e-NEWS DIGEST

Weekly Updates

DECEMBER | VOL. 12 | NO. 1

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

www.icmai.in

e-NEWS DIGEST

www.icmai.in

WEEKLY UPDATES

Updated upto December 10, 2015

DIRECTORATE OF RESEARCH & JOURNAL

The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

INDEX

Please send your feedback on the *e* **News Digest** at: **cma.ebulletin@icmai.in**

INDUSTRY

➲ FDI increases by 13%, $16.6 billion received in first half of current fiscal

India received $16.6 billion in foreign direct investment in the first half of the current fiscal, a 13% increase from $14.69 billion recorded a year ago, data released by the Department of Industrial Policy and Promotion (DIPP) showed. Investment of $6.69 billion FDI came from Singapore, followed by $3.66 billion from Mauritius, $1.09 billion from the Netherlands and $815 million from Japan.

Read more at: http://economictimes.indiatimes.com/articleshow/50019920.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

➲ India's manufacturing growth slumps to a 25-month low in November

India's manufacturing growth slumped to a 25-month low in November due to a combination of lower demand, higher input costs and softening output, a private survey showed. The Nikkei Manufacturing Purchasing Managers' Index declined to 50.3 in November from 50.7 in October, data released showed. The index fell for the fourth consecutive month in November. A reading above 50 on this survey-based index denotes expansion. The data comes a day after the central statistics office released the GDP data for the quarter to September showed a marked 9.3% increase in manufacturing during the period.

Read more at: http://economictimes.indiatimes.com/articleshow/50004777.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

➲ India's GDP grows at 7.4% in Q2 of FY16; manufacturing grows at robust 9.3%

India's economy picked up pace in the second quarter of the current fiscal, comfortably outpacing China in the same quarter, but the stronger growth has dampened hopes of a rate cut when the Reserve Bank of India reviews its monetary policy on tomorrow. India's GDP rose 7.4 % in the second quarter of 2015-16, in line with expectations but faster than the 7% growth recorded in the preceding three-months. China's GDP rose 6.9% in the same quarter.

The high growth was driven by a robust 9.3% rise in gross value added (GVA) in the manufacturing sector. Despite a poor monsoon, agricultural sector did better than expected with a 2.2% rise in GVA versus 2.1% YoY. The GDP growth had declined to 7% in April-June quarter from 7.5% in the previous quarter raising concerns that the recovery was not shaping well. RBI is expected to maintain interest rates after consumer inflation rose to 5% in October and the strong manufacturing growth numbers.

Read more at: http://economictimes.indiatimes.com/articleshow/49983475.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

➲ Inland waterways: Government setting up 30 water ports on the Ganga; Nitin Gadkari calls it game-changer

Government is setting up 30 water ports on the Ganga as inland waterways will be a "game- changer" for increasing exports and reducing cost of goods as well as passenger traffic, Union Minister Nitin Gadkari said. "National highway is very important. But waterways are most important. In China 47 per cent of goods and passenger traffic is on water. In Korea and Japan, 43 and 44 per cent of goods and passenger traffic is on water. In European countries...40 per cent of goods and passenger traffic is on water. In India, it is only 3.5 per cent," he said. The cost of travelling by water is substantially less compared to travelling by road or train, said the Minister of Road Transport and Highways.

Read more at: http://economictimes.indiatimes.com/articleshow/50055665.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

➲ Private sector firms' PAT fell 9.9% in Q2 FY16: RBI

Country's private sector companies saw a dip of 9.9 per cent in profit after tax for the second quarter of this fiscal, compared to 25.6 per cent growth in the year-ago period, RBI data showed.
In the first quarter, there was a contraction in the net profit at -9.5 per cent. "Among the sectors, services (other than IT) recorded a contraction in net profits," RBI said in the data released today on the performance of non-financial private firms during the second quarter of FY16. The data is based on the abridged financial results of 2,711 listed non-government non-financial companies. During the quarter, aggregate sales contracted further primarily due to a sharp contraction of 37.2 per cent in the sales of petroleum products industry group. Sales in the manufacturing sector also contracted by 7.8 per cent. The services sectors (other than IT sector) recorded improvement in sales growth (Y-o-Y) in comparison with the previous quarter.

