Market Watch	SENSEX	NIFTY	USD/INR	Gold (MCX) Rs/10g.)
	16152.75	4891.45	54.86	28824.00
	82.27	21.25	0.40	297.00

- **Gold prices** regained the crucial level of Rs 29,000 per 10 gram, shooting up by Rs 700 -- its biggest single day gain this year - in the bullion market on strong cues from overseas market. Gold gained Rs 700 to Rs 29,320 per 10 grams, a level last seen on May 8. Silver prices too spurted by Rs 1,400 to Rs 54,000 per kg on increased off take by industrial units and coin makers.

- **Bank Finance to NBFCs Predominantly Engaged in lending against Gold**: RBI has advised Banks to(i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50 per cent or more of its total financial assets, from the existing 10 per cent to 7.5 per cent of banks' capital funds. However, the above exposure ceiling may go up by 5 per cent, *i.e.,* up to 12.5 per cent of banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector. Banks which are currently having exposure to such NBFCs in excess of the above regulatory ceiling would be required to reduce their exposure within the prescribed limit at the earliest, but not later than six months from the date of this circular; and (ii) have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50 per cent or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

- **Consumer price-based food inflation** accelerated to 10.18% in April from 8.22% in February, driven by a rise in prices of vegetables, eggs and fish products.

- The **rupee** tumbled by 35 paise to trade at a new all-time time low of Rs 54.82 against the US dollar in early trade on increased capital outflows and strong demand from importers for the American currency.

- **The Index of Industrial Production (IIP)** for the month of March 2012 stands at 186.4, which is 3.5% lower as compared to the level in the month of March 2011. The cumulative growth for the period April-March 2011-12 stands at 2.8% over the corresponding period of the previous year.

- **Facebook Inc** rose in its trading debut following a record initial public offering (IPO) that made the social network more costly than almost every company in the Standard & Poor's 500 Index. The shares advanced 5.2 per cent to $39.97 at 12:10 pm in New York after earlier trading at the IPO price of $38, which valued the company at $104.2 billion. Facebook sold 421.2 million shares to raise $16 billion.

- Commerce, Industry and Textiles Minister, Shri Anand Sharma expressed **"deep concern" over the decline in the Index of Industrial Production especially in capital goods and manufacturing**. He has urged RBI for a differential rate of credit for manufacturing, given that there is a huge social dimension attached with the manufacturing sector since it supports millions of jobs. He has pressed for availability of credit at affordable rates for domestic industry and dollar credit for Indian exporters. He said that the "slow down in exports growth in April in the backdrop of the economic crisis in the Euro Zone is also a worrisome development".

- Despite the weaker global economic environment, **sub-Saharan Africa** is expected to continue growing strongly in 2012.GDP growth is forecast to increase slightly from the 2011 average of 5 percent, according to the IMF in its latest assessment of the region's economy. Most of sub-Saharan Africa expected to grow strongly this year, above 5 percent. High inflation in some countries requires tight monetary policy stance. Region's countries should gradually rebuild fiscal buffers where possible.

- According to preliminary reports received from the States, **pulses** have been sown in 13.71 lakh hectares in the current sowing season so far. The cultivated area is higher by 10.15 lakh hectares as compared to last year on this date. Target of pulses cultivation for the current season is 17.49 lakh hectares.

- **India's exports** for the months of April 2012 have registered a growth of 3.2%, at US $ 24.50 billion. during April 2012 the imports were US $ 37.9 billion with a growth of 3.8% and a Balance of Trade stood at US $ (-)13.4 billion, during the same period. During April 2012, the following sectors have done well with regard to exportsengineering, (US $ 5.2 billion) which registered the growth of 14.2%; electronics exports grew by 5.4% (US $ 0.6 billion); Drugs and pharmaceuticals 33% (US $ 1.1 billion);leather 3.2% (US $ 0.3 billion); Basic Chemicals 11.4% (US$0.9 billion); Marine products 21% (US& 0.2 billon) Cotton yarn and fabric made-up (-)20.4% (US $ 0.49 billion) ; Gems & Jewellery decline by (-) 25.7% (US $ 2.6 billion). As regards to imports during April 2012, the growth estimates on the following sectors are: POL, 7% (US $ 13.9 billion); Gold and silver (-)33% (US$ 3.1 billion); machinery, 14.9% (US $ 2.9 billion), and coal 25.5% (US $ 1.5 billion US $) Pearls and precious stones (-)63.3% (US$1.2 billion).

- The total production of **salt** in India during 2011-12 was 221.79 lakh ton. Of this 62 lakh ton of salt were iodized.

- **The Foreign Direct Investment (FDI) inflow** into the food processing sector in 2011-12 (up to February, 2012) has been $141.62 (Rs. 682.30).

