

www.BankExamsToday.com

GK Digest January

By Ramandeep Singh

Ramandeep Singh
1/31/2015

Appointments

31 Dec. - A.K. Mittal appointed as Chairman of Railway Board on 31st December 2014 succeeded by Arunendra Kumar.

31 Dec. - On 31st December 2014, Animesh Chauhan appointed as MD and CEO of Oriental Bank of Commerce.

31 Dec. - On 31st December 2014, P. Srinivas appointed as MD and CEO of United Bank of India.

01 Jan. - On 01st January 2015, Kishore Kumar Sansi appointed as MD and CEO of Vijaya Bank.

02 Jan. - On 02nd January 2015, R.Koteeswaran appointed as MD and CEO of Indian Overseas Bank.

02 Jan. - On 02nd January 2015, J.Y. Pillay, Indian origin re-appointed as top advisor to President of Singapore Tony Tan. He became the Chairman of Presidential Council of Advisers.

02 Jan. - Kiran Bhai Vadodaria appointed as President of Indian Newspaper Society (INS) on 02nd January 2015 succeeded by Ravindra Kumar. The Headquarter of INS is in New Delhi.

05 Jan. - Arvind Pangariya appointed as the Vice Chairman of NITI Aayog on 05th January 2015.

05 Jan. - Sutirtha Bhattacharya appointed as CMD of Coal India Limited on 05th January 2015.

05 Jan. - 17 persons appointed as Brand Ambassadors of Swachh Bharat Campaign by the Government of India on 05th January 2015 in which the famous International Cricketer V.V.S. Laxman is one of the persons.

06 Jan. - Keshari Nath Tripathi appointed as 19th Governor of Meghalaya on 06th January 2015.

07 Jan. - Atul Khare of India appointed as United Nations Under Secretary General, Department of Field Support on 07th January 2015 succeeded by Ameerah Haq.

10 Jan. - On 10th January 2015, Sindhushree Khullar appointed as the CEO of NITI Aayog.

11 Jan. - Kolinda Garbar-Kitarovic became President of Croatia on 11th January 2015. He belongs to Conservative Croatian Democratic Union Party.

12 Jan. - On 12th January 2015, Justice Surendra Kumar Sinha appointed as Chief Justice of Bangladesh succeeded by Md. Muzammel Hossain. He is first non-Muslim Chief Justice of Bangladesh.

12 Jan. - Alur Seelin Kiran Kumar appointed as Chairman of Indian Space Research Organisation on 12th January 2015 succeeded by K. Radhakrishnan.

14 Jan. - Harishankar Brahma will become 19th Chief Election Commissioner of India on 14th January 2015. He became 2nd person of North-East to hold this post. The first one was James Michael Lyndogh.

14 Jan. - Anupam Shrivastava appointed as Chairman and Managing Director of Bharat Sanchar Nigam Limited (BSNL) on 14th January 2015.

14 Jan. - Alur Seelin Kiran Kumar sworn-in as Chairman of Indian Space Research Organisation (ISRO) on 14th January 2015. He became 8th Chairman of ISRO.

16 Jan. - On 16th January 2015, Baba Ramdev appointed as Brand Ambassador of State Government of Haryana to promote yoga and ayurveda in the State.

16 Jan. - Deep Kumar Upadhyay appointed as Nepal's ambassador to India on 16th January 2015. The Prime Minister of Nepal is Sushil Kumar Koirala.

17 Jan. - On 17th January 2015, Ajay Devgan, the famous Bollywood Actor appointed as SAARC HIV/AIDS Campaign Goodwill Ambassador.

19 Jan. - Pahlaj Nihalani appointed as Chairman of Central Board of Film Certification on 19th January 2015.

20 Jan. - On 20th January 2015, Michael Nobbs appointed as Coach of Indian Hockey Team.

22 Jan. - R.V. Easwar appointed as Interim Chairman of Delhi and Districts Cricket Association on 22nd January 2015 to attend executive committee.

25 Jan. - Divya Prakash Sinha appointed as Secretary in the Cabinet Secretariat on 25th January 2015.

27 Jan. - K. Durga Prasad appointed as Special DG of Central Reserve Police Force (CRPF) on 27th January 2015. CRPF was established in the year 1939.

28 Jan. - On 28th January 2015, Dr.S. Jaishankar appointed as Foreign Secretary succeeded by Sujatha Singh.

29 Jan. - Shekhar Sen appointed as Chairman of Sangeet Natak Adademi on 29th January 2015 succeeded by Leela Samson.

30 Jan. - Hanumanthu Purushotham appointed as Chairman and Managing Director of National Research Development Corporation (NRDC) on 30th January 2015. NRDC is the corporatoin to provide help to develop the technology at various national institutions.

Sports

Cricket

02 Jan. - On 02nd January 2015, Virat Kohli became first cricketer to cross 5 million followers on Twitter.

03 Jan. - On 03rd January 2015, Kumar Sangakkara, International Cricketer of Sri Lanka became fastest cricketer to score 12000 Test runs.

06 Jan. - On 06th January 2015, Board of Control for Cricket in India announced 15 members of Indian team for Cricket World Cup 2015 in which Yuvraj Singh is not one of the 15 members.

07 Jan. - New Zealand won Cricket Test series by 2-0 against Sri Lanka on 07th January 2015. During this test series, Kane Williamson became fastest batsman of New Zealand to reach 3000 test runs.

08 Jan. - On 08th January 2015, Virat Kohli became the highest scorer of India in Australia as he broke the record of 619 runs set by Rahul Dravid.

11 Jan. - On 11th January 2015, the cricket team of West Indies set a world record by chasing 232 runs target set by South Africa.

12 Jan. - Misbah-ul-Haq, International Cricketer of Pakistan will retire from ODI Cricket after World Cup 2015 as announced on 12th January 2015.

14 Jan. - Brett Lee, International Cricketer of Australia retired from all forms of Cricket on 14th January 2015.

18 Jan. - On 18th January 2015, AB de Villiers, International Cricketer of South Africa hit fastest century in ODI Cricket. He completed his century in just 31 balls against West Indies.

27 Jan. - Sean Abbott of Australia chosen for Bradman Young Cricketer of the year 2015 on 27th January 2015 while Test Player of the year 2015 and ODI Player of the year is Steve Smith of Australia.

29 Jan. - India will host International Cricket Council Twenty20 Cricket World Cup held in the year 2016 in Dubai. The information revealed by ICC on 29th January 2015.

29 Jan. - On 29th January 2015, International Cricket Council lifted 5 years ban imposed on Mohammad Amir, Cricketer of Pakistan.

Football

12 Jan. - On 12th January 2015, Cristiano Ronaldo won FIFA Ballon d'Or Award for the best Football Player of the Year.

26 Jan. - Juan Roman Riquelme, Football player of Argentina retired from Football on 26th January 2015.

Tennis

04 Jan. - ATP World Tennis Championship won by Andy Murray on 04th January 2015.

11 Jan. - Stanislas Wawrinka won Chennai Open Trophy of Tennis on 11th January 2015.

11 Jan. - Roger Federer won his 1000th career victory by wiining Brisbane International Open Title on 11th January 2015.

16 Jan. - On 16th January 2015, Sania Mirza won her first title of the season but 23rd of her carrer. She won with Bethanie Mattek Sands of United States of America.

16 Jan. - On 16th January 2015, Petra Kvitova of Czech Republic won women's single title of Sydney International Tennis Tournament after defeating Karolina Pliskova.

Chess

03 Jan. - O.T. Anil Kumar of Kerala won Chennai Open FIDE Rating Chess Tournament on 03rd January 2015.

06 Jan. - Popov Ivan of Russia won Chennai International Open Grandmaster Chess title on 06th January 2015.

Billiards

05 Jan. - National Sub-Junior Billiards Title 2015 won by S. Shrikrishna on 05th January 2015 after defeating Ishpreet Singh Chadha.

17 Jan. - Pankaj Advani won National Billiards title for the 7th time on 17th January 2015 after defeating Dhruv Sitwala.

Swimming

14 Jan. - Bhakti Sharma, open water swimming champion of India set World record on 14th January 2015 by swimming 1.4 miles in 52 minutes in 1° temperature. She broke the record of Lewis Pugh of Britain and Lynne Cox of USA.

Basketball

19 Jan. - Savio Cup All India Basketball 2015 won by Oil and Natural Gas Corporation (ONGC), Dehradun on 19th January 2015 after defeating Indian Overseas Bank.

Shooting

19 Jan. - On 19th January 2015, Ayonika Paul and Annu Raj Singh won Gold Medals at 4th Gun for Glory Shooting Championship held at Pune, Maharashtra during the period 15th to 21st January 2015.

Badminton

25 Jan. - Kashyap won men's singles title of Syed Modi International Grand Prix Badminton Championship on 25th January 2015 held at Lucknow, Uttar Pradesh. Kashyap won the title after defeating Kidambi Srikanth.

Business and Economy

International Events

30 Dec. - Venezuela entered recession with inflation at 63% on 30th December 2014 as announced by Central Bank of Venezuela.

06 Jan. - On 6th January 2015, Lupin, the drug firm got permitted from United States Food and Drugs Administration to market its generic drug Prezista Tablets in United States of America.

07 Jan. - WeBank, first online bank of China launched by Tencent Holdings Limited on 07th January 2015 to promote the small business.

29 Jan. - According to the report of Global Investment Trends Monitor released by United Nations Conference on Trade and Development (UNCTAD) on 29th January 2015, Global Foreign Direct Investment inflows declined by 8% in the year 2014.

National Events

02 Jan. - On 02nd January 2015, Digital Village Project launched by ICICI Bank Ltd. in Akodara, Gujarat.

06 Jan. - The company Mahindra & Mahindra achieved the milestone of producing 50 Lakh vehicles on 06th January 2015.

06 Jan. - On 06th January 2015, 12.57% increase recorded in the revenue of Indian Railways for the first 9 months of the year 2014-15.

07 Jan. - Global Prime Office Occupancy Costs Survey 2014 released by CBRE Group on 07th January 2015. According to the survey, the most expensive market is London's West End, United Kingdom.

15 Jan. - On 15th January 2015, Reserve Bank of India reduced Repo Rate by 0.25%. Now Repo Rate will prevail at 7.75%.

15 Jan. - On 15th January 2015, Reserve Bank of India imposed penalty of Rs.100 Crore on Riddhi Siddhi Bullion Limited (RSBL) for violations of RBI norms.

18 Jan. - On 18th January 2015, According to the report of Bloomberg Top 50 most valued global banks,

HDFC Bank Ltd. ranked at 45th position while State Bank of India is at 46th position.

22 Jan. - On 22nd January 2015, BSE Sensex crossed 29000 points for the first time.

23 Jan. - On 23rd January 2015, Toyota Motor Company ranked at No.1 position in global vehicle sales in the year 2014.

Agreements

26 Dec. - On 26th December 2014, Reliance Industries Ltd. signed an agreement with Mitsui OSK Lines of Japan for transportation of liquefied ethane from North America to India.

01 Jan. - SRF Limited acquired the pharma company of United States of America namely Dymel on 01st January 2015 for \$ 20 mn.

02 Jan. - On 02nd January 2015, Bharat Forge acquired Mecanique Generale Langroise, the company of France for Rs.90 Crore. The Chairman of Bharat Forge is Baba Kalyani.

05 Jan. - On 05th January 2015, Facebook acquired the company namely Wit.ai to develop the voice recognition.

10 Jan. - On 10th January 2015, Tech Mahindra acquired SOFGEN Holdings Limited. The Chairman of SOFGEN Holdings Limited is Alexander Dembitz while CEO of Tech Mahindra is C.P. Gurnani.

11 Jan. - On 11th January 2015, Adani Enterprises and SunEdison signed an agreement to build Solar Park in Mundra, Gujarat. The agreement signed during Vibrant Gujarat Summit 2015 held in Gandhi Nagar, Gujarat.

20 Jan. - India signed an agreement on transfer of sentenced persons with Hong Kong on 20th January 2015. At present almost 93 Indians in Hong Kong jails.

21 Jan. - Apple Inc acquired the company Semetric Limited of Britain on 21st January 2015 for the purpose to add music analytics tool in the devices.

23 Jan. - State Bank of India signed an agreement with European Investment Bank for 100 million Euro on 23rd January 2015. European Investment Bank was established in the year 1958.

New Schemes

07 Jan. - On 07th January 2015, the scheme 'Quikr Nxt', the instant messenger, launched by Quikr, Online classifieds Company, to provide seamless transactions between users.

07 Jan. - Contactless Credit Cards and Debit Cards launched by the Private Sector Bank ICICI Bank Ltd. on 07th January 2015.

21 Jan. - WhatsApp launched the new service for sending messages from the web browser on 21st January 2015.

29 Jan. - On 29th January 2015, IndusInd Bank Ltd. launched a co-branded credit card with the tie up of Chelsea Football Club.

Politics

National Events

30 Dec. - On 30th December 2014, the high level committee, headed by Union Home Secretary, constituted by the Government of India to look into NATGRID, the real time intelligence sharing set up.

01 Jan. - On 01st January 2015, Fast Track Task Force set up by the Department of Electronics and Information Technology to re-establish and catalyse significant growth in mobile manufacturing.

