

# e-News Digest

*Weekly Updates*

**APRIL 2015 | VOL. 4 | NO. 2**



**The Institute of Cost Accountants of India**

*(Statutory body under an Act of Parliament)*

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**DIRECTORATE OF RESEARCH & JOURNAL**

**The Institute of Cost Accountants of India**

*(Statutory body under an Act of Parliament)*

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## **CONTENTS**

**1 Industry**

**2 Taxation**

**4 Foreign Trade**

**5 Banking**

**7 Infrastructure**

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*Weekly updates - upto April 16, 2015*

## INDUSTRY

### ↻ Factory output slowed in February; March inflation subdued

Factory growth slowed for a third month running in February, and while March retail inflation picked up slightly it remained below the Reserve Bank of India's target, a Reuters poll of economists found. Weaker growth and inflation below the RBI's goal of 6 percent by January 2016 would give the central bank room to ease policy further this year to spur activity.

The survey of 17 forecasters predicted India's industrial production (IIP) increased 2.4 percent in February from a year earlier, below January's 2.6 percent.

Much of the deceleration can be attributed to a four-month low in production among core industries.

Infrastructure output growth - which accounts for nearly 40 percent of overall factory production and comprises key industries like coal, cement, steel and electricity - slowed to 1.4 percent in February.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46861851.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46861851.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ↻ Large NBFCs to maintain 50% LTV ratio for loan against shares

The Reserve Bank said NBFCs with asset size of over Rs 100 crore will have to maintain a loan-to-value (LTV) ratio of 50 per cent in case of lending against collateral of listed shares.

But the condition of maintaining 50 per cent LTV ratio does not apply in case of lending against unlisted shares, it added.

LTV refers to the proportion of loan that can be given against the market value of shares.

The RBI said LTV ratio of 50 per cent has to be maintained at all times by the NBFCs with an asset size of Rs 100 crore and above.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46879563.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46879563.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ↻ India's first IFSC becomes operational at GIFT City

India's first International Financial Services Centre (IFSC) at GIFT City near here became operational and Finance Minister Arun Jaitley unveiled rules and regulations for this global financial hub. Jaitley also attacked the previous UPA government for being "lethargic" in giving permission to the IFSC. "Luckily, as soon as the government changed, things started moving fast and the new government has given all the due permissions. As a result, IFSC has now formally become operational. I am confident it will provide a huge lift to the economy of Gujarat as well as of the country," he said.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46879742.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46879742.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ↻ Farmers to get subsidy direct in bank account: Radhamohan Singh

The Narendra Modi government was working on the system to transfer cash subsidy on agricultural equipment to farmers directly in their bank account as done in the case of LPG gas cylinder, Union Agriculture minister Radhamohan Singh said. "Though it is taking some time, the system will be in place soon whereby farmers will receive subsidy directly in their bank account," Singh said after inaugurating a three-day horticulture.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46881084.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46881084.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ↻ Slowing global trade growth may impact Indian export

India's sliding export performance may be difficult to arrest as the World Trade Organization has cut global trade growth forecast for 2015 to 3.3% from 4% earlier.

"Trade growth has been disappointing in recent years due largely to prolonged sluggish growth in GDP following the financial crisis," WTO director-general Roberto Azevedo said.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46926521.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46926521.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ↻ Nabard extends Rs 970 crore financial support to J&K in FY15

Patting Jammu and Kahsmir for "better implementation" of

schemes, Nabard said it extended a financial assistance of Rs 970 crore to the state during FY 2014-15 for the development of infrastructure, agriculture and allied sectors.

“During the financial year 2014-15, the National Bank for Agriculture and Rural Development’s (Nabard) support in the state of Jammu and Kashmir reached a new peak of Rs 970 crore by way of refinance to banks, Rural Infrastructure Development Fund (RIDF) assistance and grant assistance to banks, NGOs, KVKs and SKUAST,” Shankar A Pande, Chief General Manager, Nabard (J&K), told reporters here today.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46934124.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46934124.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ New interest subsidy scheme for farmers on anvil: RBI

A week after the Prime Minister announced higher compensation for damaged crops, the RBI said a new scheme for interest subvention for farmers is being worked out though it may take “some time”.

