

| Market Watch | SENSEX   | NIFTY   | USD/INR | Gold (MCX) Rs/10g.) |
|--------------|----------|---------|---------|---------------------|
|              | 17213.70 | 5227.25 | 55.93   | 29267.00            |
|              | ▼ -18.85 | ▼ -8.00 | ▲ 0.41  | ▲ 45.00             |

- IMF Head hails Asia's leading role in Global stability:** Asia's economies are central to global economic stability, and the region has emerged from the global crisis with its economic standing enhanced, the Managing Director of the IMF told an audience of top officials in Thailand.
- The Index of Industrial Production (IIP)** for the month of May 2012 stands at 170.2, which is 2.4% higher as compared to the level in the month of May 2011. The cumulative growth for the period April-May 2012-13 stands at 0.8% over the corresponding period of the previous year.
- The Prime Minister has approved the constitution of an **Expert Committee on GAAR** to undertake stakeholder consultations and finalise the guidelines for GAAR. This committee would manage the consultation process and finalise the draft GAAR Guidelines.
- Gross Direct Tax collections** during April-June of the Financial Year 2012-13 was up by 6.77 percent at Rs. 1,11,182 crore as against Rs. 1,04,135 crore in the same period during the last year. Gross collection of **Corporate Taxes** showed an increase of 3.48 percent and stood at Rs. 70,594 crore as against Rs. 68,223 crore in the same period during last year. Gross collection of **Personal Income Tax** was up by 13 percent and stood at Rs.40, 520 crore as against Rs.35, 858 crore in the same period during last year. **Net Direct Tax collections** was up by 47.16 percent and stood at Rs.84, 273 crore, as compared to Rs.57, 267 crore in the same period in the last fiscal. Growth in **Wealth Tax** was (-) 3.03 percent and stood at Rs.32 crore as against Rs.33 crore in the same period during the last fiscal, while growth in **Securities Transaction Tax (STT)** was (-) 0.52 percent and stood at Rs.952 crore as against Rs.957 crore in the same period during the last year.
- India's exports** for the month of June 2012 registered a decline of (-) 5.45%, at US \$ 25.07 billion compared to June 2011 when it stood at US \$ 26.51 billion. During June 2012, **the imports** were US \$ 35.37 billion with a negative growth of (-) 13.46%. **Balance of Trade** stood at US \$ 10.3 billion during the same period.
- While international agricultural commodity markets appear to have entered calmer conditions after record highs last year, **food commodity prices** are anticipated to remain on a higher plateau over the next decade, underpinned by firm demand but a slowing growth in global production, according to the latest OECD-FAO Agricultural Outlook. The report suggests that in addition to population growth higher per capita incomes, urban migration and changing diets in developing countries, as well as rising requirements for biofuel feed stocks, are underpinning demand pressures. At the same time, agricultural output by traditional exporting developed countries has been slow to respond to higher prices in the last decade. The Outlook anticipates that agricultural output growth will slow to an average of 1.7 percent annually over the next 10 years, down from a trend rate of over 2 percent per year in recent decades. Higher input costs, increasing resource constraints, growing environmental pressures and the impacts of climate change will all serve to dampen supply response. Much of the projected growth will come from developing countries, which will increasingly dominate in the production of most agricultural commodities, and also take on a more important role in commodity trade.
- Sustainable fisheries and aquaculture** play a crucial role in food and nutrition security and in providing for the livelihoods of millions of people. FAO's latest flagship publication on the state of fisheries and aquaculture, launched at the opening of the 30th session of the FAO Committee on Fisheries, highlights the sector's vital contribution to the world's well-being and prosperity, a point reflected in the recent Rio+20 Outcome Document. The State of World Fisheries and Aquaculture 2012 reveals that the sector produced a record 128 million tonnes of fish for human food - an average of 18.4 kg per person - providing more than 4.3 billion people with about 15 percent of their animal protein intake. Fisheries and aquaculture are also a source of income for 55 million people.
- The Union Cabinet approved the proposal to provide a special incentive package to promote large-scale manufacturing in the **Electronic System Design and Manufacturing (ESDM)** sector. The scheme is called the Modified Special Incentive Package Scheme (M-SIPS).
- The Cabinet Committee on Infrastructure (CCI) approved a proposal from the Planning Commission to set up an Institutional Mechanism for monitoring and enforcement of provisions in **PPP projects**. With an increasing reliance being placed on PPP projects across many wings of the government, it has become necessary to adopt a well-defined institutional structure for overseeing contract performance effectively. This is all the more necessary as concessionaires will have an incentive to cut corners whereas the criticism would be faced by government. The Institutional Framework requires project authorities to create



a two-tier mechanism for monitoring the performance of PPP projects: (i) A PPP Projects Monitoring Unit (PMU) at the project authority level (ii) A PPP Performance Review Unit (PRU) at the Ministry or State Government level, as the case may be.

