

★★★★**Starred Articles**★★★★

01 No Cliffhanger for the US economy

Jan **Corporate > USA**

The American Taxpayer Relief Act of 2012, which includes a rare increase in taxes on the wealthiest households in US, was approved by the US Congress. The tax rates would rise to 39.6 per cent from 35 per cent for individual incomes more than \$400,000 and couples more than \$450,000, while tax deductions and credits would start to be phased out on incomes as low as \$250,000. This bipartisan budget deal will prevent the world's largest economy from falling into another fiscal crisis.

Background:

A package of significant tax cuts, first enacted under President George W. Bush expired in December 2012. As the marginal tax rate was reduced from 39.6 per cent to 35 per cent by these cuts, after these cuts expired tax rates would have increased in January 2013.

The Budget Control Act of 2011, effective from January 2013, would automatically cut or “sequester” the government spending if it would exceed the budget resolution.

This increase in taxes coupled with spending cuts in the budget would have resulted in reduction in the US Budget deficit and would have pulled the nation dependent on financial stimulus into another official recession. So the US Congress debated about the measures to make the deficit larger by reducing taxes or increasing spending.

By signing the American Taxpayer Relief Act of 2012, the US has successfully avoided the conundrum. Although the bill is passed on 1st January 2013, the passing of this bill is backdated to help the US to technically avoid going over a "fiscal cliff".

04 Kingfisher Airlines loses license to fly

Jan **India > Aviation**

The troubled Kingfisher Airlines has lost its permit to fly after a deadline to renew its suspended license expired. Directorate General of Civil Aviation Arun Mishra said Kingfisher Airlines has failed to provide additional details on the funding of operations in reference to Kingfisher’s reinstatement plans submitted to the DGCA last month. Recently, the troubled airline said it was in talks with Etihad Airways and other investors to take a stake in it. The Vijay Mallya owned Kingfisher airlines has made losses for 5 years in a row and it is \$1.4bn in debt and has been unable to pay staff, airports, tax authorities and its lenders. Meanwhile, 17 member consortium met in Bangalore to discuss the company’s turnaround plans amidst demands by the staff to sell assets and pay them their dues.

06 Pre-Trial Proceedings to start for the Delhi Gang - Rape case

Jan **India > Crime**

A Delhi court today acted on the chargesheet filed by the Delhi Police on the Gang Rape case. Five of the accused have been booked for murder, attempt to murder, gang rape, unnatural offences, causing hurt in committing robbery, dacoity, dacoity with murder, destruction of evidence, common intention and dishonestly receiving stolen property. Two of the accused, Pawan Gupta and Vinay Sharma expressed their wish to become prosecution witnesses but the police said that they had doubts on the reliability of the accused.

The sixth accused, who is a juvenile, will be tried before a Juvenile Justice Board. He will attain majority in 5 months. With older Juveniles getting away, there is a demand that the Juvenile Justice Act needs to be amended.

As an answer to the demands from various quarters, the UPA government has decided to implement all the recommendations of the Justice Malimath Committee and tighten laws on sexual assault in an attempt to make the criminal justice system more efficient.

08 Hate Speech accused Akbaruddin Owaisi arrested

Jan **India > Andhra Pradesh**

The Andhra Pradesh Police have arrested hate speech accused Majlis-e-Ittehadul Muslimeen MLA Akbaruddin Owaisi. The police have registered four cases against Owaisi, the MLA of Chandrayangutta constituency in Hyderabad, on charges of promoting enmity between different groups and waging or attempting to wage war or abetting waging of war against the government of India. Owaisi had allegedly delivered an inflammatory speech on Dec 22 last year in Nirmal Town of Adilabad district against a particular religious community. He had been remanded to a 14-day judicial custody by a magistrate court in Nirmal Town. Owaisi had previously been accused on many occasions of delivering communal speeches against the Hindu community.

08 Arjun Munda recommends dissolution of Jharkhand State Assembly

Jan **India > Jharkhand**

Jharkhand Chief Minister Arjun Munda has recommended the dissolution of the state assembly to Jharkhand Governor Syed Ahmed. The Shibu Soren led Jharkhand Mukti Morcha (JMM) met the governor and officially withdrew support to the Bharatiya Janata Party. The Munda government has technically become a minority after the JMM withdrew support. With JMM withdrawing support, the BJP-led NDA government has the support of only 26 MLA's in the 81 member assembly.

Background:

The political crisis started when JMM chief Shibu Soren wrote to the Chief Minister Arjun Munda on 25th December asking him to hand over the Chief Minister's post to JMM as part of a 28 month power sharing deal. However, Munda denied in writing that any such deal had happened at the time of forming the government and refused to step down stating that the government has to take a decision keeping the stability of the state in mind. The BJP had firmly stated its support to Munda and dismissed any such claims of a power sharing deal.

08 Messi wins Player of the Year Award for the 4th consecutive time

Jan **Sports > Soccer**

Argentine football great Lionel Messi won the FIFA Balon d'or the FIFA Men Player of the year Award for the 4th consecutive time. This came as an expected achievement for the 25 year old, who had an astounding year with 91 goals for Argentina and Barcelona in 2012. Messi beat Cristiano Ronaldo of Spanish champion Real Madrid and Barcelona teammate Andres Iniesta to win the trophy. Messi's fourth award broke former records of soccer legends Brazil's Ronaldo and France's Zinedine Zidane who had each won the FIFA Player of the Year award thrice.

