

- The annual rate of **inflation**, calculated on point to point basis, stood at 11.13 percent for the week ended 09/07/2011 (over 10/07/2010) as compared to 11.58 percent for the previous week (ended 02/07/2011).
- The 30-share **BSE Sensex** was trading at 18,676, up 240 points and the 50-share **NSE Nifty** went up 77 points to 5,618 on Friday.
- 17.14 crore farmers covered under **national agriculture insurance scheme**, claims of Rs. 21031 crore payable benefiting about 4.61 crore farmers, modified scheme notified by 12 states in 34 districts for rabi 2010-11 season about 3.66 lakh farmers covered under modified scheme.
- **4th advance estimates of foodgrain production for 2010-11 released:** ✓As per the latest estimates, India has produced 241.56 million tonnes of foodgrains during 2010-11 compared to 218.11 million tonnes in the previous year. This is highest ever foodgrains production, surpassing the earlier record of 234.47 million tonnes achieved in 2008-09. ✓It may also be noted that the production of wheat, estimated at 85.93 million tonnes, is an all time record. Similarly, production of pulses, estimated at 18.09 million tonnes, is an all time record. ✓Estimated production of maize stands at record level of 21.28 million tonnes which is significantly higher than the earlier record production of 19.73 million tonnes achieved during 2008-09. ✓The production of nine oilseeds estimated at 31.10 million tonnes is also an all time record. ✓Cotton production has increased from 24.23 million bales in 2009-10 to 33.43 million bales in 2010-11. ✓The production of sugarcane, which had attained a record level of 355.52 million tonnes during 2006-07 and declined in subsequent years, has again started witnessing increasing trend with an estimated production of 339.17 million tonnes in the current year.
 - ❖ Foodgrains – 241.56 million tonnes: highest ever
 - ❖ Rice – 95.32 million tonnes
 - ❖ Wheat – 85.93 million tonnes: highest ever
 - ❖ Coarse Cereals – 42.22 million tonnes: highest ever
 - ❖ Maize – 21.28 million tonnes: highest ever
 - ❖ Pulses – 18.09 million tonnes: highest ever
 - ❖ Tur – 2.89 million tonnes
 - ❖ Urad – 1.74 million tonnes: highest ever
 - ❖ Moong – 1.82 million tonnes: highest ever
 - ❖ Gram – 8.25 million tonnes: highest ever
 - ❖ Oilseeds – 31.10 million tonnes: highest ever
 - ❖ Soyabean – 12.66 million tonnes: highest ever
 - ❖ Groundnut – 7.54 million tonnes
 - ❖ Rabeseed & mustard – 7.67 million tonnes
 - ❖ Cotton – 33.43 million bales (of 170 kg each): highest ever
 - ❖ Sugarcane – 339.17 million tonnes
- **The Government of India and the World Bank** today signed a Credit Agreement of US\$1 billion (approximately Rs. 4,600 crores) for the National Rural Livelihoods Project (NRLP). The Project will strengthen the implementation of the Government of India's newly launched National Rural Livelihoods Mission (NRLM). The NRLM is one of the world's largest poverty reduction initiatives, aiming to reach 350 million people (almost a quarter of India's population), with an outlay of approximately US\$ 6.5 billion.
- **South Africa: Strengthening economy shifts focus to faster, more inclusive, growth:** In a new report, World Bank experts project that South Africa's economy will grow to 3.5 percent in 2011 allowing the country to focus on long-term challenges including boosting employment.
- **Aid for Trade:** World Bank Transport Facilitation Project Boosts Trade in East Africa: There are familiar frustrations echoed among those working in the trade and transport sector in landlocked African countries: high transport costs, lengthy delivery times, border clearance delays and corruption. But a \$199 million World Bank trade and transport facilitation project in East Africa is improving the trade environment by lowering transit costs and transport times along a key route linking Kenya's international seaport at Mombasa with Uganda and other landlocked countries in Africa's interior.
- **As world population rises, bank redoubles efforts on reproductive health:** As world nears 7 billion population mark, high birth rates deter nations from achieving better maternal and child health outcomes. Bank financing for reproductive health programs jumps 59% in one year; Reproductive Health Action Plan focuses on 57 poor countries. Stronger health systems, girls' education among factors that contribute to fewer maternal deaths, lower birth rates.
