

FACT FILE OF THE ECONOMY



(30TH AUGUST 2010 – 05TH SEPT. 2010)

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MAJOR INDICATORS (MONEY MARKET)

| MAJOR INDICATORS | |
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| POLICY RATES AND RESERVE RATIOS AS ON 05TH SEPTEMBER 2010. | |
| BANK RATE | 6.00% |
| REPO RATE | 5.75% |
| REVERSE REPO RATE | 4.50% |
| CRR | 6.00% |
| SLR | 25.00% |
| LENDING AND DEPOSIT RATES AS ON 05TH SEPTEMBER 2010. | |
| BASE RATE | 7.50%-8.00% |
| SAVINGS BANK RATE | 3.5% |
| DEPOSIT RATE | 6.00%-7.50% |
| 91 DAY T-BILLS (cut off at last auction) | 6.0668% |
| 182 DAY T-BILLS (cut off at last auction) | 6.3732% |
| 364 DAY T-BILLS (cut off at last auction) | 6.5369% |
| CALL MONEY RATES | 3.20% - 4.35 % |

MARKETS

- **BSE:** The 30 share BSE Sensex increased by 1.23 per cent and closed at 18,221.43.
- **NSE:** Nifty increased by 1.30 per cent during the week and closed at 5,479.00.
- **Dollar:** The value of rupee appreciated by 0.19 and closed at ₹ 46.67 per dollar.
- **Euro:** Value of Euro appreciated by ₹ 0.23 and closed at ₹ 59.82 per euro.
- **100Yen:** Value of 100 YEN appreciated by ₹ 0.09 and closed at ₹ 55.40 per 100 Yen.
- **Pound Sterling:** Value of Pound Sterling depreciated by ₹ 0.68 and closed at ₹ 71.98 per pound.
- **Gold:** Prices of gold increased by ₹ 77 per 10 grams and closed at ₹ 18,974 per 10 grams.
- **Silver:** Prices of silver increased by ₹ 877 per kg and closed at ₹ 31,312 per kg.

Real Economy

Q1 growth climbs to 8.8% on back of manufacturing

31st August 2010 Led by strong manufacturing and services growth, the economy expanded 8.8 per cent in the quarter ended June — the fastest pace in nine quarters. Though the performance of the agriculture sector was subdued during the quarter, both the government and economists expect it to pick up in the coming quarters as kharif sowing has been healthy after good monsoons.

A statistical low-base effect also beefed up the Gross Domestic Product (GDP) growth numbers for the first quarter. As a result, analysts expect moderation after the second quarter, with the manufacturing sector already showing signs of running out of steam.

The economy grew 6 per cent in Q1 FY10 and 8.6 per cent in Q4 FY10. Growth in this fiscal's first quarter has been in line with the expectations of analysts. They saw GDP growth at around 8.5 per cent, which mirrored the government's own projection.

Plan panel to seek direct public opinion: Montek

31st August 2010 The Planning Commission will seek suggestions from general public and different stake holders on achieving 10% economic expansion during the 12th Plan (2012-17) and push India into a high growth trajectory. "We would soon launch a web portal for general public to share their views about achieving more inclusive and robust economic growth of over 10% during 12th Five-Year Plan," Planning Commission deputy chairman Montek Singh Ahluwalia said. The process of preparing approach paper to the 12th Plan has already been started and the panel wants that besides its experts and committees on different areas, the general people particularly youngsters share their views about how should the country should go about the next Five-Year Plan. "It is not that we have not sought public opinion while formulating approach to various Five-Year Plans, this time they could directly approach us with their views," he said. Earlier their views have been expressed by their experts and representative while consultations through different committees for the purpose.

Retail level inflation eases to 11.25% in July

31st August 2010 Retail level inflation eased sharply in July but remained well above the inflation in wholesale items. An index measuring retail price inflation on items consumed by industrial workers (CPI-IW) rose to an annual 11.25% in July, as against 13.73% in June. The CPI-IW is used for calculating dearness allowance (DA) for government employees, as well as other workers. Wholesale prices-based inflation stood at 9.97% for the month of July this year, compared to 10.55% in June.

