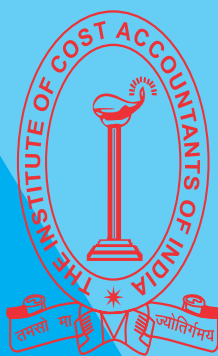


# ***CMA*s' INDUSTRY BULLETIN**

**JANUARY 2019**



## **THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

Statutory Body under an Act of Parliament

### MISSION STATEMENT

“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

### VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

### Disclaimer

This Publication does not constitute professional advice. The information in this publication has been obtained or derived from sources believed by The Institute of Cost Accountants of India (ICAI) to be reliable. Readers of this publication are advised to seek their own professional advice before taking any course of action or decision, for which they are entirely responsible, based on the contents of this publication. ICAI neither accepts nor assumes any responsibility or liability to any reader of this publication in respect of the information contained within it or for any decisions readers may take or decide not to or fail to take.



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## **PRESIDENT'S MESSAGE**

**CMA Amit Anand Apte**  
President  
The Institute of Cost Accountants of India

I am pleased to note that the Members in Industry Committee of the Institute is coming out with the second edition of 'CMAs' Industry Bulletin'. You are aware that the Institute is taking all necessary steps for the capacity building of its members in all professional areas. Release of this e-bulletin is one very important step in this direction.

With so many developments and transformations taking place at the Industry level, CMAs have the key role in guiding their organizations in these changing economic realities. This requires them to keep abreast the latest developments in various Industries and other business domains. This monthly bulletin is an effort of the Institute to provide them with the support they need in order to succeed in their roles by providing the readers valuable articles, interviews of corporate leaders and various economic updates.

I am thankful to the Members in Industry Committee of the Institute for the efforts. I am also acknowledging the contribution of resource persons who have contributed their valuable knowledge in this Bulletin.

With Warm Regards,

**CMA Amit Anand Apte**  
1<sup>st</sup> January, 2019

# **VICE-PRESIDENT'S MESSAGE**

**CMA Balwinder Singh**

Vice President

The Institute of Cost Accountants of India



I am pleased to note that the Members in Industry Committee of the Institute is bringing out 2<sup>nd</sup> edition of 'CMA's' Industry Bulletin'. This bulletin will act as an information document designed to provide latest developments in various Industries and other business domains to the members of the Institute.

This Bulletin is indeed an effort to make aware of the members and other stakeholders on recent development on various economic matters of the Country. It would be providing articles from industry experts and information about the forthcoming Webinars and Seminars for value addition to our profession.

I congratulate CMA Biswarup Basu, Chairman – Members in Industry Committee for bringing out this e-journal. My best wishes to Members in Industry Committee for its all future endeavours.

Warm regards,

**CMA Balwinder Singh**

1<sup>st</sup> January, 2019



## CHAIRMAN'S MESSAGE

**CMA Biswarup Basu**  
Chairman  
Members in Industry Committee

### *Greetings!!!*

It is heart warming and appreciating to note that the 'CMAs' Industry Bulletin' has received overwhelming acceptance and admiration from all quarters including the readers from various industries. The members in the Committee feel honoured for this gesture from the readers and we assure you that we will continue to try and deliver quality for our esteemed readers.

The Members in Industry Committee plans to conduct roundtable conferences, seminars and webinars on the current and typical issues of Industries on regular basis. I request continuous support from every corner in the quest for value creation through the activities of this Committee. Industry participants, members and other stakeholders are welcome to attend these programs and get enriched.

The support and encouragement from my colleagues in the Council would definitely help me to incessantly work towards the development of this profession and share knowledgeable and valuable industry information for our readers and to make this e-journal more effective and acceptable to all.

The e-journal would continue to publish high quality articles from industry experts, provide columns on industry focus and economy updates for our beloved readers. I should thank our submitting authors who through their valuable articles are discussing critical contemporary matters of the industries. Thank you all for your effort and contribution as we work towards our goal together.

I wish all the members, readers and other stakeholders a very Happy and Prosperous Year ahead.

With Warm Regards,

**CMA Biswarup Basu**  
1<sup>st</sup> January, 2019

# EDITORIAL PREFACE

## *Greetings!!!*

**W**e are glad to place before our esteemed readers the second issue of 'CMAs' Industry Bulletin'. We hope that our readers have enjoyed the first issue and that it has been informative for everyone in the industries. We will always be happy to receive your valuable feedback on the issues being released.

In this issue we have incorporated matters related to Corporate Social Responsibility (CSR). Corporate Social Responsibility has been in existence for a long time and is almost as old as civilization. It is based on the Gandhian Principle of 'trusteeship concept' whereby business houses are looked upon as trustees of the resources they draw from society and thus are expected to return them back manifold.

India is one of the first countries in the world to make CSR mandatory, following an amendment to The Companies Act, 2013 in April 2014. Businesses can invest their profits in areas such as education, poverty, gender equality, and eradication of hunger. CSR is extremely important for sustainable development of all stakeholders (all the people, on whom the business has an impact, including the society at large). Companies are social institutions having duties and responsibilities towards the community in which it functions. Its objective is to bring about maximization of social welfare and common good.

Hope you will enjoy reading this issue of 'CMAs' Industry Bulletin'.





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# CSR INITIATIVE - STRIVE TO MAKE THE WORLD A BETTER PLACE

*"Businesses need to go beyond the interest of their companies to the communities they serve"*

- Ratan Tata (Former Chairman, Tata Group)



**CMA Rakesh K Paliwal**  
AGM Finance  
Venkateswara Wires (P) Ltd., Jaipur

**S**ocial Responsibility is a moral belief where we as individuals or business entities or whatever status in society, have a responsibility toward society. It is about being accountable for our actions and being conscious of the impact your actions have on others, our communities, and the environment.

Being "socially responsible" is about all behaving ethically and sensitively towards social, economic, and environmental issues and improving the quality of lives for individuals and their families, and strive to make healthy environment and economically strong nation and world for better of our present and give it to next generation along with our values, as mantra that *"whatever we take from our communities and nature in any mode, give it back in multiple of 10 as contribution."*

## Meaning of CSR:

The term "Corporate Social Responsibility (CSR)" can be referred as corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to companies efforts that go beyond what may be required by regulators or environmental protection groups.

While there may be no single collectively accepted definition of CSR, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of CSR recline in philanthropic activities (such as donations, charity, relief work, etc.)

of corporations, globally, the concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility. This is evident in some of the definitions presented below:

**CSR according to United Nations Industrial Development Organization (UNIDO)** "Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-Line- Approach"), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that."

## CSR Journey in India:

CSR in India has traditionally been seen as a philanthropic activity. And in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited documentation on specific activities related to this concept.

As some observers have pointed out, the practice of CSR in India still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development through various projects.

#### Historical Perspective of CSR Legislation:



The importance of inclusive growth is widely recognized as an essential part of India's quest for development. It reiterates our firm commitment to include those sections of the society in the growth process, which had hitherto remained excluded from the mainstream of development.

