

- ✚ The annual rate of **inflation**, stood at 11.56 percent for the week ended 25/06/2011 (over 26/06/2010) as compared to 11.84 percent for the previous week (ended 18/06/2011).
- ✚ **Finance Minister** is optimistic about sustaining growth momentum in 2011-12 and coming years as economy's fundamentals are strong; major challenge in short term is inflation and Government takes various steps to contain it; Private Sector to play an important role to address structural concerns
- ✚ **Focus on Fodder Production; Rs. 119.5 crore released:** Centre has released Rs. 119.5 crore to 12 States for integrated development of fodder under Accelerated Fodder Development Programme (AFDP) in the current financial year so far. Rs. 300 crore have been allocated for this programme in 2011-12. The scheme is part of Rashtriya Krishi Vikas Yojana (RKVY).
- ✚ **Mineral production** increases by 11.83 per cent during 2010-2011, Consultative Committee of Ministry of Mines held.
- ✚ **FDI equity inflows touches us \$ 4.664 billion for month of May 2011, second highest FDI equity inflow received in any month for the last eleven financial years:** They also represent an increase of nearly 111% over the FDI equity inflows of US 2.213 billion received in the same month last year (i.e. May, 2010), as also the highest FDI equity inflow, in the last eleven financial years (i.e. since the financial year 2000-2001), received in the month of May
- ✚ **Export Target Achievable by 2014:** Anand Sharma, Export Grows 45.7% in the First Quarter at US \$ 79 Billion: Commerce Secretary: during the period April-June 2011, exports have reached a level of US \$ 79 billion at a growth of 45.7% while the imports were US \$ 110.6 billion with a growth of 36% and a trade deficit of negative US \$ 31.6 billion, during the same period. India's imports in June 2011 were US \$ 36.9 billion registering the growth of 42.4%. Balance of trade for the month of June 2011 stood at negative 7.7 billion US dollar. During April-June 2011, exports the following sectors have done well viz., engineering, 94% (US \$ 23 billion); Gems & Jewellery, 19% (9.25 billion US \$); petroleum & oil products, 60% (US \$ 14 billion); manmade yarn & made-ups, 30% (US \$ 1.2 billion); electronics, 69% (US \$ 2.8 billion); Marine products, 27% (0.6 billion); and leather registered the growth of 26% (1.1 billion US \$.) Interacting with the media persons, Shri Khullar stated that exports of iron ore, Fruits & vegetables and tobacco are on the negative growth because of ban on exports on these sectors. As regards imports during April-June 2011, the growth estimates on the following sectors are: POL, 18% (US \$ 30.5 billion); pearls & precious stones, 10% (US \$ 7.5 billion); gold & silver, 200% (US \$ 17.7 billion); Iron & steel, -10% (US \$ 2.7 billion) and machinery, 49% (US \$ 9 billion). With the export showing a steady growth, there is a growing satisfaction. If we keep growing at an excess of 79 billion US \$ we can achieve our target by 2014.
- ✚ **Key Indicators of Household Consumer Expenditure in India, 2009-10:** +In terms of MMRP estimates, the average household monthly per capita expenditure (MPCE) in 2009-10 was estimated as Rs.1053.64 in rural India and Rs.1984.46 in urban India. Thus the per capita expenditure level of the urban population was on the average about 88% higher than that of the rural population. + The poorest 10% of India's rural population had an average MPCE of Rs.453. The poorest 10% of the urban population had an average MPCE of Rs.599. The top 10% of the rural population, ranked by MPCE, had an average MPCE of Rs.2517 – about 5.6 times that of the bottom 10%. The top 10% of the urban population had an average MPCE of Rs.5863 – about 9.8 times that of the bottom 10%. +In rural India, half of the population belonged to households with MPCE below Rs.895 (median value) and nearly 40% of the rural population of India had MPCE below Rs.800. About 60% of rural population had MPCE below Rs.1000. About 10% had MPCE above Rs.1650. +Correspondingly, in urban areas of India, half the population was living with MPCE below Rs.1500, about 70% of population had MPCE above Rs.1100, nearly 30% had MPCE above Rs.2100, and 20% had MPCE above Rs.2600. +The share of food in total household expenditure was 57% and 44% in rural and urban India respectively. In rural India, this share in respect of bottom 10% population was 65% and for top 10% population, 46%. In urban India, the share of food was 62% for its bottom 10% population and 31% for top 10% population.
