

Market Watch	SENSEX	NIFTY	USD/INR	Gold (MCX) Rs/10g.)
	16967.68	5146.05	57.09	29990.00
	▼ -64.88	▼ -18.95	▲ 0.79	▲ 147.00

- Rupee touches 57.30 against the dollar** today on strong demand for the American currency from oil importers, increased capital outflows and concerns over slowdown in global economic growth.
- The Reserve Bank has directed **state-owned oil firms** to buy half of their dollar requirement for oil imports from a single public sector bank.
- The RBI kept the cash reserve ratio (CRR) unchanged at 8 per cent. No cut in the repo rate** (unchanged at 4.75 per cent) was announced either.
- Fitch revises India's outlook to negative from stable.** Fitch says the revision in its outlook is reflective of heightened risks that India's medium- to long-term growth potential will gradually deteriorate if further structural reforms are not hastened, including measures to enhance the effectiveness of the government and create a more positive operational environment for business and private investments. The negative outlook also reflects India's limited progress on fiscal consolidation and, in particular, on reducing the central government deficit despite improvement in the financial health of state governments. "Against the backdrop of persistent inflation pressures and weak public finances, there is an even greater onus on effective government policies and reforms that would ensure India can navigate the turbulent global economic and financial environment and underpin confidence in the long-run growth potential of the Indian economy," said Art Woo, Director in Fitch's Asia-Pacific Sovereign Ratings group.
- FM: Fitch ratings rely on older data; ignore recent positive trends in Indian economy.** Although Government welcomes the observations made by Fitch Ratings regarding the strong fundamentals of the Indian economy, its concerns about the economic growth, inflationary pressures, and weak public finances are not placed in the context of the present state of the global economy and are based on older data."
- The leaders of the world's largest economies, meeting at the **G20 Summit** in Los Cabos, Mexico, have highlighted the importance of **disaster risk management** as an integral part of development policy to reflect their concern about the dramatic increase in losses from natural disasters in both developed and developing countries. In 2011, the world witnessed record losses from disasters caused by natural hazards with losses estimated at up to US\$380 billion. Recent events have shown that no country—rich or poor—has been immune from crippling natural hazards. Addressing these rising losses is compelling leaders to develop more active approaches to risk management and make better informed decisions to avoid the creation of new risk.
- IMF urges eurozone to make more determined, collective response to crisis.** The crisis in the euro area has reached a critical stage, the International Monetary Fund said in its latest assessment, and urged the 17 countries of the eurozone to remain strongly committed to a robust and complete monetary union, including a unified banking system and more fiscal integration. Concrete road map to complete monetary union needed to boost confidence, wide-ranging structural reforms essential to raise growth and support for demand necessary in the short term to cushion impact of adjustment.
- For the present **Kharif season** 141.8 lakh quintals of quality seeds of major crops is available in the country. This is about 12 lakh quintals more than the projected requirement of 129.64 lakh quintals.
- India and Russia** set US\$ 20 BN bilateral trade target by 2015, India plans to invest US\$1 trillion in infrastructure in next five years, India keen to participate in Pharma 2020 program, Russia asks for Joint Production of Civilian Aircraft: The Union Minister of Commerce, Industry and Textiles Shri Anand Sharma today addressed a group of political and business leaders from Russia and India at the third "India-Russia Business Dialogue" which was held under the umbrella of the St. Petersburg International Economic Forum 2012.
- The Competition Commission of India has found **cement manufacturers** in violation of the provisions of the Competition Act, 2002 which deals with anticompetitive agreements including Cartels. The order was passed pursuant to investigation carried out by the Director General upon information filed by Builders Association of India. The Commission has imposed penalty on 11 Cement Manufacturers named in the information @0.5 times of their profit for the year 2009-10 and 2010-11. The penalty amount so worked out amounts to more than Six thousand Crores. The Commission has also imposed penalty on the Cement Manufacturers Association. The Cement Manufacturers upon whom the penalty has been imposed



are ACC, Ambuja Cements Limited, Ultratech Cements, Grasim Cements now merged with Ultratech Cements, JK Cements, India Cements, Madras Cements, Century Cements, Binani Cements, Lafarge India and Jaypee Cements.