09 Train fares to go up from January 21st midnight

Jan **India > Railways**

Railways Minister Mr. Pawan Kumar Bansal announced today that train fares will go up from January 21st, Midnight. The increase ranges from 2 paise per kilometre for second class ordinary (suburban) trains to 10 paise per km for AC 1st class trains. Usually the hike in train fare is announced during the Railway Budget.

However the Railway Minister said that this was the need of the hour as fares have not been increased for a decade and the railways had incurred a loss to the tune of 20000 crores in 2010-11. The fare hike is expected to contribute 6000 crores to the railways.

09 Pakistani Troops behead and mutilate two Indian soldiers

Jan **India > LOC**

In a major disruption of the ceasefire agreement that has been in force since 2003, Pakistani troops entered Indian territory, and beheaded an Indian soldier and mutilated his counterpart before killing him. India has termed the incident ghastly, inhuman and unacceptable and asked the Pakistani government to immediately investigate the matter. Indian Foreign Secretary Ranjan Mathai summoned Pakistan High Commissioner Salman Bashir and made it clear that such events were unacceptable and Pakistan must uphold the sanctity of the Line of Control. The attacks are seen as a clear attempt to disrupt diplomatic relations between the two countries and an already slow moving peace process since the 2008 attacks in Mumbai.

10 Pakistan and India violate LOC norms

Jan **Politics and Government** > *Indo-Pak Relations*

In what is said to be the largest blow to Indo-Pak relations since the 2003 ceasefire, the last week has seen as many as five soldiers losing their lives in cross-border firing.

It all started with the Indian Army accusing Pakistani troops for violating the ceasefire between the two countries and mutilating the bodies of two jawans on December 8th 2012. One of the jawans, Lance Naik Hemraj was beheaded. In reply to this, Pakistan accused India of killing one of its soldiers in a cross-border attack. The Indian army has released a statement saying that it did open fire on Pakistani troops but it had not crossed the border.

The Pakistan government had summoned Indian High Commissioner Sharat Sabharwal about the Indian attacks on Pakistani troops, calling them 'unacceptable and unprovoked'. On 11th January 2012, Pakistani troops fired across the LoC at five posts in the Krishna Ghati and Sona Gali sectors of Jammu and Kashmir. The Indian army said that this was a Pakistani attack whereas the Pakistani army says that it was a counter-attack.

Firing was also seen in Nangitikri and Krishnagati areas in Poonch district of J&K. On 14th January 2013, both countries held a flag meeting at Chakan da Bagh in Poonch district along the Line of Control (LoC) in Kashmir. The meeting which lasted thirty-five minutes, was the first on-ground contact between the two armies since last week's tension. Pakistan agreed to the meeting after much persistence from India for the last four days.

Meanwhile, Indian martyr Lance Naik Hemraj's family went on a six day hunger strike which ended on 14th January 2013 after being assured by political forces that justice will prevail.

In response to the entire episode, Indian External Affairs Minister Salman Khurshid has said that India "will continue to make efforts to get to the bottom of the matter and that truth was a necessary ingredient of any reconciliation."

11 Apple penetrates into Chinese markets

Jan **Corporate** > *Apple*

Chief Executive Officer of Apple, Tim Cook, has visited China twice in one year and has said that the Asian giant will soon be taking over the United States of America as the largest market for Apple products in the world.

Currently China is the second-largest market for Apple products and the technology biggie sold more than two million iPhone 5 handsets in just three days of it being launched in China, on 14th December 2012.

Cook has shown excitement in launching new products in China and has plans to launch a cheaper iPhone for emerging markets in Asia.

11 Barack Obama, Hamid Karzai meet at White House

Jan **Politics and Government** > *U.S. - Afghanistan*

Afghanistan President Hamid Karzai arrived in the U.S. on 11th of January 2013. His day began in the White House with President Barack Obama discussing post-war relations between the two countries. The U.S. has certain commitments towards Afghanistan which it will look to fulfill. The discussion also covered the number and nature of NATO troops to remain in Afghanistan.

The two hour meeting was followed by lunch and then a short press conference. President Barack Obama also discussed with President Karzai a schedule to bring all 68,000 American troops back to their homeland and the future needs of Afghanistan to meet its own security needs.

In the press conference Obama stated plans of an anti-terror operation to get to the root of the Taliban and eliminate Al-Qaeda. Obama discussed troops of 3,000, 6,000 and 9,000 for various post-war operations. The White House suggested that Obama was looking to fast-track operations so that zero Americans remain in Afghanistan.

15 Inflation slows to 3-year low, RBI may cut rates

Jan **Economy** > *Inflation*

According to India's Commerce and Industry Ministry, the country's overall inflation has fallen to a three-year low, based on monthly wholesale price index. Currently, the country's inflation stands at 7.18% as of December 2012. This may lead to a drop in interest rates to support faltering growth.

The Ministry also said that good news was in store as inflation has been showing signs of moderation, especially in the manufacturing sector. This comes as a relief from the more-or-less stubborn inflation rates in the past months. The government has also revised the October inflation number from 7.455 to 7.32%.

On the downside, retail inflation went back to double digits, according to the nationwide consumer price index. Meanwhile, the RBI has tightened monetary policy to keep a check on sticky inflation but the rates will be eased when it reviews its policy on January 29.

15 2 year high for Sensex

Jan **Economy > Macro economy**

The decision of the Finance Ministry to fasten the economic reforms process by modifying the General Anti-Avoidance Rules (GAAR) has had a positive effect on the Stock Market. The SENSEX and NIFTY, both rose to a 2 year high.

