



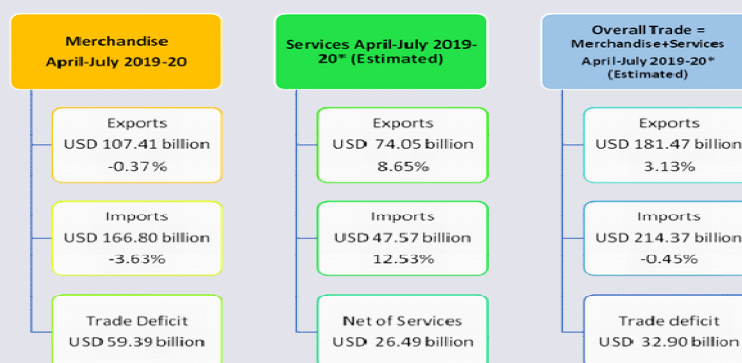
The Cochin Chamber of Commerce & Industry

Dear Member,

With an aim to provide you with information and guidance regularly and to help you make informed decisions, the Chamber presents its analysis on recent subjects.

India's Foreign Trade: July 2019

India's overall exports (Merchandise and Services combined) in April-July 2019-20* are estimated to be USD 181.47 billion, exhibiting a positive growth of 3.13 per cent over the same period last year. Overall imports in April-July 2019-20* are estimated to be USD 214.37 billion, exhibiting a negative growth of 0.45 per cent over the same period last year.

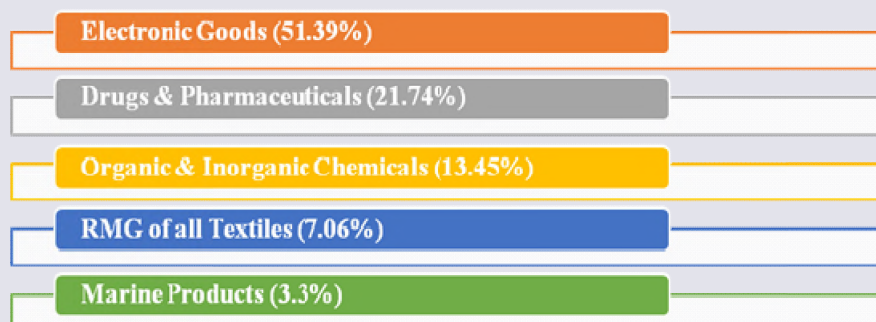


*Note: The latest data for services sector released by RBI is for June 2019. The data for July 2019 is an estimation, which will be revised based on RBI's subsequent release.

EXPORTS (including re-exports)

Exports in July 2019 were USD 26.33 billion, as compared to USD 25.75 billion in July 2018, exhibiting a positive growth of 2.25 per cent. In Rupee terms, exports were Rs. 1,81,190.34 crore in July 2019, as compared to Rs. 1,76,914.60 crore in July 2018, registering a positive growth of 2.42 per cent.

In July 2019, major commodity groups of export showing positive growth over the corresponding month of last year are



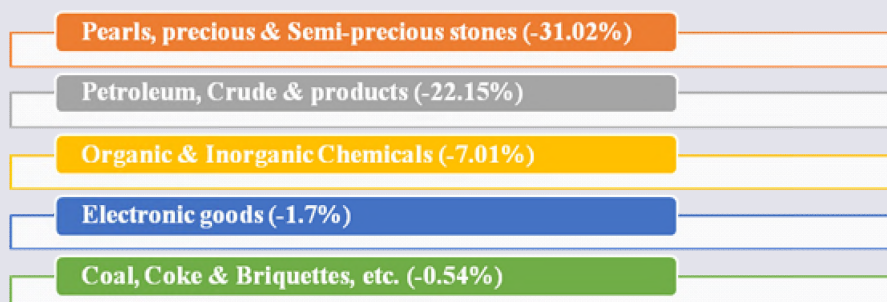
Cumulative value of exports for the period April-July 2019-20 was USD107.41 billion (Rs.7,45,174.85 crore) as against USD107.81 billion (Rs.7,26,842.89 crore) during the period April-July 2018-19, registering a negative growth of 0.37 per cent in Dollar terms (positive growth of 2.52 per cent in Rupee terms).

