



The Cochin Chamber of Commerce & Industry

Dear Member,

With an aim to provide you with information and guidance regularly and to help you make informed decisions, the Chamber presents its analysis on recent subjects.

India's Foreign Trade : May 2020

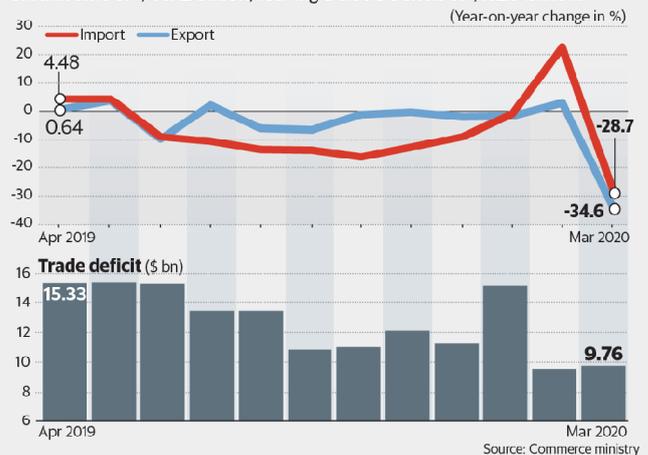
India's overall exports (Merchandise and Services combined) in April-May 2020-21* are estimated to be USD 61.57 billion, exhibiting a negative growth of (-) 33.66 per cent over the same period last year. Overall imports in April-May 2020-21* are estimated to be USD 57.19 billion, exhibiting a negative growth of (-) 48.31 per cent over the same period last year.

Download Press Release issued by PIB, New Delhi, regarding India's Foreign Trade, May 2020.

MINT GRAPHITI

Lockdown effect

During FY20, India's exports contracted 4.8% to \$314.3 billion and imports shrank 9.1% to \$467.2 billion, leaving a trade deficit of \$152.9 billion.



Recommendations of GST council related to Law & Procedure

RECOMMENDATIONS OF 40th GST COUNCIL MEETING

MEASURES FOR TRADE FACILITATION

Reduction in Late Fee for Past Returns:

- As a measure to clean up pendency in return filing, late fee for non-furnishing FORM GSTR-3B for the tax period from July, 2017 to January, 2020 has been reduced / waived as under: -
 - 'NIL' late fee if there is no tax liability;
 - Maximum late fee capped at Rs. 500/- per return if there is any tax liability;
- The reduced rate of late fee would apply for all the GSTR-3B returns furnished between 01.07.2020 to 30.09.2020

b. Further relief for small taxpayers for late filing of returns for February, March & April 2020
Tax periods:

For small taxpayers (aggregate turnover upto Rs. 5 crore), for the supplies effected in the month of February, March and April, 2020, the rate of interest for late furnishing of return for the said months beyond specified dates (staggered upto 6th July 2020) is reduced from 18% per annum to 9% per annum till 30.09.2020. In other words, for these months, small taxpayers will not be charged any interest till the notified dates for relief (staggered upto 6th July 2020) and thereafter 9% interest will be charged till 30.09.2020.

The 40th GST Council met under the Chairmanship of Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman through video conferencing here on 12th June 2020. The meeting was also attended by Union Minister of State for Finance &

Corporate Affairs Shri Anurag Thakur besides Finance Ministers of States & UTs and senior officers of the Ministry of Finance & States/UTs.

The GST Council has made the following recommendations on Law & Procedures changes.

1. Measures for Trade facilitation:

a. Reduction in Late Fee for past Returns:

As a measure to clean up pendency in return filing, late fee for non-furnishing **FORM GSTR-3B** for the tax period from **July, 2017 to January, 2020** has been reduced / waived as under: -

- i. **'NIL'** late fee if there is no tax liability;
- ii. Maximum late fee capped at **Rs. 500/- per return** if there is any tax liability.

The reduced rate of late fee would apply for all the GSTR-3B returns furnished between **01.07.2020 to 30.09.2020**.

c. Relief for small taxpayers for subsequent tax periods (May, June & July 2020):

In wake of COVID-19 pandemic, for taxpayers having aggregate turnover upto Rs. 5 crore, further relief provided by waiver of late fees and interest if the returns in **FORM GSTR-3B** for the supplies effected in the **months of May, June and July, 2020** are furnished by September, 2020 (staggered dates to be notified).

d. One time extension in period for seeking revocation of cancellation of registration:

To facilitate taxpayers who could not get their cancelled GST registrations restored in time, an opportunity is being provided for filing of application for revocation of cancellation of registration up to **30.09.2020**, in all cases where registrations have been cancelled till 12.06.2020.

2. Certain clauses of the Finance Act, 2020 amending CGST Act 2017 and IGST Act, 2017 to be brought into force from **30.06.2020**.