Government gives in to demand, corrects GDP data error

1st Sept 2010 The government corrected the first quarter economic growth rate number as measured by market transactions in less than 32 hours, as an error nearly damaged the credibility of its statistics and raised doubts about the much-touted growth story.

The Central Statistical Organisation, or CSO, nearly tripled the initially estimated growth on the demand side to 10%, from 3.7% announced on 31st August 2010, following a raise in private consumption, government expenses and investments. The revision strengthens the belief that India may grow at more than 8.5% in the fiscal year.

The robust 8.8% growth figure in the value of all goods and services produced by India, or the gross domestic product (GDP), was not corroborated by the `demand side' of the equation, or that calculated on the basis of market transactions.

`There is always a discrepancy in the GDP at factor cost and GDP at market price estimates because of the different price deflators that are used to calculate them,' said Pronab Sen, former chief statistician of India. ``For GDP at factor cost, wholesale price index-based inflation is used as a price deflator while for GDP at market price, the consumer price index-based inflation is used.'`

Private consumption grew 3.8% and not 0.3% as reported earlier, the CSO said. The government expenditure figured has been raised to 14.2% from a negative 0.7% earlier. Investment, the statistics office said, grew 7.6%, instead of 3.7% as originally reported. Government statistics released stunned economists since there were huge gaps between the numbers from the demand and supply side. The economy expanded 8.8% in the June quarter when measured by the supply side, and 3.7% if calculated on the demand side, above the accepted 0.5% difference. These numbers also contradicted the evidence of surging sales of automobiles and other durables.

Export growth slows

1st Sept 2010 Merchandise exports rose at their slowest pace in July, triggering concerns of yet another phase of demand slump. During the month, exports grew by 13.2 per cent to \$16.24 billion, compared to \$13.62 billion in the month last year. Export growth had been slowing gradually each month since the beginning of the financial year. In April, May, June and July, the pace of growth in exports had been 36.2 per cent, 35 per cent, 30.4 per cent and 13.2 per cent, respectively.

During the month, imports jumped by 34.3 per cent to \$29.17 billion, compared to \$19.62 billion in the month last year, resulting in a trade deficit of \$13 billion — the highest in the last 22 months. Trade deficit in the first four months of the financial year reached \$43.6 billion.

In an effort to boost the exports in some of the sectors, the government sought to offer more incentives to the country's exporters, especially those that employ large amount of

people. A package of around '1,050 crore was announced by Commerce and Industry Minister Anand Sharma in the review of the Foreign Trade Policy on August 23.

During the month, oil imports rose 4.4 per cent to \$7.66 billion from \$7.34 billion in the same month last year, while non-oil imports grew by 49.6 per cent to \$21.5 billion from \$14.37 billion in July last year. Total exports during the April-July period reached \$68.6 billion, up 30.1 per cent on a yearly basis. Cumulative imports, on the other hand, grew by 33.3 per cent to \$112.2 billion, with a growth in the demand for gold, machinery, iron and steel, chemicals, petroleum products and gems and jewellery, among other things.

United States manufacturing expands unexpectedly

1st Sept 2010 Manufacturing in the US expanded at a faster pace than forecast in August as factories added workers and cranked up production. The Institute for Supply Management's factory index rose to a three-month high of 56.3 from 55.5 in July, the Tempe, Arizona-based group said today. Readings greater than 50 signal growth, and the figure was projected to drop to 52.8, according to the median forecast in a survey.

Food inflation rises again

3rd Sept 2010 Food and fuel inflation shot up in the week ended August 13, belying the expectation that prices will soften gradually following a good monsoon. Food price index rose at an annual rate of 10.86% in the week after declining for two straight weeks. It was marginally lower at 10.05% a week ago. The stickiness in food price inflation is sure to worry the Reserve Bank of India as it tries to rein in the high overall inflation. Fuel prices, too, inched up marginally to 12.71% from 12.57% the week before.

