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RAMNATH GULZARILAL KEDIA COLLEGE OF COMMERCE

Taradevi Girdharilal Sanghi School of Business Management.

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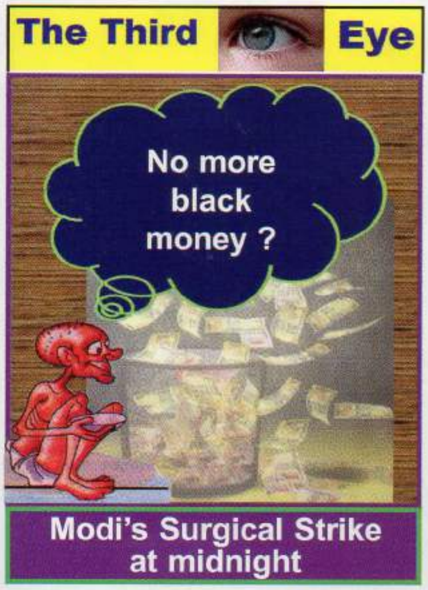


EDITORIAL

INDIAN RAILWAYS BUDGET–MERGER AND FUTURE

The Indian Railways (IR) Budget may be merged with the Union Budget with effect from 2017-18 as per the Government of India notification. This will be a break from a 92 years old hoary origins with its tradition dating to the British rule. While the intentions of the Government of India and Ministry of Finance and Ministry of Railways behind this move may be good, but it has caused serious misgivings in the minds of the public. These mainly relate to possible neglect of IR, a vital public utility and loss of special focus which it deserves in the interest of national development. This merger may not be palatable for the Union Budget.

IR- first set up in 1853 by the British is now owned and operated by Government of India - Ministry of Railways. It is one of the largest railway networks comprising of 17 zones divided into many divisions each, 115000 km track over a route length of 67312 km. It had 7,112 stations as in 2014-15. More routes, tracks and stations are constantly being added. IR carries over 8397 Million passengers annually or 23 Million passengers a day (roughly half of them suburban and a majority from middle class and poor sections) and over 1058 Million Tons of freight every year. In 2014–2015 gross revenue of Indian Railways was over Rs.1.63 Lakh Crores (US$24 Billion) out of which only about 25% was from passenger traffic. Passenger fares are telescopic meaning thereby that for longer journeys, the fare in Rupees per passenger kilometre falls. Losses from passenger business amounted to over Rs.0.34 Lakh Crores in 2014-15. The passenger fares are thus subsidized by goods freight. An amount of Rs.1000 Crores per annum is proposed to be mopped up through flexible fares or dynamic pricing as practiced by airlines. However this amount is inadequate for expansion and modernization.

IR is world's seventh largest commercial utility employer with over 13.76 Lakhs employees (including operational, civil engineering, automobile, electrical engineering and mechanical engineering staff) in 2013 (last published figures). Thus it has a huge wage and pension bill to meet. Railways have their own service structures, trade unions, training centres such as Indian Railways Institute of Signal Engineering and Telecommunication (IRISET), Railway Recruitment Board and Railway Protection Force (RPF) for protection of railway property.

IR plans to invest Rs.9.05 Lakh Crores (US$134 billion) by 2020. In order to mop up resources, serious consideration is being given to divestment proposals in IR Public Sector Undertakings (PSU's) e.g. Integral Coach Factory, Rail Vikas Nigam Limited, IRCON International Limited, Rail India Technical & Economic Services (RITES) Limited, Konkan Railway Corporation, Dedicated Freight Corridor Corporation of India Limited, Container Corporation of India Limited etc.

Thus IR is not just another department of the Government engaged in administrative and regulatory work. It is a vital instrument for social purposes of providing connectivity to far flung areas with the hinterland, facilitating development of backward regions, providing affordable commuting to millions of petty traders, wage earners and logistic support for cargo and bulk commodities including food grains, cement, crude petroleum, petroleum products, petrochemicals, and above all coal from collieries and various coal fields to the thermal power generation stations. At the same time, it provides employment to lakhs of employees engaged in operational, monitoring, signaling and maintenance duties and needs special care.

In view of the above it is suggested that the pros and cons are discussed and debated with all stake holders including the bulk freight consumers (especially the thermal power plants), shipping agencies, commuters, season ticket holders, coach and wagon factories and employees. The Railway budget requires professional expertise on par with developed countries, technically, service wise, and professionally. It is not desirable to be totally in the hands of political decision makers. Neglect of Railways will leave the general public with no alternative as the road transport will not be able to cope with the challenges. Railways provide connectivity to the far-flung backward areas of the country where alternative means of transport are not available. Rail connectivity is essential for development. Railways should be strengthened security wise also as it is a capital sector. Merging IR budget with the Union Budget is bound to encourage unhealthy pulls and pushes of the political kind which are bound to create more problems than they can solve.

Demonetization will change the way people spend – Shri Arun Jaitley, Hon. Finance Minister

INDIAN RAILWAYS – a Quest for ever increasing speed, safety and passenger amenities

By Kuldip Rai, M.Tech, MBA, Asso.Prof

The constant quest of IR is to increase speed of trains in order to curtail the travel time of passengers, while at the same time, ensuring their safety and providing modern facilities at stations, in lounges and on the trains. This calls for constant efforts for upkeep, maintenance and upgrading of the entire system including the vital signalling, telecommunication, microwave and interlocking systems. Gauge conversion from the two earlier narrow gauges, 762 mm (2 ft 6 in) and 610 mm (2 ft) and meter gauge 1,000 mm (3 ft 3 3D 8 in) to the broad gauge 1,676 mm (5 ft 6 in) and 1,435 mm (4 ft 8 1D 2 in) standard gauge have been completed as also phasing out of the coal fired steam locomotives. The fuel guzzling older diesel locomotives have been replaced either with Compressed Natural Gas (CNG) powered or electric locomotives. Sleepers (ties) are now made up of pre-stressed concrete, or steel or cast iron posts. IR entered into a partnership with Indian Institute of Technology (IIT, Madras) to tap solar energy for lighting and air-conditioning in coaches. This would significantly reduce fossil fuel dependency. Improved Automated Fire Alarm System is intended to be applied to AC coaches. Most long distance tracks have been electrified for overhead traction. Other rolling stock including wheels and axles, goods wagons, passenger coaches, Electrical Multiple Units (EMU's), tankers, containers and infrastructure e.g. loco sheds, railway sidings, shunting and coaching yards, escalators, display and announcement systems for passenger information and the track maintenance are being carried out constantly to keep the wheels running.

