

Market Watch	SENSEX	NIFTY	USD/INR	Gold (MCX) Rs/10g.)
	17521.12	5316.95	55.45	29629.00
	▼ -17.55	▼ -10.35	▲ 0.51	▲ 35.00

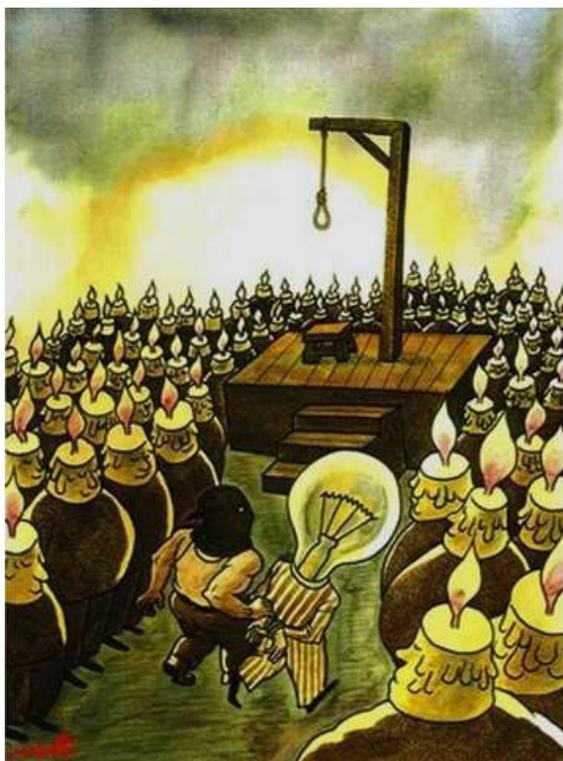
- The global community must work together to meet the challenges thrown up by the **global financial crisis** and to ensure future stability and growth, says the head of the IMF, Christine Lagarde. Global cooperation needed to overcome crisis. Priority areas are weak national fiscal positions, weak banks, weak growth. Lagarde pays tribute to Japan's leadership during crisis.
- According to the latest information received from the Department of Agriculture and Cooperation, **rice** has been sown in 55.40 lakh hectare, **coarse cereals** in 21.95 lakh hectare and **oilseeds** in 26.55 lakh hectare so far. Though sowing of rice, coarse cereals and oilseeds is lagging behind, sowing of pulses has picked up and is now sown in 66 thousand hectares more than this time last year. **Sugarcane** has been sown in 2.52 lakh ha and cotton in 3.78 lakh ha more than last year.
- The Cabinet Committee on Economic Affairs has approved the export of 2 million tonnes of **wheat** from the Central Pool stocks at a floor price of US\$228 (approximately Rs. 12400/-) per ton.
- The **FAO Food Price Index** fell for the third consecutive month in June 2012, dipping 1.8 percent from May to its lowest level since September 2010. Continued economic uncertainties and generally adequate food supply prospects kept the index down although growing concerns over dry weather sent prices of some crops higher toward the end of the month.
- The Cabinet Committee on Infrastructure has approved the Special Assistance to **Bodwad Parisar Sinchan Yojana of Maharashtra** in the form of a onetime Grant of Rs.500 crore. Considering the backwardness of the Vidarbha region and the water scarcity in Jalgaon district, this additional assistance in the shape of one time Grant would assist the Government of Maharashtra to impart sufficient momentum to this project for speedy execution. The project was approved by Planning Commission in May, 2011 with the estimated cost at Rs.2178.67 crore (2009-10 price level). It is likely to be completed in the financial year 2015-16. The Bodwad Parisar Sinchan Yojna which is situated in the Jalgaon district Maharashtra envisages lifting of 198.54 Mcum (7.01 TMC) water from Hatnur reservoir and conveying the water to two storage reservoirs namely Junone & Jamthi dams. The water from Junone dam and Jamthi dam will provide annual irrigation of 53,449 hectare (Net irrigated Area of 42420 ha.) in Jalgaon and Buldhana districts of Maharashtra.
- Exports** during May, 2012 were valued at US \$ 25681.38 million (Rs. 139895.48 crore) which was 4.16 per cent lower in Dollar terms (16.26 per cent higher in Rupee terms) than the level of US \$ 26796.54 million (Rs. 120328.54 crore) during May, 2011. **Imports** during May, 2012 were valued at US \$ 41947.14 million (Rs.228500.74 crore) representing a negative growth of 7.36 per cent in Dollar terms (growth of 12.38 per cent in Rupee terms) over the level of imports valued at US \$ 45281.90 million ( Rs. 203336.09 crore) in May, 2011. **Oil import** during May, 2012 were valued at US \$ 14987.2 million which was 14.02 per cent higher than oil imports valued at US \$ 13144.0 million in the corresponding period last year. **Non-oil imports** during May, 2012 were estimated at US \$ 26959.9 million which was 16.11 per cent lower than non-oil imports of US \$ 32137.9 million in May, 2011. The **trade deficit** for April - May, 2012-13 was estimated at US \$ 29752.08 million which was lower than the deficit of US \$ 31384.36 million during April -May, 2011-12.