Non-petroleum and Non Gems and Jewellery exports in July 2019 were USD19.70 billion, as compared to USD18.72 billion in July 2018, exhibiting a positive growth of 5.28 per cent. Non-petroleum and Non Gems and Jewellery exports in April-July 2019-20 were USD79.81 billion, as compared to USD78.41 billion for the corresponding period in 2018-19, an increase of 1.79 per cent.

IMPORTS

Imports in July 2019 were USD39.76 billion (Rs. 2,73,579.71 crore), which was 10.43 per cent lower in Dollar terms and 10.28 per cent lower in Rupee terms over imports of USD44.39 billion (Rs.3,04,916.76 crore) in July 2018. Cumulative value of imports for the period April-July 2019-20 was USD166.80 billion (Rs.11,57,232.64 crore), as against USD173.08 billion (Rs.11,67,617.41 crore) during the period April-July 2018-19, registering a negative growth of 3.63 per cent in Dollar terms (negative growth of 0.89 per cent in Rupee terms).

Major commodity groups of import showing negative growth in July 2019 over the corresponding month of last year are:



CRUDE OIL AND NON-OIL IMPORTS:

Oil imports in July 2019 were USD9.60 billion (Rs. 66,056.77 crore), which was 22.15 percent lower in Dollar terms (22.02 percent lower in Rupee terms), compared to USD12.33 billion (Rs. 84,707.59 crore) in July 2018. Oil imports in April-July 2019-20 were USD44.45 billion (Rs. 3,08,455.32 crore) which was 5.69 per cent lower in Dollar terms (3.03 percent lower in Rupee terms) compared to USD47.13 billion (Rs. 3,18,091.98 crore), over the same period last year.

In this connection it is mentioned that the global Brent price (\$/bbl) has decreased by 14.02% in July 2019 vis-à-vis July 2018 as per data available from World Bank (Pink Sheet).

Non-oil imports in July 2019 were estimated at USD30.16 billion (Rs. 2,07,522.94 crore) which was 5.92 per cent lower in Dollar terms (5.76 percent lower in Rupee terms), compared to USD32.06 billion (Rs. 2,20,209.17 crore) in July 2018. Non-oil imports in April-July 2019-20 were USD122.35 billion (Rs. 8,48,777.32 crore) which was 2.85 per cent lower in Dollar terms (0.09 percent lower in Rupee terms),

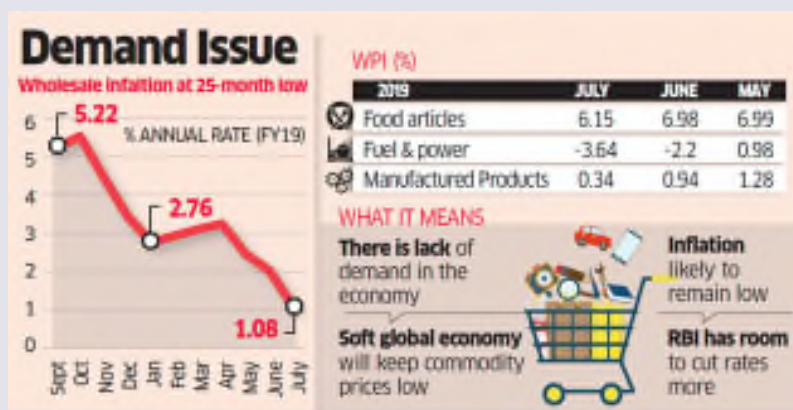
compared to USD125.95 billion (Rs. 8,49,525.43 crore) in April-July 2018-19.