This has raised structural concerns about food inflation, which has remained high since last year even when headline inflation number dropped to negative levels.

Dollar eases, forex kitty swells by \$293 million

3rd Sept 2010 Foreign exchange reserves rose by \$293 million during the week ended August 27, largely on account of revaluation of non-dollar assets in reserves. The reserves are at \$282.8 billion. Foreign currency assets comprising dollars, British pounds and euro, among others, rose \$279 million during the week.

Special drawing rights, or SDRs — the reserve currency with the International Monetary Fund — and the reserve capital with the IMF surged \$10 million and \$4 million, respectively. However, the value of gold in reserves remained unchanged during the week.

FINANCIAL ECONOMY

Government caps national commodity bourses at eight

30th August 2010 The ministry of consumer affairs, which frames policy for the commodity futures market, has decided to cap the number of national level exchanges at eight. The decision has been taken in consultation with Forward Markets Commission (FMC), which is overseen by the ministry. FMC regulates trading on four national commodity bourses and 17 regional ones.

Accordingly, the third greenfield exchange proposed to be set up by Gontermann Peipers (India), which has been promoted by Pramod Mittal of the Ispat group, is the last one after which FMC will not accept any new applications to set up exchanges, according to BC Khatua, chairman, FMC.

The largest comex in India is MCX, which specialises in bullion and metals, followed by agri bourses — NCDEX, ICEX and NMCE. There has been a rush to set up new exchanges after some of them sold stakes to institutional investors at hefty valuations.

Revised DTC rings in good tidings for stock investors

30th August 2010 The decision to keep long-term capital gains tax on share investments unchanged at 0% and relaxations in short-term capital gains tax will encourage investors to deploy part of their savings in equities.

According to the revised direct taxes code, 50% of the short-term capital gains will be exempt from tax, while the remaining 50% will be taxed at the income tax rate applicable to the investor. So the effective tax rate on short-term capital gains would be 5%, 10% and 15%, depending on which the tax bracket the investors falls in. This move would be more beneficial to small investors who fall in the lowest tax bracket.

The earlier draft had sought to tax long-term capital gains, which had caused unease among investors. In addition, the draft had also recommended subjecting foreign institutional investors to longterm capital gains tax, which, many felt, would have impacted capital flows into the country. While FIIs have been spared of long-term capital tax gains, there are other hurdles, especially for portfolio investors coming from countries with which India has signed double taxation avoidance treaties.

Pension fund deficit swells to 54,000 crore

31st August 2010 It's a ticking time bomb lurking over the retirement years of India's formal workforce. The Employees' Pension Scheme of 1995, where up to a third of workers' provident fund contributions are parked, is facing a shortfall of 54,000 crore—

10 times bigger than the financial black hole that had emerged at the erstwhile Unit Trust of India.

Designed in haste on the eve of the 1996 Lok Sabha elections, the scheme offered a slew of survivor benefits, allows premature withdrawals and an option to pull out a lumpsum at the time of retirement. Yet, the pension income it delivers to retirees is abysmally low.

Public debt up 4.1% at 26,97,940 crore in Q1

3rd Sept 2010 India's public debt increased by 4.1% to 26,97,940 crore during the first quarter of the fiscal. The total public debt of the country on March 31 was 25,92,945 crore. Of the total, internal debt accounted for 89.75% of public debt in the April-June quarter, while the share of external debt was 10.25%. Internal debt stood at 24,21,370 crore as of June 30, up 4.5% from 23,16,376 crore at the end of March 31. Marketable securities, which comprise treasury bills and dated securities and form a part of internal debt, accounted for 76.54% of the total public debt of the country during the quarter. Non-marketable securities, including 14-day treasury bills, securities issued to FIIs and compensation, had a share of 13.21% in the total public debt. The total debt from external sources during the quarter, however, stood at the same level of 2,76,570 crore as in the previous quarter.

