

Info Capsule

INDIA'S FOREIGN TRADE: FEBRUARY, 2017¹

I. MERCHANDISE TRADE

EXPORTS (including re-exports)

In continuation with the revival exhibited by exports since September 2016, exports during February 2017 for the first time exhibited a double digit positive growth of 17.48 per cent in dollar terms valued at US\$ 24490.27 million as compared to US\$ 20845.73 million during February, 2016. In Rupee terms, during February 2017 exports were valued at Rs. 164269.71 crore as compared to Rs. 142246.46 crore during February, 2016, registering a positive growth of 15.48 per cent.

Cumulative value of exports for the period April-February 2016-17 was US\$ 245413.05 million (Rs. 1648743.26 crore) as against US\$ 239378.37 million (Rs. 1562819.14 crore) registering a positive growth of 2.52 per cent in Dollar terms and positive growth of 5.50 per cent in Rupee terms over the same period last year.

Non-petroleum and Non Gems & Jewellery exports in February 2017 were valued at US\$ 18011.73 million against US\$ 14990.68 million in February 2016, an increase of 20.15 %. Non-petroleum and Non Gems and Jewellery exports during April - February 2016-17 were valued at US\$ 179136.99 million as compared to US\$ 175352.94 million for the corresponding period in 2016, an increase of 2.16%. In this connection it is mentioned that the global Brent prices (\$/bbl) and Gold (\$/troy oz) have increased by 67.14% and 2.89% respectively in February 2017 vis-à-vis February 2016 as per World Bank commodity price data (The pink sheet).

The growth in exports is positive for USA (5.61%), EU(1.68%) and Japan(10.87%) but China has exhibited negative growth of (-6.20%) for December 2016 over the corresponding period of previous year as per latest WTO statistics.

IMPORTS

Imports during February 2017 were valued at US\$ 33386.57 million (Rs. 223942.06 crore) which was 21.76 per cent higher in Dollar terms and 19.69 per cent higher in Rupee terms over the level of imports valued at US\$ 27418.98 million (Rs. 187100.79 crore) in February, 2016. Cumulative value of imports for the period April-February 2016-17 was US\$ 340698.43 million (Rs. 2289598.48 crore) as against US\$ 353696.36 million (Rs. 2307259.36 crore) registering a negative growth of 3.67 per cent in Dollar terms and 0.77 per cent in Rupee terms over the same period last year.

¹ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

CRUDE OIL AND NON-OIL IMPORTS:

Oil imports during February, 2017 were valued at US\$ 7681.20 million which was 60.02 percent higher than oil imports valued at US\$ 4800.20 million in February 2016. Oil imports during April-February, 2016-17 were valued at US\$ 76743.86 million which was 1.76 per cent lower than the oil imports of US\$ 78121.86 million in the corresponding period last year.

Non-oil imports during February, 2017 were estimated at US\$ 25705.37 million which was 13.65 per cent higher than non-oil imports of US\$ 22618.78 million in February, 2016. Non-oil imports during April-February 2016-17 were valued at US\$ 263954.57 million which was 4.22 per cent lower than the level of such imports valued at US\$ 275574.50 million in April-February, 2015-16.

II. TRADE IN SERVICES (for January, 2017, as per the RBI Press Release dated 15th March, 2017)

EXPORTS (Receipts)

Exports during January 2017 were valued at US\$ 13570 Million (Rs. 92385.10 Crore) registering a negative growth of 1.70 per cent in dollar terms as compared to positive growth of 3.49 per cent during December 2016 (as per RBI's Press Release for the respective months).

IMPORTS (Payments)

Imports during January 2017 were valued at US\$ 8409 Million (Rs. 57248.81 Crore) registering a positive growth of 1.39 per cent in dollar terms as compared to negative growth of 0.35 per cent during December 2016 (as per RBI's Press Release for the respective months).

III. TRADE BALANCE

MERCHANDISE: The trade deficit for April-February, 2016-17 was estimated at US\$ 95285.38 million which was 16.65% lower than the deficit of US\$ 114317.99 million during April-February, 2015-16.

SERVICES: As per RBI's Press Release dated 15th March 2017, the trade balance in Services (i.e. net export of Services) for January, 2017 was estimated at US\$ 5161 million. The net export of services for April- January, 2016-17 was estimated at US\$ 53477 million which is lower than net export of services of US\$ 59289 million during April- January, 2015-16. (The data for April-January 2015-16 and 2016-17 has been derived by adding April-January month wise QE data of RBI Press Release).