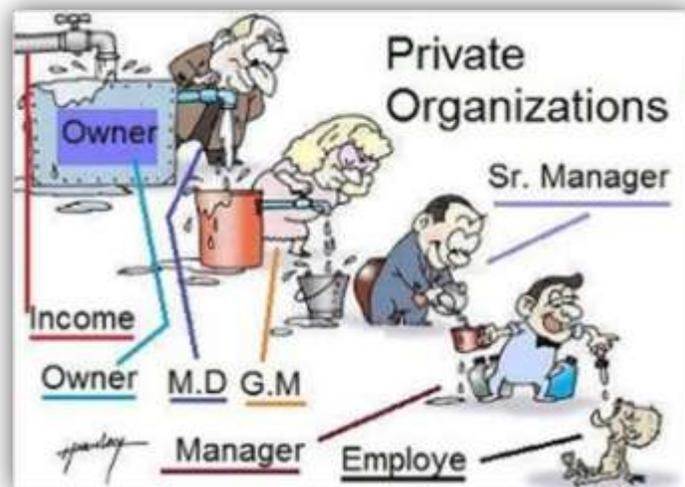
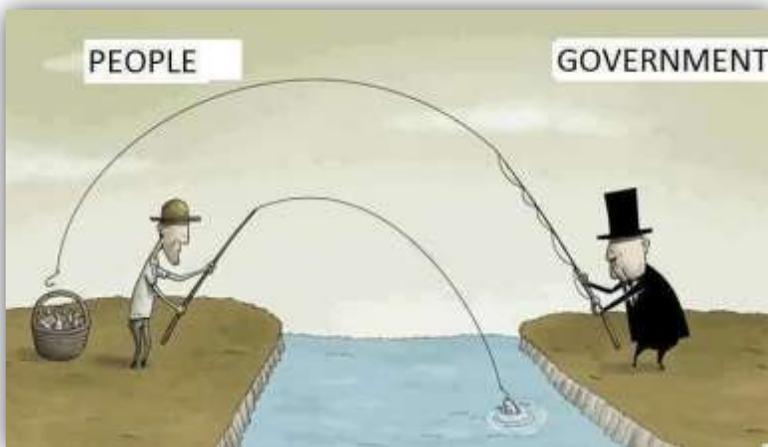
- 🔗 **Total import of sensitive items** for the period April-March 2012 has been Rs.100911 crores as compared to Rs.70656 crores during the corresponding period of last year thereby showing an increase of 42.8%. Imports of food grains have declined at broad group level during the period. Imports of all other items viz. edible oil, automobiles, pulses, fruits & vegetables (including nuts), rubber, cotton & silk, products of SSI, spices, milk & milk products, alcoholic beverages, marble & granite and tea & coffee have increased during the period under reference. In the edible oil segment, the import has increased from Rs. 29319.1 crores last year to Rs.46309.2 crores for the corresponding period of this year. The imports of both crude oil as well as refined oil have gone up by 53.5% and 85.6% respectively. The increase in edible oil import is mainly due to substantial increase in import of crude palm oil and its fractions. Imports of sensitive items from Indonesia, China P RP, Malaysia, Germany, Argentina, Ukraine, Korea RP, United States of America, Japan, Thailand, Canada, Myanmar, United Kingdom, Australia, Cote D' Ivoire, Vietnam soc Republic, Guinea Bissau etc. have gone up while those from Brazil etc. have gone down.
- 🔗 Union Finance Minister, Shri Pranab Mukherjee released the **Guidance Paper on the new approach to service tax**. The release of the Guidance Paper marks the culmination of the year long efforts made by the Government to introduce a negative list based comprehensive approach to taxation of services as a part of the Budget exercise. The new approach to taxation of services is intended to take the country and the economy a step closer towards the introduction of Goods and Service Tax (GST).
- 🔗 **The Cable Television Networks (Regulation) Amendment Act, 2011** has made it mandatory for switchover of the existing analogue Cable TV networks to Digital Addressable System (DAS) by December 2014, in a phased manner. In respect of four metros of Delhi, Mumbai, Kolkata and Chennai, the digital switchover is mandated to be completed by 30th June 2012.
- 🔗 Planning Commission has given **investment clearance of the scheme Uderasthan Barrage** and other interconnected and interdependent Scheme of Bihar (New ERM). The schemes are estimated to cost Rs. 531.01 crore at 2011-12 price level. The project shall be completed in the financial year 2013-14 and Plan accounts would be closed by 31st March 2014. Project may accordingly be executed as per the approved outlays in the State Annual Plans.
- 🔗 **Port Sector target raised to 244 Million Tonnes in 2012-13, Rs.14, 500 Crore to be spent to create capacity across 42 Projects**: After a review of the infrastructure sector by the Prime Minister Dr. Manmohan Singh, a target has been set for the Shipping Ministry for award of projects for creating 244 million tonnes of capacity during 2012-13 spread across 42 projects at an estimated cost of Rs. 14,500 crore. The target also include, obtaining approval of establishing two new Major Ports – one in Andhra Pradesh and another in West Bengal.
- 🔗 **WB: Toward Gender Equality in East Asia and the Pacific**: Promoting gender equality in access to productive resources and economic opportunity can contribute to higher economic productivity benefitting women and men alike. Promoting gender equality in access to resources, economic opportunity and voice is also an investment in the next generation. Promoting gender equality voice and influence in society contributes not only to more representative but higher quality development decision making. Female labor force participation is relatively high in the region; roughly 70 percent of women in East Asia and the Pacific participate in economic activities, higher than any other region. Women in East Asia also have higher participation in the management and ownership of firms than in other developing regions.
- 🔗 **S. 206AA TDS Law is unconstitutional**: A Kowsalya Bai vs. UOI (Karnataka High Court)
- 🔗 **Fees For rendering Services not assessable as "Royalty"**: KPMG India Pvt Ltd vs. DCIT (ITAT Mumbai)
- 🔗 **The RBI decided to enhance the Export Credit Refinance limit to 50% from 15%, a move that will inject Rs 30k cr into the system**: With a view to enhancing the credit flow to the export sector, it has been decided to enhance the eligible limit of the Export Credit Refinance (ECR) facility for scheduled banks (excluding RRBs) from 15 per cent of the outstanding export credit eligible for refinance to 50 per cent, effective fortnight beginning June 30, 2012. This will provide additional liquidity support to banks of over Rs. 300 billion. The rate of interest charged on the ECR facility will continue to be the prevailing repo rate under the Liquidity Adjustment Facility (LAF), which is currently 8.0 per cent. At present, the Export Credit Refinance ECR limit is fixed at 15 per cent of the outstanding rupee export credit eligible for refinance as at the end of the second preceding fortnight.