In line with this national endeavor, Corporate Social Responsibility (CSR) was conceived as an instrument for integrating social, environmental and human development concerns in the entire value chain of corporate business. Ministry of Corporate Affairs had issued 'Voluntary Guidelines on Corporate Social Responsibility, 2009' as a first step towards mainstreaming the concept of Business Responsibilities. This was further refined subsequently, as 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011'.

**The National Voluntary Guidelines (NVGs)** on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs (MCA) in July 2011, is essentially a set of nine principles that offer Indian businesses an understanding and approach to inculcate responsible business conduct. These nine principles are:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>i. Conduct and govern themselves with ethics, transparency and accountability.</li> <li>ii. Provide goods and services that are safe and that contribute to sustainability throughout their life cycle.</li> <li>iii. Promote the well-being of all employees.</li> <li>iv. Respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.</li> <li>v. Respect and promote human rights.</li> <li>vi. Protect and make efforts to restore the environment.</li> <li>vii. When engaged in influencing public and regulatory policy, they should do so in a responsible manner.</li> <li>viii. Support inclusive growth and equitable</li> </ul> | <ul style="list-style-type: none"> <li>development.</li> <li>ix. Engage with and provide value to their customers and consumers in a responsible manner.</li> </ul> |
|---|---|

These guidelines not being prescriptive in nature, nevertheless seek to guide Indian businesses to take into account Indian social and business realities and the global trends, while promoting their businesses.

Principle (viii) of the NVGs on 'inclusive growth and equitable development' focuses on encouraging business action on national development priorities, including community development initiatives and strategic CSR based on the shared value concept. This principle of NVG was subsequently translated into a mandatory provision of Corporate Social Responsibility (CSR) in Section 135 of the Companies Act 2013.

The 21st Report of the Parliamentary Standing Committee on Finance is one of the prime movers for bringing the CSR provisions within the statute. It was observed by the Standing Committee, that annual statutory disclosures on CSR required to be made by the companies under the Act would be a sufficient check on non-compliance. Section 135(4) of the Companies Act 2013 mandates every company qualifying under Section 135(1) to make a statutory disclosure of CSR in its Annual Report of the Board. Rule 9 of the Companies (Corporate Social Responsibility Policy), Rules, 2014 prescribes the format in which such disclosure is to be made.

### Strategy & Planning: Applicability and Execution of Compliances under CSR provisions

The companies on whom the provisions of the CSR shall be applicable are contained in Sub Section 1 of Section 135 of the Companies Act, 2013.

As per the said section, the companies having Net worth of INR 500 crore or more; or Turnover of INR 1000 crore or more; or Net Profit of INR 5 crore or more during any financial year shall be required to constitute a Corporate Social Responsibility Committee of the Board "hereinafter CSR Committee" with effect from 1st April, 2014.

The above provision requires every company having such prescribed Net worth or Turnover or Net Profit shall be covered within the ambit of CSR provisions. The section has used the word "companies" which connotes a wider meaning and shall include the foreign companies having branch or project offices in India.

Once a company is covered under the ambit of the CSR, it shall be required to comply with the provisions of the CSR. The companies covered under the Sub section 1 of Section 135 shall be required to do the following activities:

1. As provided under Section 135(1) itself, the companies shall be required to constitute Corporate Social Responsibility Committee of the Board "hereinafter CSR Committee". The CSR Committee shall be comprised of 3 or more directors, out of which at least one

director shall be an independent director.

2. The Board's report shall disclose the compositions of the CSR Committee.
3. All such companies shall spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. It has been clarified that the average net profits shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. Also, proviso to the Rule provide 3(1) of the CSR Rules that the net worth, turnover or net profit of a foreign company of the Act shall be computed in accordance with balance sheet and profit and loss account of such company prepared in accordance with the provisions of clause (a) of sub-section (1) of section 381 and section 198 of the Companies Act, 2013.

### Role of the board and the CSR committee

|              |                  |
|--------------|------------------|
| A.Net worth  | ≥ 500 Crore INR  |
| B.Turnover   | ≥ 1000 Crore INR |
| C.Net profit | ≥ 5 Crore INR    |

#### Role of the board

1. Form a CSR committee
2. Approve the CSR policy
3. Ensure implementation of the activities under CSR
4. Ensure 2% spend
5. Disclose reasons for not spending the amount (if applicable)

#### CSR committee

1. Three or more directors with at least one independent director
  2. Formulate and recommend a CSR policy to the board
  3. Recommend activities and the amount of expenditure to be incurred
- Monitor the CSR policy from time to time

#### Extract of Section 135:

#### **"135. Corporate Social Responsibility**

(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

- 1) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- 2) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- 3) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-

section (1) shall,—

- 1) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
- 2) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (a) of sub-section (3) of section 134, specify the reasons for not spending the amount.

*Explanation.—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.”*

**Activities covered in schedule vii of the Companies Act 2013 and amendments made there under:**

Indicative activities which can be undertaken by a company under CSR have been specified in **Schedule VII of the Act**, as conveyed vide **notification dated 27-02-2014** and further amendments to it, the Schedule VII enlists the following items:

- i. Eradicating hunger, poverty and malnutrition; promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality and empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the 'Clean Ganga Fund' set-up by the Central Government for rejuvenation of river Ganga;
- v. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National

Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.
- xi. Slum area development.

**Reporting of CSR Actions:**

It is required for the companies to publish a report on its CSR activities on their website annually. It is required by the board of directors of the company to prepare an annual report on CSR activities in a prescribed format. Its report must contain the brief overview of CSR policy and the composition of CSR committee with the average net profit of the preceding three financial years. The amount of expenditure spent on CSR activities. In case the company fails to spend its net profit on CSR activities the company has to give a reason for the noncompliance in Board report.

**Penalty on Non-Disclosure:**

Board of Directors of the company has to disclose all the information regarding its CSR policy and about its implementation on annual basis. In case the company fails to comply with the CSR provisions, the company shall be liable to fine which shall not be less than Rs. 50,000 and which may extend to Rs. 25,00,000. Further Officer in Default shall be punishable by the fine which shall not be of less than Rs. 50,000 which may extend to Rs. 5,00,000 or Imprisonment of up to 3 years or both. Act provides penalty in case of non-disclosure of information regarding CSR activities but does not hold them liable for not undertaking CSR activities.

