



January 05, 2018

# Info Capsule

## GOI ANNOUNCES LAUNCH OF 7.75% SAVINGS (TAXABLE) BONDS, 2018 COMMENCING FROM 10TH JANUARY 2018<sup>1</sup>

Government of India has announced to launch of 7.75% Savings (Taxable) Bonds, 2018 commencing from 10th January 2018 to enable resident citizens/HUF to invest in a taxable bond, without any monetary ceiling. The main features of the Bonds are:

- (i) Who can invest: The Bonds are open to investment by individuals (including Joint Holdings) and Hindu Undivided Families. NRIs are not eligible for making investments in these Bonds.
- (ii) Subscription: Applications for the Bonds in the form of Bond Ledger Account will be received in the designated branches of agency banks and SHCIL in all numbering about 1600.
- (iii) Issue Price: The Bonds will be issued at par i.e. at Rs.100.00

The Bonds will be issued for a minimum amount of Rs.1,000/- (face value) and in multiples thereof. Accordingly, the issue price, will be Rs.1,000/- for every Rs.1,000/- (Nominal).

The Bonds will be issued in demat form (Bond Ledger Account) only.

- (iv) Period: The Bonds will be on tap till further notice and issued in cumulative and non-cumulative forms.
- (v) Limit of investment: There will be no maximum limit for investment in the Bonds.
- (vi) Tax treatment:

Income-tax: Interest on the Bonds will be taxable under the Income-tax Act, 1961 as applicable according to the relevant tax status of the bond holder.

Wealth tax: The Bonds will be exempt from Wealth-tax under the Wealth Tax Act, 1957.

- (vii) Maturity and rate of interest: The Bonds will have a maturity of 7 years carrying interest at 7.75% per annum payable half- yearly. The cumulative value of Rs. 1,000/- at the end of seven years will be Rs. 1,703.
- (viii) Transferability: The Bonds are not transferable.

The Bonds are not tradable in the Secondary market and are not eligible as collateral for loans from banking institutions, non-banking financial companies or financial institutions.

- (ix) Nomination: A sole holder or a sole surviving holder of a Bond, being an individual, can make a nomination

Full details of the scheme are available in the Gazette Notification dated 3rd January 2018.

<sup>1</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1515193>

## SOCIAL SECURITY FOR CONTRACT WORKERS/LABOURERS<sup>2</sup>

In order to provide social security benefits to contract workers/labourers and to regulate employment of contract labour, the Central Government is implementing the Contract Labour (Regulation and Abolition) Act, 1970. The Act applies to every establishment in which 20 or more workmen are employed. These workers avail social security and other benefits under the Employees' Compensation Act (1923), the Employees' State Insurance Act (1948), the Industrial Dispute Act (1947), the Minimum Wages Act (1948), the Provident Funds Act (1925), the Employees Provident Fund and Miscellaneous Provisions Act (1952), the Maternity Benefit Act (1961), the Payment of Gratuity Act (1972), etc.

The number of contract workers employed in establishments in the Central Sphere during the last three years is as under:

Year	Number of Contract/Outsourced Workers
2015	839234
2016	964001
2017	1110603

This information was given by Shri Santosh Kumar Gangwar, Union Minister of State (I/C) for Labour and Employment in written reply to a question in Rajya Sabha.

## IMPACT OF DEMONETIZATION AND GST ON KEY INDUSTRIAL SECTORS<sup>3</sup>

The growth of different sectors of an economy depends on a number of factors, including structural, external, fiscal and monetary factors (which is partly reflected by demonetisation). Therefore, it is not possible to pinpoint the impact of demonetization and GST on sectoral outputs.

India's Import and Export data (month-wise) for the Financial Years 2016-17 and 2017-18 along with growth rate is as under:

Month	Value of Import (in US \$ Million)		Growth Rate (in %)
	2017-18	2016-17	
April	38209	25689	48.73
May	38317	28286	35.46

<sup>2</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1515193>

<sup>3</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1515193>

June	36983	30917	19.62
July	33986	29305	15.97
August	35561	29303	21.36
September	37628	31839	18.18
October	37117	34495	7.60
<b>TOTAL</b>	<b>257800</b>	<b>209835</b>	<b>22.86</b>

Month	Value of Export (in US \$ Million)		Growth Rate (in %)
	2017-18	2016-17	
April	24592	20863	17.87
May	23969	22407	6.97
June	23108	22656	2.00
July	22382	21692	3.18
August	23517	21597	8.89
September	28732	22768	26.19
October	23050	23361	-1.33
<b>TOTAL</b>	<b>169349</b>	<b>155344</b>	<b>9.02</b>

Note: Figures pertaining to the current Financial Year 2017-18 are provisional. (Source: DGCI&S)

The percentage growth of gross value added at constant basic prices for manufacturing and construction sectors of the economy up to second quarter (Q2) of 2017-18 compared to the corresponding period in the previous year are given in the table below.

Sectors	2015-16	2016-17	2016-17				2017-18	
			Q1	Q2	Q3	Q4	Q1	Q2
Manufacturing	10.8	7.9	10.7	7.7	8.2	5.3	1.2	7.0
Construction	5.0	1.7	3.1	4.3	3.4	-3.7	2.0	2.6

Note: As per estimates released by Central Statistics Office

Details of revenue generated from central excise & customs duty during the last 12 months is as under:

Sl. No.	Month	Central Excise (in Rs. Crore)	Customs Duty [On Export/ Import] (in Rs. Crore)
1	December, 2016	33159	18820
2	January, 2017	34089	18974
3	February, 2017	31927	18797
4	March, 2017	35386	21665
5	April, 2017	31817	20764
6	May, 2017	34150	22051
7	June, 2017	25007	21147
8	*July, 2017	21150	30327
9	*August, 2017	18960	31535
10	*September, 2017	18191	31217

<b>11</b>	<b>*October, 2017</b>	17367	29536
<b>12</b>	<b>*November, 2017</b>	18127	28631

Note: \* w.e.f 1st July, 2017 the CVD/SAD on Imports, Non-Petroleum component of Central Excise duty and complete Service Tax have been subsumed under GST. The Customs duty on Imports from July - November, 2017 are inclusive of IGST and GST Compensation Cess. (Source: Department of Revenue.)

The Minister of State for Commerce and Industry Shri C.R.Chaudhary gave this information in a written reply to a question in Rajya Sabha.

**Team ICSI**

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