



# 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.

## Highlights of the First Bi-monthly Monetary Policy Statement, 2019-20



On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting today (April 4, 2019) decided to:

- **reduce the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.0 per cent from 6.25 per cent with immediate effect.**

Consequently, the reverse repo rate under the LAF stands adjusted to 5.75 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 6.25 per cent.

The MPC also decided to maintain the neutral monetary policy stance.

These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

[\*Download the First Bi-monthly Monetary Policy Statement, 2019-20\*](#)

(Source : RBI, GoI)

## GST Revenue collection for March, 2019 crossed Rupees One Lakh Crore and recorded Highest Collections in the FY 2018-19

Total Gross GST revenue collected in the month of March, 2019 is Rs. 1,06,577 crore of which CGST is Rs. 20,353 crore, SGST is Rs.27,520 crore, IGST is Rs.50,418 crore (including Rs. 23,521crore collected on imports) and Cess is Rs. 8,286 crore (including Rs. 891crore collected on imports). The total number of GSTR 3B Returns filed for the month of February up to 31st March, 2019 is 75.95 lakh.

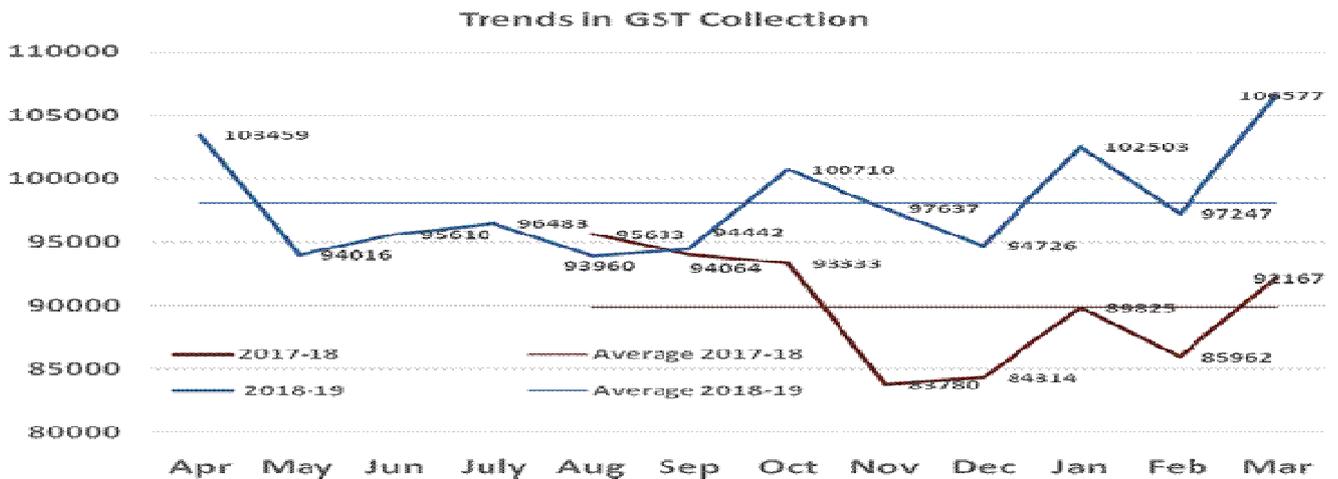
settlement in the month of March, 2019 is Rs. 47,614 crore for CGST and Rs. 51,209 crore for the SGST.

The collection during March, 2019 has been the highest since introduction of GST. The revenue in March, 2018 was Rs. 92,167crore and the revenue during March, 2019 is a growth of 15.6% over the revenue in the same month last year. The revenue

The Government has settled Rs.17,261 crore to CGST and Rs. 13,689 crore to SGST from IGST as regular settlement. Further, Rs. 20,000 crore has been settled from the balance IGST available with the Centre on provisional basis in the ratio of 50:50 between Centre and States. The total revenue earned by Central Government and the State Governments after regular and provisional

for the last quarter in the year 2018-19 is 14.3% higher than the revenue collected during the same period last year. The monthly average of GST revenue during 2018-19 is Rs. 98,114 crore which is 9.2% higher than FY 2017-18.

