

| Market Watch | SENSEX<br>15965.16<br>▼ -253.37 | NIFTY<br>4841.60<br>▼ -82.65 | USD/INR<br>56.23<br>▲ 0.47 | Gold (MCX) Rs/10g.)<br>29874.00<br>▲ 150.00 |
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- The Union **Finance Minister** Shri Pranab Mukherjee has said that he has strong faith in the resilience of the Indian economy. He stated that we will be able to overcome successfully the difficulties presently facing the Indian economy so as to get it back to the path of higher growth trajectory.
- FM:** The GDP growth at constant prices for 2011-12 has been revised downwards to **6.5 per cent** as against the Advance Estimate of 6.9 per cent released in February 2012. This mirrors the quarterly trend in growth. **The 2011-12 fourth quarter growth has been estimated at 5.3 per cent.** These are disappointing figures in the context of our recent performance but have to be seen in the light of overall global developments. Among the factors that have contributed to the slowdown are the tight monetary policy that led to a significant rise in the interest costs and the weak global sentiments that affected growth in domestic private investment. The domestic investment sentiments may have been also affected by the environmental policy bottlenecks in the mining sector.
- The **Index of Industrial Production (IIP)** stood at 142.3 in April 2012 registering a growth of 2.2% compared to 4.2% registered in April 2011. During 2011-12, the cumulative growth rate of the Core industries was 4.4% as against their growth at 6.6% during 2010-11.
- Government reverts to the path of fiscal consolidation;** Fiscal Deficit to be reduced to 5.1% of GDP in 2012-13. Fiscal Deficit during 2011-12 (Revised Estimates) was Rs.5, 21,980 crore which is 5.9 per cent of GDP. Due to un-precedented global financial crisis, the Government had to take fiscal expansionary measures to protect Indian economy from the adverse impact of global financial crisis. This resulted in increase in Fiscal Deficit from 4.6 per cent of GDP in BE 2011-12 to 5.9 per cent in GDP RE 2011-12. Government is determined to bring the deficit down to a more sustainable level.
- The Annual Plan for the year 2012-13 for the state of **Maharashtra** was finalised at a meeting between Deputy Chairman, Planning Commission, Mr. Montek Singh Ahluwalia and Chief Minister of Maharashtra, Mr. Prithviraj Chauhan. The plan size has been agreed at Rs. 45,000 crore. In his comments on the plan performance of the State, Mr. Ahluwalia said the State has been taking effective measures to accelerate growth and make it more inclusive .He said performance of the State continues to be appreciable. The Planning Commission appreciated State's inclusive approach and pointed out that percentage population living below poverty line in the State has come down appreciably from 38.2% in 2004-05 to 24.5 in 2009-10. According to Tendulkar methodology 13.7% population has moved above poverty line where as the improvement on All-India is 7.4% only. The Gross State Domestic Product (GSDP) of the State increased from Rs. 413826 crore in 2004-05 to Rs. 775020 crore in the year 2010-11. The per capita Net State Domestic Product (NSDP) of the State was Rs. 35915 in the year 2004-05 which increased to Rs 62729 in 2010-11 against the All India Average of Rs. 35993. Maharashtra continues to register higher percentage growth of GSDP and Per Capita NSDP. Maharashtra registered a growth rate of 12.5% in Agriculture & Allied Sector for the year 2010-11. The growth rate of Industry and Service sector in the State during 2010-11 was 9.1% and 10.9% respectively. Maharashtra has attracted large investments with 324 mega projects having investments of Rs. 2.70 lakh crore with employment of over 3 lakh persons in the period of last five years. Projects worth Rs. 1.12 lakh crore have been finalized in this fiscal year. About 75% of the total numbers of mega projects are in the less developed regions which will help reduce the regional imbalance in development.
- The Government said that 90 percent of all rural households in the country will be covered by tapped **water system** by 2022, as the focus now is shifted from the hand pump approach to the surface water supply system.
- Subsidy** worth Rs.2, 16,297 Crore payable in 2011-12. Total subsidy payable in 2011-12 was estimated to Rs.2, 16,297 crore in RE 2011-12 against Rs.57, 125 crore incurred in 2006-2007, which was about 3.79 times of the expenditure incurred in 2006-2007.
- According to reports received from the States, **pulses** have been sown in 15.11 lakh hectares in the current sowing season so far. Target of pulses cultivation for the current season is 17.49 lakh hectares. In terms of coverage of area under kharif pulses as on today, Bihar is on the top, followed by Odisha and Tamil Nadu. Bihar has achieved the targeted area of 5 lakh hectare during the current sowing season.
- Growth remains strong in developing East Asia and Pacific**, recording 8.2 percent in 2011—although it has slowed from its post-crisis peaks. With the global slowdown expected to continue, the region needs to reduce its reliance on exports and rebalance towards domestic demand, investing in productivity increases. Poverty continues to fall, with the number of people living on less than US\$2 a day expected to decrease in 2012 by 24 million. For 2012, we expect that East Asia will remain the strongest performing region, even though annual growth will further moderate as a result of a continued weak external