01 Jan. - Online RTI application filling facility launched by the State Government of Maharashtra on 01st January 2015.

01 Jan. - The Government of India changed the name of Planning Commission as National Institution for Transforming India Aayog (NITI) Aayog on 01st January 2015.

05 Jan. - The transgender Madhu Kinnar won Mayoral elections from Raigarh Municipal Corporation of Chhattisgarh on 05th January 2015.

06 Jan. - Trade Union of Coal Sector went on a five-day strike on 06th January 2015 to protest against disinvestment.

07 Jan. - On 07th January 2015, the maternity leave period increased from 135 days to 180 days by the State Government of Bihar.

07 Jan. - The President of India signed ordinance to amend the Motor Vehicles Act 2014 on 07th January 2015 to plying e-rickshaws on road in Delhi.

08 Jan. - Dandi Kutir Museum in Gandhi Nagar, Gujarat inaugurated by the Prime Minister Narendra Modi on 08th January 2015 during the Pravasi Bhartiya Divas ceremony.

08 Jan. - K.K. Paul became 6th Governor of Uttarakhand as appointed on 08th January 2015. He succeeded by Aziz Qureshi.

09 Jan. - On 09th January 2015, President Pranab Mukherjee approved the recommendation of Governor of Jammu and Kashmir N.N. Vohra and imposed President Rule in Jammu and Kashmir.

09 Jan. - 13th Pravasi Bharatiya Diwas 2015 concluded in Gujarat on 09th January 2015 under the theme of 'Bharat Ko Jano and Bharat Ko Mano'.

11 Jan. - 7th Vibrant Gujarat Summit inaugurated by the Prime Minister Narendra Modi on 11th January 2015. United Nations Secretary General Ban Ki-Moon was also present in the summit.

12 Jan. - On 12th January 2015, the dates of Delhi Assembly Elections have announced by Election Commission of India. The election will be held on 07th February 2015 and result will be declared on 10th February 2015.

12 Jan. - On 12th January 2015, Idukki, the District of Kerala became first District of India to have complete Rural Broadband Coverage. National Optical Fibre Network will provide broadband activity to the District.

13 Jan. - On 13th January 2015, National Green Tribunal gave guidelines to clean River Yamuna under Maily se Nirmal Yamuna Revitalization Plan 2017.

13 Jan. - On 13th January 2015, Annual Status of Education Report 2014 released by NGO Pratham.

13 Jan. - First Border Haat of Tripura opened at Srinagar-Feni Border on 13th January 2015 to increase local trade.

17 Jan. - On 17th January 2015, former Prime Minister Dr.Manmohan Singh adopted Pachim Bekeli Gaon Panchayat, Kamrup, Assam under Sansad Adarsh Gram Yojana.

17 Jan. - On 17th January 2015, Ministry of Water Resources announced the year 2015-16 as 'Jal Kranti Varsh' to spread of message of water conservation.

20 Jan. - Pradhan Mantri Jan Dhan Yojana conferred with Guinness Record on 20th January 2015 for opening 11.5 Crore Bank Accounts.

26 Jan. - 66th Republic Day celebrated across the nation on 26th January 2015. Barack Hussain Obama became the first President of United States of America who became Chief Guest on Republic Day.

26 Jan. - 66th Republic Day celebrated on 26th January 2015 under the theme of 'Women Empowerment (Nari Shakti). The Chief Guest was President of USA Barack Obama.

30 Jan. - Jayanthi Natarajan, former Environment and Forest Minister quit the Congress Party on 30th January 2015. She was the Minister in UPA-2 Government.

Reports

07 Jan. - On 07th January 2015, According to the United Nations Report, the year 2014 became the deadliest year for Iraq where about 12000 civilians were killed by ISIS.

19 Jan. - According to Global Status Report on Non-communicable Diseases 2014 released by World Health Organization (WHO) on 19th January 2015, every year 16 million people die before the age of 70.

20 Jan. - According to Country Wide Tiger Assessment Report 2014 released on 20th January 2015, Karnataka has highest number of Tigers i.e. 406. According to the report, India has 70% of the World's Tigers.

28 Jan. - On 28th January 2015, according to the report of World Bank on Social Inclusion and Sustainable Development, Himachal Pradesh has 2nd highest per capita income in the country.

International Events

30 Dec. - On 30th December 2014, World's smallest goanna lizard species was discovered in Australia.

04 Jan. - China launched official website namely www.weain.mil.cn for military weapons procurement on 04th January 2015.

07 Jan. - Charlie Hebdo, the Newspaper of France came under attack by gunmen on 07th January 2015. Resultantly, the Chief Editor of newspaper Stephane Charbonnier (Charb) died along with some other persons.

08 Jan. - Modibo Keita became the Prime Minister of Mali on 08th January 2015. The President of Mali is Ibrahim Boubacar Keita.

08 Jan. - Syria became the country having largest refugee population under UNHCR's mandate as report released on 08th January 2015.

09 Jan. - Maithripala Sirisena became the President of Sri Lanka on 09th January 2015 after defeating Mahendra Rajapaksa.

09 Jan. - Maithripala Sirisena sworn-in as 7th President of Sri Lanka on 09th January 2015 while Prime Minister of Sri Lanka is Ranil Wickramasinghe.

12 Jan. - World Bank signed tripartite agreement on 12th January 2015 for smart cities initiatives and swachhta abhiyaan for Indian State of Gujarat.

15 Jan. - The team of doctors of Britain successfully performed the first organ transplant on the new born baby on 15th January 2015.

23 Jan. - On 23rd January 2015, King Abdullah bin Abdulaziz died and now Salman bin Abdulaziz Al Saud became King of Saudi Arabia.

23 Jan. - Yingluck Shinawatra, former Prime Minister of Thailand impeached on 23rd January 2015 by an army backed Parliament. She became 1st Prime Minister of Thailand to be impeached by Parliament. At present, the Prime Minister of Thailand is Prayut Chan-o-cha.

26 Jan. - Alexis Tsipras became the Prime Minister of Greece. He took sworn-in on 26th January 2015. The President of Greece is Karolos Papoulias.

26 Jan. - On 26th January 2015, Dubai International Airport emerged as World's Busiest International Airport during the year 2014.

27 Jan. - The winter snow storm 'Juno' hit the North-East States of United States of America on 27th January 2015.

28 Jan. - Shirani Bandaranayake, the Chief Justice of Sri Lanka reinstated by the President of Sri Lanka Maithripala Sirisena on 28th January 2015.

New Schemes

05 Jan. - National Programme for LED-based Home and Street Lighting launched by the Prime Minister Shri Narendra Modi on 05th January 2015 to reduce energy consumption.

05 Jan. - On 05th January 2015, the government of India launched LPG Schemes for provide the benefits to BPL families. Now, BPL families can get 5 kg cooking gas cylinders under Free Trade LPG Scheme.

06 Jan. - On 06th January 2015, Prime Minister Narendra Modi launched a commemorative coin to mark 175th birth anniversary of Tata Group founder Jamsetji Nusserwanji Tata. He became Father of Modern Industry in India.

12 Jan. - On 12th January 2015, Australia launched Online Visa Pilot Programme for visitors of India.

12 Jan. - Dimo Hasao, District of Assam launched its first broad gauge railway track on 12th January 2015.

13 Jan. - India's first Compressed Natural Gas powered train inaugurated by Railway Ministry on 13th January 2015. Railway Minister of India is Suresh Prabhu.

15 Jan. - First Compressed Natural Gas (CNG) train of India flagged-off on 15th January 2015 from Rewari, Haryana. The present Rail Minister of India is Suresh Prabhu.

16 Jan. - On 16th January 2015, two schemes namely 'Venture Capital Fund' and 'Green Business Scheme' launched by the Government of India to support Scheduled Castes.

21 Jan. - National Heritage Development and Augmentation Yojana launched by the Government of India on 21st January 2015 to preserve the cultural heritage of the country.

22 Jan. - Sukanya Samridhi Yojana launched by the Government of India on 22nd January 2015 to enable

parents to open bank accounts of girls under the age of 10 years.

22 Jan. - The State of Kerala get its first International Institute of Music launched on 22nd January 2015.

27 Jan. - A Smart City App namely 'Smart Chandigarh' launched by Chandigarh on 27th January 2015 to create awareness on consumer rights.

28 Jan. - Mission of National Highways and Infrastructure Development Corporation Limited, Website, Logo and Vision launched by the Government of India on 28th January 2015. The name of Website is www.nhidcl.com.

29 Jan. - Taluka Planning Atlas launched by the State Government of Gujarat on 29th January 2015. The Chief Minister of Gujarat is Anandiben Patel.

Festivals and Days Held

07 Jan. - 13th Pravasi Bharatiya Divas started on 07th January 2015 in Gandhi Nagar, Gujarat.

09 Jan. - On 09th January 2015, 100th Anniversary of Mahatama Gandhi's return to India from South Africa was observed in all over the nation and Prime Minister Narendra Modi launched the commorative stamp.

12 Jan. - On 12th January 2015, National Youth Day observed all over India to mark Birth Anniversary of Swami Vivekananda. Swami Vivekananda was the social reformer and philospher of India.

18 Jan. - On 18th January, National Immunization Day observed in all over the nation.

24 Jan. - National Girl Child Day observed on 24th January in all over the country.

30 Jan. - Anti-Leprosy Day observed on 30th January 2015 in all over the nation to focus attention on this disease, the disease also known as Hansen's Disease.

Agreements

12 Jan. - On 12th January 2015, Reserve Bank of India signed an agreement with European Central Bank for cooperatoin in the field of Central Banking. The Governor of RBI is Dr.Raghuram Rajan and ECB President is Mario Draghi.

13 Jan. - India signed an agreement with Australia on 13th January 2015 for infrastructual development in Sports.

21 Jan. - On 21st January 2015, Steel Authority of India Limited signed an agreement with Posco, the authority of South Korea to set up 3 million tonne integrated plant in Jharkhand, India.

Visits

10 Jan. - Lyonchhen Tshering Tobgay, Prime Minister of Bhutan visited India on 10th January 2015.

Deaths

02 Jan. - V.R. Gowarikar, the former Chairman of Indian Space Research Organisation, died on 02nd January 2015. He was also known as the 'Father of the Indian Monsoon Model'.

08 Jan. - Perin Romesh Chandra, the freedom fighter, died on 08th January 2015.

18 Jan. - Paladugu Venkata Rao, the former Minister of Andhra Pradesh, died on 18th January 2015.

23 Jan. - Mylavaram Surya Narayana, the famous Comedy Actor and Director of Telugu movies, died on 23rd January 2015.

26 Jan. - R.K. Laxman, the famous Cartoonist of India, died on 26th January 2015.

26 Jan. - Demis Roussos, the famous singer of Greece, died on 26th January 2015. He was 68 years old.

28 Jan. - Jaswant Singh Rajput, the famous Hockey Olympian, died on 28th January 2015.

29 Jan. - Subhash Ghising, President of Gorkha National Liberation Front, died on 29th January 2015. Darjeeling Gorkha Hill Council was set up on his demand under Darjeeling Gorkha Hill Council Act, 1988.

Awards and Books

01 Jan. - Queen's New Year Honours given on 01st January 2015 to Indians in which Fauja Singh one of them. Fauja Singh is the World's oldest Marathon Runner at the age of 103 years.

12 Jan. - On 12th January 2015, M.Y.S. Prasad chosen for Vikram Sarabhai Memorial Award for the year 2015. The award will be presented by Indian Science Congress Association. M.Y.S. Prasad is the Director of Satish Dhawan Space Centre, Sriharikota.

12 Jan. - On 12th January 2015, ISRO Mars Orbiter Mission Team won Space Pioneer Award in the category of Science and Technology.

13 Jan. - On 13th January 2015, Raghuram Rajan, Governor of Reserve Bank of India received the Governor of the Year Award while Central Bank of the Year Award received by Reserve Bank of New Zealand.

13 Jan. - On 13th January 2015, Amitabh Bachchan presented with Social Media Person of the Year Award for use of social networking sites. The award presented by Internet and Mobile Association of India.

14 Jan. - On 14th January 2015, Prabhu Nath Dwivedi awarded with Sahitya Akademi Award 2014 for Sanskrit for his work 'Kanakalochanaha', the collection of 16 short stories.

15 Jan. - Subhash Chandra Agrawal conferred with Giraffe Hero Award for the year 2015 on 15th January 2015. The award is given for that people who take risks for common people.

15 Jan. - The book namely 'India Shastra:Reflections on the Nation in Our Time' released on 15th January 2015. The author of this book is Shashi Tharoor.

16 Jan. - On 16th January 2015, Jammu and Kashmir selected for National Award for e-Governance for best District level initiative. The state of Jammu and Kashmir first time will receive this award.

17 Jan. - On 17th January 2015, R.K. Tyagi, the Chairman of Hindustan Aeronautics Ltd. conferred with JGBS-Top Rankers' Excellence Award of the year 2014.

17 Jan. - Master Devesh Kumar has chosen for Sanjay Chopra Award and Gunjan Sharma chosen for Geeta Chopra Award as announced by the Government of India on 17th January 2015. The awards are considered as National Bravery Awards.