Investors gained up to Rs 80,000 crore and were also pleased with relaxed inflation figures, which dropped to a three-year low, that in turn raised chances of a cut in rates by RBI later this month.

Market experts and investors say that the tough decision to change the provisions of GAAR will also boost foreign investment in India. Gautam Trivedi, MD & head of equities-India, Religare Capital Markets said that the foreign investors are happy with the way the government of India is responding to their concerns.

The banking and finance sector saw company stocks soar, with HDFC up 1.9% at Rs 825 and ICICI Bank closing 1.7% higher at Rs 1,185.

IT stocks also soared as the sector's stalwarts like Infosys and TCS performed very well in the first quarter making high profit margins to gain bigger contracts. The Infosys stock gained 3.5% to add to its 17% gain on 11th January 2013 and close at Rs 2,807, while TCS was up 2.1% at Rs 1,334. The IT index on BSE was up 2.6%.

Infosys chief executive, S.D. Shibulal had something positive to say since June 2012, TCS said that it will surpass Nasscom's revenue forecast of 11 to 14 percent growth for the year end of 31st March.

15 Urjit Patel takes charge as RBI deputy governor

Jan **Economy > RBI**

The Reserve Bank of India has a new deputy governor in the form of Urjit Patel. Patel will be heading the department of monetary policy which was earlier headed by Subir Gokarn.

Mr. Patel has been appointed as deputy governor for a period of three years, effective from 11th January 2013. He will be joining the other three deputy governors namely K C Chakrabarty, Anand Sinha and Harun R. Khan.

Urjit Patel has a Ph.D. in economics from Yale University and an M. Phil from Oxford. Prior to his appointment as the deputy governor of the Reserve Bank, Patel was adviser (energy & infrastructure), Boston Consulting Group.

16 Pakistan SC orders arrest of Prime Minister Raja Pervez Ashraf

Jan **Politics and Government > Pakistan**

The Pakistan Supreme Court on Tuesday ordered the arrest of Prime Minister Raja Pervez Ashraf on grounds of receiving bribes in Rental Power Projects (RPPs) as Federal Minister of Water and Power. This is the second case of a Prime Minister losing office in less than a year after the exit of Yusuf Raza Gilani in June 2012. The Pakistan Supreme Court had, in March 2012, declared all RPP contracts as illegal and ordered authorities to take steps against those involved in clearing the contracts including Pervez Ashraf.

Meanwhile, accompanied by thousands of supporters, Pakistani-Canadian Sufi cleric Tahir-ul Qadri launched his 'Million-Man Long March' from Lahore to Islamabad on Sunday. He said the march would mark the protest of the Pakistani people against corruption and the oppression of the poor by those in power. Early on Tuesday, Qadri had demanded the dissolution of the National and State Assemblies. The Supreme Court's recent order is seen by many as an immediate reaction to Qadri's demands. Soon after the Supreme Court issued the order, Qadri's supporters cheered and welcomed the decision.

17 Jan Tahawwur Rana, convicted of aiding terrorist outfit LET, sentenced to 14 years in prison

World > Crime

Tahawwur Rana, a 52 year old Pakistani-Canadian and accomplice of convicted terrorist David Headley was sentenced to 14 years of prison by a US Court for providing material support to the 2008 Mumbai attack group LET and helping plan an aborted plot to behead staff at a Danish newspaper. He was, however, cleared of the more serious charge of helping plot the Mumbai attacks which resulted in the loss of 160 lives.

Convicted terrorist David Headley was the government's star witness in the trial. Pakistani-American David Headley had earlier pleaded guilty of laying the groundwork for the Mumbai attacks and help plan the attack on the Danish newspaper. During the trial, prosecutors had argued that Rana had allowed Headley to open offices of his Chicago based immigration services in Mumbai which Headley used as a cover to survey sites and gain access to newspaper offices for the 2008 Mumbai terrorist attacks.

17 Jan DLF to sell wind energy business for 900 crore

Corporate > DLF

India's biggest real estate company DLF will sell its wind energy business to an unlisted firm, Bharat Light and Power (BLP), owned and founded in 2010 by former General Electric President and CEO for India, Sri Lanka and Bangladesh, Tejpreet Singh Chopra. DLF plans to first sell windmills that can generate up to 200 megawatts of power. Assets that can generate another 28 MW of power will be sold later. The latest sale follows a string of disposals done by the real estate giant in recent months to reduce its debt pile acquired in the past decade to acquire large tracts of land, build hotels and develop real estates across the country. Last month, DLF announced a deal to sell its stake in luxury hotel group Aman Resorts. Last year, it sold another hotel firm in Kolkata and also a large land parcel in Mumbai.

Background:

DLF, founded by billionaire Kushal Pal Singh, has a land bank of 10,255 acres, the biggest in the real estate sector. At its peak, its debt pile stood at Rs 23,000 crore. It hopes to end March 2013 with an overall debt level of 18,000 crore.

22 Jan Foreign Investment Promotion Board (FIPB) clears IKEA's investment proposal

Corporate > IKEA

The Foreign Investment Promotion Board has approved Swedish Home Furnishings Company IKEA's Rs. 10,500 crore investment proposal which the Board had earlier rejected in November 2012. This approval allows the company to set up retail stores along with its popular cafes in stores and also increase its product categories in India from 15 to 18. The Cabinet Committee on Economic Affairs will take the final call on the endorsement as the FIPB can endorse investments upto Rs. 1,200 crore only.