Read more at: http://economictimes.indiatimes.com/articleshow/50033652.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

➲ FDI companies' sales growth dipped to 10.2% in FY14: RBI

Sales growth of select Foreign Direct Investment (FDI) companies shrunk to 10.2 per cent in 2013-14 against 14 per cent in the previous financial year, according to RBI data. "Sales growth of select FDI companies along with value of production and operating expenses moderated in 2013-14," RBI said in its data on 'Finances of Foreign Direct Investment (FDI) Companies, 2013-14'.

The data has been compiled based on audited annual accounts of 957 select non-government non-financial (NGNF) FDI companies which closed their accounts during the period April 2013 to March 2014. The growth in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and net profits improved in FY14 mainly due to moderation in manufacturing and interest expenses supported by a decline in import growth and increase in export growth. Merchandise exports grew at higher rate of 22 per cent in the reporting year as against 15.3 per cent in FY13.

Read more at: http://economictimes.indiatimes.com/articleshow/50032693.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

➲ India receives $32.87 bn FDI in Oct-Sep period

India received USD 32.87 billion foreign direct investment (FDI) during October 2014 to September this year, Parliament was informed. The sectors, which attracted FDI during the period include computer software and hardware, services sector, trading, automobile, construction activities, chemicals, power, pharmaceuticals, industrial machinery and food processing.

Read more at: http://www.business-standard.com/article/pti-stories/india-receives-32-87-bn-fdi-in-oct-sep-period-115113000608_1.html

➲ Sugar production up 24% at 23.6 lakh tonnes in October-November: ISMA

India's sugar production rose 24 per cent to 23.60 lakh tonnes (LT) in the first two months of the current marketing year on higher output from Maharashtra. Sugar export from India, the world's second largest producer and biggest consumer, stood at 1.75 lakh tonnes during the October-November period. Sugar marketing year runs from October to September. Releasing the production and exports data of the first two months, Indian Sugar Mills Association (ISMA) said the ex-mill sugar prices, which had touched 6-7 year low, have improved by Rs 4-5 per kg, but the rates are still down by Rs 5-6 per kg when compared to the production cost.

Read more at: http://economictimes.indiatimes.com/articleshow/50086456.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

TAXATION

➲ Revision of monetary limits for filling of appeals by the Department before Income Tax Appellate Tribunal and High Courts and SLP before Supreme Court - measures for reducing litigation vide Circular No. 21 / 2015 dated: 10 December, 2015.

Read more at: http://www.incometaxindia.gov.in/communications/circular/circular21_2015.pdf

➲ Relaxation of additional fees and extension of last date of in filing of forms MGT-7 (Annual Return) and AOc-4 (Financial Statement) under the Companies Act, 2013

In continuation of this Ministry's General Circular 1412015 dated 28.10.2015, keeping in view requests received from various stakeholders, it has been decided to relax the additional fe€s payable on e-forms AOC4, AOC (CFS) AOC-4 XBRL and e- Form MGT-7 upto 30.12,2015, wherever additional fee is applicable vide General *Circular No. 15/ 2015 dated: 30-11-2015.*

➲ Government imposes anti-dumping duty on kitchenware products

Government has imposed an anti-dumping duty of up to $1,732.11 per tonne on import of 'melamine tableware and kitchenware products' like dinner sets and mugs from China, Thailand and Vietnam with an aim to protect domestic industry from cheap shipments. The anti-dumping duty in the range of $582.85 - 1732.11 per tonne will remain in effect for five years, a Central Board of Excise and Customs (CBEC) notification said.

Read more at: http://economictimes.indiatimes.com/news/economy/policy/government-imposes-anti-dumping-duty-on-kitchenware-products/articleshow/50062936.cms

➲ CBDT notifies emails as new communication mode with taxpayers

The Central Board of Direct Taxes has notified use of emails as the new mode of communication between the taxman and taxpayers, as part of the government's e-initiative to reduce human interface and complaints of harassment and corruption in conducting tax related jobs. The amendment in the Income Tax Act was also required as the I-T department has recently launched a 'pilot project' of sending email queries, notices and summons to taxpayers while processing cases of scrutiny.