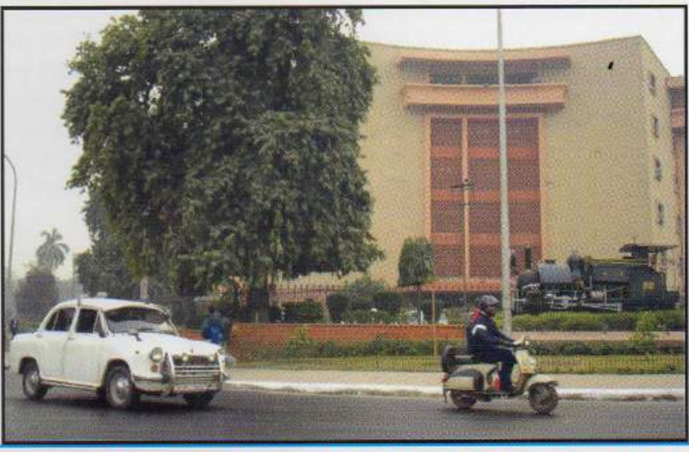
GATIMAAN EXPRESS (Gatimaan – noun means "on the move") between Hazrat Nizamuddin and Agra Cantonment is the fastest train of India having a maximum speed of 160 km/h and average speed of 112 km/h. Earlier, Bhopal Shatabdi Express from Faridabad to Agra was the fastest train having a maximum speed of 150 km/h.

DURONTO EXPRESS- ("Duronto" means "restless" in Bengali language.) These are faster than or as fast as Rajdhani and Shatabdi; long-distance non- stop from source to destination. The coaches have characteristic yellow-green livery. Duronto Express services connect several metros and major state capitals.

RAJDHANI EXPRESS- (Rajdhani means "The Capital.") These connect New Delhi with other important destinations (mostly capitals of states) Rajdhanis get the highest priority on the Indian railway network.

SHATABDI EXPRESS- (Shatabdi means 100th anniversary). These are superfast passenger trains to connect Metros with other cities important for tourism, pilgrimage or business. These are day-trains and they return to the station of origin the same day,

COLLISION AVOIDANCE EQUIPMENT for increased safety - Indian Railways will get a new accident protection system soon. It has been decided to procure a radar-based device that will alert the locomotive pilots of any physical obstruction on railway tracks ahead and thus avert accidents. This will be a 'third eye' to avert train collisions, derailment and accidents on unmanned railway crossings. This will be very useful during nights and in foggy conditions. The drivers/ pilots of locomotives will not have to constantly look outside the locomotive to assess the condition. The system is called 'Terrain Imaging for Diesel Drivers - Infra-red Enhanced Optical and radar assisted'. Six countries including France, Japan and Switzerland have expressed desire to install these devices in Indian trains. The device will use infra-red to tab signals up to a distance of 2-3 km and display the information on large LED or plasma screens fitted inside the locomotive pilot cabin, giving the driver ample time to stop the train in case of a contingency. These devices can sense presence of uprooted trees or boulders, a vehicle which has broken down on the rail tracks etc. It is a part of efforts to achieve zero-accidents. Railway is also planning to create a special



From left: An Electric Locomotive; RAIL BHAVAN, Raisina road, NEW DELHI from where Railway Board directs and manages the Indian Railways. (See the vintage locomotive in the foreground); IRCTC is the technology subsidiary of Railways

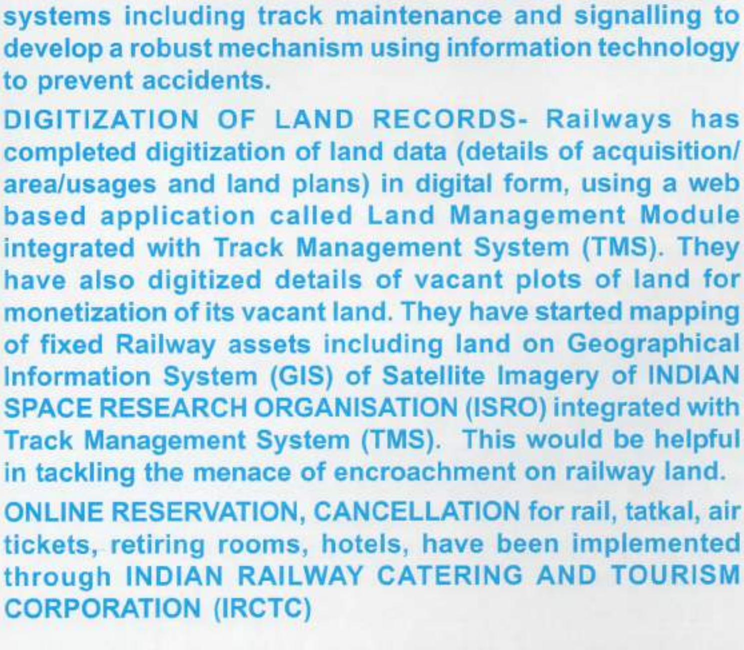
Demonetization is a push towards cashless payments

Gatimaan Express @160 km per hour, the fastest train

safety fund for eliminating unmanned level crossings, track renewal, signal and rolling stock up gradation and installation of train collision avoidance systems. Indigenously-developed Train Collision Avoidance System (TCAS). designed by RESEARCH DESIGNS AND STANDARDS ORGANISATION (RDSO), has also been successfully tested in Secunderabad division on 250 km long track. Railway is working on integration of various systems including track maintenance and signalling to develop a robust mechanism using information technology to prevent accidents.

DIGITIZATION OF LAND RECORDS- Railways has completed digitization of land data (details of acquisition/ area/usages and land plans) in digital form, using a web based application called Land Management Module integrated with Track Management System (TMS). They have also digitized details of vacant plots of land for monetization of its vacant land. They have started mapping of fixed Railway assets including land on Geographical Information System (GIS) of Satellite Imagery of INDIAN SPACE RESEARCH ORGANISATION (ISRO) integrated with Track Management System (TMS). This would be helpful in tackling the menace of encroachment on railway land.

ONLINE RESERVATION, CANCELLATION for rail, tatkal, air tickets, retiring rooms, hotels, have been implemented through INDIAN RAILWAY CATERING AND TOURISM CORPORATION (IRCTC)



Integral Coach Factory, Perambur, Tamil Nadu

PRIME MINISTER MODI FULFILLING HIS AGENDA OF CURBING BLACK MONEY

By Prof (Dr) DVG KRISHNA

Hon. Prime Minister Shri Narendra Modi announced in a widely televised address to the nation on 8 Nov 2016 that all the then existing currency notes of denominations Rs.2000 and Rs.500 would cease to be legal tender with effect from 9 Nov 2016. This is a bold historical surgical strike assaulting the multiple menaces of black money, corruption, and counterfeit currency. With this the circulation of large volumes of counterfeit currency which is used for financing and funding arms smuggling, espionage, terrorist, disruptive and antinational activities will be choked. This will curb activities of agencies who print, mint and circulate counterfeit currency and are unwelcome intruders into our national economy. There will however be no restriction whatsoever on non cash payments through cheques, demand drafts, debit cards, credit cards, National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), Unified Payment Interfaces (UPI), and mobile wallets. Soon after the announcement, the Sensex lost about 1700 points before recovering to close 339 points down. Bullion, Gold and Silver prices smartly shot up. Mr Rahul Gandhi, Vice-President, Indian National Congress trashed the Government move citing difficulties being faced by the common citizens due to long queues at bank ATM's. Mr Harshavardhan Neotia, President, FICCI said: "This is an extremely bold move by the PM and will have a debilitating impact on the parallel economy in the country as well as terror financing."

