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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 signed MoUs with AFC India Limited and National Cooperative Union of India to synergize the activities in the interest of agriculture and allied sectors

Agricultural and Processed Food Products Export Development Authority (APEDA), under the Ministry of Commerce and Industry, has signed MoUs with AFC India Limited, and National Cooperative Union of India (NCUI), Delhi. The objective is to utilise their expertise by mutually working together to synergize the activities in the interest of agriculture and allied sectors for bringing better value to the stakeholders.

APEDA has been focusing on collaborative approach to bring synergy with number of organisations and institutions having inherent professional and specialised expertise in different areas for capacity building of various stakeholders and providing solutions for addressing some of the identified interventions for the development of Agriculture and its export enhancement in consonance with the objectives set under Agri Export Policy announced by Government of India. The Agriculture Export Policy was framed with a focus on agriculture export oriented production, export promotion, better price realization to farmer and synchronization within policies and programmes of Government of India. It focuses on "Farmers' Centric Approach" for improved income through value addition at source itself to help minimize losses across the value chain. Policy therefore suggests to adopt the approach of developing product specific clusters in different agro climatic zones of the country to help in dealing with various supply side issues viz., soil nutrients management, higher productivity, adoption of market oriented variety of crop, use of Good Agriculture Practices etc.

APEDA has relentlessly been engaged with State Governments for the implementation of AEP. The states of Maharashtra, U.P., Kerala, Nagaland, Tamil Nadu, Assam, Punjab, Karnataka, Gujarat, Rajasthan, Andhra Pradesh, Telangana, Manipur and Sikkim have finalized the State-specific Action Plan while the action plans of other states are at different stages of finalization. 26 States & 3 UTs have nominated Nodal agencies. State level Monitoring Committees under the Chairmanship of State Chief Secretary have been formed in 21 States.

Twenty Cluster level committees have been formed in the cluster district(s) of Potato in Punjab, U.P. (two separate districts), Isabgol in Rajasthan, Orange, Pomegranate, Grapes, Banana (3 districts) in Maharashtra, Banana in Tamil Nadu, Kerala, Mango in U.P., Dairy products in Gujarat, U.P., Rose onion in Karnataka, Fresh vegetables in U.P., Orange in M.P. and Potato in Gujarat (2districts). Two round of meetings have been conducted in the clusters for sensitization of the stakeholders and discussion on the interventions required.

It is in this background that APEDA has signed MoUs with institutions like AFC India Limited and National Cooperative Union of India (NCUI).

Mr. Diwakar Nath Misra, Chairman APEDA and Mr. B.Ganeshan, Managing Director, AFC India Ltd. (formerly Agricultural Finance Corporation Ltd.) signed the MoU. AFC India Ltd., is a deemed to be Govt. organization, wholly owned by Commercial Banks, NABARD and EXIM Bank, established in 1968. It is a multi-disciplinary cross-functional development organization providing consulting, policy advisory and implementation support for agriculture, rural development and other strategic socio-economic sectors in India.

Areas of Cooperation

1. AFC India Ltd. shall identify and introduce the critical technology intervention requirement for organic production system as well as chemical/ residue free production system and at the same time also maintain/ enhance the present per unit area production level of the different Crops / Fruits & Vegetables.
2. AFC shall facilitate and support for developing the Common Processing Centers in compliance with guidelines of APEDA as per the international market requirements.
3. AFC shall endeavor to effectively support the entire value chain system and do the necessary hand holding for commercial viability initially, until these clusters and value chain will become self-sufficient in the shortest possible time.
4. AFC shall undertake the ground level implementation of all the activities under export oriented clusters notified under Agri Export Policy and other clusters recommended by APEDA in project mode by seeking the presently available subsidies through different Central Sectors and State sponsored programmes.
5. APEDA shall encourage AFC for developing Pre-Production, Production, Post Harvesting, Primary Processing, Secondary Processing and transportation/ distribution guidelines for all the stakeholders (including farmers) to meet international compliance.
6. AFC shall work towards the development of cluster identified by APEDA for implementation of various projects in the entire value chain dovetailing and converging schemes of various line Ministries.