OVERALL TRADE BALANCE: Overall the trade balance has improved. Taking merchandise and services together, overall trade deficit for April- February 2016-17 is estimated at US\$ 41808.38 million which is 24.0 percent lower in Dollar terms than the level of US\$ 55028.99 million during April-February 2015-16. (Services data pertains to April-January 2016-17 as January 2017 is the latest data available as per RBI's Press Release dated 15th March 2017)

MERCHANDISE TRADE

EXPORTS & IMPORTS : (US \$ Million)		
	(Provisional)	
EXPORTS (including re-exports)	FEBRUARY	APRIL-FEBRUARY
2015-16	20845.73	239378.37
2016-17	24490.27	245413.05
% Growth 2016-17/ 2015-16	17.48	2.52
IMPORTS		
2015-16	27418.98	353696.36
2016-17	33386.57	340698.43
% Growth 2016-17/ 2015-16	21.76	-3.67
TRADE BALANCE		
2015-16	-6573.25	-114317.99
2016-17	-8896.30	-95285.38
EXPORTS & IMPORTS: (Rs. Crore)		
	(Provisional)	
EXPORTS (including re-exports)	FEBRUARY	APRIL-FEBRUARY
2015-16	142246.46	1562819.14
2016-17	164269.71	1648743.26
% Growth 2016-17/ 2015-16	15.48	5.50
IMPORTS		
2015-16	187100.79	2307259.36
2016-17	223942.06	2289598.48
% Growth 2016-17/ 2015-16	19.69	-0.77
TRADE BALANCE		
2015-16	-44854.33	-744440.22
2016-17	-59672.35	-640855.22

SERVICES TRADE

EXPORTS & IMPORTS (SERVICES) : (US \$ Million)	
(Provisional)	January 2016-17
EXPORTS (Receipts)	13570.00
IMPORTS (Payments)	8409.00
TRADE BALANCE	5161.00
EXPORTS & IMPORTS (SERVICES): (Rs. Crore)	
(Provisional)	January 2016-17
EXPORTS (Receipts)	92385.10
IMPORTS (Payments)	57248.81
TRADE BALANCE	35136.29

CONCEPT NOTE ON TRADE FACILITATION AGREEMENT²

India tabled the "Concept Note for an initiative on Trade Facilitation in Services" dated 27 September 2016(S/WPDR/W/55) at the WTO. The objective behind India's proposal for an Agreement on Trade Facilitation in Services (TFS) is to initiate discussions at the WTO on how to comprehensively address the numerous border and behind-the-border barriers, across all modes of supply, which are impediments to the realization of the full potential of services trade. Like the Trade Facilitation Agreement ("TFA"), adopted by WTO Members in 2014 to facilitate trade in goods, a well-structured TFS will significantly enhance the potential for trade in services for all WTO Members. India has proposed that the TFS Agreement could be based on the TFA in goods, with suitable modification and adaptation to the services context, as required.

India's proposal was initially discussed at the WTO on 6th October 2016. Many WTO Members expressed interest in India's proposal as a positive move to revive Services negotiations at the WTO. Some of the key issues raised by members related to scope and coverage of India's proposal, mandate for a TFS and provisions related to Special and Differential Treatment. Some members sought greater detail about India's proposal.

The response of the Government was that India's proposal for an Agreement on TFS is to comprehensively address the numerous border and behind-the-border barriers impeding trade in services across all modes of supply. India has taken the position that the mandate for a TFS arises from the various provisions of the General Agreement on Trade in Services (GATS).

Subsequently, India tabled a follow-up proposal dated 14th November 2016 on "Possible Elements of a Trade Facilitation in Services Agreement" (S/WPDR/W/57) at the WTO, which outlines the possible elements of the TFS Agreement, as conceived by India, in a more detailed manner.

² Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

Recently, India has tabled a draft legal text on Trade Facilitation in Services at the WTO to facilitate discussions among WTO members and to take forward this agenda.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Rajya Sabha today.

GOVT PLANS TO LET YOU WITHDRAW 90% OF EPF SAVINGS TO BUY HOME³

The Centre will amend the Employees' Provident Fund (EPF) scheme to enable around 4 crore members of retirement fund body EPFO to withdraw up to 90% of their fund for making down payments while buying houses, Parliament was informed on Wednesday .

The amendment in the scheme will also allow the EPFO subscribers to use their EPF accounts for paying equated monthly instalments (EMIs) of home loans.

Under the proposed provision in the EPF scheme, the subscribers would have to form a cooperative society with at least 10 members to avail of the facility.

