

★★★★★ **Starred Articles** ★★★★★

**01** Apple Inc sells \$17 billion in bonds in record deal

**May** **Corporate > Apple**

In a record deal, Apple Inc. sold USD 17 billion in bonds to raise money to pay shareholders in an effort to pacify them regarding the company's shrinking profit margins and reverse a 37 percent drop in its share price during the past 7 months, as it faces tough competition in the mobile computing market. However, the downturn in Apple's stock price hasn't dampened investors' enthusiasm for Apple bonds. Although, Apple has USD\$145 billion in cash, enough to run the \$USD 100 billion cash return programme, Apple does not plan to bring the money to the US from its overseas accounts as the federal corporate tax rate is high and as such it makes sense for Apple to borrow a large sum of money rather than pay a hefty tax bill.

**02** Sarabjit Singh dies in Pakistan hospital

**May** **India > Sarabjit Singh Case**

Indian death row prisoner Sarabjit Singh died of cardiac arrest in a Lahore hospital after being comatose for nearly a week following a brutal assault by other inmates of a high-security jail in Lahore. Sarabjit, 49, sustained severe injuries, including a fractured skull, when at least six prisoners attacked him in a barrack at Kot Lakhpat Jail in Lahore. The Indian government and the opposition parties have called it a cold-blooded murder and accused Pakistan of failing to provide protection to Indian prisoners languishing in Pakistani jails. Pakistan has assured India that it will hand over Sarabjit's Singh's body after completion of formalities.

**03** RBI cuts lending rates by 25 basis points; still no changes in retail lending rates

**May** **Economy > RBI**

The Reserve bank of India has reduced its key lending rate (repo rate) from 7.50 per cent to 7.25 per cent but has kept the Cash Reserve Ratio (CRR) unchanged at 4 percent. However, the rate cut of 25 basis points was too small to have an impact on retail lending rates immediately. RBI said that the repo rate cut was in accordance with the measures set forth since January last year towards supporting growth in the face of gradual moderation of headline inflation.

Repo rate is the rate at which banks borrow funds from the central bank. The Cash Reserve Ratio (CRR) is the portion of total deposits banks are mandated to keep with the Reserve Bank of India.

**04** CBI books railway minister's nephew and several others in a 10 crore bribery scam

**May** **Politics and Government > Railgate**

The Central Bureau of Investigation (CBI) has booked railway minister Pawan Bansal's nephew Vijay Singla for allegedly demanding Rs. 10 crore as bribe for getting Mahesh Kumar, General Manager (Western Railways), posted as Member (Electrical) Railway Board, which is considered next to Railway General Manager in hierarchy. Singla, used to look after the Bansal's business interests and is involved in running his campaign in Chandigarh, Bansal's Lok Sabha constituency. Singla and Sandeep Goyal, a businessman and official railway contractor, were arrested in Chandigarh for allegedly accepting Rs 90 lakh as part payment from Narayan Rao

Manjunath, a Bangalore-based industrialist and the conduit of Mahesh Kumar. Bansal has said that he has no business links with his nephew and denied any wrongdoing. The CBI would also question Bansal's private secretary Rahul Bhandari as it has found close links between him and Vijay Singla. Ajay Garg, a close aide of Vijay Singla and an alleged middleman in the case, has also been arrested after he surrendered in a Delhi court. The CBI is also investigating the involvement of four-five more senior officers and is looking into all top-level appointments in the railway ministry in the recent past. Meanwhile, Sushil Daga, an associate of Manjunath and an accused in the case, is all set to turn approver for the CBI.

06  
May

## CBI alleges law minister and officials in the PMO changed coalgate enquiry status reports

**Politics and Government > Coalgate**

CBI director Ranjit Singh has filed an affidavit in the Supreme Court stating that law minister Ashwani Kumar had deleted a finding from the draft report of the enquiry about the screening committee not preparing any chart about the coal block applicants and also a sentence about the scope of the enquiry. The letter also alleged that the tentative findings about the non-existence of a system regarding specific weightage/points was deleted at the instance of the officials of the Prime Minister's Office and the Coal Ministry. The affidavit also mentions that Attorney General G. E. Vahanvati too asked for changes. The CBI's submission contradicts the stand taken by the Law Minister and the AG, who had refuted the allegation that they had suggested changes in the draft report.

06  
May

## Chinese Army pulls out from Depsang Plains in Ladakh, ends faceoff

**Politics and Government > Indo-China**

The India-China faceoff that started on April 15th drew to a close on Monday, May 6th after the Chinese Army withdrew from the Indian side of the LAC in Ladakh's Depsang plains. The Indian ambassador to Beijing relayed that India was ready to act tough and would cancel the tour of foreign minister Salman Khurshid to Beijing as well as the visit of the Chinese PM Li Keqiang to India which might have forced Beijing to withdraw troops. However, there was talk of a deal about China agreeing to pull back its troops from Ladakh only if India pulled down a bunker, strategically located in Chumar in Ladakh. Indian authorities said that there was no such deal and in the withdrawal tradeoff with the Chinese, the Indian Army had only pulled down a tin-shed which it had erected on April 18th, 7-8 km down from where Indian troops conduct regular patrols. China is keen to prove its ability to get along with neighbours and has said that India and China have reached an agreement to resolve the issue in the western section of the border.

10  
May

## Congress elects Siddaramaiah as Karnataka's new chief minister

**Politics and Government > Karnataka CM**

The Congress has elected K. Siddaramaiah as Karnataka's new chief minister through a process of secret ballot. This is the first ever instance in which the Congress party has adopted this method to select a leader.

The Congress earlier this week won the Karnataka Assembly elections with a comfortable majority of 121 MLAs in the 224-member House, defeating the BJP which won only 40 seats, down by 70 compared to the 2008 poll.