22 Government hikes import duty on Gold

Jan **Economy > Gold**

Import duty on gold and platinum will now be 6% against 4% earlier. The government has also directed gold exchange –traded funds to park a part of their gold holdings with banks. It has also eased the terms of gold deposit schemes of banks to encourage individuals to deposit some of their idle gold to partially meet the demand through domestic sources. This move comes after India's Current Account Deficit (CAD) widened to a record 5.4% of gross domestic product in the first half of the current fiscal as gold and crude oil imports remained high.

22 Former Haryana CM Om Prakash Chautala and son sentenced to 10 years in Jail

Jan **Politics and Government > Teacher Recruitment Scam**

Former five-time Haryana CM Om Prakash Chautala and his son Ajay Chautala were sentenced to 10 years of rigorous imprisonment by a special CBI Court for illegal recruitment of junior basic trained (JBT) teachers. On January 16, the court had held Chautala, his son and 53 others guilty of illegally recruiting 3,206 junior basic trained teachers in Haryana in 2000. In protest against the judgement, over 600 supporters of Indian National Lok Dal (INLD) chief Chautala clashed violently with the police outside the court.

22 Rahul Gandhi appointed Congress Vice-President, Rajnath Singh to replace Gadkari as BJP chief

Jan **Politics and Government > Political Party**

The Congress on 20 January appointed Rahul Gandhi as the vice-president of the Congress party, a position that elevated him to the number two position in the party after mother Sonia Gandhi. The decision was taken at the recently concluded two-day Chintan Shivir intended to create an agenda for 2014.

In another development, BJP party President Nitin Gadkari resigned after protests following Income Tax raids on businesses that had invested in Purti group founded by him. Former BJP chief and UP leader Rajnath Singh has been appointed as the new party president.

24 Developing nations on top in 2012 FDI index

Jan **Economy > FDI**

According to the United Nations Trade and Investment Think Tank (UNCTAD), developing nations have, for the first time, attracted more foreign direct investment than the industrialized nations, where FDI flows have dipped 18 percent in the last year. Weak investments in the crisis-hit developed economies of the United States, European Nations and Japan have been largely responsible for the USD 300 billion-decline in global FDI last year. However, developing countries have also registered a dip in FDI inflows. Asia, which raked in 59 percent of all FDI to developing countries, saw its inflow drop 9.5 per cent, with China, the world's second-largest recipient of such investments, registering a 3.4-per cent drop in 2012 FDI inflows despite the fact that the world economy grew 2.3 percent in 2012.

28 Toyota regains position as world's biggest car maker

Jan **Corporate** > *Toyota*

Japanese carmaker Toyota has regained its position as the world's biggest car maker after the company posted 22% increase in sales from 2011. Toyota sold 9.75 million vehicles in 2012, more than General Motor's sales of 9.29 million vehicles. In 2011, General Motors held the top spot. Toyota's sales in 2011 had been hit by natural disasters in Japan and Thailand which had slowed down production at its factories. Toyota's rivals such as Nissan Motor and Honda Motor have also reported record number for vehicle sales in 2012. The decline in the Yen against the dollar since last November, might have aided Toyota which relies heavily on overseas sales.

29 RBI cuts REPO rates by 25 basis points, reduces the Cash Reserve Ratio

Jan **Economy** > *Macro economy*

The Reserve Bank of India cut the short-time lending rate, also called REPO by 0.25 percent to 7.75 percent for the first time in the past nine months to support the slow economic growth. In another unexpected move, the RBI has reduced the CRR, the share of deposit banks must keep with the RBI, by 25 bps to 4 percent which will release 18,000 crore additional liquidity into the system. The cut in REPO rates is expected to reduce the cost of borrowing for individuals and the CRR reduction would improve the availability of funds.

30 Philips to sell home entertainment business

Jan **Corporate** > *Philips*

Amsterdam based Philips Electronics has decided to quit its traditional business of home entertainment by selling its audio and video businesses to Japan based Funai Electronics Company for 150 million Euros, a move intended to focus more on its profitable home appliances and healthcare businesses. Philips had already hived off its television business last year by setting up a joint venture with Hong Kong-based TPV, after facing steep-competition from low-cost Asian manufacturers including Samsung and LG. With most people turning to online download of movies, games and music, Philips decided to get out of home entertainment even though it was profitable last year. In future, the consumer division will focus on appliances such as shavers and electric toothbrushes as well as toasters, juicers and coffee makers.

30 Etihad Airways to buy 24% stake in Jet

Jan **Corporate** > *Aviation*

Abu Dhabi based airline Etihad will pick up 24% stake in Naresh Goyal owned Jet Airways for about \$330 million. The 24% stake is to be valued at Rs. 7,652 crore, a substantial premium to Jet's market capitalization of almost Rs. 5,100 crore. FDI in the aviation sector has paved the way for Indian carriers to get both funds and expertise from foreign airlines. Senior officials from Etihad will be meeting the Commerce and Aviation ministers to apprise them of the decision.

Background:

Naresh Goyal, a non-resident Indian, owns 80% stake in Jet, with 79.9% through his Isle of Man-based company Tailwinds. Previously, Goyal had to buy back 40% stake in Jet Airways which was held equally by Gulf Air and Kuwait Airlines when FDI by foreign airlines was disallowed in 1996.

