# e-NEWS DIGEST

*Weekly Updates*

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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## WEEKLY UPDATES

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The Institute of Cost Accountants of India

*(Statutory body under an Act of Parliament)*




## INDEX



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# INDUSTRY

**➲ Mid-year review cuts GDP growth forecast for FY16 to 7-7.5% from 8.1-8.5%**

India may need fiscal and monetary stimulus shots to ensure that economic growth picks up next year, the finance ministry said in its Mid-Year Economic Analysis as it lowered the projection for FY16 expansion to 7-7.5% from 8.1-8.5%.

The first-half report card of the Indian economy, coming three months ahead of the Budget, made a strong case for a longer time frame for achieving fiscal consolidation and monetary policy goals while cautioning that continuing with the current road map could hurt growth.

Read more at: http://economictimes.indiatimes.com/articleshow/50239572.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

**➲ Current account deficit narrows to 1.6 per cent of GDP in Q2**

The current account deficit (CAD) narrowed to 1.6 per cent of GDP at USD 8.2 billion in the second quarter ended September, mainly due to lower trade deficit. The July-September CAD is lower than USD 10.9 billion, or 2.2 per cent of GDP, in the same quarter of last fiscal. It is however higher than 1.2 per cent for the previous quarter of current fiscal. "The contraction in CAD was primarily on account of lower trade deficit (USD 37.4 billion) as compared with USD 39.7 billion in Q2 of last year though it was higher than the level in the preceding quarter (USD 34.2 billion)," RBI said in the second quarterly balance of payments data released.

Read more at: http://economictimes.indiatimes.com/news/economy/indicators/current-account-deficit-narrows-to-1-6-per-cent-of-gdp-in-q2/articleshow/50284408.cms

**➲ India lowers 2015/16 growth estimate to 7-7.5 percent**

India slashed its full-year economic growth forecast, weighed down by weak global demand and a drought that has created risks for farm output, but reiterated its commitment to narrow the fiscal deficit to an eight-year low.

Read more at: Reuters | Dec 18, 2015

**➲ India's merchandise exports fall again in Nov, down 24.43 pct year-over-year**

India's merchandise exports shrank for a 12th straight month in November, falling an annual 24.43 percent, government data showed. Indian exporters shipped goods worth $20.01 billion last month, lower than $21.35 billion provisionally reported in October. The trade deficit for November came in at $9.78 billion compared with a provisional $9.77 billion a month ago, the data released by the Ministry of Commerce and Industry showed. Imports fell 30.26 percent from a year earlier to $29.80 billion, the data showed.

Source: Reuters, dated: Dec 15, 2015

**➲ November retail inflation hits 14-month high on costlier food items**

India's retail inflation accelerated to a 14-month high in November, driven up by higher food prices, underscoring the challenge the Reserve Bank of India (RBI) faces in meeting its medium-term inflation target. The consumer price index (CPI), which the central bank closely tracks for setting lending rates, rose an annual 5.41 percent last month, in line with a Reuters poll estimate. Retail prices were up 5.0 percent on-year in October. The RBI aims to keep retail inflation to around 5 percent by March 2017.

Source: Business News | Dec 15, 2015

**➲ India's core consumer inflation seen easing to around 4.6-4.7 pct in Nov**

India's annualised core consumer inflation is estimated to have eased to around 4.6 to 4.7 percent in November, from an estimated 5.4 percent in October, according to a snap survey of two analysts.

Source: Economy | Dec 14, 2015

**➲ Industrial output growth hits five-year high**

India's industrial output grew at its fastest pace in five years in October, powered by manufacturing, bringing some cheer to investors fretting about a gridlock in parliament that has stalled vital reforms. Output at factories, utilities and mines grew 9.8 percent on year, its fastest pace since October 2010, compared with a 7.8 percent expansion forecast by analysts in a Reuters poll and sharply higher than an upward revised figure of 3.8 percent growth in September.

Read more at: Reuters | Dec 11, 2015

**➲ Govt allows omnibus approvals for related party transactions**

Allowing more leeway for corporates, the government has allowed "omnibus approval" of related party transactions by companies' audit committees. Such approvals would be subject to certain conditions, including the maximum aggregate value of transactions which can be allowed under this route in a particular year. In this respect, the Corporate Affairs Ministry has issued Companies (Meetings of Board and its Powers) Second Amendment Rules, 2015.