**11 Congress sack Aswani Kumar and Pawan Bansal****May** **Politics and Government > Congress**

The Congress has sacked Law Minister Ashwani Kumar and Railway Minister Pawan Kumar Bansal to dismiss the impression of protecting the accused ministers. The Congress was forced to take the decision after Mr Kumar faced the charge of openly intervening in the CBI's investigation into the coalfield allocation scandal, and Bansal was found to be involved in a 10 crore Railway cash-for-jobs scam.

**12 Nawaz Sharif wins Pakistan polls, likely to serve third term as Prime Minister****May** **World > Pakistan Polls**

Nawaz Sharif's Pakistan Muslim League – N (PMN-L), won an outstanding victory after millions of Pakistanis braved Taliban threats and voted in the landmark election that marked the first transition from one civilian government to another in the country's 66-year history. Unofficial election results represented a comeback for Sharif, who was deposed as prime minister in a 1999 military coup and spent years in exile. Sharif is set to serve a third term as Prime Minister and pledged on improving relations with India. Sharif also said that he would end Pakistan's involvement in the US-led war on terror which might cause concern among Western leaders as it could lead to militants having greater freedom to operate in Pakistan. Sharif has invited all political parties including that of rival Imran Khan to sit together and solve the country's problems.

**13 Tata Steel to book \$1.6 billion impairment charge****May** **Corporate > Tata Steel**

Tata Steel will write off goodwill and impair assets worth \$ 1.6 billion, for the financial year that ended March 31st, for the loss of value of Tata Steel Europe (TSE), and other overseas assets in Thailand and South Africa. Although goodwill write off may affect its FY2013 financial performance, there will possibly be no impact on its cash flows.

**13 Samsung announces superfast 5G wireless transmission breakthrough****May** **Corporate > Samsung**

Samsung Electronics said that it has successfully tested superfast fifth generation (5G) wireless data transmission of more than one gigabyte per second over a distance of two kilometres. The new technology might not be available before 2020, but once launched, would be able to transmit massive data files including high quality digital movies practically without limitation. Samsung has found out a way to harness millimeter-wave bands, which had, till now, proved to be an obstacle in launching 5G transmission. 5G would eventually allow users to download an entire movie in one second.

**15 India back on the Olympic fold after Indian Olympic Association accepts International Olympic Committee's demands****May** **India > IOC**

India is back in the Olympic fold after the Indian Olympic Association agreed to International Olympic Committee's demands of holding fresh AGM and election and also to declare the December 5 elections, which elected Lalit Bhanot, null and void. The fresh IOA elections will be held in a month under the supervision of Election Commission. India was suspended five months ago for failing to adhere to the Olympic charter.

**16** Gold demand in India rises by 27 percent in 1<sup>st</sup> quarter**May** **Economy > Gold**

Demand for gold in India rose by 27 per cent to 256.5 tonnes during the January-March 2013 quarter, while its imports declined by 5.7 per cent to 215 tonnes. In the previous year, the demand for gold stood at 202.1 tonnes and imports at 228 tonnes. Gold demand in India for jewellery and investment is likely to remain strong. However, imports are low as stockists had already purchased heavily in the previous quarter in anticipation of rise in import duty. At the global level, gold demand fell by 13 per cent to 963 tonnes in the first quarter of 2013 as strong demand for gold jewellery, bars and coins was exceeded by substantial net outflows from gold exchange traded funds (ETFs).

**17** Government implements National Pharmaceutical Pricing Policy to reduce prices of essential drugs by 80 percent**May** **India > National Pharmaceutical Pricing Policy**

The government has issued the Drug Price Control Order (DPCO), paving the way for implementation of the National Pharmaceutical Pricing policy which will reduce prices of medicines by 20-25 percent and in case of some life-saving drugs by as much as 80 percent. Prices of 652 formulations under 27 therapeutic areas like anti-allergic (cetirizine), cardiac (aten), gastro-intestinal medicines (ocid), pain-killers (paracetamol) and anti-diabetic drugs (insulin) are expected to come down. Others in the list include anti-fungal, anti-tuberculosis, anti-leprosy, anti-hypertensives and cancer drugs. The DPCO 2013 will regulate prices of drug formulations on the basis of a market-based mechanism, as against a cost-based system which existed till now.

**19** China resumes cyber attacks on US agencies**May** **Politics and Government > US-China**

Hackers working for the People's Liberation Army (PLA) of China have resumed attacks on US government agencies and private organisations after remaining on the low for three months following direct accusations by the US administration. Private cyber security company, Mandiant has said that hackers have resumed attacks on many of the old victims. The hackers are behind scores of thefts of intellectual property and government documents since the past five years and have been targeting US defence contractor Lockheed Martin and companies with access to the nation's power grid. The Chinese hackers had changed base and removed spying tools after being discovered in February this year. However, Chinese attack on US cyberspace seems to be back in full swing and US officials said that the matter would have to be taken up once again with Chinese authorities.

**20** Yahoo to buy blogging service Tumblr for \$ 1.1 bn**May** **Corporate > Yahoo**

Yahoo Inc will buy blogging service Tumblr for \$1.1 bn in cash. This is the largest deal made by Marissa Mayer, since she took charge as CEO of Yahoo last July. The Tumblr team will remain unchanged and David Karp will remain the Chief Executive Officer of Tumblr. David Karp co-founded Tumblr with Marco Arment in 2007 and has a 25percent stake in the privately owned company. The \$ 1.1bn price tag represents a significant increase from Tumblr's \$800million valuation when it raised money from private investors.