Awards

26 Padma Vibhushan and Padma Bhushan awards announced

Jan *Padma Awards*

The government came out with a list of 108 Padma awardees that included actors, sportspersons and other distinguished personalities from the field of art, science and literature. Noted physicist Yash Pal, space scientist Roddam Narasimha, renowned sculptor Raghunath Mohapatra and painter S. Haider Raza were chosen for this year's Padma Vibhushan, India's second highest civilian award after the Bharat Ratna. 24 people were chosen for the Padma Bhushan which included names like Rahul Dravid, Rajesh Khanna and Sridevi. Among the 80 Padma Shri awardees are B. Jayashree (art) from Karnataka, film Director of Sholay fame Ramesh Sippy, noted Photo journalist Pablo Bartholomew, and fashion designer Ritu Kumar. Olympians Mary Kom, Yogeshwar Dutt and Vijay Kumar also featured among the Padma awardees.

Nobody was named for the Bharat Ratna for this year too. The last awardee was the late Pandit Bhimsen Joshi in 2008.

Bank Specific

24 ING exits Life Insurance in India, sells entire stake

Jan *ING*

ING has sold its entire 26% stake in ING Vysya Life Insurance to its joint venture partner Exide Industries Ltd. in a deal that valued the company at 1,100 crore. Although ING held only the maximum permissible stake of 26%, it had controlled the life insurance operations for over a decade whereas the Indian shareholding changed several hands. ING said it was exiting India as part of its plans to divest its insurance and investment management business in Asia. However the company clarified that this decision does not impact ING Vysya Bank in which ING has a 44% stake nor its fund-management businesses in the country. Exide is now looking for a foreign insurer who will buy the 26% stake. ING is the fourth insurer to exit India after the opening up of the insurance sector.

Background:

The ING Group is a Dutch multinational banking and financial services corporation headquartered in Amsterdam. Its primary businesses are retail banking, direct banking, commercial banking, investment banking, asset management, and insurance services.

Automotive battery manufacturer Exide is a Rajan Raheja group company and has a market capitalization of over Rs 10,000 crore. The company got into the life insurance business by buying out GMR group.

24 Jan Banks step up hiring at IIMs, offer 1-crore plus salaries

Jan *Jobs*

Banks seem to be the top hirers at IIMs this placement season and have offered at least three 1-crore salary packages so far. Deutsche Bank has given two such offers at IIM-Ahmedabad for its London office and Morgan Stanley has offered a 1-crore package to a student at IIM-Calcutta for a stint abroad. Most global and Indian banks are hiring more than last year and are offering pay packages which are 10-15% higher. Leading banks such as Standard Chartered, HSBC, HDFC and Axis Bank are offering salaries in the range of 15-18 lakhs. The top five consulting firms, including BCG and McKinsey, are also likely to hire more than 200 people this year. However, e-commerce companies, which had been the largest recruiters in campuses last year, are hiring less this year.

Corporate

03 Jan Mid-Sized Technology Outsourcing Companies to cut down on pay hikes and campus hiring in 2013

Jan *IT Outsourcing*

Slowdown in the US and European markets has forced mid-sized technology outsourcing companies to decide on lower pay hikes and cut down on campus hiring this year. Since the financial crisis of 2008, the \$100 billion Indian IT industry has been facing slower growth and lower revenues. Software services exporters such as Infinite Computer Solutions, Mastek, Mahindra Satyam and Infotech Enterprises said the pay hikes could be as low as 5% this year. Also, IT hiring figures of close to 1.5 lakh students every year, might go down drastically.

In a similar development, India's 2nd largest software company, Infosys has started to lay off underperforming employees in an attempt to reduce operational costs and focus on a more aggressive sales strategy. Infosys is asking about 5000 of the 1.5 lakh workforce to leave straightaway.

04 Jan US Federal Trade Commission dismisses allegations of unfair practices by Google

Jan *Google*

In an investigation spanning 19 months, the US Federal Trade Commission (FTC) declared that they didn't find enough evidence to suggest that Google unfairly favors its own services in search results. The judgement came as a blow to Microsoft Corp. and other Google rivals who had complained against the search major's business practices. However, Google will sign an agreement requiring the company to charge "reasonable" prices to license hundreds of patents for rival mobile devices such as Apple Inc.'s iPhone, Research in Motion Ltd.'s BlackBerry and smartphones running on a Microsoft Corp's Windows software. Upon request, Google will also exclude snippets from other websites in its summaries of key information.

Background:

Google gained ownership of the patents when it acquired Motorola Mobility Holdings at \$ 12.4 billion in 2012.

07 Bank of America to pay billions as mortgage loans to Fannie Mae

Jan *US Mortgage Loans*

Bank of America will pay US Mortgage Agency Fannie Mae \$ 10.3 bn as a settlement of claims related to residential home loans and \$1.3 bn as compensation. Fannie Mae had held bank of America responsible for the losses as it complained that the Bank had sold all its toxic debts. In a related development, 10 big mortgage providers which include Bank of America, Citigroup, JP Morgan and Wells Fargo, will provide \$8.5 bn as compensation to individual owners for mistakes in repossessing homes. In October, 2012, the US Government had sued Bank of America, JP Morgan Chase and Wells Fargo for alleged mortgage fraud.

Background:

Fannie Mae and Freddie Mac are two US government Mortgage agencies. Both these agencies buy mortgages from banks providing them with more funds to lend out. The US Mortgage market collapsed in 2008 after the housing bubble burst. Both Fannie and Freddie suffered \$30 bn because of their investments in the subprime mortgages. They were later bailed out by the US government.