- **Revving Arab world job engines by getting entrepreneurs a fair shot at the money:** The MSMEs in the Arab world are where significant numbers of people make their livelihoods. Businesses employing up to 100 people make up well over 90 percent of all enterprises in Tunisia, Egypt, Jordan and Morocco. The World Bank Group MSME facility is expected to attract over \$500 million from regional partners.
- **Facilitating Rupee Trade – Hedging Facilities for Non-resident Entities:** The Reserve Bank of India has today issued guidelines (A P DIR Series Circular No 3 dated July 21, 2011) allowing non-resident importers and exporters to hedge their currency risk in respect of exports from and imports to India, invoiced in Indian Rupees, with AD Category I banks in India. The guidelines have been finalised in consultation with the Foreign Exchange Dealers Association of India (FEDAI) and market participants. It may be recalled that it was announced in the Annual Policy Statement for the year 2011-12 (para 85), that in order to facilitate greater use of INR in trade transactions, to allow non-resident importers and exporters, in respect of exports and imports invoiced in INR, to hedge their currency risk with AD banks in India through their bankers having vostro account in India.



- The Cabinet approved the proposal for moving an official Amendment to the Constitution (One hundred and Tenth Amendment) Bill, 2009 for **enhancing reservation for women in Panchayats at all tiers** from 1/3rd to at least 50%. The Constitution (One hundred and Tenth Amendment) Bill, 2009 was introduced in the Lok Sabha on 26.11.2009. The official Amendment proposes to add word 'rural' before the word 'population' as and where the same occur in 1st Proviso of Clause (2) (iii) of the Constitution (One hundred and Tenth Amendment) Bill, 2009. This Provision will apply to the total number of seats filled by direct election, offices of Chairpersons and seats and offices of Chairpersons reserved for Scheduled Castes and Scheduled Tribes. Enhancement of reservation for women in Panchayats will facilitate more women to enter the public sphere and this will lead to further empowerment of women and also make Panchayats more inclusive institutions, thereby improving governance and public service delivery. At present, out of the total elected representatives of Panchayats numbering approximately 28.18 lakh, 36.87% are women. With the proposed Constitutional Amendment, the number of elected women representatives is expected to rise to more than 14 lakh. Having more elected women representatives would benefit the entire population of the States and UTs where Panchayati Raj is in existence.
- The Cabinet gave its approval for accession to the 1997 Protocol adding Annex VI (Regulations for the Prevention of Air Pollution) to **the Convention for the Prevention of Pollution from Ships 1973/78 (MARPOL 73/78)** of the International Maritime Organization. MARPOL Annex VI 'Regulations for the Prevention of Air Pollution from Ships' entered into force in May 2005 and has so far, been ratified by 53 countries, representing approximately 81.88 % of the gross tonnage of the world's merchant shipping fleet. India proposes to ratify the convention now. These Regulations set limits on sulphur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances. The annex includes a global cap of 4.5% m/m on the sulphur content of fuel oil and calls on IMO to monitor the worldwide average sulphur content of fuel. It also prohibits deliberate emissions of ozone depleting substances, sets limits on emissions of Nitrogen Oxides (NOx) from diesel engines and prohibits the incineration onboard ship of certain products, such as contaminated packaging materials and polychlorinated biphenyls (PCBs).
- The Union Cabinet gave its **approval for introducing a Legislative Amendment Bill to amend Section 28 of the Customs Act, 1962** (52 of 1962) to retrospectively recognize specified Customs officers as 'proper officers' for assessment of Customs duty thereby validating large number of Show Cause Notices involving substantial Customs revenue that are otherwise rendered invalid as a consequence of a judgement of the Hon'ble Supreme Court. The Legislative Amendment Bill to amend Section 28 of the Customs Act, 1962 will be introduced in the ensuing Monsoon Session of Parliament. The proposed amendment of Section 28 of the Customs Act, 1962 (52 of 1962) would safeguard Government revenue involved in Show Cause Notices issued by specified Customs officers viz. officers of Commissionerates of Customs (Preventive), Directorate General of Revenue Intelligence (DRI), Directorate General of Central Excise Intelligence (DGCEI) and Central Excise Commissionerates. Officers of DRI alone have issued such notices involving Customs duty to the tune of over Rs. 7,500 Crores. Also, tax evaders will not get benefited at the expense of the exchequer on a mere technical ground of jurisdiction. Finally, this would provide certainty in revenue matters by settling pending proceedings before various judicial and quasi-judicial authorities.