Read more at: http://economictimes.indiatimes.com/news/economy/policy/govt-allows-omnibus-approvals-for-related-party-transactions/articleshow/50273465.cms

# TAXATION

➲ CBEC further amend Notification No. 69/2011-Customs, dated 29th July, 2011 so as to provide a concessional rate of basic customs duty in respect of tariff item 84082020 [engines of a kind used for the propulsion of motor vehicles – of cylinder capacity exceeding 250 cc] and 87084000 [gear box and parts thereof, of motor vehicles], w.e.f. 1st of January, 2016 at 5.94% and 8.13%, respectively, when imported under the India-Japan Comprehensive Economic Partnership Agreement (IJCEPA).

Source: Notification No. 57/2015-Cus,dt. 14-12-2015 - **Customs**

➲ **India, Japan sign agreement to amend DTAA**

India and Japan signed an agreement to amend the Double Taxation Avoidance Agreement (DTAA) which will help in reducing tax avoidance and act as a deterrent against tax evasion. The agreement was signed in the presence of Prime Minister Narendra Modi and Japanese Prime Minister Shinzo Abe. This agreement amends the convention between India and Japan for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed in 1989, an official statement said. "It will stimulate effective exchange of information including banking information between India and Japan. It will act as a deterrent and help in reducing tax avoidance and evasion and will also enable assistance in collection of taxes between India and Japan," it said.

Read more at: http://economictimes.indiatimes.com/news/economy/finance/india-japan-sign-agreement-to-amend-dtaa/articleshow/50153763.cms

➲ Extending the date of ST payment for the assessees in the Union Territory of Puducherry (except Yanam and Mahe) for the month of November, 2015 to 20.12.2015 vide *Notification No. 27/2015-ST dt. 18-12-2015*.

Read more at: http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2015/st27-2015

➲ Applicability of service tax on the services received by apparel exporters in relation to fabrication of garments vide *Circular 190/9/2015-ST (F.No.354/153/2014-TRU) dated: 15-12-2015*.

Read more at: http://www.cbec.gov.in/htdocs-servicetax/st-circulars/st-circulars-2015/st-circ-190-2015

➲ **Commerce ministry renews plea for MAT waiver for SEZ**

The commerce ministry has renewed its demand that developers of special economic zones (SEZs), as well as the units in these enclaves, be given exemption from minimum alternate tax (MAT) and dividend distribution tax (DDT).In a pre-Budget paper submitted to the finance ministry, the ministry also said that if removal of MAT is not possible at this stage, at least the rate could be cut to the original level of 7.5%.

Read more at: http://www.financialexpress.com/article/economy/commerce-ministry-renews-plea-for-mat-waiver-for-sezs/182786/

➲ **The minimum Export Price (MEP) for export of all varieties of onions as described above is revised from US$ 700 F.O.B. per MT to US$ 400 F.O.B. per MT**

In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (N0.22 of 1992), as amended, read with Para 1.02 of the Foreign Trade Policy, 2015-20, the Central Government hereby makes the following amendments, with immediate effect, in Notification No.18/2015-20 dated 24.08.2015 read with Notification No.73 (RE-2013)/2009-14 dated 12.03.2014 relating to export of onion.

Para 2 of Notification No.18/2015-20 dated 24.08.2015 is amended to read as : "Export of onion for the item description at Serial Number 51 &52 of Chapter 7 of Schedule 2 of ITC (HS) Classification of Export & import items shall be permitted subject to a Minimum Export Price (MEP) of US$ 400 F.O.B. per Metric Ton".

Read more at: http://pib.nic.in/newsite/PrintRelease.aspx?relid=133109

➲ **CBDT enhances monetary limits for filing of appeals with retrospective effect**

The Central Board of Direct Taxes (CBDT) has issued a Circular No. 21/2015 dated 10.12.2015 revising the monetary limits for filing of appeals by the Department with the objective of reducing litigation as a part of its initiatives to reduce grievances of the taxpayers. The monetary limits for filing of appeals by the Department before the Income Tax Appellate Tribunal and the High Courts have been revised to tax effect of Rs. 10 Lakhs and Rs. 20 Lakhs, respectively, from the present limits of tax effect of Rs. 4 Lakhs and Rs. 10 Lakhs. The revised limits have been made applicable retrospectively to pending appeals also. Directions have been issued that pending appeals which are below the revised monetary limits may be withdrawn or not pressed.