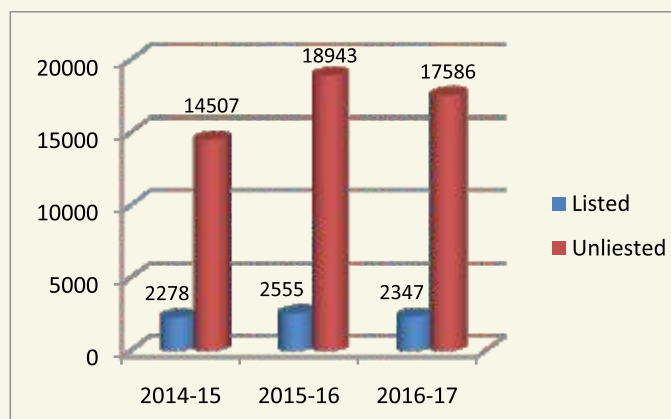
**Comparative Data of CSR Expenditure by Companies and Development Sector wise CSR Spent  
in Last 3 years (2014-15 to 2016-17)**

**Total Amount Spent on CSR in Last 3 Years**

|                      | FY 2014-15      |         | FY 2015-16      |         | FY 2016-17      |         |
|----------------------|-----------------|---------|-----------------|---------|-----------------|---------|
| Particular           | Amt Rs. (In Cr) | Total % | Amt Rs. (In Cr) | Total % | Amt Rs. (In Cr) | Total % |
| Govt. Co.            | 2817            | 27.99%  | 4179            | 29.09%  | 3242            | 24.08%  |
| Other than Govt. Co. | 7249            | 72.01%  | 10187           | 70.91%  | 10223           | 75.92%  |
| <b>Total</b>         | <b>10066</b>    |         | <b>14366</b>    |         | <b>13465</b>    |         |

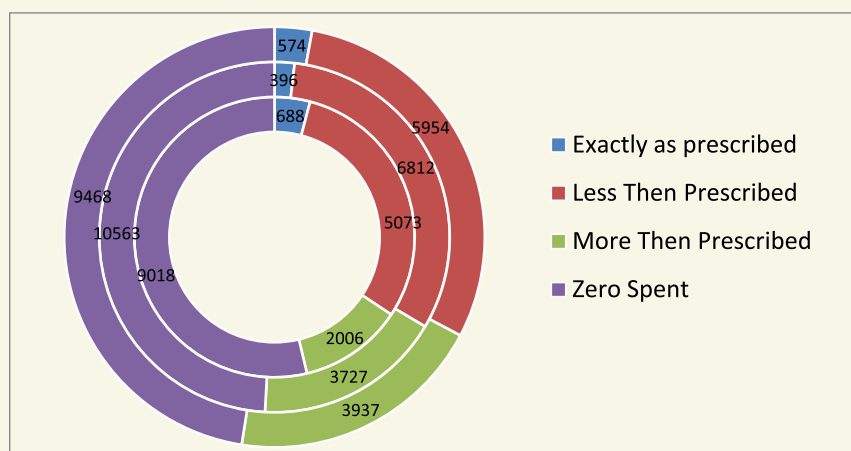
**CSR Spent - Listed Vs Unlisted - Number of Companies**

|   |              | 2014-15      | 2015-16      | 2016-17      |
|---|--------------|--------------|--------------|--------------|
| A | Listed       | 2278         | 2555         | 2347         |
| B | Unlisted     | 14507        | 18943        | 17586        |
|   | <b>Total</b> | <b>16785</b> | <b>21498</b> | <b>19933</b> |



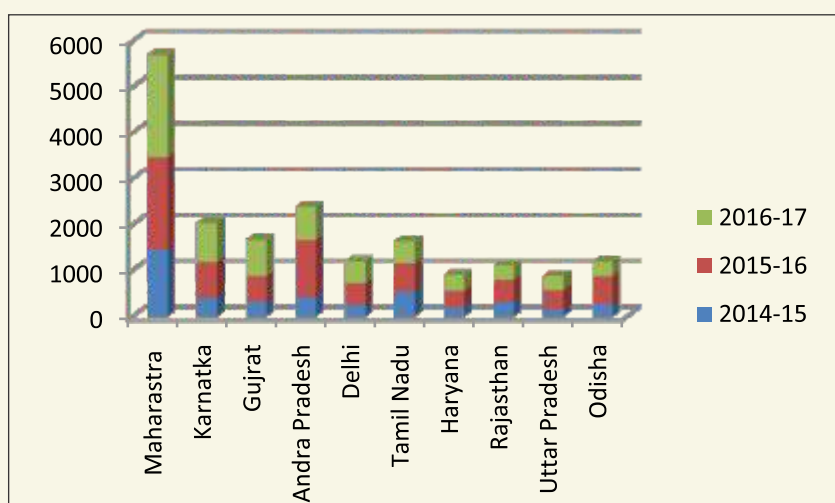
**CSR Compliance Company Wise - No. of Companies**

|   |                       | 2014-15      | 2015-16      | 2016-17      |
|---|-----------------------|--------------|--------------|--------------|
| A | Exactly as prescribed | 688          | 396          | 574          |
| B | Less Than Prescribed  | 5073         | 6812         | 5954         |
| C | More Than Prescribed  | 2006         | 3727         | 3937         |
| D | Zero Spent            | 9018         | 10563        | 9468         |
|   | <b>Total</b>          | <b>16785</b> | <b>21498</b> | <b>19933</b> |



**CSR Spent - Top 10 States (amount in INR Cr.)**

| SI | Name of State | 2014-15 | 2015-16 | 2016-17 |
|----|---------------|---------|---------|---------|
| 1  | Maharastra    | 1445    | 2013    | 2222    |
| 2  | Karnatka      | 403     | 778     | 843     |
| 3  | Gujrat        | 313     | 559     | 779     |
| 4  | Andra Pradesh | 414     | 1241    | 729     |
| 5  | Delhi         | 237     | 479     | 478     |
| 6  | Tamil Nadu    | 539     | 615     | 470     |
| 7  | Haryana       | 187     | 367     | 346     |
| 8  | Rajasthan     | 299     | 493     | 318     |
| 9  | Uttar Pradesh | 148     | 417     | 312     |
| 10 | Odisha        | 252     | 618     | 311     |

**Development Sector-wise**

| SI | Development Sectors   | Amount Spent     | Amount Spent     | Amount Spent     |
|----|---|------------------|------------------|------------------|
|    |   | FY 2014-15       | FY 2015-16       | FY 2016-17       |
|    |   | (INR Cr.)        | (INR Cr.)        | (INR Cr.)        |
| 1  | Clean Ganga Fund  | 5.47             | 32.65            | 24.23            |
| 2  | Education, Differently Abled, Livelihood  | 3,188.09         | 4,881.26         | 5,123.83         |
| 3  | Encouraging Sports  | 57.61            | 137.58           | 172.53           |
| 4  | Environment, Animal Welfare, Conservation Of Resources                                | 853.99           | 963.22           | 1,282.34         |
| 5  | Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities              | 189.92           | 337.44           | 434.75           |
| 6  | Health, Eradicating Hunger, Poverty And Malnutrition, Safe Drinking Water, Sanitation | 2,525.92         | 4,545.00         | 3,397.00         |
| 7  | Heritage Art And Culture  | 117.37           | 117.58           | 296.85           |
| 8  | Other Sectors (Technology Incubator And Benefits To Armed Forces And Admin Overheads) | 9.50             | 37.15            | 58.71            |
| 9  | Prime Ministers National Relief Fund  | 228.18           | 213.70           | 150.70           |
| 10 | Rural Development   | 1,059.34         | 1,369.52         | 1,507.45         |
| 11 | Slum Area Development   | 101.14           | 14.30            | 49.81            |
| 12 | Swachh Bharat Kosh  | 113.86           | 324.72           | 165.09           |
| 13 | Any Other Fund  | 277.09           | 326.88           | 412.38           |
| 14 | NEC/ Not Mentioned  | 1,338.39         | 1,065.22         | 388.86           |
|    | <b>Grand Total (Rs. in Cr.)</b>   | <b>10,065.93</b> | <b>14,366.29</b> | <b>13,464.60</b> |