environment. Developing East Asia is projected to grow by 7.6 percent in 2012, with slower expansion in China pulling down much of the regional aggregate.

- ✚ **The Union Cabinet approved the National Telecom Policy -2012 (NTP - 2012).** The Cabinet also approved introduction of Unified Licence and authorised the Department of Telecommunications to finalise the new Unified Licensing regime with the approval of Minister of Communications & IT. The policy envisions providing secure, reliable, affordable and high quality converged telecommunication services anytime, anywhere for an accelerated inclusive socio-economic development. The main thrust of the Policy is on the multiplier effect and transformational impact of such services on the overall economy.
- ✚ **The Global Agriculture & Food Security Program (GAFSP): Improving Food Security for the World's Poor:** On the eve of the G8 Summit, food security is again taking center stage, and for good reason. Almost 1 billion people are struggling with hunger every day. Most of them are children. As high and volatile food prices continue to impact the world's poorest people, global action is critical. Seventy-five percent of the world's poor live in rural areas, and most depend on agriculture for their livelihoods. In addition, higher food prices have increased undernourishment. As a result, progress toward the Millennium Development Goals closely linked to food and nutrition is lagging, particularly with respect to child mortality and maternal mortality. In developing countries that face more volatile international markets, it is essential to increase the productivity and resiliency of food production.
- ✚ **A few large companies dominate export markets in developing and developed countries,** with the top one percent often accounting for more than half – sometimes nearly 80 percent – of total exports, according to a new World Bank database with a wealth of details on exporting firms.
- ✚ **Exports** during April, 2012 were valued at US\$ 24455.38 million (Rs. 126708.46 crore) which was 3.23 per cent higher in Dollar terms (20.54 per cent higher in Rupee terms) than the level of US\$ 23690.37 million (Rs. 105114.17 crore) during April, 2011. **Imports** during April, 2012 were valued at US\$ 37941.70 million (Rs. 196583.90 crore) representing a growth of 3.83 per cent in Dollar terms (21.25 per cent in Rupee terms) over the level of imports valued at US\$ 36540.75 million (Rs. 162131.31 crore) in April, 2011. **Oil imports** during April, 2012 were valued at US\$ 13909.2 million which was 6.96 per cent higher than oil imports valued at US\$ 13004.0 million in the corresponding period last year. **Non-oil imports** during April, 2012 were estimated at US\$ 24032.5 million which was 2.11 per cent higher than non-oil imports of US\$ 23536.7 million in April, **The trade deficit** for April, 2012 was estimated at US\$ 13486.32 million which was higher than the deficit of US\$ 12850.38 million during April, 2011.
- ✚ Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on May 9, 2012, Government has approved 25 Proposals of **Foreign Direct Investment** amounting to Rs. 2973.40 crore approximately.
- ✚ India signed an Agreement with the Government of **the Kingdom of Bahrain** for the Exchange of Information with respect to taxes (TIEA). The Agreement is based on international standards of transparency and exchange of information. It incorporates provisions for effective exchange of information including banking information between tax authorities of the two countries. It has been provided that the Exchange of Information shall be on request and without regard to the domestic interest. The Agreement will enhance mutual co-operation between the two countries by having effective exchange of information in tax matters.
- ✚ **India and Japan hold tremendous potential to co-operate in the area of Urban Transportation;** says Kamal Nath Kamal Nath, Urban Development Minister, speaking at the India Japan Business Summit. He said, "The strategic partnership between India and Japan holds tremendous potential to bring prosperity and progress to our two Nations. So significant has been the contribution of Japan in India and so deep rooted is the goodwill that our relations and engagement enjoy a national consensus." Minister Nath added that India and Japan together can be the engines of the Asian economic community.
- ✚ **The Prime Minister's Employment Generation Programme (PMEGP)** is aimed at generating self-employment opportunities through establishment of micro enterprises. Under this scheme, Margin money subsidy of Rs. 930 crore was disbursed by banks in 2011-12. This will facilitate setting up of 47,000 micro enterprises and generate additional employment opportunities for more than 4.2 lakh people.
- ✚ **Report to the People 2011-12 – Shipping: Breakthrough in Inland Waterways Sector during 2011-12:** A major breakthrough was made in Inland Waterways sector during 2011-12, when a Tripartite Agreement was signed between NTPC, Inland Waterways Authority of India and Jindal ITF Limited for transportation of imported coal for the Farakka Power Plant with an investment of about Rs.650 crore in the private sector.
- ✚ As per Census 2001, five states namely Maharashtra, Andhra Pradesh, Gujarat, West Bengal and Tamil Nadu account for 55.7% of the total **slum population**.



