**India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement Will Enter into Force on 1st April 2021**

**CBDT Notified New Income Tax Return Forms for AY 2021-22**

**India’s International Investment Position (IIP), December 2020**
## CONTENTS

### COMMERCE AND INDUSTRY

- FOREIGN TRADE POLICY 2015-2020 EXTENDED FOR 6 MONTHS TILL SEPTEMBER 2021 3
- INDEX OF EIGHT CORE INDUSTRIES (BASE: 2011-12=100) FOR FEBRUARY 2021 4-5
- INDIA-MAURITIUS COMPREHENSIVE ECONOMIC COOPERATION AND PARTNERSHIP AGREEMENT WILL ENTER INTO FORCE ON 1ST APRIL 2021 6

### FINANCE

- CBDT NOTIFIED NEW INCOME TAX RETURN FORMS FOR AY 2021-22 7
- GST REVENUE COLLECTION FOR MARCH’ 21 SETS NEW RECORD 8
- EXCHANGE RATE NOTIFICATION NO. 40/2021 - CUSTOMS (N.T.) 9-10

### RBI

- RBI RELEASED ‘QUARTERLY BSR-1: OUTSTANDING CREDIT OF SCHEDULED COMMERCIAL BANKS FOR DECEMBER 2020’ 11
- DEVELOPMENTS IN INDIA’S BALANCE OF PAYMENTS DURING THE THIRD QUARTER (OCTOBER-DECEMBER) OF 2020-21 12-13
- INDIA’S INTERNATIONAL INVESTMENT POSITION (IIP), DECEMBER 2020 14
MINISTRY OF COMMERCE & INDUSTRY

Foreign Trade Policy 2015-2020 extended for 6 months till September 2021

The Union Commerce and Industry Ministry today announced extension of the Foreign Trade Policy (FTP) of Government of India. The present Policy which came into force on 1st April 2015, was for 5 years and was extended thereafter upto 31st March, 2021. In view of the unprecedented situation arising out of the pandemic Novel COVID-19, which is persisting, the Government has decided to continue benefits under various export promotion schemes by extending existing Foreign Trade Policy by another six months i.e. up to 30th September, 2021 which will provide continuity in the policy regime. Similar extension is made in the related procedures, by extending validity of HandBook of Procedures.

Exemption from payment of IGST and Compensation Cess on the imports made under Advance/EPCG Authorisations and by EOU's etc. has also been extended up to 30.09.2021. Similarly, validity period of the Status Holder Certificates is also extended. This will enable the Status Holders to continue to avail the specified facilities/benefits.

MINISTRY OF COMMERCE & INDUSTRY

INDEX OF EIGHT CORE INDUSTRIES (BASE: 2011-12=100) FOR FEBRUARY, 2021

The Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade is releasing Index of Eight Core Industries for the Month of February, 2021.

The combined Index of Eight Core Industries stood at 127.8 in February, 2021, which declined by 4.6 (provisional) per cent as compared to the Index of February, 2020. Its cumulative growth during April to February, 2020-21 has been (-) 8.3%.

Final growth rate of Index of Eight Core Industries for November, 2020 is revised to (-) 1.1% from its provisional level (-2.6%). The Eight Core Industries comprise 40.27 per cent of the weight of items included in the Index of Industrial Production (IIP).

Monthly growth rates of Index of Eight Core Industries (Overall) is depicted in the graph:

*provisional
The summary of the Index of Eight Core Industries is given below:

**Coal**- Coal production (weight: 10.33 per cent) declined by 4.4 per cent in February, 2021 over February, 2020. Its cumulative index declined by 2.2 per cent during April to February, 2020-21 over the corresponding period of the previous year.

**Crude Oil**- Crude Oil production (weight: 8.98 per cent) declined by 3.2 per cent in February, 2021 over February, 2020. Its cumulative index declined by 5.4 per cent during April to February, 2020-21 over the corresponding period of previous year.

**Natural Gas**- The Natural Gas production (weight: 6.88 per cent) declined by 1.0 per cent in February, 2021 over February, 2020. Its cumulative index declined by 9.9 per cent during April to February, 2020-21 over the corresponding period of previous year.

**Petroleum Refinery Products**- Petroleum Refinery production (weight: 28.04 per cent) declined by 10.9 per cent in February, 2021 over February, 2020. Its cumulative index declined by 12.2 per cent during April to February, 2020-21 over the corresponding period of previous year.

**Fertilizers**- Fertilizers production (weight: 2.63 per cent) declined by 3.7 per cent in February, 2021 over February, 2020. Its cumulative index increased by 2.4 per cent during April to February, 2020-21 over the corresponding period of previous year.

