

- ✚ The **world economy in 2012** is set to grow by just 2.5 percent, weighed down by ripple effects from the 2008 financial crisis, says the latest Global Economic Prospects (GEP) 2012 by World Bank. As a result, developing country growth for 2012 is now forecast at 5.4 percent, the second lowest over the past 10 years. The Bank has also lowered its growth forecast for high-income countries in 2012 to 1.4 percent and -0.3 percent for the high-income Euro Area. Reflecting the growth slowdown, world trade, which expanded by an estimated 6.6 percent in 2011, will grow by only 4.7 percent in 2012, before strengthening to 6.8 percent in 2013. Global Economic Prospects 2012 predicts turbulent year ahead. Developing world will still lead global growth, but at slower pace. 'Second wave' of financial crisis will take a toll on developing countries.
- ✚ The Union Finance Minister Shri Pranab Mukherjee said that the **growth rate would be around 7.2 percent** during the current year. He said that due to current uncertainty in global economy as euro zone crisis is still unresolved and volatility in international commodity prices especially fuel etc, it may be difficult to contain the fiscal deficit at 4.6 percent as targeted during the last budget: Pre Budget Meeting
- ✚ The annual rate of **inflation**, stood at 2.47 percent for the week ended 07/01/2012 (over 08/01/2011) as compared to 0.51 percent for the previous week (ended 31/12/2011).
- ✚ **RIL** will buyback up to 12 cr shares or 3.6% equity via open-market. The company's board approves share buyback of Rs 10,440 cr at maximum price upto Rs 870/sh which is at 10% premium to Friday's closing price.
- ✚ The International Monetary Fund (**IMF**) is looking to work ever more closely with **Asia** to lessen the impact of the global crisis on the region and to help promote sounder and stronger growth globally, David Lipton, IMF First Deputy Managing Director, said
- ✚ Government has set up an inter-ministerial coordination committee for **Tourism Sector** under the chairmanship of the Principal Secretary to the Prime Minister to resolve inter-ministerial and industry issues and promote tourism. Shri Pulok Chatterji presided over the first meeting of the committee in PMO on 19.1.2012. Sh Chatterji said tourism should be seen as development: it should be pro-poor and focus on employment creation. He emphasized the need to give tourism a major fillip during the 12th Plan so as to more than double the number of foreign tourists arriving in India and further encourage domestic tourism.
- ✚ The Government of India and the Asian Development Bank (ADB) signed an agreement for the second tranche (US \$ 24.3 million) under the **US \$ 170 million Agribusiness Infrastructure Development Investment Programme** which is a multi-tranche financing facility. The loan is **to continue modernization efforts in Maharashtra state's horticultural industries** and will expand agricultural value chains and better integrate small-scale farmers into value chains in Nashik and Aurangabad-Amravati regions.
- ✚ In a decision that might have an impact on realty prices, **the Bombay HC has upheld the decision of Union Government to levy service tax on construction of flats and shops.**
- ✚ **RBI clarifies** that, as per the rules of **small savings** schemes, the rate of interest on an investment made in all schemes except PPF, 1968 on a particular date, remains unchanged for the entire duration of the investment, till maturity, irrespective of the revisions in subsequent years.
- ✚ **Wheat** has been shown in 294.07 lakh hectare against 290.98 lakh hectare last year on this date. Total wheat acreage is 3.09 lakh hectare higher than the area sown during the corresponding period last year. Higher coverage has been reported from Madhya Pradesh (6.02 lakh hectare), Rajasthan (3.11 lakh hectare) and Jharkhand (0.65 lakh hectare). **Pulses** have been sown in 145.12 lakh hectare as against 146.47 lakh hectare last year. The area under **gram** which is a dominant pulse crop of rabi season has been reported at 89.31 lakh hectare against 93.32 lakh hectare during the corresponding period last year. Significantly higher area has been reported under gram in Madhya Pradesh, Chhattisgarh, Gujarat and Bihar. Total area under oilseeds cultivation is reported to be 83.80 lakh hectare against 90.36 lakh hectare last year.
- ✚ The Government of India and the World Bank today signed an IDA credit of US\$ 130 million to finance the Government of India's (GOI) efforts to empower rural communities in the growth-deficient North East (NE) region to improve their livelihood opportunities. **The North East Rural Livelihoods Project (NERLP)** will enhance the livelihoods of the rural poor, especially women, unemployed youth and the severely disadvantaged in eight districts of the four participating states- Aizawl and Lunglei in Mizoram; Peren and Tuensang in Nagaland; South, West and 15 Panchayat wards of East District in Sikkim; and West and North Districts in Tripura.