FISCAL SITUATION

Tax code only from 2012

30th August 2010 The Direct Taxes Code (DTC) Bill that was introduced in Parliament proposes some relief to individuals and companies. But a closer read suggests that women taxpayers, developers of special economic zones and units in these areas, as well as those investing in unit-linked insurance plans, are in for harder times.

The only saving grace is that these individuals and companies will get an additional year's breather, as the new legislation to replace the Income-Tax Act, 1961, is slated to come into force only from April 2012. Like the Goods and Services Tax, this is again a case of missed deadlines, since the original schedule was to shift to DTC from April 2011.

Under the new regime, companies will pay 30 per cent corporation tax, including cess and surcharge, instead of the present combined levy of 33.2 per cent. Besides, the tax rate for foreign companies will now be the same as domestic companies.

The Bill — the result of two rounds of consultations and factors in 1,600 comments — proposes to increase the exemption limit for individuals from Rs 1.6 lakhs to Rs 2 lakhs. Accordingly, the slabs have also been reworked. Those with a taxable income of Rs 2-5 lakhs will be taxed at 10 per cent; those in the Rs 5-10 lakhs bracket will have to pay 20 per cent; while taxable income of over Rs 10 lakhs will attract a 30 per cent levy.

By widening the ambit of the minimum alternate tax (MAT), the government is hoping to make up for some revenue loss caused by giveaways to individuals (Rs 14,343 crores) and companies (Rs 38,829 crores). Despite this, tax buoyancy will come to the aid of the exchequer.

SEZ tax sops retained till 2014, but will need to pay 20% MAT

30th August 2010 In a partial reprieve to special economic zones (SEZs), the Direct Taxes Code Bill has proposed to retain the current tax system of exemptions for zones notified till 2012 but imposed a 20% minimum alternate tax. "The code will grandfather the existing unavailed exemptions for units that commence operations by 2014," said Sunil Mitra, revenue secretary after the Bill was tabled in the Lok Sabha.

As per the Bill, any zone notified before March 31, 2012 and any unit that commences commercial operations by March 31, 2014 will be able to enjoy profit-linked tax exemption even as the Bill marks a shift in the criterion of corporate tax holidays.

SEZ units get 100% tax exemption on profits earned for the first five years, a 50% exemption for the next five years and another 50% exemption on re-invested profits in the following five years. SEZ developers, on the other hand, get 100% tax exemption on profits for 10 years, which they can choose in the block of the first 15 years.

The Bill has suggested a phased withdrawal of the current regime of tax exemptions that are linked to profits, and replacing it with tax sops linked to investments. The finance ministry proposes to implement the DTC by April 1 2012.

Centre's fiscal deficit rises to 90,915 crore

31st August 2010 The Centre's fiscal deficit rose marginally in July but buoyant tax revenues helped keep off pressure from the exchequer. Its fiscal deficit rose to 90,915 crore, or 23.8% of the full year target, by end July 2010. It stood at 39.5% of the Budget estimate or 1,58,554 crore in the corresponding period a year ago. While the 65,000-crore windfall from 3G revenue has helped government finances, the fiscal deficit is expected to rise in August when an additional spending of 55,000 crore was sanctioned. The Centre's revenue deficit amounted to 50,075 crore or 18.1% of the BE by end July 2010, as compared to 1,34,778 crore a year ago. Tax revenues stood at 1,12,821 crore or 21% of the BE in the period under review and total expenditure amounted to 3,32,700 crore or 30% of the full fiscal target.