Index Numbers of Wholesale Price in India for the month of May, 2020

The official Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) for the month of May, 2020 declined by (-2.24%) to 117.7 (provisional) from 120.4 (Final) for the month of March, 2020.

[Download the Index Numbers of Wholesale Price in India for the month of May 2020.](#)



CBIC Begins Using e-Office in all CGST and Customs offices

Shri M. Ajit Kumar, Chairman, Central Board of Indirect Taxes and Customs (CBIC) launched the e-Office application in over 500 CGST and Customs offices across India here on 15th June 2020. The e-Office application was launched remotely in the presence of over 800 senior officers of CBIC. Dr.

The launch of e-Office is one more measure taken by the CBIC in leveraging technology for providing a 'Faceless, Contactless and Paperless' indirect Tax administration.

The e-Office application is developed by the NIC

Neeta Verma, DG, National Informatics Centre, (NIC) was also present.



Over 50,000 officers and staff will use this application making CBIC one of the largest Government departments to automate its internal office procedures.

The launch of e-Office marks a fundamental change in internal office procedures which is so far based on manual handling of files and paper movement. The CBIC expects e-Office would complement its many other IT led reforms which are directly aimed at enhancing the ease of doing business for the trade and industry.

and is supported by the Department of Administrative Reforms and Public Grievances (DARPG). E-Office aims to improve governance by automating the internal processes of handling files and taking decisions within Government. The e-Office application's main module, eFile, enables on-line file related work, starting from receiving and marking dak, operating a file, preparing a draft letter, its approval/signature and dispatch of the signed letter.

The use of e-Office by the rank and file of the CGST and Customs officers in their day to day work would lead to speedier decision making, transparency, accountability, and positive impact on the environment by cutting down the use of paper and printing. Of particular relevance in the present-day challenging situation arising due to COVID-19 is that e-Office would help avoid contact with physical files thereby preventing possible transmission of any virus. Also, e-Office ensures enhanced security as no file or document can be altered or destroyed or backdated. An in-built monitoring mechanism would identify where the files are held up enabling quick disposal and faster decision making.

The e-Office is a Mission Mode Project (MMP) under the National e-Governance of India.

Extension of various time limits under Direct Tax & Benami laws



In view of the challenges faced by taxpayers in meeting the statutory and regulatory compliance requirements across sectors due to the outbreak of Novel Corona Virus (COVID-19), the Government brought the Taxation and Other Laws (Relaxation

deduction from capital gains.

VI. The date for commencement of operation for the SEZ units for claiming deduction under section 10AA of the IT Act has also been further extended to 30th September, 2020 for the units which received necessary approval by 31st March, 2020.

VII. The furnishing of the TDS/ TCS statements and issuance of TDS/ TCS certificates being the prerequisite for enabling the taxpayers to prepare their return of income for FY 2019-20, the date for furnishing of TDS/ TCS statements and issuance of TDS/ TCS certificates pertaining to the FY 2019-20

of Certain Provisions) Ordinance, 2020 [the Ordinance] on 31st March, 2020 which, inter alia, extended various time limits. In order to provide further relief to the taxpayers for making various compliances, the Government has issued a Notification on 24th June, 2020, the salient features of which are as under:

I. The time for filing of original as well as revised income-tax returns for the FY 2018-19 (AY 2019-20) has been extended to 31st July, 2020.

II. Due date for income tax return for the FY 2019-20 (AY 2020-21) has been extended to 30th November, 2020. Hence, the returns of income which are required to be filed by 31st July, 2020 and 31st October, 2020 can be filed upto 30th November, 2020. Consequently, the date for furnishing tax audit report has also been extended to 31st October, 2020.

III. In order to provide relief to small and middle class taxpayers, the date for payment of self-assessment tax in the case of a taxpayer whose self-assessment tax liability is upto Rs. 1 lakh has also been extended to 30th November, 2020. However, it is clarified that there will be no extension of date for the payment of self-assessment tax for the taxpayers having self-assessment tax liability exceeding Rs. 1 lakh. In this case, the whole of the self-assessment tax shall be payable by the due dates specified in the Income-tax Act, 1961 (IT Act) and delayed payment would attract interest under section 234A of the IT Act.

IV. The date for making various investment/ payment for claiming deduction under Chapter VIA-B of the IT Act which includes section 80C (LIC, PPF, NSC etc.), 80D (Mediclaim), 80G (Donations) etc. has also been further extended to 31st July, 2020. Hence the investment/ payment can be made upto 31st July, 2020 for claiming the deduction under these sections for FY 2019-20.

V. The date for making investment/ construction/ purchase for claiming roll over benefit/ deduction in respect of capital gains under sections 54 to

has been extended to 31st July, 2020 and 15th August, 2020 respectively.