**The Chart below shows trends in revenue during the current year as compared to the last year.**



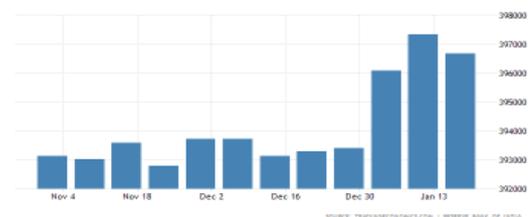
## Latest Weekly Statistics

Dear Member,

The latest weekly statistics on

- Commercial Paper
- Ratios & Rates
- Foreign Exchange Reserves
- Major Price Indices

are given for your information.



[Download the Latest Weekly Statistics](#)

## Union Cabinet approved MoU between India & various countries



signing of Memorandum of Understanding (MoU) between India and Indonesia on combating illicit trafficking in narcotic drugs, psychotropic substances and its precursors.

The MoU will help in mutual cooperation in regulation of narcotic drugs and psychotropic substances and in combating drug trafficking. It will come into force on the date of signing and will

**Cabinet apprised about MoU on Antarctic cooperation between India and Argentina:** The Union Cabinet was apprised about an MoU signed in February, 2019 between India and Argentine on Antarctic cooperation.

The MoU will help scientific cooperation on projects in the fields of Earth sciences, as well as those related to the protection and conservation of the natural environment of Antarctica and the Southern Oceans.

**Salient Features:**

- Scientific co-operation on projects in the fields of -inter alia- Earth sciences and life sciences, as well as those related to the protection and conservation of the natural environment of Antarctica and the Southern Oceans;
- The exchange of scientific and bibliographical information related to the study of Antarctica, its environment and dependent and associated ecosystems;
- Exploring opportunities for exchanges of scientists;
- Participation of scientists and technical experts of the national Antarctic programme of one country in the national Antarctic programme of the other, if so required;
- Joint scientific conferences and workshops; hold bilateral meetings on the sidelines of major polar forum meetings, where feasible.
- Joint scientific publications;
- Training of scientific personnel;



**Cabinet apprised about MoU between India and**

remain in effect for a period of five years.

India has signed similar Conventions / MoUs / Agreements with the 37 countries.

**Salient features of the MoU are as under:**

- The MoU shall facilitate and enhance the cooperation between the two countries in combating illicit trafficking of narcotic drugs, psychotropic substances and its precursors as defined by the United Nations International Drug Control Conventions.
- The cooperation under this MoU includes the exchange of information on existing legal instruments of national legislation of both countries in combating the illicit trafficking of narcotic drugs psychotropic substances and its precursors, allowing and assisting each other in the use of controlled delivery operation with a view to identifying persons involved in illicit trafficking in narcotic drugs, psychotropic substances and its precursors and essential chemicals, prevention of money laundering.
- Under the MoU, there is a provision of maintaining the secrecy of information and documents obtained in accordance with this MoU.

**Cabinet apprised about MoU between India and Morocco to promote exchange of information and technical cooperation in the field of Housing and Human Settlement:** The Union Cabinet was apprised about an MoU signed in February, 2019 between India and Morocco to promote exchange of information and technical cooperation in the field of Housing and Human Settlement.

Implementation of the MoU would strengthen bilateral cooperation between the two countries in the areas of Housing & Human Settlement. Both countries will cooperate to address the challenges faced by cities, with the aim of promoting sustainable inclusive urban growth, whilst improving commercial and trade relations between the two countries. This will primarily include, but

**Saudi Arabia for cooperation in the field of Housing:** The Union Cabinet was apprised about an MoU signed in February, 2019 between India and Saudi Arabia for cooperation in the field of Housing.

The MoU will promote technical cooperation in the field of Housing, including affordable/low income housing and enhance participation of authorities and companies in the housing and infrastructure projects undertaken in both the countries. It will also promote sharing of knowledge and experiences in development and transfer of modern construction techniques and encourage R&D in the fields of housing development.

**Cabinet approved MoU between India and Republic of Korea on Start-up Cooperation:** The Union Cabinet has given its ex-post facto approval on the Memorandum of Understanding (MoU) between India and Republic of Korea on Start-up Cooperation. The MoU was signed in February, 2019.

The MoU would facilitate and promote bilateral cooperation between the start-ups of both countries, subject to their national laws and regulations and any applicable international treaties, conventions and agreements to which the two countries are party.