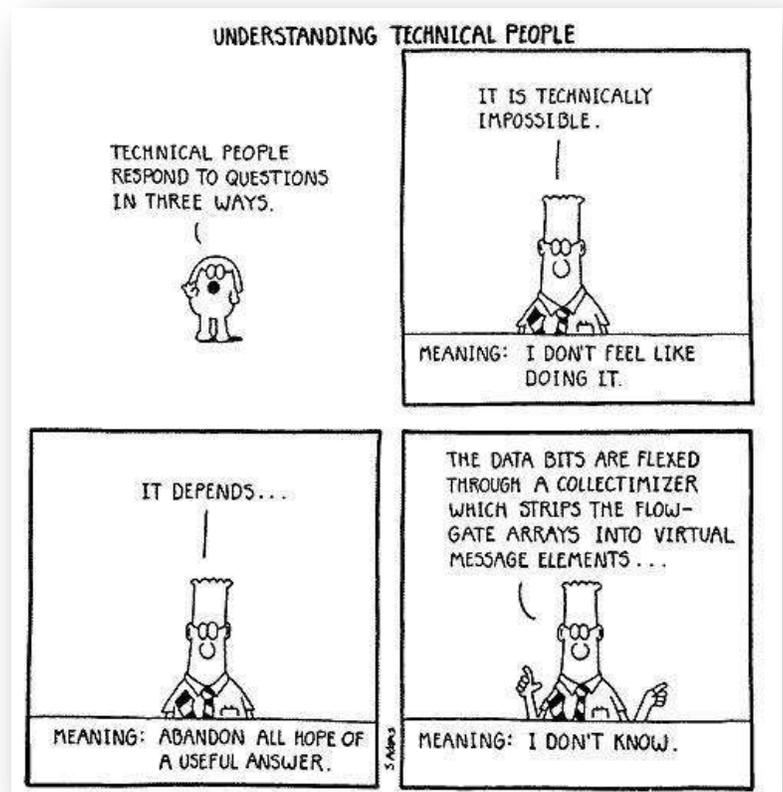
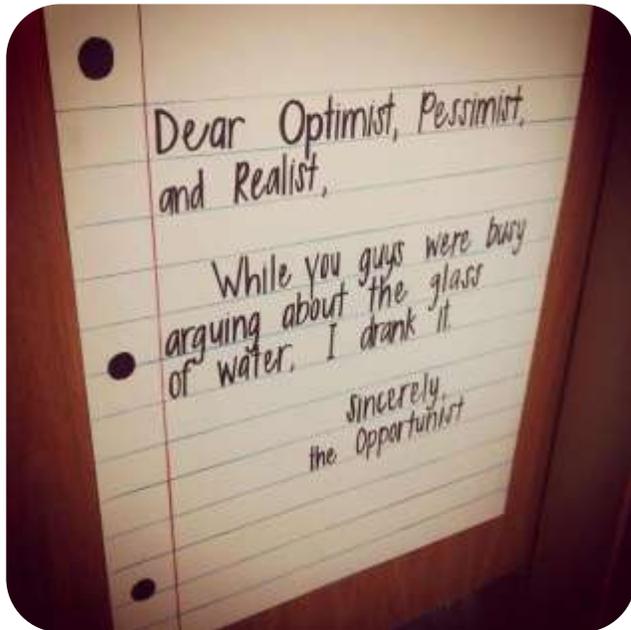