The other MoU was signed by Dr. Tarun Bajaj, Director APEDA and Mr. N.Satyanarayana, Chief Executive, NCUI. NCUI is the apex organization of the Cooperative Movement of India registered under the Multi-State Cooperative Societies Act, 2002 whose main objective is to promote and to develop the cooperative movement in India, to educate, guide and assist the people in their efforts to build up and expand the cooperative sector and to serve as an exponent of cooperative opinion in accordance with cooperative principles.

Areas of Cooperation

1. To work together to achieve the goal of Doubling the Farmers Income as set out by the Government in its Agri Export Policy (AEP) by providing the benefit for export opportunities to farmers.
2. To work towards engaging Cooperatives involved in agricultural production for improving the quality of agri-produce and its consolidation for better price realization to the farmer. APEDA would facilitate exports by the cooperatives identified and trained by NCUI.
3. APEDA shall facilitate necessary certifications of agri-produce, organic produce/ farm lands by the cooperatives identified by NCUI.
4. To work towards Capacity Development of Agri-Processing and Allied Cooperative Societies/SHGs by organizing various Awareness Programmes, Skill Development Programmes and Workshops at regional, state and national levels.
5. Work together to showcase to the Indian and global markets, the products and services being produced/offered by Agri-Produce/Processing Cooperatives by organizing Exhibitions/Trade Fairs/B2B meetings in various parts of the country as mutually decided by both the parties from time to time at regional/state/national levels.
6. To compile a Nation-wide Directory of Agri-Produce/Processing Cooperatives.

MINISTRY OF COMMERCE & INDUSTRY

Cooperation, Collaboration and Commitment will guide the strategic partnership between India and ASEAN countries, says Shri Piyush Goyal

Commerce and Industry Minister Shri Piyush Goyal said that 3Cs- Cooperation, Collaboration and Commitment, will guide the strategic partnership between India and ASEAN countries. Addressing the ASEAN-India Business Council virtual meet, Shri Goyal said the Covid-19 pandemic period provided a unique opportunity to India to demonstrate itself as the trusted partner to the world, particularly in times of stress. Shri Goyal extended a hand of friendship to the ASEAN region, which he described as deep and valuable partners, and partners in the progress.

The Minister said that Aatamnirbhar Bharat connotes a self-reliant country which is ready to engage with the world from the position of strength and confidence, and on equal and fair terms. He said that India and ASEAN have not been able to harness the full trade potential, for various reasons, but now is the time to open matrix to expand trade, address concerns of all nations and businesses, and resolve the differences. He extended India's friendship and partnership to ASEAN through businesses, so that together both the partners are able to succeed, secure future, work together, attain prosperity, and achieve a target of \$300 billion trade. Shri Goyal said that the business council meeting is a good forum to discuss concerns and best practices, share ideas, and flag the problems.

Shri Goyal said that during the early days of pandemic, India went out to the world for its requirements to fight Covid-19, but didn't get much traction, as everyone was holding on for their own requirements. But, India, on the other hand, with the ability to provide medicines, acted as the Pharmacy for the world. We supplied medicines to over 150 countries of the world, to every part of the world, particularly to the less developed nations. Restrictions were imposed initially but that was with the noble intent of ensuring that the poor nations are not deprived of the medicines. All this showed that India is a resilient country, a trusted partner and a friend indeed.

Shri Goyal said that the country developed adequate capacity to manufacture PPE, masks, and ramped up our testing capabilities from under 1000 per day to about a million a day. "We have been self-sufficient under the leadership of the Prime Minister Shri Narendra Modi. During the period, Indians developed commitment and consciousness to maintain social distancing, to adequately take care of personal hygiene, wear a mask at all times and care for near ones.", the Minister said. He said that India demonstrated its resilience, ability to overcome problems and our collective efforts ensured that we can protect lives and livelihoods. We enforced strictest lockdown to save lives, and then ensured quick unlockdown to bring take care of the livelihood issues, he added.