**Cabinet approved MoU between India and Indonesia on combating illicit trafficking in narcotic drugs, psychotropic substances and its precursors:** The Union Cabinet has approved the

not limited to, low cost and mass affordable housing, water supply and sanitation, urban transport and smart cities development.

**Cabinet apprised about MoU for cooperation on youth matters between India and Morocco:** The Union Cabinet was apprised about an MoU signed in February, 2019 on youth matters between India and Morocco.

The objective of the MoU is to strengthen and encourage cooperation between the two countries on youth matters through participation in events and activities, information and knowledge sharing and youth exchanges.

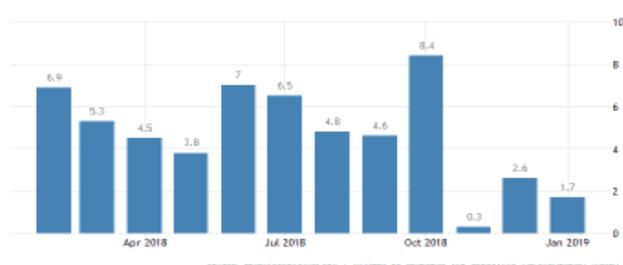
**The areas of cooperation on Youth matters include:**

- organisation of youth programmes;
- exchange of invitations to international conferences and seminars;
- exchange of printed materials, films, experiences, research and other information;
- participation in youth camps, youth festivals and other cooperative youth events.

The MoU also mentions that from the year 2019, both countries will annually exchange 20-member Youth delegations for a period not exceeding ten days.

(Source : PIB, GOI)

## Index of Eight Core Industries - February, 2019



The Eight Core Industries comprise 40.27 per cent of the weight of items included in the Index of

### Refinery Products

Petroleum Refinery production (weight: 28.04 per cent) declined by 0.8 per cent in February, 2019 over February, 2018. Its cumulative index increased by 3.0 per cent during April to February, 2018-19 over the corresponding period of previous year.

### Fertilizers

Industrial Production (IIP). **The combined Index of Eight Core Industries stood at 125.8 in February, 2019, which was 2.1 per cent higher as compared to the index of February, 2018.** Its cumulative growth during April to February, 2018-19 was 4.3 per cent.

### Coal

Coal production (weight: 10.33 per cent) increased by 7.3 per cent in February, 2019 over February, 2018. Its cumulative index increased by 7.1 per cent during April to February, 2018-19 over corresponding period of the previous year.

### Crude Oil

Crude Oil production (weight: 8.98 per cent) declined by 6.1 per cent in February, 2019 over February, 2018. Its cumulative index declined by 4.0 per cent during April to February, 2018-19 over the corresponding period of previous year.

### Natural Gas

The Natural Gas production (weight: 6.88 per cent) increased by 3.8 per cent in February, 2019 over February, 2018. Its cumulative index increased by 0.8 per cent during April to February, 2018-19 over the corresponding period of previous year.

Fertilizers production (weight: 2.63 per cent) increased by 2.5 per cent in February, 2019 over February, 2018. Its cumulative index declined by 0.02 percent during April to February, 2018-19 over the corresponding period of previous year.

### Steel

Steel production (weight: 17.92 per cent) increased by 4.9 per cent in February, 2019 over February, 2018. Its cumulative index increased by 4.7 per cent during April to February, 2018-19 over the corresponding period of previous year.

### Cement

Cement production (weight: 5.37 per cent) increased by 8.0 per cent in February, 2019 over February, 2018. Its cumulative index increased by 13.0 per cent during April to February, 2018-19 over the corresponding period of previous year.

### Electricity

Electricity generation (weight: 19.85 per cent) increased by 0.7 per cent in February, 2019 over February, 2018. Its cumulative index increased by 5.4 per cent during April to February, 2018-19 over the corresponding period of previous year.

(Source : PIB, GoI)

## India-Bolivia Joint Statement during State Visit of President to Bolivia (28-30 March, 2019)

At the invitation of the President of Plurinational State of Bolivia H. E. Evo Morales Ayma, the President of India, H. E. Shri Ram Nath Kovind is on a state visit to the Plurinational State of Bolivia from 28th to 30th March, 2019.