- ✚ **The Government of India's \$5.1 billion National Rural Livelihoods Mission (NRLM) is one of the world's largest initiatives to improve the livelihoods of poor rural people and boost the rural economy:** India's National Rural Livelihoods Mission (NRLM) aims to benefit some 350 million people in 12 states which account for almost 85% of the rural poor. The World Bank will support the NRLM with a credit of \$1 billion, in continuation of its decade-long engagement in the sector.
- ✚ **Gross Direct Tax Collections during the First Quarter of Current Fiscal (April-June, 2011) up by 23.91 percent; Rise to Rs.1, 04,136 Crore as against Rs 84,041 Crore during the Same Period in Last Fiscal:** Gross collection of Corporate Taxes was up by 23.49 percent and stood at Rs.68, 223 crore against Rs.55, 244 crore in the same period last year. Gross collection of personal income tax was up by 24.63 percent which rose to Rs.35, 859 crore as against Rs.28, 772 crore during the same period last year. Net tax collections, however, stood at Rs.57, 268 crore,



down from Rs.68, 675 crore in the same period in last fiscal. This was on account of an increase of 205.01 percent in tax refunds, which stood at Rs.46, 868 crore as against Rs.15, 366 crore in the same period during the last fiscal.

- Foreign Tourist Arrivals and Foreign Exchange Earnings during June 2011:** Foreign Tourist Arrivals (FTAs) during the Month of June 2011 was 3.96 lakh as compared to FTAs of 3.70 lakh during the month of June 2010 and 3.52 lakh in June 2009. There has been a growth of 7.2 % in June 2011 over June 2010 as compared to a growth of 4.9 % registered in June 2010 over June 2009. The 7.2% growth rate in FTAs in June, 2011 was higher than 7 % growth rate observed in May, 2011. Foreign Exchange Earnings (FEE) during the month of June 2011 were Rs. 5440 crore as compared to Rs. 4751 crore in June 2010 and Rs. 3801 crore in June 2009. The growth rate in FEE in Rupee terms in June 2011 over June 2010 was 14.5 % as compared to 25 % in June 2010 over June 2009.
- Interim Report** of the task Force on Direct Transfer of Subsidies on LPG, Petroleum and Kerosene Submitted to Finance Minister; Recommends an Implementable Solution in a phased Manner; Core Subsidy management platform (CSMS) also Recommended
- Renewal of Long Term Agreements for supply of iron ore to Japan and South Korea through MMITC Limited:** The Union Cabinet approved the proposal to renew the Long Term Agreements and has authorised MMTC to supply iron ore (lumps and fines) of grade +64% Fe content to Japanese Steel Mills (JSMs) and POSCO of South Korea for another 3 years (i.e. 2011-2014) under Long Term Agreements entered into by MMTC earlier.
- Member of Parliament Local Area Development Scheme (MPLADS)- Enhancement of Annual Allocation:** The Union Cabinet approved the proposal to increase the annual allocation under MPLAD Scheme from Rs.2 crore to Rs. 5 crore to each Member of Parliament with effect from the Financial Year 2011-12.
- Policy Guidelines for expansion of FM Radio Broadcasting services through private agencies (Phase-III):** The Union Cabinet in its meeting has approved the proposal of the Ministry of Information and Broadcasting to approve of the 'Policy Guidelines on Expansion of FM radio broadcasting services through private agencies (Phase-III)'. Cabinet has also cleared the proposal of the Ministry for conducting ascending e-auction, as followed by Department of Telecommunications for the auction of 3G and BWA spectrum, mutatis-mutandis, for award of license of FM Channels, as recommended by the GoM on Licensing Methodology for FM Phase-III. FM Phase-III Policy extends FM radio services to about 227 new cities, in addition to the present 86 cities, with a total of 839 new FM radio Channels in 294 cities. Phase -III policy will result in coverage of all cities with a population of one lakh and above with private FM radio channels.