## Top 20 Companies spending on CSR in FY 2014-15

| SI | Company Name                            | Amount (INR Cr.) |
|----|---|------------------|
| 1  | Reliance Industries Limited             | 760.58           |
| 2  | Oil And Natural Gas Corporation Limited | 495.23           |
| 3  | Infosys Limited                         | 239.54           |
| 4  | Bharat Heavy Electricals Limited        | 239.11           |
| 5  | Tata Consultancy Services Limited       | 218.43           |
| 6  | ITC Limited                             | 215.05           |
| 7  | NTPC Limited                            | 205.17           |
| 8  | NMDC Limited                            | 188.65           |
| 9  | Tata Steel Limited                      | 171.46           |
| 10 | ICICI Bank Limited                      | 155.54           |
| 11 | Oil India Limited                       | 133.31           |
| 12 | Wipro Limited                           | 132.70           |
| 13 | Axis Bank Limited                       | 123.22           |
| 14 | HDFC Bank Limited                       | 117.56           |
| 15 | Indian Oil Corpn. Limited               | 113.79           |
| 16 | Industrial Energy Limited               | 112.00           |
| 17 | Northern Coalfields Limited             | 101.91           |
| 18 | Mahindra And Mahindra Limited           | 83.24            |
| 19 | Hindustan Unilever Limited              | 82.35            |
| 20 | Larsen And Toubro Limited               | 76.53            |
|    |   | <b>3,965.37</b>  |

## Top 20 Companies spending on CSR in FY 2015-16

| SI | Company Name                              | Amount (INR Cr.) |
|----|---|------------------|
| 1  | Reliance Industries Limited               | 639.70           |
| 2  | NTPC Limited                              | 491.80           |
| 3  | Oil And Natural Gas Corporation Limited   | 408.99           |
| 4  | Tata Consultancy Services Limited         | 280.22           |
| 5  | ITC Limited                               | 247.50           |
| 6  | Central Coalfields Limited                | 214.60           |
| 7  | NMDC Limited                              | 210.09           |
| 8  | Tata Steel Limited                        | 204.46           |
| 9  | Infosys Limited                           | 202.30           |
| 10 | Power Finance Corporation Limited         | 194.47           |
| 11 | Mahanadi Coalfields Limited               | 184.64           |
| 12 | ICICI Bank Limited                        | 171.51           |
| 13 | Wipro Limited                             | 159.82           |
| 14 | Northern Coalfields Limited               | 158.16           |
| 15 | BSES Yamuna Power Limited                 | 157.35           |
| 16 | Indian Oil Corpn. Limited                 | 156.68           |
| 17 | Axis Bank Limited                         | 147.78           |
| 18 | Housing Development Finance Corporation   | 146.54           |
| 19 | Rural Electrification Corporation Limited | 131.70           |
| 20 | South Eastern Coalfields Limited          | 127.68           |
|    |   | <b>4,635.99</b>  |

## Top 20 Companies spending on CSR in FY 2016-17

| SI | Company Name                            | Amount (INR Cr.) |
|----|---|------------------|
| 1  | Reliance Industries Limited             | 649.26           |
| 2  | ONGC limited                            | 504.91           |
| 3  | Tata Consultancy Services Limited       | 380.00           |
| 4  | HDFC Bank Limited                       | 305.42           |
| 5  | Infosys Limited                         | 289.44           |
| 6  | NTPC Limited                            | 277.81           |
| 7  | ITC limited                             | 275.96           |
| 8  | Oil India Limited                       | 216.74           |
| 9  | Indian Oil Corporation Limited          | 213.99           |
| 10 | WIPRO limited                           | 186.31           |
| 11 | ICICI Bank Limited                      | 182.37           |
| 12 | NMDC limited                            | 178.19           |
| 13 | Power Finance Corporation Limited       | 168.11           |
| 14 | Mahanadi Coalfields Limited             | 166.61           |
| 15 | Power Grid Corporation Of India Limited | 147.33           |
| 16 | Housing Development Finance Corporation | 146.54           |
| 17 | Axis Bank Limited                       | 135.41           |
| 18 | Coal India Limited                      | 129.38           |
| 19 | Hindustan Petroleum Corporation         | 108.11           |
| 20 | Hindustan Unilever Limited              | 104.00           |
|    |   | <b>4,765.89</b>  |

**Conclusion:**

Corporate Social Responsibility is a noble initiative and it helps to fill the gap of socioeconomic inequality and helps in addressing the problems faced by the society. People should come in forefront willingly to any philanthropic activities in the direction of social, environmental, economic improvement; not only corporate even each individual should actively participate in CSR towards build nation.

**Resources:**

- 1.//[csr.gov.in/](http://csr.gov.in/)
- 2.//[www.unido.org](http://www.unido.org)

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## Industry Focus - Agriculture and Allied Industries

### Introduction

Agriculture is the primary source of livelihood for about 58 per cent of India's population. Gross Value Added by agriculture, forestry and fishing is estimated at Rs 17.67 trillion (US\$ 274.23 billion) in FY18.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

### Market Size

During 2017-18\* crop year, food grain production is estimated at record 284.83 million tonnes. In 2018-19, Government of India is targeting foodgrain production of 285.2 million tonnes. Milk production was estimated at 165.4 million tonnes during FY17, while meat production was 7.4 million tonnes. As of September 2018, total area sown with kharif crops in India reached 105.78 million hectares.

India is the second largest fruit producer in the world. Production of horticulture crops is estimated at record 307.16 million tonnes (mt) in 2017-18 as per second advance estimates.

Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US\$ 38.21 billion in FY18. In April-August 2018 agriculture exports were US\$ 15.67 billion. India is the largest producer, consumer and exporter of spices and spice products. Spice exports from India reached US\$ 3.1 billion in 2017-18. Tea exports from India reached a 36 year high of 240.68 million kgs in CY 2017 while coffee exports reached record 395,000 tonnes in 2017-18.

Food & Grocery retail market in India was worth US\$ 380 billion in 2017.

### Investments

According to the Department of Industrial Policy and Promotion (DIPP), the Indian food processing industry has cumulatively attracted Foreign Direct Investment (FDI) equity

inflow of about US\$ 8.57 billion between April 2000 and June 2018.

Some major investments and developments in agriculture are as follows:

- The first mega food park in Rajasthan was inaugurated in March 2018.
- In 2017, agriculture sector in India witnessed 18 M&A deals worth US\$ 251 million.
- A loan agreement of US\$ 318 million was signed between the Government of India, Government of Tamil Nadu and the World Bank in December 2017 for the 'Tamil Nadu Irrigated Agriculture Modernization Project' through which is expected to benefit around 500,000 farmers in the state.