- The Union Cabinet approved the proposal for the enactment of a new legislation in the form of the **Benami Transactions (Prohibition) Bill, 2011** to replace the existing Benami Transactions (Prohibition) Act, 1988 and for its introduction in Parliament. The Bill contains elaborate provisions dealing with the definition of benami transaction and benami property, prohibited benami transactions, consequences of entering into a prohibited benami transaction and the procedure for implementing the benami law.
- The Union Cabinet approved **acquisition** of the State Bank of India Commercial and International Bank Ltd. (SBICI Bank Ltd.) by State Bank of India (SBI), in terms of sub-section (2) of section 35 of the State Bank of India Act, 1955.
- Government of India and the Asian Development Bank (ADB)** signed a \$315 million loan agreement for the Karnataka State Highway Improvement Project. This is the first loan assistance from ADB in the state of Karnataka designed to upgrade roads.
- India has called for enhancing cooperation with the USA in the field of renewable energy** by extending it to new areas such as small hydro power, technology transfer and storage of renewable energy. The two countries discussed a range of possibilities for cooperation in the field of renewable energy during the meeting between Minister of New & Renewable Energy, Dr. Farooq Abdullah and Deputy Secretary, Department of Energy, USA, Mr. Daniel B. Poneman in New Delhi today. The Indian side also suggested cooperation in the integration of solar and wind energy, small grid and policy framework for enhancing deployment of renewable energy in energy mix. The two leaders noted that Solar Energy, Wind Energy and Bio-fuels have been identified for cooperation between the two countries under the Indo-US Energy Dialogue.
- India and the US** has agreed **to stepping up Science & Technology coordination** between the two countries in cross-cutting areas relating to energy, agriculture, affordable healthcare, nutrition and monsoon forecasting.
- Waiver of approval of Central Government for payment of remuneration to professional managerial person by companies having no profits or inadequate profits:** In order to promote the development of Indian Corporate sector and another step towards simplification of procedure under the Companies Act, 1956, the Ministry of Corporate has decided to amend Schedule XIII to the Companies Act, 1956 w.e.f.14.7.2011. Pursuant to this amendment, no approval of Central Government will be required by the listed companies and their subsidiary companies, which are not having profits or having inadequate profits for payment of remunerations exceeding Rs. 4 lakh p.m., if the managerial person:- (a) is not having any direct or indirect interest in the capital of the company or its holding company or through any other statutory structures at any time during last two years before or on the date of appointment and (b) is having a graduate level qualification with expert and specialized knowledge in the field of his profession.



- Union Finance Minister Shri Mukherjee has said that the capabilities **against money laundering and terrorist financing** should be strengthened by all nations to ensure an effective, efficient and more productive crusade against this menace. He said that left unchecked, money laundering can undermine the integrity of any financial system and embroil individual financial institutions in share-crippling financial scandals.
- 31 proposals of FDI amounting to Rs. 3844.70 crore approved:** Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on July 6, 2011, Government has approved 31 Proposals of Foreign Direct Investment amounting to Rs. 3844.70 crore approximately.
- Eight New Pilots to be taken up to develop Smart Grid in the Country:** The Working Groups formed under the India Smart Grid Task Force (ISGTF) have come out with a number of recommendations for development of the Smart Grid system in the country.
