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e - News Digest

Weekly updates

The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

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Updated up to December 7, 2014

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Industry

➡ Global effect: LPG rate cut by Rs 113, jet fuel prices by 4.1%

Price of non-subsidized cooking gas (LPG) was cut by a steep Rs 113 per cylinder and that of jet fuel (ATF) by 4.1 per cent as international oil rates slumped to multi-year lows. A 14.2-kg cylinder of non-subsidized LPG will now cost Rs 752, down from Rs 865 previously, in Delhi, oil companies announced. This is the fifth straight reduction in rates of non-subsidized or market priced LPG, which the customers buy after exhausting their quota of 12 cylinders at subsidized rates, since August.

Source: PTI / December 1, 2014

➡ India to set up pipeline link to Bangladesh

India and Bangladesh are looking at a comprehensive partnership in the energy sector even as the neighbour is keen on joining the Turkmenistan-Afghanistan-Pakistan-India natural gas pipeline. Also, Indian refineries are looking at possibilities of selling petroleum products to the South Asian neighbour through a pipeline.

“With the signing of the SAARC (South Asian Association for Regional Cooperation) framework for energy cooperation, it has become a reality. Besides, export from Turkmenistan is attractive,” said Tawfiq-e-Elahi, advisor to Prime Minister, energy and mineral resources, Bangladesh. To begin with, diesel is likely to be transported through the pipeline. “A feasibility study for the pipeline is currently underway,” a senior petroleum ministry official said. The pipeline is estimated to cost Rs 200 crore and

would have a capacity of one million tonne. It could also be further extended into Myanmar. India already sells petroleum products in Nepal, Bangladesh and Mauritius.

Source: Business Standard / December 2, 2014

➡ Core sector output accelerates to 6.3% in October

Growth in eight key infrastructure sectors reached an impressive four-month high of 6.3 per cent in October compared to 1.9 per cent the previous month but analysts said expansion in industrial production was still likely to be mild. The October growth was mainly due to a surge in coal production, electricity generation and refinery products. The eight (core) sectors output rose 4.3 per cent in the first seven months of this financial year, slightly higher from 4.2 per cent in the same months of last year.

During the month, coal production grew 16.2 per cent, closely followed by electricity generation that rose by 13.2 per cent. Production of petroleum refinery products grew by 4.2 per cent compared to the corresponding month of 2013-14, according to data issued on 1st December by the ministry of commerce and industry.

Source: Business Standard / December 2, 2014

➡ Manufacturing PMI rises to 21-month high in Nov

In November, manufacturing activity in India rose to a 21-month high, though that didn't lead to additional hiring, showed the HSBC Purchasing Managers' Index (PMI). For November, the PMI rose to 53.3 points from 51.6 points in October. During the month, foreign orders received by Indian goods producers.

Source: Business Standard / December 2, 2014

➡ Twitter to tap Chinese market from its Hong Kong office

Microblogging site Twitter would set up an office in Hong Kong early next year to serve Chinese users and advertisers, the company said last week. The move would be aimed at tapping the world's largest internet population, even as the censors in Mainland China have shut out the American company from that market since 2009.

Source: Business Standard / December 2, 2014

➡ Plastic processors gear up for life after HPL

The prolonged shutdown of Haldia Petrochemicals (HPL) has severely affected companies in the allied sector such as plastics processors. HPL, one of the largest manufacturers of high-density polyethylene in the country, supplies different grades of polymers mainly in the eastern India region. The long closure of HPL has disrupted the supply of polymers to plastics processors, especially the makers of the injection-moulded products such as syringes, crates, buckets, filaments, etc. As a result, many of such units had to close down. The HPL shutdown led to the closure of nearly 150 such units, rendering thousands jobless, said Ramesh Kumar Rateria, vice-president of Indian Plastics Federation. However, due to a prolonged shutdown, the units have decided to import polymer.

Source: Business Standard / December 3, 2014

➡ Seven medium-sized Japanese firms to invest in Gujarat: Japan External Trade Organization

At least seven new medium-sized Japanese companies plan to set up manufacturing plants in the Japanese Industrial Cluster at Vithalapur village in the district.

Vithalapur and the nearby Hansalpur village have emerged as Gujarat's auto hub, attracting Japanese auto giants to set up their plants.

Source: PTI / 4 Dec, 2014

➡ Iron ore imports hit record 6.8 million tonnes as prices fall

The country's iron ore imports rose to a record 6.76 million tonnes in the first seven months of its fiscal year as sliding global prices and limited supply at home pushed steel producers to buy the raw material overseas, industry data showed on 5th December.