MINISTRY OF FINANCE

Exchange Rates Notification No.80/2020-Customs (NT)

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the Notification No.69/2020-Customs(N.T.), dated 6th August, 2020 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 21st August, 2020, 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

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Exported Goods)
1.	Australian Dollar	55.15	52.80
2.	Bahraini Dinar	205.40	192.85
3.	Canadian Dollar	57.80	55.75
4.	Chinese Yuan	11.00	10.70
5.	Danish Kroner	12.15	11.70
6.	EURO	90.50	87.30
7.	Hong Kong Dollar	9.85	9.50
8.	Kuwaiti Dinar	253.70	238.05
9.	New Zealand Dollar	50.60	48.30
10.	Norwegian Kroner	8.55	8.25

11.	Pound Sterling	100.00	96.65
12.	Qatari Riyal	21.20	19.80
13.	Saudi Arabian Riyal	20.65	19.40
14.	Singapore Dollar	55.75	53.85
15.	South African Rand	4.50	4.20
16.	Swedish Kroner	8.75	8.45
17.	Swiss Franc	83.65	80.45
18.	Turkish Lira	10.60	9.95
19.	UAE Dirham	21.10	19.80
20.	US Dollar	75.90	74.15

SCHEDULE-II

SI. No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	72.10	69.45
2.	Korean Won	6.55	6.15

MINISTRY OF FINANCE

Loans worth more than Rs 1 Lakh crore disbursed under ECLGS

Under the 100% Emergency Credit Line Guarantee Scheme (ECLGS) backed by a Government of India guarantee, Banks from Public & Private Sectors have sanctioned loans **worth over Rs. 1.5 lakh crore as of 18th August, 2020, of which more than Rs 1 lakh crore has already been disbursed.** The ECLGS was announced by the Government as a part of Aatma Nirbhar Bharat Package, to mitigate the distress caused by lockdown due to COVID-19 by providing credit to different sectors, especially MSMEs.

The details of total loans sanctioned and disbursed by Public & Private Sector Banks are:

Bank Category-wise - ECLGS (As on 18.08.2020)

Bank	Number of Accounts (Actual Figures)		Amount (Rs. in crores)	
	Cumulative Sanctioned	Cumulative Disbursement	Cumulative Sanctioned	Cumulative Disbursement
Public Sector Banks (PSBs)	33,56,943	20,32,047	76,044.44	56,483.41
Private Sector Banks (Pvts)	7,70,545	3,05,593	74,715.02	45,762.36
Grand Total	41,27,488	23,37,640	1,50,759.45	1,02,245.77

Source: 12 Public Sector Banks (PSBs) & 24 Private Sector Banks & 31 NBFCs

Under the ECLGS, Public Sector Banks (PSBs) have sanctioned loans of Rs 76,044.44 crore, out of which Rs 56,483.41 crore has already been disbursed. Whereas Private Sector Banks have sanctioned loans of Rs 74,715.02 crore out of which Rs 45,762.36 crore has already been disbursed. The top lenders under the Scheme are State Bank of India (SBI), Canara Bank, Punjab National Bank (PNB), Bank of India, Union Bank of India and HDFC Bank Ltd.

Details of Loans sanctioned & disbursed by 12 PSBs are as follows:

Bank-wise - ECLGS (As on 18.08.2020)

Bank	Number of Accounts (Actual Figures)		Amount (Rs. in crores)	
	Cumulative Sanctioned	Cumulative Disbursement	Cumulative Sanctioned	Cumulative Disbursement
Bank of Baroda	2,86,471	1,82,560	8,127.52	5,936.55
BANK OF INDIA	4,01,988	2,17,912	5,164.75	3,868.79
BANK OF MAHARASHTRA	85,046	53,266	1,745.94	1,510.42
Canara Bank	4,65,356	3,83,534	8,247.41	6,556.47
CENTRAL BANK OF INDIA	1,57,641	1,48,590	2,581.52	2,268.19
INDIAN BANK	2,87,746	1,61,687	4,897.20	3,697.92
INDIAN OVERSEAS BANK	1,65,392	1,10,578	3,522.10	1,770.54
PUNJAB & SIND BANK	37,390	31,246	873.83	757.07
Punjab National Bank	4,14,055	1,73,004	10,218.02	7,196.81
STATE BANK OF INDIA	5,48,386	2,99,375	23,459.35	17,095.17
UCO BANK	1,48,155	60,767	1,103.40	852.78
UNION BANK OF INDIA	3,59,317	2,09,528	6,103.39	4,972.71
Grand Total	33,56,943	20,32,047	76,044.44	56,483.41

Source: Public Sector Banks (PSBs)

State wise details of loans sanctioned and disbursed under ECLGS by PSBs are as follows:

State-wise - ECLGS (As on 18.08.2020)