*Download the India-Bolivia Joint Statement during State Visit of President to Bolivia between 28-30 March, 2019.*



## Interaction on Trade and Economic Cooperation with Ambassadors and High Commissioners of European and Oceania Countries



The European and Oceania countries are major trading partners and major sources of investments for India and there is huge untapped potential that can be achieved. India has made efforts in the recent past to take economic ties to the next level and have some sort of broad based comprehensive trade agreement. There is a need to take these efforts to a logical conclusion. This was stated by Commerce Secretary, Dr. Anup Wadhawan, at an interactive session on trade and economic cooperation with Ambassadors and High Commissioners of European and Oceania countries in New Delhi on 28<sup>th</sup> March 2019.

Dr. Anup Wadhawan said like most trade negotiations between developing and developed countries, trade negotiations with EU and Oceania have been protracted. India is a developing country and EU and Oceania countries are predominantly developed and because of this our ambitions, aspirations and sensitivities are at divergence in some specific areas. He expressed the hope that India, European Union and Oceania countries will be able to overcome those issues and in the near future come to an understanding and reach some sort of formal agreement. It is important to remain engaged at every level - government, export and trade and investment related institutions, exporters and businesses to understand the

opportunities available in India, EU and Oceania for business, exporters and importers, Dr. Wadhawan added. He also emphasized on the need to appreciate each other's constraints and try to find a way forward which is doable for all stakeholders.

Bilateral trade between India and Europe crossed the USD 150 billion mark in 2011-12. Global slowdown and commodity price fluctuations adversely impacted the trade, but there are signs of recovery in the recent period. During 2017-18, India's trade with Europe stood at USD 130.1 billion, with both exports and imports registering double digit growth.

India is the fifth largest export market for Australia, with coal, education –related travel, vegetable and gold being some of the major items of imports by India. Major exports from India to Australia include refined petroleum, business services and pharmaceuticals. New Zealand is also an important market for India in the Oceania region, especially for its exports of pharmaceuticals, gems and jewellery, machinery and textiles and apparel.

The extent of investment linkages is evident from the fact that nearly one-fourth of FDI inflows into India are from Europe and around 29.8 percent of India's overseas direct investments are directed towards Europe.

Nearly, USD 1034.2 million was invested by companies from Oceania in the Indian market during April 2000 to December 2018. The Oceania region also accounts for nearly 1.7 percent of India's overseas FDI, with Australia, Fiji, New Zealand and Vanuatu being the key investment destinations.

(Source : PIB, GOI)

## Signing of Inter-Governmental Agreement for exchange of country by country reports between India and the United States of America



India and the United States of America signed an Inter-Governmental Agreement for Exchange of Country-by-Country (CbC) Reports. The Agreement was signed by Shri P.C. Mody, Chairman, Central Board of Direct Taxes and Mr. Kenneth I. Juster, Ambassador of the United States of America to India on behalf of the two countries. This Agreement for Exchange of CbC Reports, along with the Bilateral Competent Authority Arrangement between the two Competent Authorities, will enable both the countries to automatically exchange CbC Reports filed by the ultimate parent entities of Multinational Enterprises (“MNEs”) in the respective jurisdictions, pertaining to the years commencing on or after 1st January, 2016. It would also obviate the need for Indian subsidiary companies of US MNEs to do local filing of the CbC Reports, thereby reducing the compliance burden.

India has already signed the Multilateral Competent Authority Agreement (MCAA) for

Exchange of CbC Reports, which has enabled exchange of CbC Reports with 62 jurisdictions.

Filing of CbC Reports by the ultimate parent entity of an MNE group to the prescribed Authority in the jurisdiction in which it is a resident and exchange of such CbC Reports by the Competent Authority of the said jurisdiction with the Competent Authorities of other jurisdictions in which the group has one or more of its constituent entities, are the minimum standards required under the Action 13 Report of OECD/G20 BEPS Project in which India is an active participant.

A CbC Report has aggregated country-by-country information relating to the global allocation of income, the taxes paid, and certain other indicators of an MNE group. It also contains a list of all the constituent entities of an MNE group operating in a particular jurisdiction and the nature of the main business activity of each such constituent entity. MNE groups having global consolidated revenue of 750 Million Euros or more (or a local currency equivalent) in a year are required to file CbC Reports in their parent entity’s jurisdiction. The INR equivalent of 750 Million Euros has been prescribed as INR 5500 Crore in Indian rules. This information will enable an enhanced level of assessment of tax risk by both tax administrations.

