

- ✚ The annual rate of **inflation**, stood at 15.77 percent for the week ended 12/02/2011 (over 13/02/2010) as compared to 14.59 percent for the previous week (ended 05/02/2011).
- ✚ National Stock Exchange's **Nifty** ended at 5295.85, up 33.15 points or 0.63 per cent. **Bombay Stock Exchange's Sensex** closed at 17700.91, up 68.50 points or 0.39 per cent. The 30-share index touched a low of 17469.97 and high of 17812.44 intraday
- ✚ The foreign institutional investors (**FII**s) were net sellers of Rs 4,823.84 crore in the futures and options segments on Thursday.
- ✚ Reducing poverty by growing fuel and food: New FAO study shows **integrated food and energy crops work for poor farmers**: Producing food and energy side-by-side may offer one of the best formulas for boosting countries' food and energy security while simultaneously reducing poverty, according to a new FAO report published.
- ✚ **Government tables Economic Survey report**
- ✚ **Economy** expected to grow at 8.6 per cent in 2010-11 and 9.0 % in 2011-12: **Agriculture** expected to grow at 5.4% in 2010-11 and 3.0% in 2011-12. **Industry** expected to grow at 8.1% in 2010-11 and 9.2% in 2011-12. **Services** expected to grow at 9.6% in 2010-11 and 10.3% in 2011-12.
- ✚ **Agriculture to Grow at 5.4 Per Cent During 2010-11**
- ✚ **Industrial output** Grows by 8.6 per Cent Manufacturing Sector Shows Robust 9.1 per Cent Growth Capital Goods & Consumer Durables Major Growth Drivers
- ✚ **Inflation rate** projected at 7.0 % by March 2011: The declining trend in food prices particularly that of the vegetables will result in lower food inflation. Manufactured goods inflation has remained low. Considerable care from the policy side has however to be taken to ensure that the manufactured goods inflation remains below 5 per cent in 2011/12.
- ✚ Rising **domestic savings and investment** chief engines of growth: Investment rate expected to be 37.0% in 2010-11 and 37.5% in 2011-12. Domestic savings rate expected to be over 34% in 2010-11 and 34.7% in 2011-12.
- ✚ **Current Account deficit** estimated at 3.0% of GDP in 2010-11 and 2.8% of GDP in 2011-12: **Merchandise trade deficit** projected to be \$ 132.0 billion or 7.7% of the GDP in 2010-11 and \$151.5 billion or 7.7% of GDP in 2011-12. **Invisibles trade surplus** projected to be \$ 81.3 billion or 4.8% of the GDP in 2010-11 and \$95.7 billion or 4.8% in 2011-12.
- ✚ **Capital Flows** can be readily absorbed by financing needs of the high growth of the Indian Economy: Against the level of \$47.8 billion in 2009-10, the capital inflows projected to be \$ 64.6 billion for 2010-11 and \$76.0 billion for 2011-12. Against accretion to reserves of \$13.4 billion in 2009-10, projected to be \$12.1 billion in 2010-11 and \$20.2 billion in 2011-12.
- ✚ Current year **fiscal adjustment** may not be a problem; the challenge is of adhering to the Finance Commission's targets with credible expenditure management: Total Central revenues registering an increase of 62.9 per cent in (April –Dec) 2010-11 over the corresponding period last year. Capital Expenditure registered a sharp increase of 64.6 per cent (April –Dec) in 2010-11. Fiscal deficit outcome for 2010-11 could be marginally better than the budget estimates. The consolidated fiscal deficit is likely to be 7.5 to 8 per cent of GDP for 2010-11.
- ✚ **59% Rise in Net Bank Credit to Infrastructure**: As compared to net bank credit increase of Rs. 64,322 crore during April-November 2009-2010 there has been an increase of Rs. 1, 02,301 crore during April-November 2010, showing 59% rise.
- ✚ **India's Cumulative Export Growth** in April-Dec 2010-11 Stood at 29.5 % with US\$ 164.7 Billion of Exports Rs 2,23,132.31 Crore Exports from SEEs During first Three Quarters with Total Employment at 6,44,073



