

Market Watch	SENSEX	NIFTY	USD/INR	Gold (MCX) Rs/10g.)
	17541.64	5258.50	55.52	30775.00
	▼ -160.89	▼ -56.55	▼ -0.11	▼ -62.00

- Quarterly GDP** at factor cost at constant (2004-2005) prices for Q1 of 2012-13 is estimated at Rs. 13, 06,276 crore, as against Rs. 12, 38,738 crore in Q1 of 2011-12, showing a growth rate of 5.5 per cent over the corresponding quarter of previous year. This is a little more than the growth rate of 5.3 per cent achieved in Q4 of 2011-12. FM emphasizes once again the need to take quick decisions to accelerate investments and removing all bottlenecks to investments
- The Eight core industries** in the Index of Industrial Production (IIP) was 147.3 in July 2012 with a growth rate of 1.8% compared to their 8.2% growth in July 2011.
- Beginning today (1st September 2012) India will be among the select few countries in the world to have **stringent EMF (Electromagnetic Frequency) Radiation Standards**, established in the interest of public health, for mobile towers and mobile handsets. Indian standards would now be 10 times more stringent than more than 90% countries in the world. New Mobile Handsets to comply with SAR Value of 1.6W/KG. Penalty, random checks introduced for enforcement.
- Global food prices** soared by 10 percent in July from a month ago, with maize and soybean reaching all-time peaks due to an unprecedented summer of droughts and high temperatures in both the United States and Eastern Europe, according to the World Bank Group's latest Food Price Watch report.
- The Ministry of Finance has notified an "**Advance Pricing Agreement Scheme**" (Rules 10F to 10T of Income Tax Rules, 1962) vide notification No. 36/2012 dated 30-8-2012. The Finance Act, 2012 had inserted sections 92CC and 92CD in the Income Tax Act 1961 introducing the provisions of Advance Pricing Agreement (APA). The APA Scheme shall come into effect from the date of its publication in the Official Gazette, i.e. from 30.08.2012. An APA is an agreement between the Central Board of Direct Taxes and any person, which determines, in advance, the arm's length price or specifies the manner of the determination of arm's length price (or both), in relation to an international transaction. Hence, once APA has been entered into with respect to an international transaction, the arm's length price with respect to that international transaction, for the period specified in the APA, will be determined only in accordance with the APA. The APA process is voluntary and will supplement appeal and other Double Taxation Avoidance Agreement (DTAA) mechanism for resolving transfer pricing dispute. The term of APA can be a maximum of five years. The APA scheme notifies three types of APA: unilateral, bilateral and multilateral. The choice is on the applicant to choose a particular type of APA at the time of making the application. Unilateral APA is an agreement between the Board and the applicant and this process does not involve any agreement with the treaty partner. In bilateral and multilateral APA request, the applicant is required to make an application with the Competent Authority of India as well as the Competent Authority of the other country.
- According to the latest information received from States, **rice** has been sown in 347.10 lakh hectare, as compared to 329.19 lakh ha, a week back. Normal area under rice for this week is 331.85 lakh ha.
- Directorate of Sugar, Department of Food, Ministry of Consumer Affairs, Food & Public Distribution has been consistently getting reports about some **sugar mills**, resorting to the practice of issuing of sale invoices in the last of the month while the actual financial and physical transaction happens subsequently. A list of the factories against which complaints have been recently received has been posted on the website of this department. The Chairman and the Managing Director of the concerned sugar mills have been advised to stop henceforth any practice which is against the existing rules and regulations issued under EC Act/Sugar (Control) Order. Any deviation, subsequently found out, would be dealt with strictly.
- As per the World Bank Report, India has been ranked at 132 amongst the sample 183 Countries. Recognising the need for **Reforming the Regulatory Environment for doing business in India**, a Committee under the Chairmanship of Shri. M. Damodaran has been constituted on 23.08.2012 by this ministry to extensively examine different areas of root functioning such as financial reforms, governance reforms, liberalized policy framework, process reforms etc, and to suggest a roadmap for improving business climate in India.
- The Gross Non-Performing Assets (GNPAs) of Public Sector Banks (PSBs)** as on March 2012 were Rs.1,12,489 crore which amounts to 3.17% of Gross Advances and as on June 2012, they stand at Rs.1,23,462 crore which amount to 3.48% of Gross Advances. The ratio of GNPAs to Gross Advances in Private Sector Banks as on June 2012 was 2.12% as against 3.48% in respect of PSBs. This ratio in PSBs in March 2011 was 2.32%. The increase in NPAs in PSBs is due to switching over to system based recognition of NPAs.
- The Government has been setting an annual target for the **flow of credit to the agriculture sector**. The agriculture target for 2012-13 is fixed at Rs.5, 75,000 crore against the target of Rs.4, 75,000 crore in 2011-12.
- At present there are 17 items in **the negative list** (Section 66 D of the Finance Act, 1994) and 39 items in the mega exemption notification 25/2012-ST dated 20.6.2012. Government has recently exempted more services from the purview of service tax. They are: Transport of goods by inland waterways, copyrights for cinematography, vocational education courses by institutes affiliated to the National Skill Development Corporation, hiring of buses to state transport authority, erection and commissioning of water supply, sale of space for advertisement on internet, hoardings, services by specified intermediaries, transportation of import cargo and specified schemes of insurance (all services exempted vide exercise of powers under Section 93 (1) of Finance Act, 1994, are now consolidated in Notification 25/2012-ST dated 20 June, 2012).