VIII. The date for passing of order or issuance of notice by the authorities and various compliances under various Direct Taxes & Benami Law which are required to be passed/ issued/ made by 31st December, 2020 has been extended to 31st March, 2021. Consequently, the date for linking of Aadhaar with PAN would also be extended to 31st March, 2021.

IX. The reduced rate of interest of 9% for delayed payments of taxes, levies etc. specified in the Ordinance shall not be applicable for the payments made after 30th June, 2020.

The Finance Minister has already announced extension of date for making payment without additional amount under the "Vivad Se Vishwas" Scheme to 31st December 2020, necessary legislative amendments for which shall be moved in due course of time. The said Notification has extended the date for the completion or compliance of the actions which are required to be completed under the Scheme by 30th December, 2020 to 31st December, 2020. Therefore, the date of furnishing of declaration, passing of order etc under the Scheme stand extended to 31st December, 2020.

Deferment of the implementation of new procedure for approval/ registration/ notification of certain entities u/s 10(23C), 12AA, 35 and 80G of the IT Act has already been announced vide Press Release dated 8th May, 2020 from 1st June, 2020 to 1st October, 2020. It is clarified that the old procedure i.e. pre-amended procedure shall continue to apply during the period from 1st June, 2020 to 30th September, 2020. Necessary legislative amendments in this regard shall be moved in due course of time.

The Finance Minister has already announced reduced rate of TDS for specified non-salaried payments to residents and specified TCS rates by 25% for the period from 14th May, 2020 to 31st

54GB of the IT Act has also been further extended to 30th September, 2020. Therefore, the investment/ construction/ purchase made up to 30th September, 2020 shall be eligible for claiming

March, 2021. The announcement was also followed by the Press Release dated 13th May, 2020. The necessary legislative amendments in this regard shall be moved in due course of time.

Common mistakes in preparation & filing of GSTR-3B & GSTR-1



Download Article on Common mistakes in preparation & filing of GSTR & GSTR-1.

CBIC Enables End to End Paperless Exports under Turant Customs

Shri Ajit Kumar, Chairman, Central Board of Indirect Taxes and Customs (CBIC) here on 22nd June 2020 unveiled a Secure QR coded Shipping Bill that would be electronically sent to exporters after the Customs allows export. This eliminates in one stroke the requirement of the exporters having to approach the Customs officers for proof of export. This also makes the end to end Customs export process fully electronic, from the filing of the Shipping Bill to the final order to allow export.

Today's initiative is yet another step taken by CBIC for fulfilling its commitment to a *Faceless, Paperless, and Contactless Customs* under the umbrella of its **"Turant Customs"** programme. These reforms are based on enhanced use of digital technology to reduce the time and costs for the importers, exporters and other stakeholders, thereby improving India's ranking in the World Bank's Trading Across Borders parameter of its Doing Business Report.

The launch of paperless documentation on exports is a sequel to a similar initiative that was begun for imports w.e.f. 15th April 2020. The electronic

transmission of the Shipping Bill would do away with the present requirement to take paper printout of these documents thereby promoting Green Customs. Equally importantly exporters would not have to visit the Customs Houses for this purpose and can better utilize their time in promoting their business.



Shri Ajit Kumar informed that the endeavour is to leverage technology to make the Customs clearance process more transparent and faster. *Turant Customs*, which has as its main component Faceless Assessment, would be implemented in phases across the entire country by 1st January 2021.

Government to roll out facility to file NIL Form GSTR-1 through SMS from first week of July

Government to roll out facility to file NIL Form GSTR-1 through SMS from first week of July

In a major move towards GST taxpayers' facilitation, the Government has decided to provide the facility of SMS filing of NIL statement of FORM GSTR-1 from 1st week of July 2020.

The Central Board of Indirect Taxes and Customs (CBIC) said that the filing of NIL statement in FORM GSTR-1 also through SMS would substantially improve ease of GST compliance for over 12 lakh registered taxpayers. At present, these taxpayers have to log into their account on the common portal and then file their statement of outward supplies in FORM GSTR-1 every month or each quarter.

GST taxpayers with NIL outward supplies would not be required to log on to the GST Portal and would be able to file their NIL statement in FORM GSTR-1 through just an SMS. The status confirmation of

the filed statement or return application can be tracked by them on the GST Portal by logging in to their GSTIN account and navigating to Services>Returns>Track Return Status.

It may be noted that the facility to file NIL monthly GSTR-3B return through SMS has already been made available since 8th June 2020. Taxpayers who have NIL FORM GSTR-3B return to file may avail the SMS facility.