Source: Circular No. 21/2015 [F No 279/Misc. 142/2007-ITJ(Pt)] dated: 10th December, 2015

Read more at: http://taxguru.in/income-tax/cbdt-increase-monetary-limits-filing-appeals-retrospective-effect.html

➲ Basic Excise Duty rates on Petrol and Diesel(both unbranded and branded) increased vide *Notification No. 46/2015-Central Excise dated: 16th December, 2015.*

Read more at: http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2015/cx-tarr2015/ce46-2015

➲ **Excise tax records 15% growth in J&K, realises Rs 762 crore**

Jammu and Kashmir government has recorded nearly 15 per cent growth in excise tax at Rs 762 crore for the eight months ending November 30, as compared to Rs 663.37 crore revenue during the same period of 2014-15. "Up to the month of November in 2015-16 fiscal, the Excise department has realized an amount of Rs 762.32 crore as against Rs 663.37 crore in same period of 2014-15, registering a growth of 14.92 per cent", Excise Commissioner, J&K, Tsering Angchuk said.

Read more at: http://economictimes.indiatimes.com/news/economy/finance/excise-tax-records-15-growth-in-jk-realises-rs-762-crore/articleshow/50202921.cms

➲ Fixation of T V of Edible oil, Brass, Poppy seed, Areca nut, gold and Sliver vide Notification No. 142/2015-Cus (NT),dt. 15-12-2015.

Read more at: http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2015/cs-nt2015/csnt142-2015

## BANKING

➲ **Interest Rates on Advances**

RBI has been decided that banks shall follow the following guidelines for pricing their advances:

**a) Internal Benchmark**

i. All rupee loans sanctioned and credit limits renewed w.e.f. April 1, 2016 will be priced with reference to the Marginal Cost of Funds based Lending Rate (MCLR) which will be the internal benchmark for such purposes.
ii. **The MCLR will comprise of:**

- Marginal cost of funds;
- Negative carry on account of CRR;
- Operating costs;
- Tenor premium

iii. **Marginal Cost of funds:** The marginal cost of funds will comprise of Marginal cost of borrowings and return on networth.
iv. **Negative Carry on CRR:** Negative carry on the mandatory CRR which arises due to return on CRR balances being nil, will be calculated as under:
Required CRR x (marginal cost) / (1- CRR)
The marginal cost of funds arrived at (iii) above will be used for arriving at negative carry on CRR.

v. **Operating Costs:** All operating costs associated with providing the loan product including cost of raising funds will be included under this head. It should be ensured that the costs of providing those services which are separately recovered by way of service charges do not form part of this component.

vi. **Tenor premium:** These costs arise from loan commitments with longer tenor. The change in tenor premium should not be borrower specific or loan class specific. In other words, the tenor premium will be uniform for all types of loans for a given residual tenor.

vii. Since MCLR will be a tenor linked benchmark, banks shall arrive at the MCLR of a particular maturity by adding the corresponding tenor premium to the sum of Marginal cost of funds, Negative carry on account of CRR and Operating costs.

viii. Accordingly, banks shall publish the internal benchmark for the following maturities:

- overnight MCLR,
- one-month MCLR,
- three-month MCLR,
- six month MCLR,
- One year MCLR

In addition to the above, banks have the option of publishing MCLR of any other longer maturity.

