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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

Shri Piyush Goyal holds virtual meeting with the industry ministers of states and UT administrators to promote industrial activity and investment

Commerce and Industry Minister Shri Piyush Goyal held virtual meeting with the industry ministers of states, UT administrators and senior officers of the central and State Governments. The issues of pushing industrial manufacturing in the country, attracting investments, pushing the approach of 'One District One Product' (ODOP), and promoting a National Movement Towards 'AatmaNirbhar Bharat' were discussed in the meeting.

Shri Piyush Goyal e-launched the **National GIS-enabled Land Bank system (<https://iis.ncog.gov.in/parks>)**. The system is being developed by integration of Industrial Information System (IIS) with State GIS Systems. Project was launched today for 6 states. Launching the system, Shri Goyal expressed the confidence that other States/UTs will be onboarded by Dec 2020. He said that this is a prototype only and will be developed further with inputs from states, to make it an effective, transparent mechanism of land identification and procurement.

IIS portal is a GIS-enabled database of industrial areas/clusters across the states. More than 3,300 industrial parks across 31 States/UTs covering about 475,000 hectare land have been mapped on the System. Information available includes forest, drainage; raw material heat maps (agricultural, horticulture, mineral layers); multiple layers of connectivity. National GIS-enabled Land. The IIS adopts a committed approach towards resource optimization, industrial upgradation and sustainability. The initiative is being supported by Invest India, National Center of Geo-Informatics (NCoG), National e-Governance Division (NeGD), Ministry of Electronics & Information Technology and Bhaskaracharya Institute for Space Applications and Geo-Informatics (BISAG).

In his address, Shri Goyal called upon the states to collectively work in the spirit of 'Team India' to enhance industrial activity in the country, attract investment and provide a better life to 1.3 billion people of India, and better prospects for the coming generations. He said that AatmaNirbhar Bharat, a self-reliant country has to increase engagement with the world, from the position of confidence and strength. India has to achieve the target of 5 trillion dollar economy in five years. For this, manufacturing has to play an important role, which can provide employment and value addition, he added.

Shri Goyal called upon the states to adopt the Public Procurement Policy-Make in India Order issued by the Centre. He said that it is an effective tool to achieve AatmaNirbhar Bharat and boost local manufacturing. Under this, No Global Tender Enquiry is permitted for procurements less than Rs.200 crores. Bidders with beneficial ownership /belonging to countries sharing land border with India, will be able to participate in Government procurements only after a mandatory registration, based on clearances given by MEA, MHA & Procuring Ministries. Countries where Indian companies face restrictive trade practises, invocation of the reciprocity clause may be invoked. The Minister asked the states to appoint a senior officer who can facilitate its quick adoption. He said that the

order promotes Aatmanirbhar Bharat and would open a large number of employment opportunities, and hence there is no reason for any objection to this order by any state. State Governments of Manipur, Nagaland and Sikkim have adopted the Order so far.

The Minister also stressed on developing a single-window system, which could be One-stop digital platform to obtain all requisite central and state clearances/approvals, required to start business operations in India. This could eliminate the need for investors to visit multiple platforms/offices to gather information and obtain clearances from different stakeholders. It could leverage capabilities of existing systems and provide time-bound approvals and real-time status update to investors. Shri Goyal said that there could be a single application form which could entail Single-time upload of all relevant information & documents. He said that even the local bodies should also be involved in this system, and a notion of Deemed approval can be adopted to make the system effective. Stating that the Window could be the showpiece of our cooperative, collaborative federalism, he called upon all the states to join hands with the DPIIT.

On the approach of 'One District One Product' (ODOP), Shri Goyal said that this could help in making India a Manufacturing Powerhouse. He said that every district has some speciality, strengths or uniqueness, and ODOP could be a transformational step forward realizing the true potential of a district, fuel economic growth and generate employment and rural entrepreneurship. The approach seeks to add existing industrial capacity beyond the urban areas and create productive manufacturing from a rural/semi urban area. Shri Goyal said that the future manufacturing clusters may also have low value addition manufacturing cluster in rural India. Calling for scaling it up as a national movement, he assured the Centre's help in packaging, branding and global marketing of such products. The Minister said that states should identify products with a market potential for import substitution and export accentuation, and establish forward and backward market linkage channels. On the issue of Districts as Export Hubs, the Minister said that States/UTs have been requested to identify products unique to each district, and requested them to integrate with their district level exports strategies which feed into the State level export strategies.