According to notification 89 issued by the Central Board of Direct Taxes (CBDT), the apex policy-making body of the tax department, an amendment has been made in the Section 282 of the I-T Act (Service of notice) allowing for inclusion of taxpayers or tax paying entities' email as the new mode of official communication along with the existing modes like courier, postage or departmental dispatch.

Read more at: http://economictimes.indiatimes.com/news/economy/policy/cbdt-notifies-emails-as-new-communication-mode-with-taxpayers/articleshow/50064404.cms

Guidelines for handling and storage of valuable goods that are seized/ confiscated by the Department

In terms of Section 110 of Customs Act, 1962 if the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods that may include valuables such as gold. In the recent past, the smuggling of high value goods, especially gold is on the rise, as evidenced by the increasing number of seizures made by Directorate General of Revenue Intelligence and the field formations.In order to prevent such loss/ theft of valuables in future, the following guidelines are issued re-inforcing/ re-iterating and in continuation of the existing instructions/circulars in this regard for strict compliance by all field formations.

Valuables:

For the purpose of these guidelines, the valuables include:

i. diamonds, precious and semi-precious stones, pearls, gold/silver;
ii. articles including jewellery made of or containing these valuables mentioned at (i) above;
iii. high value watches;
iv. currency including foreign currency; and
v. such other articles of small bulk and high value as Commissioner of Customs may by special or general order specify as valuables.

Custodian:

- Only experienced officers whose integrity is absolutely beyond doubt, should be posted as incharge of the strong room/ valuable godown. Similar check from vigilance & integrity angle should also be ensured for the superior officer who is given the overall supervision of the strong room and custody of the second key.

- Whenever the Custodian or his superior officer is transferred, a regular substitute should be provided, who shall take proper charge of the strong room/valuable godown.

Source: Instruction [F.No.394/97/2015-Cus (AS)] dated: 01-12-2015, GOI, Ministry of Finance, Department of Revenue, CBEC

Read the full notification at: http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-instructions/cs-instructions-2015/guidlns-handlng-strg-goods-cs-asu.pdf

Excise duty Exemption to units in North Eastern Region

CBEC clarified that new units or units undertaking substantial expansion after 01.12.2014 and upto the cut-off date of 31.03.2017 shall continue to he eligible for excise duty exemption under notification No.20/2007-Central Excise dated 25.04.2007 subject to the conditions specified thereunder vide *Circular No.1012/19/2015-CX [F. No. 332/03/2014-TRU] dated: 2nd December, 2015.*

Read more at: http://www.cbec.gov.in/resources//htdocs-cbec/excise/cx-circulars/cx-circulars-2015/circ1012-2015cx.pdf

FOREIGN TRADE

India's Iran oil imports hit eight-month low

India's oil imports from Iran fell for the fourth straight month in November to touch an eight-month low, preliminary tanker arrival data obtained by Reuters shows, as its two biggest buyers cut purchases to meet annual targets. Western sanctions against Iran's controversial nuclear programme limits the Gulf country's oil exports to 1-1.1 million barrels per day (BPD), with buyers such as India curbing annual purchases to 220,000 bpd.

But India, the world's fourth biggest oil consumer, has been stepping up purchases of cheaper crude from regions including the Asia-Pacific and Latin America. The country's year-on-year imports from Iran fell nearly 45 percent to about 138,100 bpd in November - a 24 percent drop from October, according to the data and a report compiled by Thomson Reuters Oil Research and Forecasts. Private refiner Essar Oil's purchases tanked by more than three-quarters to about 1 million barrels, while imports by the other big buyer, Mangalore Refinery and Petrochemicals Ltd, declined to about 2 million barrels.

Read more at: http://economictimes.indiatimes.com/articleshow/50040681.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Gold imports 528 tonnes worth Rs 1.12 lakh crore in April-September

India imported over 528 tonnes of gold, worth Rs 1.12 lakh crore, between April-September this year, Minister of State for Finance Jayant Sinha has said. In a written reply to a question in the Rajya Sabha, Sinha said in 2014-15 fiscal 915 tonnes of gold was imported which was worth Rs 2.10 lakh crore. The highest volume of gold import was in 2012-13 when it was 1,013 tonnes, while it was brought down to 661 tonnes in 2013-14.