**20** Chinese Premier Li Keqiang visits India, pledges to resolve border issue**May** **Politics and Government > Indo-China**

Chinese Premier Li Keqiang visited India on Sunday, 19th May, in his maiden foreign trip after assuming office. Li pledged his commitment to peace and tranquility and urged the need to end the border row. Singh conveyed to Li that incidents like the recent standoff at Ladakh could hamper relations between the two countries. It was agreed that joint representatives from the two countries would meet soon to continue discussions on a fair, acceptable and mutually acceptable boundary settlement. The two sides also discussed trade ties and other bilateral issues and signed eight agreements. Despite border tensions, China is one of India's top trading partners and both countries have already agreed to a new \$100bn (£65bn) bilateral trade target for 2015.

Meanwhile, China has assured Pakistan that its improved relations with India and the regime change in Pakistan won't affect its healthy relations with Pakistan.

**21** Indian-American teen Esha Khare invents world's first 20-sec charger**May** **Science and Technology > Invention**

An 18-year old Indian American teen, Esha Khare from Saratoga, California, has invented a tiny super-capacitor device that fits inside mobile phones and can potentially charge a cell phone in less than 20 seconds. Esha has been awarded the Young Scientist Award by the Intel Foundation and has received a prize award of USD 50,000. The device can last for 10,000 charge-recharge cycles, compared with 1,000 cycles for conventional rechargeable batteries. The device is very flexible and can fit inside other portable electronic devices besides mobile phones.

**24** India to issue 27000 emergency certificates to enable Indians working in Saudi Arabia to return home**May** **World > Saudi Arabia Nitaqat Law**

India will issue 27000 emergency certificates to its citizens working in Saudi Arabia, to allow them to return home, after a new labour policy came into force there. The new law called the 'Nitaqat' law makes it mandatory for local companies to hire one Saudi national for every 10 migrant workers. There has been a rush for emergency travel documents with about 60, 000 applicants looking for one, following widespread perception that the new policy will lead to denial of job opportunities for a large number of Indians working there.

**25** Scientists develop artificial skins for robots**May** **Science and Technology > Artificial Robot Skin**

The European Union-funded project 'Skin-based technologies and capabilities for safe, autonomous and interactive robots' (ROBOSKIN), has developed artificial skins for robots and new sensor technologies and management systems which will give robots an artificial sense of touch and improve the way robots work in unconstrained settings, as well as their ability to communicate and cooperate with each other and with humans. The artificial skin is modelled largely on real skin, which has a tiny network of nerves that sense or feel changes like hot/cold or rough/smooth.

## 26 May 27 people killed in Maoist attack on Congress motorcade

**India > Maoist Attack**

27 people were killed and more than 30 injured when 250 Naxalites opened fire on a 16 car Congress motorcade in Chattisgarh's Dabha valley, which is a part of Bastar region in Jagdalpur district. Among the people dead was the Pradesh Congress Committee Chief Nand Kumar Patel, his son Dinesh and former home minister of state Mahendra Karma, architect of Salwa Judam, a people's movement against Naxalism. The Maoists used country-made and sophisticated automatic weapons and fired indiscriminately. The Dabha valley has always been an area of concern for security forces and various plans to counter the Maoist threat had to be shelved because of opposition from within the Congress. An investigation into the attacks has begun but no arrests have been made so far.

## 27 May Economists predict Q4 growth at 4.8 percent

**Economy > Growth**

Economists have forecasted the March Quarter GDP growth at 4.8 percent, pulling down the overall economic expansion to a decade low of around five percent. The government however expects GDP growth for March Quarter to the tune of 5.2 percent. Till the third quarter, the economy grew 5.1 per cent. The March quarter GDP growth is expected to remain less than 5%, due largely to a reduction in government spending. However, the lower interest rate and improving investment combined with pick up in capital goods and consumer goods production and improvement in exports should result in better growth from the June quarter.

## 28 May Iran offers oilfields on lucrative terms to prod India into buying more oil

**Politics and Government > Indo-Iran Relations**

Iran offered oilfields on lucrative terms and a host of other benefits to prod India into buying more oil, after India reduced its crude purchase from Iran to 13 million tonne in 2012-13 from 18 million tonne in the previous year following US and the EU sanctions which have blocked international gateways for payments. Iran has offered to re-route the Iran-Pakistan-India gas pipeline through an under-sea route to avoid going through Pakistan as India had previously expressed safety concerns. Alternatively, Iran offered to ship the gas in its liquid form (liquid gas) via Oman and also offered a production sharing contract to ONGC Videsh Ltd for the Farzad-B gas field, which is estimated to hold 13 Trillion cubic feet of recoverable reserves. Iran has also offered insurance cover to refineries. However, the Indian side has been skeptical about Iran's assurances because of Western sanctions and the absence of any financial intermediary.

## 30 May TOP five Indian IT companies exceed global IT services industry growth

**Corporate > IT Industry**

The top five India-based IT services companies, TCS, Cognizant, Infosys, Wipro and HCL Technologies, grew by 13.3% to reach a combined revenue of \$34.3 billion in 2012, exceeding the global IT services industry growth of 2%. The global industry recorded a growth of 7.7 percent as against a recorded growth of 21.8% percent by the five India-based IT companies. However, the growth in 2012 is much lower than that of 2011.



31  
May

## Samsung Electronics to use Intel Corp Processor for one of its top-tier android tablets

**Corporate > Samsung – Intel**

Samsung Electronics has chosen an Intel Corporation processor Clover Trail+ mobile chip for at least one version of its Galaxy Tab 3 10.1. The deal comes as a major success for Intel which has long been trying to establish its footprint in the mobile market. Samsung has previously used chips designed with energy-efficient technology from the UK's ARM Holdings for its best-selling mobile devices. It employs Intel processors for its line of Microsoft Windows "ATIV" tablets, a much smaller market compared with devices based on Google Inc's Android. Now, Samsung will unveil new ATIV tablets using Intel chips at a June event in London.