**Steel**- Steel production (weight: 17.92 per cent) declined by 1.8 per cent in February, 2021 over February, 2020. Its cumulative index declined by 12.4 per cent during April to February, 2020-21 over the corresponding period of previous year.

**Cement**- Cement production (weight: 5.37 per cent) declined by 5.5 per cent in February, 2021 over February, 2020. Its cumulative index declined by 15.5 per cent during April to February, 2020-21 over the corresponding period of previous year.

**Electricity**- Electricity generation (weight: 19.85 per cent) declined by 0.2 per cent in February, 2021 over February, 2020. Its cumulative index declined by 2.5 per cent during April to February, 2020-21 over the corresponding period of previous year.
India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement will enter into force on 1st April 2021

India and Mauritius signed the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) on 22 February 2021. The CECPA is the first trade Agreement signed by India with a country in Africa. Both sides have completed their internal legal procedures and the India-Mauritius CECPA will enter into force on Thursday, 01 April 2021.

The Agreement is a limited agreement, which will cover Trade in Goods, Rules of Origin, Trade in Services, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, Movement of Natural Persons, Telecom, Financial services, Customs Procedures and Cooperation in other Areas.

The India-Mauritius CECPA provides for an institutional mechanism to encourage and improve trade between the two countries. The CECPA between India and Mauritius covers 310 export items for India, including food stuff and beverages (80 lines), agricultural products (25 lines), textile and textile articles (27 lines), base metals and articles thereof (32 lines), electricals and electronic item (13 lines), plastics and chemicals (20 lines), wood and articles thereof (15 lines), and others. Mauritius will benefit from preferential market access into India for its 615 products, including frozen fish, speciality sugar, biscuits, fresh fruits, juices, mineral water, beer, alcoholic drinks, soaps, bags, medical and surgical equipment, and apparel.

As regards trade in services, Indian service providers will have access to around 115 subsectors from the 11 broad service sectors such as professional services, computer related services, research & development, other business services, telecommunication, construction, distribution, education, environmental, financial, tourism & travel related, recreational, yoga, audio-visual services, and transport services. India has offered around 95 sub-sectors from the 11 broad services sectors, including professional services, R&D, other business services, telecommunication, financial, distribution, higher education, environmental, health, tourism and travel related services, recreational services and transport services.

Details of the India-Mauritius CECPA can be obtained at the following link from 01 April 2021: https://commerce.gov.in/international-trade/trade-agreements/

Indian exporters have to obtain a Certificate of Origin (CoO) from the authorised Indian agencies to avail the preferential benefits under the CECPA. The online application for CoO for the India-Mauritius CECPA can be made from 01 April 2021 through the common digital platform for issuance of certificate of origin of the Directorate General of Foreign Trade (DGFT), Department of Commerce at https://coo.dgft.gov.in/
The Central Board of Direct Taxes has notified Income Tax Return Forms (ITR Forms) for the Assessment Year 2021-22 vide Notification no.21/2021 in G.S.R. 242(E) dated 31.03.2021. Keeping in view the ongoing crisis due to COVID pandemic and to facilitate the taxpayers, no significant change have been made to the ITR Forms in comparison to the last year’s ITR Forms. Only the bare minimum changes necessitated due to amendments in the Income-tax Act, 1961 have been made.

ITR Form 1 (Sahaj) and ITR Form 4 (Sugam) are simpler Forms that cater to a large number of small and medium taxpayers. Sahaj can be filed by an individual having income upto Rs. 50 lakh and who receives income from salary, one house property / other sources (interest etc.). Similarly, Sugam can be filed by individuals, Hindu Undivided Families (HUFs) and firms (other than Limited Liability Partnerships (LLPs)) having total income upto Rs. 50 lakh and income from business and profession computed under the presumptive taxation provisions.

Individuals and HUFs not having income from business or profession (and not eligible for filing Sahaj) can file ITR-2 while those having income from business or profession can file ITR Form 3. Persons other than individual, HUF and companies i.e. partnership firm, LLP etc. can file ITR Form 5. Companies can file ITR Form 6. Trusts, political parties, charitable institutions etc. claiming exempt income under the Act can file ITR-7.

There is no change in the manner of filing of ITR Forms as compared to last year. The notified ITR Forms are available on http://egazette.nic.in/WriteReadData/2021/226336.pdf.
The gross GST revenue collected in the month of March 2021 is at a record of ₹ 1,23,902 crore of which CGST is ₹ 22,973 crore, SGST is ₹ 29,329 crore, IGST is ₹ 62,842 crore (including ₹ 31,097 crore collected on import of goods) and Cess is ₹ 8,757 crore (including ₹ 935 crore collected on import of goods).