Read more at: http://economictimes.indiatimes.com/articleshow/50016018.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Foreign borrowing norms relaxed

The Reserve Bank of India (RBI) approved a set of more liberal external commercial borrowing norms (ECB), allowing Indian companies to raise rupee resources from overseas lenders, without incurring currency risks. The new norms will be effective April 1 next year. Such rupee-denominated bonds are being issued in large numbers.

Read more at: http://www.business-standard.com/article/finance/foreign-borrowing-norms-relaxed-115120100059_1.html

➲ **Forex reserves down by $750.2 million to $351.615 billion**

India's foreign exchange reserves saw $860 million fall in the fortnight ending November 27, ahead of the likely Fed rate hike.

The country's forex reserves is expected to come under more pressure if US Federal Reserve actually makes the short term rates dearer since global investors would withdraw their investment from emerging economies including India and park it in safer markets. "There are some residual uncertainties about what the Fed will do. But, my sense is as I have said before after an in initial bout of volatility we probably should see Indian markets stabilize and come through," RBI Governor Raghuram Rajan said after making the fifth bi-monthly policy statement. India's reserves are now at $351.616 billion, Reserve Bank of India's latest data showed.

Read more at: http://economictimes.indiatimes.com/articleshow/50044638.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

➲ **RBI sets rupee reference rate at 66.74 against dollar**

The Reserve Bank of India fixed the reference rate of the rupee at 66.7450 against the US dollar and 70.6696 for the euro. These rates were 66.6158 and 70.6660, respectively. According to an RBI statement, the exchange rates for the pound and the yen against the rupee were quoted at 99.6102 and 54.08 per 100 yens, respectively, based on reference rates for the dollar and cross-currency quotes at noon.

Read more at: http://www.business-standard.com/article/pti-stories/rbi-sets-rupee-reference-rate-at-66-74-against-dollar-115120300442_1.html

➲ **Magna International opens two factories in Sanand, sees strong growth in India**

Magna International inaugurated two new facilities in Gujarat's automobile hub of Sanand, as North America's largest automotive parts supplier. The $36-billion, Canada-based auto component major aims to use this base to more than double or triple its business in India to almost $450-500 million in the next 3-4 years. The company inauguarted two facilities for its seating division - Magna Seating, which is part of Magna Automotive India Private Ltd, and Cosma International, which is part of the Magna Group.

Read more at: http://economictimes.indiatimes.com/articleshow/50110105.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

BANKING

➲ **Guidelines on trading of Currency Futures and Exchange Traded Currency Options in Recognized Stock Exchanges – Introduction of Cross-Currency Futures and Exchange Traded Option Contracts**

Market Participants, i.e., residents and FPIs, are allowed to take positions in the cross-currency futures and exchange traded cross-currency option contracts without having to establish underlying exposure subject to the position limits as prescribed by the exchanges. The existing position limits of USD 15 million for USD-INR contracts and USD 5 million for non USD-INR contracts, all put together, per exchange, for residents and FPIs, without having to establish underlying exposure, shall remain unchanged. The hedging procedure for residents as laid down in A.P. (DIR Series) Circular No. 147 dated June 20, 2014 and for FPIs as laid down in A.P. (DIR Series) Circular No. 148 dated June 20, 2014 shall also remain unchanged.

AD Category-I banks may undertake trading in all permitted exchange traded currency derivatives within their Net Open Position Limit (NOPL) subject to limits stipulated by the exchanges (for the purpose of risk management and preserving market integrity) provided that any synthetic USD-INR position created using a combination of exchange traded FCY-INR and cross-currency contracts shall have to be within the position limit prescribed by the exchange for the USD-INR contract.

Source: Notification No. RBI/2015-16/267 [A.P. (DIR Series) Circular No. 35] dated: December 10, 2015

Read more at: https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10172&Mode=0

➲ **Inclusion of "IDFC Bank Limited" in the Second Schedule to the Reserve Bank of India Act, 1934**

"IDFC Bank Limited" has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DBR.PSBD. No.5270/16.01.0146/2015-16 dated October 13, 2015, and published in the Gazette of India (Part III - Section 4) dated November 07- November 13, 2015.