18 Jan. - Frank Islam, Indian-American Philanthroist awarded with Martin Luther King Jr. Award on 18th January 2015.

24 Jan. - Arundhati Subramaniam won Khushwant Singh Memorial Prize for Poetry on 24th January 2015.

25 Jan. - Paulina Vega of Colombia won the title Miss Universe 2015 on 25th January 2015. She is 22 years old.

25 Jan. - On 25th January 2015, Sardar Singh, the Captain of Hockey team awarded with Padma Shri Award.

25 Jan. - On 25th January 2015, Prakash Singh Badal, Chief Minister of the State of Punjab awarded with Padma Vibhushan. He served for 5 times as Chief Minister of Punjab.

25 Jan. - Wing Commander Puja Thakur became first lady to lead inter-service Guard of Honour on 25th January 2015.

26 Jan. - On 26th January 2015, the book namely 'Neither a Hawk nor a Dove' written by Khurshid M. Kashuri. The book is based upon the relations between India and Pakistan. Khurshid M. Kashuri is Ex-Foreign Minister of Pakistan.

26 Jan. - Late Major Mukund Varadarajan and Late Naik Neeraj Kumar conferred with Ashok Chakra award on 26th January 2015. The Award is the highest peacetime military award of India.

Science and Technology

16 Jan. - On 16th January 2015, the year 2014 ranked as Earth's hottest year since the year 1880. The analysis done by the scientists of National Aeronautics and Space Administration (NASA) and National Oceanic and Atmospheric Administration (NOAA).

Padma Awards 2015

Padma Awards have been announced by the President of India. Total 104 persons will be honour with Padma Awards. The Awards given in various fields, for exmample: Public Affairs, Social Work, Civil Service, Art and Literature etc.

PADMA VIBHUSHAN

Amitabh Bachchan	Art	Maharashtra
Dr D Veerendra Heggade	Social Work	Karnataka
Jagadguru Ramanandacharya Swami ambhadracharya	Others	Uttar Pradesh
Karim Al Hussaini Aga Khan (Foreigner)	Trade and Industry	France/UK
Kottayan K. Venugopal	Public Affairs	Delhi
LK Advani	Public Affairs	Gujarat
Mohammad Yusuf Khan alias Dilip umar	Art	Maharashtra
Prakash Singh Badal	Public Affairs	Punjab
Prof Malur Ramaswamy Srinivasan	Science and Engineering	Tamil Nadu

PADMA BHUSHAN

Jahnu Barua	Art	Assam
Dr Vijay Bhatkar	Science and Engineering	Maharashtra
Shri Swapan Dasgupta	Literature and Education	Delhi
Swami Satyamitranand Giri	Others	Uttar Pradesh
N Gopaldaswami	Civil Service	Tamil Nadu
Dr Subhash C Kashyap	Public Affairs	Delhi
Dr (Pandit) Gokulotsavji Maharaj	Art	Madhya Pradesh
Dr Ambrish Mithal	Medicine	Delhi
Sudha Rangunathan	Art	Tamil Nadu
Shri Harish Salve	Public Affairs	Delhi

GK Digest January

Dr Ashok Seth	Medicine	Delhi
Rajat Sharma	Literature and Education	Delhi
Satpal	Sports	Delhi
Shivakumara Swami	Others	Karnataka
Dr Kharag Singh Valdiya	Science and Engineering	Karnataka
Prof Manjul Bhargava (NRI/PIO)	Science and Engineering	USA
David Frawley (Vamadeva) Foreigner)	Others	USA
Bill Gates (Foreigner)	Social Work	USA
Melinda Gates (Foreigner)	Social Work	USA
Saichiro Misumi (Foreigner)	Others	Japan

PADMA SHRI

Dr Manjula Anagani	Medicine	Telangana
S Arunan	Science and Engineering	Karnataka
Kanyakumari Avasarala	Art	Tamil Nadu
Dr Bettina Sharada Baumer	Literature and Education	Jammu and Kashmir
Naresh Bedi	Art	Delhi
Ashok Bhagat	Social Work	Jharkhand
Sanjay Leela Bhansali	Art	Maharashtra
Dr Lakshmi Nandan Bora	Literature and Education	Assam
Dr Gyan Chaturvedi	Literature and Education	Madhya Pradesh
Prof (Dr) Yogesh Kumar Chawla	Medicine	Chandigarh
Jayakumari Chikkala	Medicine	Delhi
Bibek Debroy	Literature and Education	Delhi
Dr Sarungbam Bimola Kumari Devi	Medicine	Manipur
Dr Ashok Gulati	Public Affairs	Delhi

GK Digest January

Dr Randeep Guleria	Medicine	Delhi
Dr KP Haridas	Medicine	Kerala
Rahul Jain	Art	Delhi
Ravindra Jain	Art	Maharashtra
Dr Sunil Jogi	Literature and Education	Delhi
Prasoon Joshi	Art	Maharashtra
Dr Prafulla Kar	Art	Odisha
Saba Anjum	Sports	Chhattisgarh
Ushakiran Khan	Literature and Education	Bihar
Dr Rajesh Kotecha	Medicine	Rajasthan
Prof Alka Kriplani	Medicine Delhi	
Dr Harsh Kumar	Medicine	Delhi
Narayana Purushothama Mallaya	Literature & Education	Kerala
Lambert Mascarenhas	Literature and Education	Goa
Dr Janak Palta McGilligan	Social Work	Madhya Pradesh
Veerendra Raj Mehta	Social Work	Delhi
Tarak Mehta	Art	Gujarat
Neil Herbert Nongkynrih	Art	Meghalaya
Chewang Norphel	Others	Jammu and Kashmir
TV Mohandas Pai	Trade and Industry	Karnataka
Dr Tejas Patel	Medicine	Gujarat
Jadav Molai Peyang	Others	Assam
Bimla Poddar	Others	Uttar Pradesh
Dr N Prabhakar	Science and Engg	Delhi
Dr Prahalada	Science and Engg	Maharashtra
Dr Narendra Prasad	Medicine	Bihar
Ram Bahadur Rai	Literature and Education	Delhi

GK Digest January

Mithali Raj	Sports	Telangana
PV Rajaraman	Civil Service	Tamil Nadu
Prof JS Rajput	Literature and Education	Uttar Pradesh
Kota Srinivasa Rao	Art	Andhra Pradesh
Prof Bimal Roy	Literature and Education	West Bengal
Shekhar Sen	Art	Maharashtra
Gunvant Shah	Literature and Education	Gujarat
Brahmdev Sharma	Literature and Education	Delhi
Manu Sharma	Literature and Education	Uttar Pradesh
Prof Yog Raj Sharma	Medicine	Delhi
Vasant Shastri	Science and Engg	Karnataka
SK Shivkumar	Science and Engg	Karnataka
PV Sindhu	Sports	Telangana
Sardara Singh	Sports	Haryana
Arunima Sinha	Sports	Uttar Pradesh
Mahesh Raj Soni	Art	Rajasthan
Dr Nikhil Tandon	Medicine	Delhi
H Thegtse Rinpoche	Social Work	Arunachal Pradesh
Dr Hargovind Laxmishanker Trivedi	Medicine	Gujarat
Huang Baosheng	Others	China
Prof Jacques Blamont	Science and Engg	France
Late Syedna Mohammad Burhanuddin	Others	Maharashtra (Posthumous)
Jean-Claude Carriere	Literature and Education	France
Dr Nandrajan 'Raj' Chetty	Literature and Education	France
George L Hart	Others	USA
Jagat Guru Amrta Suryananda Maha Raja	Others	Portugal

Late Meetha Lal Mehta	Social Work	Rajasthan (Posthumous)
Tripti Mukherjee	Art	USA
Dr Dattatreya Nori	Medicine	USA
Dr Raghu Rama Pillarisetti	Medicine	USA
Dr Saumitra Rawat	Medicine	UK
Prof Annette Schmiedchen	Literature and Education	Germany
Late Pran Kumar Sharma alias Pran	Art	Delhi (Posthumous)
Late R Vasudevan	Civil Service	Tamil Nadu (Posthumous)

Foreign Direct Investment (FDI) in India

FDI is a hot topic, with the current government increasing the caps on many sectors; it is something that will definitely shape the economy in the months to come – also having far reaching consequences with the Make in India vision of PM Modi.

So what is FDI? How does it actually work? And some latest news!

1. WHAT IS FDI – FOREIGN DIRECT INVESTMENT?

Foreign Direct Investment is when persons/companies who/which are non-Indian, invest in Indian companies.

Thus, through FDI, the investors become the shareholders in Indian companies and usually have stake that will give them controlling power of the company.

FDI can be done in many ways – popular of which are through acquiring of shares and merger and acquisition.

Also important to know is that there are two ‘routes’ of FDI, namely, Automatic Route (does not require RBI or CG approval) and the Government Route (requires

the approvals for those not covered under the automatic route).

2. WHY WOULD ANYONE INVEST IN ANOTHER COUNTRY?

Well, there are plenty of reasons – why would a foreign company invest in any Indian Company?

- There could be tax incentives,
- The company believes that doing a particular business will be more profitable in India,
- There could be tax exemptions favorable to the company both in India and in the company’s home country,

- Or, it might be up for some concessions in the home country as a part of the country's trade agreement with India ...
- Or, the company might be aiming at starting operations in South Asia and India is the most developing economy in this part of the world!

The reason could something else too – but mostly it is related to more business opportunities, tax benefits, more profitability etc.

3. WHAT FDI MEANS TO A COMPANY?

- Foreign Investors become shareholders of a sizeable stake – and the reason they are investing is because they want returns – good returns.
- Which means they'll be very much interested in the working of the company – so that their money earns returns.
- They'll also be active shareholders, board members – and ensure the company is utilizing its resources properly and towards the growth of the company, increasing turnover and ultimately profits.
- To ensure the company gets the best resources to produce best results – the FDI investors may also bring with them management personnel, advanced technology, new system of work and management of the company etc.

4. WHAT DOES FDI MEAN TO THE HOME/ HOST COUNTRY – INDIA?

- FDI brings in more capital into the economy.
- It brings in the much needed foreign exchange – foreign currency.
- It also boosts the domestic economy and industries and generally triggers a positive economic ripple effect.
- It brings in more revenues for the Income Tax Department.
- Advanced technology touches the shores of the host country, along with technically superior human resource.
- Creation of new jobs also happens – and in India jobs can never be few!

The above mentioned points can also be considered to be the **pros** or benefits from FDI. Which leads us to the **cons** of FDI in India:

- It can lead to the domestic companies losing their market share.
- Domestic companies may lose out to the competition altogether.
- Thus cons are always from the point of view of the host country and how FDI will effect its own economy.
- FDI in retail- which had been in the middle of the entire FDI related storm – also meant farmers, small retailers, and the mom and pop shops losing their business.

4. SECTORS WHERE FDI IS ALLOWED AND THE LATEST CAPS.

- Railways – 100%
- Defence – 49%
- Telecom – 49% under automatic route and rest as per FIPB's approval
- Insurance – 49%
- News Media – currently 26% and increase to 49% is in the talks
- Courier Services – 100%
- Single Brand Retail – 100%
- Civil aviation – 49%
- Construction Sector – 100%
- Credit Information Companies – 74%
- Power Trading – 49%
- Commodity Exchanges – 49%
- Oil refineries – 49%
- Stock Exchanges – 49%

5. SECTORS WHERE FDI IS NOT ALLOWED

FDI in the following sectors are prohibited completely – i.e., under both Automatic and Government routes it is **not allowed**.

- Atomic Energy
- Agricultural and Plantation activities
- Gambling, betting and lottery
- Nidhis and Chit Funds
- Real Estate
- Manufacture of cigarettes and tobacco

6. WHAT ARE FIIS?

Foreign Institutional Investors (FIIs) are persons or companies incorporated outside India (companies can be Mutual funds, Pension funds, investment companies, foreign banks etc.), investing in shares of a company – where their investment is very less. They do not have any sizeable investment – they do not have any controlling power in the company.

It is just like you and me investing in shares of Reliance Industries – only investing is done by people who are not Indian residents; and they have to be registered with SEBI to participate in the market.

So, basically FIIs are the financial market players – and the source of liquidity in the markets. Their investing in the Indian markets project a +ve image and brings in more investors.

There is a ceiling limit of 24% FII of paid-up capital of an Indian company, and 20% in case of PSU banks.

Just like FDIs, FIIs also bring in forex – but when the share Indian sharemarket sees a down – or the markets of other countries sees an upswing – these FIIs are quick to sell their stakes in Indian companies and invest the money where the markets are progressing!

The major difference between FDIs and FIIs are that the former actually has a lot of stake in the company's well being and profitability in the long run – whereas the FIIs want short term returns on the investments.

Foreign exchange reserves always favour more FDIs rather than FIIs as FIIs are the first to abandon the sinking ship!

7. WHAT IS INDIA'S STANCE ON FDIs AND FIIS?

India is now taking a positive and progressive stance towards FDIs and FIIs with encouraging talks on about FDI cap increase in News Media and the ongoing debate on multiple brand retailing.

Recent talks with USA has seen India inviting the US to 'make, innovate and invest' in India – signaling considerable inflow of FDI in the coming months

FIIs are witnessing a surge because of the over upward trend of the economy, the markets and the recent RBI rate cut. With the economies of US and other developed and developing countries still in the 'recovery' stage – worldwide investors have turned India's way!