The government has settled ₹ 21,879 crore to CGST and ₹ 17,230 crore to SGST from IGST as regular settlement. In addition, Centre has also settled ₹ 28,000 crore as IGST ad-hoc settlement in the ratio of 50:50 between Centre and States/UTs. The total revenue of Centre and the States after regular and ad-hoc settlements in the month of March’ 2021 is ₹ 58,852 crore for CGST and ₹ 60,559 crore for the SGST. Centre has also released a compensation of ₹ 30,000 crore during the month of March 2021.

The GST revenues during March 2021 are the highest since introduction of GST. In line with the trend of recovery in the GST revenues over past five months, the revenues for the month of March 2021 are 27% higher than the GST revenues in the same month last year. During the month, revenues from import of goods was 70% higher and the revenues from domestic transaction (including import of services) are 17% higher than the revenues from these sources during the same month last year. The GST revenue witnessed growth rate of (-) 41%, (-) 8%, 8% and 14% in the first, second, third and fourth quarters of this financial year, respectively, as compared to the same period last year, clearly indicating the trend in recovery of GST revenues as well as the economy as a whole.

GST revenues crossed above ₹ 1 lakh crore mark at a stretch for the last six months and a steep increasing trend over this period are clear indicators of rapid economic recovery post pandemic. Closer monitoring against fake-billing, deep data analytics using data from multiple sources including GST, Income-tax and Customs IT systems and effective tax administration have also contributed to the steady increase in tax revenue over last few months.

The chart below shows trends in monthly gross GST revenues during the current year. The table shows the state-wise figures of GST collected in each State during the month of March 2021 as compared to March 2020.
MINISTRY OF FINANCE

Exchange rate notification No. 40/2021 - Customs (N.T.)

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the Notification No.31/2021-Customs(N.T.), dated 18th March, 2021 except as respects things done or omitted to be done before such supersession, the Central Board of Indirect Taxes and Customs hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or vice versa, shall, with effect from 2nd April, 2021, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

**SCHEDULE-I**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Foreign Currency</th>
<th>Rate of exchange of one unit of foreign currency equivalent to Indian rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a) (For Imported Goods)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) (For Exported Goods)</td>
</tr>
<tr>
<td>1.</td>
<td>Australian Dollar</td>
<td>57.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>54.70</td>
</tr>
<tr>
<td>2.</td>
<td>Bahraini Dinar</td>
<td>200.70</td>
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<td></td>
<td></td>
<td>188.35</td>
</tr>
<tr>
<td>3.</td>
<td>Canadian Dollar</td>
<td>59.25</td>
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<tr>
<td></td>
<td></td>
<td>57.15</td>
</tr>
<tr>
<td>4.</td>
<td>Chinese Yuan</td>
<td>11.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.00</td>
</tr>
<tr>
<td>5.</td>
<td>Danish Kroner</td>
<td>11.80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.35</td>
</tr>
<tr>
<td>6.</td>
<td>EURO</td>
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<td></td>
<td>84.55</td>
</tr>
<tr>
<td>7.</td>
<td>Hong Kong Dollar</td>
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<tr>
<td></td>
<td></td>
<td>9.25</td>
</tr>
<tr>
<td>8.</td>
<td>Kuwaiti Dinar</td>
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<td></td>
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<td>234.75</td>
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<tr>
<td>9.</td>
<td>New Zealand Dollar</td>
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<tr>
<td></td>
<td></td>
<td>50.25</td>
</tr>
<tr>
<td>Sl. No.</td>
<td>Foreign Currency</td>
<td>Rate of exchange of 100 units of foreign currency equivalent to Indian rupees</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>(a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(For Imported Goods)</td>
</tr>
<tr>
<td>1.</td>
<td>Japanese Yen</td>
<td>67.55</td>
</tr>
<tr>
<td>2.</td>
<td>Korean Won</td>
<td>6.70</td>
</tr>
</tbody>
</table>

**SCHEDULE-II**
The Reserve Bank released its web publication entitled ‘Quarterly Basic Statistical Returns (BSR)-1: Outstanding Credit of Scheduled Commercial Banks (SCBs), December 2020’ on its Database on Indian Economy (DBIE) portal (web-link: https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!12). It captures various characteristics of bank credit such as occupation/activity and organisational sector of the borrower, type of account, and interest rates. Data covering 1,26,862 branches of 88 SCBs (excluding Regional Rural Banks) are presented for bank groups, population groups and states.