14 Tata Motors aims to become No. 2 carmaker

Jan *Tata Motors*

Four month old managing director of Tata Motors, Karl Slym, is a man on a mission. He has initiated a major restructuring program which looks to make Tata Motors, which is India's largest automaker by revenue, the world's second-largest car maker, by 2020.

One of these restructuring elements including a common vision statement for the two types of cars – commercial cars and passenger cars. The vision will be called 'One Team One Vision'. Also, the company has appointed the man behind the Tata Nano and Tata Ace concept, Mr, Girish Wagh to head the product planning team.

Tata Motors further plans to improve the co-ordination between its four engineering centers viz. India, UK, Italy and South Korea and also improve backend services like designing, engineering and sourcing. It also aims at repositioning its 'micro car' and creating a number of two -seater in the vehicle industry.

16 Bharti Airtel India CEO, Sanjay Kapoor steps down, Gopal Vittal takes his position

Jan *Bharti Airtel*

Sanjay Kapoor, CEO of India and South Asia, Bharti Airtel, has decided to step down from his position after a stint of 15 years. Bharti started an organizational restructuring after Kapoor's exit, placing Gopal Vittal as the new CEO (India). Gopal Vittal had rejoined the company in April 2012 as group director (special projects). Kapoor will continue to be associated with the company as a director on board of Indus Towers and Bharti Global and will be available for a smooth transitional process until March 31st, 2013.

18 Reebok India plans revival as Adidas appoints new MD

Jan *Adidas*

Reebok India is looking at plans to revive operations throughout the country. The German sportswear major suffered a severe setback last year in a 870-crore scam that made headlines. Erick Haskell has been named the India MD of Adidas AG which owns Reebok. Haskell, who was COO of Adidas China before being transferred to India, said that his immediate priority is to put forth a growth plan for Reebok India and to introduce an aggressive marketing campaign in the coming months. Haskell also said that Reebok is contemplating opening its own retail outlets in India as India currently allows 100% foreign investment in single brand retailing. The fraud, last year, had prompted Adidas to announce closure of two-thirds of Reebok stores and overhaul its entire Indian business model. Haskell further said that no more stores will be closed and its previous 800-odd franchisees have agreed to switch to a new model of business.

29 Manchester United becomes first football team to be valued at over \$ 3 billion

Jan *Manchester United*

English Premier League soccer club Manchester United became the world's first professional sports team to be valued at over \$3 billion, according to a Forbes magazine report. Manchester United is listed on the New York Stock Exchange. New sponsorship deals and lucrative payouts in the Champions League and the English Premier League seem to have contributed to the surge in United's shares. 19 times EPL champion Manchester is ahead of the world's second-most valuable sports team, the National Football League's Dallas Cowboys which is valued at \$2.1 billion. United, who claim to have 659 million followers worldwide, are owned by the American Glazer family who retained a tight grip on the club after the shares of the club were floated on the NYSE last year.

29 Samsung Buys US medical imaging firm NeuroLogica

Jan *Samsung*

Samsung Electronics has bought a full stake in a Massachusetts-based medical imaging firm NeuroLogica as it wants to expand in the medical sector. NeuroLogica makes medical devices including CT scanners. Samsung plans to leverage its global brand name in consumer electronics, IT and communications to grow in the medical imaging business.

Background:

Samsung Electronics, the world's top maker of smartphones, memory chips and flat-screen TVs, is the flagship unit of the Samsung group. Samsung, in 2010, declared that it would spend \$20 billion over the following 10 years on five "new growth" areas including light-emitting diode technology, medical devices, biotech drugs, electric-vehicle batteries and solar panels.

31
Jan Research in Motion changes name to Blackberry, launches new mobile computing platform

Blackberry

Research in Motion, the makers of Blackberry smartphones have changed their corporate name to Blackberry in a move to leverage on the global brand name of its Blackberry mobile devices and revive its smartphone business. The move also coincides with the launch of a new mobile computing platform BB 10 and the launch of two revamped smartphones, one in the touch format known as BlackBerry Z 10 and another in the physical keyboard format known as Blackberry Q 10. Blackberry has been facing tough competition in recent times from Apple Inc.'s iPhone and Samsung's Galaxy devices in the smartphone market. The name change is seen as a crucial marketing move for the company that has undergone a management change and a major restructuring in recent times.

Economy

04
Jan Following on US footsteps, India contemplates higher taxes for the superrich

Tax

Prominent economists around the country urged the government to bring inflation down to 4-5% at the earliest. Key economic advisor to the Prime Minister Mr. C Rangarajan had suggested that the government should impose a marginal tax rate higher than the current 30% on individuals with substantially higher income.

His suggestion came a day after the US Congress approved a rare tax increase on the nation's wealthiest, the first time in two decades. Also, there were suggestions for higher investment in health and education sector, higher capital expenditure on agriculture and also for expanding the Tax base so that that the government's revenue could increase significantly.

04
Jan Gold Imports not responsible for growing Current Account Deficit

Gold

The widely perceived notion that rising Gold imports were responsible for the worsening of the Current Account Deficit had much less to do in reality with the actual issue. The CAD worsened to a record \$22.4 billion or 5.4% of the GDP in July-September last year. The overall merchandise trade deficit attributable to the growing difference between Oil imports and exports caused the CAD to widen to such alarming figures.

However, the government increased customs duty twice to curb the import of Gold. Since the increase, gold imports have come down significantly as compared to last year but the CAD has not decreased much. To address the issue, ideally the government should increase exports significantly and cut down on unnecessary imports of some finished goods.

