gate tax for mobile handsets

BANKS RESTRUCTURING

- ◆ Govt to provide 112 billion rupees capital infusion in state run banks in 2014/15
- ◆ Propose to set up public debt management office to start work from 2014/15

→ **FACEBOOK BOUGHT WHATSAPP**

- ◆ Facebook has bought messaging app WhatsApp in a deal worth a total of \$19bn (£11.4bn) in cash and shares.
- ◆ It is the social networking giant's biggest acquisition to date.
- ◆ Founded five years ago by Jan Koum and Brian Acton, WhatsApp today claims a subscriber base of more than 450 million users — mostly in Europe, Latin America and India — 70% of whom use the app every day.
- ◆ WhatsApp allows users to send messages over internet connections, avoiding text messaging fees.
- ◆ The company claims it is currently registering one million new users a day.
- ◆ This wildly popular app, which is free in the first year, is among many messaging services that enable smartphone users to go around their cellular texting plans that come with costs and caps.
- ◆ It makes money by charging users a subscription fee of \$1 per year, although it offers a free model as well.
- ◆ Facebook's previous biggest acquisition was Instagram, which it bought for \$1bn in 2012.
- ◆ WhatsApp does give Mark Zuckerberg inroads into international markets and, as importantly, to a younger demographic. But what is less clear is whether the finances will add up in the long-term.

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