State	Number of Accounts (Actual Figures)		Amount (Rs. In Crores)	
	Cumulative Sanctioned	Cumulative Disbursement	Cumulative Sanctioned	Cumulative Disbursement
ANDAMAN AND NICOBAR ISLANDS	3,075	1,490	86.55	64.31
ANDHRA PRADESH	2,88,607	1,57,937	4,122.92	2,883.67
ARUNACHAL PRADESH	2,496	1,340	61.22	36.26
ASSAM	62,238	35,443	1,210.13	795.88
BIHAR	1,31,694	86,658	2,169.26	1,445.53
CHANDIGARH	5,146	3,980	337.91	225.92
CHHATTISGARH	60,843	37,574	1,583.31	1,182.92
DADRA AND NAGAR HAVELI	1,499	880	55.87	49.18
DAMAN AND DIU	1,300	714	74.41	68.99
DELHI	45,176	25,658	2,880.96	1,964.52
GOA	12,192	7,520	283.03	176.25
GUJARAT	1,48,319	77,248	7,327.86	5,150.69
HARYANA	84,842	50,403	2,863.34	2,083.45
HIMACHAL PRADESH	44,098	28,580	682.11	572.83
JAMMU AND KASHMIR	14,487	8,200	211.70	136.86
JHARKHAND	88,507	70,125	1,329.52	1,090.44
KARNATAKA	1,69,765	1,22,628	4,551.41	3,590.05
KERALA	1,36,142	1,03,150	2,566.57	2,144.97
LADAKH	1,893	432	25.19	8.13
LAKSHADWEEP	381	299	1.70	1.59
MADHYA PRADESH	2,09,859	1,09,363	3,318.13	2,266.75
MAHARASHTRA	2,75,182	1,65,510	7,756.20	6,007.32
MANIPUR	6,116	2,783	67.58	51.08
MEGHALAYA	4,747	3,166	117.17	69.36
MIZORAM	2,991	2,114	44.50	34.49
NAGALAND	3,472	2,649	50.25	41.25
ODISHA	1,51,180	77,083	2,151.80	1,617.60
PUDUCHERRY	10,864	5,898	168.52	129.11
PUNJAB	1,15,912	78,361	2,528.98	1,980.74
RAJASTHAN	1,57,428	96,767	4,188.04	3,147.14
SIKKIM	3,280	2,431	50.79	40.52
TAMIL NADU	3,60,289	2,25,718	7,740.06	5,693.71
TELANGANA	1,15,997	58,216	2,943.91	2,290.53
TRIPURA	8,818	4,489	136.34	107.76
UTTAR PRADESH	3,53,204	2,28,095	7,261.60	5,554.08
UTTARAKHAND	54,283	33,162	1,182.21	901.48
WEST BENGAL	2,20,621	1,15,983	3,913.39	2,878.07
Grand Total	33,56,943	20,32,047	76,044.44	56,483.41

Source: Public Sector Banks (PSBs)

MINISTRY OF FINANCE

A National e-Assessment Centre will be set up to implement Faceless Assessment: Principal Chief Commissioner of Income Tax, Mumbai

A National e-Assessment Centre (NeAC) and a network of Regional e-Assessment Centres will be set up to implement the Faceless Assessment Scheme of the Income Tax Department, launched nation-wide by Prime Minister Shri Narendra Modi on 13th August, 2020. The regional assessment network would comprise assessment units, verification units, technical units and review units. The system allows for dynamic jurisdiction, team-based working, and functional specialization and does away with human interface altogether. This was informed by the Principal Chief Commissioner of Income Tax, Mumbai, Shri Patanjali Jha, during a webinar on “Faceless Assessment Scheme and Virtual Court Hearings”, conducted by KPMG India.

Making a comparison between the faceless assessment system and the current system it replaces, the Principal Chief Commissioner explained how the new system is one designed for the 21st century. There is no discretion in selection of assessment cases, while earlier, case selection used to happen manually. In place of single territorial jurisdiction, we now have automated random allocation of cases. While notices used to be issued both manually and on the system, issue of notices will now be done through a central mechanism (by NeAC) in electronic mode. There shall be no physical meetings between taxpayers and officers. Wide discretion and subjective assessment are being replaced by team-based assessment and a system wherein draft order is issued in one city, review is done in another city and finalization is done in yet another city. This thereby leads to an objective, fair and just assessment order, said the Principal Chief Commissioner.