Non-Oil and Non-Gold imports were USD28.45 billion in July 2019, recording a negative growth of 2.22 per cent, as compared to Non-Oil and Non-Gold imports of USD 29.09 billion in July 2018. Non-Oil and Non-Gold imports were USD109.19 billion in April-July 2019-20, recording a negative growth of 4.67 per cent, as compared to Non-Oil and Non-Gold imports USD 114.54 billion in April-July 2018-19.

TRADE BALANCE: Trade deficit for April-July 2019-20 is estimated at USD32.90 billion as compared to USD39.38 billion in April-July 2018-19.

(Source : PIB, GoI)

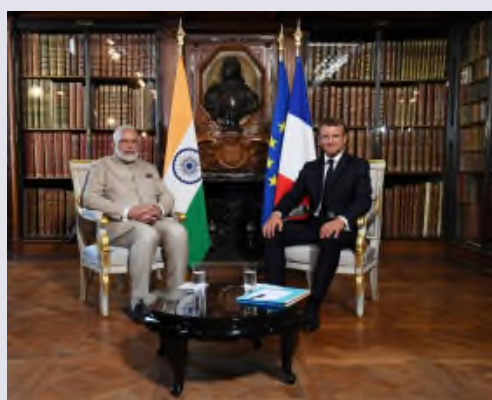
Index Numbers of Wholesale Price in India Review for the month of July, 2019



The official Wholesale Price Index for 'All Commodities' (Base : 2011-12=100) for the month of July, 2019 declined by 0.2% to 121.2 (provisional) from 121.5 (provisional) for the previous month.

Download the Index Numbers of Wholesale Price in India for the month of July, 2019.

India-France Joint Statement on Visit of Prime Minister to France



The Prime Minister of India, Mr. Narendra Modi, visited France for an official visit at the invitation of the President of the French Republic, Mr. Emmanuel Macron, for a Bilateral Summit on 22nd and 23rd August 2019 in Paris and to participate in the G7 Summit, on 25th and 26th August 2019, in Biarritz, under the French presidency of the G7.

India and France became strategic partners in 1998 and this traditional relationship is enduring, trustworthy, like-minded, and all-encompassing. India- France relations are marked by mutual trust between two strategic partners who have always stood by each other. This relationship developed into a structured partnership, both at bilateral level as well as in international bodies. France and India have decided to give a new ambition to this partnership by opening it to new areas of cooperation.

Both Sides noted that there has been positive progress in the development of bilateral trade and

economic relations between their countries. They reaffirmed that the India-France Administrative Economic and Trade Committee (AETC) provides an appropriate framework to assess and find ways to further promote the bilateral trade and investment as well as to speed up the resolution of market access issues to the benefit of economic operators. In this regard, it was decided to further jointly strengthen work on solving trade and investment issues of concern for the French and Indian companies, including by additional ways and mechanisms. Leaders jointly agreed that the high-level France-India economic and financial dialogue should be reactivated as quickly as possible.

Download the India-France Joint Statement on Visit of Prime Minister to France and List of MoUs signed during the visit of Prime Minister to France.

Position paper on "Structure of India's import basket and policy implications

The Department of Commerce (DoC) has been releasing the position paper titled the "Structure of India's Import Basket & Policy Implications" since 2013-14 with the objective of monitoring imports and their growth. The position paper for 2018-19 aims to analyse the trends in import growth to enable initiation of appropriate measures to address surges in imports caused by factors like dumping, subsidy supported pricing, constraints/supply rigidities preventing expansion/creation/use of domestic capacities, leading to unnatural and excessive import dependence.

There are total 55 items (26 items are highlighted which shows consistent rise in imports) which was identified at 8-digit of HS classification for the purpose of regular monitoring.

Download the List of items.

MCA issued circular to remove doubts/ambiguities in "appointed date" and "acquisition date" with respect to mergers / amalgamations



The Ministry of Corporate Affairs has issued a circular clarifying the import of Section 232(6) of the Companies Act, 2013, which deals with the requirement of indicating an "appointed date" in the scheme of mergers and amalgamations, which would also be the effective date of the merger/amalgamation coming into force.