Source: Reuters / December 5, 2014

➡ GAIL India inks agreement to buy 2.5 million tonnes of LNG from US-based firm

GAIL India Ltd, the nation's largest natural gas distributor has signed an agreement with US-based WGL for buying about 2.5 million tonnes of gas for 20 years. GAIL Global USA LNG LLC, a subsidiary of the state-owned firm, signed a sourcing agreement with US-based WGL Midstream Inc for "procurement of natural gas required to produce about 2.5 million tonnes a year of LNG at the Cove Point Terminal located in Maryland, US," a company statement said.

Source: PTI / 5 Dec, 2014

➡ AAI puts financially-embattled Spice Jet on cash-and-carry

The Airports Authority of India (AAI) has decided to withdraw credit facility relating to airport user fees to the financially-embattled low-cost carrier Spice Jet at all airports in the country

from 4th December midnight. The move has been spurred by the mounting dues that the airline has to pay the AAI.

Source: *Economic Times* / 5 Dec, 2014

Banking

➤ No cap on ATM use for its debit card holders: Lakshmi Vilas Bank

Lakshmi Vilas Bank said its debit card holders can use its own ATM network free of cost without any cap on the number of such transactions.

Source: *Economic Times* / 1 Dec 2014

➤ Lending, deposit rates likely to remain unchanged: Bankers

Interest rates are likely to remain static as the

Reserve Bank kept the key rate unchanged at its fifth bi-monthly monetary policy review.

Source: *Economic Times* / 2 Dec 2014

➤ 25 lakhs bank accounts opened under Pradhan Mantri Jan Dhan Yojna in Punjab

There were 23,412 camps were organized across the state and 25, 36,437 accounts have already been opened ever since the scheme was launched.

Source: *Economic Times* / 4 Dec 2014

➤ Keep record of Aadhaar number of pensioners: Government tells banks

The move is a part of government's initiative of providing 'Aadhaar based digital life certificate for pensioners'.

Source: *Economic Times* / 4 Dec 2014

➤ SBI cuts deposit rates by 0.25 per cent

Country's largest lender State Bank of India (SBI) today cut its deposit rates for maturities of over one year by 0.25 per cent, making it the third bank after private sector rivals, ICICI Bank and HDFC Bank, to reduce deposit rates this week. The bank, which has already affected rate cuts in the short-term maturities of up to a year in two moves over the past few months, today reduced the rates for deposits of over one year.

Source: *PTI* / 5 Dec, 2014

➤ RBI working on consumer rights charter

The RBI is working towards bringing out a charter on consumer rights, said Umashankar Paliwal, Executive Director of the apex bank. Addressing a conference on Consumer Product Safety, he pointed out that a draft charter comprising five rights – to fair treatment, transparency, honest dealing, suitability, privacy, grievance redress and compensation – to deal with RBI-regulated entities has been put up for public comments. He also appealed to consumers to exercise caution and avoid falling prey to online lottery scams that ask people to pay 'service charges' to transfer large sums of money to their bank accounts, and other Ponzi schemes.

Read more at:

<http://www.thehindubusinessline.com/news/rbi-working-on-consumer-rights-charter/article6665636.ece>

➤ Soon, PSU bank ATMs will be able to print in Hindi

ATMs installed by state-owned banks will soon have the facility for issuing the transaction receipt in Hindi, finance minister Arun Jaitley said on Friday in response to a question in the Lok Sabha. "The government has instructed public sector banks (PSBs) to install those ATM machines which can produce receipts in both Hindi and English languages. PSBs have been advised to ensure that all ATM machines have facility of doing transactions/printing in Hindi as well as in English. However, no time frame has been prescribed for installation of such ATM machines," the written statement said. Most ATMs have a bilingual option on their home screens. Some machines, like those installed by ICICI Bank, offer a regional language option as well in non-Hindi speaking states.

Read more at:

http://onlinelawsolutions.com/news_detail.php?news_id=6260#sthash.Yj3EEp9c.dpuf

➡ **White Label ATMs (WLAs) in India – Guidelines**

To allow WLAs to accept international credit/debit/prepaid cards. The cards issued under card payment network schemes (authorized under the PSS Act 2007) will be allowed for the purpose. The WLA operators (WLAO) have to ensure that they have established technical connectivity with the respective card network operators either directly or through their sponsor banks. However, in the case of cards issued under any other card scheme, the routing and settlement should take place based on the bilateral arrangement put in place by the existing authorized networks for such purpose.

