



INDIRECT TAX E-BULLETIN

VOL 1 | ISSUE 1
FEBRUARY 2021

- ▶ GOODS AND SERVICES TAX
- ▶ LEGACY TAXES
- ▶ CUSTOMS
- ▶ TRADE PROTECTION MEASURES
- ▶ FOREIGN TRADE POLICY & SPECIAL ECONOMIC ZONES
- ▶ INCENTIVE / INDUSTRIAL POLICIES BY STATE / UT / CENTRAL GOVERNMENT
- ▶ OTHER REGULATORY MEASURES



**KHAITAN
& CO**
Advocates since 1911

01. GOODS AND SERVICES TAX

NOTIFICATIONS AND CIRCULARS

- Aadhaar based authentication for registration
- Due date of filing of annual returns extended till 31 March 2021
- SOP for implementation of provision for suspension of registrations under Rule 21A(2A) of the CGST Rules, 2017
- Clarifications issued with respect to applicability of Dynamic QR Code on B2C invoices

CASE LAWS | SUPREME COURT & HIGH COURTS

- TRAN-1 Return
- Simultaneous Investigations by different GST officers

AAR & AAAR

- Activities of a liaison office do not constitute taxable supplies:
- Electricity Charges with Rent

02. LEGACY TAXES (CENTRAL EXCISE / SERVICE TAX / VAT / CST)

CASE LAWS | SUPREME COURT & HIGH COURTS

- Opportunity of hearing is mandatory for any action under Section 14AA of the Central Excise Act, 1944
- Refund of excess payment made during investigation
- Rules of classification

CASE LAWS | CESTAT

- Service tax on liquor license fee
- Secondment of employees is not “manpower recruitment or supply agency service”

03. CUSTOMS

CASE LAWS | SUPREME COURT & HIGH COURTS

- DRI is not “the proper officer” for section 28 of the Customs Act 1962

CASE LAWS | CESTAT

- Ruling on classification of winches, enforcement of BIS and penalty in case of mis-classification

04. TRADE PROTECTION MEASURES

BY INDIA - INITIATION, PROVISIONAL, FINAL INCLUDING REVIEW

- Initiation of anti-dumping investigation
- Mid Term Review
- Sunset Review
- Second Sunset Review
- Temporary reprieve
- Definite Anti-dumping duty
- Extension of levy
- Countervailing duty

05. FOREIGN TRADE POLICY AND SPECIAL ECONOMIC ZONES

IMPORT & EXPORT POLICY UPDATES

- Import Policy on odoriferous preparations:
- Policy on handle food import at the time of clearances:

NOTIFICATIONS / CIRCULARS / PUBLIC NOTICES PERTAINING TO CURRENT FTP

- e-Certificate Management System
- Launch of e-TRQ
- Coal Import Monitoring System
- Yearly up-dation of Importer Exporter Code
- Issuance of Certificate of Origin (Non-Preferential)
- Registration-cum-Membership Certificate (RCMC)
- SOP for verification of Self Certified CoO under GSP System
- Town of Export Excellence
- Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme

CASES | CESTAT, HIGH COURT AND SUPREME COURT

- MEIS-benefit not deniable for 'procedural infirmity' when intention evident from documents

06. INCENTIVE / INDUSTRIAL POLICIES BY STATE / UT / CENTRAL GOVERNMENT

- Announcement of New Central Sector Scheme for Industrial Development of Union Territory of Jammu & Kashmir (J&K ID Scheme)
- Announcement of production linked incentive (PLI) scheme to promote telecom and networking products manufacturing in India

07. OTHER REGULATORY LAWS

AMENDMENT UNDER BUREAU OF INDIAN STANDARDS ACT 2006

- Amendment to Bureau of Indian Standards (Conformity Assessment) Regulations, 2018
- New Articles under compulsory standard marks by Bureau of Indian Standards (BIS):

01.

GOODS AND SERVICES TAX

NOTIFICATIONS AND CIRCULARS

Aadhaar based authentication for registration

CBIC notified the following class of persons who are dispensed with Aadhaar based authentication requirement as per Section 25(6B) and Section 25(6C) of the CGST Act, 2017:

- Person who is not a citizen of India;
- Department or establishment of the Central Government or State Government;
- A Local Authority ;
- A Statutory Body;
- A Public Sector Undertaking;
- A specialised agency of UN or any multilateral financial institution or organisation notified under UN (privileges and Immunities) Act, 1947; Consulate or Embassy of foreign countries; and
- Any persons or class of persons as may be notified by a Commissioner.

Prior to 23 February 2021, the exemption was extended to:

- Individual;
- Authorised signatory of all types;
- Managing and authorised partner; and
- Karta of a Hindu undivided family

However, exemptions to these categories have been revoked.

[Notification No. 03/2021-CT dated 23 February 2021]

Due date of filing of annual returns extended till 31 March 2021

Due date of filing annual returns for the period 28 February 2021 has been extended till 31 March 2021.