In the meanwhile, the earlier interest subvention scheme will continue till June 30, the Reserve Bank (RBI) said. “As regards the scheme for the year 2015-16, the Government of India has advised that presently various alternative approaches for improving the efficacy of the scheme are being examined, the finalisation of which may take some time,” it said through a notification.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46946618.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46946618.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## TAXATION

### ➤ Section 10(46) Of The Income-Tax Act, 1961 - Exemptions - Statutory Body/Authority/Board/Commission - Notified Body Or Authority - Rajasthan State Pollution Control Board

In exercise of the powers conferred by clause (46) of section 10 of the Income- tax Act, 1961 (43 of 1961) the Central Government hereby notifies for the purposes of the said clause, ‘Rajasthan State Pollution Control Board’, a Board constituted under the provisions of Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974) of Rajasthan State Legislature in respect of the following specified income arising to that Board, namely:—

- (a) amount received in the form of government grants;
- (b) amount received as license fees and fines;
- (c) interest earned on government grants, license fees and fines.

This notification shall be applicable for the Financial years 2012-13 to 2016-17. The notification shall be effective subject to the conditions that Rajasthan State Pollution Control Board—

- (a) shall not engage in any commercial activity;
- (b) its activities and the nature of the specified income remain unchanged throughout the financial years; and
- (c) files return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

Source: Notification No. 34/2015 [F.NO.196/38/2012-ITA.1]/ SO 991(E), dated: 10-4-2015

### ➤ Capital gains in respect of units of Mutual Funds under the Fixed maturity Plans on extension of their term

In the case of mutual funds, the unit of mutual fund constitutes a capital asset and any sale, exchange or relinquishment of such unit is a ‘transfer’ under clause (47) of section 2 of the Act. The roll over in accordance with the aforesaid regulation will not amount to transfer as the scheme remains the same. Accordingly, it is hereby clarified that no capital gains will arise at the time of exercise of the option by the investor to continue in the same scheme. The capital gains will, however, arise at the time of redemption of the units or opting out of the scheme, as the case may be.

Source: Circular No 6/2015 dated: 9th April 2015

### Section 10(46) Of The Income-Tax Act, 1961 - Exemptions - Statutory Body/Authority/Board/Commission - Notified Body or Authority - Haryana Electricity Regulatory Commission

In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, the ‘Haryana Electricity Regulatory Commission’, a Commission constituted under the Haryana Electricity Reform Act, 1997 (Haryana Act No.10 of 1998), in respect of the following specified income arising to that body, namely:—

- (a) grants and loans made by the Government of Haryana;
- (b) fees received under the Electricity Act, 2003 (36 of 2003);
- (c) interest earned on government grants and loans and fees received under the Electricity Act, 2003 (36 of 2003). The notification shall be subject to the conditions that the Haryana Electricity

Regulatory Commission :—

- (a) shall not engage in any commercial activity;
- (b) its activities and the nature of the specified income remain unchanged throughout the financial years; and
- (c) it files return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the said Act.

Source: Notification No. 35/2015 [F.NO.196/48/2012-ITA.1]/SO 992(E), dated: 10-4-2015

➤ **Section 10(46) of The Income-Tax Act, 1961 - Exemptions - Statutory Body/Authority/Board/Commission - Notified Body or Authority - Punjab State Electricity Regulatory Commission**

In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, the 'Punjab State Electricity Regulatory Commission', constituted by the Government of Punjab, in respect of the following specified income arising to that Commission, namely:—

- (a) amount received in the form of processing fee for determination of tariff;
- (b) amount received in the form of licence fee;
- (c) amount in the form of petition fee; and
- (d) amount of interest income earned on bank deposits.

The notification shall be effective subject to the conditions that the Punjab State Electricity Regulatory Commission:—

- (a) does not engage in any commercial activity;
- (b) its activities and the nature of the specified income remain unchanged throughout the financial years; and
- (c) it files return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the said Act.