12 Nobel laureate warns India about FDI leading to instability

Jan *FDI*

Nobel laureate and American economist, Joseph Stiglitz said that the current craze for FDI in India is not going to be productive. He has said that FDI in multi-brand retail would lead to instability as MNCs adopt corrupt and exploitative ways to gain monopoly in competitive markets.

Mr. Stiglitz gave an example of Wal-Mart in Mexico where the retail giant was offering bribes to officials at various levels to gain monopoly. He said that the same will happen in India and the labor force will be the worst affected. He also denounced the “myth” of benefits of FDI in the agricultural sector – farmers, producers and consumers.

18 Chinese economy grows 7.8% in Q4

Jan *China*

The Chinese Economy grew 7.8% in Q4, up from 7.4% in Q3. This is the slowest growth in 13 years. It is down from 9.3 per cent in 2011 and 10.4 per cent in 2010. In 2012, the gross domestic product reached 51.93 trillion yuan (USD 8.28 trillion). Amid apprehensions whether the GDP would miss the official target, it picked up in the last three months of the year mainly driven by Christmas and New Year sales. Analysts said that government stimulus measures introduced since early 2012 have helped to avert further slowdown.

18 Oil Companies' Shares gain as Sensex crosses 20,000 mark

Jan *Sensex*

The government's bold economic reforms measure of hiking diesel price seemed to bear fruits as the shares of major oil companies such as RIL and ONGC gained and the Sensex crossed the 20,000 mark. The government had, on 17th January, partially deregulated diesel price allowing a hike of 40-50 paise a litre per month for retail customers and nearly Rs 11 for bulk consumers. The BSE benchmark Sensex on Friday rose 123.75 points, or 0.62 per cent, to 20,087 with stocks of oil and gas, auto, PSUs, metal and banking sectors extending support. Shares of ONGC were trading at Rs 348.10 apiece, up 10.68 per cent in the early morning trade, RIL rose 897.30, up 7.65 per cent.

21 Indian IT Companies eye software outsourcing deals coming up for renewal worth \$50 billion in 2013

Jan *Information Technology*

Software Outsourcing Deals worth \$ 50 billion (2.7 lakh crore), worth almost half the size of the Indian IT Industry, are coming up for renewal in 2013. There is expected to be fierce competition among companies in the form of aggressive discounting. HCL Technologies, which recently won a contract from Deutsche Bank worth several millions dollars, could get it only because of aggressive discounting. Some of the long-term contracts coming up for renewal in 2013 are from Procter & Gamble, Bank of America, American Express and Unilever, first signed during 2002-03.

The top four Indian IT companies Tata Consultancy Services (TCS), Infosys, Wipro and HCL Technologies have posted better growth figures. However, it doesn't mean that the period of slow growth is entirely coming to an end. India's software exports are expected to barely grow by double digits as companies cope with fundamental technological and business model transformations.

Environment

12 Erratic weather worldwide

Jan *Weather Patterns*

2012 saw floods, droughts, deluges, storms and hurricanes in different parts of the world. People everywhere have become desensitized to these natural calamities and have accepted these erratic weather patterns as the new normal.

While China is experiencing the coldest winter in thirty years, Brazil is going through a heat spell. Parts of Russia are freezing with -50 degrees Celsius. Australia has seen bush fires in the previous year and Pakistan has seen devastating floods. The Middle East and the United States of America are also experiencing record breaking heat. The U.K. saw floods on three different occasions in 2012.

These are just a few examples of the unpredictable weather conditions that we are facing. Forecasters and experts say that such uncertainty in climate may be seen throughout 2013 as well.

India

14 World's largest religious gathering, Kumbh Mela, begins

Jan *Kumbh Mela*

The Maha Kumbh Mela, which is the world's largest religious gathering, started off on 14th January 2013 in Allahabad. Devotees flocked in large numbers to take a holy dip in the Ganges.

The festival will last for fifty-five days and is expected to have over one crore devotees participating in it.

The next festival will take place at Ujjain, Madhya Pradesh in the year 2016.

31 Government to toughen anti-rape laws, provide for life imprisonment

Jan *Legal*

Prime Minister Manmohan Singh said that the government would act on the recommendations of the Justice J S Verma Committee and toughen laws dealing with crimes against women by providing for life imprisonment for rape-murder and addition of new offences such as disrobing of women, voyeurism, stalking and trafficking. The government also agreed to the committee's recommendations to reject death penalty and chemical castration as punishment for rapists.

Meanwhile, the Supreme Court agreed to look into the demand for tighter laws for juveniles based on the nature of the crime committed by them.

Others

03 Jan **Legendary Violinist M S Gopalkrishnan passes away**

Arts

Violin maestro Padmabhushan M.S. Gopalkrishnan passed away after a brief illness. He was 82. MSG, as he is fondly referred to in the business circles, started performing at the age of 8. He has since then went on to perform with stalwarts before becoming an expert himself on Hindustani and Carnatic systems of classical music. His amazing quality of interpreting an artist's musical expressions and complementing it with his unique sensitivity earned him the Padma Bhushan, the Padma Shri and the 'Sangita Kalanidhi' title conferred by the Music Academy, Chennai. He is survived by his wife, two daughters and a son.

10 Jan **Top ten with 100 percentiles at CAT 2012**

CAT 2012

Engineers emerged as toppers yet again of the Common Admission Test 2012, with nine engineers and two Indian Institute of Technology-Bombay graduates in top ten students who scored 100 percentile.