8. TRIVIA:

- FDI was introduced in India way back in 1991 by the then Finance Minister Dr. Manmohan Singh.
- USA has the maximum incoming FDI followed by UK and other countries like Hong Kong, China etc. (not necessarily in the same order)

- Singapore has made maximum FDI in India as per F.Y. 2014's stats. The previous 1st place was held by Mauritius!
- Service Sector has always received maximum FDI in India.
- Focus now shifting to Manufacturing sector – with the Make in India vision.

Latest Government Welfare Schemes

Latest Government Welfare Schemes important for interviews.

DEENDAYAL UPADHYAYA GRAM JYOTI YOJANA

The scheme launched by Government of India to provide 24X7 uninterrupted power supply to all homes. The Government will invest total Rs.75600 Crore to complete the task. The scheme has replaced with Rajiv Gandhi Grameen Vidyutikaran Yojana. The basic aim of this Yojana is to provide rural electrification.

PRADHAN MANTRI JAN DHAN YOJANA

Under this scheme, any Indian can open a saving account in any bank with Zero Balance. Anyone who has bank account under this scheme, can avail the benefit of Insurance coverage of Rs.1 Lac. Almost 11.5 Crore accounts have opened under this scheme. Pradhan Mantri Jan Dhan Yojana conferred with Guinness Record for achieving the target.

SANSAD ADARSH GRAM YOJANA

This scheme is mainly focus on the development of villages. Under this scheme, each Member of Parliament will adopt any village to make it a Model Village by 2016. Thereafter, each Member of Parliament repeat the same process and adopt more village to make the Model Villages. Under the scheme, Prime Minister Narendra Mod adopted Village Jayapur, Varanasi while Sachin Tendulkar adopted Village Puttamraju Vari, Nellore, Andhra Pradesh. Sachin Tendulkar is a Rajya Sabha Member.

MAKE IN INDIA

This is an international campaign which attracts businesses from all over the World in invest and manufacture in India. The campaign will under the control of Government of India. The main purpose of this campaign is to focus upon heavy industries and generate employment.

SWACHH BHARAT ABHIYAN

Swachh Bharat Abhiyan launched on 02nd October 2014 i.e. the birth anniversary of Mahatma Gandhi. Under this scheme total 4041 statutory towns will cover by clean the streets and roads. The basic aim of this Abhiyan is to create awareness about Cleanliness and about clean and green India.

NITI AAYOG

NITI Aayog means National Institution for Transforming India Aayog. Planning Commission replaced by it. Now, all the States of India will get strategic and technical advices and support from it. Arvind Pangariya became 1st Vice-Chairman of NITI Aayog. Sindhushree Khullar became CEO of NITI Aayog.

PANDIT DEENDAYAL UPADHYAY SHRAMEV JAYATE YOJANA

Pandit Deendayal Upadhyay Shramev Jayate Yojana launched by the Government of India to create industrial development and transparency in the Labour Sector. Shramev Sividha Portal has simplified compliance of 16 Labour Laws through a single online form.

BETI BACHAO, BETI PADHAO YOJANA

The scheme launched with Rs.100 Crore initial fund. The basic aim of the scheme is to create awareness about the importance of women. The scheme will empower and protect the women and girl child. Under the scheme, better welfare services will be delivered to women.

DEENDAYAL UPADHYAYA GRAMEEN KAUSHALYA YOJANA

Deendayal Upadhyaya Grameen Kaushalya Yojana launched on 25th September 2014 with the aim to provide training to 10 Lakh youths for jobs in the next 3 years. The scheme launched on the 98th birth anniversary of Pandit Deendayal Upadhyay. The Yojana replaced by Aajeevika Skills Development Programme.

PRADHAN MANTRI GRAM SINCHAI YOJANA

Pradhan Mantri Gram Sinchai Yojana launched to provide water to each and every field situated in India. The basic aim of the scheme is to create development in agriculture. When the water reached at each and every field, then productivity will surely be increased at higher level.

PAHAL Scheme for Direct Benefit Transfer of Subsidy for LPG

PAHAL is the name of scheme launched for direct benefit transfer of subsidy for LPG (DBTL). This scheme was earlier launched on 1 June 2013 on trial basis earlier in this scheme it was mandatory to have aadhaar number seeded with account number, then only cash subsidy transferred to the bank account of LPG account holder.

By this scheme ran in trouble after Supreme Court ruling that no person can be denied subsidy on the basis of not having aadhaar number. So government examined the difficulties faced by consumer and modified the scheme and re-launched in 54 districts on 15-11-2014 in 1st phase and launched in rest of 622 districts in phase 2 all over India on 1-1-2015. Once consumer join the scheme he will get LPG cylinder at market price and will receive LPG subsidy in his bank account.

Modified scheme not make it mandatory to make aadhaar number its gives two options to consumer:

OPTION 1

Aadhaar based transfer scheme –In this scheme aadhaar number is seeded with account number and subsidy on LPG cylinder is transferred to account number and LPG number is linked with Aadhaar number of customer.

OPTION 2

In this bank details of account number is directly linked to 17 digit LPG id and cash subsidy is transferred to bank account number.

If the LPG consumers who do not wish to avail the LPG subsidy for LPG cylinders can simply choose to opt out of

subsidy. Over 12000 citizens have already voluntarily given up subsidy freeing up crores of subsidy amount for under privileged population.

IMPACT

The main of launching Pahal is to check leakages, delays and bring transparency . DBTL is designed to ensure that the benefit meant for the genuine domestic customer reaches them directly and is not diverted. By this process public money will be saved.

RBI Slashed Reverse Repo Rate to 7.75%

As crude oil price are decreasing continuously, today RBI decreased the Reverse Repo Rate by 25 basis points.

- Reverse Repo Rate slashed by 25 basis points to 7.75%
- Cash Reserve Ratio kept at 4%

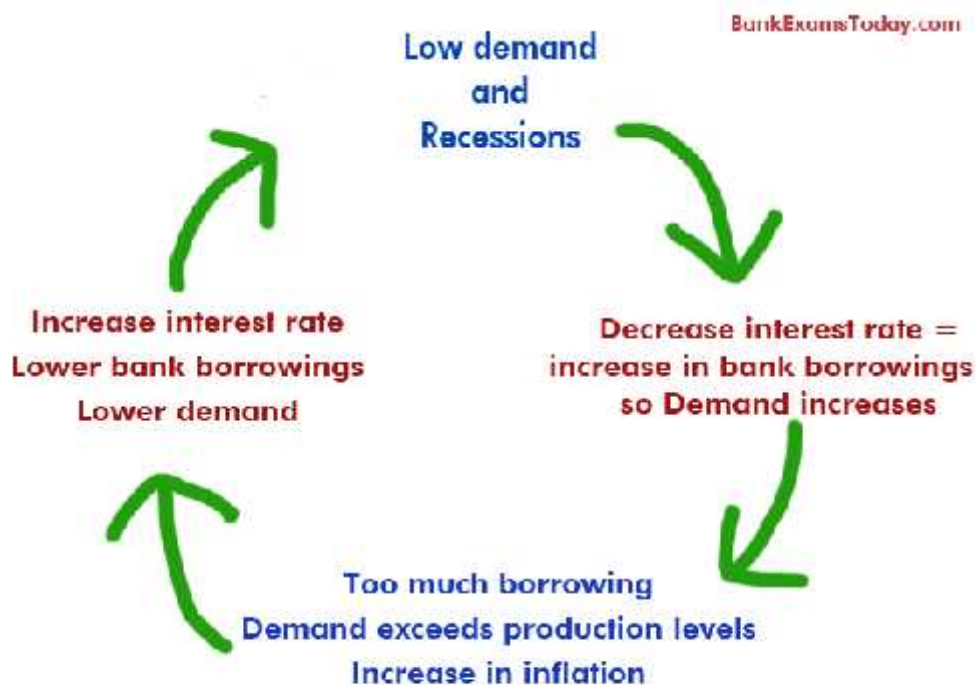
IMPACT

Interest rate will fall and fall in interest rates will lead to fall in Inflation rate.

WHY RBI TOOK THIS STEP

Due to continuous low crude oil prices, demand levels are decreasing. Low demand levels led to low rate of inflation. This is directly influencing the growth rate. That's why RBI decreased Reverse Repo Rate, RBI wants businessmen to take more loan and advances, produce more and thus help in improving slowing down economy.

IMPACT OF INTEREST RATE ON INFLATION



Impact of Interest on Inflation

Pradhan Mantri Jan Dhan Yojna (PMJDY) - Scheme Details

Prime Minister Shri.Narendra Modi on 15-august 2014 announced a financial inclusion scheme known as Pradhan Mantri Jan-Dhan Yojna (PMJDY).This scheme was formally launched on 28-Aug-2014, through this scheme financial inclusion is taken as mission mode.



In order to achieve financial inclusion various initiatives were taken by previous governments and RBI like expansion of bank branches network, opening of no frills account ,mandatory financial inclusion plans by banks ,adoption of business correspondent model (BC) but still vast section of our country out of reach of financial services, So to provide basic financial services like saving account, Remittance, Credit ,Insurance ,Pension in an affordable manner to common man PMJDY was launched.

HOW PMJDY IS DIFFERENT FROM PREVIOUS FINANCIAL INCLUSION SCHEMES

PMJDY focus on opening bank account in every family where as previous scheme focus on providing banking services with population more than 2000.

PMJDY focus on rural and urban area as same where as previous scheme concentrate more on rural areas.

Thrust of this scheme is on providing not just account opening but also addition services like insurance ,overdraft facility, remittances, RuPay debit card.

USSD based mobile banking to be utilized where as in previous scheme there is not use of mobile banking.

Financial literacy is focus in PMJDHY where as in previous scheme financial literacy was neglected.

In PMJDY, KYC needed to open bank account was made simpler.

PMJDY ENVISAGES PROVISION OF AFFORDABLE FINANCIAL SERVICES WITHIN REASONABLE DISTANCE. IT COMPRISES OF THE FOLLOWING SIX PILLARS

1. Universal access to banking services-It aims at providing banking services to all inhabitants with in reasonable distance of 5 k.m. by 14th-Aug-2015.
2. Providing Basic Banking Accounts, RuPay debit card and overdraft facility to all households
3. Financial Literacy Programme –Financial literacy is integral part of PMJDY. By providing financial literacy people will be able to judge right financial product for them.
4. Creation of Credit Guarantee fund –It propose the creation of credit guarantee fund to cover the defaults in overdraft accounts.

5. Micro insurance –To provide micro insurance to all willing and eligible persons by August 2018
6. Unorganised sector Pension Schemes like Swavalamban but August-2018.

PMJDY WILL BE IMPLEMENTED IN TWO PHASES

Phase I

(from 15-August-2014 to 14-August 2015)- In this phase first three pillars of PMJDY will be implemented, this include

- Universal access to banking facilities
- Providing basic bank account with RuPay debit card with inbuilt accidental insurance cover of 1lakh.
- Financial literacy programmes

Phase II

(from 15th-Aug-2015 to 14th-Aug-2018)-In this last three pillars of PMJDY will be implemented this include:

- Creation of credit guarantee fund
- Micro Insurance
- Overdraft facility
- Unorganized sector Pension Schemes like swavalamban.

PMJDY is highly successful. Provision of social security by pension and insurance cover is a significant policy intervention, RuPay enable debit card provides transaction security and overdraft facility, subsidies transfer to bank account will provide economic security. Enthused by the success the target for opening basic account target has been revised from 7.5 Crore to 10 Crore by January 26 and this target is also met and banks have issued 7.28 Crore RuPay debit cards. So will combine efforts of GOI, RBI and Banks, PMJDY will be able to provide financial inclusion to every section of our society.

NITI AAYOG - National Institution For Transforming India

History is all set to change with all over for planning commission and new institution known as NITI Aayog set to take its role.



The main aim of forming Niti Aayog is pro people development by following up bottom up approach and with active participation of all stakeholders. It has been set up as a think-tank for formulating a new policy framework in keeping with the changes and challenges of rapidly evolving socio-economic scenario in the country.

The thought behind its establishment is to work as an enabler or catalyst for development, not as a provider for development. Aayog will provide strategic and technical advice on issues of “national and international importance” to the Centre and states.

NITI Aayog known as **National institution for transforming India** came into existence on 1-January-2015 with good bye to six decades old planning commission. Planning Commission was established in 1950s to respond to development needs of India after independence. It made resources available to state government to meet their development needs and come up with five years plans for development. It was set up by the resolution of GOI on 1950.

So Why the need felt to replace Planning Commission with Niti Aayog

1. Most of the criticism regarding planning commission was that it thrust his development agenda on states without their active collaboration and not considering their social economic uniqueness. One size fit for all solution was followed by planning commission.
2. Niti Aayog will be more like think tank advising central and state governments on strategic and technical issues across the spectrum of key elements of policy where as in planning commission there was no active participation of stakeholders.
3. In Niti Aayog will have all the state chief ministers and Lt. Governors included in the governing council where as in planning commission state chief ministers were not actively involved.
4. The mantra of Niti Aayog is inclusiveness with states as partners, equality, transparency, pro people, empowering which was not visible in planning commission.

So the big difference is states now have a greater say, where as it was planning commission the formulate plans for state without their active involvement and asked the states to implement those plans. Niti Aayog will followed the bottom to top model of development to meet the specific development needs of village, states by having provision to form regional development council. It will provide flexible approach in development to pick experts from various sectors.