31  
May

## India's economic growth falls to 5 percent, India surpasses Japan as the world's 3rd largest economy

**Economy > Growth**

India's economic growth slowed to 4.8 percent in the January-March quarter and fell to a decade low of 5 percent for the entire 2012-13 fiscal as compared to 6.2 percent growth for the 2011-12 fiscal. Growth was primarily affected by poorly performing farm, manufacturing and mining sectors.

The Organisation for Economic Cooperation and Development has said that India has recently probably surpassed Japan as the world's third largest economy after the US and China. Until 2020 China is likely to have the highest growth rate among major countries, but could then be surpassed by India.

Japan's consumer prices fell by 0.4% in April, the sixth month of decline, even as it tried to move out of years of deflation and set a 2 percent inflation target for its central bank. The core consumer price index figure, which includes oil products but excludes volatile prices of fresh food, followed a 0.5% drop in March.

## Bank Specific

10  
May

## Taxpayers to never rescue a failing bank again, biggest US banks asked to borrow less to avoid crisis

**Bank Bailouts**

Bank bailouts in the US have been widely criticized and the common opinion is that taxpayers should never again rescue a failing bank. In order to ensure that government intervention is not required in case of a future crisis, international regulators are requiring the biggest banks to borrow less. Three years ago, the USA passed laws to liquidate a collapsing financial institution and end the perception that some banks are too big to fail. At that time, Obama had said that because of this reform, US taxpayers would never have to fund bailouts again. However, bondholders who lend money to the six biggest US banks believe that the government would once again bail out bankrupt institutions in case of a crisis and as such they are willing to accept lower returns, a marketplace subsidy worth 82 billion from 2009 through 2011. The financial advantages for the six biggest banks, Bank of America Corp., Citigroup Inc., Goldman Sachs Group Inc., JPMorgan Chase & Co., Morgan Stanley and Wells Fargo & Co. since the start of 2009 amounted to at least \$102 billion and because of the implicit promise of bailouts, ratings agencies have boosted the credit grades of the six banks, which makes borrowing less expensive for them.

## Corporate

### 01 May Honda's excise duty payment on discounted prices comes under scanner, asked to pay 164 crore more

#### *Honda*

The Central Board of Excise & Customs (CBEC) has served a show-cause notice on Japanese car maker Honda, demanding that it pay Rs 164 crore more as excise duty, on the grounds that the levy should have been paid on the cost of production of the cars, and not on their discounted sales price. This follows the Supreme Court judgement in the Fiat case last year, that if a company sells products at a loss for a long period because of commercial considerations or under competitive pressures, then price is not the sole consideration and excise duty should be paid on manufacturing cost plus a 'reasonable' profit margin. Honda had been facing a slump in demand in India following a shift from petrol to diesel cars and had been offering discounts on models such as the Brio and Jazz.

Excise duty is an inland tax on the sale of goods produced domestically. It is paid by the manufacturer, but often passed on to the customer.

### 02 May Bharti Airtel reports 50 percent fall in quarterly profit

#### *Bharti Airtel*

Bharti Airtel's net profit fell to Rs 509 crore (\$94 million) for its fiscal fourth quarter to end-March, from Rs 1006 crore reported a year earlier. Although, it was expected that the company would report a net profit of Rs 741 crore, it was cut by higher net interest costs and a tax charge. The company's revenues were in line with estimates at Rs 20,488 crore, up 1.23 per cent, as compared to Rs 20,239 crore a quarter ago.

### 08 May India-born Ivan Menezes appointed CEO of Diageo

#### *Diageo*

India-born Ivan Menezes has been appointed as the CEO of Diageo, the world's largest drinks company and the maker of coveted brands such as Johnnie Walker, Smirnoff, Captain Morgan etc. Menezes will replace long-serving CEO Paul Walsh. Ivan was frontrunner for the job after his elevation as the Chief Operating Officer (COO) last year and his appointment as CEO comes six months after he led the \$2.6 billion takeover of Vijay Mallya's United Spirits Ltd. (USL). A graduate of St. Stephen's college, Menezes has studied management from IIM-A and Kellogg School of Management. Ivan's appointment as CEO reflects the growing trend among multinationals to appoint Indians for the top spot.

### 09 May Sony Corp. expects smartphone sales to rise to 42 million this financial year

#### *Sony Corp*

Sony Corp. expects that smartphone sales will rise to 42 million in the year to March 31, compared to 33 million smartphones sold in the business year just ended. Sony is trying to increase its hold and establish itself prominently at no.3 in the global smartphone market behind Apple Inc. and Samsung Electronics Co.



**10**  
**May** YouTube starts paid subscription service*YouTube*

Google's YouTube, the world's largest video site, is venturing into pay television by starting a paid subscription service with 30 content creators. It will allow creators to set subscription fees and accept advertisements, at their discretion, for the channels they create. YouTube will subsidize the development of new content offerings and will feature content from traditional TV and film producers. Till now, YouTube has spent more than \$100 million to help about 150 media partners create and promote specialized YouTube video channels dedicated to topics ranging from food to sports. The launch featured children's videos from National Geographic and videos from cable channel HDNet.

**14**  
**May** Ranbaxy to pay \$ 500 million to US Justice Department for settlement of felony charges*Ranbaxy*

Gurgaon based Ranbaxy Laboratories Ltd. will pay \$500 million as penalty to the US Department of Justice to settle a criminal and civil lawsuit related to the manufacture and distribution of three adulterated drugs made at two of Ranbaxy's manufacturing facilities in Paonta Sahib and Dewas in India. This is the largest drug safety settlement case of a generic drug maker in the US and Ranbaxy will pay \$150 million for a criminal fine and forfeiture and \$350 million for civil claims.