**b) Spread**
i. Banks should have a Board approved policy delineating the components of spread charged to a customer. The policy shall include principles:

- To determine the quantum of each component of spread.
- To determine the range of spread for a given category of borrower / type of loan.
- To delegate powers in respect of loan pricing

ii. For the sake of uniformity in these components, all banks shall adopt the following broad components of spread:
a. **Business strategy:** The component will be arrived at taking into consideration the business strategy, market competition, embedded options in the loan product, market liquidity of the loan etc.
b. **Credit risk premium:** The credit risk premium charged to the customer representing the default risk arising from loan sanctioned should be arrived at based on an appropriate credit risk rating/scoring model and after taking into consideration customer relationship, expected losses, collaterals, etc.
iii. The spread charged to an existing borrower should not be in-

creased except on account of deterioration in the credit risk profile of the customer. Any such decision regarding change in spread on account of change in credit risk profile should be supported by a full-fledged risk profile review of the customer.
iv. The stipulation contained in sub-paragraph (iii) above is, however, not applicable to loans under consortium / multiple banking arrangements.

c) **Interest Rates on Loans**
i. Actual lending rates will be determined by adding the components of spread to the MCLR. Accordingly, there will be no lending below the MCLR of a particular maturity for all loans linked to that benchmark
ii. The reference benchmark rate used for pricing the loans should form part of the terms of the loan contract.

d) **Exemptions from MCLR**
i. Loans covered by schemes specially formulated by Government of India wherein banks have to charge interest rates as per the scheme, are exempted from being linked to MCLR as the benchmark for determining interest rate.
ii. Working Capital Term Loan (WCTL), Funded Interest Term Loan (FITL), etc. granted as part of the rectification/restructuring package, are exempted from being linked to MCLR as the benchmark for determining interest rate.
iii. Loans granted under various refinance schemes formulated by Government of India or any Government Undertakings wherein banks charge interest at the rates prescribed under the schemes to the extent refinance is available are exempted from being linked to MCLR as the benchmark for determining interest rate. Interest rate charged on the part not covered under refinance should adhere to the MCLR guidelines.
iv. The following categories of loans can be priced without being linked to MCLR as the benchmark for determining interest rate:
(a) Advances to banks' depositors against their own deposits.
(b) Advances to banks' own employees including retired employees.
(c) Advances granted to the Chief Executive Officer / Whole Time Directors.
(d) Loans linked to a market determined external benchmark.
(e) Fixed rate loans granted by banks. However, in case of hybrid loans where the interest rates are partly fixed and partly floating, interest rate on the floating portion should adhere to the MCLR guidelines.

e) **Review of MCLR**
i. Banks shall review and publish their Marginal Cost of Funds based Lending Rate (MCLR) of different maturities every month on a pre-announced date with the approval of the Board or any other committee to which powers have been delegated.
ii. However, banks which do not have adequate systems to carry out the review of MCLR on a monthly basis, may review their rates once a quarter on a pre-announced date for the first one year i.e. upto March 31, 2017. Thereafter, such banks should adopt the monthly review of MCLR as mentioned in (i) above.

f) **Reset of interest rates**
i. Banks may specify interest reset dates on their floating rate loans. Banks will have the option to offer loans with reset dates linked either to the date of sanction of the loan/credit limits or to the date of review of MCLR.
ii. The Marginal Cost of Funds based Lending Rate (MCLR) prevailing on the day the loan is sanctioned will be applicable till the next reset date, irrespective of the changes in the benchmark during the interim.
iii. The periodicity of reset shall be one year or lower. The exact periodicity of reset shall form part of the terms of the loan contract.

g) **Treatment of interest rates linked to Base Rate charged to existing borrowers:**

i. Existing loans and credit limits linked to the Base Rate may continue till repayment or renewal, as the case may be.
ii. Banks will continue to review and publish Base Rate as hitherto.
iii. Existing borrowers will also have the option to move to the Marginal Cost of Funds based Lending Rate (MCLR) linked loan at mutually acceptable terms. However, this should not be treated as a foreclosure of existing facility. h) Time frame for implementation.

In order to give sufficient time to all the banks to move to the MCLR based pricing, the effective date of these guidelines is April 1, 2016.

Source: Notification No. RBI/2015-16/273[DBR.No.Dir. BC.67/13.03.00/2015-16] dated: December 17, 2015

**➲ Disburse 8.7% interest on Special Deposit Scheme for 2015: RBI**

The Reserve Bank of India has asked public sector banks and government accounts department to disburse interest of 8.7 per cent to account holders of Special Deposit Scheme (SDS) 1975 for calender year 2015. "We advise that interest for the calendar year 2015 may be promptly disbursed to the SDS account holders at 8.7 per cent per annum from 1st January 2015 to 31st December 2015," RBI said in a notification.

