

- The Union Finance Minister Shri Pranab Mukherjee said that **Indian economy** will soon revert back to the path of higher growth trajectory. He said that the present downturn is only temporary. The Finance Minister Shri Mukherjee said that the world economy is going through turbulent times. He said that due to euro-zone crisis, downturn in external demand resulting in slowdown in exports, currency volatility and current account deficit among others have also affected our economy. It was, however, reassuring to note that the pause in the Indian growth story was brief, Shri Mukherjee added. He said that the food inflation has come down to 1.8% and there is moderation in inflation in general. The Finance Minister said that the savings rate had also gone up. He said that necessary instructions had been issued to all the Ministries and departments to adhere to their expenditure ceilings.
- The annual rate of **inflation (WPI)** stood at 2.70 percent (Provisional) for the week ended 17/12/2011 (over 18/12/2010) as compared to 3.78 percent (Provisional) for the previous week (ended 10/12/2011).
- The Sensex ended down 0.57% at 15,454.92 on Friday. The wider 50-share NSE Nifty index fell 0.47% on the year. HUL and ITC were the best performers in the Nifty, rising about 30% and 15%, respectively. The benchmark shed 24.6% in 2011 to be the world's worst-performing major **equity market**.
- It may be recalled that keeping in view the shortfall in other financing items, it was earlier decided to increase the **Government market borrowings** through dated securities provided in the Union Budget 2011-12 by Rs. 52,872 crore during the second half of 2011-12. On a review of the Government's overall financing requirements, it has been decided, in consultation with the Reserve Bank of India, to modify the indicative calendar for issuance of Government dated securities during the second half of 2011-12, released on September 29, 2011, for the remaining period of 2011-12, i.e. January-March 2012. With this modification, the gross market borrowing through dated securities during 2011-12 will further increase by Rs.40, 000 crore over the already announced increase of Rs.52, 872 crore.
- At end-September 2011, **India's external debt stock** was US\$ 326.6 billion reflecting an increase of 6.6 per cent over the level of US\$ 306.4 billion at end-March 2011. The rise in external debt is largely attributed to increase in external commercial borrowings, export credits and short term debt. Short-term debt accounted for 21.9 per cent of India's external debt at end-September 2011 while the rest (78.1 per cent) was long-term. Component-wise, the share of external commercial borrowings stood highest at 30.3 per cent in total external debt followed by NRI deposits (16.0 per cent) and multilateral debt (15.0 per cent). The shares of Government (Sovereign) and non-Government in total external debt were 24.3 per cent and 75.7 per cent, respectively, at end-September 2011. The share of debt denominated in US Dollar was the highest in India's external debt stock at 55.8 per cent at end-September 2011, followed by the Indian Rupee (18.2 per cent) and the Japanese Yen (12.1 per cent).
- India and Oman** have extended the validity of the existing bilateral Memorandum of Understanding (MoU) on Military Cooperation, signed in December 2005, for a further period of five years.
- The Planning Commission has given Investment clearance for the scheme –“**Upper Kundlika Project (Revised Medium) in Maharashtra**”. The project is estimated to cost Rs 154.916 Crore (2009-10 Price Level) and will have to be completed in the financial year 2012-13. The Plan accounts would be closed by 31st March 2013. The Government of Maharashtra will have to ensure that rehabilitation and resettlement works relevant to the habitation concerned should be completed before submergence of habitation of Project Affected People's land begins. The beneficiary farmers may be encouraged to take over the system after completion for operation and maintenance. Monitoring of the ground water level in the post project condition should be ensured to take ameliorative measures to combat water logging.
- The Central Government has decided to make available 17.16 lac tons of **sugar** (levy sugar 2.16 lac tons and non-levy sugar 15.00 lac tons) for the month of January, 2012
- There has been a sizeable growth in the **power sector** as the generating capacity in the country has increased to 185496.62 MW as on 30.11.2011.
- Shri G. K. Vasan, Union Minister of Shipping awarded **ISO certification to Jawaharlal Nehru Port** at a function in Mumbai.
- India-Japan** on course to trade target of US \$ 25 Billion by 2014. Invites Japanese Companies to Partner in Infrastructure, Pharma, Energy & Agro Processing Sector.
- The Ministry of **Food Processing Industries** has approved 10 Mega Food Parks in Andhra Pradesh, Punjab, Jharkhand, Assam, West Bengal, Uttarakhand, Tamil Nadu, Karnataka, Bihar and Tripura. In-principle approval has been accorded to 5 projects and Expression of Interest (EoI) issued for another 15 projects. Creation & Management of Cold Chain Infrastructure for Agriculture identified as Thrust Area. Proposal for up-Scaling of Abattoir Modernization Under consideration National Mission on Food Processing Mooted in XII Plan.



- + **Prohibition on import of milk and milk products from China:** According to Notification No 91 (RE – 2010)/2009-2014 Prohibition on import of milk and milk products (including chocolates and chocolate products and candies/ confectionary/ food preparations with milk or milk solids as an ingredient) from China is further extended till 24.6.2012 or until further orders, whichever is earlier.
- + **Amendment in Para 8.4.4(iv) of FTP:** According to Notification No.92(RE-2010) /2009-2014 Supplies to non mega power projects shall henceforth be entitled to benefits for Deemed Exports only under Para 8.3(a) of FTP, viz., Advance Authorisation / Advance Authorisation for annual requirement / DFIA.
- + **S. 132: Cash Seized In Search To Be Adjusted Against "Advance Tax":** Ram S. Sarda vs. DCIT (ITAT Rajkot)
- + **Profits From Supply of Hardware & Software Not Taxable:** DIT vs. Ericsson AB (Delhi High Court)
- + **S. 147: Other "Escaped Income" Cannot Be Assessed:** ACIT vs. Major Deepak Mehta (Chattisgarh High Court)

As a matter of fact ;)



***"Be always at war with your vices,
at peace with your neighbors, and
let each New Year find you a better man."
~Benjamin Franklin***

***Wish you Joy, Prosperity, Peace and Good Health
~From MACCIA Team***