**15**  
**May** Air Asia appoints Mittu Chandilya as CEO of India operations*Air Asia*

Air Asia has appointed Chennai born Mittu Chandilya to head the operations of the company in India. 32 year old Mittu will be amongst the youngest CEO's to operate an airline in the country. Chandilya, educated at INSEAD in France, was formerly the head of services practices for Asia Pacific at Egon Zehnder International, an advisory firm. The appointment of the India CEO was a much awaited decision as the Home Ministry would give a clearance to Air Asia to start operations only after the appointment of the CEO and the board. The airline company has tied up with Indian partners Tata group and Telstra Tradeplace to form the joint venture and operate in India.

**21**  
**May** iGATE terminates employment of CEO Phaneesh Murthy for sexual misconduct*iGate*

iGATE has terminated the employment of president and Chief Executive Officer Phaneesh Murthy as a result of an investigation surrounding a relationship that Murthy had with a subordinate employee, Araceli Roiz, and a claim of sexual harassment. The Board has appointed Gerhard Watzinger, former CEO of iGATE Solutions business, as President and CEO on an interim basis.

In 2003, Murthy was involved in a similar sexual harassment case involving Reka Maximovitch, his former executive secretary at Infosys, where he was head of sales. Reka had filed a lawsuit for sexual harassment and wrongful termination of employment. Infosys sacked Phaneesh and settled the lawsuit out of court for \$3 million.

## 30 May FIPB to allow Jet-Etihad deal only after clarity on the issue of control in a firm

### *Jet-Etihad Deal*

The Foreign Investment promotion Board (FIPB) has said that it would give its approval to the Jet-Etihad deal, only after the Centre clarifies the issue of control in a firm which is in line with the new Companies Bill. Currently, the Finance Ministry, in consultation with the Department of Industrial Policy and Promotion (DIPP), is in the process of defining 'control' in companies. According to DIPP, if 51% equity is held by the domestic shareholder, the company is seen as Indian and controlled by it. Once the Centre clearly defines 'control' in a firm, along with the shareholding, the stakeholders' agreement would also be examined to see whether any special management rights have been conferred to the minority stakeholder that allows it to control the company. This means that even if Jet amends its Articles Of Association (AOA) in such a manner that it complies with SEBI rules, it would have to wait for approval from the FIPB.

## 30 May China's Shuanghui to take over US pork producer Smithfield Foods in a \$ 4.7 billion deal

### *US-China*

China's biggest pork firm Shuanghui International will take over USA's biggest pork producer Smithfield Foods in a \$ 4.7 billion deal, which is the largest takeover of an US company by a Chinese rival. Shuanghui has agreed to pay cash for Smithfield Foods, which including debt, values the firm at \$7.1bn. The deal highlights the growing power of Chinese firms and their desire to set a strong foothold on the global market through the use of global resources. Smithfield said it has accepted Shuanghui's bid of \$34 per share for the company. However, rival bidders may emerge since Smithfield has another 30 days to hold talks with other interested parties.

## Economy

## 13 May RBI unearths various discrepancies in banking operations

### *RBI*

The Reserve Bank of India (RBI) has found out various unethical practices of banks including non-compliance of KYC norms and fictitious PAN in its probe following the Cobrapost sting operation which accused banks of money laundering practices. RBI has completed its investigation and has said that it would take necessary steps on the banks for violating prudential banking norms.

## 16 May Japan achieves robust growth rate, Europe falls deeper into recession

### *Japan-Europe*

In stark contrast to Europe which has fallen deeper into recession, Japan ended two decades of stagnation and posted a robust growth rate of 3.5 percent helped by new measures adopted by Japan's Prime Minister Shinzo Abe. Since taking office in December, Mr. Abe has pushed the three-arrowed approach which involves a strong expansionary monetary policy, increased fiscal spending and structural changes to improve competitiveness. The fall in yen against the dollar, have improved exports along with rising consumer sentiment and household spending. All these have helped Japan come back remarkably from back to back recession in 2011 and 2012. In reality, the more countries adopt austerity measures, the more the debt ratio increases. However, Europe,

seems reluctant to follow the Japanese model of growth and particularly in Germany, the hostility towards unconventional measures is greater than in any European society. German economists feel that the period of retrenchment is near and the austerity measures would yield promised gains very soon.

## 23 Finance Ministry agrees to pay oil subsidy bill of Rs. 40,000 crore

May *Oil Subsidy*

The Finance ministry has agreed to pay Rs. 40,000 crore of pending subsidy bill to the public sector oil marketing companies for the last fiscal but has laid down a condition that the pricing of oil products would be reviewed by a committee, that will give its report within two months. The finance ministry had suggested that petrol and diesel to be priced at a rate they can fetch in the export market, rather than current practice of pricing the fuels after adding transportation and customs duty to the international price. However, the government would retain the present system of trade parity pricing for the public sector companies by claiming it would generate the surplus necessary for investments in the sector which implies that the government will stick to the current method of calculating retail prices of petrol and diesel.

## 31 New RBI norms to lead to a surge in bad loans

May *RBI*

The Reserve Bank of India has said that from April 2015, banks would no longer have the freedom to relax repayment norms for financially distressed companies and would have to classify their loans as non-performing assets which might lead to an increase in bad loans. Classifying a loan as a bad loan forces the bank to set aside a large portion out of its earnings to make up for loss arising out of a potential default. However, RBI has made exceptions for project delays in infrastructure and commercial real estate. RBI has also asked banks to increase provisions on loans restructured from June 2013 to 5% from the present requirement of 2.75% and has made it mandatory for banks to obtain a personal guarantee on all restructuring cases in future.