Read more at: https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10172&Mode=0

➲ **Section 24 and Section 56 of the Banking Regulation Act,**

1949 - Maintenance of Statutory Liquidity Ratio (SLR)

As announced in the fourth Bi-Monthly Monetary Policy Statement 2015-16 by the Reserve Bank of India on September 29, 2015, it has been decided to reduce the Statutory Liquidity Ratio (SLR) of scheduled commercial banks, local area banks, primary (Urban) co-operative banks (UCBs), state co-operative banks and central co-operative banks from 21.5 per cent of their Net Demand and Time Liabilities (NDTL) to:
(i) 21.25 per cent from April 2, 2016;
(ii) 21.00 per cent from July 9, 2016;
(iii) 20.75 per cent from October 1, 2016; and
(iv) 20.50 per cent from January 7, 2017

Read more at: https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10167&Mode=0

➲ **RBI eases overseas borrowing rules for local companies**

The Reserve Bank of India put its stamp of approval on a more liberalised external commercial borrowing (ECB) norms and allowed Indian companies to raise rupee resources from overseas lenders without incurring currency risks. The new norms will be effective 1 April, 2016. Such rupee-denominated bonds are getting issued in large numbers and are a hit with Japanese retail investors.

Read more at: http://www.business-standard.com/article/finance/rbi-eases-overseas-borrowing-rules-for-local-companies-115113001058_1.html

➲ **UAE earmarks key sectors like railways, housing, ports, roads for investments in India**

Oil-rich United Arab Emirates (UAE) has identified key sectors including railways, housing, ports, roads and renewable energy (mainly solar) for investments in India as part of the $75 billion announced during Prime Minister's August trip to the Gulf nation that marked a paradigm shift in bilateral strategic and economic partnership. UAE had announced to investment $75 billion for various sectors in India when Narendra Modi made a two-day trip to Abu Dhabi and Dubai last August — first by an Indian PM to the Gulf nation in three decades. Earlier this month, Finance Minister Arun Jaitley was in UAE to discuss this investment proposal among other issues and met senior officials of the Abu Dhabi Investment Authority (ADIA), one of the largest sovereign funds in the Gulf nation, officials from Abu Dhabi said.

Read more at: http://economictimes.indiatimes.com/articleshow/49976782.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

➲ **Regional Rural Banks - Priority Sector Lending – Targets and Classification**

The comprehensive revised guidelines on Priority Sector Lending – Targets and Classification for Regional Rural Banks are enclosed as Annex. The revised guidelines supersede all earlier guidelines mentioned in the Master Circular RPCD.CO.RRB.BC 5/03.05.33/2014-15 dated July 1, 2014 on Regional Rural Banks - Lending to Priority Sector.

Some of the salient features of the guidelines are as under:-

Targets: 75 per cent of total outstanding to the sectors eligible for classification as priority sector lending and sub sector targets as indicated in subsequent paragraphs.

Categories of the Priority Sector: Medium Enterprises, Social Infrastructure and Renewable Energy will form part of the Priority Sector, in addition to the existing categories, with a cap of 15 per cent of total outstanding.

Agriculture: 18% per cent of total outstanding should be advanced to activities mentioned under Agriculture.

Small and Marginal Farmers: A target of 8 percent of total outstanding has been prescribed for Small and Marginal Farmers within Agriculture.

Micro Enterprises: A target of 7.5 per cent of total outstanding has been prescribed for Micro Enterprises.

Weaker Sectors: A target of 15 per cent of total outstanding has been prescribed for Weaker Sections.

Monitoring: Priority Sector Lending will be monitored on a quarterly as well as annual basis.

Read more at: https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10155&Mode=0

➲ **RBI revises priority sector lending norms for RRBs**

The Reserve Bank of India (RBI) revised the priority sector lending target for regional rural banks (RRBs) to 75% of total outstanding loans from 60% earlier, effective January 2016. In a statement, the central bank said that during the last decade, RRBs have undergone significant structural and operational changes, be it two-phased amalgamation, implementation of CBS platform or recapitalisation.