THE ELIMINATION OF BLACK MONEY – This move targets stocked black money which fuels conspicuous consumption but does not go into investment channels. Black money creates neither employment nor productivity. Black money is estimated to be about 20% of white economy. Black money makes it difficult to control inflation and creates a glass curtain economy. Demonetization of currency notes will arrest inflation, increase productivity, stop black marketing, bring the rich and the poor into tax net and thus ensure economic stabilization. It will open up new opportunities and avenues for the poor, backward, downtrodden, and middle classes. Real estate, higher education and healthcare will come into the reach of common citizens.

Demonetization is a surgical strike against parallel economy

FINANCE MINISTRY PROPOSES A FOUR SLAB RATE STRUCTURE OF GOODS AND SERVICES TAX (GST)

By Prof A SURYANARAYANA, DEAN (Academics)

Goods & Services Tax (GST) Bill after necessary amendments was passed by the Lok Sabha on 8th August 2016 in accordance with the provisions of Article 368 of the Constitution, and now needs to be ratified by more than half of the State Legislatures. It is to be implemented from 01st April 2017. GST replaces taxes levied by the Central and State governments.

A FISCAL (TAXATION) REFORM -- The introduction of GST is a significant step in the reform of indirect taxation in India. Central Excise Duty, Additional Excise Duty, Service Tax, Additional Duty of Customs (equivalent to excise), State VAT, Entertainment Tax, Taxes on lotteries, betting, and gambling and Octroi, Luxury Tax, and while Entry Tax (not levied by local bodies) would be subsumed within GST. Amalgamating several Central and State taxes into a single tax would mitigate cascading (or double) taxation facilitating a common national market. The simplicity of the tax leads to easier administration, compliance, and enforcement. From the consumer point of view, the biggest advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated at 25% to 30%.

TAX COLLECTION — It is expected that the tax rate under GST would fall. However, the number of assesses would increase by 5-6 times. Tax collection would go up due to increased tax elasticity.

FINANCE MINISTRY HAS PROPOSED FOUR SLAB RATES -- The Centre has proposed a four-slab rate structure ranging from 0 to 26%.

Minimum GST will be @0% on a host of goods and services, including food, health and education services, and maximum @26%. On luxury items such as fast-moving consumer goods and consumer durables e.g., big cars and Sin goods such as alcohol, tobacco, and cigarettes, it proposes imposition of cess over and above 26% rate.

The GST is to be levied @6%, @12% or @18% on the remaining goods and services. Only Gold is treated separately and will attract GST @4%. Almost 10% of current tax revenue collections base falls in the 6% slab and about 70% in 12% and 18% slabs. The rate proposed on all items is, by and large, lower than the current rate. Currently, in the 26 per cent slab, for instance, most goods are being taxed at about 27 to 31%. Shri Arun Jaitley, Hon. Finance Minister, has said that "We cannot under-tax or over-tax to keep the slab rates low. We shall finalize the tax structure in the next meeting of the GST Council".

CESS-- With the GST subsuming all others, including the SWACHH BHARAT CESS, the KRISHI KALAYAN CESS and EDUCATION CESS the proposal retains only the CLEAN ENVIRONMENT CESS from the multitude currently in place.

COMPENSATION TO STATES — The Government of India will insulate the revenues of the States from the impact of GST with the expectation that, in due course, GST will be levied on petroleum and petroleum products too. The imposition of cess is basically for compensating the State Governments for the loss of revenue for a period of 5 years from 01-04-2017 to 31-03-2022. GST rates have been finalized keeping in mind the need to prevent inflation in consumer prices and protecting the revenues of both the Centre and the States. The base year for calculating the revenue of a State would be 2015-16 and the likely revenue of each State in the first five years of implementation of GST will be calculated using secular growth rate of 14 percent.

NEW DELHI GETS SUPPORT AT BRICS (Brazil, Russia, India, China and South Africa) SUMMIT at Benaulim, Goa on October 15, 2016

Hon. Prime Minister Shri Narendra Modi with BRICS leaders- Presidents Michel Temer of Brazil, Jacob Zuma of South Africa, Vladimir Putin of Russia and China's Xi Jinping at the BRICS informal dinner

The major agreements at the summit of BRICS (Brazil, Russia, India, China and South Africa) held at Goa included the following:

1. There was unanimity in fighting terror.
2. India's Nuclear Suppliers Group (NSG) bid got through. The Summit communiqué acknowledged that nuclear energy forms an important part of India's efforts to fight climate change.
3. A fresh beginning was made on Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC - a bloc comprising seven countries: five from South Asia – India, Nepal, Bangladesh, Bhutan and Sri Lanka – and two from Southeast Asia, Thailand and Myanmar). This region averages 6.50% growth and represents an emerging consumer market
4. The summits agreed to a customs agreement to facilitate trade among members. Talks are yet to begin for a free trade pact.
5. Russian President Vladimir Putin's suggested an energy cooperation agency. This assumes importance in view of falling oil and gas prices, and greater production by Iran, Iraq and African countries and the increase in production of US shale gas.

A vision to transform India into a digitally empowered society and knowledge economy - Website of Digital India

THE RISING DRAGON – CHINA

By DV Naga Prdeep, LLM, (Ph.D), Faculty, MSS Law College

The GDP growth of People's Republic of China (or CHINA, Capital – Beijing, Currency Renminbi (RMB); Unit: Yuan (CNY)) during the year 2015-16 was reported at 6.9%, which ranks second in the world after India. However in view of the sheer humongous size of the economy with GDP at $13.92 Trillion (nominal) or $20.85 Trillion (PPP; 2016) makes this a pale comparison. China with a land area of 9.6 Million square kilometres and population of 1.4 Billion is the largest consumer market and the largest pool of human resource workforce in the world.

China has 2.3 million active troops; this makes the People's Liberation Army (PLA) the largest military force in the world. PLA commanded by Central Military Commission, consists of the PLA Ground Force (PLAGF), PLA Navy (PLAN), PLA Air Force (PLAAF), and PLA Rocket Force (PLARF). China's military budget for 2014 totalled US$132 Billion, the world's second-largest military budget. China's rapid economic progress, growing military might, very large population, and increasing international influence entitle it to be treated as a potential new superpower, which will play a prominent global role in the 21st century.

During the year 2015, external exports amounted to $2.28 Trillion and these covered mostly electrical machinery, data processing equipment, apparel, textiles, iron and steel, optical and medical equipment and other categories of industrial products. The major exports went to United States [16.9%], Hong Kong [15.5%], Japan [6.4%], and South Korea [4.3%].