Highlights:

- Personal loans, which accounted for one fourth of total bank credit, continued to record double-digit growth; industrial loans remained in contraction zone.
- Among the institutional sectors, growth in credit to the household sector was sustained and its share in total credit increased to 52.3 per cent in December 2020 (50.3 per cent in December 2019).
- Private corporate sector recorded negative growth in bank credit (y-o-y) for the fifth successive quarter, reflecting tepid demand conditions; the share of private corporate sector in total credit declined to 28.5 per cent in December 2020 as compared with 31.4 per cent a year ago and 34.5 per cent two years ago.
- Weighted average lending rate (WALR) for outstanding credit declined by 87 basis points over the last one year, including 23 basis points easing during the latest quarter.

(Yogesh Dayal)
Chief General Manager
Developments in India’s Balance of Payments during the Third Quarter (October-December) of 2020-21

Preliminary data on India’s balance of payments (BoP) for the third quarter (Q3), i.e., October-December 2020-21, are presented in Statements I (BPM6 format) and II (old format).

Key Features of India’s BoP in Q3:2020-21

- India’s current account balance recorded a deficit of US$ 1.7 billion (0.2 per cent of GDP) in Q3:2020-21 after a surplus of US$ 15.1 billion (2.4 per cent of GDP) in Q2:2020-21 and US$ 19.0 billion (3.7 per cent of GDP) in Q1:2020-21; a deficit of US$ 2.6 billion (0.4 per cent of GDP) was recorded a year ago [i.e. Q3:2019-20].
- Underlying the current account deficit in Q3:2020-21 was a rise in the merchandise trade deficit to US$ 34.5 billion from US$ 14.8 billion in the preceding quarter, and an increase in net investment income payments.
- Net services receipts increased, both sequentially and on a year-on-year basis, primarily on the back of higher net export earnings from computer services.
- Private transfer receipts, mainly representing remittances by Indians employed overseas, declined marginally on a y-o-y basis but improved sequentially by 1.5 per cent to US$ 20.7 billion in Q3:2020-21.
- Net outgo on the primary income account, primarily reflecting payments of investment income, increased to US$ 10.1 billion from US$ 7.4 billion a year ago.
- In the financial account, net foreign direct investment (FDI) recorded robust inflow of US$ 17.0 billion as compared with US$ 9.7 billion in Q3:2019-20.
- Net foreign portfolio investment (FPI) was US$ 21.2 billion as compared with US$ 7.8 billion in Q3:2019-20, primarily reflecting net purchases by foreign portfolio investors in the equity market.
- With repayments exceeding fresh disbursals, external commercial borrowings to India recorded net outflow of US$ 1.7 billion in Q3:2020-21 as against an inflow of US$ 3.2 billion a year ago.
• Net accretions to non-resident deposits increased to US$ 3.0 billion from US$ 0.8 billion in Q3:2019-20.
• There was an accretion of US$ 32.5 billion to the foreign exchange reserves (on a BoP basis) as compared with that of US$ 21.6 billion in Q3:2019-20 (Table 1).

BoP during April-December 2020

• India recorded a current account surplus of 1.7 per cent of GDP in April-December 2020 as against a deficit of 1.2 per cent in April-December 2019 on the back of a sharp contraction in the trade deficit.
• Net invisible receipts were lower in April-December 2020 due to a moderation in net private transfer receipts and an increase in investment income payments.
• Net FDI inflows at US$ 40.8 billion in April-December 2020 were higher than US$ 31.1 billion in April-December 2019.
• Net FPI inflows stood at US$ 28.9 billion in April-December 2020, higher than US$ 15.1 billion a year ago.
• In April-December 2020, there was an accretion of US$ 83.9 billion to the foreign exchange reserves (on a BoP basis).

(Yogesh Dayal)
Chief General Manager
RESERVE BANK OF INDIA

India’s International Investment Position (IIP), December 2020

The Reserve Bank released data relating to India’s International Investment Position at end-December 2020.

Key Features of India’s IIP in December 2020

- Net claims of non-residents on India increased by US$ 3.1 billion from their level at the end of the previous quarter (Table 1).
- Higher increase in foreign-owned assets in India (US$ 52.3 billion) vis-à-vis Indian residents’ overseas financial assets (US$ 49.2 billion) resulted in the rise in India’s net foreign liabilities during the quarter.
- Reserve assets accounted for over two-thirds of India’s international financial assets (Table 2).
- Foreign direct investment (FDI) and portfolio equity investment dominated the rise in India’s foreign liabilities; the share of non-debt liabilities in total external liabilities increased to 52.4 per cent (50.8 per cent at end-September 2020) (Table 3).
- The ratio of India’s international financial assets to international financial liabilities improved to 71.4 per cent in December 2020 from 62.1 per cent a year ago.

(Yogesh Dayal)
Chief General Manager