- Indian companies raised \$3.37 billion (Rs 18,630 crore) through **external commercial borrowing (ECB)** in May, to fund modernisation, foreign acquisitions, import of capital goods and onward lending. The comparable figure for April, according to Reserve Bank of India (RBI) data, was \$2.73 billion. Of the total, \$935 million was via automatic route. The other \$2.43 billion was through the approval route, requiring case-by-case approval from RBI. Reliance Industries Ltd contracted ECB worth \$2 billion for importing capital goods. The loan tenure is 157 months. Under the approval route, Export-Import Bank of India and SREI Equipment Finance Ltd raised \$100 million each. EXIM intends to deploy the money for onward lending. SREI would use the funds to import capital goods.
- Agriculture Minister, Shri Sharad Pawar called for making **Indian fisheries** globally competitive by moving towards greater commercialization and value-addition. The Minister stated that India is the second largest producer of fish in the world after China, and also second in aquaculture production. The fisheries sector has grown at an average rate of about 6% over the last five years, is a major foreign exchange earner, and a source of livelihood for over 14 million people. India has still got vast aquaculture and fisheries – both inland and marine - resources which need to be further explored and harnessed. For this to happen, the fisheries sector needs professionally educated and trained manpower. In this context, the Minister informed that as against about 5,000 graduates available presently, this sector would need about 30,000 graduates by 2020, as estimated by a recent study. "Therefore, the need of the hour is to raise competent and skilled human resources for growth of fisheries sector," he said.
- India and Mauritius** to expand trade ties in textile sector. India -Mauritius trade almost doubles to us\$ 1.395 billion from 2010. Mauritius is the single largest source of Foreign Direct Investment (FDI) into India. The FDI inflows from Mauritius have been US\$ 64.80 billion, which constitutes 37.64 pc of the total FDI inflows from the country. Indian investment in Mauritius amounts to about US\$ 14.332 billion.
- India and Poland** sign Audio Visual Coproduction Agreement to enhance Bilateral Cooperation in the Films Sector. Agreement signed between I & B Minister Smt. Ambika Soni and Mr. B. Zdrojewski, Minister of Culture and National Heritage of the Polish Government.
- The Project on Removal of Barriers to Biomass Power Generation in India** got formally started when M/s Thermax Limited and M/s Ruchi Soya Industries Limited signed a MoU in the presence of Shri Gireesh B. Pradhan, Secretary, Ministry of New and Renewable Energy (MNRE) on 5th July 2012 in New Delhi. The aim of the UNDP / GEF assisted Project, which is being implemented by MNRE, is to accelerate the adoption of

environmentally sustainable biomass power technologies by removing the barriers identified, thereby laying the foundation for the large scale commercialization of biomass power through increased access to financing.