NITI AAYOG WILL HAVE

1. Prime Minister as chairman
2. CEO
3. Vice chairman
4. Full time members
5. Two part time members
6. Four union ministers as ex-officio members
7. Governing council comprising of all state chief ministers and Lt. Governors.
8. Regional Councils which will be formed to address any state specific issues.
9. Invitees from different fields having relevant domain knowledge.

RECENTLY APPOINTED MEMBERS TO NITI AAYOG

- Arvind Panagariya appointed as Vice Chairman of Niti Aayog.
- Bibek Debroy and VK Saraswat DRDO chief were appointed as full-time members.
- Union Ministers Rajnath Singh, Arun Jaitley, Suresh Prabhu and Radha Mohan Singh will be the Ex-Officio members.
- Nitin Gadkari, Smriti Zubin Irani and Thawar Chand Gehlot -- Special Invitees.

There are many challenges that lie ahead in front of Niti Aayog, the biggest challenge is to take all stakeholders on board to full fill the aspirations of common man and take the development to village level by making policies that are people centric or it just prove to be old wine in new bottle.

Cheque and Types of Cheque

Cheque is, signed unconditional order addressing the bank to credit the amount to the holder of instrument .Cheque is widely used mode of payment. It is used as safe mode for making payments and loss can be minimized if lost It is an order to a bank by the drawer to pay the amount mentioned in the cheques to the presenter of the instrument.

PARTIES INVOLVED IN A CHEQUE

Drawer:

A person that issue the cheque for making payment and person who deposit money to make payment is know as Drawer.

Drawee:

Drawee is the bank to whom a drawer gives order to make payment.

Payee:

Payee is the person who presents the cheque for payment .A person who deposited cheque to receive payment from bank is know as Payee.

For E.g A person Rohit want to give payment of Rs 5 lakh to another person name Nitin .He can issue the cheque on the name Nitin and give that cheque to Nitin .In this case Rohit is the drawer and Nitin is payee and where Rohit has account, a bank which has issues the cheque book is know as drawee.

A cheques is said to be **honored** if Rohit has sufficient balance in his account in this case 5 lakh or more and if he does not have sufficient balance in his account that cheque is known as **bounce cheque**.

TYPES OF CHEQUE:

- 1) **Open cheque:** Open cheque is payable in cash across the counter of bank who presented the cheque. In this cheque is not crossed with parallel lines on left hand side of cheque.
- 2) **Crossed Cheque :**In this a person who issue the cheque write account payee or put two parallel lines at the left corner of cheque .So it can not be cash over the counter .A person whose name is written on check has to deposit in his account and only credited to the bank account of the payee.
A person can write "Account Payee" between too parallel lines or not .
- 3) **Order Cheque:**In order cheque word Bearer strike off which make the cheque Order cheque . An order cheque can be paid to the named payee across the bank's account if so presented. A person has to present identification proof before enchasing the cheque over the counter.
- 4) **Bearer Cheque :** Bearer cheque is one that does not has the word "Bearer" on the cheque cancelled. This bearer cheque is payable to person who presented the cheque . This cheque is payable by the drawee bank over the counter to the Bearer or presenter of the cheque. A Bearer cheque can be negotiated or pass to another person by mere delivery.
- 5) **Post Dated Cheque :**Date field is very important while issuing cheque .The date we enter in date field is not current date but any future date this is know as Post Dated Cheque. A person can present the cheque only at future date written on cheque.
- 6) **Stale Cheque :**Validity of cheque is for three months from the date on which person issue the cheque .If person not presented the cheque within three months to the issue branch the cheque is know as Stale Cheque. Earlier validity of cheque is for six months now it is reduced to three months.
- 7) **Travelers Cheque:** Travelers cheque is used if person is going abroad . A best way of carrying foreign exchange overseas. Traveler's cheques are widely accepted globally as a mode of payment in many parts of the world. It is always worthwhile taking some of your foreign exchange in travelers' cheques as it is a great backup to cash and cards.

Monetary Policy in India - Explained

Monetary Policy is a Policy made by the central bank(RBI) to control money supply in the economy and thereby fight both inflation and deflation. It helps maintain price stability and achieve high economic growth. To Combat Inflation RBI reduces Money Supply (Tight/Dear Money Policy). To Combat Deflation RBI increases Money Supply (Easy/Cheap Money Policy).

RBI implements monetary policy using certain tools. These are Quantitative Tools and Qualitative Tools. Quantitative Tools are Reserve Ratios(CRR,SLR) , OMO(Open Market Operations) and Rates(Repo , Reverse Repo , Bank Rate, MSF).

CASH RESERVE RATIO

Cash Reserve Ratio is a certain percentage of bank deposits (Net Time and Demand Liabilities) which banks are required to keep with RBI in the form of reserves or balances .

Higher the CRR with the RBI lower will be the liquidity in the system and vice-versa.

It's a dead Money as Banks don't receive any Interest from RBI for reserves kept. RBI can charge Penalty (3% above Bank Rate) for not keeping the reserves. CRR is defined under Sec 42(1) of RBI Act, 1934.

Its Minimum and Maximum value is the discretion of RBI. It is maintained on Fortnightly Average Basis. At Present The CRR is 4%. By Increasing CRR the Money Supply can be Reduced in Market thereby Controlling Inflation (Dear Money Policy) and by Decreasing it Money Supply can be Increased thereby promoting Growth(Cheap Money Policy)

STATUTORY LIQUIDITY RATIO

Every financial institution has to maintain a certain quantity of liquid assets with themselves at any point of time of their total time and demand liabilities. These assets can be cash, precious metals, RBI approved securities like bonds, Shares etc. The ratio of the liquid assets to time and demand liabilities is termed as the Statutory liquidity ratio.

Some profits are earned through SLR by banks depending upon the asset. It is **defined under Sec 24 of Banking Regulation Act 1949**. It is maintained on daily basis by Banks.

Penalty for Not Maintaining SLR can be 3% above Bank Rate.

Its Minimum and Maximum value (can be 40%) is the discretion of RBI. It is maintained on Daily Basis. At Present The SLR is 22%. By Increasing SLR the Money Supply can be Reduced in Market thereby Controlling Inflation (Dear Money Policy) and by Decreasing it Money Supply can be Increased thereby promoting Growth (Cheap Money Policy)

REPO (REPURCHASE) RATE

It is the rate at which RBI lends money to commercial banks against securities in case commercial banks fall short of funds for Short Term. But Remember The banks cannot get money by mortgaging SLR quota securities to get money from RBI. It has to have securities above the SLR quota to Buy Money. This rate is **also known as "Policy Rate"** under LAF(Liquidity Adjustment Facility).

There is No Limit on how much the Client can Buy from RBI but Minimum has to Rs 5 crores. Banks use this Facility only when they have less Deposits from Public but have more Loan Demand. Currently the Repo Rate is 7.75%.

By Increasing Repo Rate the Money Supply can be Reduced in Market as Money becomes Costly(Dearer) thereby Controlling Inflation(Dear Money Policy) and by Decreasing it Money Supply can be Increased as Money becomes Cheap thereby promoting Growth(Cheap Money Policy). Indirectly This helps in GDP growth of India as less Repo Rates most probably leads to Less Lending Rates by Banks. So Business can buy More Loans and invest that Money in Production.

REVERSE REPO (REPURCHASE) RATE

Rate at which RBI borrows money from commercial banks. When Banks have collected More Money from Public but Demand for Loans is Less then Banks mostly park their Money with RBI and Receives Interest(Reverse Repo Rate). Reverse Repo Rate is Dependent on Repo Rates as Reverse Repo Rate is set to Repo Rate -1%. RBI gives Government Securities as Collateral to Banks. Current rate is 6.75% .

Officially Repo and Reverse Repo Rates Percentages are in Basis Points. So 1% means 100 Basis Points.

MARGINAL STANDING FUNDING

By this mechanism commercial banks can get loans from RBI for their emergency needs. **Under the Marginal Standing Facility (MSF), currently banks avail funds from the RBI on overnight basis against their excess SLR holdings.**

Additionally, they can also avail funds on overnight basis below the stipulated SLR up to two per cent of their respective Net Demand and Time Liabilities (NDTL) outstanding at the end of second preceding fortnight.

With a view to enabling banks to meet the liquidity requirements of mutual funds under the RBI's Special Repo Window announced on July 17, 2013, it has been decided to raise the borrowing limit below the stipulated SLR requirement under the MSF from 2 per cent of NDTL to 2.5 per cent of NDTL. This Facility is only Available to Scheduled Commercial Banks. Under This Facility Banks can use securities from SLR quota. MSF Rate = Repo Rate +1%. Current is 8.75%

BANK RATE

It is a rate at which RBI lends money to commercial banks without any security. It is used for Long Term Borrowing . Bank rate is not the main tool to control money supply. Repo Rate is the main tool to Control Money Supply. Penal rates are linked with Bank rate. At present, Penalty rate = Bank rate + 3% (or 5% in some cases)

Impact

When bank rate is increased interest rate also increases which have negative impact on demand thus prices increases.

QUALITATIVE TOOLS

1. **LTV(Loan to Value Ratio)** : Suppose I have Land Worth Rs 1 Crore and I want to get Loan from Bank by Mortgaging that Land. Then I will Not get Rs 1 Crore Loan . If LTV=60% then I can Get Maximum Loan of Rs 60 Lakh.
2. **Moral Suasion** : Moral Suasion is just as a request by the RBI to the commercial banks to take so and so action and measures in so and so trend of the economy. RBI may request commercial banks not to give loans for unproductive purpose which does not add to economic growth but increases inflation. Rajan will try to influence those bankers through direct meetings, conference, giving media statements, giving speeches etc .
3. **Credit Ceiling**: In this operation RBI issues prior information or direction that loans to the commercial banks will be given up to a certain limit. In this case commercial bank will be tight in advancing loans to the public. They

will allocate loans to limited sectors. Few example of ceiling are agriculture sector advances, priority sector lending.

4. **Credit Authorization Scheme:** Under this instrument of credit regulation RBI as per the guideline authorizes the banks to advance loans to desired sectors.
5. **Direct action :** Means RBI gives punishment to notorious banks for not abiding by its guidelines. Punishment can involve: penal interest, refuses to lend them money and in worst case even cancels their banking license.

Various Types of Cheques

A cheque is an unconditional order addressed to a banker, signed by the person who has deposited money with a banker, requesting him to pay on demand a certain sum of money only to the order of certain person or to the bearer of the instrument.

TYPES OF CHEQUES-

1) BEARER CHEQUE-

Bearer cheques are the cheques which withdrawn to the cheque's owner. These types of cheques normally used for cash transaction.

2) ORDER CHEQUE-

Order cheque are the cheques which is withdrawn for the payee (the cheque withdrawn for whose person). Before withdrawn to that payee, banks cross check the identity of the payee.

3) CROSSED CHEQUE-

On that type of cheques two parallel line made on the upper part of the cheques, then that cheques formed to crossed cheques. This type of cheques payment does not formed in cash while the payment of that type of cheques transferred to the payee account and the normal person's account who recommend by the holder on the cheque.

4) ACCOUNT PAYEE CHEQUE

When two parallel lines along with a crossed made on the cheque and the word 'ACCOUNT PAYEE' written between these lines, then that types of cheques are called account payee cheque. The payment of the account payee cheque taken place on the person, firm or company on which name the cheque issue.

5) COMPANY CROSSED CHEQUES-

When two parallel lines along with a crossed made on the cheque and the word 'COMPANY' written between these lines, then that types of cheques are called company crossed cheques. Then type of withdrawn does not taken in cash while the person on which the cheque issue, transferred on its account. Normally crossed cheque and company crossed cheque are same.

6) STALE CHEQUE-

If any cheque issue by a holder does not get withdrawn from the bank till three months, then that type of cheques are called stale cheque.

7) POST DATED CHEQUE-

If any cheque issue by a holder to the payee for the upcoming withdrawn date, then that type of cheques are called post dated cheque.

8) ANTI DATED CHEQUE

If any cheque issue for the upcoming withdrawn date but it withdraw before the date printed on the cheque, then that type of cheques are called anti dated cheques.

Kisan Vikas Patra - An Investment Scheme for All

Kisan Vikas Patra Or, KVP in short is the latest 'savings' instrument that is making news.

No, it's not a savings scheme for farmers! Instead it means that the invested amount will be used for the welfare programs aimed at the farmers of the country.



So you and I can invest – and it will be used in the nation building activities specifically involving agricultural sector and the farmers! SO it is GOOD!

KVP is not an original idea though – KVP had been first launched in 1988 – and ran for 23 years before being discontinued in 2011. Back in July 2014, the new Finance Minister Arun Jaitley gave us a peek at what was to come and mentioned his intention to re-introduce KVP.

The revamped version – one can say – a cog in the wheel of the current PM's nation building and mass participation vision – was launched (or re-launched) on 24/ 25 November 2014.

And as is expected it's got many pros and some cons which gives the pundits to laud or trash it! But our job is to objectively look at the features of this instrument and prepare for interviews – get a job – get the salaries and then think about investing in KVP!

SO WHAT IS KVP?

It is small savings scheme – by the Government of India – run by The Directorate of Small Savings – and the Post Offices sell these saving bonds.

Post Offices in India have a very wide network, spread all over the country – and hence it makes sense to sell KVPs through the Post Offices as public will have easy access.