### Government Initiatives

Some of the recent major government initiatives in the sector are as follows:

- In September 2018, the Government of India announced Rs 15,053 crore (US\$ 2.25 billion) procurement policy named 'Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA), under which states can decide the compensation scheme and can also partner with private agencies to ensure fair prices for farmers in the country.
- In September 2018, the Cabinet Committee on Economic Affairs (CCEA) approved a Rs 5,500 crore (US\$ 820.41 million) assistance package for the sugar industry in India.
- As of March 2018, the Government is working on a plan to provide air cargo support to promote agriculture exports from India.
- The implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) will be made faster and the government is aiming to increase the coverage under the scheme to 50 per cent of gross cropped area in 2018-19.
- The Government of India is going to provide Rs 2,000 crore (US\$ 306.29 million) for computerisation of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- Around 100 million Soil Health Cards (SHCs) have been distributed in the country during 2015-17 and a soil health mobile app has been launched to help Indian farmers.
- With an aim to boost innovation and entrepreneurship in agriculture, the Government of India is introducing a new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors.
- The Government of India has launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs 50,000 crore (US\$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.

- The Government of India plans to triple the capacity of food processing sector in India from the current 10 per cent of agriculture produce and has also committed Rs 6,000 crore (US\$ 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100 per cent FDI in marketing of food products and in food product e-commerce under the automatic route.

### Road Ahead

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum

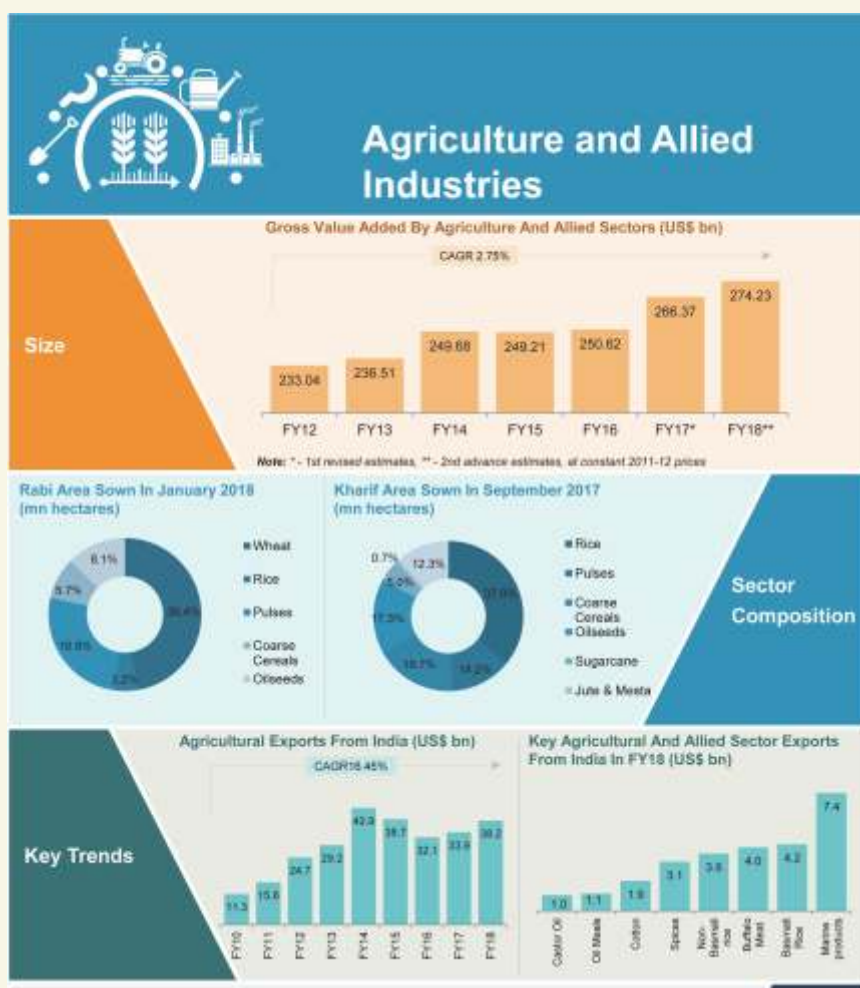
support price.

The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US\$ 3,420.21) by 2022-23 from Rs 96,703 (US\$ 1,505.27) in 2015-16.

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

**References:** Agricultural and Processed Food Products Export Development Authority (APEDA), Department of Commerce and Industry, Union Budget 2018–19, IBEF, Press Information Bureau, Ministry of Statistics and Programme Implementation, Press Releases, Media Reports, Ministry of Agriculture and Farmers Welfare, CRISIL

*Disclaimer: This information has been collected through secondary research and the Institute is not responsible for any errors in the same.*



## Industry Focus - Tourism & Hospitality Industry

### Introduction

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. During January-October 2018 FEEs from tourism increased 8.30 per cent year-on-year to US\$ 23.54 billion.

### Market Size

India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

Foreign Tourist Arrivals (FTAs) increased to 8.36 million in January-October 2018, achieving a growth rate of 6.20 per cent year-on-year.

The travel & tourism sector in India accounted for 8 per cent of the total employment opportunities generated in the country in 2017, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 per cent annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022

### Investments

During the period April 2000-June 2018, the hotel and tourism sector attracted around US\$ 11.39 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).

### Government Initiatives

The Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub.

Some of the major initiatives planned by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- Statue of Sardar Vallabhbhai Patel, also known as 'State of Unity', was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre. It is expected to boost the tourism sector in the country and put India on the world tourism map.
- The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- Under Budget 2018-19, the government has allotted Rs 1,250 crore (US\$ 183.89 million) for Integrated development of tourist circuits under Swadesh Darshan and Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD).

### Achievements

Following are the achievements of the government during 2017-18:

- During 2018-19, a total of seven projects worth Rs 384.67 crore (US\$ 54.81 million) were sanctioned under the Swadesh Darshan scheme.
- As of July 2018, 14 states had deployed tourist police. In November 2018, Nagaland also deployed a separate tourist police in the state.

### Road Ahead

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India's travel and tourism industry has the potential to expand by 2.5 per cent on the back of higher budgetary allocation and low cost healthcare facility, according to a joint study conducted by Assocham and Yes Bank.

Exchange Rate Used: INR 1 = US\$ 0.0149 as of Q1 FY19.

**References:** Media Reports, Ministry of Tourism, Press Releases, IBEF, Department of Industrial Policy and Promotion (DIPP), Press Information Bureau (PIB), Union Budget 2018-19

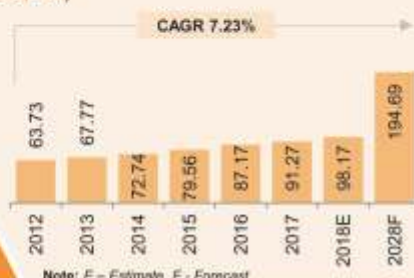
*Disclaimer: This information has been collected through secondary research and the Institute is not responsible for any errors in the same.*



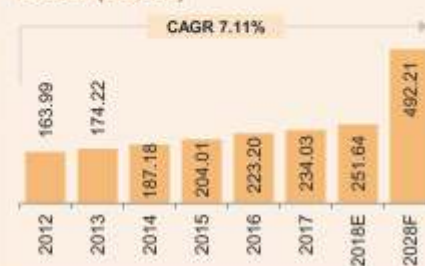
## Tourism and Hospitality

### Market Size

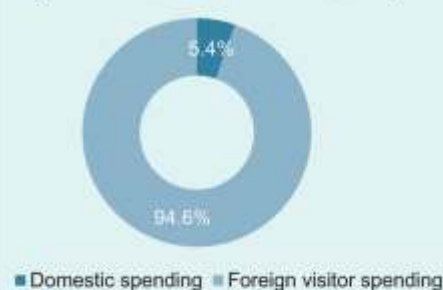
Direct Contribution Of Tourism And Hospitality To GDP (US\$ bn)