China as a developed economy should adopt a flexible foreign policy to maintain the sustainable development for the protection of capital accumulated. China has always concentrated on building up formidable military might and producing quality products efficiently in mammoth factories with an enviable track record of industrial relations. China is thus a giant in the manufacturing sector, although the same cannot be said about its service and software sector exports. Economic hurdles and demographic imbalances could slow or even halt China's growth as the century progresses. This is one of the reasons of its GDP growth slightly slowing down. Comparative neglect of those aspects and global demand fluctuations also have resulted in more than 4% unemployment and more than 5% below the poverty line.

Mr Xi Jinping, General Secretary, Communist Party of China & President, People's Republic of China

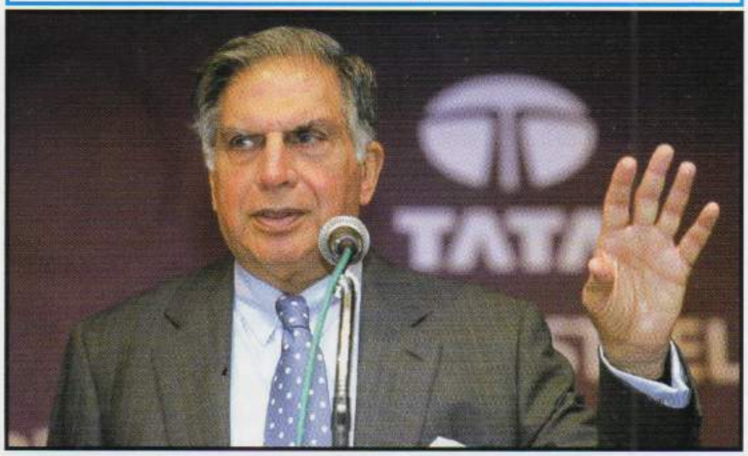
DONALD TRUMP – THE US PRESIDENT ELECT

By Ms T RAJANI, MBA, Faculty

Mr Donald Trump the President Elect of USA has vowed to rebuild the infrastructure, have a Government economic plan to double the growth rate, put America's interests always first, reconstruct the American economy, tap the unexploited potential and reclaim the destiny of America once again. He said that America owes a debt to Hillary Clinton; that he would settle for nothing but the best, reach the people for guidance and deal fairly with everyone.

TATA MISTRY; WELCOME BACK TATA

By A. Venkateswara Rao, MBA, LLM, Faculty, MSS LAW COLLEGE



The $103 Billion salt-to-software Tata Group Conglomerate replaced Mr Cyrus Pallonji Mistry, son of Mr Pallonji Mistry who is the owner of Shapoorji Pallonji group and the biggest stakeholder in the Tata Group as its Chairman with his predecessor Mr Ratan Naval Tata taking over as interim Chairman for a period of 4 months. The surprise development at Bombay House, the Tata Group Headquarters came at a time when:

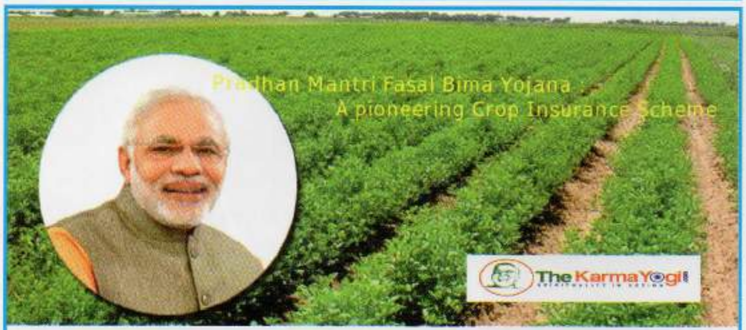
1. When the market capitalization of the group has increased by over 15% per annum for the last 3 years from Rs.4.43 Lakh Crores to Rs.7.78 Lakh Crores.

2. When the Tata Group has been paying dividends and rewarding shareholders and investors.

Happiness does not fall out of the blue and dreams will not come true by themselves. We need to be down to earth and work hard.-Xi Jinping, General Secretary, Communist Party of China & President, People's Republic of China

INSURANCE SECTOR - GOVERNMENT OF INDIA GIVES FILLIP

By P. SREENIVASULU, MBA, Senior Faculty



Pradhan Mantri Fasal Bima Yojana – a pioneering crop insurance scheme

On 9 May 2015 at Kolkata (West Bengal), two innovative insurance schemes were launched by the Hon. Prime Minister Shri Narendra Modi. These are: Pradhan Mantri Jeevan Jyoti Bima Yojana, and Pradhan Mantri Suraksha Bima Yojana. These schemes have been launched for the welfare of the common people. The penetration of insurance products is woefully meagre and excruciatingly slow in interior taluks, mandals, tehsils, and in adivasi, tribal, girijan, hillside and mofussil areas of India, mainly because of lack of awareness, lack of trust in bureaucratic red tape and due to poor affordability. These three schemes are expected to correct the situation and aim at financial inclusion by inculcating the habit of insurance among the needy sections of society. As of May 2015, only 20% of India's population has any kind of insurance, these schemes aim to increase the number.

The PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA (PMJJBY) is available to people in the age group of 18 to 50 and having a bank account. People who join the scheme before completing 50 years can, however, continue to have the risk of life cover up to the age of 55 years subject to payment of premium. The premium is quite affordable @ Rs.330 per annum. The payment of premium will be directly auto-debited by the bank from the subscribers account. The Risk Cover is Rs.2 Lakh in case of death for any reason.

The PRADHAN MANTRI SURAKSHA BIMA YOJANA (PMSBY) is a Government-backed accident insurance scheme, which was originally mentioned in the 2015 Budget speech by the Hon. Finance Minister Shri Arun Jaitley in February 2015. The scheme is available to people between 18 and 70 years of age with bank accounts. It has an annual premium of Rs.12 ($0.18) excluding service tax, which is about 14% of the premium. The amount will be automatically debited from the account. In case of accidental death or full disability, the payment to the nominee will be Rs.2 lakh ($3,000) and in case of partial Permanent disability Rs.1 lakh ($1,500).

The PRADHAN MANTRI FASAL BIMA YOJANA (Prime Minister's Crop Insurance Scheme) was launched on 18 February 2016. It envisages a uniform premium of only 2 per cent to be paid by farmers for KHARIF crops, and 1.5 per cent for RABI crops. The premium for annual commercial and horticultural crops will be 5 per cent.

Insurance has a deep-rooted history in all countries including India. It finds mention in the writings of MANU (MANUSMRITHI), YAGNAVALKYA (DHARMASASTRA) and KAUTILYA (ARTHASASTRA). They mention pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics and famine, a pre-cursor to modern insurance. Ancient Indian history has traces of insurance in the form of marine trade loans and carriers' contracts. Insurance has evolved over time drawing from statutes and laws of many other countries, particularly England and Germany.

