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# ASSOCHAM NEWS & VIEWS

WEEKLY

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**THE ASSOCIATED CHAMBERS OF COMMERCE AND INDUSTRY OF INDIA**

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## **MINISTRY OF COMMERCE & INDUSTRY**

### **APEDA has organised Virtual Buyer Seller Meets with potential importing Countries for product promotion of Indian agri products**

The Agricultural and Processed Food Products Export Development Authority (APEDA) under the Ministry of Commerce and Industry facilitates export of its scheduled products through several export promotional activities, such as organizing International Buyer Seller Meets, participation of exporters in leading trade events in the potential importing countries, and product promotion programmes in specific markets. These initiatives have popularized the Indian agri products globally and facilitated exporters to reach the global market.

During the COVID 19 pandemic period, physical meetings and market promotion programmes were not possible. In its endeavour to promote export of Agri products, APEDA explored the virtual medium and continued its initiative of export market promotion by organizing several Virtual Buyer Seller Meets (VBSM), in collaboration with the Indian Missions abroad.

During April to October 2020, APEDA organised Virtual Buyer Seller Meets (VBSM) with potential importing Countries such as UAE, South Korea, Japan, Indonesia, Kuwait and Iran, for product promotion of all APEDA Products.

Besides, product specific Virtual Networking Meets were also organised with Countries such as Singapore, Russia, Belgium, Switzerland, Sweden & Latvia for fresh fruits and vegetables, with Canada for organic products and with USA and UAE for GI products.

These Virtual Meetings provided a platform for interaction between the India exporters and importers on the strength of India in export of agri products such as Basmati and Non Basmati Rice, Grapes, Mangoes, Banana, Pomegranates, Fresh vegetables, Organic products etc.

These events are expected to further strengthen the confidence of the Importers in Indian agri products to facilitate exports.

## **MINISTRY OF COMMERCE & INDUSTRY**

### **7th Meeting of the Joint Trade Committee between India and Myanmar**

The 7th Joint Trade Committee Meeting between India and Myanmar was held through virtual mode on 24th November 2020. The Meeting was co-chaired by Dr. Than Myint, Union Minister for Ministry of Commerce, Myanmar and Shri Piyush Goyal, Commerce and Industry Minister of India. During the consultations, both sides reviewed various bilateral issues ranging from trade, investment, banking, connectivity, capacity building and upgradation of border infrastructure. Both sides reviewed their preparedness to meet the COVID-19 challenges and expanding cooperation in pharma and health sector including traditional medicines.

Shri Piyush Goyal highlighted the strong cultural and commercial ties between India and Myanmar and the priority India attaches to its partnership with Myanmar in accordance with India's 'Neighborhood First' and 'Act East' policies. He reiterated India's commitment in enhancing its multifaceted cooperation with Myanmar, in several areas including trade and investment, Oil & Gas, Power, Insurance, Pharmaceutical and Infrastructure and expressed satisfaction on the increased investments by India in Myanmar in these sectors. Both sides acknowledged that mutual benefit exists in collaboration and cooperation amongst oil and gas companies of India and Myanmar especially in the field of petroleum products and refining.

Both countries agreed that the current level of bilateral trade is not reflective of the actual potential and expressed commitment in strengthening their economic partnership by facilitating enhanced sectoral collaborations and trade promotion. They also reviewed the status of connectivity projects and scaling up the infrastructure at the border for strengthening trade. Both sides expressed appreciation at the finalization of the Project Agreement on the establishment of a modern Integrated Check Post (ICP) at Tamu (Phase I) under Indian grant-in-aid that would enhance bilateral connectivity and trade and agreed to work closely for early establishment of border haats for the benefit of the local communities and promote people to people connect.

The meeting concluded with both countries expressing satisfaction over the commendable strides made in bilateral economic ties in the last few years and reiterated their commitment to further strengthening the trade and investment ties. Shri Goyal also extended an invitation to Dr. Than Myint for the next Joint Trade Committee meeting scheduled to be held in India in 2021.

## **MINISTRY OF COMMERCE & INDUSTRY**

### **Shri Piyush Goyal has called upon the Indian industry to focus on improving Quality and Productivity**

Union Commerce and Industry Minister Shri Piyush Goyal has called upon the Indian industry to focus on improving Quality and Productivity. Interacting with the Office bearers of various industry associations, he called upon them to designate a few days next month, to do brainstorming on these aspects so that the Country starts getting recognition as high quality, efficient manufacturer, trader and service-provider. The Minister said that this could be done sectorally or regionally, so that there is knowledge sharing among the stakeholders, and these two aspects are focussed. Shri Goyal said that the results of the second quarter of major companies show that profitability of most of them has gone up, indicating that the Indian industry has utilized the Covid period to do the belt-tightening, improve the product-mix, and focus on quality and productivity. Calling upon the industry's support to take them into mission-mode, Shri Goyal said that Quality and Productivity can help in converting the crisis into an opportunity.