- ✦ The Union Cabinet approved the proposal to offer financial support for the **development of Electronics Manufacturing Clusters (EMCs)** as these EMCs would aid the growth of the Electronics Systems Design and Manufacturing (ESDM) sector, help development of entrepreneurial ecosystem, drive innovation and catalyze the economic growth of the region by increasing employment opportunities and tax revenues.
- ✦ The Union Cabinet approved the proposal for extending the scheme of **interest subvention of 1% on housing loans** upto Rs.15 lakh where the cost of the house does not exceed Rs.25 lakh for the year 2012-13 and to amend the operational part of guidelines for release of funds. A budgetary provision of Rs.400 crore has been made for Financial Year 2012-13 for implementing the scheme. Consequent upon the extension of scheme, the limit of subsidy for an individual borrower would be Rs.14, 912 for a loan of Rs.15 lakh and Rs.9925 for a loan of Rs.10 lakh. The extended scheme will benefit all house loans availed in Financial Year 2012-13.
- ✦ The Cabinet Committee on Economic Affairs has approved the proposal of the Department of Telecommunications regarding acquisition of 60% shares of **TCIL Saudi Co. Ltd. (TSCL)** from NESMA Group to make it a 100% owned subsidiary company of TCIL (Telecommunications Consultants India Ltd.) by investing from TCIL's internal resources. TCIL, a premier telecommunications consultancy and engineering company with a strong base in telecommunications and information technology, was incorporated in 1978 by Government of India. Of late, the company has diversified into Civil works.
- ✦ The Cabinet Committee on Economic Affairs has approved the proposal of the Department of Fertilizers for **reimbursement of freight for distribution of Phosphatic & Potassic (P&K) fertilizers** under Nutrient Based Subsidy (NBS) Policy for (i) the period from 1.1.2011 to 31.03.2012 and (ii) with effect from 1.4.2012 onwards. The freight policy shall be applicable on all P&K fertilizers except SSP. This will ensure movement of fertilizers to all parts of the country including areas having difficult topography. This will also ensure equitable prices of P&K fertilizers across all regions. All farmers in the country will be the beneficiaries.
- ✦ The Cabinet Committee on Economic Affairs approved the proposal of the Government of Tamil Nadu to set up a **Petroleum Chemicals and Petrochemicals Investment Region (PCPIR)** in the Cuddalore and Nagapattinam districts of the State. This is the first PCPIR to be approved after PCPIRs in Andhra Pradesh, Gujarat, West Bengal and Orissa. A total investment of about Rs.92,160 crore is expected in the TNPCIR, which includes committed investment of Rs.22,160 crore. It envisages development of physical infrastructure such as roads, rail, air links, ports, water supply, power, desalination plant, CETP etc. at a total cost of Rs.13,354 crore. The PCPIR policy prescribes that infrastructure will be created/upgraded through Public Private Partnerships to the extent possible and Central Government will provide the necessary Viability Gap Funding (VGF). Accordingly, Government of Tamil Nadu has sought support from Government of India involving a commitment Rs.1143 crore on account of VGF funding for two road- related projects, CETP and desalination plants and Rs.1500 crore of direct budgetary support for a rail project.
- ✦ The government is willing to collaborate with the industry and academia to develop a secure and progressive ecosystem for cloud services in India. Cloud Computing an Important Government Agenda. Appropriate Framework and Mechanism Needed for **Cloud Services** - Shri Kapil Sibal, the Union Minister for Communications and Information Technology.
- ✦ The Government is considering constituting an advisory committee to provide an institutional mechanism to consult all the stakeholders regarding the **regulation of commodity futures market**. It will bring about much needed changes in the working of these markets by bringing down excessive speculation, improving hedging and better aligning with the physical market.
- ✦ In line with the energy conservation and efficiency policies of the Bureau of Energy Efficiency (BEE) under the Ministry of Power, the Honorable Union Minister of Power, Shri Sushilkumar Shinde, launched the **Perform, Achieve and Trade (PAT) scheme** under the National Mission for Enhanced Energy Efficiency (NMEEE).
- ✦ The number of **domestic tourist visits (DTVs)** to the States/ UTs during 2011 was 851 million as compared to 748 million in 2010 and 669 million in 2009. During 2011, the number of domestic tourist visits to States/UTs registered an increase of 13.8% over 2010 as compared to increase of 11.8% in 2010 over 2009. The top ten States in terms of number of domestic tourist visits (in millions), during 2011, were Uttar Pradesh (155.4), Andhra Pradesh (153.1), Tamil Nadu (137.5), Karnataka (84.1), Maharashtra (55.3), Madhya Pradesh (44.1), Rajasthan (27.1), Uttarakhand (25.9), West Bengal (22.3) and Gujarat (21.0).The contribution of top 10 States was about 85.3% to the total number of domestic tourist visits during 2011.
- ✦ **Buyback / Prepayment of Foreign Currency Convertible Bonds (FCCBs):** It has been decided to continue the scheme of buyback of FCCBs subject to certain modifications. Accordingly, Reserve Bank will consider proposals from Indian companies for buyback of FCCBs under the approval route subject to: a) The buyback value of the FCCBs shall be at a minimum discount of five per cent on the accreted value. b) In case the Indian company is planning to raise a foreign currency borrowing for buyback of the FCCBs, all FEMA rules/ regulations relating to foreign currency borrowing shall be complied with. c) All other terms and conditions as stipulated in paragraph 5 of A.P. (DIR Series) Circular No. 39 dated December 8, 2008 will continue to be applicable. d) This facility shall come into force with immediate effect and the entire process of buyback should be completed by March 31, 2013 after which the scheme lapses.
- ✦ **Removal of Minimum Export Price (MEP) of Basmati rice:** According to Notification No. 6 (RE-2012) /2009-2014, Basmati Rice can be exported without any Minimum Export Price (MEP).

