

- ✚ **Budget Session 2011** to Commence from Monday 21st February 2011
- ✚ The annual rate of **inflation**, stood at 14.59 percent for the week ended 05/02/2011 (over 06/02/2010) as compared to 16.24 percent for the previous week (ended 29/01/2011).
- ✚ **New CPI series out, retail inflation at 6 pc in January**: The new consumer price index, intended to reflect the actual movement of prices at the micro-level and help policy-makers like the RBI in better framing of decisions was launched on Friday, with initial data pointing to six per cent retail inflation in January.
- ✚ **Global Food Prices**: Global food prices continue to rise. The World Bank's food price index increased by 15% between October 2010 and January 2011 and is only 3% below its 2008 peak. The last six months have seen sharp increases in the global prices of wheat, maize, sugar and edible oils, with a relatively smaller increase in rice prices.
- ✚ **Prohibition on export of milk powders** (including skimmed milk powder, whole milk powder, dairy whitener and infant milk foods), Casein and Casein products: DGFT notification dtd 18.02.2011
- ✚ **Removal of ban on export of Onions**: DGFT notification dtd 18.02.2011
- ✚ The **30-share BSE Sensex** fell 295 points, to close at 18,211 and the 50-share **NSE Nifty** tumbled 88 points, to end at 5,459 on Friday.
- ✚ **Rice procurement** in the Kharif Marketing has crossed the mark of 200 lakh tonne. According to statistics 2, 13, 09,532 tonne rice has been procured by the various government agencies by February 17, 2011.
- ✚ **Japan's Official Development Loan Assistance** worth Rs.2557 Crore to India for FY 2010, JICA ODA Loan Package
- ✚ **India-Japan Signs CEPA to give Greater impetus to trade and Investments Bilateral trade to Touch US \$ 25 Billion by 2014**: This Agreement is the most ambitious agreement signed by India so far and covers trade in goods, services and investment under its ambit.
- ✚ To enhance competitiveness for products which are labour intensive, technology intensive and value added, further **export incentives for more than 600 products w.e.f 01.01.2011** for sectors viz. Agriculture, Chemicals, Carpets, Engineering, electronics and plastics were announced are enclosed herewith.
- ✚ **India and Malaysia Signs CECA to Promote Foreign Investments. Bilateral Trade to Touch US \$ 15 Billion by 2015**: The Agreement will come into effect on 1st July 2011. The India-Malaysia CECA is a comprehensive and ambitious agreement that envisages liberal trade in goods and services and a stable and competitive investment regime to promote foreign investment between the two countries. Under the agreement, India will get market access in the Malaysian market for goods including fruits such as mangoes, banana and guava, basmati rice, two wheelers and cotton garments. Malaysia has offered comparatively higher level of FDI in key sectors of interest to India such as construction services (51%), computer and related services (100%), management and consultancy services (100%). This is a breakthrough in investments, given that Malaysia has a Bhoomiputra policy which mandates 30% equity participation by local companies. Malaysia is the 3rd largest trading partner of India amongst the ASEAN (Association of South East Asian Nations) countries.
- ✚ **India Proposes MOU on Wool Cooperation with Australia** which envisages establishing a world class laboratory at Mumbai in the Wool Research Association in collaboration with Australian Wool Testing Authority (AWTA), the exchange programme for Indian sheep breeders to visit Australia, grading and marketing, breed improvement for betterment of Indian wool and a proposal for setting up of wool exchange.
- ✚ **India has entered into a Tax Information Exchange Agreement (TIEA) with the Bahamas**: The Agreement was signed on 11th February 2011 by the High Commissioner of India to Jamaica (concurrently accredited to the Commonwealth of The Bahamas) on behalf of India and the Minister of State for Finance on



behalf of the Government of the Commonwealth of The Bahamas. The agreement provides for sharing information, including exchange of banking and ownership information. Although the information shared will be covered under the secrecy clause, it can be shared with specified tax authorities or authorities concerned with determination of tax appeals. Information can also be shared for other purposes with the prior consent of the giving party. This is the fourth TIEA entered into by India in recent months. Earlier, India had signed similar TIEAs with Bermuda, Isle of Man and British Virgin Islands.

- ✚ **CBDT has decided to extend the time limit for filing ITR-V Forms relating to Income Tax returns for A.Y. 2010-2011 filed electronically (without digitally signature) on or after 1<sup>st</sup> April, 2010. These ITR-V forms can now be filed up to 31<sup>st</sup> July, 2011 or within a period of 120 days from the date of uploading of the electronic return data whichever is later.**
- ✚ **Do Not Pay Money to receive Large Funds from Abroad : RBI Advisory:** The Reserve Bank has today once again issued an advisory cautioning the members of public against responding in any manner to offers of moneys from abroad. It has stated that such offers are fraudulent and has advised the public to immediately register a complaint with the local police/ cyber crime authorities when they receive such offers or become a victim of any such fraud. Members of public have also been cautioned against making any remittance towards participation in such schemes/offers from unknown entities since such remittances are illegal and any resident in India collecting and effecting/remitting such payments directly/indirectly outside India is liable to be proceeded against for contravention of the Foreign Exchange Management Act, 1999. They are also liable for violation of regulations relating to Know Your Customer (KYC) norms/Anti Money Laundering (AML) standards. The Reserve Bank has further stated that it does not undertake any type of money arrangement, by whatever name called, and it does not take any responsibility for recovering moneys remitted in response to such bogus communication.
- ✚ **RBI: Prudential norms on investment in Zero Coupon Bonds:** Banks should not, henceforth invest in ZCBs unless the issuer builds up a sinking fund for all accrued interest and keeps it invested in liquid investments/securities (Government bonds).
- ✚ **RBI: All Deposit Taking NBFCs - CRAR Fifteen percent w.e.f March 31, 2012:** All deposit taking NBFCs shall maintain a minimum capital ratio consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items w.e.f. March 31, 2012.
- ✚ **Broad-based Youth Programs Needed: In the Middle East and North Africa, the youth unemployment rate at 25% is the highest in the world.** High rates of youth unemployment in Middle East and North Africa taking toll on young people. Complex array of issues behind joblessness. Social and job skills seen as crucial to getting youth on job track: World Bank
- ✚ **West Africa Eyes Entrepreneurial Future:** 16 West African countries amend business and lending regulations to draw thousands of entrepreneurs into the formal economy. \$250 million in credit expected to become available to the private sector. Female entrepreneurs may be the most likely to benefit from the new rules.
- ✚ **Mideast Needs More Focus on Inclusive Growth—IMF:** Masood Ahmed, Director of the IMF's Middle East and Central Asia Department, says that one of the lessons from recent unrest in the Middle East is that governments should focus much more on inclusive growth and give better-targeted help to poorer households. Popular protests could unleash greater long-term growth potential in region. More transparency, competition will help Egypt, Tunisia leverage their strengths and create jobs. Governments in region are increasing fiscal spending in response to unrest.
- ✚ **Micro-finance is "charitable purpose":** Disha India Micro Credit vs. CIT (ITAT Delhi)
- ✚ **Surplus Not Fatal For s. 10(23C)(vi) claim:** St. Lawrence Educational Society vs. CIT (Delhi High Court)
- ✚ **DRP Must Not Have "perfunctory approach":** Ericsson AB vs. ADIT (Delhi High Court)