# India

## 12 Tesco, Walmart and Carrefour seek clarity from the government on retail FDI norms

May *Retail FDI*

Retail giants Walmart and Carrefour have sought written clarifications from the Indian government on certain rules guiding multi-brand retail, including those related to compulsory sourcing of inputs from the small and medium enterprises (SMEs) and investing in back-end infrastructure. The retailers want written assurances from the government so that their FDI proposals get easy approvals. One of the main worries of the foreign retailers is that their suppliers may grow in size and cease to be SMEs once they start supplying to them. Although retail chain Tesco hadn't asked the government for a written clarification, it had wanted to know if sourcing from farmers would qualify as domestic sourcing.

## 21 Dawood's man masterminded betting syndicate in IPL, Vindoo Dara Singh arrested for links with bookies

May *IPL Spot Fixing*

The mastermind of the cricket betting syndicate is said to be a Dubai-based Dawood Ibrahim man named Sunil Ramchandani alias Sunil Dubai while the principal bookie referred to as 'Jupiter' in phone intercepts is a person

called Chandresh. He is reportedly close to several politicians, builders and police officers. Police are probing Dawood's connection with the bookies and feel that the betting syndicate extends to Karachi, Dubai, Jaipur, Kolkata and Ahmedabad.

Bollywood actor Vindoo Randhawa, son of late wrestler-actor Dara Singh, was on Tuesday arrested in connection with the IPL spot-fixing scandal after he was found to be in contact with the bookies.

**Background:**

The Special Cell of Delhi police had arrested Sreesanth, his Rajasthan Royals teammates - Ajit Chandila and Ankeet Chavan on May 15 for allegedly indulging in spot-fixing in at least three IPL matches.

## 27 May Amway India Chairman and two directors arrested on charges of financial irregularities

**Chit Fund Fraud**

Network marketing firm Amway's India Chairman and CEO William S Pinckney and two company directors, Sanjay Malhotra and Anshu Budhreja, were arrested in Kozhikode on charges of financial irregularities following a complaint by a woman, who claimed to have incurred losses through the network and on the basis of three cases registered against the company last year. Last year, the crime branch had conducted searches at Amway offices at Thrissur, Kozhikode and Kannur as part of its crackdown on money chain activities. The godowns at these centres were closed and goods produced were also seized.

## 30 May CBI wants Anil Ambani and wife to be summoned in 2G spectrum trial

**2G Spectrum Trial**

The CBI has asked a Delhi court to summon Reliance Anil Dhirubhai Ambani Group chairman Anil Ambani, his wife Tina Ambani and 15 others as prosecution witnesses in connection with the 2G Spectrum trial. The CBI made the plea after some bank documents pertaining to money transaction of Rs. 997 crore in October 2007 between the DB Group Company and Reliance ADA Group companies, surfaced. Top Reliance executives Gautam Doshi, Surendra Pipara and Hari Nair are facing trial in the case along with Swan Telecom promoters Shahid Usman Balwa and Mr. Vinod Goenka, Managing Director of DB Realty Ltd. The CBI had alleged that RTL used Swan Telecom, an ineligible firm, as its front company to get 2G licenses and the costly radio waves.

# Politics & Government

## 03 May Former Health Minister Anbumani Ramadoss arrested

**Hate Speech**

Former union minister and PMK youth wing leader Anbumani Ramadoss was arrested by Tamil Nadu police in connection with an alleged hate speech case filed against him. Ramadoss made this speech at a public meeting last year. Ramadoss blamed the AIADMK, calling the arrests an act of political vendetta and urged party cadres to hold peaceful protests against the arrests.

## 08 May US government directly blames China's military for cyberattacks

**US-China**

The US government has directly accused the Chinese government and military of cyberattacks on US government computer systems and defence contractors, saying one motive could be to map military capabilities that could be exploited during a crisis. Although almost 90% of cyber espionage in the US originates in China, the US government has till now avoided directly accusing the Chinese government and military of unleashing cyberattacks on the US. China's military has denied the allegations and said that the two countries should cooperate on the global threat of cybercrime.

## Science and Technology

### 02 May Harvard scientists invent world's smallest flying robot

#### May *Flying Robot*

Scientists of Harvard University have created a robot, the size of a fly, that can perform almost accurate movements and has the same agility as a common fly. This "robo-fly", built from carbon fibre, weighs a fraction of a gram and has super-fast electronic "muscles" to power its wings. Just like a real fly, the robot's thin, flexible wings beat approximately 120 times every second. In future, the robo-fly can be used in rescue operations like navigating through tiny spaces in collapsed buildings or environmental monitoring to sense trace chemicals or other factors and could also be used like real insects to assist in the pollination of crops.

### 02 May Scientists develop digital camera with compound eye-like lenses

#### May *Compound Lenses Digital Camera*

A digital camera that has a lens that very closely mimics the compound eye of arthropods in all respects — wide-angle field of view of nearly 160 degrees, low aberration, high sharpness of vision, and infinite depth of field has been developed by a team of scientists led by Young Min Song from the University of Illinois at Urbana-Champaign, U.S. Compound eyes of arthropods are by default hemispherical and have multiple lenses. Digital cameras available today have a planar sensor with a single lens and the biggest challenge that the scientists faced was in developing such a hemispherical sensor that has multiple microlenses. They took advantage of the recent developments in stretchable electronics to achieve this.

### 05 May NASA's curiosity rover back to work after a week-long communication gap

#### May *NASA Curiosity Rover*

NASA's Curiosity rover is back in work and within the command of NASA scientists, after a long communication gap since early April, when Mars slipped behind the sun from Earth's perspective. The Sun can disrupt communications between the two planets in this alignment, which is known as a Mars solar conjunction. Curiosity landed inside Mars's huge Gale Crater in August last year, kicking off a two-year surface mission to determine if Mars has ever been capable of supporting microbial life.

