Prelim Bits 08-06-2019

National Communal Harmony Awards

- National Communal Harmony Awards are awarded to individuals and organizations for their outstanding contribution for promotion of communal harmony and national integration.
- The National Communal Harmony Awards have been instituted by the National Foundation for Communal Harmony (NFCH), an autonomous body under the Union Ministry of Home Affairs.
- The National Communal Harmony Awards, 2019 consist of a citation each and a cash prize of Rs. 5 lakh in the individual category and Rs. 10 lakh in the Organization category.
- Individuals who have worked in the area of national integration and communal harmony for a minimum period of ten years is eligible for consideration of the Award while Organizations will be adjudged over a five years' work in the field of promotion of national integration and communal harmony.

Fund Transfer Systems in India

- **National Electronic Funds Transfer (NEFT) -** National Electronic Funds Transfer is a nation-wide payment system facilitating one-to-one funds transfer.
- Under this Scheme, individuals, firms and corporates can electronically transfer funds from any bank branch to any individual, firm or corporate having an account with any other bank branch in the country participating in the Scheme.
- The NEFT transactions can be carried out in bulk and repetitively, there is no minimum or maximum cap for NEFT transactions.
- Thought it is one-to-one scheme amount is not dispatched to the beneficiary immediately instead on a batch specified by bank within the NEFT business hour.
- The service is available both in online and offline mode.
- **Real Time Gross Settlement (RTGS) -** Real Time Gross Settlement is a financial transaction system, where there is continuous and real-time

settlement of fund transfers.

- RTGS transactions are processed immediately on a transaction by transaction basis throughout the RTGS business hours.
- RTGS has a minimum limit of 2 lakh rupees with no maximum limit.
- The service is available both in online and offline mode.

- **Immediate Mobile Payment Service (IMPS) -** Immediate Mobile Payment Services is an instant inter-bank funds transfer system.
- This funds transfer method is more customer-centric than the other two as it allows the remitter to transfer funds using their smartphones (only available in online mode).
- Unlike the other two services there is no transaction time for using this fund transfer service (IMPS is 24/7 service) but there is a cap on maximum transaction which is up to 2 Lakhs.
- While NEFT and RTGS was introduced by RBI (Reserve Bank of India), IMPS was introduced by National Payments Corporation of India (NPCI). Read further to learn more about these three payment systems.

Leverage Ratio

- A leverage ratio is one of several financial measurements that look at how much capital comes in the form of debt (loans) or assesses the ability of a company to meet its financial obligations.
- The leverage ratio category is important because companies rely on a mixture of equity and debt to finance their operations, and knowing the amount of debt held by a company is useful in evaluating whether it can pay its debts off as they come due.
- A leverage ratio may also be used to measure a company's mix of operating expenses to get an idea of how changes in output will affect operating income.
- Common leverage ratios include the debt-equity ratio, equity multiplier, degree of financial leverage, and consumer leverage ratio.
- Banks have regulatory oversight on the level of leverage they are able to have, as measured by leverage ratios.
- The Basel Committee on Banking Supervision (BCBS) has set the minimum requirement for leverage ratio at 3%.
- A lowering of the ratio, with the capital as numerator staying fixed, would imply an expansion of the denominator, or the bank’s lending activity.
- Banks have been required to publicly disclose their Basel III leverage ratio on a consolidated basis from 1 April 2015.
- Leverage ratio is one the four indicators under the RBI’s prompt

corrective action framework, recently RBI has reduced leverage ratio of domestic systematically important Banks (D-SIB).

New START treaty

- New START (Strategic Arms Reduction Treaty) is a nuclear arms reduction treaty between the United States and the Russian Federation.
- The formal name of the treaty is Measures for the Further Reduction and Limitation of Strategic Offensive Arms.
- It was signed on 2010 in Prague and entered into force in 2011, it is expected to last at least until 2021.
- New START replaced the Treaty of Moscow (SORT).
- Under terms of the treaty, the number of strategic nuclear missile launchers will be reduced by half.
- A new inspection and verification regime will be established, replacing the SORT mechanism.
- It does not limit the number of operationally inactive stockpiled nuclear warheads that remain in the high thousands in both the Russian and American inventories.

Source: PIB, the Hindu

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