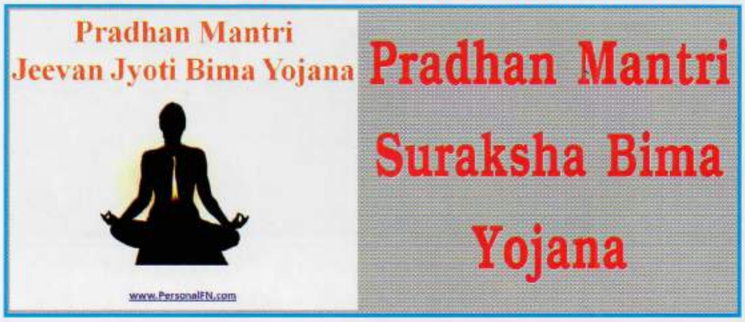
Life insurance business in India started in India in 1818 with the establishment of the Oriental Life Insurance Company in Calcutta (now Kolkata). This Company however failed initially. In 1829, Madras Equitable begun transacting life insurance in Madras Presidency. British Insurance Act was enacted in 1870 and between 1871 and 1897 Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) were started in the Bombay Residency. This era was dominated by foreign insurers e.g. Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance. Indian insurers were up against hard competition.

An ordinance nationalising the Life Insurance was issued on 19 January 1956 and Life Insurance Corporation (LIC) absorbed 154 Indian, 16 non-Indian insurers as also 75 provident societies. LIC monopoly ended in 1990s, when the Insurance sector was reopened to the private sector. The private players include SBI Life, ICICI Prudential, Kotak Life, HDFC Life and many others.

The history of general insurance dates back to Industrial Revolution and the growth of sea-faring trade and commerce in 17th century. It came to India as a legacy of British occupation. Non-life products include marine, transit, cash in transit, fire, burglary, fidelity, contingency, etc.

Among the non-life products, Health insurance is a growing segment of India's economy. Approximately 4% of India's gross domestic product is spent in the health sector. This is among the lowest of the BRICS (Brazil, Russia, India, China, and South Africa) economies.

The Health Insurance Policy is an evidence of the contract between the assured and the General Insurance Company which issues the policy. The information furnished by the insured in the Proposal form and the declaration signed forms the basis of this contract. Insurance is a contract of indemnity wherein the indemnifier (the insurance company) indemnifies the insured that in the event of a health



Gold and silver rose sharply driven by the crackdown on black money and a surge in global cues amid Donald Trump's victory

NON- LIFE INSURANCE PRODUCTS

- Automobile- Comprehensive, Third party, Theft, Damage
- Property- Fire, Theft, Burglary, Calamities
- Personal - Health, Accident, Travel, Air travel
- Official – Cash-in-transit, Marine, Fidelity etc.

The types of Non-life insurance products and the prominent indemnifiers/ insurers/ underwriters

complication, the cost of treatment will be borne by the former subject to certain terms and conditions as laid down in the policy document.

Health insurance industry is growing fast mainly due to liberalization of economy and general awareness. The General Insurance Corporation of India and the Insurance Regulatory and Development Authority (IRDA) had launched an awareness campaign to improve the awareness and reduce the procrastination for buying health insurance.

The general insurance business in India was nationalized by the Government of India through the General Insurance Business (Nationalization) Act (GIBNA) of 1972. Till 2000, The General Insurance Corporation of India (now known as the GENERAL INSURANCE CORPORATION OF INDIA – REINSURANCE or GIC-Re) was formed. GIC Re is the sole reinsurance company in the Indian insurance market with over four decades of experience. GIC Re has its registered office and headquarters in Mumbai. GIC has 4 subsidiaries namely:

1	NATIONAL INSURANCE COMPANY LIMITED,
2	NEW INDIA ASSURANCE COMPANY LIMITED,
3	ORIENTAL INSURANCE COMPANY LIMITED
4	UNITED INDIA INSURANCE COMPANY LIMITED

GIC had a monopoly on the general insurance business in India until the landmark Insurance Regulatory and Development Authority Act (IRDA Act) of 1999 came into effect on 19 April 2000. This act amended Insurance Act of 1938 and ended the monopoly of GIC and its subsidiaries and liberalized the insurance business in India. Now health insurance is offered by many private companies e.g. Apollo Munich, Bajaj Allianz, Religare, L&T, Max, HDFC etc.

Health insurance policies offer both individual and family cover. In consideration of the insured person having paid the premium for the policy period stated in the schedule or further period of insurance for which the Company may accept the premium for renewal of this policy, the insurer undertakes that if during the period of insurance or during the continuance of policy by renewal the insured person contract any disease or suffer from any illness or sustain any bodily injury through accident and if such disease or injury shall require, upon the advice of a qualified Medical Practitioner, hospitalization for medical/surgical treatment in any Nursing Home/Hospital in India as defined in the Policy, the insurance company will pay the amount of such expenses as may be reasonably and necessarily incurred in respect thereof as stated in the Schedule but not exceeding the Sum Insured in aggregate in any one Period of Insurance provided that all the terms, conditions and exceptions of the policy. The Medically necessary treatment is defined as any treatment, tests, medication, or stay in hospital or part of a stay in hospital which is required for the medical management of illness or injury suffered by the Insured. It must not exceed the level of care necessary to provide safe, adequate and appropriate medical care in scope, duration or intensity and further it must have been prescribed by a Medical Practitioner. For this purpose the word disease means a condition affecting the general wellbeing and health of the body that first manifests itself within the period of insurance and which requires treatment by a Medical Practitioner. Normally, disease does not include any mental disease (a mental or bodily condition marked by disorganization of personality, mind, and emotions to impair the normal psychological, social or work performance of the individual) regardless of its cause or origin.

Payment options include Direct Payment or Cashless Facility. Under this, the person does not need to pay the hospital as the insurer pays directly to the hospital. The policyholder and all those who are mentioned in the policy can undertake treatment from those hospitals approved by the insurer. The other option is the Reimbursement at the end of the hospital stay: After staying for the duration of the treatment, the patient can take a reimbursement from the insurer for the treatment that is covered under the policy undertaken. Under the Income Tax Act, under Section 80D,

The yearning for freedom may well make totalitarian regimes tremble and fall-Angela Dorothea Merkel, Chancellor, Germany

the insured person who takes out the policy can claim for tax deductions.

There are 28 general insurance companies including the EXPORT CREDIT GUARANTEE CORPORATION OF INDIA (ECGC), AGRICULTURE INSURANCE CORPORATION OF INDIA and 24 life insurance companies. The colossal insurance sector is growing at a speedy rate of 15-20%. According to the website of IRDA, together with banking services, insurance services add about 7% to the country's GDP. Insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country.