DTC proposal for MAT will kill SEZs: Commerce Ministry

1st Sept 2010 Special economic zones are likely to lose their sheen, with the Direct Taxes Code Bill proposing to introduce minimum alternate tax at 20% on the book profit of developers as well as units from April 1, 2012. "The 20% MAT on SEZ developers and units will make the SEZ Act dead," officials in the commerce ministry said. MAT is a tax imposed on profit-making companies that do not fall under the tax net because of various exemptions. The legislation proposes to increase MAT from 18% to 20 per cent of the book profit of a company. "MAT will be applicable to SEZ developers and units," the officials said. Units in SEZs get 100% income tax exemption on export income for the first five years and 50% for the next five years. They are also exempted from MAT. The officials also said that due to the provisions in the DTC Bill, several SEZ developers have already asked the Board of Approval (BoA) for permission to surrender their projects.

Nod for duty-free export of 55 lakh bales of cotton likely

3rd Sept 2010 The government is likely to allow duty-free export of 55 lakh bales (one bale equals to 170 kgs) of cotton in the 2010-11 season starting next month, giving relief to cotton growers who had to face restrictions after domestic prices had spiralled.

The cotton industry, however, feels that there is scope for raising the level of export cap. The decision on allowing limited cotton exports was taken jointly by the commerce department and the agriculture and textile ministries on September 1. The three

(secretaries) calculated the expected exportable surplus of cotton during the year after taking care of domestic requirements of the textile industry.

CBDT retains its powers in DTC Bill

3rd Sept 2010 The powers of the Central Board of Direct Taxes (CBDT) have been reinstated in the Direct Taxes Code (DTC) Bill. The first draft of DTC had proposed to strip the board of its powers to issue certain communications and restricted its role to merely a tax-collection agency. The Bill has restored the powers given to the board under the existing Income Tax Act.

The Bill has dispensed with the provisions relating to publication of all internal orders, instructions, directions and circulars issued by CBDT in a tax bulletin or on the intranet of the I-T department. Another controversial proposal in the draft, to give powers to the Central government to issue directions to CBDT, has also been dropped after it created a furore in the finance ministry.

The revised Bill said the orders, instructions, directions and circulars issued by the board would be binding on all other income-tax authorities and other persons employed in the execution of DTC. The draft code, on the other hand, had said CBDT, in exercise of its powers or performance of its functions, should be bound by directions given by the Centre in writing on questions of policy. It also said the Centre would have the final say on whether the question is of policy or not.

EXTERNAL SECTOR

India inks revised tax treaty with Switzerland

30th August 2010 India sealed the revised tax treaty with Switzerland that could give New Delhi crucial access to information on black money stashed away in Swiss bank accounts. Indian tax authorities will now be able to access information on Swiss bank accounts of Indians more easily, but only in specific cases where they have a prima facie evidence of wrongdoing. This will boost the government's efforts to crack down on black money parked abroad. The new treaty will be notified by India soon but the Swiss authorities will be able to put the agreement into effect only after it is ratified by their parliament. The tax treaty has been amended on the lines of the OECD Model Tax Convention, which means it will not provide for roving enquiries, or fishing expeditions, as they are commonly called. The government had approached Switzerland in April 2009 to renegotiate the DTAA to get access to information on bank accounts. Switzerland has also amended tax treaties with the US, France and Italy.

Telecom draws \$891million FDI during April-May

1st Sept 2010 India attracted \$891 million (4,023 crore) foreign direct investment (FDI) in the telecommunications segment in the first two months of the current fiscal, the highest among all sectors. The telecommunications sector, including radio paging, cellular mobile, basic telephone services, had attracted \$612 million (3,055 crore) during April-May 2009-10. It was followed by services sector that attracted \$587 million investment, metallurgical industries (\$461 million) and power (\$313 million) in that order during the period. The country managed to attract \$4.42 billion FDI during April-May 2010-11, while it was \$4.43 billion in the year ago month, according to the latest official data. The highest FDI of \$1.29 billion came from Mauritius followed by Singapore (\$854 million), Japan (\$369 million) and the Netherlands (\$298 million) in April-May 2010-11.