Read more at: http://economictimes.indiatimes.com/news/economy/finance/disburse-8-7-interest-on-special-deposit-scheme-for-2015-rbi/article show/50300128.cms

**➲ RBI issues timelines for bringing down 'Statutory Liquidity Ratio'**

As per 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) cooperative banks (UCBs), state co-operative banks and central cooperative 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 vide Notification No. RBI/2015-16/262 [DBR.No.Ret.BC.64/12.01.001/2015-16] dated: December 10, 2015.

Read more at: https://rbidocs.rbi.org.in/rdocs/Notification/PDFs/SLR1574F8843D2EC84F8CBE811A8DA0D83AC0.PDF

➲ **RBI permits exchanges to offer three additional cross-currency pairs in exchange traded derivatives market**

Currently market participants, i.e., residents and eligible non-resident market participants are permitted to trade in US Dollar (USD) - Indian Rupee (INR), Euro (EUR)-INR, Pound Sterling (GBP)-INR and Japanese Yen (JPY)-INR currency futures contracts and USD-INR currency option contract in recognized stock exchanges. In order to enable direct hedging of exposures in foreign currencies and facilitate execution of cross-currency strategies by market participants, it has been decided, as announced in the Fourth Bi-monthly Monetary Policy Statement 2015-16 (Para 38), to permit the recognized stock exchanges to offer cross-currency futures contracts and exchange traded option contracts in the currency pairs of EUR-USD, GBP-USD and USD-JPY. Recognised stock exchanges are also permitted to offer exchange traded currency option contracts in EUR-INR, GBP-INR and JPY-INR in addition to the existing USD-INR option contract, with immediate effect.

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://rbidocs.rbi.org.in/rdocs/Notification/PDFs/APDBCDEC1B7F4A4487095CC9900E2B2791A.PDF

## FOREIGN TRADE

➲ **November natural rubber imports drop 14% y-o-y**

India's natural rubber imports in November dropped nearly 14 percent from a year earlier to 32,308 tonnes, a government official, who declined to be named, told Reuters. The south Asian nation imports natural rubber from Indonesia, Thailand, Vietnam and Malaysia. Rising imports of cheaper Chinese tyres have been hurting demand for rubber from local tyre makers, said a Kochi-based dealer.

Read more at: http://economictimes.indiatimes.com/news/economy/foreign-trade/november-natural-rubber-imports-drop-14-y-o-y-govt-official/articleshow/50135761.cms

➲ CBEC levied definitive anti-dumping duty on import of Cold Rolled Flat Products of Stainless Steel originating in, or exported from the People's Republic of China, Korea, European Union, South Africa, Taiwan (Chinese Taipei), Thailand and USA for a period of five years vide Notification No. 61/2015-Cus (ADD), dt. 11-12-2015.

Read more at: http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2015/cs-add2015/csadd61-2015

➲ CBEC levied definitive anti-dumping duty on Abendazole, originating in, or exported from the People's Republic of China, for a period of five years vide Notification No. 62/2015-Cus (ADD), dt. 14-12-2015.

Read more at: http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2015/cs-add2015/csadd62-2015

➲ **India starts anti-dumping probe in aluminimum foil imports from China**

India has started an anti-dumping probe into imports of aluminium foil, widely used by food and pharma firms, from China to protect domestic producers from cheap imports. Hindalco Industries, Raviraj Foils and Jindal India have approached the DGAD for initiation of anti-dumping investigation and imposition of anti-dumping duty on imports of aluminium foil from China. In a notice, the Directorate General of Anti-Dumping and Allied Duties (DGAD) said "prima facie" sufficient evidence exist to justify initiation of an anti-dumping investigation.

"The Authority (DGAD), hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry ... to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti- dumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry," the notice said.