- The Department of Agriculture and Cooperation is implementing **National Horticulture Mission scheme** which includes credit linked back ended subsidy for setting up of cold storage. Under the scheme subsidy @ 40% in general areas and @ 55% in hilly and scheduled areas of capital cost for a capacity of 5000 MT is available for those projects which adopted new technologies as per technical standards issued by the Department. Under the scheme an amount of Rs.325.91 crore was provided for setting up of 451 cold storages in the country during the last three years.
- Government has prepared a draft Bill to establish **Biotechnology Regulatory Authority of India**. According to the Biotechnology Regulatory Authority of India (BRAI) Bill, 2012, the Authority will be an autonomous and statutory agency to regulate the research, transport, import, manufacture and use of organisms and products of modern bio-technology.
- The **stock position of food grains** (rice and wheat) in the Central Pool as on 1.5.2012 was 711.17 lakh tons comprising 329.23 lakh tons of rice and 381.94 lakh tons of wheat as against the buffer norms of 212 lakh tons comprising 142 lakh tons of rice and 70 lakh tons of wheat for the April quarter. Food Corporation of India (FCI) has estimated that the total stock of rice and wheat in the Central Pool to be more than 750 lakh tons as of 1st June, 2012.
- The Amended Protocol between India and Switzerland** amending the existing Double Taxation Avoidance Agreement (DTAA) between the two countries came into force on 7th October, 2011. In 219 cases, **undisclosed income of Rs. 565 crore** has been detected and tax of Rs.181 crore realized so far.
- As per the **Working Group Report for 12th Plan for the Port Sector**, traffic to be handled by Major Ports is estimated at 943.06 million tonnes and at 815.20 million tonnes by Non-Major Ports as against present level of 560.15 million tonnes handled by Major Ports and about 370.00 million tonnes handled by Non-Major Ports. To meet the above projected demand, both major ports and non-major ports have conceptualized various capacity augmentation schemes with an estimated investment of Rs.180626.63 crores during 12th Plan. The estimated capacity by end of 12th Plan will be 2686.66 million tonnes.
- No S. 234A to 234C interest payable if Assmt Order silent:** Allahabad & Uttaranchal High Courts: Awadh Hotels (P) Ltd
- S. 14A Onus is on AO to show nexus between Tax-Free Income & Exp:** ACIT vs. SIL Investment Ltd (ITAT Delhi)
- Despite "Last Chance" ITAT should grant adjournment:** Mehru Electrical & Engg. (P) Ltd vs. CIT (Rajasthan High Court)
- Exemption for export of pulses to the Republic of Maldives:** According to the Notification No. 118 (RE-2010)/2009-2014, 73 MTs of pulses for the year 2012-13 and 80 MTs of pulses for the year 2013-14 to the Republic of Maldives would be permitted to be exported through MMTCL Ltd.

### ***As a matter of fact ;)***

***"We're all a little weird. And life is weird.  
And when we find someone  
whose weirdness is compatible with ours,  
we join up with them and fall into  
mutually satisfying weirdness—and call it love—true love."  
— Robert Fulghum***



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