- ✚ The Govt. of India has released Rs.14.41 Crores (4.72 in the Financial Year 2009-10 & Rs. 9.69 Crore in the Financial Year 2010-11) under the preparatory phase of the Rajiv Awas Yojana i.e. **Slum Free City Planning Scheme for 10 cities of Andhra Pradesh**.
- ✚ **The international crude oil prices for Indian Basket** as computed/published today by the Petroleum Planning and Analysis Cell (PPAC) under the Ministry of Petroleum and Natural Gas was marginally lower at US\$ 110.17 per barrel (bbl). In rupee terms, the prices were also slightly lower at Rs. 5540.45 as published on 20.1.2012 against Rs. 5595.49 per bbl due to higher exchange rate of Rs.50.29/ US\$ against Rs. 50.67/US\$ on 19.1.2012.
- ✚ Planning commission has given investment clearance for the scheme – **"Rudrasagar Drainage Development Scheme, Tripura"**. The scheme is an estimated to cost of Rs. 14.8978 Crore. The project is to be completed by the financial year 2012-13 and Plan account would be closed by 31st March 2013. The implementation of the scheme will restrict water spread area of the lake during monsoon and maintain water level of 13 m during winter and maintain water level of 11 m for boosting the ecology of the area. An area of 2200 ha with a population of 1000 will benefit from the scheme.
- ✚ Target of plantation fixed under **National Bamboo Mission** has been achieved with the coverage of 1.89 lakh hectare area in different parts of the country. 1.76 lakh hectare area was targeted to be covered from 2006-07 to 2011-12 under the mission. Rs. 485.39 crore has been spent by the Centre on the Mission so far since its inception in 2006-07. Total allocation for the Mission for 2006-07 to 2011-12 is Rs. 568 crore.
- ✚ **India's exports** for the month of April- December 2011 have registered a growth of 25.8%, at US \$ 217.6 billion. During April-December 2011, the following sectors have done well viz., engineering, (US \$ 45.3 billion) which registered the growth of 21.6%; petroleum & oil products, 55% (US \$ 43.9 billion); Gems & Jewellery registered the growth of 38.5% (US \$ 33.5 billion); Drugs and pharmaceuticals 21.5% (US \$ 9.1 billion US \$); leather 25.8% (US \$ 3.4 billion) Cotton yarn and fabric made-up 13% (US \$ 5.1 billion) ; electronics, 21.1% (US \$ 6.7 billion); Readymade garments, 23.7% (US \$ 9.6 billion). As regards to imports during April-December 2011, the growth estimates on the following sectors are: POL, 40.4% (US \$ 105.6 billion); Gold and silver 53.8% (US 45.5 billion),; machinery, 27.7% (US \$ 25.8 billion), electronics, 24% (US \$ 25.2 billion), fertilizers 35% (US \$ 8.2 billion) and coal 62% (US \$ 12.5 billion US \$).
- ✚ **The Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant** has signed a Memorandum of Understanding (**MOU**) with the **Government of Andhra Pradesh** (AP) for huge investments to the tune of Rs.42, 000 crores for various projects in its current facility at Visakhapatnam and other parts of the State. With this, RINL emerged as the "Number One" Company as far as the investments are concerned in Andhra Pradesh and this will give a big boost to the industrial development of the State particularly the Visakhapatnam region.
- ✚ **TRAI issues directions on blocking of bulk international SMS**
- ✚ **Despite Indian assets held By Foreign Co, no tax on transfer of shares:** Vodafone Intl Holdings vs UOI (Supreme Court): India's income tax department has no jurisdiction over the \$11.076 billion deal between Vodafone Group plc and Hutchison Telecom
- ✚ The Supreme Court on Wednesday directed **Essar Oil** to pay Rs 6,309 crore to the Gujarat state government as sales tax. The company had earlier argued that it was not liable to pay taxes because production from its Vadinar refinery had not begun.
- ✚ **S. 271(1)(c): CA's Opinion Does Not Make Claim "Bona Fide":** Chadha Sugars Pvt. Ltd vs. ACIT (ITAT Delhi)
- ✚ **S. 147: High Court disapproves AO's practice to delay passing objection orders:** Doshion Ltd vs. ITO (Gujarat High Court)
- ✚ **S. 80-IB(10): Developer need not be "Owner":** CIT vs. Radhe Developers (Gujarat High Court)
- ✚ **Despite dependence, arms' length agent is not PE:** Delmas, France vs. ADIT (ITAT Mumbai)
- ✚ **Gold, Silver & Cut & Polished Diamonds- Customs & Excise Duty Rates hiked** w.e.f. 17.01.2012- refer Customs Notifications 1,2,3 & 3(NT) of 2012 and Central Excise Notifications 2 & 3 of 2012. Government hiked import duty on gold and silver from specific duty to ad valorem. Gold imports will now bear duty of 2% the value from the previous fixed rate of Rs 300 per 10 gram, and silver will bear 6% as against the previous Rs 1,500 per kg. Experts say this could have an adverse effect on imports of the precious metals.



- According to the Notification No.1/ 2012-Customs (SG) , **safeguard duty is imposed on Phthalic anhydride**, falling under tariff item 2917 35 00 of the First Schedule to the said Act, when imported into India, at the rate of 10% ad valorem, since increased imports of Phthalic anhydride into India had caused and threatened to cause further serious injury to the domestic producers of Phthalic anhydride and it necessitates to impose provisional safeguard duty on imports of Phthalic anhydride into India
- The Refund of Anti-Dumping Duty (Paid in Excess of Actual Margin of Dumping) Rules, 2012 are notified** with reference to the NotificationNo.5 /2012- Customs (N.T.)
- According to Circular No.02/2012-Customs, it has been decided **to extend time limit for using re-credited DEPB scrips/ Reward Scheme scrips in case of 4% CVD (SAD) upto 31.03.2012**. No further extension shall be given under any circumstances.

As a matter of fact ;)



**"We make a living by what we get,
but we make a life by what we give"**

~ Norman MacEwan

"It is nice to be important, but it is more important to be nice"

~ Author: unknown