### 07 May India tops list of most number of newborns who die on the first day

#### May *Newborn Deaths*

A report by US-based 'Save the Children' which ranks 176 countries on maternal and child mortality, says that more newborns die on the first day in India than in any other country. Every year, over 309,300 children (29% of global share) in India don't live beyond the first day because of complications associated with preterm birth, hygiene and maternal health. Despite being more populated, China ranks 4th and accounts for only 5% of the

global share of first-day deaths. Nearly two-thirds of all first-day deaths occur in just 10 countries and most of these countries have very large populations like India, China and Indonesia. Other countries high up on the list are Pakistan, Afghanistan and African nations like Nigeria and Ethiopia. Just 1% of the global first-day deaths occur in developed countries and US tops that list.

## 12 \$325,000 hamburger made from cultured meat developed in laboratory

### May *Cultured Meat*

Dr. Mark Post of Maastricht University has created a five-ounce hamburger assembled from tiny bits of beef muscle tissue grown in a laboratory. The idea of creating actual meat in the laboratory and not a substitute made from soybeans and other protein sources has long been a subject of discussion and Dr. Post has found it extremely difficult and expensive to create cultured meat from stem cells in the laboratory. His burger consists of about 20,000 thin strips of cultured muscle tissue and the burger was created at a phenomenal cost of 250,000 euros or about \$325,000, provided by a donor who so far has remained anonymous. Full-scale production of cultured meat could greatly reduce water, land and energy use, and emissions of methane and other greenhouse gases, compared with conventional raising and slaughtering of cattle or other livestock. However full scale production of cultured meat such that it could be used alongside conventional meat and compete with it in price is a long way off.

## 17 Scientists make 3D images without digital camera

### May *3D Images*

Scientists from the University of Glasgow's department of physics and astronomy have found a way to make sophisticated 3D images without using the conventional digital cameras. Their system uses simple, cheap detectors which have just a single pixel to sense light instead of the millions of pixels used in the imaging sensors of digital cameras. The technology could open up affordable forms of 3D imaging and open up new possibilities including medicine and geography.

## 23 Government gives go-ahead to quadricycles to ply as public transport vehicles

### May *Quadricycles*

A government panel has given the go-ahead for the quadricycle to ply as a public transport vehicle within city municipal limits. Quadricycles are considered to be safer than three-wheeler as they have fully enclosed body structure with hard top and doors. Their maximum speed limit and engine capacity are considerably lower than that of a regular car. Quadricycles will have to carry a 'Q' sign in order to distinguish them from cars. However, these vehicles are unlikely to be allowed as personal transport.

## 24 Cockroaches evolve taste buds that make sweet insecticide baits taste bitter

### May *Cockroach*

North Carolina State University entomologists have discovered cockroaches' aversion to glucose, the simple sugar that is a popular ingredient in cockroach-bait poison. Glucose set off bitter receptors in cockroach taste buds, causing them to avoid foods that bring on this taste bud reaction. This aversion eventually spreads to offspring, resulting in increasingly large groups of cockroaches that reject glucose and any baits made with it. The tests showed the unexpected electrophysiological reactions that glucose stimulates both sugar and bitter receptor neurons, confirming behavioural tests that showed cockroaches quickly fleeing from glucose when presented with it.



## 28 May Hospitals resort to technology and other innovative ways to compel staff to wash hands

### *Hand Hygiene Among Hospital Workers*

Hospitals are using various methods to promote a basic tenet of infection prevention, hand-washing or hand-hygiene. With hospital-acquired infections costing \$30 billion and leading to 100,000 patient deaths a year, hospitals are willing to reduce risk of infection by all means. Without encouragement, hospital workers wash their hands as little as 30 percent of the time that they interact with patients. So, workers are resorting to monitoring via video, training hand-washing coaches, interactive badges, handing out rewards like free pizza and admonishing with 'red coupons' as in a soccer match. Hospitals are using Radio-frequency ID chips that note when a doctor has passed by a sink and undercover monitors to watch whether their colleagues are watching their hands for the requisite 15 seconds. All this effort is to coax workers into using more soap and water, or alcohol-based sanitizers like Purell. The incentive to do something is strong under new federal rules which say that hospitals will lose Medicare money when patients get preventable infections.

## Sports

## 23 May Pakistani umpire Asad Rauf withdrawn from Champion's Trophy

### *Spot- Fixing*

Pakistani Umpire, Asad Rauf, who has been on the ICC's elite panel of umpires, has been withdrawn from the Champion's trophy to be held in England in June, after media reports said that the umpire is being investigated upon by police in India following a recent spot-fixing scandal. Rauf was one of the umpires in the controversial Indian Premier League match that saw Rajasthan Royals players S Sreesanth, Ajit Chandila and Ankeet Chavan arrested for alleged spot-fixing.

## 26 May Government to put in place anti-fixing law by August

### *Anti-Fixing Law*

The government has said that it will put in place an anti-fixing law by August to tackle match fixing and spot fixing but ruled out promulgation of an ordinance on it. The government will hold discussions with all political parties and other stake holders to ensure smooth passage of the Bill in parliament.

## World

## 02 May Former Pakistani President Pervez Musharraf arrested over killing of Baloch leader

### *Pervez Musharraf Arrest*

Pakistani police on Thursday arrested and interrogated former president Pervez Musharraf, over the killing of Baloch leader Akbar Bugti in a 2006 military operation. Musharraf was the army chief when the operation against Bugti was ordered and a Balochistan court had issued a warrant for his arrest in 2011. Since his return to Pakistan in March, Musharraf has also been arrested for detaining more than 60 judges during the 2007 emergency and over the assassination of former Prime Minister Benazir Bhutto.