(Source : PIB, GoI)

## Review of the Monthly Account of the Government of India up to the month of February 2019 for the Financial Year 2018-19

The Monthly Account of the Union Government of India up to the month of February 2019 for the Financial Year 2018-19 has been consolidated and reports published.

Rs. 5,96,667 crore has been transferred to the State Governments as Devolution of Share of Taxes by Government of India up to this period which is Rs. 67,043 crore higher than the corresponding period of last year 2017-18.

### The highlights are given below:-

The Government of India has received Rs.13,37,340 crore (73.37% of corresponding RE 18-19 of Total Receipts) upto February 2019 comprising Rs. 10,93,923 crore Tax Revenue (Net to Centre), Rs. 1,71,755 crore of Non Tax Revenue and Rs.71,662 crore of Non Debt Capital Receipts. Non Debt Capital Receipts consists of Recovery of Loans (Rs.15,042 crore) and Disinvestment of PSUs (Rs. 56,620 crore).

Total Expenditure incurred by Government of India is Rs.21,88,839 crore (89.08% of corresponding RE 18-19), out of which Rs.19,15,303 crore is on Revenue Account and Rs.2,73,536 crore is on Capital Account. Out of the Total Revenue Expenditure, Rs.5,01,160 crore is on account of Interest Payments and Rs.2,63,868 crore is on account of Major Subsidies.

(Source : PIB, GoI)

## Refund on Account of Export of Goods & Services (With Payment of Tax)

Refund on Account of  
Export of Goods  
(With Payment of Tax)

*Download the Article on Refund on Account of  
Export of Goods (With Payment of Tax)*

## India's International Investment Position (IIP), December 2018

The Reserve Bank released data relating to India's International Investment Position at end-December 2018.

### Key Features of India's IIP in December 2018

- Net claims of non-residents on India increased by US\$ 44.3 billion from their level a quarter ago.
- The increase in net claims was due to a pick-up in foreign-owned assets in India after three consecutive quarters of contraction, combined with a marginal decline in Indian residents' financial assets abroad.
- The large increase in foreign-owned assets in India emanated from inward foreign direct investment (FDI), followed by portfolio investment and currency and deposits.
- Appreciation of the Indian rupee against the US dollar during the quarter contributed substantially to the increase in net claims of non-residents valued in US dollar terms.
- Despite a decline during the quarter, reserve assets accounted for nearly two-thirds of India's international financial assets.
- The share of debt liabilities in total liabilities declined marginally during the quarter.
- The ratio of India's international financial assets

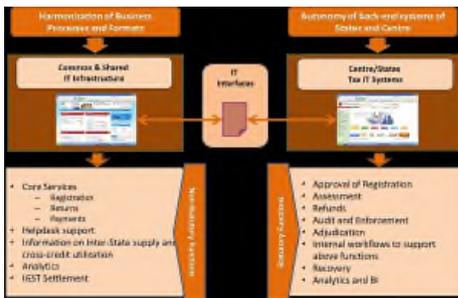


- Overseas financial assets of Indian residents declined during the quarter, mainly due to reduction in reserve assets, even as overseas direct investment increased during the period.

to international financial liabilities stood at 58.3 per cent in December 2018 (61.1 per cent in September 2018).

(Source : RBI, GOI)

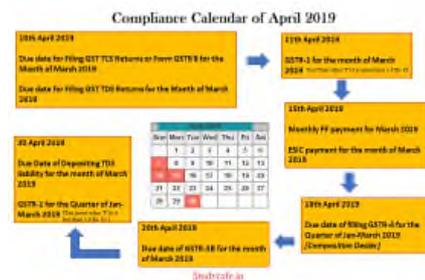
## GST : Concept & Status (Updated as on 1<sup>st</sup> April 2019)



*Download the Article regarding GST: Concept & Status (Updated as on 1<sup>st</sup> April 2019)*

## Due Date Compliance Calendar April 2019

*Download the Due Date Compliance Calendar April 2019)*



## CBIC clarifies on 3% GST Rate option under Notification No. 2/2019 - CT(R)



*Download Circular No. 97/16/2019-GST issued by the Central Board of Indirect Taxes and Customs.*

## List of Secretaries to the Government of India – April 2019



*Download the List of Secretaries to the Government of India.*