It is just like an FD – and the instrument just like FDR is a physical instrument – a certificate named 'Kisan Vikas Patra' – which will have the rate of interest, maturity tenure, name of the investor etc. printed on it.

FEATURES OF KVP – A BIRDS EYE VIEW:

- The top draw – the invested amount doubles upon maturity! Yeah!

- And the interest is 8.7%. Which is higher than most savings instruments.
- The maturity period is 100 months or eight years and four months – that is like way too long!
- But nation building is a long process!
- Plus there is a lock in period of 2 years and 6 months – that is during this period en-cashing is not allowed; thus KVP can be redeemed after 30 months and then after every 6 months hence.
- You being a citizen of India, adult or a trust can invest – you can also invest on behalf of a minor. Two adults can also jointly buy a KVP.
- But if you are a company, a firm, an HUF or an NRI – you cannot invest.
- Now, the certificates are available for fixed amounts – Rs.1000, Rs.5000, Rs.10,000 and Rs.50,000. So every lot/ certificate unit is of these denominations.
- No cap on the maximum amount you want to invest. Minimum is Rs.1000.
- It is a bearer instrument and easily en-cashable and nomination facility is available too.
- And it can also be used as security to avail bank loans!
- PAN is not required for KVP; but identity and address proof is required – so DL, VID etc. should work.
- KVP will be issued after conforming to KYC norms – this is in order to ensure black money does not get turned into white money!

BUT WHAT IS ANYTHING IF NOT FOR A FEW CONS ...

- KVP interest on maturity is fully taxable. Yep. So in the year the KVP matures the entire interest amount will be added up to your income and accordingly taxed.
- So if you are in higher bracket of the tax slab – you pay a tax at that higher rate on the interest income too!
- As for the investment amount (principal) itself – you do not get any tax deduction under section 80C. So that is a double blow. No tax benefits whatsoever!

Thus, KVP is really aimed at the mid and low income groups (they also have the benefit of being under the tax slab or lower brackets) to encourage savings and to mobilize savings in constructive activities.

It's just been exactly a month since its re-launch and it has a long way to go for success – because 1990s and 2014 is a lot different in terms of economic conditions of the country and the saving habits of people – and there are better investment options available now.

Financial Inclusion - A Way Forward To Inclusive Development

Financial inclusion is buzz word today in Indian banking sector So what is financial inclusion and how it is important.

Financial inclusion is the initiative of the government of India ,RBI and banks to provide basic banking services to all section of society in urban areas or rural areas at affordable cost.

After independence most of banking was in hands of private sector ,so they only cater to the needs of rich and affluent people ,so to over come this and provide banking services to every section of society nationalization of banks was done in 1969 in which fourteen banks were nationalized and than six more banks were nationalized in 1980 but sill vast section of our society lack financial services like basic bank account ,credit facilities.

As financially excluded people go to informal sector to meet their credit needs. They charge exorbitant rate of interest which put them in vicious cycle of moneylenders. So GOI and RBI with help of banks has initiated financial inclusion program to provide banking services to dis advantaged and ,low income groups of our society at affordable cost.

INITIATIVES TAKEN BY RBI AND GOI TOWARDS FINANCIAL INCLUSION:

SWABHIMAAN

Swabhimaan is financial inclusion scheme launched by GOI to provide banking facilities in habitation with a population in excess of 2000 by March 2012. This nationwide programme on financial inclusion, was launched in February, 2011 with its focus on bringing the deprived sections of the society in the banking network.

GRANTING OF NEW BANK LICENSES TO SET UP NEW BANKS

RBI has initiated a process of granting new bank licenses to open bank In this RBI has recently granted new bank licenses to two companies IDFC and Bandhan .

Making it mandatory for all banks to set up minimum 25 percent branches in rural areas.

EASING OF KYC NORMS TO OPEN BANK ACCOUNT

KYC is known as Know Your Customer ,so it is mandatory for all banks to take document proof of address ,identity proof, pan no. ,so person who don't have these documents are unable to open bank account .RBI has simplified the procedure ,a person can open small bank account by giving only aadhar card as proof .

USE OF TECHNOLOGY

Many banks has initiated steps to leverage technology to provide financial services at cheap cost. Banks on wheel is adopted by many banks to provide banking services to unbanked areas in which a mobile vehicle connected to central server via a telecommunication link provide banking services.

BANKING CORRESPONDENT MODEL

Banking correspondent model is adopted by many banks to provide banking services where banks find it not feasible to open brick and mortar branches .In this bank appoint banking correspondent who visit particular areas on set day to provide banking services like credit ,deposit ,withdrawal.

Many initiatives has been taken by RBI ,GOI towards financial inclusion .Latest being the **Pradhan Mantri Jan – Dhan Yojana (PMJDY),in which financial inclusion is taken as national mission .In this every Indian family enrolled in a bank for opening zero balance account which can be open by giving only one document either proof of address and proof of identity and also provides various different profit to account holder like insurance cover, overdraft facility ,Atm card .PMJDY is focus on opening one bank account in every family where as swabhimaan is focused on rural India.**

So financial inclusion is always priority for RBI and GOI, nowadays many financial services are delivered to disadvantaged section of society in their bank accounts by DBT scheme of directly transferring subsidies in their any accounts which help in preventing leakages in delivering of subsidies to dis advantage and low income section of our society.

Thus Financial inclusion is an enabling element, both in the fight against poverty and in reaching the goal of inclusive economic development

Money Market and Capital Market Instruments

Financial Market plays a very important role in development of any country because it is place where liquidity requirement who needs money like industries to meet their expansion plans and those who want to earn better rate of interest on the surplus funds are met .Individuals and financial institution having surplus money come to earn better rate of interest Financial market is a platform where buyers and sellers are involved in sale and purchase of financial products like shares, mutual funds, certificate of deposit ,bonds and so on.

Any industry like reliance ,tatas or government needs money to meet liquidity requirement come to financial market .Financial market act as intermediary between those who need money and who want to invest their money to earn better rate of interest.

Financial market are divided in two types depends on duration for which they need money.

There are two types of financial market:

1. Money Market
2. Capital Market

MONEY MARKET

It is one part of financial market where instruments like securities ,bonds having short term maturities usually less than one year are traded is know as Money market .Organization or Financial institutions having short term money requirement less than one year to meet immediate needs like buying inventories, raw material ,paying loans come to Money Market. It involves lending and borrowing of short term funds. Money market instruments like treasury bills, certificate of deposit and bills of exchange are traded their having maturity less than one year .Investment in money market is safe but it gives low rate of return.

Money Market is regulated by R.B.I in India and instrument having maturity less than one year usually traded in money markets

Major Players in Money Market:-

1. RBI
2. Central Government
3. State Governments
4. Banks
5. Financial Institutions
6. Micro Finance Institutions
7. Foreign Institutional Investors (FII)
8. Mutual Funds

MONEY MARKET INSTRUMENTS

1. Treasury Bills
2. Commercial Papers
3. Certificate of Deposit
4. Bankers Acceptance
5. Repurchase Agreement

1. TREASURY BILLS

Treasury Bills are also know as T-Bills. This is one of safest instrument to invest .T-bills are issued by RBI backed by government security. RBI issue treasury bills on the behalf of central government to meet the short term liquidity needs of central government bills are issued at a discount to face value, on maturity face value is paid to holder.

At present, the Government of India issues three types of treasury bills through auctions, for 91-day, 182-day and 364-day. Treasury bills are available for a minimum amount of Rs.25,000 and in multiples of Rs. 25,000.

Treasury bills are also issued under the Market Stabilization Scheme (MSS).In this if RBI want to absorb excess liquidity it can issue T-bills .

2. COMMERCIAL PAPERS (CP)

Commercial papers are issued by private organizations or financial institutions having strong credit rating to meet short term liquidity requirements. These are unsecured instruments as these are not backed by any security. The return on commercial papers is usually higher than T-bills. Different rating agencies rate the commercial paper before issue by any organization. If commercial paper carrying good rating means it is safe to invest and carrying lower risk of default.

All corporate are not eligible to issue CP, only who met certain defined criteria by RBI are eligible to issue CP.

CP can be issued for maturities between a minimum of 7 days and a maximum of up to one year from the date of issue and can be issued not less than 5 lakhs and multiples thereafter.

3. CERTIFICATE OF DEPOSIT

Certificate of Deposit (CD) is a money market instrument. CDs can be issued by scheduled commercial banks and select All-India Financial Institutions (FIs) that have been permitted by RBI to raise short-term resources. Minimum amount of a CD should be Rs.1 lakh, i.e., the minimum deposit that could be accepted from a single subscriber should not be less than Rs.1 lakh, and in multiples of Rs. 1 lakh thereafter. The maturity period of CDs issued by banks should not be less than 7 days and not more than one year, from the date of issue. CDs may be issued at a discount on face value.

In this a person invest his money in COD and after the end of maturity period he receives money along with interest.

4. BANKERS ACCEPTANCE

Bankers Acceptance is also a money market instrument to meet short term liquidity requirement. In this company provides bank guarantee to seller to pay amount of good purchased at agreed future date. In case buyer failed to pay on agreed date, seller can invoke bank guarantee. It is usually used to finance export and import.

5. REPURCHASE AGREEMENT

Repurchase agreement is also known as Repo. It is money market instrument. In this one party sell his asset usually government securities to other party and agreed to buy this asset on future agreed date. The seller pays an interest rate, called the repo rate, when buying back the securities. This is like a short term loan given by buyer of security to seller of security to meet immediate financial needs.

MAJOR PLAYERS IN MONEY MARKET:-

1. S.E.B.I
2. Central and State Government
3. Financial Institutions like L.I.C.
4. Financial intermediaries like stock brokers
5. Individuals
6. Corporate houses
7. Insurance companies

CAPITAL MARKET

Capital market is also very important part of Indian financial system. This segment of financial market meant to meet long term financial needs usually more than one year or more. Companies like manufacturing, infrastructure power generation and governments which need funds for longer duration period raise money from capital market.

Individuals and financial institutions who have surplus fund and want to earn higher rate of interest usually invest in capital market .

S.E.B.I. regulate the capital market in India .It set the transparent mechanism rules and regulations for investors and borrowers .It task is to protect the interest of investors and promote the growth of capital market.

Capital market can be primary market and secondary market . In primary market new securities are issued where as in secondary market already issue securities are traded.

Capital market is divided into two

1. Equity
2. Bond

CAPITAL MARKET INSTRUMENTS

1. Shares
2. Debentures
3. Bonds

EQUITIES

Equity market generally know as stock .In this company want to raise money issue shares in share market like B.S.E.or N.S.E.to individual or financial institutions who want to invest their surplus money

SHARES CAN BE ISSUED IN TWO WAYS:

If company issuing share for first time that it is know as I.P.O.(Initial Public Offering).IPO of any company issued in primary market and if company issuing shares for second or third time than it is know as FPO(Follow on Public Offering) and trading of already issued shares take place in secondary market.

Share gives ownership right to individuals who subscribe to it ,in this way company has to dilute his ownership right Same way public sector undertakings dilute up to 49 percent of their ownership and keep remaining 51 percent with them so that they have majority control.

A person earns from shares is company make profit which is distributed among share holders know as dividend and if company make loss value of share also falls so shares are high risk instruments

BOND OR DEBT

Bond market is also know as Debt market. A debt instrument is used by government or organization to generate funds for longer duration. The relation between person who invest in debt instrument is of lender and borrower .This gives no ownership right .A person receives fixed rate of interest on debt instrument.

If any company or organization want to raise money for long term purpose without diluting his ownership that it is know as Debentures. These are backed by security so there is no risk involves but return on these instrument is low as compared to shares .Company pay fixed rate of interest on debentures.

If government want to generate funds to meet long term needs like infrastructure it issue bonds know as sovereign bonds which are backed by government security so there is no risk

Financial Sector Regulators in India

Today I am going to explain about various regulators that regulates financial sector in India.

RBI - RESERVE BANK OF INDIA

RBI was established on 1 April 1935 with the sole aim to work as banking sector regulator .RBI was nationalized in 1949.RBI regulate the banking sector (government and private banks) by banking regulation act 1949 and RBI act 1935 which entrusted responsibility on the RBI to work for the enhancement of banking sector in India .RBI is the sole authority to issue banking licenses to entities who want to open bank in India , and if any bank want to open new branch it has to be take prior approval from RBI.

The main aim of RBI is to provide banking services to the last mile of country .To full this initiative RBI has started financial inclusion program .In this RBI mandated all banks in India to open at least 25 percent braches in rural areas. RBI also ensure that adequate credit is provide to rural areas by priority sector lending In this RBI has mandated all banks including foreign banks working in India to provide 40 percent of their loans to priority sector like agriculture, student loans etc .If any bank found violating RBI policy ,it has power to take action against it.

RBI do supervision functions and regular checks to ensure that financial health of banks is maintained .RBI ensure that all banks follow the government guidelines for the banking sector. If any bank found indulging in activities against people interest and violating government polices RBI can fine bank including private banks.

The term of RBI governor is for three years and appointed by GOI.

Present Governor of RBI - **Raghuram Rajan**

Headquarter - **Mumbai**

IRDA – INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

IRDA was establishes in 1999 by the IRDA act ,1999 .It is the autonomous body established by act of parliament .It aim is to ensure growth of insurance sector in India.