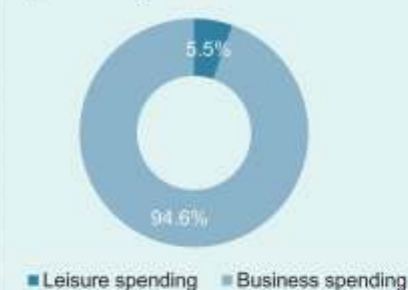
Travel And Tourism's Total Contribution To GDP (US\$ bn)



Segment - Wise Revenue Share (2017)



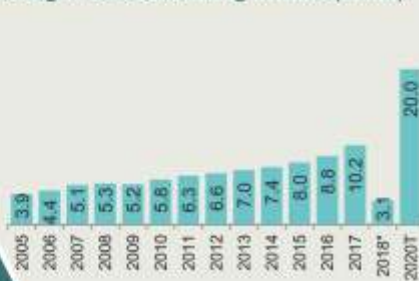
Expected Segment-Wise Revenue Share (2028)



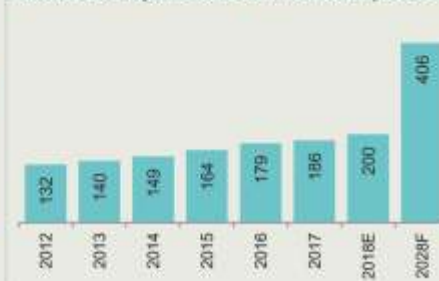
### Sector Composition

### Key Trends

Foreign Tourists Arriving In India (in mn)



Domestic Expenditure On Tourism (US\$ bn)



## Industry Focus - Telecommunication Industry

### Introduction

India is currently the world's second-largest telecommunications market with a subscriber base of 1.17 billion and has registered strong growth in the past decade and half. The Indian mobile economy is growing rapidly and will contribute substantially to India's Gross Domestic Product (GDP), according to report prepared by GSM Association (GSMA) in collaboration with the Boston Consulting Group (BCG). App downloads in the country grew approximately 215 per cent between 2015 and 2017.

The liberal and reformist policies of the Government of India have been instrumental along with strong consumer demand in the rapid growth in the Indian telecom sector. The government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework that has ensured availability of telecom services to consumer at affordable prices. The deregulation of Foreign Direct Investment (FDI) norms has made the sector one of the fastest growing and a top five employment opportunity generator in the country.

### Market Size

With 512.26 million internet subscribers, as of June 2018, India ranks as the world's second largest market in terms of total internet users.

Further, India is also the world's second largest telecommunications market with 1,191.40 million subscribers, as of September 2018.

Moreover, in 2017, India surpassed USA to become the second largest market in terms of number of app downloads.

Over the next five years, rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India, creating opportunities for new businesses.

### Investment/Major development

With daily increasing subscriber base, there have been a lot of investments and developments in the sector. The industry has attracted FDI worth US\$ 31.75 billion during the period April 2000 to June 2018, according to the data released by Department of Industrial Policy and Promotion (DIPP).

Some of the developments in the recent past are:

- During the first quarter of 2018, India became the world's fastest-growing market for mobile applications. The country remained as the world's fastest growing market

for Google Play downloads in the second and third quarter of 2018.

- Bharti Airtel is planning to launch 6,000 new sites and 2,000 km of optical fiber in Gujarat in 2018-19.
- The number of mobile wallet transaction increased 5 per cent month-on-month to 325.28 million in July 2018.
- As of June 2018, BSNL is expected to launch its 5G services by 2020.
- Vodafone India and Idea Cellular have merged into 'Vodafone Idea' to become India's largest telecom company, as of September 2018.

### Government Initiatives

The government has fast-tracked reforms in the telecom sector and continues to be proactive in providing room for growth for telecom companies. Some of the other major initiatives taken by the government are as follows:

- The Government of India is soon going to come out with a new National Telecom Policy 2018 in lieu of rapid technological advancement in the sector over the past few years. The policy has envisaged attracting investments worth US\$ 100 billion in the sector by 2022.
- The Department of Information Technology intends to set up over 1 million internet-enabled common service centres across India as per the National e-Governance Plan.
- FDI cap in the telecom sector has been increased to 100 per cent from 74 per cent; out of 100 per cent, 49 per cent will be done through automatic route and the rest will be done through the FIPB approval route.
- FDI of up to 100 per cent is permitted for infrastructure providers offering dark fibre, electronic mail and voice mail.
- The Government of India has introduced Digital India programme under which all the sectors such as healthcare, retail, etc. will be connected through internet.

### Achievements

Following are the achievements of the government in the past four years:

- Department of Telecommunication launched 'Tarang Sanchar' - a web portal sharing information on mobile towers and EMF Emission Compliances.
- Six-fold increase in Government spending on telecommunications infrastructure and services in the country – from Rs 9,900 crores (US\$ 1.41 billion) during 2009-14 to Rs 60,000 crores (US\$ 8.55 billion) (actual + planned) during 2014-19.

- Over 75 per cent increase in internet coverage – from 251 million users to 446 million
- Country-wide Optical Fibre Cable (OFC) coverage doubled – from 700,000 km to 1.4 million km
- Five-fold jump in FDI inflows in the Telecom Sector – from US\$ 1.3 Billion in 2015-16 to US\$ 6.1 billion in 2017-18 (up to December 2017)

### Road Ahead

Revenues from the telecom equipment sector are expected to grow to US\$ 26.38 billion by 2020. The number of internet subscribers in the country is expected to double by 2021 to 829 million and overall IP traffic is expected to grow 4-fold at a CAGR of 30 per cent by 2021. The Indian Government is planning to develop 100 smart city projects, where IoT would play a vital role in development of those cities. The National Digital Communications Policy 2018 has envisaged attracting investments worth US\$ 100 billion in the