Referring to the Hon'ble Prime Minister's Independence Day Announcement on Vocal for Local, Shri Goyal said that public procurement from domestic manufacturers is being encouraged through Government e Marketplace (GeM), which has made it mandatory for sellers to enter the Country of Origin while registering all new products on GeM. GeM has enabled a provision for indication of the percentage of local content for all products in the marketplace. He said that local products not only have to be promoted domestically but also at the global level. He said that for Make in India for the World, District and cluster level export strategy will benefit artisans and small and micro scale producers thereby integrating them directly with global supply chains.

On the expectations from State Governments for implementation of Agri Export Policy, Shri Goyal said that only 14 States have finalised Action Plans, and he called upon others to finalize theirs expeditiously. The states were requested to designate Nodal Agencies & Nodal Officers for the purpose, and also set up State Level Monitoring Committees.

On the issue of Value Addition in Exports, Shri Goyal said that India's exports bucket presently has a large share of primary products (Iron ore, minerals, etc.) and low value addition products. He stressed on the need for the States to incentivize value addition activity in not only Agri but also industrial products with PLI incentives to bring a large scale economies of scale.

Referring to the institutional mechanisms to fast-track investments in the country, Shri Goyal said that Empowered Group of Secretaries (E-GoS) and Project Development Cells (PDCs) in various Ministries have been set up at the Centre. He asked the states to evolve their own mechanism on the similar lines.

On the issue of regulatory burden at the State-level, Shri Goyal said that Regulatory compliance burden has an adverse effect on time and cost of business. It also leads to increase in corruption and promotes rent seeking behavior. Calling upon the Complete Review of Acts/Rules for identifying all Licenses, Certificates, Permissions; Inspections; Return filings; Registers and Records and minimize regulatory compliance, Shri Goyal said that simplification of procedures will help in attracting investments from abroad and also lead to Ease of doing Business for the domestic investors.

The Minister of State in the Ministry of commerce and Industry Shri Som Parkash said that states have to play an important role in making India a manufacturing hub and attract investment. He called upon them to identify products in each district which can then be promoted.

The state ministers, in the meeting, narrated their experiences, perceptions, achievements, requirements and suggestions, some of which were duly acknowledged and appreciated by Shri Goyal in his concluding remarks. A detailed presentation by the Officers of DPIIT was made, covering various subjects, during the meeting..

MINISTRY OF COMMERCE & INDUSTRY

17TH ASEAN-India Economic Ministers' Consultations held

Shri Piyush Goyal, Minister of Commerce and Industry & Railways and H.E. Tran Tuan Anh, Minister of Industry and Trade of Vietnam co-chaired the 17th ASEAN-India Economic Ministers Consultations held virtually. The meeting was attended by the Trade Ministers of all the 10 ASEAN countries Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. The Ministers reaffirmed their commitment to take collective actions in mitigating the economic impact of the pandemic and resolved to ensure macroeconomic and financial stability and resilient supply chain connectivity, particularly the unimpeded flow of essential goods and medicines in the region, in compliance with the WTO rules.

The Ministers' discussion centred on the review of the ASEAN India Trade in Goods Agreement (AITIGA). The Ministers appreciated the growing trade ties and deepening economic engagement between two parties. The report of the ASEAN India Business Council (AIBC) was placed before the Ministers. The AIBC Report has recommended that the AITIGA be reviewed for mutual benefit. The Ministers from India and ASEAN countries instructed the senior officials to start the discussions to determine the scope of the review at the earliest to, inter-alia, make the Free Trade Agreement more user-friendly, simple, and trade facilitative for businesses. The review will make the Agreement modern with contemporary trade facilitative practices, and streamlined customs and regulatory procedures.

Initiating the discussion, Shri Goyal highlighted that the Free Trade Agreement has to be mutually beneficial and a win-win for all sides. Shri Goyal expressed the need to strengthen the Rules of Origin provisions, work towards removal of non-tariff barriers and provide better market access. Minister Goyal reiterated India's consistent position that the review of the AITIGA has been inordinately delayed and requested for closer engagement towards finalization of the scoping exercise, before the ASEAN-India Leaders' Summit scheduled in November 2020 and to start the full review before the end of this year. Minister Goyal also stated that India and ASEAN shared a close friendship, strongly tied with historical, cultural and traditional bonds and this relationship will continue to grow for the prosperity of the people of India and the ASEAN countries.

India also made suggestions to further strengthen the AIBC and the Forum agreed to consider these suggestions to deepen the economic engagement between the two parties.