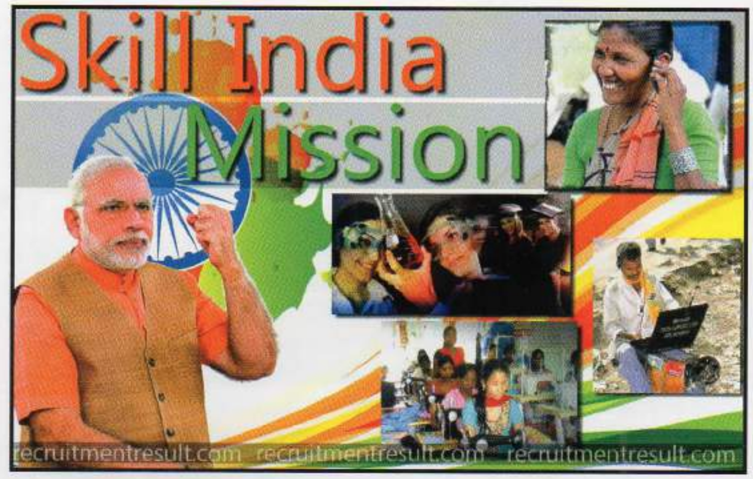
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI), an autonomous apex statutory body operating from its headquarters at Hyderabad, Telangana regulates and develops the insurance industry in India. It was constituted by a Parliament of India act called Insurance Regulatory and Development Authority Act, 1999 and duly passed by the Government of India. The Authority frames regulations under Section 114A of the Insurance Act, 1938 ranging from registration of companies for carrying on insurance business to protection of policyholders' interests. IRDA can also be credited for hike in the foreign direct investment (FDI) limit to 100% in June 2016.

SKILL INDIA MISSION – TO ELIMINATE UNEMPLOYMENT AS WELL AS BACKWARDNESS

By K KIRAN KUMAR, MBA, Asst Prof

Skill India

कौशल भारत - कुशल भारत



Turing the wheel of industry and commerce needs a very large variety of skills in the hands of a young, healthy, energetic and enthusiastic work force. These skills range from masonry, plumbing, electrical wiring, electronic technician, paramedical, culinary, mechanical, automobile, boilers, mobile towers, aeronautics, optical fibres, physiotherapy, computer hardware, storage, networking etc. lack of adequate marketable skills causes unemployment, regional backwardness, social tensions and unrest. In order to correct this situation, Government of India has taken a very innovative initiative.

SKILL INDIA MISSION driven by Government of India MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP (MSDE) was launched by the Prime Minister on 15 July 2015 on the occasion of World Youth Skills Day with an aim to train over 40 Crores (400 million) people in India in different skills by the year 2022. The initiatives included in this mission are:

- NATIONAL SKILL DEVELOPMENT MISSION
- NATIONAL POLICY FOR SKILL DEVELOPMENT AND ENTREPRENEURSHIP, 2015
- PRADHAN MANTRI KAUSHAL VIKAS YOJANA (PMKVY)
- SKILL LOAN SCHEME.

In response to this mission, Oracle announced that it will build a new 2.8 million sq. ft. campus in Bengaluru, which will be Oracle's largest outside of its headquarters in Redwood Shores, California. Oracle Academy will launch an initiative to train more than half-a-million students each year to develop computer science skills by expanding its partnerships to 2700 institutions in India from 1700 at present.

NATIONAL SKILL DEVELOPMENT MISSION- Aimed to create convergence across sectors and States in terms of skill training activities, NSDM would consolidate and coordinate skilling efforts and expedite decision making

Shri Rajiv Pratap Rudy, Mininster of State, Ministry of Skill Development and Entrepreneurship welcoming Shri Manish Kumar, MD&CEO, NSDC

We are gambling on our vision, and we would rather do that than make "me too" products. -Steven Paul Jobs (24 February 1955 – 5 October 2011) former Chairman and CEO, Apple Inc. California, USA

N·S·D·C
National
Skill Development
Corporation

Transforming the skill landscape

Initiative to train more than half-a-million students each year to develop computer science skills by expanding its partnerships to 2700 institutions in India from 1700 at present.

NATIONAL SKILL DEVELOPMENT MISSION- Aimed to create convergence across sectors and States in terms of skill training activities, NSDM would consolidate and coordinate skilling efforts and expedite decision making across sectors to achieve skilling at scale with speed and standards. Mission Directorate will be supported by three other institutions: National Skill Development Agency (NSDA), National Skill Development Corporation (NSDC), and Directorate General of Training (DGT). The Seven sub-missions are: Institutional Training, Infrastructure, Convergence, Trainers, Overseas Employment, Sustainable Livelihoods, and Leveraging Public Infrastructure.

PRADHAN MANTRI KAUSHAL VIKAS YOJANA (PMKVY) has been approved for another four years (2016-2020) to benefit 10 million youth and is the flagship Skill Certification Scheme to enable Indian youth to take up industry-relevant skill training that will help them in securing a better livelihood. The Short Term Training imparted at PMKVY Training Centres (TCs) is expected to benefit candidates who are school/ college dropouts or unemployed by providing training in Soft Skills, Entrepreneurship, Financial and Digital Literacy according to the National Skills Qualification Framework (NSQF), Duration of the training varies per job role, ranging between 150 and 300 hours. Upon successful completion of their assessment, candidates shall be provided placement assistance by Training Partners (TPs). The entire training and assessment fees are paid by the Government. Individuals with prior learning experience or skills are assessed and certified under the Recognition of Prior Learning (RPL) component of the Scheme. Sector Skill Councils (SSCs) are incentivized to implement RPL projects in any of the three Project Types (RPL Camps, RPL at Employers Premises and RPL centres). PMKVY assigns special importance to involvement of the target beneficiaries through a defined mobilisation process. TPs are expected to conduct KAUSHAL and ROZGAR Melas every six months with press/media coverage; they are also required to participate actively in National Career Service Melas and on-ground activities.

NATIONAL SKILL DEVELOPMENT CORPORATION (NSDC) is Public Private Partnership (PPP) Company with the mandate of catalysing the skills landscape in India based on the following pillars:

1. Create: Catalyse creation of large, quality vocational training institutions.

2. Fund: Reduce risk by providing capital grants and equity.

3. Enable: Create, sustain, and support systems

NSDC operates through partnerships with multiple stakeholders

Private Sector – In awareness building, capacity creation, loan financing, creation and operations of Sector Skill Councils, assessment leading to certification, employment generation

International Engagement – through Investments, technical assistance, transnational standards, overseas jobs

Central Ministries – through participation in Make in India, Swachh Bharat, Pradhan Mantri Jan Dhan Yojana, Smart City, Digital India and Namami Ganga

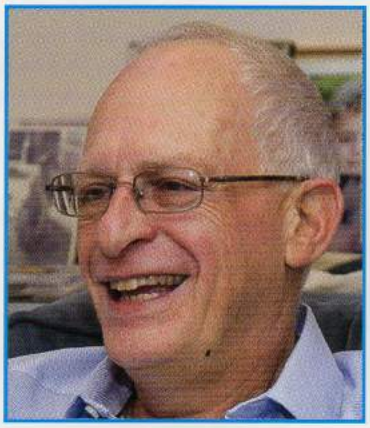
State Governments – for alignment to NSQF and operational work