Read more at: http://economictimes.indiatimes.com/articleshow/50253669.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

**➲ FDI in services rises 20% to $1.46 bn in first half of FY16**

With the government taking steps to improve ease of doing business and attract investments, FDI inflows into the services sector grew by about 20 per cent to $1.46 billion (Rs 9,404 crore) in the first six months of the current fiscal. The services sector, which includes banking, insurance, outsourcing, R&D, courier and technology testing, had received foreign direct investment (FDI) worth $1.22 billion (Rs 7,366 crore) in the same period last fiscal, according to the Department of Industrial Policy and Promotion (DIPP) data. According to experts, measures announced by the government are helping these sectors attract more investments. Earlier this year, the government hiked the FDI cap in insurance sector to 49 per cent. In banking sector also, the government has eased the norms and permitted portfolio investors to buy up to 74 per cent stake in local private banks with full fungibility.

Read more at: http://economictimes.indiatimes.com/news/economy/foreign-trade/fdi-in-services-rises-20-to-1-46-bn-in-first-half-of-fy16/articleshow/50158127.cms

**➲ Forex reserves jump $483 million to $352 billion**

Country's foreign exchange reserves rose by $483.2 million to reach $352.098 billion in the week to December 4, helped by increase in foreign currency assets (FCAs), according to the RBI data. In the previous week, reserves had fallen by $750.2 million to $351.615 billion. FCAs, a major component of overall reserves, rose by a healthy $1.580 billion to $329.249 billion in the reported period, RBI said in a release here.

Read more at: http://economictimes.indiatimes.com/news/economy/finance/forex-reserves-jump-483-million-to-352-billion/articleshow/50140067.cms

**➲ Rubber imports dip 9% to 2.88 lakh tons in April-October**

India's natural rubber imports have declined by 9 per cent to 2.88 lakh tonnes in the first eight months of the current financial year. The rubber imports stood at 3.16 lakh tonnes during the April-October period in the last financial year, according to the Rubber Board's data. Total rubber imports in FY 2014-15 touched an all-time high of 4,15,000 tonnes due to lower international prices and fall in domestic production.

Read more at: http://economictimes.indiatimes.com/news/economy/foreign-trade/rubber-imports-dip-nine-per-cent-to-2-88-lakh-tons-in-april-october/articleshow/50255965.cms

**➲ SNZ to help boost diamond trade in country: Nirmala Sitharaman**

The special notified zone (SNZ) in Mumbai, which was launched-soon, would boost diamond trade in the country, Commerce and Industry Minister Nirmala Sitharaman has said. India handles major chunk of global diamond trade and 70 per cent by value and 80 per cent by volume of global trade is contributed by India, she said in her tweets. "More than one million skilled & semi skilled work force is contributing to this industry... launch of SNZ faculty at IDTC (India Diamond Trading Centre) here. Mumbai will further boost diamond trade & help India become world leader. This will be great help to small & medium traders," she said. The zone would facilitate imports and trading of rough diamonds.

Read more at: http://economictimes.indiatimes.com/articleshow/50273879.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

**➲ Relief in Average Export Obligation in terms of Para 5.19 of Hand Book of Procedures of FTP 2015-20**

Para 5.19 of the Hand Book of Procedures of FTP 2015-20 permits re-fixation of Annual Average Export Obligation, in case the export in any sector/ product group decline by more than 5%. This implies that the sector/product group that witnessed such decline in 2014-15 as compared to 2013-14, would be entitled for such relief. A list of such product groups showing the percentage decline in exports during 2014-15 as compared to 2013-14 is given in the Annexure.

Read the annexure at: http://dgft.gov.in/Exim/2000/CIR/CIR15/pc042016-epcg.pdf

Source: Policy Circular No.04/2015-20 Dated 16 /12/2015

**➲ Andhra Pradesh government inks pact with Malaysia's PEMANDU**

Andhra Pradesh Government signed an MoU with Performance Management and Delivery Unit (PEMANDU) under Malaysian Prime Minister's Department for cooperation in areas of performance management and monitoring of public programmes, education and retail services. The agreement was inked between Andhra Pradesh State Development Planning Society and Ex Officio Special Secretary to government, Planning Department, Sanjay Gupta, and PEMANDU Director Ravindran Devaguna

Read more at: http://economictimes.indiatimes.com/news/economy/foreign-trade/andhra-pradesh-government-inks-pact-with-malaysias-pemandu/articleshow/50187581.cms

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