MINISTRY OF FINANCE

Import data in GSTR-2A

Two new tables have been inserted in GSTR-2A for displaying details of import of goods from overseas and inward supplies made from SEZ units / SEZ developers. Taxpayers can now view their bill of entries data which is received by the GST System (GSTN) from ICEGATE System (Customs). The present data upload has been done on a trial basis to give a feel of the functionality and to get feedback from the taxpayers on the same.

Currently, the system is displaying data up to 6th August, 2020. Further, taxpayers may note that system is currently does not contain import information for bill of entries filed at non-computerized ports (non-EDI ports) and imports made through courier services/post office. This will be made available shortly.

It may also be noted that amendment information made in the details of bill of entries will also be provided soon.

Taxpayers are requested that they share their feedback through raising a ticket on the self-service portal (<https://selfservice.gstsystem.in/>)

MINISTRY OF FINANCE

Launch of GSTR-2B for the month of July 2020

The GST Council, in its 39th meeting held on 14th March 2020, had recommended to adopt and implement the incremental approach of linking the present system of filing of **GSTR-3B** and **GSTR-1** and other significant changes like enhancements in **GSTR-2A** and its linking to **GSTR-3B**. One such enhancement that the Council recommended was introduction of an auto-drafted input tax credit (ITC) statement which would aid in assisting / determining the input tax credit that is available for every taxpayer.

GSTR-2B is going to be such an auto-drafted ITC statement which will be generated for every registered person on the basis of the information furnished by his suppliers in their respective GSTR-1, 5 (non-resident taxable person) and 6 (input service distributor). It is a static statement and will be made available for each month, on the 12th day of the succeeding month. It is expected that **GSTR-2B** will help in reduction in time taken for preparing return, minimising errors, assist reconciliation & simplify compliance relating to filing of returns.

Key features in **GSTR-2B** which would assist taxpayers in return filing are as under:

- i. It contains information on import of goods from the ICEGATE system including inward supplies of goods received from Special Economic Zones Units / Developers. This is not available with the release of GSTR-2B for the month of July and will be made available shortly.
- ii. A summary statement which shows all the ITC available and non-available under each section. The advisory given against each section clarifies the action to be taken by the taxpayers in their respective section of **GSTR-3B**;
- iii. Document level details of all invoices, credit notes, debit notes etc. is also provided both for viewing and download;

GSTR-2B for the month of July 2020 has been made available on the common portal on trial basis.

Since, this is the first time that the statement is being introduced, taxpayers are advised to refer to GSTR-2B for the month of July, 2020 only for feedback purposes.

All taxpayers are requested to go through their GSTR-2B for July 2020 and after comparing the same with the credit availed by them in July 2020, provide feedback (if any) on any aspect of GSTR-2B by raising a ticket on the self-service portal (<https://selfservice.gstsystem.in/>).

All taxpayers are advised to view the detailed advisory relating to GSTR-2B on the common portal before using the statement.

Taxpayers can access their **GSTR-2B** through: Login to GST Portal > Returns Dashboard > Select Return period > **GSTR-2B**.

MINISTRY OF FINANCE

**Faceless –E-Assessment Scheme will provide Ease of Doing Business to taxpayers:
Principal Chief Commissioner (Income Tax), Mumbai**

**Faceless E-Assessment Scheme is a “vaccine” for direct tax administration: President,
ASSOCHAM**

The newly introduced Faceless –E-Assessment Scheme will bring about various benefits for taxpayers, one of which is Ease of Doing Business, stated Shri Patanjali Jha, Principal Chief Commissioner of Income Tax, Mumbai. The utility of a scheme like this will be highly felt in a city like Mumbai where time is of value, added the Principal Chief Commissioner, while speaking at a webinar organized by ASSOCHAM. He said, it will be instrumental in saving precious time, effort and also money of taxpayers, as cost of filing will dramatically come down.

Hailing the Faceless Income Tax scheme as a step towards Minimum Government, Maximum Governance and the foundation stone for a transparent tax system, 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 will be no physical meeting with any officer, no officer will call you to office and no more waiting outside office", explained Shri Jha. He also noted, 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, said the Principal Chief Commissioner. This apart, the scheme gives opportunity to taxpayers, in case of any order prejudicial before finalizing the Assessment order. "The Taxpayers' Charter is a unique addition in the scheme", he said. Noting that "Reforms do not come in one go", the Principal Chief Commissioner-IT sought for cooperation from taxpayers so that the scheme can be implemented in the best possible manner.