Along with Pr. CCIT, Mumbai, Chief Commissioner of Income-Tax (ReAC) Mumbai, Smt. Lekha Kumar and Principal Commissioner of Income-Tax (ReAC), Mumbai, Smt. Ratna Dasgupta also addressed the participants and responded to their queries.

The Webinar was organized to promote the awareness amongst the stakeholders about the new faceless assessment scheme and had an overwhelming participation of more than 1,000 participants. The department intends to hold more such outreach programmes in coming days to educate the tax payers about the new faceless assessment scheme.

Faceless Assessment Scheme was rolled out in the Income Tax Department as a pilot project in September, 2019. Initially, a limited number of cases were picked up for faceless assessment which was being done at eight centres in the country. The Prime Minister of India, Shri Narendra Modi announced the extension of the scheme to the entire department on 13th August 2020. The scheme is also being extended to the first appellate authority i.e. Commissioner of Income Tax (Appeals) from 25th September, 2020.

RESERVE BANK OF INDIA

New Definition of Micro, Small and Medium Enterprises – clarifications

Please refer to the [circular FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 2, 2020](#) on 'Credit flow to Micro, Small and Medium Enterprises Sector'.

In view of the representations from IBA and banks regarding applicability of certain aspects contained in the [Gazette notification No. S.O. 2119\(E\) dated June 26, 2020](#) on new criteria for classifying the enterprises as micro, small and medium enterprises, the Ministry of MSME, vide their Office Memorandum (OM) No.2/1(5)/2019 – P & G/Policy (pt. IV) dated August 6, 2020 and letter F.No.5/2(2)/2020 - P & G/Policy dated August 13, 2020 has, inter alia, clarified the following:

2.1 Classification of Enterprises as per new definition

(i) Classification / re-classification of MSMEs is the statutory responsibility of the GoI, Ministry of MSME, as per the provisions of the MSMED Act, 2006.

(ii) As per para 2 of the said Gazette notification all enterprises are required to register online and obtain 'Udyam Registration Certificate'. All lenders may, therefore, obtain 'Udyam Registration Certificate' from the entrepreneurs.

2.2 Validity of EM Part II and UAMs issued till June 30, 2020

(i) The existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAMs) of the MSMEs obtained till June 30, 2020 shall remain valid till March 31, 2021. Further, all enterprises registered till June 30, 2020, shall file new registration in the Udyam Registration Portal well before March 31, 2021.

(ii) 'Udyam Registration Certificate' issued on self-declaration basis for enterprises exempted from filing GSTR and / or ITR returns will be valid for the time being, upto March 31, 2021.

2.3 Value of Plant and Machinery or Equipment

The online form for Udyam Registration captures depreciated cost as on 31st March each year of the relevant previous year. Therefore, the value of Plant and Machinery or Equipment for all

purposes of the [Notification No. S.O. 2119\(E\) dated June 26, 2020](#) and for all the enterprises shall mean the Written Down Value (WDV) as at the end of the Financial Year as defined in the Income Tax Act and not cost of acquisition or original price, which was applicable in the context of the earlier classification criteria.

In view of the above, instructions contained in [circular FIDD.MSME & NFS.BC.No.10/06.02.31/2017-18 dated July 13, 2017](#) on 'Investment in plant and machinery for the purpose of classification as Micro, Small and Medium Enterprises – documents to be relied upon' are superseded.

Further, other instructions contained in [circular FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 2, 2020](#) remains the same.

Yours faithfully

(Sonal Sen Gupta)
Chief General Manager

RESERVE BANK OF INDIA

Reserve Bank invites comments on the draft framework for recognition of a Self-Regulatory Organisation (SRO) for Payment System Operators

As announced in the [Statement on Developmental and Regulatory policies](#) issued as part of [Monetary Policy statement dated February 6, 2020](#), the Reserve Bank hereby places a [draft framework](#) for grant of recognition to an industry association as a Self-Regulatory Organisation (SRO) for Payment System Operators (PSOs).

The SRO shall cover operators in all segments of payment systems and will be expected to observe best practices on security, customer protection and competitiveness. The SRO shall serve as a two-way communication channel between the PSOs and Reserve Bank and work towards establishing minimum benchmarks and standards in the payments space, apart from helping disciplined behaviour by members.

The framework is placed for public comments which may be forwarded through [email](#) so as to reach on or before September 15, 2020.

(Yogesh Dayal)
Chief General Manager