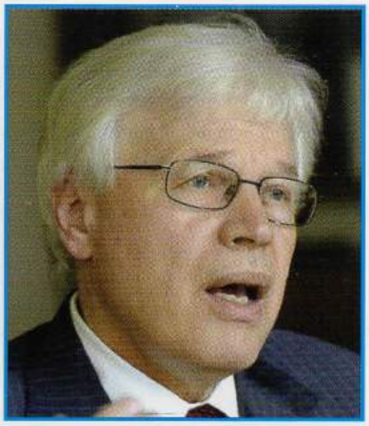
Universities/ Colleges/ Schools – Vocational education, specific training programs, evolution of credit framework

Non-profit organizations – In capacity building of marginalized groups, livelihood, self-employment and entrepreneurship programs

The Skill Development Management System (SDMS) has 1400 training partners, 28179 training centres, 16479 trainers, 20 Job portals, 77 assessment agencies and 4983 empanelled assessors. The Hosting infrastructure is certified as per ISO 20000 Information Technology Service Management (ITSM) system and ISO 27000 (Information Security Management Systems), global standards that describe the requirements for an application developed to mirror the best practices within the IT Infrastructure Library (ITIL) framework.

Joint Winners of the Nobel Memorial Prize in Economic Sciences 2016





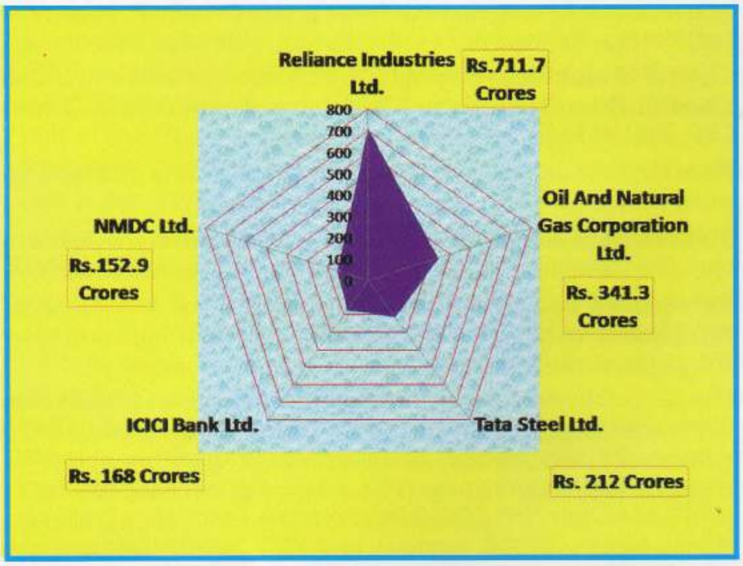
Oliver Simon D'Arcy Hart and Bengt R. Holmström

Oliver Simon D'Arcy Hart (born 1948), British-born American economist and Bengt R. Holmström, (born 18 April 1949) Finnish economist and Andrew E. Furer Professor of Economics at Harvard University have won the Nobel Memorial Prize in Economic Sciences in 2016 (officially Swedish National Bank's Prize in Economic Sciences in Memory of Alfred Nobel). This is the most prestigious award for outstanding contributions to the field of economics. They won it for contributions to contract theory — the agreements that shape business, finance and public policy. Their research centers on the roles that ownership structure and contractual arrangements play in the governance and boundaries of corporations.

Robots will play an important role in providing physical assistance and even companionship for the elderly. -William Henry Gates III (Bill Gates) Co-Founder, Microsoft Corporation, and Founder, Bill & Melinda Gates Foundation

CORPORATE SOCIAL RESPONSIBILITY (CSR) – FOR RESPONSIBLE CORPORATE CITIZENSHIP AND SOCIAL DEVELOPMENT

By Ms J. MADHAVI, MBA, Asso Prof



Top 5 CSR spender companies in terms of gross amount spent on CSR

CSR is based on the Gandhian Principle of "trusteeship concept" whereby business houses are looked upon as trustees of the resources they draw from society and thus are expected to return them back manifold. In 2014, the Companies Act 2013 Section 135(1) was amended to mandate that companies meeting certain thresholds spend 2% of their average net profits of the past three years on CSR. This is applicable to all companies incorporated in India and having any one of the following in any financial year – i.e.

Top 5 CSR spender companies in terms of gross amount spent on CSR as percentage of Profit after tax

1. Net Worth of Rs.500 Crores or more; or
2. Turnover of Rs.1000 Crores or more; or
3. Net Profit of Rs. 5 Crores or more

CSR activities include preferable location for spend of amount:

i. The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

ii. CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

If a company fails to provide or spend such amount, the Board shall specify reasons for not spending the amount in its report. On question of consequence for non-compliance of CSR provisions, the concept of CSR is based on the principle 'comply or explain'. Section 135 of the Act does not lay down any penal provisions in case a company fails to spend the desired amount. However, sub-section 8 of section 134 provides that in case the company fails to spend such amount, the Board shall in its report specify the reasons for not spending the amount. In case the company does not disclose the reasons in the Board's report, the company shall be punishable under section 134(8).

All this has drastically changed the dynamics of CSR in India. This has two key implications: The Indian act largely focuses on philanthropy and certain key areas. The focus is on giving back to society over and above the ordinary course of business. The Indian law looks at a philanthropic, community-centered approach. However smart strategies have been developed by industry and business leaders that ensure that CSR spending also generates far-reaching positive business impact. CSR improves environment in which business operates and also benefits the business in an indirect manner. CSR expenditure is incurred as a good corporate citizen to earn goodwill and create an atmosphere in which business can succeed in a greater measure.

Under the Income-tax Act, 1961 (Section 80G), following donation are allowed subject to a maximum of 10% of the Adjusted Gross Total Income:

A. Donations to Government for promoting family planning etc – 100% allowed

B. Eligible for 100% deduction without maximum limit:
- Donation to Prime Minister's National Relief Fund etc.

SMALL STATES THINK BIG

By KLS Sriharshini, MBA III Semester

The smaller states e.g. Chhateesgarh, Uttarakhand, Tripura, Puducherry from the point of view of self-dependence have to build up infrastructure and utilize the state resources both human and others to make progress fast. In this direction, Telangana Economic Association was inaugurated recently at Hyderabad. Prof YV Reddy, Former Governor, Reserve Bank of India and Prof C.H. Hanumantha Rao asserted that the smaller states will maintain coordination with the bigger states and countries for development and self sufficiency. In this direction economic research plays a vital role for develcpment of smaller states.