A view was being taken in some quarters that the "appointed date" in the scheme need always be a definite calendar date, which led to difficulties for companies intending to give effect to their merger at a future/event-linked date, based on business considerations, fulfilling legal requirements such as procurement of license from sectoral regulators, etc. Besides this, IndAS 103 (Business Combinations), which deals with the accounting treatment, uses the expression "acquisition date", as a date when the acquirer takes control of the acquiree, also required clarification.

The circular clarifies that the companies may choose the “appointed date” of the merger/amalgamation based on occurrence of an event, which is relevant to the merger between companies. This would allow the companies concerned to function independently till such event is actually materialised. The circular further clarifies that the term “appointed date” used in section 232(6) shall be deemed to be the “acquisition date” for the purpose of conforming to IndAS 103 standard dealing with business combinations.

This clarification would lead to harmonisation of practices in ascertaining the “appointed date” of merger/amalgamation and provide due clarity on the accounting treatment, thereby allowing stakeholders to align the “appointed date” of merger/amalgamation in accordance with their business considerations or legal requirements. This would also contribute significantly in the ease of Doing Business.

(Source : PIB, GoI)

Joint Statement on the State Visit of Prime Minister of India to Bhutan



The Prime Minister of India, H.E. Shri Narendra Modi, made a State Visit to the Kingdom of Bhutan from 17-18 August 2019, at the invitation of the Prime Minister of Bhutan, H.E. Dr. Lotay Tshering. This was among the first bilateral visits by the Prime Minister Shri Modi after assuming office for the second time in May 2019.

On arrival at Paro Airport, Prime Minister Shri Modi was welcomed by Prime Minister Dr. Tshering, members of the Cabinet and senior government officials with a ceremonial guard of honour.

Prime Minister Shri Modi had an audience with His Majesty Jigme Khesar Namgyel Wangchuck, The King of Bhutan. Their Majesties The King and The Queen hosted a luncheon in honour of the visiting dignitary. Prime Minister Shri Modi invited Their Majesties The King and The Queen to visit India at an early date, as per their convenience.

Download the Joint Statement and List of MoU/Agreement exchanged during the State Visit of Prime Minister to Bhutan.

(Source : MEA, GoI)

Latest Weekly Statistics



Dear Member,

The latest weekly statistics on Commercial Paper, Ratios & Rates, Foreign Exchange Reserves and Major Price Indices are given for your information.

Download the Latest Weekly Statistics.

MCA amends provisions related to Differential Voting Rights under Companies Act



The Ministry of Corporate Affairs has amended the provisions relating to issue of shares with Differential Voting Rights (DVRs) provisions under the Companies Act with the objective of enabling promoters of Indian companies to retain control of their companies in their pursuit for growth and creation of long-term value for shareholders, even as they raise equity capital from global investors.

The key change brought about through the amendments to the Companies (Share Capital & Debentures) Rules brings in an enhancement in the previously existing cap of 26% of the total post issue paid up equity share capital to a revised cap of 74% of total voting power in respect of shares with Differential Voting Rights of a company.

Another key change brought about is the removal of the earlier requirement of distributable profits for 3 years for a company to be eligible to issue shares with Differential Voting Rights.

The above two initiatives have been taken by the Government in response to requests from innovative tech companies & startups and to strengthen the hands of Indian companies and their promoters who have lately been identified by deep pocketed investors worldwide for acquisition of controlling stake in them to gain access to the cutting edge innovation and technology development being undertaken by them.

The Government had noted that such Indian promoters have had to cede control of companies which have prospects of becoming Unicorns, due to the requirements of raising capital through issue of equity to foreign investors.