IRDA was established as sole authority to regulate the insurance industry in India, to ensure the growth of insurance industry and protect the interest of policy holders.

For any company want to work in insurance sector needs prior approval of IRDA .It also perform supervision functions to ensure that different insurance companies including private following rules and regulations or not .It can take action against erring companies .IRDA works to protect the interest of policy holder and to regulate, promote and ensure orderly growth of the insurance industry.

The chairman of IRDA is appointed by GOI .The term of IRDA chairman is for **five years**.

Present chairman of IRDA - **T.S.Vijayan**

Headquarter - **Hyderabad**

SEBI- SECURITIES AND EXCHANGE BOARD OF INDIA

SEBI was enacted on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992. The main aim of SEBI is to protect the interest of investor in securities .It is sole regulator for all stock exchanges in India. SEBI regulate the capital markets in India .If any company want to bring IPO it needs prior approval from SEBI .It is entrusted with responsibility to protect the interest of investor in stock exchange , ensure the growth of securities market ,regulate and develop a code of conduct for intermediaries such as brokers, underwriters, etc.

The chairman of SEBI is appointed by GOI . The term of SEBI chairman is for **three years**.

Present Chairman of SEBI- **Upendra kumar Sinha**

Headquarter of SEBI - **Mumbai**

NABARD- NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

NABARD was established on 12 July 1982 by the act of parliament .NABARD is the apex institution for the development of farm sector, cottage industries and small scale industries in rural areas. The Banking Regulation Act, 1949, empowers NABARD to conduct inspection of State Cooperative Banks (SCBs), Central Cooperative Banks (CCBs) and Regional Rural Banks (RRBs) and protect interest of the present and future depositor and also provide short and medium term loan to those banks working in rural areas development .It provides his expertise in rural areas to RBI and GOI in making policies.

The chairman of NABARD is appointed by GOI . The term of NABARD chairman is for **three years**.

Present Chairman of NABARD - **Dr. Harsh Kumar Bhanwala**

Headquarter - **Mumbai**

PFRDA- PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

PFRDA is the regulatory body for all the pension funds in India .The Pension Fund Regulatory & Development Authority Act was passed on 19th September, 2013.PFRDA regulate the pension sector and works for its development, formulate policies for pension sector.PFRDA is regulating NPS, subscribed by employees of Govt. of India, State Governments and by employees of private institutions/organizations & unorganized sectors.

Term of PFRDA chairman is for **five years** and appointed by GOI.

Present Chairman of PFRDA - **Hemant Contractor**

Headquarter - **New Delhi**

What is the real value of US Dollars in terms of Indian Rupee

One of the most common question that arises among people who are planning to migrate to developed countries that how much can I purchase with salary of US \$ 5000 or 10,000 a month.

To explain the value of Indian Rupee in terms of US \$, I will use Big Mac Index by The Economist and Purchasing Power Parity by World Bank

PPP factor of India is 0.3 in terms of \$US



GK Digest January

Monetary value of US\$ 1 = INR 63.70 (30 December 2014)

In terms of PPP US\$ 1 = 63.70 * 0.3 = INR 19.11

This the product you can purchase of US \$ 1 in Newyork city can be purchase for Rs 19.11 in New Delhi.

So if you salary is US \$ 5000 in Newyork, it is equivalent (in terms of PPP) of $5000 * 19.11 = \text{Rs.}95,550$.

1. [Forex - All you need to know](#)
2. [Foreign currency accounts](#)

BIG MAC INDEX

The Economist, one of the leading economics magazine introduced Big Mac Index to compare purchasing power of various currencies around the world by comparing price of a standard Big Mac.

McDonald's is an international fast food chain and it has 35,000 restaurateurs 119 countries around the world.

Indian version of Big Mac is Maharaja Mac

Price of 1 Maharaja Mac in India = Rs 106

Price of 1 Big Mac = \$4.8 = $4.8 * 63.7 = \text{Rs } 305$

In terms of Big Mac US\$ 4.8 = Rs 106

Value of US\$ 1 = $106 / 4.8 = \text{Rs } 22.08$

So value of US\$ is near about Rs 20 in terms of real purchasing power.

Many of the engineers and migrants from Punjab flaunts about their salaries in US and UK. Many of my friends are getting \$3000 to \$4000 a month. By converting US\$ 4000 into INR $4000 * 60$ (Approx) = Rs 2,40,000, this looks good money. But to know how much you can actually buy, simply divide it by 3, so it Rs80,000.

So a person making \$4000 in USA has an equal standard of living as a person earning Rs 80,000 in India.

Forex - Everything you need to Know

Forex stands for 'Foreign Exchange'. 'Foreign Exchange', 'Forex' or simply 'Fx' refers to the whole nine yards in respect of 'foreign currency'.

When you say forex, you could mean forex trading or the forex reserves or the forex rates. All the above deal with foreign currencies but has different meaning and implications.

Let start with the trading aspect of 'forex'.

FOREX TRADING

- Forex Trading takes place in '*Forex Market*'.
- Forex market operates for 24 hours a day and 5 days a week! Why 24 hours? Simply because of the time differences in different parts of the world!
- Forex market is also known as currency market, as currencies from all over the world are traded; it is the largest market in the world only because of the sheer volume of transactions!
- Forex market is not a physical market – it is a term used to denote the worldwide 'market' where currencies from all over the world are traded – it is not limited by geographical constraints.
- Any person from any country can trade in the forex market; participants can be international banks, companies and individuals engaging in hedging or speculative transactions.
- Forex markets operate on 'Over the Counter' (OTC) form – just like a medical store – over the counter – ask for the currency which you want and pay according to the existing rate of the currency.
- Then when you want to sell them – take 'em back and sell 'em over the counter!
- The currency rates or forex rates differ every day and sometimes also during a day and exchange rates for different currencies are different and depend on various factors.
- Investors, traders, hedgers, speculators trading the forex market actually want to take advantage of the fluctuations of the exchange rates or simply put the currency's rate.
- Exchange rates depend on various factors such as level of economic activity of a country, its GDP, its share market activities, political stability or instability etc., speculators look at all of these factors and make their own predictions and put their money on particular currency.

Simple example – current dollar rates (forex rate of dollar!) is $1\$ = \text{Rs. } 63.79$; say you have Rs. 1000 with you and you want to try your luck in the currency market – you go and buy dollars using Rs. 1000.

How many dollars will you get (remember its all OTC!)? – $1000/63.79 = \$ 15.67$.

So, with Rs. 1000 you are able to buy 15.67 dollars! Dollars is no use to you – its your commodity – you trade a commodity.

But when will you trade or in this case sell your dollar – you'll sell only when you see you can earn a profit obviously! So you wait for the rate to improve ...and then when the rate become $1\$ = \text{Rs. } 65.85$ (it's increased from Rs. 63.79) you sell your 15.67 dollars and get your rupees back!

$15.67 \times 65.85 = \text{Rs. } 1032$! Okay yeah ... profit of only Rs. 32 ... but we took an example with easy figure – in real world the figures are huge!

- So this is basically how trading objectives are – and when the prices fall, the traders are dealt with huge losses.
- Forex market is highly exciting, highly risky and to be dabbled in when you've become an expert in the free online trading games!

Okay here's a scenario for consideration – if you are an importer, i.e, you buy goods from foreign country to be sold in India – you've got to pay to the foreign country seller in say, dollars – today the dollar rate is $1\$ = \text{Rs. } 63.79$, so for every dollar you need 63.79 rupees. Ok.

Suppose when at the time of payment the rate is Rs. 68.85 for every dollar – you've got a loss! Now you will end up paying Rs. 5.06 more for every dollar!

On the flip side – if you are an exporter – you are selling goods to a trader in a foreign country and you will receive payments in dollars – when the rate becomes Rs. 68.85 from Rs. 63.79 – you end up earning a profit due to exchange rate fluctuation of Rs. 5.06! As when you are paid by in dollars you will get Rs. 68.85 for every dollar!

So you can see what a dynamic world forex is! Ever changing and somewhat unpredictable!

FOREX RESERVES

- The term 'forex reserves' is used to denote the foreign currency reserve of a central banks or governments of countries.
- So what goes into forex reserves? – Well, you could have foreign currency notes, deposits from foreign countries, foreign treasury bills other government securities etc.
- So basically forex reserves in a countries 'reserve' of money held in foreign currency or currency equivalent.
- Where does all the foreign currency come from? – from Exports, Foreign Loans, Grants, foreign investments in India – when tourists come to India!
- And the reserves are used to pay for imports, repay international loans and dues, or give international grants – when you go abroad!
- A country and its central bank has many international monetary obligations – forex reserves are used for that – when this reserve runs low the IMF or World Bank comes to rescue.
- Also a country's strong forex position can impact its exchange rate and international trade relations!
- For India – most of the forex is used to pay for oil imports as you all probably know – so having a strong forex reserve is extremely important.
- Forex reserves are managed by the RBI in India.

Latest though, **India is 9th on the list of countries with good forex position**; list headed by China.

And even latest news on the forex reserves front is that, India's forex reserves rose by \$3.16 billion last week, so the current figure resides at \$319.99 billion!

Which is like -\$ 3,199,900,000! And the pundits are of the opinion that is it a comfortable position to be in. Well, who are we to argue!

All we can hope is that with the economic development envisioned for India in the coming years our forex reserves keep filling up!

Types of Bank Accounts

This topic is important for bank exams, as generally many questions are asked in bank exams and interview on bank accounts like what are different types of accounts in bank, what is difference between current account and saving account .So understanding this topic is very important.

VARIOUS TYPES OF BANK ACCOUNTS

1. Saving Account
2. Current Account
3. Recurring deposit Account
4. Fixed deposit Account
5. FCNR Deposit Account
6. NRO Account
7. NRE Account

SAVING ACCOUNT :

Saving accounts are opened by individuals in banks to save some share of their earnings .Main aim of saving account is to promote saving habit among individuals.These saving accounts are opened on the name of individuals only.

On saving account an individual earns some rate of interest, these rate of interest varies from bank to bank ,earlier this

rate of interest is fixed by RBI but now RBI has given power to banks to decide their own rate of interest on saving account. This rate of interest is usually 4% but some private banks offering 6% rate of interest too.

When a person opens a saving account he is provided with a passbook, ATM card, cheque book.

In saving accounts there is restriction a person can deposit or withdrawal money within month. Minimum deposit an individual has to maintain in account (In PSU banks) is Rs1000 or less as some bank offering zero balance accounts.

CURRENT ACCOUNT :

Current accounts are opened for business transactions, on the name of firm or company. Banks offer no rate of interest on money held in current account but provide extra features as compared to current account like there is no limit on deposit or withdrawal in current account but no passbook is issued for current account holder. Minimum deposit needed to open current account is Rs5000 or depends on respective bank. Many facilities are provided to current account holder like overdraft facility, statement of account.

RECURRING DEPOSIT ACCOUNT OR R.D.

In recurring deposit account is a saving feature that bank offers to their customers, who can save only small amount of money per month. In recurring deposit account a person deposits a fixed sum of money for fixed period like a person deposits Rs 500 per month for one year bank pays interest on the deposit money every month after the completion of fixed period bank pays the deposit money along with interest to his customer.

Recurring deposit accounts are generally meant for salary earning people who can save a fixed sum of money every month.

FIXED DEPOSIT ACCOUNT OR TERM DEPOSIT ACCOUNT

In fixed deposit account, a person deposits a fixed sum of money one time only for the fixed period bank pays the rate of interest on the fixed deposit account depends on tenure of deposit account, after the completion of period bank pays the amount along with rate of interest incurred on the amount. Banks also charge penalty if premature withdrawal is done if person needs money before the completion of fixed period.

For NRI to invest in India and earn interest on their hard earned money, as rate of interest offered by Indian banks is higher than western counterparts so it is an attractive option to deposit money in Indian banks and earn good rate of interest. RBI allows three types of accounts to NRI by which they can deposit their money in India

FCNR DEPOSIT ACCOUNT

FCNR stands for **Foreign Currency Non-Resident account**

This account is opened by NRIs. In this account a person invests a fixed sum of money for a period not less than one year and max five years in any foreign currency in FCNR account. After the completion of fixed period principal and interest is paid in foreign currency in which he had deposited. In this way NRIs are saved from foreign exchange rate risk.