Anti-dumping probe on steel imports from US, EU

5th Sept 2010 Acting on a complaint from steel maker JSL, the government has initiated a probe into alleged dumping of a particular variety of steel by exporters from the US, EU and South Korea into the Indian market. JSL, the country's largest stainless steel producer, has complained to the Directorate General of Anti-Dumping and Allied Duties (DGAD) that the cheap imports of cold rolled flat products were causing injury to the domestic industry. The cold-rolled steel is used in manufacture of railways, pipes and tubes, automotive components, fabrication and other industrial applications.

REPORTS & STUDIES

PMI, exports data signal growth easing

1st Sept 2010 A slowdown in new orders and exports led to manufacturing growth easing in August, highlighting concerns that economic expansion has peaked for the fiscal. The HSBC Markit Purchasing Managers' Index (PMI) that surveys 500 companies fell to 57.25 in August from 57.6 in July. A reading of above 50 indicates expansion. Though this is the 17th successive month of expansion, the data revealed that growth in manufacturing has slowed compared to previous months.

The index of new factory orders declined to 62 in August from 62.8 in July and exports slipped to 55.5 from 57.4, according to the PMI. Meanwhile, separate government data for July also revealed a slowdown in export growth. Exports in July grew by 13.2%, lower than the 30% growth in June.

A string of weak US data is raising concerns about the global recovery, while the easing of manufacturing growth and headline inflation in India is raising doubts whether the central bank will continue hiking interest rates aggressively.

Global forex trade jumps to \$4 trillion a day, says BIS

1st Sept 2010 Trade on global currency markets has jumped by a fifth over the past three years to \$4 trillion a day, roughly equal to the annual economic output of Germany, a major central bank survey showed. The three-yearly survey by the Bank for International Settlements (BIS) showed growth driven by the rising power of hedge funds, insurance firms, central banks and other non-bank financial institutions while ease of trading over electronic platforms has enhanced the appeal of retail trading.

The survey also showed London has further cemented its prominence as the centre for foreign exchange (forex) markets, with investors undeterred by the financial market turmoil and troubles in the banking sector that erupted in the autumn of 2008.

The increase in volumes was driven by a 48 per cent jump in turnover of conventional spot transactions, BIS said in the survey, which was watched closely by banks and institutions as a comprehensive snapshot of currency market trading.

NORTHERN STATES

Power reforms irreversible: UP govt

30th August 2010 The Uttar Pradesh government assured industry that power sector reforms in the state were irreversible and its energy sector roadmap would ensure abundant availability of electricity by 2017. “UP plans to augment power generation capacity by 25,000 Mw in the next seven years with the help of the private sector,” Infrastructure and Industrial Development (IIDC) Commissioner Anoop Mishra said.

Mishra noted that improvements in transmission and distribution infrastructure were a major part of the power sector reforms undertaken by the state government. “Till the 1990s, there had been no substantial augmentation in the state power generation capacity. Now, our priority is to add power capacity with the help of private sector through public-private partnerships (PPPs), joint ventures, memoranda of understanding and co-generation by sugar mills,” he said.

Madhya Pradesh power MoU policy amended

31st August 2010 Rejected power biggies will get another chance to sign deal with Madhya Pradesh, after the re-launch of a policy pertaining to memorandum of understanding (MoU) with these companies. The government has also allowed foreign direct investment in the state in this new amended policy.

As many as 14 power companies faced rejection as they failed to meet the requirements set before deadline. “State cabinet has altered the previous policy and has now added an option so that sub-critical and gas based thermal power companies can sign deal with the government,” a government spokesperson said adding, “Super critical machines are normally minimum 660 Mw capacity and they take lot of time for installation while sub-critical machines are easily available and can be installed in less time.”

The state government will sign a deal on condition that it will be binding on the power project developer to sell power to the extent of 10 per cent of the total generation (ex-bus) to the state government at variable cost as approved by Madhya Pradesh Electricity Regularity Commission.

Haryana to develop petro hub at Panipat

1st Sept 2010 Haryana government is developing a petrochemical hub at Panipat for the downstream industries of the Panipat Refinery to generate large scale employment opportunities for the people of the state.