We are the only ones who can harness the power of software. -Satya Narayana Nadella (born 1967 in Hyderabad) Chief Executive Officer, Microsoft Corporation, Washington, United States of America

GREAT & WISE

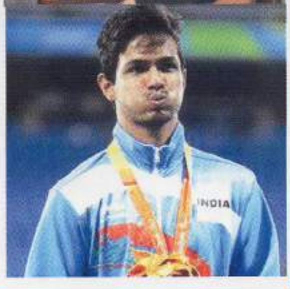
USAIN ST. LEO BOLT, (born 21 August 1986) is a Jamaican sprinter; the fastest human ever timed; nine-time Olympic gold medallist, he won the 100 m, 200 m and 4X100 m relay at three consecutive Olympic Games. He gained double sprint victory at the 2008 BEIJING Olympics in world record times. An eleven-time World Champion, he won consecutive gold medals from 2009 to 2015, with the exception of a 100 m false start in 2011. He is the most successful athlete of the World Championships.

VISWANATHAN ANAND, (Vishy - born 11 December 1969) is a former World Chess Champion. Anand played both versions of the World Championship. In the classical PCA cycle, he won matches against Oleg Romanishin and Michael Adams without a loss, then avenged his FIDE loss by defeating Gata Kamsky in the Candidates final. In 1995, he played against Kasparov in New York City's World Trade Center. He held the FIDE World Chess Championship. He became the first player to have won the World Championship in three different formats: knockout, tournament, and match. He was awarded Padma Vibhushan and Rajiv Gandhi Khel Ratna Award.

PUSARLA VENKATA SINDHU (born 5 July 1995), professional badminton player became the first Indian woman to win an Olympic silver medal at the 2016 Summer Olympics in Rio de Janeiro, Brazil as also the first Indian shuttler to reach the final of an Olympics badminton event and the youngest Indian to make a podium finish in an individual event at the Olympics. She broke into the top 20 of the BWF World Ranking in September 2012 at the age of 17. In 2013, she was the first ever Indian women's singles player to win a medal at the Badminton World Championships. In March 2015, she was the youngest recipient of India's fourth highest civilian honor, the Padma Shri. Her coach Pullela Gopichand is a former Indian badminton player. Presently, he is the Chief National Coach for the Indian Badminton team. He runs the Gopichand Badminton Academy.

OUR GEMS IN SPORTS

Clockwise from top left: SAKSHI MALIK freestyle wrestler won the bronze medal in the 58 kg category at the 2016 Summer Olympics, becoming the first Indian female wrestler to win a medal at the Olympics. DIPA KARMAKAR, artistic gymnast at the 2016 Summer Olympics. At 2016 Summer Paralympic games held in Rio de Janeiro: MARIYAPPAN THANGAVELU represented India in the in the men's high jump T-42 category, winning the gold medal in the finals. DEEPA MALIK won silver medal in athletics. VARUN SINGH BHATI won the bronze medal in athletics.



DEVENDRA JHAJHARIA Born: June 10, 1981 (age 35), Churu district, Rajasthan - javelin thrower - who earlier won the Padma Shri, and Arjuna Award for Athletics is the first Indian to win two gold medals at the Paralympics, He won his first gold in the javelin throw at the 2004 Summer Paralympics in Athens, becoming only the second gold medalist at the Paralympics for his country. At the 2016 Summer Paralympics in Rio de Janeiro, he won a second gold medal in the same event, bettering his previous record.

Whatever device you use... Windows will be there.-Steven Anthony "Steve" Ballmer, Chief Executive Officer (2000 to 2014), Microsoft Corporation, Washington, United States of America

NEWS

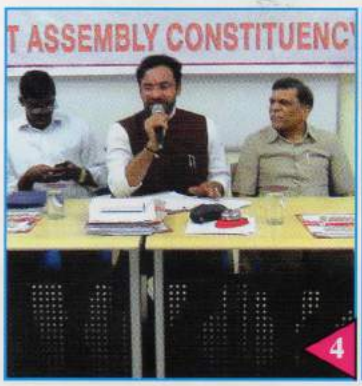
RG KEDIA COLLEGE

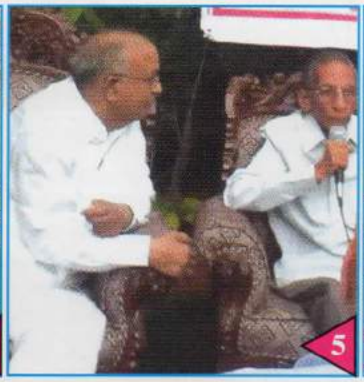
RG KEDIA COLLEGE OF COMMERCE

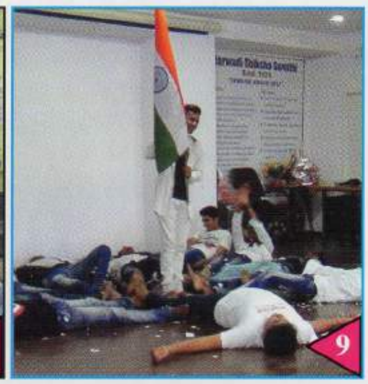
Taradevi Girdharilal Sanghi School of Business Management.

Bhagwatibai Jagdish Pershad Agarwal PG College of Computer Applications.

SPECTRUM - EVENTS AT MSS







[1] Felicitation function of Prof A. Suryanarayana, Dean, MBA Dept, in connection with his superannuation from Osmania UNiversity [2] from L to R – Jain Ratna Lion Shri Surendra Luniya, Hon. Secretary, Marwadi Shiksha Samithi (MSS) and Shri Kamal Narayan Agarwal, President, MSS [3]Prof DVG Krishna, Director addressing at the Vigilance Awareness Week function [4] Shri SB Kabra, CA, Jt Secretary, MSS (far right) at Government Schools HM's meet [5] Prof Ch Hanumantha Rao, Former Planning Commission member giving future directions for economy [6] Prof DVG Krishna, Director, Prof Surendra Reddy and Prof A Suryanarayana, Dean at the Symposium on "Black Money and Demonetization" [7] The function of Institute of Cost Accountants at our College [8] Smt. Saroj Bajaj (far right) at the Blood Donation Camp [9] Students performing a "surgical attack" during cultural program

Institutions run by Marwadi Shiksha Samithi

- Marwadi Hindi Vidyalaya
- Ramnath Gulzarilal Kedia College of Commerce
- DR Jindal Junior College of Commerce
- G. Raghunathmal Singhvi Jain Jr. College of Science
- Syo Narayan Ramcharan Patwari Post Graduate College of Commerce
- RK Saboo College of Science
- Harishchandra Gyankumari Heda Model High School
- Taradevi Girdharilal Sanghi School of Business Management.
- Bhagwatibai Jagdish Pershad Agarwal PG college of Computer Applications (MCA).
- Surajmal Sharma PG College of Science (Maths)
- Marwadi Shiksha Samithi Law College
- Parvathi Devi Ramakrishna Dhoot KG School

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