Source: Notification No. 36/2015 [F.NO.196/42/2012-ITA.1]/SO 993(E), dated: 10-4-2015

➤ **Section 80-IA, Sub-Clause (iii) of Sub-Section (4) of The Income-Tax Act, 1961 - deductions - profits and gains from industrial undertakings, or enterprises engaged in infrastructure development, etc. - Notified undertaking**

Whereas the Central Government (Ministry of Commerce and Industry) in exercise of the powers under the Industrial Park Scheme, 2002 (hereinafter referred to as the Scheme), as notified vide number S.O.354(E) dated the 1st April 2002, had granted approval vide letter No.15/13/05-IP&ID dated 17.02.2005 to the undertaking being developed, maintained and operated by M/s Meenakshi Infrastructure Private Ltd., Hyderabad at Survey No.5,15,17, Kondapur Village, Serilingampally, Rangareddy District, Andhra Pradesh as an Industrial Park; And whereas, the

Central Government (Ministry of Finance, Department of Revenue, CBDT) in exercise of the powers conferred by clause (iii) of sub-section (4) of section 80-IA of the Income-tax Act, 1961 (43 of 1961), (hereinafter referred to as the Act) had notified the undertaking being developed and being maintained and operated by M/s Meenakshi Infrastructure Private Ltd., Hyderabad at Survey No.5,15,17, Kondapur Village, Serilingampally, Rangareddy District, Andhra Pradesh as an Industrial Park for the purposes of the said clause (iii), vide notification of the Government of India in the Ministry of Finance, Department of Revenue, vide number S.O.No.3466, dated the 21st August 2006 published in the Gazette of India, Part II, section 3, sub-section (ii) ;

And whereas M/s Meenakshi Infrastructure Private Ltd., Hyderabad vide their letter dated 2nd August, 2006 filed an application for transfer of Operation and Maintenance of the Industrial Park named "E Park" at Hyderabad to M/s Vijay Infotech Ventures, Secunderabad;

And whereas, the Central Government (Ministry of Commerce & Industry) vide letter no.15/13/05-IP&ID dated 9th August, 2006 considered the request of the undertaking for transfer of operations and maintenance to M/s Vijay Infotech Ventures, Secunderabad, Andhra Pradesh;

And whereas the Central Government (Ministry of Commerce & Industry) vide letter no/15/12/2006-ID dated 10.4.2007, approved amendment at para 7(vii) to the approval accorded vide approval no. 15/13/2005-IP&ID dated 17th February, 2005;

And whereas, subsequently the Central Government (Ministry of Commerce and Industry) vide letter no. 15/12/2006-IP&ID dated 6th February, 2014 has rejected further amendment to the terms and conditions laid down vide its letter no. 15/12/2006-ID dated 10th April, 2007;

And whereas, the undertaking has failed to adhere to the terms and conditions as laid down in the Industrial Park Scheme and by the Central Government vide the Ministry of Finance, Department of Revenue's Notification Number S.O.No.3466, dated the 21st August 2006 published in the Gazette of India, Part II, section 3, sub-section (ii) and Ministry of Commerce and Industry, Department of Industrial Policy and Promotion's approval letter no.15/12/2006-ID dated 10th April, 2007;

Now, therefore the Central Government, in exercise of the powers conferred by clause (iii) of sub-section (4) of section 80-IA of the Act read with section 21 of the General Clause Act, 1897 (10 of 1897), hereby rescinds the said Notification No. S.O. 3466, dated the 21st August 2006 issued in the case of the undertaking with effect from 21st August 2006.

Source: Notification No. 37/2015 [F.NO.178/72/2006-ITA-I]/SO 994(E), dated: 10-4-2015

### ➤ CBDT Notifies Revised Transport allowance exemption limit

CBDT has vide Notification No. 39/2015 increased Transport allowance exemption limit for employees from Rs. 800 to Rs. 1,600 per month. In case the employee is blind or orthopaedically handicapped with disability of lower extremities the limit is increased from Rs. 1600 to Rs. 3200/- per Month. The revised exemption Limit is applicable from A.Y. 2016/17 /FY 2015-16.

## FOREIGN TRADE

### ➤ Poland to explore FDI opportunities in agriculture, power sectors

Poland is keen to have a strong business relationship with India and will explore the possibility of foreign direct investment in agriculture, power and mining in multiple Indian states, Tomasz Lukaszuk, Ambassador of Poland, said.

Stating this, Lukaszuk also said Poland is keen on expanding and deepening economic ties with India and wants to be part of 'Make in India' mission.