Shri Goyal said that the Indian industry has shown resilience and confidence during the difficult times, which has helped the country fight the pandemic. He said that the economy is showing strong signals of comeback, and even in the international arena, India's reputation has gone by several notches and it is being seen as a trusted partner. He expressed confidence that India will make up for the time, and emerge stronger and victorious. The Minister said that the ecosystem will change, and India will be able to engage with the world from the position of strength and in equitable terms. He told the gathering, to continue to maintain health precautions, as relaxations at this stage can create problems. The Minister said that the Government has taken note of the suggestions of the Industry associations, and appropriate response will be made, after their proper examination by various departments.

The meeting with the industry associations is part of the series of consultations held by the Minister with them since the outbreak of Covid-19 pandemic. During the previous interactions, a lot of suggestions and the feedback from the ground level were received which helped the Government in finalizing its appropriate response. In today's meeting, most of the participants expressed gratitude to the government for hand-holding and solving their problems, by timely interventions and policy actions. Officers from various departments took part in the meeting.

## MINISTRY OF FINANCE

### **Extension of Emergency Credit Line Guarantee Scheme through ECLGS 2.0 for the 26 sectors identified by the Kamath Committee and the healthcare sector**

**The Government has extended Emergency Credit Line Guarantee Scheme ( ECLGS) through ECLGS 2.0 for the 26 sectors identified by the Kamath Committee and the healthcare sector.** Under ECLGS 2.0 entities with outstanding credit above Rs. 50 crore and not exceeding Rs. 500 crore as on 29.2.2020, which were less than or equal to 30 days past due as on 29.2.2020 are eligible. These entities/borrower accounts shall be eligible for additional funding up to 20 per cent (which could be fund based or non-fund based or both) of their total outstanding credit (fund based only) as a collateral free Guaranteed Emergency Credit Line (**GECL**), which would be fully guaranteed by **National Credit Guarantee Trustee Company Limited (NCGTC)**. The loans provided under ECLGS 2.0 will have a 5-year tenor, with a 12-month moratorium on repayment of principal.

In addition to ECLGS 2.0, where no annual turnover ceiling has been prescribed, **it has also been decided to extend ECLGS 1.0 to entities under ECLGS** which had a total credit outstanding (fund based only) of upto Rs.50 crore as on 29.02.2020, but were previously ineligible owing to their annual turnover exceeding Rs.250 crore. All other existing criteria/ terms and conditions remain unchanged.

The Scheme would be applicable to all loans sanctioned under ECLGS during the period from the date of issue of these guidelines by NCGTC to 31.03.2021 or till guarantees for an amount of Rs 3,00,000 crore is sanctioned under the ECLGS (taking into account both ECLGS 1.0 and 2.0), whichever is earlier.

The modified Scheme while providing an incentive to **Member Lending Institutions (MLIs)** to enable availability of additional funding facility to the eligible borrowers, both MSMEs/business enterprises and identified sectors that supports MSMEs, will go a long way in contributing to economic revival, protecting jobs, and create conducive environment for employment generation.

## **MINISTRY OF FINANCE**

### **CBDT to validate Unique Document Identification Number (UDIN) generated from ICAI portal at the time of upload of Tax Audit Reports**

The Institute of Chartered Accountants of India, in its gazette notification dated 2<sup>nd</sup> August, 2019, had made generation of UDIN from ICAI website [www.icaai.org](http://www.icaai.org) mandatory for every kind of certificate/tax audit report and other attests made by their members as required by various regulators. This was introduced to curb fake certifications by non-CAs misrepresenting themselves as Chartered Accountants.

In line with the ongoing initiatives of the Income Tax Department for integrating with other Government agencies and bodies, Income-tax e-filing portal has completed its integration with the Institute of Chartered Accountants of India (ICAI) portal for validation of Unique Document Identification Number (UDIN) generated from ICAI portal by the Chartered Accountants for documents certified/attested by them.

It may be noted that, in consonance with the above requirement, Income-tax e-filing portal had already factored mandatory quoting of UDIN with effect from 27<sup>th</sup> April, 2020 for documents certified/attested in compliance with the Income-tax Act,1961 by a Chartered Accountant. With this system level integration, UDIN provided for the audit reports/certificates submitted by the Chartered Accountants in the e-filing portal shall be validated online with the ICAI. This will help in weeding out fake or incorrect Tax Audit Reports not duly authenticated with the ICAI.