NRO DEPOSIT ACCOUNT

NRO stands for **Non Resident Ordinary saving account**

The Non Resident Ordinary Account (NRO Account) is a Savings / Current, Recurring Deposit / Fixed Deposit bank account held in India, in Indian Rupees. **NRO account is opened by any person resident outside India** only who want to earn attractive rate of interest in India and also have some earnings in India (such as rent income, dividend, pension, etc). This account is best suited for NRI or PIO who have some earnings in India as these earnings are deposited in NRO account. NRO account is only operated in Indian currency only. Average monthly balance in NRO saving

account is Rs1,50,000. NRIs can remit up to 1 million per calendar year . Banks are free to determine their interest rates on savings deposits under Ordinary Non-Resident (NRO) Accounts. However, interest rates offered by banks on NRO deposits cannot be higher than those offered by them on comparable domestic rupee deposits

NRE ACCOUNT

NRE stands for Non Resident External Account

The Non Resident External Account (NRE Account) is a Savings / Current. Recurring Deposit / Fixed Deposit bank account held in India, in Indian Rupees. Such accounts can be opened only by the NRI. Balances held in NRE account are fully repatriable. With effect from March 1, 2014, interest rates offered by banks on NRE deposits cannot be higher than those offered by them on comparable domestic rupee deposits

Definitions of Micro, Small & Medium Enterprises

In accordance with the provision of **Micro, Small & Medium Enterprises Development (MSMED) Act, 2006** the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

1 Manufacturing Enterprises

The enterprises engaged in the manufacture or production of goods pertaining to any industry or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise are **defined in terms of investment in Plant & Machinery**

2. Service Enterprises

The enterprises engaged in providing or rendering of services and are **defined in terms of investment in equipment.**

MANUFACTURING SECTOR

Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees

SERVICE SECTOR

Enterprises	Investment in equipments
Micro Enterprises	Does not exceed twenty Ten lakh rupees

Small Enterprises	More than twenty Ten lakh rupees but does not exceed 2 crore rupees
Medium Enterprises	More than Two crore rupees but does not exceed Five crore rupees

Maharatna, Navratna and Miniratna PSUs in India

Public sector enterprises or public sector undertakings have been back bone of Indian economy since the time of independence. These public sector undertakings contribution in Indian economy indescribable. These industries are related to power sector, steel manufacturing, iron ore and petroleum. Government is also able to earn considerable revenue from these PSUs, to honor their contribution and vest some special power that help and provide greater autonomy to these public sector enterprises in decision making, government confer to some to these industrial organization.

The PSUs in India have been divided in three categories on the basis of autonomy (and thus status) they enjoy. The three categories are...

- Maharatna
- Navratna
- Miniratna I & II categories

The policy aims to support them by providing greater autonomy to compete in the global market. In India Vedic verses 'Ratna' is denominated as precious gems and precious stones. Symbolically, the terms Maharatnas, Navratnas and Miniratnas are supposed to stand for such contribution of gems and precious stones in the hierarchical order.

1) MAHARATNA SCHEME

Maharatna Scheme was introduced for Central Public Sector Enterprises (CPSEs), with effect from 19th May, 2010, in order to empower mega CPSEs to expand their operations and emerge as global giants. The objective of the scheme is to delegate enhanced powers to the Boards of identified large-sized Navratna CPSEs so as to facilitate expansion of their operations, both in domestic as well as global markets.

ELIGIBILITY CRITERIA FOR GRANT OF MAHARATNA STATUS

CPSEs fulfilling the following criteria are eligible to be considered for grant of Maharatna status:

1. Having Navratna status
2. Listed on the Indian stock exchange, with a minimum prescribed public shareholding under SEBI regulation
3. An average annual turnover of more than Rs.20,000 crore during the last three years.
4. An average annual net worth of more than Rs.10,000 crore during the last three years.
5. An average annual net profit of more than Rs.2500 crore during the last 3 years.
6. Significant global presence or international operations.

List of Maharatna Companies (as per available information as on 26 October, 2014)

There are seven public sector companies which were granted Maharatna status.

MAHARATNA CPSEs

1. Bharat Heavy Electricals Limited
2. Coal India Limited
3. GAIL (India) Limited
4. Indian Oil Corporation Limited
5. NTPC Limited
6. Oil & Natural Gas Corporation Limited
7. Steel Authority of India Limited

Maharatna status helps in enhanced powers:

As compared to other CPSEs, the Boards of Maharatna CPSEs have been delegated enhanced powers in the areas of:-

- 1.A Maharatna company can invest 15% of its networth in a single project for establishing a new venture or undertaking an acquisition activity with a cap of Rs 5,000 crore without any permission from GOI.
- 2.Make equity investment to establish financial joint ventures and wholly owned subsidiaries in India or abroad

Major Impact

The main objective of the Maharatna Scheme is to empower mega CPSEs to expand their operations and emerge as global giants.

2) NAVRATNA SCHEME

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

A score of 60 (out of 100), based on six parameters which include

1. Net Profit to Net Worth
2. Manpower cost to cost of production or services
3. Gross margin as capital employed
4. Gross profit as Turnover
5. Earnings per Share
6. Inter-Sectoral comparison based on Net profit to net worth.

The number of PSUs with Navratna status in the country now stands at 16. National Buildings Construction Corporation Limited' (NBCC) and 'Engineers India Limited' (EIL) are the most recent addition to this coveted status granted by the Department of Public Enterprises.

THERE ARE SEVENTEEN CPSEs GRANTED NAVRATNA STATUS LIST INCLUDE:

1. Bharat Electronics Limited
2. Bharat Petroleum Corporation Limited
3. Engineers India Limited*
4. Hindustan Aeronautics Limited
5. Hindustan Petroleum Corporation Limited
6. Mahanagar Telephone Nigam Limited
7. National Aluminium Company Limited
8. National Buildings Construction Corporation Limited
9. NMDC Limited
10. Neyveli Lignite Corporation Limited
11. Oil India Limited*
12. Power Finance Corporation Limited
13. Power Grid Corporation of India Limited
14. Rashtriya Ispat Nigam Limited
15. Rural Electrification Corporation Limited
16. Shipping Corporation of India Limited
17. Container Corporation of India Limited

Enhancement of delegated powers of Navratna PSUs

1. The ceiling on investment to establish financial joint ventures and wholly owned subsidiaries in India or abroad shall be 15% of the networth of the PSU in one project limited to Rs. 1000 crore..
2. The Board of Directors of these PSUs shall have the powers for mergers and acquisitions, subject to the conditions.

3) MINIRATNA SCHEME

In October 1997, the Government had also decided to grant enhanced autonomy and delegation of financial powers to some other profit making companies subject to certain eligibility conditions and guidelines to make them efficient and competitive. These companies called 'Miniratna', are in two Category-I,II.

THE ELIGIBILITY CONDITIONS AND CRITERIA ARE:

1. **Category –I** CPSEs should have made profit in the last three years continuously, the pre-tax profit should have been Rs. 30 crore or more in at least one of the three years and should have a positive net worth.
 2. **Category-II** CPSEs should have made profit for the last three years continuously and should have a positive net worth.
 3. These CPSEs shall be eligible for the enhanced delegated powers provided they have not defaulted in the repayment of loans/interest payment on any loans due to the Government.
- Presently, there are 68 'Miniratna' CPSEs (54 Category –I and 18 Category-II).

MINIRATNA CATEGORY - I CPSEs

1. Airports Authority of India
2. Antrix Corporation Limited
3. Balmer Lawrie & Co. Limited
4. Bharat Coking Coal Limited
5. Bharat Dynamics Limited
6. BEML Limited
7. Bharat Sanchar Nigam Limited
8. Bridge & Roof Company (India) Limited
9. Central Warehousing Corporation
10. Central Coalfields Limited
11. Chennai Petroleum Corporation Limited
12. Cochin Shipyard Limited
13. Dredging Corporation of India Limited
14. Kamarajar Port Limited
15. Garden Reach Shipbuilders & Engineers Limited
16. Goa Shipyard Limited
17. Hindustan Copper Limited
18. HLL Life care Limited
19. Hindustan Newsprint Limited
20. Hindustan Paper Corporation Limited
21. Housing & Urban Development Corporation Limited
22. India Tourism Development Corporation Limited
23. Indian Rare Earths Limited
24. Indian Railway Catering & Tourism Corporation Limited
25. IRCON International Limited
26. KIOCL Limited
27. Mazagaon Dock Limited

28. Mahanadi Coalfields Limited
29. Manganese Ore (India) Limited
30. Mangalore Refinery & Petrochemical Limited
31. Mishra Dhatu Nigam Limited
32. MMTC Limited
33. MSTC Limited
34. National Fertilizers Limited
35. National Seeds Corporation Limited
36. NHPC Limited
37. Northern Coalfields Limited
38. North Eastern Electric Power Corporation Limited
39. Numaligarh Refinery Limited
40. ONGC Videsh Limited
41. Pawan Hans Helicopters Limited
42. Projects & Development India Limited
43. Railtel Corporation of India Limited
44. Rail Vikas Nigam Limited
45. Rashtriya Chemicals & Fertilizers Limited
46. RITES Limited
47. SJVN Limited
48. Security Printing and Minting Corporation of India Limited
49. South Eastern Coalfields Limited
50. State Trading Corporation of India Limited
51. Telecommunications Consultants India Limited
52. THDC India Limited
53. Western Coalfields Limited
54. WAPCOS Limited

MINIRATNA CATEGORY-II CPSES

55. Bharat Pumps & Compressors Limited
56. Broadcast Engineering Consultants (I) Limited
57. Central Mine Planning & Design Institute Limited
58. Central Railside Warehouse Company Limited
59. EdCIL (India) Limited
60. Engineering Projects (India) Limited
61. FCI Aravali Gypsum & Minerals India Limited
62. Ferro Scrap Nigam Limited
63. HMT (International) Limited
64. HSCC (India) Limited
65. India Trade Promotion Organization
66. Indian Medicines & Pharmaceuticals Corporation Limited
67. M E C O N Limited
68. Mineral Exploration Corporation Limited
69. National Film Development Corporation Limited
70. National Small Industries Corporation Limited
71. P E C Limited
72. Rajasthan Electronics & Instruments Limited

ENHANCEMENT OF DELEGATED POWERS OF MINIRATNA PSUs.

Miniratna-I: up to Rs. 500 crore or equal to their net worth, whichever is lower.

Miniratna-II: up to Rs. 300 crore or up to 50% of their net worth, whichever is lower.

What is Bank Audit and its Process in India

‘Audit’ or ‘Auditing’ is an activity which is undertaken by any business organization on its own or by the requirement under any law – to go through its accounts, transactions, and documents – to ensure correctness, legality of it.

It is an examination of the accounts and can be conducted by internal or external agencies – known as the auditors.

BANK AUDIT CAN BE CLASSIFIED INTO 3 BROAD CATEGORIES:-

1. Concurrent Audit
2. Internal Audit/ Information Systems Audit
3. Statutory Audit

CONCURRENT AUDIT

- Concurrent Audit means – the audit or examination of transactions happening as and when a transaction actually happens.
- It is a continuous audit, which goes on all the year around, usually conducted by external auditors (Chartered Accountants) on monthly basis.
- In concurrent audits daily basis transactions are examined and checked – this ensures any irregularities are nipped at the bud.
- Banks have a huge number of daily transactions – they also have many documentations and other formalities that they have to conform too – through concurrent audit any irregularities or nonconformities are easily found out as and when it happens and rectified immediately; this avoids piling up of irregularities which may become a huge problem for any branch when the year end audit comes around!
- Concurrent Auditors check for daily maximum cash balance adherence compliance, KYC norm compliance, proper documentation of new loan disbursement, checking if new loans have been made as per rules and regulations, income leakage etc. among other things like putting any new RBI instruction to work!; these are reported on in the ‘concurrent audit report’.
- Concurrent Audit is a measure to help a Branch to work smoothly and rectify any mistakes to avoid cascading effect of the irregularities.

INTERNAL AUDIT/ INFORMATION SYSTEMS AUDIT

- Many banks instead of having concurrent audit or even in addition to having concurrent audits may use ‘internal auditing’.
- Internal Auditing is when any organization, including a bank, constitutes an audit team within its own organization to cater to its auditing requirements.
- These internal auditors will visit branches one by one where and when required and carry out auditing.
- Internal Audit may focus on any specified area or cover every aspect of the branch, depending on its audit programme and requirement; main thing is it is conducted by the bank itself.
- However one important thing in internal audit is – information systems audit; information systems audit is a new area gaining prominence in the last few years.
- With rapid computerization in banking sector – core banking, ATMs, mobile banking, internet banking, completely computerized banking functions – it becomes necessary to have a periodical review of how these systems are working.
- Internal Control audit looks are the information flow, the channels, the security (of information) etc.
- It also checks for the workability of new banking softwares and how it rates on security and access.

STATUTORY AUDIT

- ‘Statutory Audit’ is conducted by a ‘Statutory Auditor’ – the word ‘statute’ means – mandated or compulsorily required by any law or Act; in Bank’s case it is the RBI’s mandate.
- Every year around the very last days of March (end of financial year) and the beginning of April (first two weeks of April) – in every branch of every bank a very rigorous activity is held – know as the year end audit or the statutory audit!
- This audit is the most important event for a bank as this decides among other things – the NPA!
- Which by now, I think most of you would know and appreciate how important it is for any bank – NPA and its provisioning affect the profits of a bank and hence the Balance Sheet and Profit and Loss Account and finally the shareholder’s dividends.
- Thus Statutory Audit is very important.
- Statutory Auditors are appointed by RBI in association with the ICAI, to empanel Chartered Accountants for the job.
- Statutory Audit does not look at the nitty-gritties of the banking transactions (these are looked at by concurrent and internal audits); instead they rely on the concurrent audit reports and test checking to form their opinion.
- Statutory Audit mainly looks at the loans and advances, compliance with PSL requirements, CRR, SLR etc. and other statutory norms compliance as per the latest RBI circulars.

Thus Bank Audit is an important activity undertaken by internal and external auditors, to ensure no fraud is being committed – the overall aim to ensure fair and just banking practice.

So when the next time you go to your local branch and witness audit going on specially the Stat Audit – cut ‘em some slack! They’re trying their best to reduce the NPA and its provisioning!