To initiate the SMS facility, the taxpayers who wish to file Nil statement in their FORM GSTR-1 are to send SMS to 14409 as NIL<space>R1<space>GSTIN number<space>Tax period (in MMYYYY). For example: NIL R1 09XXXXXXXXXXZC 042020 (for monthly return of April 2020) or NIL R1 09XXXXXXXXXXZC 062020 (for quarterly return of April-June 2020).

After this, they will get a six-digit code with validity up to 30 minutes and can confirm their Nil statement filing by sending: CNF<space>R1<space>CODE to 14409. On successful code validation, return will be filed and taxpayers will be receiving an Acknowledgement number through SMS.

By using the similar steps taxpayers can file their NIL return in FORM GSTR-3B also however they need to use 3B instead of R1 in their SMS to 14409.

President Promulgates Banking Regulation (Amendment) Ordinance, 2020

Banking Regulation (Amendment) Ordinance, 2020



In pursuance of the commitment to ensure safety

capital. The amendments do not affect existing powers of the State Registrars of Co-operative Societies under state co-operative laws. The amendments do not apply to Primary Agricultural Credit Societies (PACS) or co-operative societies whose primary object and principal business is long-term finance for agricultural development, and which do not use the word "bank" or "banker"

of depositors across banks, the President has promulgated the Banking Regulation (Amendment) Ordinance, 2020.

The Ordinance amends the Banking Regulation Act, 1949 as applicable to Cooperative Banks. The Ordinance seeks to protect the interests of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with RBI in respect of other banks to Co-operative Banks as well for sound banking regulation, and by ensuring professionalism and enabling their access to

or “banking” and do not act as drawees of cheques.

The Ordinance also amends Section 45 of the Banking Regulation Act, to enable making of a scheme of reconstruction or amalgamation of a banking company for protecting the interest of the public, depositors and the banking system and for securing its proper management, even without making an order of moratorium, so as to avoid disruption of the financial system.

(Source : PIB, GoI)

Latest Weekly Statistics

Forex reserves
of INDIA



Dear Member,

The latest weekly statistics on Commercial Paper, Ratios & Rates, Foreign Exchange Reserves and Major Price Indices are given for your information.

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Cabinet approves Upward revision of MSME definition and modalities/ road map for implementing remaining two Packages for MSMEs

In line with Government of India's top focus on energising MSMEs in the country, a special meeting of Cabinet Committee on Economic Affairs (CCEA) was convened under the Chairmanship of Prime Minister Shri Narendra Modi, on 1st June 2020, which approved the upward revision of MSME definition and modalities/road map for laying down effective implementation mechanism for the remaining two announcements under the Atmanirbhar Bharat Package.

[Download the Press Release issued by the PIB, GoI, regarding the above.](#)



Refund under Provisions of Income Tax Act, 1961



Section 237 of the Income Tax Act, 1961 deals with Income Tax refund of excess tax paid by the assessee. If any person or assessee satisfies the assessing officer that the amount of the tax paid by him or paid by any person on his behalf during any previous assessment year exceeds the amount with which he is properly chargeable under the act for that year, he is entitled to refund of excess amount paid.

Download Article regarding Refund under Provisions of Income Tax Act, 1961.

Mistakes which you should not do in your GST work

This Article discusses some of the common mistakes in our business, which we are occurring knowingly or unknowingly. These small mistakes which are being done by us may lead to late- fees, penalty and any other action by Government department. These mistakes are very simple mistakes which you can avoid at the time of your registration and filing of return by keeping a little precaution.

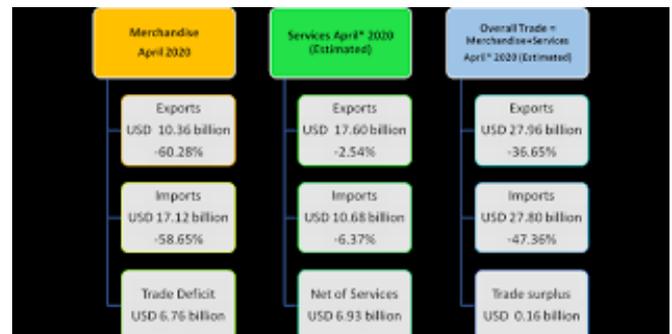
Download Article regarding Mistakes which you should not do in your GST work.



Monthly Data on India's International Trade in Services- April 2020

The value of exports and imports of services during the month of April 2020 are given in the following Table:

Table: International Trade in Services		
(US\$ Million)		
Month	Receipts (Exports)	Payments (Imports)
January - 2020	18,985	12,001
February - 2020	17,725	11,067
March - 2020	18,163	11,112
April - 2020	16,450	9,301
Note: Data are provisional.		



Monthly data on services are provisional and would undergo revision when the Balance of Payments (BoP) data are released on a quarterly basis.