The results for the 1.9 lakh candidates who took the test were declared on 9th January, and it revealed that Mumbai fared better than other metros. Out of nearly 17,000 Mumbai candidates in 2012, 180 scored more than 99 percentile ahead of Delhi's 168 out of 21,224 candidates and Bangalore's 157 out of 19,553 candidates.

About 19 candidates have scored in the 99.99 percentile this year and around 1,895 candidates scored in between 99 and 100 percentiles.

Politics & Government

22 Jan **Barack Obama begins 2nd term as US President, pledges to end war**

U.S.

Barack Obama began his 2nd term at the White House after his re-election and swearing in as US President for 4 more years. In his inaugural address, Obama pledged to focus more on internal social, political and economic dynamics and involve in less confrontation with the world. He was sworn in for a second term by Chief Justice John Roberts in a grand ceremony watched by more than 600,000 people.

31 Jan **Anna renames India Against Corruption as Jantantra Morcha**

Anna Hazare

Anna Hazare declared that India Against Corruption (IAC) would henceforth be called as Jantantra Morcha. Hazare stressed on the importance of civil society participation in the legislation process and said that the Morcha will mobilize people on a host of issues with a demand for effective legislation to strengthen the democratic process.

Science and Technology

04 30th Birthday of the Internet

Jan *Internet*

One of the greatest inventions of our times, the internet, turned 30 on the 4th of January. On the 1st of January, 1983, the US Department of Defence commissioned Arpanet Networks, replaced all previous networking systems and fully switched to the use of the Internet Protocol Suite (IPS) communications system.

The new system was designed to overcome the failures associated with the previous programme. The internet, has since then, gone on to change the way millions work across the globe.

26 India successfully test fires medium range underwater ballistic missile

Jan *Nuclear Missile*

India today successfully test fired a medium range nuclear capable K-5 ballistic missile from an underwater platform in Bay of Bengal. With this achievement, India has successfully completed the nuclear triad which will give it the capacity to successfully fire nuclear- tipped missiles from land, air and sea. The missile has been developed by the Hyderabad laboratory of the Defence Research and Development Organisation and is part of the Indian Strategic Forces' underwater platforms. U.S., China, Russia and France are the only other nations who have an underwater nuclear-capable ballistic missile.

Sports

06 Michael Hussey retires from Test Cricket

Jan *Cricket*

Michael Hussey, fondly nicknamed Mr.Cricket because of his spectacular performances on the field, bid adieu to his Test Cricket career on 6th January, 2013. The Australian great announced his retirement on a winning note after Australia beat Sri Lanka in a 3-0 series whitewash. Hussey, who is 37 years old had an illustrious career and had been the man behind many of Australia's wins. Hussey scored 6,235 runs at an average of 51.52 in 79 Tests.

18 Lance Armstrong admits to doping

Jan *Lance Armstrong*

Disgraced former cycling champion Lance Armstrong admitted to doping, in the first part of an elaborate two-part interview with Chat Show host Oprah Winfrey on her Own Network. Armstrong revealed that he had taken performance enhancing drugs that put him to the top of the Tour de France seven consecutive times. Earlier, he had been served with a lifetime ban from participating at all sanctioned events. World Anti-Doping Agency director-general David Howman said that Armstrong could provide information that might get his ban reduced to 8 years. Armstrong had returned to triathlons, where he begun his professional career as a teenager, after retiring from cycling in 2011 and had since then expressed his desire to make a comeback.

27 Novak Djokovic wins Australian Open for record third consecutive time

Jan *Australian Open*

World Tennis No. 1 Novak Djokovic became the first person to win the Australian Open for the third consecutive time in the 45-year professional era. Djokovic defeated Andy Murray in a final that lasted 3 hours 40 minutes. It is Djokovic's 4th Australian Open title joining Roger Federer and Andre Agassi, who had each won the Australian Open title 4 times.

29 Mumbai win 40th Ranji Trophy title

Jan *Ranji Trophy*

Mumbai defeated Saurashtra by an innings and 125 runs, in less than 3 days to win the Ranji Trophy title at the Wankhede stadium. Mumbai's pace attack headed by Ajit Agarkar and Dhawal Kulkarni helped the hosts defeat Saurashtra who were playing their first Ranji Trophy final. Though Mumbai were restricted to 355, Saurashtra could only manage 82 in 36.3 overs. Mumbai have reached the Ranji Trophy final 44 times. They have won the trophy a record 40 times and finished runners-up on 4 occasions.

World

17 Air India to ground six Dreamliners over safety concerns

Jan *Boeing 787*

On the lines of US Airline Regulator FAA, the Directorate General of Civil Aviation (DGCA) has ordered Air India to ground all six Boeing 787's, known as Dreamliners, over rising concerns on the safety standards of the batteries used in the aircraft. The issue surfaced when All Nippon Airways (ANA) and Japan Airlines (JAL), which are among the biggest customers of the Boeing 787, decided to ground their entire fleet. This was because ANA reported that a snag in the battery triggered a cockpit error message that forced the planes to land in Southwestern Japan. The DGCA directive might prove to be a hurdle in Air India's revival plans as it was relying heavily on Boeing 787s for its return to profitability.

The Dreamliner is the first commercial airliner to use Lithium-ion batteries so extensively. Investigations are on to find out the error. Lithium-ion batteries are notorious for overheating and have caused major issues for auto, computer and cell phone manufacturers.