- Proposal for "Special Industry Initiative Scheme in Jammu & Kashmir" approved:** The Cabinet Committee on Economic Affairs approved the implementation of the Special Industry Initiative Scheme in Jammu & Kashmir" (SII J&K). The Special Industry Initiative Scheme (SII J&K) will be a Central Scheme with 100% Central assistance in partnership with National Skill Development Corporation (NSDC)/any similarly placed institution identified for the purpose and the corporate sector. The Scheme proposes to cover all the districts of the State of J&K.
- First Step towards Coastal Hazard Line Mapping:** the Stereo Digital Aerial Photography (SDAP) started as the first step towards Coastal Hazard Line Mapping to help in management of country's coastal zone. For the purpose of SDAP, the mainland coastline has been divided into eight blocks. They are, from the Indo-Pakistan Border to Somnath in Gujarat; Somnath to Ulhas River in Maharashtra; Ulhas River to Sharawati River in Karnataka; Sharawati River to Cape Comorine in Tamil Nadu; Ponnaiyur River to Krishna River in Andhra Pradesh; Krishna River to Chhattapur in Orissa; and Chhattapur to Indo-Bangla Desh border in West Bengal. Based on this, the maps will be prepared in 1: 10,000 scale and pillars will be erected demarcating the hazard line.
- Government of India and World Bank** sign us\$200 million agreement to strengthen local government system in Kerala.
- Carbon Finance in Africa Matters:** The Africa Carbon Forum 2011 discussed challenges and opportunities for the carbon finance market in Africa. The most promising development, one that holds particular benefits for Africa, is the increase of programmatic approaches to carbon mitigation. WBI helps countries and other stakeholders to better understand how the CDM and PoAs and other climate finance instruments work.
- Modification of sion c-1058 under engineering product group:** According to Public Notice No. 62 / (RE-2010)2009-2014 the amendment is made in SION C – 1058 in the Handbook of Procedure Vol. II. Under SION C-1058, till now, only Tubular Bags (Gaunlet) were permitted as an input at SI No. 3 of the SION. Now, this is modified to permit an alternate item i.e. relevant sewn Gaunlet cloth. There is no other change.



- ✚ **Amendment/modification of SION, J-373:** According to PUBLIC NOTICE NO. 63 /(RE-2010)/2009-2014 an amendment is made in SION, J-373 of Textile Product Group in the Handbook of Procedure Vol. II (as stated in paragraph 1.1 of Vol.I). Earlier, in SION, J-373, there were four items, which were allowed for imports. Now, fifth import item i.e "Pesticides (Biocides/Fungicides/Herbicides/Insecticides)" is added in SION, J-373 alongwith Note 3.
- ✚ **Transfer Pricing: "Benefit To AE" Does Not Justify Cost Allocation:** Patni Computer Systems Ltd vs. DCIT (ITAT Pune)
- ✚ **ITAT Dissents From CBDT On +/-5% Transfer Pricing Law:** iPolicy Network Pvt Ltd vs. ITO (ITAT Delhi)
- ✚ **ERP Software Package Allowable As Revenue Expenditure:** CIT vs. Raychem RPG Ltd (Bombay High Court)
- ✚ **Rental Income: House Property vs. Biz Profits: ITAT Explains Law:** ITO vs. Shanaya Enterprises (ITAT Mumbai)
- ✚ **AO To Decide If Sale Of Foreign Co Shares By NR To NR Attracts Indian Tax:** Richter Holding vs ADIT (Karnatka High Court)
- ✚ **DTAA Does Not Protect Tax Evaders. SIT Formed To Probe Black Money:** Ram Jethmalani vs. UOI (Supreme Court)
- ✚ **S. 263 order is "infructuous" if effect order not passed in "reasonable time":** CIT vs Goyal M.G Gases (Delhi High Court)
- ✚ **Investment by banks in liquid/short term debt schemes of mutual funds:** According to latest RBI circular it has been decided that the total investment by banks in liquid/short term debt schemes (by whatever name called) of mutual funds with weighted average maturity of portfolio of not more than 1 year, will be subject to a prudential cap of 10 per cent of their net worth as on March 31 of the previous year. The weighted average maturity would be calculated as average of the remaining period of maturity of securities weighted by the sums invested. With a view to ensuring a smooth transition, banks which are already having investments in these schemes of mutual funds in excess of the 10 per cent limit, are allowed to comply with this requirement at the earliest but not later than six months from the date of this circular.