- ✚ **Conditions for export of Carpets, Handicraft items and Silk items:** According to Notification No. 5 (RE-2012)/2009-2014, Export of Handmade Woolen Carpets, Handicraft items and Silk items etc. (details given above) shall not be permitted on the basis of Documents against Acceptance (D/A) except when covered by (a) Guarantee from Bank or ECGC or (b) made to own Subsidiaries etc.
- ✚ **Prohibition on import of milk and milk products from China:** According to 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 23.6.2013 or until further orders, whichever is earlier.
- ✚ **Export of additional 4,476 MTs of raw sugar to USA under Tariff Rate Quota:** According to Public Notice No. 9 (RE-2012)/2009-2014, additional quantity of 4,476 MTs of raw sugar is permitted to be exported to USA under TRQ by M/s. Indian Sugar Exim Corporation Ltd. Earlier 8,300 MTs of raw sugar was allocated for export to USA under TRQ.
- ✚ **Introduction of electronic Bank Realization Certificate (e-BRC) system:** According to Public Notice No. 08(RE-2012)/2009-14, time upto 16.08.2012 is allowed to Banks for transition from physical BRC system to 'e-BRC' system.
- ✚ **Retrospective Amendment To S. 80HHC Is Ultra Vires & Illegal:** Avani Exports vs. CIT (Gujarat High Court)
- ✚ **Despite Speculation & Short Holding Period, Shares Gain Is STCG & Not Biz Profits:** Suresh R. Shah (Bombay High Court)
- ✚ **S. 43B(f) "Leave Encashment" Law Is Unconstitutional:** CIT vs. Hindustan Latex Ltd (Kerala High Court)
- ✚ **Assessee Entitled To Raise Claim For Deduction Even Outside ROI:** CIT vs. Pruthvi Brokers (Bombay High Court)
- ✚ **S. 147 Reopening Void If Reasons Supplied After Reassessment Order:** Tata International Ltd vs. DCIT (ITAT Mumbai)

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



***"If you feel as if your problems in life are as big as a ship,  
never forget that your blessings are as wide as the ocean"***