- The Union Cabinet approved the proposal of the Ministry of Petroleum & Natural Gas to permit GA1L(India) Limited to sign the **Gas Sale & Purchase Agreement (GSPA)** with TurrnenGas, Turkmenistan`s national oil company, for the Turkmenistan-Afghanistan-Pakistan-India (TAPI) Gas Pipeline Project. The TAPI Gas Pipeline is envisaged to be 1680 Km in length (144 Km in Turkmenistan, 735 Kin in Afghanistan & 800 Km in Pakistan) with a capacity of 90 MMSCMD of gas, with 38 MMSCMD each for India and Pakistan and the remaining 14 MMSCMD for Afghanistan. The Pipeline is expected to be operational in 2018 and supply gas over a 30 years period. The source of the gas is the South Yoiotan Osman field, recently renamed Galkynysh, which has been certified by a reputed international consultant to be holding proven recoverable gas reserves of 16 trillion cubic metres.

- In the **12th Five Year Plan** the Government of India has proposed to invest Rs.73, 793.95 crore for development of various projects in **port** sector. The Minister further stated that by the end of March, 2012 the existing capacity of Major Ports was 689.83 million tonnes per annum. As per 12th Five year plan the capacity of Major Ports will be increased to 1229.24 million tonnes per annum by the end of March, 2017. In the year 2012-13, 25 Projects have been identified for award at various Major Ports in the country under Public Private Partnership mode.

- **IOC** is proposing to set up LNG import terminal at Ennore Port with storage and regasification facilities of 5 MMTPA capacity at an estimated capital cost of Rs 4320 Crore. IOC has entered into Memorandum of Understanding (MoU) and subsequently Heads of Agreement (HoA) with Tamil Nadu Industrial Development Corporation (TIDCO) for partnering in the project.

- **The outward Foreign Direct Investment (FDI)** comprising equity, loan and guarantee invoked by Indian parties has increased from US$ 7210.32 million during 2000-01 to 2004-05 to over US$ 72037.17 million during 2005-06 to 2009-10. The increased outward FDI by Indian parties has been primarily driven by resource seeking or market seeking or technology seeking motives. It is also a part of corporate strategy to promote the brand image and utilization of raw materials available in the host country.

- During 11th Five Year Plan period for **development of Port Infrastructure at Major Ports**, an investment of around Rs. 5566 crores has been made and a capacity addition of 185.08 Million Metric Tonnes Per Annum has been achieved. The traffic handled has increased by 96.37 million tonnes i.e. from 463.78 million tonnes to 560.15 million tonnes.

- **Chennai Port Trust** has a proposal to develop a Dry Port and Multimodal Logistic Hub near Sriperumbudur under the PPP mode. The estimated cost of Chennai Port Trust's proposal is Rs. 415 Crores.

- **The demand for mobile handsets** in the country has grown by 20% to 180 million in 2011 as compared to 150 million for 2010, while in value term the same stands at Rs. 38,200 crore in 2011 as compared to Rs. 34,500 crore in 2010 at a rate of growth of 11%.

- There are 93,659 branches of **Scheduled Commercial Banks (SCBs)** functioning in the country as on 31st March, 2012, out of which 34,671 branches are in rural areas and 24,133 are in semi-urban areas, which together constitute about 63% of the total bank branches. During 2010-11, the SCBs opened 3,294 branches in rural/ semi-urban areas against 1,795 branches opened in urban/ Metropolitan areas of the country.

- **Medical Tourism** is one of the growing segments of travel into India. The percentage of Foreign Tourist Arrivals visiting India for Medical Treatment increased from 2.2% in 2009 to 2.7% in 2010.

- **Value of assets seized** in searches conducted by income tax department stood at Rs. 905.61 crore in 2011-12.

- The Budget Estimates from **disinvestment** have been estimated at Rs.40000 crore for the year 2011-12 and Rs.30, 000 crore for the year 2012-13. The estimates were revised at RE stage to Rs.13, 144.55 crore. During 2011-12, an amount of Rs. 13,894.05 crore was realized from the disinvestment in Power Finance Corporation Limited and Oil and Natural Gas Corporation Limited. In 2012-13, till date, receipts are Rs.124.97 crore from disinvestment in National Building Construction Corporation Limited.

- **India's total external debt stock** at end-December 2011 was US$ 334.9 billion, reflecting an increase of US$ 11.0 billion (3.4 per cent) over end-September 2011 level of US$ 323.9 billion. The rise in debt stock was mainly due to higher external commercial borrowings and short-term debt.

- **TPO has no power to question business purpose of transaction**: Ericsson India Pvt. Ltd vs. DCIT (ITAT Delhi)

- **Despite concealment, no s. 271(1)(c) penalty if s. 115JB book profits assessed**: CIT vs. Nalwa Sons (Supreme Court)

- **Despite Borrowing, Shares' Gain Is STCG & Not Biz Profits**: Narendra Gehlaut vs. JCIT (ITAT Delhi)

- **Treatment of Capital Goods sourced from SEZ and import of spares for such Capital Goods under EPCG Scheme – Para 5.2A of FTP– reg**: According to Policy Circular No. 65 (RE-2010)/2009-14, it is clarified that Capital Goods sourced from SEZ are treated as 'imported goods'. Hence, EPCG Scheme-under Para 5.2A is available for import of spares for such imported Capital Goods (i.e. sourced from SEZ) with reduced EO. Besides this, EPCG Authorization for "Spares" is also allowed under Para 5.2 {as clarified in Policy Circular No. 12 dated 17.01.2011 (Point No. 2)}.

As a matter of fact ;)