Smt. Lekha Kumar, Chief Commissioner – Income Tax, Regional E-Assessment Centre (ReAC), Mumbai made a detailed presentation about the scheme. She advised taxpayers to keep an eye on their e-mail as communications or notices under this scheme will be sent electronically. Smt. Kumar also explained the salient features of the Taxpayers' Charter, by which the Income Tax Department

is committed to “treat taxpayer as honest, provide a fair and just system and also provide a fair, courteous and reasonable treatment”. This Charter mandates the Department to collect the correct amount of tax, provide timely decision and provide a mechanism for appeal and review among many other mandates. In return, taxpayers are also expected to “be honest and compliant, be informed, keep accurate records, know what the representative does on his or her behalf, respond in time and pay in time”.

Principal Commissioner –IT, ReAC, Mumbai Shri Ravindra Sai responded to the queries raised by participants and also spoke about flagging to the system certain concerns which came up in the session. Dr. Niranjan Hiranandani, President, ASSOCHAM called the Faceless E-Assessment Scheme a “vaccine” for direct tax administration, while Shri Lalit Bajaj, Chairman, WIRC, ICAI said “With the Faceless E-Assessment scheme coming, the quality of Return Assessment will improve. It will save taxpayers’ time and energy”.

RESERVE BANK OF INDIA

RBI Released 'Quarterly Statistics on Deposits and Credit of SCBs: June 2020'

The Reserve Bank released [Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks \(SCBs\), June 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 SCBs (including Regional Rural Banks and Small Finance Banks) under the Basic Statistical Return (BSR) – 7 system¹.

Highlights:

- Bank credit growth (Y-o-Y) moderated to 6.4 per cent in June 2020 from 11.7 per cent a year ago; rural branches, however, continued to record double digit credit growth.
- The deceleration in credit growth occurred across bank groups: credit growth (Y-o-Y) for private sector banks moderated to 7.2 per cent in June 2020 from 17.5 per cent a year ago but it remained higher than that for public sector banks (5.7 per cent).
- Aggregate deposits growth (Y-o-Y) accelerated to 11.5 per cent in June 2020 as compared with 10.1 per cent a year ago: the increase was broad based across population groups and all bank groups recorded double digit growth in deposits.
- The all-India credit-deposit (C-D) ratio declined to 73.1 per cent in June 2020 from 76.0 per cent in the previous quarter.
- C-D ratio declined for most of the states in the latest quarter though it remained highest (90.9 per cent) for the metropolitan branches, which have the dominant share in banking business; it stood above 100 per cent for Andhra Pradesh, Chandigarh, the National Capital Territory (NCT) of Delhi and Tamil Nadu.

Ajit Prasad
Director

Press Release: 2020-2021/266

¹ Aggregate data based on fortnightly 'Form-A' Return [collected under Section 42(2) of the RBI Act, 1934] for the reporting Fridays of June 2020 had been published earlier on the RBI's website (Home>Statistics>Data Releases> Fortnightly> [Scheduled Bank's Statement of Position in India](#)) and aggregate level monthly Sectoral Deployment of Bank Credit data for June 2020 reported by selected banks had also been published on the RBI's website (Home>Statistics>Data Releases>Monthly> [Data on Sectoral Deployment of Bank Credit](#)).

RESERVE BANK OF INDIA

Sectoral Deployment of Bank Credit – July 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 July 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 at 6.7 per cent in July 2020 was the same as in June 2020 but lower than the growth of 11.4 per cent in July 2019.
- Credit growth to agriculture and allied activities increased by 5.4 per cent in July 2020 as compared with a growth of 6.8 per cent in July 2019.
- Credit growth to industry slowed down to 0.8 per cent in July 2020 as compared with 6.1 per cent growth in July 2019.
- Within industry, credit growth to 'food processing', 'mining & quarrying', 'petroleum, coal products & nuclear fuels', 'leather & leather products', 'wood and wood products', 'construction' and 'paper & paper products' accelerated in July 2020 as compared with the growth in the corresponding month of the previous year. However, credit growth to 'chemicals & chemical products', 'rubber plastic & their products', 'infrastructure', 'gems & jewellery', 'glass & glassware' and 'beverage & tobacco' decelerated/contracted.
- Credit to the services sector continued to grow at a robust, albeit decelerated, rate of 10.1 per cent in July 2020 vis-a-vis 15.2 per cent growth in July 2019. Within this sector, credit to 'computer software' and 'tourism, hotels & restaurants' bucked the downtrend, registering accelerated growth in July 2020 vis-à-vis the growth in the corresponding month of the previous year.
- Personal loans continued to perform well registering a growth of 11.2 per cent in July 2020, as compared with 17.0 per cent growth in July 2019. Within this sector, vehicle loans registered accelerated growth in July 2020 as compared with the growth in the corresponding month of the previous year.

Ajit Prasad
Director