Alongside the above two changes, another major step taken is that the time period within which Employee Stock Options (ESOPs) can be issued by Startups recognized by the Department for Promotion of Industry & Internal Trade (DPIIT) to promoters or Directors holding more than 10% of equity shares, has been enhanced from 5 years to 10 years from the date of their incorporation

(Source : PIB, GoI)

DIN mandatory for all Income Tax Notices w.e.f. 01.10.2019

Open Case

All tax-related actions via transparent channel

WHY THE CHANGE

No audit trail of manual correspondence with taxpayer

DOCUMENT IDENTIFICATION NUMBER (DIN)

All tax-related communication to have computer-generated DIN

Manual communication only after due approval and with documented process

ITBA platform set up to electronically generate tax notices & orders

Any communication sans norm invalid

EARLIER CASES:

If notices issued manually, to be uploaded by Oct 31

HOW WILL IT HELP

Improve transparency

Ensure accountability of officials

Download the Press Release regarding the above.

E-Way Bill Rule 138E implementation deferred to 21.11.2019

WHAT IS AN E-WAY BILL?
A simple token that can be generated online to regulate movement of goods
Valid across the country

HOW IT IS GENERATED?
 > Any supplier, recipient, transporter can generate it
 > Unique E-Way bill No. as well as QR code to be generated for tracking
 > SMS-based facility also available

HOW WILL IT WORK?
 > Verification only once during entire journey
 > Online reporting of inspection and verification of documents
 > Transporter can upload information of detention of vehicle for more than 30 minutes

EXEMPTIONS:
 > Goods with value less than ₹50,000
 > Goods transported from international ports to hinterland ports for clearance by customs
 > Intrastate movement within a specific area as decided by Centre-State

BENEFITS
 > Reduce waiting time at check posts
 > Complete online process
 > No opportunities for corruption
 Source: finance ministry

Date of Implementation of Rule 138E of the CGST Rules, 2017 regarding blocking and unblocking of E-way bills by taxpayers defaulting return filing extended by 3 months to 21.11.2019.

Download Notification No. 36/2019 – Central Tax dated 20.08.2019.

National Appellate Authority for Advance Ruling under GST

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**APPELLATE
AUTHORITY FOR
ADVANCE RULING
UNDER GST (AAAR)**

Download the Article on National Appellate Authority for Advance Ruling under GST.

19 FAQs on filling of ITR forms for Assessment Year 2019-20



The Income-tax return (ITR) forms for the Assessment Year 2019-20 have been notified on 01.04.2019. Subsequently, queries have been raised by the stakeholders in respect of filling-up of the ITR forms. These queries are primarily in respect of the reporting of certain details in the ITR forms, such as reporting of directorship in a foreign company, reporting of equity shares listed outside India, unlisted shares which were previously listed, reporting of unlisted shares received by way of gift, will, amalgamation etc. and reporting of certain assets held as stock-in-trade.

The queries have been examined by CBDT and have been clarified vide Circular No.18 /2019 dated 08th August, 2019.

Download Circular No.18 /2019 dated 08th August, 2019.

New GST Returns – Merits and Drawback

Download the Article on New GST Returns – Merits and Drawback.

Recovery of export benefits given under Incentive /Reward Schemes



Download the Circular regarding Recovery of export benefits given under Incentive and Reward Schemes under Chapter 3 of FTP on re-import of exported goods issued by CBDT.

CBIC notifies Rate of Exchange of Foreign Currencies w.e.f. 15.08.2019

Customs Rate of Exchange of Foreign Currency Conversion w.e.f. 15th August, 2019 notified vide Notification No. 60/2019–Customs (N.T.) dated 14th August, 2019.

Download the Notification No. 60/2019–Customs (N.T.) dated 14th August, 2019 issued by the Central Board of Indirect Taxes & Customs.

Sabka Vishwas (Legacy Dispute Resolution) Scheme Rules, 2019



Download the Notification No. 05/2019 Central Excise-NT dt. 21st August 2019 issued by the Central Board of Indirect Taxes & Customs.

Health Care Services under GST



Download the Article on Health Care Services under GST.