"Trade volume between India and Poland has been growing steadily and it now stands at USD 2 billion. We want it to reach up to USD 20 billion in the next few years," the Ambassador, who visited PHD Chamber of Commerce and Industry here today as part of the continuing efforts to increase bilateral trade and investments between Poland and India, said. India is perceived in Poland as one of the most important non-European economic partners, said the ambassador, according to a PHDCCI release.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46867499.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46867499.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ Iran talks free trade, basmati imports with India while hosting Commerce Secretary Rajeev Kher

Expecting the removal of trade sanctions imposed on it by western nations, Iran has proposed a free trade agreement with India to boost bilateral trade and investment. The matter came up for discussion during the recent visit of Commerce Secretary, Rajeev Kher to Tehran. He was there for the first meeting of the joint working group (JWG) of the two countries.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46876026.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46876026.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ India may fall short of 2014-15 exports target by almost 8%

India is likely to miss the exports target of \$ 340 billion set for 2014-15, falling short of the mark by almost 8 per cent at around \$ 314 billion, a top official said. According to Directorate General of Foreign Trade (DGFT) Pravir Kumar, it appears "difficult" to achieve the \$ 340 billion merchandise exports target.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46877059.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46877059.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ Jute imports up 24%, exports fall 22% in Apr-Jan FY15

The country's jute sector continues to face double whammy as imports of finished goods have jumped by 24 per cent, while exports have declined by 22 per cent in the April to January period of the financial year 2014-15. "According to National Jute Board estimates, jute exports for the period April-January of FY15 have declined sharply to Rs 1,115 crore, down 22 per cent in rupee terms and 20 per cent in dollar terms as compared to corresponding period of FY14," said a senior official of Indian Jute Mills Association (IJMA). Read more at:

<http://economictimes.indiatimes.com/news/economy/foreign-trade/jute-imports-up-24-exports-fall-22-in-apr-jan-fy15/articleshow/46917046.cms>

### ➤ Iran keen to increase tea, medicine imports from India: Commerce Secretary Rajeev Kher

Iran has expressed keenness to increase imports of tea and medicines from India as the Islamic country is looking at ways to boost bilateral trade ties between the two nations, a top Commerce Ministry official has said. During the recent visit of Commerce Secretary Rajeev Kher to Tehran, both the sides deliberated on ways to enhance trade in the two commodities.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46919882.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46919882.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ World trade to expand by 3.3% in 2015, 4% next year: WTO

Global trade is set to expand by 3.3 per cent this year and 4 per cent next year on account of cut in protectionist measures and improving market access, according to the World Trade Organisation's forecast. The forecast is a good news for India which is aiming to increase its share in the global trade to 3.5 per cent from the current 2 per cent by 2020. It is aiming to nearly double its goods and services exports to \$ 900 billion by 2019-2020.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46923440.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46923440.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ India 19th in the list of top 30 merchandise exporters

India's rank remained unchanged at 19th in 2014 among the top 30 merchandise exporters of the world, while China continues to hold the top slot, according to the WTO report. Similarly, New Delhi's rank as a leading importer too has not changed in 2014 at 12th position. In imports, the US topped the list.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46923365.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46923365.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ Implementation of Service Export from India Scheme (SEIS) under FTP 2015-2020

Central Government exempts goods when imported into India against a Service Exports from India Scheme duty credit scrip from the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as said Customs Tariff Act); and from the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act vide *Notification No. 25 / 2015 - Customs dated: 8th April, 2015*.

The exemption shall be subject to following conditions, namely :-

(1) that the duty credit in the said scrip is issued to a service provider located in India against export of notified services listed in Appendix 3D of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020;

(2) that the imports and exports are undertaken through the sea-ports, airports or through the inland container depots or through the land customs stations as mentioned in the Table 2 annexed to the Notification No. 16/2015- Customs dated 01.04.2015 or a Special Economic Zone notified under section 4 of the Special Economic Zones Act, 2005 (28 of 2005):

Provided that the Commissioner of Customs may within the jurisdiction, by special order, or by a Public Notice, and subject to such conditions as may be specified by him, permit import and export through any other sea-port, airport, inland container depot or through any land customs station;

(3) that the said scrip is registered with the Customs Authority at the port of registration specified on the said scrip;

(4) that the said scrip is produced before the proper officer of customs at the time of clearance for debit of the duties leviable on the goods and the proper officer of customs, taking into account the debits already made under this exemption and debits made under the notification Nos. 21 of 2015 - Central Excise, dated the 8th April, 2015 and 11 of 2015 - Service Tax, dated the 8th April, 2015, shall debit the duties leviable on the goods, but for this exemption;

(5) that the said scrip and goods imported against it shall be freely transferable ;

(6) that where the importer does not claim exemption from the additional duty of customs leviable under section 3 of the said Customs Tariff Act, he shall be deemed not to have availed the exemption from the said duty for the purpose of calculation of the said additional duty of customs;

(7) that the importer shall be entitled to avail drawback of the duty of customs leviable under the First Schedule to the said Customs Tariff Act against the amount debited in the said scrip;

(8) that the importer shall be entitled to avail drawback or CENVAT credit of additional duty leviable under section 3 of the said Customs Tariff Act against the amount debited in the said scrip.