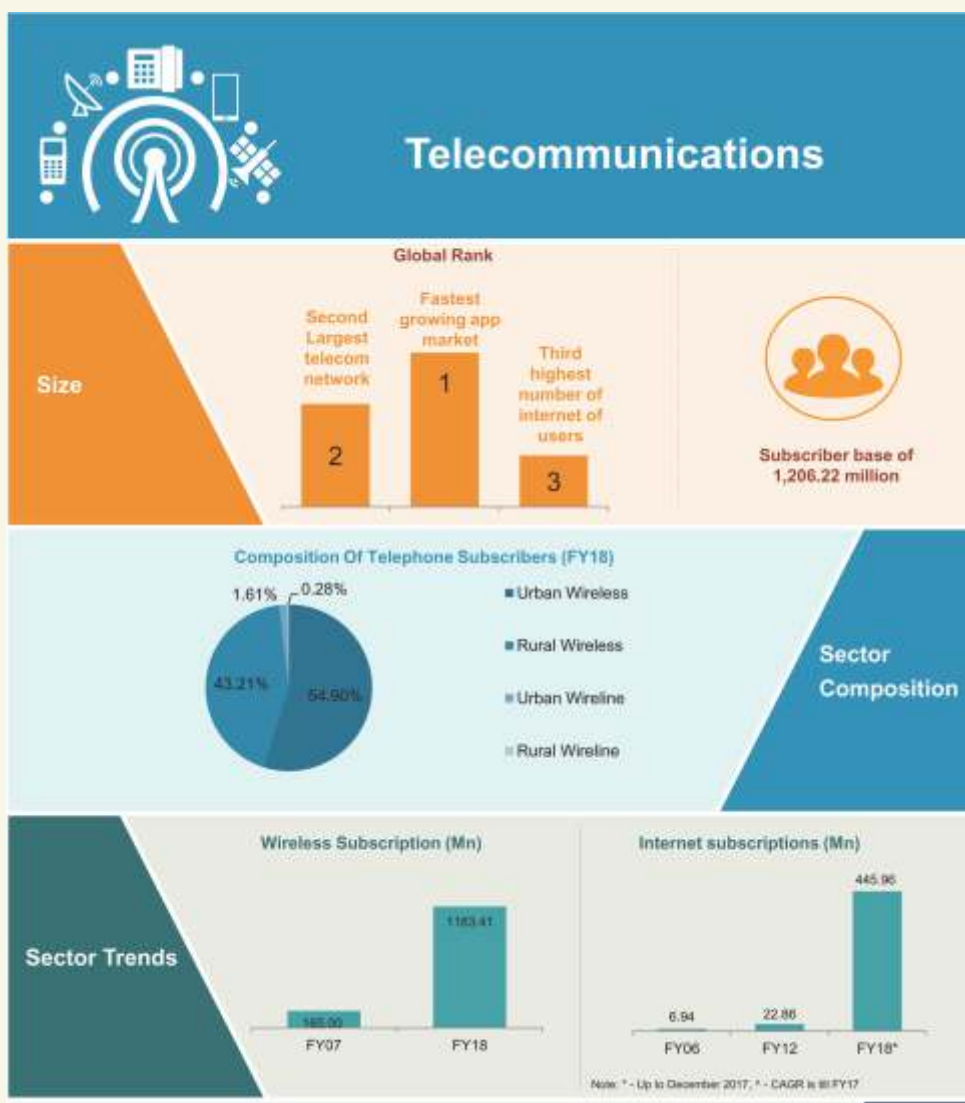
telecommunications sector by 2022. The Indian Mobile Value-Added Services (MVAS) industry is expected to grow at a CAGR of 18.3 per cent during the forecast period 2015–2020 and reach US\$ 23.8 billion by 2020. App downloads in India are expected to increase to 18.11 billion in 2018F and 37.21 billion in 2022F.

Exchange Rate Used: INR 1 = US\$ 0.0142 as of Q2 Fy19.

**References:** Media Reports and Press Releases, Cellular Operators Authority of India (COAI), Telecom Regulatory Authority of India (TRAI), IBEF, Department of Telecommunication (DoT), Department of Industrial Policy and Promotion (DIPP), India Services Sector Report by Deloitte

**Note:** IP – Internet Protocol

*Disclaimer: This information has been collected through secondary research and the Institute is not responsible for any errors in the same.*



## ECONOMY UPDATES

### India to increase public health spending to 2.5 pc of GDP

India is set to increase its public health spending to 2.5 per cent of its GDP by 2025, Prime Minister Narendra Modi said Wednesday, as he asserted that women, children and youth will continue to remain at the heart of every policy, programme and initiative of the government. Addressing the 2018 Partners' Forum, Prime Minister Modi said the high out-of-pocket expenditure incurred by families to avail medical care in India worried his government and to address the issue, it launched the Ayushman Bharat Yojana, which has a two-fold strategy.

The Pradhan Mantri Jan Arogya Yojana provides cashless health insurance cover up to Rs 5 lakh per family per year, covering 500 million poor citizens.

### Cabinet clears agriculture export policy to take shipments to USD 60 bn by 2022

Seeking to double agricultural export to USD 60 billion by 2022, the Union Cabinet Thursday approved a maiden export policy for the farm sector that imposes no restrictions on export of all organic and processed products.

However, export policy for primary agricultural products, like onion, would review periodically on a case-to-case basis depending on price-supply situation, said Commerce Minister Suresh Prabhu after the Cabinet meet. "The policy aims at doubling agricultural shipments to over USD 60 billion by 2022," he said, adding that achieving the target was "doable". He said the farm exports have grown by 20 per cent in a year. Agricultural exports are currently estimated at USD 30 billion.

### Indian M&A hits all-time high in 2018 with deals worth US\$ 125 billion

Deals including the acquisition of online retailer Flipkart by American shopping giant Walmart made this the biggest year for mergers and acquisitions involving Indian companies on record. The total value of transactions was \$125.2 billion, according to data

compiled by market-tracker Thomson Reuters Deals Intelligence. Data is as of December 14. This is nearly twice the \$63.2 billion seen in the previous year.

The retail segment which included Flipkart was third with deals worth \$18.3 billion. Other segments included materials and financials. Materials took the lion's share by sector, accounting for over a fifth of overall deal values. The targets in other major deals included Essar Steel India, Indus Towers, Hindustan Petroleum Corporation and Bhushan Steel. The deal size varied between \$5 billion and \$16 billion. Transactions in which foreign firms bought Indian ones were larger than Indian companies' foreign acquisitions. Foreign companies' acquired \$53.8 billion worth of Indian companies. Indian companies' foreign acquisitions were worth \$13.3 billion. The United States was the biggest buyer.

### E-Commerce Market growing at a rate of about 17% in 2018-19

As per the Economic Survey 2017-18, the electronic commerce (e-commerce) market in India is estimated at US\$ 33 billion, with a 19.1% growth rate in 2016-17. As per the National Association of Software and Services Companies (NASSCOM) Strategic Review 2018, in the Information Technology and Business Process Management (IT-BPM) sector in India, the Indian e-commerce market was US\$ 33 billion in 2017-18 and reached US\$ 38.5 billion, growing at a rate of about 17% in the financial year 2018-19.

As per extant Foreign Direct Investment (FDI) policy, FDI up to 100% is permitted under automatic route in companies engaged in e-commerce provided that such company engaged only in Business to Business (B2B) e-commerce. Further, 100% FDI under automatic route is permitted in marketplace model of e-commerce but FDI is not permitted in inventory based model of e-commerce. Moreover, an entity is permitted to undertake retail trading through e-commerce under the following circumstances, subject to FDI policy provisions:

\* A manufacturer is permitted to sell its products manufactured in India through e-commerce retail.

\* A single brand retail trading entity operating through brick and mortar stores is permitted to undertake retail trading through e-commerce.

\* A food product retail trading entity is allowed to undertake retail trading, including through e-commerce, in respect of food products manufactured and/or produced in India.

For foreign investment in sectors under automatic route, no prior permission of Government of India is required. FDI in retail has been allowed in a calibrated manner after having intensive consultations with stakeholders including concerned Ministries, Departments, State Governments, apex industry chambers, Associations and other organizations taking into consideration their views/comments.