- ✚ In the period April-November 2009, the **FDI flow to infrastructure** was US \$ 4552.7 million which fell to US \$ 3338.2 million in the period of April-November 2010.
- ✚ US\$ 36.7 Billion **Capital Flows** during April-Sep 2010, **Foreign Exchange Reserves** of US\$ 299.2 Billion till Jan 2011 Provide Safety & Liquidity
- ✚ The Economic Survey 2010-11 has said that **rapid reduction of the infrastructure deficit** was the key to competitiveness in an increasingly localized environment.
- ✚ **Services Sector Likely to Register 9.6 per Cent Growth, India Remains Second Fastest Growing Economy in this Sector:** The two broad services categories, namely trade, hotels, transport, and communication; and financing, insurance, real estate, and business services have performed well with growth of 11 per cent and 10.6 per cent respectively in 2010-11 (AE). India is also moving towards a services led export growth. In the first half of 2010-11, services exports growth was 27.4 per cent despite a dip due to the global crisis which was more due to fall in the share of merchandise trade to GDP. The growth rate in 2010-11 is expected to be 19.5 per cent for IT – BPO services, 18.5 per cent for exports and 22.8 per cent for domestic IT related services.
- ✚ **India's Exports** to touch US \$ 450 Billion by 2014: Engineering Exports to Reach US \$ 120 Billion by 2015, Anand Sharma Releases Draft Strategy Paper for Doubling Exports, Invites Comments and Suggestions from Stakeholders.
- ✚ **India-Zimbabwe** to Cooperate in Science & Technology, Agro and Renewable Energy – JCM to be Held This Year Zimbabwe Minister Meets Anand Sharma
- ✚ **India-Korea trade** US \$ 11,997.12 Million during 2009-10 – to Double in Next Five Years: Anand Sharma
- ✚ **Export of Auto Products:** The sale in automobile sector, including scooters during the current year 2010-11 (April-January) is 1, 26, 76,247 (in number) as compared to 99, 37,850 (in number) during corresponding period in the last year, showing a growth of 27.56%. The total exports of automobile, including scooters, during the period 2010-11 (April-January) is 19, 37,170 (in number).
- ✚ The **revenue received by the Government in the form of excise duty from the automobile sector**, including scooters, for the period 2010-11 (April-January) is Rs. 6197.99 crore as compared to Rs. 4663.73 crore in the corresponding period in the last year, showing a growth of 32.90%.
- ✚ **The production of raw cotton** has increased from 290 lakh bales in season 2008-09 to 295 lakh bales in 2009-10 and is estimated to grow to 329 lakh bales in 2010-11. The production of cotton yarn has shown an increase of 12.6% in 2010-11 (April to December) as compared to 2009-10 (April-December).
- ✚ **FDI Equity Inflows between Apr-Dec 2010-2011 in Mumbai Region** (Maharashtra, Dadra-Nagar Haveli, Daman & Diu) were Rs. 23,804.33 crores i.e.US \$ 5,243.22 million
- ✚ **Deficit in Housing Units in Urban Areas:** At the end of the 10th Five Year Plan (2007-08), the total housing shortage in the country was 24.71 million. Further, an additional requirement of 1.82 million dwelling units has been projected for the 11th Plan, bringing the total housing requirement during the 11th Plan Period (2007-2012) to 26.53 Million dwelling units
- ✚ **India's Position Regarding New Jobs in 2011:** As per results of survey published in Forbes, India has taken lead over China to take first place with a 42 per cent net hiring outlook for the first quarter of 2011. China follows close behind at 40 per cent and Taiwan comes in third place with a net employment outlook of 37 per cent.
- ✚ Under **National Project on Organic Farming**, 216 organic manure and bio-fertilizer production units were set up with subsidy grant of Rs.268.37 lakh during the year 2009-10
- ✚ **FDI in Food Processing Quite Encouraging:** The amount of FDI inflow for Food Processing Sector in India during the financial year 2010-11 up to November 2010 is Rs. 576.50 crores as compared to total FDI of Rs. 5344.22 crores.



- ✚ **Construction of roads under PMGSY in Maharashtra:** During current fiscal year 2010-11 it is targeted to construct 1,292 km of road works in Maharashtra under Pradhan Mantri Gram Sadak Yojana (PMGSY). For this purpose funds worth Rs.695.73 crore have been released to the State till January, 2011. Habitation is the unit for providing connectivity under Pradhan Mantri Gram Sadak Yojana (PMGSY) and as per eligibility criteria, 1,561 habitations were eligible for providing connectivity in Maharashtra
- ✚ **Gross Earnings of Railways in Fy 11 to Touch Rs. 94,742 Crore Total Working Expenses Estimated at Rs. 87,200 Crore**
- ✚ **Performance of Domestic Airlines in the Month of January, 2011:** Passengers carried by domestic airlines during January, 2011 were 49.36 lakhs as against 40.88 lakhs during the corresponding period of previous year thereby registering a growth of + 20.7%.
- ✚ **Business Loss Can Be Set-Off Ag Dividends:** Gagan Trading Co. Ltd vs. DCIT (ITAT Mumbai)
- ✚ **RBI places Draft Guidelines on Introduction of CDS for Corporate Bonds for Public Comments**
- ✚ **Guidelines on Base Rate:** Government of India, Ministry of New and Renewable Energy (MNRE) has formulated a scheme on financing of Off-Grid and Decentralized Solar (Photovoltaic and Thermal) applications as part of the Jawaharlal Nehru National Solar Mission (JNNSM). Under the scheme, banks may extend subsidized loans to entrepreneurs at interest rates not exceeding five per cent where refinance of two per cent from Government of India is available. In this context, we advise that such lending at interest rates not exceeding five percent per annum where refinance of Government of India is available would not be considered to be a violation of our Base Rate Guidelines.
- ✚ **Social Protection and Labor: Staying Resilient in a Volatile World:** World Bank is developing a new Social Protection and Labor Strategy to help those in low- and middle-income countries ride out economic and social shocks. Strategy comes as Bank clients grapple with increasing volatility, poverty and inequality. Strategy will cover ten years—2012 to 2022—and will build on successful models, including safety net programs, conditional cash transfers, and public works job creation.
- ✚ **FM Releases Compendium of Innovative and Unique Practices in Customs, Excise & Service Tax:** On the occasion of Central Excise Day, the Union Finance Minister Shri Pranab Mukherjee, released "Innovations - The Pursuit of Excellence in Customs, Central Excise & Service Tax", a compendium of unique practices and initiatives brought out by the Central Board of Excise & Customs. The compendium consolidates localized excellent practices so as to facilitate their replication and adoption in various offices across the country to enhance efficiency and effectiveness of the tax administration