(9) that the benefit under this notification shall not be available to the items listed in Appendix 3A of Appendices and Aayat Niryat Forms of Foreign Trade Policy 2015-2020.

### ➤ Anti-dumping duty :

(i) Levy of anti-dumping duty on import of Acetone, originating in or exported from Chinese Taipei and Saudi Arabia vide Notification No. 13/2015-Customs(ADD) dated: April 16, 2015.

(ii) Levy of definitive anti-dumping duty on imports of Electrical Insulators of Glass or Ceramics/Porcelain, whether assembled or un-assembled originating in, or exported from the People's Republic of China for a period of five years - Notification No. 11/2015-Cus (ADD), dt. 11-04-2015.

## BANKING

### ➤ Narendra Modi launches Mudra Bank for small firms with Rs 20,000 crore corpus

Prime Minister Narendra Modi said that the government's priority is to provide employment and made a case for encouraging self-employment and the small and medium enterprises. Speaking at the launch of Pradhan Mantri Micro Units Development Refinance Agency (MUDRA) Yojana, Modi said the aim is to provide

financial assistance to the “unfunded” small entrepreneurs who provide employment to a large number of people. The scheme, which has a corpus of Rs 20,000 crore, can lend between Rs 50,000 and Rs 10 lakh to small entrepreneurs. “Through MUDRA Bank our target and focus is on 5.75 crore who use funds of Rs 11 lakh crore, with an average per unit debt of merely Rs 17,000,” the PM said, adding that a loan benefit of Rs 1 lakh to these entrepreneurs will provide a big push to the country’s gross domestic production (GDP).

Read more at:

[http://economictimes.indiatimes.com/articleshow/46847410.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46847410.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ SBI joins war on mortgages, cuts rates to 9.9 per cent

State Bank of India joined the rate war on mortgages with Housing Development Finance Corp by reducing its rate, signalling better days ahead for home buyers.

The country’s largest banks will offer 9.85% to woman borrowers and 9.90% for others irrespective of the loan amount. The reduction in rates, announced on Sunday, will benefit only new borrowers.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46901678.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46901678.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ Kotak Mahindra Bank cuts base rate by 0.15 per cent to 9.85 per cent

Private sector lender Kotak Mahindra Bank BSE 0.82 % today joined its larger rivals and announced a 0.15 per cent cut in base rate to 9.85 per cent.

“We have reduced our base rate from the current level of 10 per cent to 9.85 per cent with effect from April 16,” Kotak Mahindra Bank (KMB), which recently merged smaller player ING Vysya Bank to become the fourth largest lender in the private sector space, said in a statement here. All the borrowers, including the existing ones, will benefit from the rate revision, the bank said.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46910184.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46910184.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ Lakshmi Vilas Bank to cut interest rates

Private sector Lakshmi Vilas Bank announced a cut in interest rates for long-term deposits. While interest rates for 15-29 days had been unchanged at 5.50 per cent, six per cent in the case of 30-

45 days and seven per cent for deposits of 46 to 90 days, “interest rates for deposits between 91 to 180 days has been revised to 8.10 per cent from the existing 8.25 per cent”.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46911416.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46911416.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ ICICI, Axis Bank cut home loan rates

ICICI Bank cut its home loan rate for both existing as well as new borrowers by 25 bps to 9.90 per cent, joining a rate cut war triggered by the State Bank of India and HDFC. Another private sector lender Axis Bank too lowered its home loan rate by 20 bps to 9.95 per cent.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46926480.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46926480.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ Interest Rates on Deposits

In reference to circulars DBOD. No. Dir.BC.36/13.03.00/98 dated April 29, 1998, DBOD. No. Dir.BC.07/13.03.00/2001-02 dated August 11, 2001 and DBOD. No. Dir. BC.74/13.03.00/2012-13 dated January 24, 2013 in terms of which banks are allowed to offer differential rates of interest on term deposits on the basis of tenor for deposits less than Rs 1 crore and on the basis of quantum and tenor on term deposits of ₹ 1 crore and above. In this connection, attention is invited to paragraph 29 of sixth Bimonthly Monetary Policy Statement- 2014-15 announced on February 3, 2015 whereby it was decided to introduce the feature of early withdrawal facility in a term deposit as a distinguishing feature for offering differential rates of interest.