- On 17.07.2012, the **Reserve Bank of India (RBI) has entered into a Memorandum of Understanding (MoU) with Financial Service Authority (FSA) of UK**. The MOU is on "Supervisory Operation and Exchange of Supervisory Information" to promote supervisory co-operation between these institutions, and to provide for formal basis for co-operation in the area of banking supervision, including for exchange of supervisory information. Such co-operation will enable these supervisory entities to perform their functions more effectively. The MoU contains provisions for sharing of supervisory information, co-operation in respect of on-site examinations, crisis management and maintenance of confidentiality of supervisory information shared between RBI and FSA. RBI shares any information received with regard to matters under the Financial Action Task Force with the Financial Intelligence Unit-India (FIU-IND) for taking further necessary action under the Prevention of Money Laundering Act, 2002.
- The **production of vegetables and fruits** in the country is estimated to be 1505.86 and 752.74 lakh tonnes respectively, during 2011-12 as compared to 1465.54 and 748.78 lakh tonnes during 2010-11.
- The **exports of agricultural and allied products** during 2009-10, 2010-11 and 2011-12 are Rs. 64,699.25 crore, Rs. 85,218.53 crore and Rs. 1,41,120.01 crore respectively.
- Planning Commission has agreed to give three years extension to **Tarali Irrigation Project** (Revised Major) of Maharashtra. The project is estimated to cost Rs.870.90 Crore (2008-09 Price Level). Government of Maharashtra had requested for extension of three years' time period without any increase in the cost of the project for which investment clearance was accorded. Now on the request of the Government of Maharashtra vide their letter dated. The Scheme may be executed as per the approved outlays in the State Plan and should be completed by 2014-15 i.e. by 31st March 2015. The State finance department would restrict the expenditure to the approved cost and no addition expenditure beyond the approved cost may be permitted unless the revised estimate is got approved following the prescribed procedure.
- The **Committee on Angel Investment and Early Stage Venture Capital**, appointed by the Planning Commission, under the chairmanship of Shri Sunil Mitra, former Revenue Secretary, Government of India, submitted its Report entitled "Creating a Vibrant Entrepreneurial Ecosystem in India". The Committee made a presentation to the Finance Minister and the Deputy Chairman of the Planning Commission. The report highlights the importance of angel investment and venture capital investment as a critical, but missing element in the financial infrastructure needed to promote the healthy growth of medium and small ventures. It identifies a number of initiatives in the form of "low hanging fruits" which would promote the development of a healthy Angel and Venture Capital Industry, and also presents a set of longer term recommendations for creating a vibrant entrepreneurial ecosystem. The Report recommends the establishment of a National Entrepreneurship Mission to drive the long term agenda of inclusive growth from the entrepreneurial perspective. Deputy Chairman, Planning Commission said that the findings of the Report will be appropriately reflected in the Twelfth Plan document.
- CCI has re-constituted the **Eminent Persons Advisory Group (EPAG)**. Shri Deepak S. Parekh- Chairman, HDFC, Shri Gurcharan Das- Author, columnist, Ms. Rama Bijapurkar - Author, thought leader has now been nominated to be the members of EPAG. The EPAG was constituted earlier this year with the objective to serve as a group of 'wise persons' to give broad inputs and advice on larger issues impacting markets and competition, good international practices, improved advocacy etc. to the Commission. The group has been constituted in a manner that CCI could benefit from the advice of eminent persons representing a wide arena from the Corporate Sector, Academics, NGOs, Regulatory Authorities, Reserve Bank of India, CAG, and Banking & Social Activist. etc.
- Government has approved the **launching of National Mission on Food Processing (NMFP)** main scheme through States/UTs during 2012-13. The basic objective of NMFP is decentralization of implementation of Ministry's schemes, which will lead to substantial participation by State Governments/UTs. The NMFP is likely to add significantly to the Ministry's outreach in terms of planning, supervision and monitoring of assistance through this scheme.
- Government has approved in August 2012 the proposal to undertake the **first unmanned mission to planet Mars** to be launched during October- November 2013 using India's Polar Satellite Launch vehicle (PSLV-XL) from Satish Dhawan Space Centre, Sriharikota. The spacecraft will be placed in an elliptical orbit of 500 km X 80,000 km around Mars by September 2014 after a voyage of nearly 300 days from the Earth's orbit. The primary aim and objective of the Mars Orbiter mission is to demonstrate India's technological capability to reach Martian orbit. Further during the orbital life of the orbiter around Mars, scientific studies would be undertaken. The proposed Indian initiative to Mars will pave the way for future scientific missions, and bring a strategic advantage to India. The Mars Orbiter mission would also generate national pride and excitement in the young minds.
- Low tax effect circular has retrospective effect & applies to pending appeals:** CIT vs Sureshchandra (Gujarat High Court)
- No tax on TDR Premium received by Co-op Hsg Society:** CIT vs. Jai Hind CHS Ltd (Bombay High Court)
- Sandvik Asia Law (Interest on interest) is not correct:** CIT vs. Gujarat Flouro Chemicals (Supreme Court)
- S. 147 reopening on "Change of Opinion" is not permissible:** ACIT vs ICICI Securities Primary Dealership (Supreme Court)
- High Court reverses ITAT Special Bench Law On s. 32(2) depreciation:** General Motors India (Gujarat High Court)
- "Goodwill" is "Intangible Asset" & eligible for depreciation:** CIT vs. Smifs Securities Ltd (Supreme Court)