Read more at: http://www.financialexpress.com/article/industry/banking-finance/rbi-revises-priority-sector-lending-norms-for-rrbs/174084/

➲ **Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit**

The Government of India has announced the Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit to eligible exporters. The scheme is effective from April 1, 2015. Accordingly, scheduled commercial banks are advised to adhere to the following operational procedure for claiming reimbursement:

A. Procedure for passing on the benefit of interest equalisation to exporters:

- For the period April 1, 2015 to November 30, 2015, banks shall identify the eligible exporters as per the Government of India scheme and credit their accounts with the eligible amount of interest equalisation.
- From the month of December 2015 onwards, banks shall reduce the interest rate charged to the eligible exporters as per our extant guidelines on interest rates on advances by the rate of interest equalisation provided by Government of India.
- The interest equalisation benefit will be available from the date of disbursement up to the date of repayment or up to the date beyond which the outstanding export credit becomes overdue. However, the interest equalisation will be available to the eligible exporters only during the period the scheme is in force.

B. Procedure for claiming reimbursement of interest equalisation benefit already passed on to eligible exporters

- The sector-wise consolidated reimbursement claim for the period April 1, 2015 to November 30, 2015 for the amount of interest equalisation already passed on to eligible exporters should be submitted to RBI by December 15, 2015.
- The sector-wise consolidated monthly reimbursement claim for interest equalisation for the period December 2015 onwards should be submitted in original within 15 days from the end of the respective month, with bank's seal and signed by authorised person, in the prescribed format given in Annex I.
- The claims should be accompanied by an External Auditor's Certificate (with stamp and membership number) certifying that the claim for interest equalisation of Rupees…………….. for the month ended ………….. has been verified and found to be strictly in accordance with the provisions of the Government scheme enclosed with the circular DBR.Dir. BC.No.62/04.02.001/2015-16 dated December 4, 2015. Claims for reimbursement will be considered for settlement only after receipt of this certificate.
- The claims may be submitted to the Chief General Manager, Department of Banking Regulation, Reserve Bank of India, Central Office, Shahid Bhagat Singh Marg, Fort Mumbai – 400 001.
- The reimbursement of interest equalisation claim will be made as and when the funds are received from Government of India.

Read more at: https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10159&Mode=0

➲ **RBI inks information exchange pact with UK financial body**

The Reserve Bank has signed an agreement with the UK's Prudential Regulation Authority and Financial Conduct Authority for supervisory cooperation and exchange of information. "The Reserve Bank signed separate Memoranda of Understanding (MoUs) on Supervisory Cooperation and Exchange of Supervisory Information with Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA), United Kingdom," RBI said in a statement.

Read more at: http://economictimes.indiatimes.com/news/economy/finance/rbi-inks-information-exchange-pact-with-uk-financial-body/articleshow/50010356.cms

SEBI

➲ **Review of Annual Custody / Issuer Charges**

SEBI vide circular No. MRD/DoP/SE/Dep/Cir-4/2005 dated January 28, 2005 has allowed the custody/issuer charges to be collected by the depositories from the issuers in the manner specified therein. Subsequently, the charges and the methodology were revised vide Circular Nos. MRD/DoP/SE/Dep/Cir-2/2009 dated February 10, 2009 and CIR/MRD/DP/05/2011 dated April 24, 2011 respectively.

The Depository Systems Review Committee (DSRC) has, with an objective of promoting financial inclusion and expanding the reach of depository services to tier II and tier III towns, recommended that the revenue source of the depositories may be augmented and Depository Participants (DPs) may be incentivized by having a revenue sharing mechanism between depositories and DPs. It has also suggested that the annual issuer charges may be enhanced and the incremental revenue be shared suitably by the depositories with their Participants for promoting the Basic Services Demat Accounts (BSDA) and opening new accounts in tier II and tier III towns. After deliberation, it has been decided to revise the per folio charges from Rs 8.00 (eight) to Rs. 11.00 (eleven), subject to a minimum as mentioned below :

Nominal Value of admitted securities (Rs.)	Annual Custody Fee payable by an Issuer to each depository (Rs.)
Upto 5 crore	9000
Above 5 crore and upto 10 crore	22,500
Above 10 crore and upto 20 crore	45,000
Above 20 Crore	75,000

Source: Circular CIR/MRD/DP/18/2015, dated: December 09, 2015

Read more at: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1449659863183.pdf

Introduction of system-driven disclosures in securities market

SEBI has specified the disclosure requirements relating to acquisition, sale and pledge of securities under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "SAST Regulations") and SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "PIT Regulations") in order to bring in transparency and promote orderly conduct in the market. Since the Stock Exchanges, Depositories and Registrar and Share Transfer Agents (hereinafter referred to as "RTAs") have adopted advanced systems and technologies, it has been decided to explore the possibility of disclosing such information based on these systems.