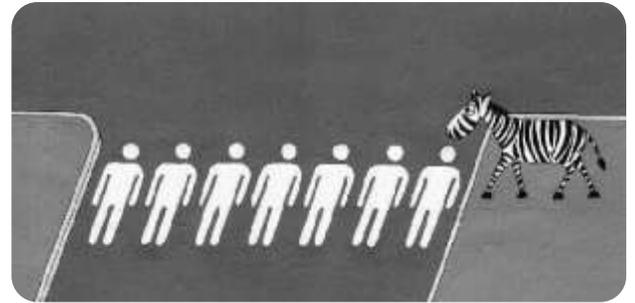
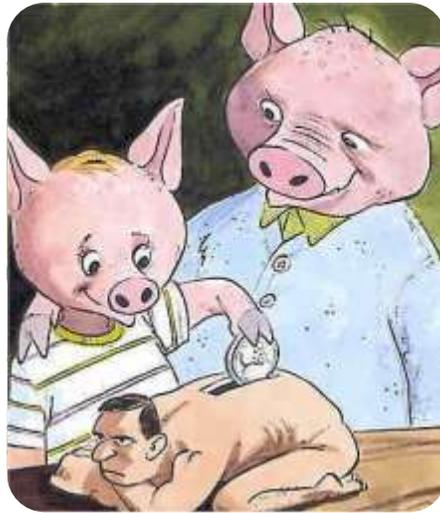
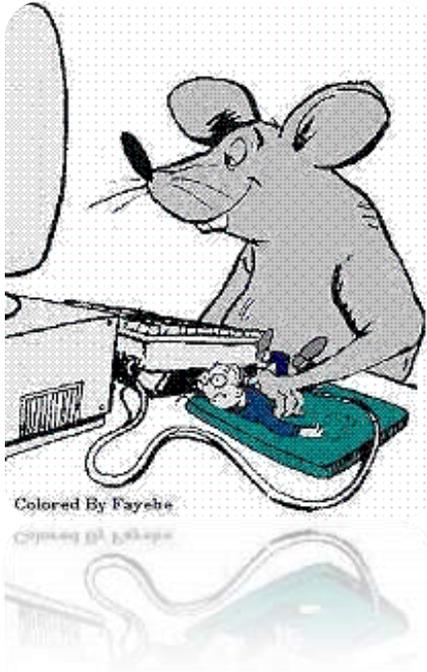
- ✚ The Cabinet Committee on **Infrastructure** approved the proposal for the development of the two laning with paved shoulders of 'Raibareilly – Jaunpur' section on NH - 231 in Uttar Pradesh under NHDP Phase IV on DBFOT basis in BOT (Annuity) mode of delivery. The total cost estimated of the project will be Rs.647.98 crore out of which Rs.78.62 crore will be for land acquisition, resettlement and rehabilitation and preconstruction and Rs.569.36 crore will be for construction. The total length of the project will be 166.40 km and the concession period will be 17 years including the construction period of 24 months. The main object of the project is to expedite the improvement of infrastructure in the State of Uttar Pradesh and also in reducing the time and cost of travel for traffic, particularly heavy traffic, playing between Raibareilly – Jaunpur. It will also increase the employment potential for the local labourers for the project activities.
- ✚ **The Pension Fund Regulatory and Development Authority (PFRDA)** issued a revised set of guidelines for registration of Pension Fund Managers (PFMs) to manage the National Pension System (NPS) for the non-government and private sector.
- ✚ The Telecom Regulatory Authority of India (TRAI) has on Monday (09th July, 2012) released draft regulations on **"Standards of Quality of Service for Mobile Data Services Regulations, 2012"**. Written comments on the draft regulations are invited from the stakeholders by 25th July, 2012 and counter comments by 1st August, 2012. The comments may be sent, preferably in electronic on the e-mail address advqos@traigov.in
- ✚ The Central Board of Excise and Customs (CBEC) issued necessary clarification regarding the **leviability of service tax on the remittance of foreign currency in India from overseas**. The CBECE through a circular issued stated that the matter has been examined and it is clarified that there is no service tax per se on the amount of foreign currency remitted to India from overseas. In the negative list regime, 'service' has been defined in clause (44) of section 65B of the Finance Act 1994, as amended, which excludes transaction in money. As the amount of remittance comprises money, the activity does not comprise a 'service' and thus not subjected to service tax. In case any fee or conversion charges are levied for sending such money, they are also not liable to service tax as the person sending the money and the company conducting the remittance is located outside India. In terms of the Place of Provision of Services Rules, 2012, such services are deemed to be provided outside India and thus not liable to service tax. It is further clarified that even the Indian counterpart bank or financial institution who charges the foreign bank or any other entity for the services provided at the receiving end, is not liable to service tax as the place of provision of such service shall be the location of the recipient of the service, i.e. outside India, in terms of Rule 3 of the Place of Provision of Services Rules, 2012.