RBI: White Label ATMs (WLAs) in India – Guidelines: It has been decided to permit non-bank entities incorporated in India under the Companies Act 1956, to set up, own and operate ATMs in India. Non-bank entities that intend setting up, owning and operating ATMs, would be christened "White Label ATM Operators" (WLAO) and such ATMs would be called "White Label ATMs" (WLAs). They will provide the banking services to the customers of banks in India, based on the cards (debit/credit/prepaid) issued by banks. The WLAO's role would be confined to acquisition of transactions of all banks' customers and hence they would need to establish technical connectivity with the existing authorised shared ATM Network Operators / Card Payment Network Operators. Non-bank entities would be permitted to set up WLAs in India, after obtaining authorisation from RBI under the Payment and Settlement Systems (PSS) Act 2007. Non-bank entities intending to set up WLAs under these guidelines may approach RBI for seeking specific authorisation, within four months from the date of issuance of these guidelines, beyond which the authorisation seeking window will be closed. Such non-bank entities should have a minimum net worth of Rs 100 crore as per the latest financial year's audited balance sheet, which is to be maintained at all times.

RBI: Rupee Export Credit Interest Rates: the Government of India has decided to extend interest subvention of 2% on rupee export credit with effect from April 1, 2012 to March 31, 2013 on the same terms and conditions to the following sectors i. Handicrafts ii. Carpet iii. Handlooms iv. Small and Medium Enterprises (SMEs) v. Readymade Garments vi. Processed Agriculture Products vii. Sport Goodviii. Toys. Accordingly, banks may reduce the interest rate chargeable to the exporters as per Base Rate system in the above mentioned sectors eligible for export credit subvention by the amount of subvention available subject to a floor rate of 7%. Banks may ensure to pass on the benefit of 2% interest subvention completely to the eligible exporters.

As a matter of fact ;)



**“Put your hand on a hot stove for a minute, and it seems like an hour.
 Sit with a pretty girl for an hour,
 and it seems like a minute.
 That’s Relativity. ”
 ~ Albert Einstein**