Source: Circular - CIR/CFD/DCR/17/2015, dated: December 01, 2015

Read more at: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1448970446882.pdf

INTERNATIONAL NEWS

China eases rules on domestic fund transfers by foreign investors

China has relaxed some rules governing foreign investment in its domestic capital markets, making it easier for offshore investors to transfer funds between products, the country's foreign exchange regulator said. Foreign investors under the country's Qualified Foreign Institutional Investor (QFII) programme can now apply for two types of investment quotas that will enable re-allocation of funds across products, according to guidelines published on the State Administration of Foreign Exchange website. China's QFII programme was created to allow foreign investors access to China's capital markets and allocates investment quotas to approved investors.

Under the new guidelines, investors can apply for either an open-end fund quota or a quota for other products or use of capital, both of which will allow for the transfer of funds between products. Previously using funds for different purposes required regulatory approval.

Read more at: http://economictimes.indiatimes.com/articleshow/50086374.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

New US space mining law to spark interplanetary gold rush

Flashing some interplanetary gold bling and sipping "space water" might sound far-fetched, but both could soon be reality, thanks to a new US law that legalizes cosmic mining. In a first, President Barack Obama signed legislation at the end of November that allows commercial extraction of minerals and other materials, including water, from asteroids and the moon. That could kick off an extra-terrestrial gold rush, backed by a private aeronautics industry that is growing quickly and cutting the price of commercial space flight.

Read more at: http://economictimes.indiatimes.com/news/international/business/new-us-space-mining-law-to-spark-interplanetary-gold-rush/articleshow/50086878.cms

China November exports fall 3.7 per cent in yuan-denominated terms

China's November exports fell 3.7 per cent from a year earlier in yuan-denominated terms, while imports fell 5.6 per cent, data showed. That left the country with a trade surplus of 343.10 billion yuan for the month, the General Administration of Customs said. Dollar-denominated figures have not yet been published. Economists had expected an export decline of 5.0 per cent in dollar terms after a 6.9 per cent drop in October, with imports seen declining 12.6 per cent following an 18.8 per cent slide the previous month.

Read more at: http://economictimes.indiatimes.com/articleshow/50085166.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

JP Morgan has potential 10.1% stake in Telecom Italia

U.S. investment bank JP Morgan has built up a long position equivalent to a 10.134 percent stake in Telecom Italia, a filing by Italian market watchdog Consob showed. News of the investment comes amid a shake-up in Telecom Italia's shareholder base after French entrepreneur Xavier Niel, founder of low-cost telecoms group Iliad, bought options at the end of October allowing him to buy a 15.1 percent stake in the Italian group.

Read more at: http://economictimes.indiatimes.com/articleshow/50083052.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

China's iron ore imports surge 22 per cent in November

Chinese iron ore imports surged 22 per cent in November from a year earlier, customs data showed, as big miners in Australia and Brazil won market share even as steel output cuts push the price of the raw material lower. November shipments rose to 82.13 million tonnes, data from the General Administration of Customs showed, also up 8.8 per cent from the previous month, although imports for the first 11 months were up just 1.3 per cent from a year ago.

Read more at: http://economictimes.indiatimes.com/news/international/business/chinas-iron-ore-imports-surge-22-per-cent-in-november/articleshow/50086456.cms

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

HEADQUARTERS
CMA BHAWAN
12, SUDDER STREET, KOLKATA 700 016
TEL: +91 33 2252 1031/1034/1035/1492
FAX: +91 33 2252 7993/1026/1723
EMAIL ID: cma.ebulletin@icmai.in

DELHI OFFICE
CMA BHAWAN
3, INSTITUTIONAL AREA, LODHI ROAD,
NEW DELHI – 110 003
TEL: +91-11-24622156/57/58, 24618645
FAX: +91-11-43583642

OFFICE OF RESEARCH & JOURNAL
CMA BHAWAN, 4TH FLOOR
84, HARISH MUKHERJEE ROAD
KOLKATA 700 025, INDIA
BOARD: +91-33-2454 0086/87/0184
FAX: +91-33-2454 0063

Behind every successful business decision there is always a CMA