#### **NSIC organized 36437 Programmes of Skill Development and Self-Employment in 2017-18: MSME Minister**

Minister of State (Independent Charge) for Micro, Small and Medium Enterprises (MSME), Giriraj Singh informed the Lok Sabha today that the National Small Industries Corporation Limited (NSIC), a PSU under MSME Ministry, has organized 15129 Entrepreneurship Skill Development Programme (ESDP) and 1341 Entrepreneurship Development Programme (EDP) during 2018-19 (till October '18). He informed that during 2017-18, 7142 EDPs and 29295 ESDPs were organized.

NSIC organizes programmes for Skill Development and Self-Employment through its 8 technical centres located at Aligarh (Uttar Pradesh), Chennai (Tamil Nadu), Howrah (West Bengal), Hyderabad (Telangana), Okhla (New Delhi), Rajkot (Gujarat), Rajpura (Punjab) and Neemka (Haryana). In addition, NSIC is also imparting self-entrepreneurship through its incubation centres located at Okhla (New Delhi), Howrah (West Bengal), Guwahati (Assam), Mandi (Himachal Pradesh), Kolar (Karnataka), Deoria (Uttar Pradesh), Nawada (Bihar), Naini (Uttar Pradesh), Chennai (Tamil Nadu), Kashipur (Uttarakhand), Rajkot (Gujarat) and Neemka (Haryana).

The MSME Minister further stated that NSIC offers training in more than 100 trades. These include various hi-tech areas like robotics, solar energy, animation, PLC, SCADA and software development as well as

conventional fields like fitter, mechanic, electrician and turner for promotion of wage employment and self employment. He said the NSIC is in the process of establishing three business parks in Hyderabad, Bhubaneswar and New Delhi. The objective of setting up these parks is to provide entrepreneurs with built-up space for setting up offices. The parks also provide facilities like exhibition space, conference hall and food court under one roof.

#### **5,000 Compressed Bio Gas plants will be set up by 2023:**

Petroleum and Natural Gas Minister Dharmendra Pradhan Sunday said around 5,000 Compressed Bio Gas (CBG) plants will be set across the country by 2023. He said these plants meant for extracting biogas from agricultural residue, cattle dung and municipal solid waste will have an estimated annual CBG production of 15 million tonne. Pradhan was speaking at a road show organised by oil marketing companies here to sensitise the stakeholders to participate in the SATAT (Sustainable Alternative Towards Affordable Transportation) initiative.

Under the initiative, CBG will be promoted as an alternative under the SATAT initiative launched by the Central government on October 1, 2018. Pradhan said the SATAT initiative aims to produce CBG from agricultural residue. The initiative will also create employment opportunities, promote economic growth and boost all-round development of Odisha, he said.

The SATAT initiative aims to boost availability of more affordable transport fuels, better use of agricultural residue, cattle dung and municipal solid waste besides providing an additional source of revenue to farmers. Pradhan said CBG can be produced from various types of feed stocks such as agriculture residues, press mud and spent wash of distilleries, sewage water, municipal solid waste (MSW), cattle dung and biodegradable fractions of industrial waste.

CBG is replacement of natural gas and can be used in the transportation sector in place of Compressed Natural Gas (CNG). Presently, consumption of natural gas in India is around 140 MMSCMD out of which domestic production is only 70 MMSCMD and remaining 70 MMSCMD is imported which is around 50 per cent of total consumption.

## ECONOMY UPDATES

### SEZs generates exports of Rs 3.33 lakh crore and employment of 19.96 lakh persons

SEZs generates investment of Rs 492312 crore. The Special Economic Zones (SEZs) policy was launched in April, 2000. The Special Economic Zones Act, 2005, was passed by Parliament in May, 2005 which received Presidential assent on the 23rd of June, 2005. The SEZs Rules, 2006 came into effect on 10th February, 2006.

The salient features of the SEZ scheme are:-

A designated duty free enclave to be treated as a territory outside the customs territory of India for the purpose of authorized operations in the SEZ; No licence required for import; Manufacturing or service activities allowed; The Unit shall achieve Positive Net Foreign Exchange to be calculated cumulatively for a period of five years from the commencement of production; Domestic sales subject to full customs duty and import policy in force; Full freedom for sub-contracting; No routine examination by customs authorities of export or import cargo; SEZ developers, co-developers and units enjoy direct tax and indirect tax benefits as prescribed in the SEZs Act.

In addition to seven Central Government Special Economic Zones (SEZs) and 11 State/Private Sector SEZs set-up prior to the enactment of the SEZs Act, approvals have been accorded to 420 proposals for setting up of SEZs in the country of 355 notified SEZs, 230 SEZs are operational.

SEZs being set up under the SEZ Act, 2005 and SEZs Rules, 2006 are primarily private investment driven. No funds are sanctioned by the Central Government for setting up of SEZ. However, fiscal concessions and duty benefits have been allowed to developers and units as per the SEZ Act and Rules thereunder. As on 30 September 2018, exports from SEZs was Rs 333661 crore and employment generation was about 19.96 lakh persons and investment of Rs. 492312 crore has been made.

### Companies CSR expenditure rises 47 percent in four years in FY18: Survey

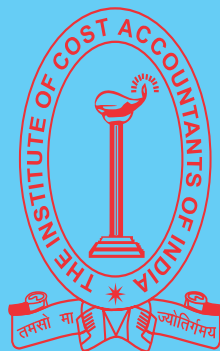
Companies in India spent Rs.7,536.3 crore on corporate social responsibility (CSR) activities in 2017-18, 47% rise compared to 2014-15, says a survey. "This is a significant rise, clearly demonstrating higher expenditure towards CSR activities from the mandated year, 2014", said the KPMG India CSR Reporting Survey 2018. The cumulative expenditure by top 100 companies from 2014-15 to 2017-18 is about Rs.26,385 crore. The average amount spent per company has gone up to Rs.76.1 crore as compared to Rs.58.8 crore during 2014-15, up 29%, it said. The survey further said that the total unspent amount has reduced by Rs.749 crore to Rs.989 crore during 2017-18 from Rs.1,738 crore in 2014-15.

### Brookfield to buy Leela hotels for Rs. 4,500 crore

Canada's Brookfield Asset Management is close to buying at least four of five luxury hotels and a large land parcel owned by debt-ridden Hotel Leelaventure Ltd for about Rs. 4,500 crore, said three people familiar with the development. The deal, which is expected to close early next year, will mark Brookfield's entry into India's hospitality sector. It will also give a major boost to Hotel Leelaventure, which had a debt of Rs. 3,799 crore as of March 2018.

Hotel Leelaventure owns five luxury hotels comprising more than 1,400 rooms in New Delhi, Bengaluru, Chennai, Mumbai and Udaipur. Brookfield is likely to buy at least four of these properties and a large land parcel in Agra, the person said. Brookfield didn't respond to emailed queries for comment. A spokesperson for JM Financial ARC declined comment.

Hotel Leelaventure has been looking to sell some of its hotels and assets such as land for the last four-five years to pare debt. The company and the lenders are evaluating various offers, so as to achieve maximization of value for all the stakeholders and there is no binding contract with any investor as on date either for investment in the company or for purchase of company's assets.



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