Read more at:

http://onlinelawsolutions.com/notification_detail.php?notification_id=2345#sthash.shRoC4Pr.dpuf

➡ **Finance Ministry asks banks for early issuance of RuPay card under Pradhan Mantri Jan Dhan Yojana**

The Finance Ministry has asked banks to expedite issuance of RuPay debit card under Pradhan Mantri Jan Dhan Yojana (PYMJDY).

"Banks were asked for early issuance of pass books and RuPay Debit Cards to customers and organise one month as 'RuPay card activation Month' to increase activation of RuPay card," an official statement said. In a review meeting of PMJDY held recently, all the banks have been advised to cover the gap including of their Regional Rural Banks (RRBs) by December 15.

Source: Economic Times / 5 Dec, 2014

Agriculture

➡ **No plan to impose tax on agricultural income: Jaitley**

The Centre will not impose tax on agricultural income, Finance Minister Arun Jaitley has said. Jaitley's response in the Lok Sabha on Friday puts to rest questions on whether the Government will endorse the Parthasarathi Shome led Tax Administration Reform Commission (TARC) recommendation for taxing of large farmers with income above Rs. 50 lakhs a year. The report was submitted on December 3. The measure, in conjunction with the re-introduction of fringe benefits tax and banking cash transaction tax, was suggested in order to widen the tax base. Shome had noted the move could block an escape route for black money but that such a move would need political consensus across party lines. That, in addition to a strong farm lobby, makes it unlikely for the

recommendation to be considered in the 2015-16 Budget.

Read more at:

<http://www.thehindubusinessline.com/economy/no-plan-to-impose-tax-on-agricultural-income-jaitley/article6665643.ece>

➡ **Spices export up 12% in Apr-Sep**

Sustaining robust demand in international markets, Indian spices registered an export volume of 421,570 tonnes during April-September this year with their value pegged at Rs 6962.86 crore (USD 1152.08 million) as compared to 376,584 tonnes and Rs 6,364.64 crore (USD 1073.85 million), respectively during the corresponding period a year earlier.

“Spices export has been in tune with the targets set up by the Commerce Ministry for the current fiscal. As compared to April-September 2013, the export registered a growth of 12% and 9% in terms of volume and value, respectively,” said A Jayathilak, Chairman, Spices Board. Chili, mint products, cumin, spice oils & oleoresins, pepper, turmeric, coriander, curry powder/paste and fenugreek contributed substantially to spice export basket as the demand for Indian spices surged phenomenally at the global level. Chili continued to propel the growth story as India's largest exported spice, accounting for 161,000 tonnes in quantity and Rs 1,547.30 crore in value during April-September 2014.

Source: Business Standard / December 2, 2014

➡ **Indian hybrid seed makers eye Africa, East Asia markets**

India currently exporting around Rs 500 crore of seeds, which is expected to double over the next couple of years, says the National Seed Association of India.

Source: Economic Times / 5 Dec, 2014

News Unlimited

➡ **Govt. empowers CMAs / CAs nominated as special auditors, to conduct Service Tax Audits**

Every assessee, shall, on demand make available to the officer empowered under sub-rule (1) or the audit party deputed by the Commissioner or the Comptroller and Auditor General of India, or a cost accountant or chartered accountant nominated under section 72A of the Finance Act, 1994:

- (i) the records maintained or prepared by him in terms of sub-rule (2) of rule 5;
- (ii) the cost audit reports, if any, under section 148 of the Companies Act, 2013 (18 of 2013); and
- (iii) the income-tax audit report, if any, under section 44AB of the Income-tax Act, 1961 (43 of 1961),

for the scrutiny of the officer or the audit party, or the cost accountant or chartered accountant, within the time limit specified by the said officer or the audit party or the cost accountant or chartered accountant, as the case may be.

Read more at:

http://onlinelawsolutions.com/notification_detail.php?notification_id=2346#sthash.s8BF7TIW.dpuf

➡ **States may get power to tinker with 'State GST' rates**

The Centre may allow States to unilaterally tinker with State-level Goods and Services Tax (State GST) rates as part of its efforts to build a consensus on the proposed dual-GST system in the country. In the GST architecture proposed during the UPA regime, the Centre was to decide on the rates in consultation with States. The main issue was that all the States had to follow the

rates and there was no room to unilaterally deviate from them. They had to go to the GST Council to change the rates. India is looking to implement a dual-GST system, where the Centre will impose a Central GST (CGST) and the States will impose a State GST (SGST). Over 150 countries have implemented GST. The proposed flexibility for States to tinker with SGST rates could enable consensus on the GST implementation front, official sources said.