- 📌 **S 147 "Change Of Opinion" Law of Kelvinator Full Bench is NOT approved by Supreme Court:** Gujarat Power (Guj High Court)
- 📌 **Service tax – vocational education/training course – regarding:** According to Circular No. 164/15/2012-ST, When a vocational education/training/ skill development courses (VEC) is offered by an institution of the Government or a local authority, question of service tax does not arise. In terms of section 66D (a), only specified services provided by the Government are liable to tax and VEC is excluded from the service tax. When the VEC is offered by an institution, as an independent entity in the form of society or any other similar body, service tax treatment is determinable by the application of either sub-clause (ii) or (iii) of clause (l) of section 66D of the Finance Act, 1994. Sub-clause (ii) refers to "qualification recognized by any law" and sub-clause (iii) refers to "approved VEC". In the context of VEC, qualification implies a Certificate, Diploma, Degree or any other similar Certificate. The words "recognized by any law" will include such courses as are approved or recognized by any entity established under a central or state law including delegated legislation, for the purpose of granting recognition to any education course including a VEC.
- 📌 **The import policy for Binoculars:** According to Notification No.15 (RE-2012)/2009-2014, Import of Night Vision Binoculars/ Passive Night Vision Devices (PNVs) will require an Import Authorization.
- 📌 **Amendment in Notification No. 5 dated 02.07.2012 regarding conditions for export of Carpets, Handicraft items and Silk items:** According Notification No. 14 (RE-2012)/2009-2014, Notification No. 5 of 02.07.2012 imposed certain restrictions. S. No. 8 A pertained to export of handmade carpet etc., for which there is no change. S. No. 8 B pertained to export of Handicraft items, the effective date of which has been shifted to 01.01.2013. S. No. 8 C pertained to export of Silk items, which stands deleted.

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



**“When the Power of Love overcomes the Love of Power,  
the World will know Peace.”**

***~ Jimi Hendrix***