- Total import of sensitive items** for the period April-March 2011 has been Rs.70656 crores as compared to Rs.65565 crores during the corresponding period of last year thereby showing an increase of 7.8%. The gross import of all commodities during same period of current year was Rs.1596869 crores as compared to Rs 1363736 crores during the same period of last year. Thus import of sensitive items constitutes 4.8% and 4.4% of the gross imports during last year and current year respectively. ✓ **Imports of pulses, cotton & silk, spices and tea & coffee** have declined at broad group level during the period. Imports of all other items viz. edible oil, automobiles, fruits & vegetables (including nuts), rubber, products of SSI, milk & milk products, alcoholic beverages, marble & granite and food grains have increased during the period under reference. ✓ In the **edible oil segment**, the import has increased from Rs 25975.3 crores last year to Rs 29319.1 crores for the corresponding period of this year. A significant feature of edible oil import is that import of crude oil has gone up by 15.8% and that of refined oil have gone down by 2.5%. 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, Argentina, Malaysia, Korea RP, Germany, Ukraine, Thailand, Tanzania REP, Australia, United Kingdom, Cote D' Ivoire, Vietnam SOC REP etc. have gone up while those from United States of America, Myanmar, Brazil, Japan, Canada, Czech Republic etc. have gone down.
- Impressive growth in Tourism Sector during the Year 2010:** Foreign tourist visits to the country registered an impressive growth of 24.2% in the year 2010. Similarly domestic tourist visits also showed a growth of 10.7 % last year. The number of domestic tourist visits to the States/ UTs during the year 2010 was 740 million as compared to 669 million in 2009 and 563 million in 2008. ✓ The top ten States in terms of number of domestic tourist visits (in millions) during 2010 were Andhra Pradesh (155.8), Uttar Pradesh (144.8), Tamil Nadu (111.6), Maharashtra (48.5), Karnataka (38.2), Madhya Pradesh (38.1), Uttarakhand (30.2), Rajasthan (25.5), West Bengal (21.1) and Gujarat (18.9). The contribution of top 10 States was about 85.5% to the total number of domestic tourist visits during 2010. The percentage shares of top 5 States were Andhra Pradesh (21.0%), Uttar Pradesh (19.6%), Tamil Nadu (15.1%), Maharashtra (6.5%) and Karnataka (5.2%). ✓ The number of foreign tourist visits (FTVs) during the year 2010 was 17.9 million as compared to 14.4 million in 2009 and 2008. This shows an impressive growth of 24.2% over 2009 as compared to a decline of 0.1% in 2009 over 2008. ✓ The top ten States in terms of number of FTVs (in millions) during 2010 were Maharashtra (5.1), Tamil Nadu (2.8), Delhi (1.9), Uttar Pradesh (1.7), Rajasthan (1.3), West Bengal (1.2), Kerala (0.66), Bihar (0.64), Himachal Pradesh (0.45) and Goa (0.44). The contribution of top 10 States was about 90.3% to the total number of FTVs in the country during 2010. The percentage shares of top 5 States were Maharashtra (28.5%), Tamil Nadu (15.7%), Delhi (10.6%), Uttar Pradesh (9.4%) and Rajasthan (7.2%).
- Despite tax avoidance, 100% depreciation on sale & lease back allowable:** CIT vs. Cosmo Films Ltd (Delhi High Court)
- Exemption for export of 10 lakh MT non basmati rice on private A/C:** Export of 10 lakh MT of Non Basmati rice has been permitted on private account subject to conditions under para 2.1.15 and modalities for registration of contracts as per Annexure 1 to this notification.
- Validity of extension for export of 6,50,000 tons of wheat products upto 31.03.2012:** Notification No. 116 (RE-2008)/2004-09 dated 03.07.2009 has permitted export of 6,50,000 tones of wheat products upto 31.3.2010, which was earlier extended upto 31.3.2011 by Notification No. 41/2009-14 dated 18.05.2010. Now this validity has been extended upto 31.03.2012.
- Extension of period for document submission, scrutiny and issue of registration certificate for export of cotton [ITC (HS) Code 5201 or 5203]:** Through Public Notice No. 55(RE-2010)/2009-14 of 17.06.2011, close date for document submission, scrutiny and issue of registration certificate for export of cotton was notified as 15.07.2011. Requests have been received for extension in view of strike/holidays in Bangladesh and disruption of work in Mumbai. Hence, close date is extended by one week up to 22.07.2011. There is no other change in Public Notice No. 55(RE-2010)/2009-14 of 17.06.2011. The last date of export remains 15.09.2011.