Read more at:

<http://www.thehindubusinessline.com/economy/states-may-get-power-to-tinker-with-state-gst-rates/article6665642.ece>

➡ **Centre sanctions 76 projects worth Rs 4974.79 crore in five basin states to clean up river Ganga**

The latest Union Budget had set up an integrated Ganga conservation mission with an allocation of Rs 2037 crore for Ganga rejuvenation.

Source: Economic Times / 1 Dec, 2014

➡ **Now, a dedicated air cargo service for Northeast**

The landlocked Northeast region of the country is expected to get a dedicated air cargo service soon, to cater to the business community's needs for fast movement of goods to and fro. Mumbai-based Sovika Aviation Services said that it would launch a dedicated cargo airline service to cater to all major airports of the northeastern states from February 2015. The company plans to use an ATR-72 aircraft, which can carry eight tonnes of cargo, and fly to all major airports of the region such as Guwahati, Agartala, Imphal, Aizawl and Dimapur. Anand said since aviation engineering facilities are available in Kolkata, the service would be based out of here.

Source: Economic Times / December 1, 2014

➡ **Australia to focus on mining, using 'Make in India' campaign**

Hoping to leverage the opportunity presented by the 'Make in India' campaign, Australia is optimistic of cashing in the opportunities in the mining sector and is considering technology partnerships, an Australian official said.

Source: Economic Times / 2 Dec, 2014

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Source: Economic Times / 2 Dec, 2014

➡ **'Make in India' will help achieve economy of scale, says Tenneco India Chief**

US-based auto parts manufacturer Tenneco is setting up a new manufacturing facility in Gujarat which is expected to be operationally next year.

Source: Economic Times / 2 Dec, 2014

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Source: Economic Times / 2 Dec, 2014

➡ **Scientists closer to making fuel from water and sun**

Researchers, including one of Indian-origin, have moved one step closer to turning water and sunlight into sustainable fuel by successfully replicating a crucial step in photosynthesis.

Source: Economic Times / 3 Dec, 2014

➡ **Haryana to develop integrated logistics hub**

The Haryana government announced to develop an integrated multi-modal logistic hub (IMLH) as part of the Delhi-Mumbai Industrial Corridor (DMIC) project.

Source: Economic Times / 3 Dec, 2014

➡ **Wipro's Premji gets Swiss Ambassador's Award for inspirational & socially responsible leadership**

Azim Premji, Chairman, Wipro Ltd has received the 'Swiss Ambassador's Award for inspirational and socially responsible leadership'. Premji received the award in a ceremony in Mumbai that was attended by leading industry leaders and eminent personalities. The award recognizes his commitment to values, with the firm belief that success in business eventually but inevitably follows.

Source: Economic Times / December 4, 2014

➡ **Modi government sets up committee to fast-track US investments proposals**

According to ministry, committee will be headed by the secretary in the department of industrial policy and promotion (DIPP).

Source: Economic Times / 3 Dec, 2014

➡ **India joins hands with the US for agriculture, food security**

India has entered into an agreement with the US

for cooperation in the field of agriculture and food security, Lok Sabha was informed today.

Source: Economic Times / 2 Dec, 2014

➡ **Essel Group plans smart city in West Bengal**

Essel Group has met Mamata & proposed to develop a smart city in Bengal, like pilot projects in Madhya Pradesh & will be developed under a PPP model.

Source: Economic Times / 5 Dec, 2014

➡ **Japan should be part of Make in India programme: Ravi Shankar Prasad**

Telecom minister Ravi Shankar Prasad has invited Japanese companies to invest in the 'Digital India' and 'Make in India' programmes.

Source: Economic Times / 4 Dec, 2014

➡ **Brazil to launch new satellite to track deforestation**

Brazil will launch a satellite from China Sunday to keep an eye in the sky on deforestation in the Amazon, the National Space Agency (INPE) said.

Source: Economic Times / 5 Dec, 2014

➡ **India's communication satellite GSAT-16 launched successfully**

Boosting India's communication services, its latest satellite GSAT-16 was successfully launched on board Arianespace rocket from the spaceport of Kourou in French Guiana in the early hours on 7th December, after a delay of two days due to bad weather.

Source: PTI / Dec 7, 2014



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