If for any reason, a Chartered Accountant was not able to generate UDIN before submission of audit report/certificate, the Income-tax e-filing portal permits such submission, subject to the Chartered Accountant updating the UDIN generated for the form within 15 calendar days from the date of form submission in the Income- tax e-filing portal. If the UDIN for the audit report/certificate is not updated within the 15 days provided for the same, such audit report/certificate uploaded shall be treated as invalid submission.

## **RESERVE BANK OF INDIA**

### **RBI Released 'Quarterly Statistics on Deposits and Credit of SCBs: September 2020'**

The Reserve Bank released [Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks \(SCBs\), September 2020](https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!3) on its Database on Indian Economy (DBIE) portal (web-link: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!3>). Data on total credit and deposits disaggregated by type, are classified by states/union territories (UTs), districts, centres, population groups and bank groups. These data are collected from all SCBs (including Regional Rural Banks and Small Finance Banks) under the Basic Statistical Return (BSR) – 7 system<sup>1</sup>.

#### **Highlights:**

- Bank credit growth (Y-o-Y) decelerated to 5.8 per cent in September 2020 from 8.9 per cent a year ago: the deceleration was recorded across the population groups (i.e., rural, semi-urban, urban and metropolitan).
- Annual growth (Y-o-Y) in credit by private sector banks moderated significantly to 6.9 per cent in September 2020 from 14.4 per cent a year ago, whereas it increased marginally for public sector banks to 5.7 per cent from 5.2 per cent over the same period.
- Aggregate deposits of banks recorded annual increase of 11.0 per cent in September 2020 as compared with 10.1 per cent growth a year ago: the increase was witnessed across all population groups.
- The share of current account and saving account (CASA) in total deposits has been gradually increasing: it stood at 42.3 per cent in September 2020 from 41.2 per cent a year ago and 40.8 per cent three years ago.
- As deposit growth exceeded credit growth, the all-India credit-deposit (C-D) ratio declined to 72.0 per cent in September 2020 from 73.1 per cent in the previous quarter.
- C-D ratio for metropolitan branches, which have dominant share in bank deposits and credit, stood at 88.4 per cent in September 2020 (90.9 per cent a quarter ago). C-D ratio for Tamil Nadu, Andhra Pradesh and Chandigarh remained above 100 per cent.

**(Yogesh Dayal)**  
Chief General Manager



## **RESERVE BANK OF INDIA**

### **Sectoral Deployment of Bank Credit – October 2020**

Data on sectoral deployment of bank credit collected from select 33 scheduled commercial banks, accounting for about 90 per cent of the total non-food credit deployed by all scheduled commercial banks, for the month of October 2020 are set out in [Statements I and II](#).

#### **Highlights of the sectoral deployment of bank credit are given below:**

- On a year-on-year (y-o-y) basis, non-food bank credit growth decelerated to 5.6 per cent in October 2020 from 8.3 per cent in October 2019.
- Credit growth to agriculture and allied activities accelerated to 7.4 per cent in October 2020 from 7.1 per cent in October 2019.
- Credit to industry contracted by 1.7 per cent in October 2020 as compared with 3.4 per cent growth in October 2019 mainly on the back of contraction in credit to large industries by 2.9 per cent in October 2020 (4.2 per cent growth a year ago), though credit to medium industries registered a robust growth of 16.7 per cent in October 2020 (1.2 per cent a year ago).
- Within industry, credit to 'food processing', 'petroleum, coal products & nuclear fuels', 'leather & leather products', 'paper & paper products' and 'vehicles, vehicle parts & transport equipment' registered accelerated growth in October 2020 as compared with the growth in the corresponding month of the previous year. However, credit growth to 'beverage & tobacco', 'rubber plastic & their products', 'chemical & chemical products', 'cement & cement products', 'all engineering', 'gems & jewellery', 'infrastructure' and 'construction' decelerated/contracted.
- Credit growth to the services sector accelerated to 9.5 per cent in October 2020 from 6.5 per cent in October 2019. Within this sector, credit to 'professional services', 'computer software' and 'trade' registered accelerated growth in October 2020 *vis-à-vis* the growth in the corresponding month of the previous year.
- Personal loans registered a decelerated growth of 9.3 per cent in October 2020 as compared with 17.2 per cent growth in October 2019. Within this sector, vehicle loans continued to perform well, registering accelerated growth of 8.4 per cent in October 2020 *vis-a-vis* a growth of 5.0 per cent in October 2019.

**Ajit Prasad**  
Director