Accordingly, banks will have the discretion to offer differential interest rates based on whether the term deposits are with or without-premature-withdrawal-facility, subject to the following guidelines:

i. All term deposits of individuals (held singly or jointly) of Rs 15 lakh and below should, necessarily, have premature withdrawal facility.

ii. For all term deposits other than (i) above, banks can offer deposits without the option of premature withdrawal as well. However, banks that offer such term deposits should ensure that at the customer interface point the customers are, in fact, given the option to choose between term deposits either with or without premature withdrawal facility.

iii. Banks should disclose in advance the schedule of interest rates



payable on deposits i.e. all deposits mobilized by banks should be strictly in conformity with the published schedule.

iv. The banks should have a Board approved policy with regard to interest rates on deposits including deposits with differential rates of interest and ensure that the interest rates offered are reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required.

Source: RBI/2014-15/554 [DBR.No.Dir.BC.87/13.03.00/2014-15] dated: 16 April 2015

## INFRASTRUCTURE

### ➤ Five Goa rivers to be developed for inland waterways

Union Minister for Road Transport, Highways and Shipping Nitin Gadkari said that inland waterways would be developed through five rivers in Goa. "We have decided to develop 101 rivers for inland waterways, of which five are in Goa. We will take up the work in a phased manner," Gadkari told reporters here in the presence of Defence Minister Manohar Parrikar and Chief Minister Laxmikant Parsekar.

Read more at: <http://economictimes.indiatimes.com/news/economy/infrastructure/five-go-rivers-to-be-developed-for-inland-waterways/articleshow/46868982.cms>

### ➤ Government plans two immersed tunnels through sea, river in Andaman & West Bengal

India may get the first two immersed tunnels through sea and river in the next few years. The shipping ministry has envisaged these projects — one between Kakdwip and Sagar island in West Bengal and the other connecting Chatham and Bamboo Flat in Andaman Nicobar islands.

Read more at: [http://economictimes.indiatimes.com/articleshow/46903725.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46903725.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ Odisha government proposes Gopalpur-Digha coastal highway

The Odisha Government proposed a coastal highway connecting Gopalpur in Ganjam district to Digha in West Bengal to ensure efficient rescue and relief operation during cyclones. The proposal was discussed between State Chief Minister Naveen Patnaik and Transport and Highways Minister Nitin Gadkari here.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46906820.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46906820.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ PM Modi's smart city GIFT to Sabarmati could be India's fix for urban housing

India's push to accommodate a booming urban population and attract investment rests in large part with dozens of "smart" cities like the one being built on the dusty banks of the Sabarmati river. So far, it boasts modern underground infrastructure, two office blocks and not much else. The plan, however, is for a meticulously planned metropolis complete with gleaming towers, drinking water on tap, automated waste collection and a dedicated power supply - luxuries to many Indians.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46927075.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46927075.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ Hyderabad goes wi-fi in Digital India push

Telecom Minister Ravi Shankar Prasad rolled out a wi-fi service in Hyderabad, which has become the first city in the south zone to sport a BSNL wi-fi. The wi-fi hotspots will initially cover 30 places in the city, but in 2-3 years, will be available across all other major cities of Andhra Pradesh and Telangana.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46949015.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46949015.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### ➤ Government withdraws duty benefits for power plants within SEZs

The government withdrew duty benefits extended to operation and maintenance of power plants set up by developers within special economic zones (SEZs). The Commerce Ministry in a notification on guidelines for power generation in SEZs said the directive issued in March 2012 was being withdrawn and the position of February 2009 was being restored. In February 2009, the ministry had allowed SEZ developers to avail duty benefits only at the initial stage of setting up of a power plant in a non-processing areas and not for operational and maintenance of the plants. But in 2012, it had extended duty benefits for operation and maintenance of power plants in SEZs also.

Read more at:

[http://economictimes.indiatimes.com/articleshow/46829012.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46829012.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



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