### 03 May

#### Prosecutor investigating Benazir Bhutto murder case shot dead

##### *Pakistan*

Chaudhry Zulfiqar Ali, the top prosecutor investigating the murder of Pakistan's ex-Prime Minister Benazir Bhutto and the 2008 Mumbai attacks, died in hospital after being shot dead by unidentified gunmen as he was driving from his Islamabad home to a court hearing in the Bhutto case in Rawalpindi. Police have not speculated on a reason for the shooting.

### 06 May

#### Radical Islamists clash with authorities in Dhaka, 15 people dead

##### *Bangladesh*

Radical Islamists of the Jamaat-e-Islami and its student wing, thousands of members of the Hefazat-e-Islam threw Molotov cocktails and set on fire and looted banks and offices and also burnt down scores of vehicles, including those belonging to police and paramilitary forces on 5th May in Dhaka, Bangladesh. BNP chief and former Premier Khaleda Zia, also lent support to the radicals asking her supporters to rally around the radicals. In a decisive drive, the joint forces of police, paramilitary Bangladesh Border Guard (BGB) and the elite Rapid Action Battalion (RAB) closed in on the thousands of Hefajat activists and drove them out of Dhaka. Hefajat had placed a list of demands including curbs on women's rights, including free mixing between men and women in public, abolition of the national women development policy and enactment of anti-blasphemy law, which the Sheikh Hasina government refused to accept.

### 13 May

#### Global retailers agree on safety plan for Bangladesh factories

##### *Bangladesh Garment Industry*

Several of the world's largest apparel companies have agreed to a plan to help pay for fire safety and building improvements after Rana Plaza factory complex which housed international garment companies collapsed and led to the death of more than 1,100 people, mostly workers. The plan is endorsed by H & M, the largest purchaser of garments from Bangladesh and Inditex, owner of the popular Zara chain. Dutch retailer C & A and British retailers Primark and Tesco have also joined the agreement. Bangladesh has the worst practices in the global garment industry and international trade unions and workers alike have welcomed the agreement. PVH, the parent company of Calvin Klein, Tommy Hilfiger and Izod, announced it would sign the deal, and also contribute \$2.5 million to underwrite factory safety improvements. Meanwhile, Bangladesh's cabinet approved changes in labor laws as part of efforts to comply with international labour standards and improve on-the-job conditions.

### 16 May

#### Bangladesh building collapse accident prompts global textile industry to search for new locations

##### *Textile Industry*

The Rana Plaza collapse in Bangladesh, considered the deadliest industrial accident in the global garment industry, that left 1127 people dead, has prompted major players in the global garment industry to shun Bangladesh and search for other locations. Western executives of top textile and retail companies are visiting Cambodia, Indonesia and Vietnam to search for potential new suppliers. Along with the recent factory collapse, a lethal factory fire in Bangladesh last November, 33 regional or national strikes there since January, hundreds of deaths in factional street fighting there since February, have left multinational corporations

scrambling for other options. Yet safety problems could exist anywhere and many social activists feel that shifting focus to other countries was an excuse to avoid improving safety standards in Bangladesh.

Garment manufacturing makes up a fifth of the economy in Bangladesh and four-fifths of its exports and Bangladesh is desperately dependent on continued export orders to stop soaring unemployment and possibly further political unrest.

18

May

## Immigrants staying in America face risks of heart disease, high blood pressure and diabetes

### *Health*

Immigrants living in America, since a long time, face high rates of heart disease, high blood pressure and diabetes and their American-born children tend to live shorter lives than their parents. Still, the foreign-born Hispanics, America's largest immigration group live about 3 years longer than their American born counterparts. Gradual adoption of American lifestyle - fast food, smoking and drinking leads to a variety of diseases and reduces their life span. With fast-food being available easily, Children lose their taste for traditional Mexican healthy food such as cactus and beans. 15-20 years ago, as disposable earning increased, fast-food fare along with its taste, was also a sign of success, a family treat that new earnings put in reach. Today, fast-food has become a necessity to match America's frantic work pace. Food habits advised by doctors, which consists of more fiber and less meat, were exactly the lifestyle habits that immigrants were normally keeping. That is why immigrants who have less education and lower income, factors usually associated with worse health, tend to live longer than their American counterparts.

23

May

## Soldier hacked to death and beheaded in London

### *Soldier Beheading*

A serving soldier was hacked to death in broad daylight, in Woolwich, south-east London, by two armed men who asked shocked passers-by to take their photographs as they beheaded their victim with a machete-style knife. Eye witness accounts said that the attackers chanted Allahu Akbar as they beheaded the soldier and one of them was seen on the witnesses' video making political statements and warning of more violence. The two accused, Michael Adebolajo, 28, and Michael Adebowale, 22, were shot and captured by the police. Adebolajo had been previously arrested in Kenya in 2010 with five others near the country's border with Somalia. Police believed Adebolajo was going to work with al-Shabab, which is the Somali-based cell of the militant Islamist group al-Qaeda.

24

May

## Obama defends drone strikes as an act of self defence against terrorists

### *US Drone Strikes*

US President Barack Obama has defended drone attacks as a just war of self defence against militants and as a campaign that has made America safer. He also defended the drone strikes on four US citizens saying that America was at war with an organization which could kill as many American citizens if America didn't strike first. The US administration said that drone strikes were sanctioned only after taking into consideration that capture wouldn't be feasible and civilians wouldn't be hurt. He also mentioned his long-standing commitment to close the detention centre at the US base in Guantanamo Bay, Cuba.