“The government has taken a decision for modification in the EPF Scheme, 1952, to add a new paragraph, 68 BD,” Union labour minister Bandaru Dattatreya said in a written reply to Rajya Sabha on Wednesday , while replying to a question about housing schemes for EPFO members. Union labour minister Banda ru Dattatreya told the House that the new proviso provides that “a member of Employees' Provident Fund being a member of a co-operative society or a housing society having at least 10 members of EPF, can withdraw up to 90% from the fund for purchase of dwelling houseflat or construction of dwelling house acquisition of site.”

The proposed proviso provides that “monthly instalments for repayments of any outstanding payments or interest may also be paid from the amount standing to the credit of the member, to the governmenthousing agencyprimary lending agency or banks concerned.”

The minister also told Rajya Sabha that the proposed paragraph to be inserted in the EPF scheme has not been notified, and therefore, no targets have been fixed for giving advances under this facility. Dattatreya said that the total number of EPF member accounts as on March, 31, 2016, as per annual report for 2015-16, is 17.14 crore. On an average, contributions have been received in respect of 3.76 crore members during the same fiscal.

The withdrawal facility from the PF account under the scheme will be available to only those PF members who fulfill the conditions prescribed, he said.



³ Available at: <http://epaperbeta.timesofindia.com/Article.aspx?eid=31808&articlexml=Govt-plans-to-let-you-withdraw-90-of-16032017001040>

SEBI COMPLAINTS REDRESS SYSTEM (SCORES)⁴

SCORES is a web based centralized grievance redress system of SEBI (<http://scores.gov.in>). SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online from the above website from anywhere. This enables the market intermediaries and listed companies to receive the complaints online from investors, redress such complaints and report redressal online.

To make efficient complaints redressal mechanism through SCORES, it is mandated by SEBI to all stock brokers and DPs that they shall redress the complaints **within 15 days from the date of receipt of compliant**. In case of additional information required from the complainant, then it should be redress **within 7 days** from the date of receipt of compliant, the period of 15 days shall be count from the receipt of additional information.

SCHEMES OF ARRANGEMENT BY LISTED ENTITIES AND RELAXATION UNDER SUB-RULE (7) OF RULE 19 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957⁵

SEBI has revised the detailed requirements to be complied with by listed entities while undertaking schemes of arrangements under Section 11 of the SEBI Act, 1992 and regulations 11, 37 and 94 read along with regulation 101(2) of SEBI (LODR), 2015. The Revised requirements shall not apply to schemes which solely provides for merger of a wholly owned subsidiary with the parent company.

Regulation 11 of the LODR, provides that any scheme of arrangement / amalgamation / merger / reconstruction / reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchanges.

Regulation 37 of LODR, provides that the listed entities desirous of undertaking scheme of arrangement or involved in a scheme of arrangement shall file the draft scheme with Stock Exchange(s) for obtaining Observation Letter or No-objection Letter, before filing such scheme with any court or Tribunal.

Regulation 94 of LODR, requires Stock Exchanges to forward such draft schemes to SEBI in the manner prescribed by SEBI.

Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 provides that SEBI may, at its own discretion or on the recommendation of a recognised Stock Exchange, waive or relax the strict enforcement of any or all of the requirements with respect to listing prescribed by these rules.

The issuance of shares under such schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies shall follow the pricing provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

⁴ Available at: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1489143609606.pdf

⁵ Available at: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1489148947403.pdf

ESTABLISHMENT OF THE DEBTS RECOVERY TRIBUNAL AT SILIGURI⁶

In exercise of the powers conferred by section 3 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, the Ministry of Finance (Department of Financial Services) vide Notification S.O. 831(E) dated 15th March, 2017 notifies the establishment of the Debts Recovery Tribunal at Siliguri with effect from the 16th day of March, 2017.

GOODS & SERVICES TAX⁷

Two day GST Council Meeting begins today i.e., March 16,2017

- The Council is likely to approve the state GST (SGST) and the union territory GST (UTGST) bills.
- The government is expected to seek cabinet approval for the other bills approved by the council earlier
- Government is planning to ensure that the bills get parliamentary approval in the ongoing session. State legislatures will also need to approve the SGST legislation.

Team ICSI

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⁶ Available at: <http://www.egazette.nic.in/WriteReadData/2017/174773.pdf>

⁷ Available at: <http://timesofindia.indiatimes.com/business/india-business/gst-council-meet-today-may-approve-crucial-legislations/articleshow/57658917.cms>