- ✚ All deductors other than Government deductors must file their quarterly **TDS statement** for the quarter ending 30th June 2012, on or before 15th July 2012 and Government deductors must file their statement on or before 30th July 2012. While submitting their statements, the deductors have to choose correct and relevant form, quote correct PAN against all entries and ensure that correct CIN/BIN is quoted in the TDS statement. Non-quoting of PAN or TAN in TDS statements or delay in filing of TDS statements may lead to levy of penalty. TDS certificates for deductions on income other than salary income (Form 16A) for the quarter ending 30th June 2012 should be issued on or before 30th July 2012.
- ✚ Asian Development Bank (ADB) and the Government of India have signed a \$74.8 million loan **to improve connectivity with the north eastern region of the country**. The loan constitutes the first tranche of the North Eastern State Roads Investment Program, a \$200 million multi-tranche finance facility (MFF), expected to be executed in two tranches. Under the facility, a total of 433.7 km roads would be improved/upgraded/ constructed in six states- Assam, Manipur, Meghalaya, Mizoram, Sikkim and Tripura.
- ✚ Asian Development Bank (ADB) and the Government of India have signed a \$67.6 million loan that will help improve physical and institutional links **to support agriculture in the state of Bihar**. The loan will help expand agricultural value chains and facilitate better linkages for small scale farmers with processors, agribusiness entrepreneurs, and service providers in Muzaffarpur and Patna-Nalanda regions of Bihar.
- ✚ Asian Development Bank (ADB) and the Government of India have signed a US\$ 150 million loan for 1st tranche of **Railway Sector Investment Program** aimed at improving rail freight services and passenger transport routes.
- ✚ **Foreign Tourist Arrivals (FTAs)** during the Month of June 2012 was 4.32 lakh as compared to FTAs of 4.12 lakh during the month of June 2011 and 3.85 lakh in June 2010. There has been a growth of 4.8% in June 2012 over June 2011 as compared to a growth of 4.6% registered in May 2012 over May 2011. **Foreign Exchange Earnings (FEE)** during the month of June 2012 were Rs. 6485 crore as compared to Rs. 5440 crore in June 2011 and Rs 4751 crore in June 2010. The growth rate in FEE in terms in June 2012 over June 2011 were 19.2% as compared to 14.5% in June 2011 over June 2010.



✚ **Deferment in the date of effect for implementation of bar-coding on Primary and Secondary level packaging on export consignment of pharmaceuticals and drugs for tracing and tracking purpose:** Earlier the requirement of affixing barcodes on Secondary level and Primary level packaging was to come into effect from 01.07.2012 and 01.01.2013 respectively. Now according to the Public Notice No. 10 (RE-2012)/2009-2014, this time limit is being extended by 6 months each.

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

**The dream of three animals ...**



***Health is the greatest gift,  
Contentment is the greatest wealth,  
Faithfulness the best relationship  
~ Buddha***

***'The hunger for love is much more difficult to remove  
than the hunger for bread.'  
~ Mother Teresa***