Urvashi Gulati, Haryana chief secretary, disclosed on Wednesday that over 900 acre had already been acquired and development work on turnkey basis had been awarded recently by the Haryana Industrial and Infrastructural Development Corporation (HSIIDC) for the petrochemical hub. HSIIDC has already offered to develop the proposed petrochemical hub on its own by pumping in about Rs 3,700 crore.

UP farmers to get stake in projects

3rd Sept 2010 Stung by farmers' protest over land acquisition for the ongoing Yamuna Expressway project in western Uttar Pradesh, the state government announced a new policy for land acquisition and rehabilitation of land owners.

The policy promises sops, including equity share in the development projects, for land owners. Land acquisition hurdles have put brakes on several ambitious projects of the state government, including the Yamuna Expressway, international airport in Kushinagar district and Lucknow Industrial Development Authority (LIDA).

The state government hopes the new policy would placate the farmers and provide them enough financial security for the future. Under the policy, the government has made a provision of Rs 20,000 annuity per year per acre to land owners for the next 33 years. The annuity would increase by Rs 600 every year.

Punjab approves subsidy for cattle shed construction

3rd Sept 2010 In order to promote dairy development, the Government of Punjab is providing Rs1.50 lakh subsidy for the construction of Modern Cattle Shed for the farmers of the state. Revealing this, Dairy Development Minister Gulzar Singh Ranike said Rs10 crore as subsidy had been provided to 700 beneficiaries till date.

He said that government had fixed the same target for the construction of sheds during the current financial year and for this purpose department has sufficient amount to provide to the diary farmers for subsidy.

Maharashtra, NCR account for 50% of FDI

5th Sept 2010 Maharashtra and Delhi's National Capital Region (NCR) accounted for over 50% of the foreign direct investment (FDI) inflows into the country during the first quarter of 2010-11, says industry ministry's data. Maharashtra attracted maximum foreign inflows at \$1.53 billion (6,989 crore) and accounted for 35% of the country's total FDI during April-June this fiscal. NCR, including parts of Uttar Pradesh and Haryana, received \$1.51 billion FDI during the first three months of the current financial year. NCR accounted for 21% of the country's total FDI. During April-June 2010-11, India received \$5.80 billion foreign inflows, the data says. According to experts, the main reason for the maximum inflows in Maharashtra and NCR is substantial improvement in the infrastructure and pro-active approach of the respective governments.

Finance Ministry eases import norms to ensure a successful CWG

5th Sept 2010 The finance ministry is doing its bit to make it easier for the suppliers, contractors and vendors and sub-vendors of the Organising Committee (OC) of the Commonwealth Games (CWG) and Prasar Bharati and the broadcasting right holders to import the equipment necessary to ensure successful conduct of the Games. The commerce ministry has also allowed the import of arms and ammunition required for the Games without import licence.

The finance ministry had issued exemption notification number 13/2010 dated February 19, allowing duty-free import of all sports goods, sports equipment and sports requisites, fitness equipment, team uniform/clothing, spares, accessories and consumables of the same including ammunition for shooting events; doping control equipment, satellite phones/GPS, paging communication systems and other communication equipment, video/plasma screen, electronic scoreboard for display, time control devices, stop watches, timing, scoring and result management systems, marquees, tents, furniture and fixtures/fittings, power generation and distribution systems, air-conditioning equipment which would be needed to be imported according to requirement of Games under 'Overlays', food stuff, energy drinks, isotonic, tonic water (including alcoholic drinks), pharmaceuticals and medical consumables, dining/kitchen items, office consumables stationery and gift items, souvenirs, mementos, goods for display exhibition/stall/reception etc., imported by the OC of CWG or National Sports Federations. The notification also allowed duty-free import of broadcasting equipment imported by Prasar Bharati or broadcasting right holders and specified arms and ammunition imported by CWG federation members or CWG Games associations or participating athletes. The exemptions were subject to certain conditions.