[Notification No. 4/2021 dated 28 February 2021]

SOP for implementation of provision for suspension of registrations under Rule 21A(2A) of the CGST Rules, 2017

CBIC issued SOP on cancellation of Registrations under Rule 21A(2A) of the CGST Rules, 2017. Salient features are:

- In terms of Rule 21A(2A) registration can be suspended in case there are significant differences or anomalies indicating contravention of provisions of the CGST Act or Rules;
- Registration will be cancelled after following principles of natural justice, post due communication of notice to assessee *vide* registered email address. Suspension will be based on recommendation of the GST Council; and
- Proper officer is also conferred with powers to revoke suspension after due compliance.

[Circular No. 145/01/2021 dated 11 February 2021]

Clarifications issued with respect to applicability of Dynamic QR Code on B2C invoices

CBIC issued clarifications on the following issues pertaining to Dynamic QR Code on B2C Invoices and compliance of Notification 14/2020-CT dated 21 March 2020:

Question	Clarification
1. To which invoice is Dynamic QR Code requirement (under Notification No. 14/2020-CT dated 21 March 2020) applicable? Would this requirement be applicable on invoices issued for supplies made for exports?	<p>B2C invoice issued by registered person (with turnover over Rs. 500 Crores in any Financial Year from 2017-18) to unregistered persons. Condition is not applicable to:</p> <ol style="list-style-type: none"> An insurer or banking company or a financial institution including NBFCs; GTA; Passenger transportation service provider; Multiplex operators; and OIDAR service providers registered under Section 14 of IGST Act. <p>Condition will not be applicable to exports. Export transactions will be governed by a separate notification, (i.e. Notification</p>



Question	Clarification
	No. 13/2020-CT dated 21 March 2020).
2. Parameters / details required to be captured in QR Code	Dynamic QR Code, in terms of Notification No. 14/2020-CT dated 21 March 2020 is required to contain: <ol style="list-style-type: none"> Supplier GSTIN Number; Supplier UPI ID Payee's bank A/c Number and IFSC Invoice Number and Invoice date Total Invoice Value GST amount along with breakup ie CGST, SGST, IGST Cess, etc., Dynamic QR code should be such that it can be scanned to make digital payment.
3. If customer opts to make payment without using dynamic QR code will such payment be in compliance with the dynamic QR code requirement?	As long as details and mode of payment are cross referenced on the invoice, then the invoice shall be in compliance with dynamic QR code requirement.
4. Where electronic mode of payment is displayed by supplier through mobile or computer applications but dynamic QR code is not displayed. How can the requirement of dynamic QR Code be complied.	As long as cross reference of payment made using electronic mode is made on invoice, the invoice will be deemed to be compliant. If payment is made after generation of invoice, such invoice should reflect dynamic QR code.

[Circular No. 146/02/2021-GST dated 23 February 2021]

CASE LAWS | SUPREME COURT & HIGH COURTS

TRAN-1 Return

SC dismissed Revenue's SLP against Delhi High Court's direction of reopening portal for allowing Tran-1 filing (due to technical glitch). Dismissal was predominantly on account of delay of 238 days in filing appeal, which was not satisfactorily explained. Court additionally observed that there was no merit in the SLP.

[Nodal Officer Delhi State GST Department vs Aagman Services Pvt Ltd. & Ors. SLP (Civil) Diary No. 22386/2020]

Simultaneous Investigations by different GST officers

Punjab and Haryana High Court held that simultaneous investigation by different GST officers is permissible when investigation is on separate matters without overlap and will not violate Section 6(2)(b) of the CGST Act, 2017. In this case, Respondents gave an assurance that ongoing investigation by DGGI, Ludhiana would not cover aspects already under investigation by any other Government Authority.

[Kushal Kumar Mishra vs ADG, Ludhiana Zonal Unit and Anr. CWP-21387-2020 (P&H HC)]

AAR & AAAR

Activities of a liaison office do not constitute taxable supplies:

The Appellant, M/s. Fraunhofer-Gesellschaft Zurforderung Der Angew and ten for schunge an organisation incorporated in Germany, had established a liaison office in India which was regulated by the Foreign Exchange Management Act, 1999 and was permitted to carry on operations by the RBI. The aforesaid regulation/permission *inter alia* stipulated that the liaison office shall not be carrying on any industrial/commercial/business activity in India. The Appellant had approached the Authority for Advance Ruling, Karnataka (AAR) seeking a ruling on "whether the activities of a liaison office amount to supply of services?" along with other ancillary queries on registration requirements and liability to pay GST. The AAR concluded that the liaison activities were taxable supplies while observing that:

- The liaison office in India and the head office in Germany qualified as "related persons" and



the definition of “business” in Section 2(17) of the CGST Act was wide enough to cover the liaison activities; and

- (ii) The activities performed by the liaison office in India for the head office in Germany resultantly fell within the scope of supply as set out in Section 7(1)(c) read with Schedule I of the CGST Act viz. activities qualifying as supplies despite the absence of consideration.

Aggrieved by the AAR’s Order, the Appellant carried an appeal to the Karnataka Appellate Authority for Advance Ruling (AAAR). The AAAR set aside the ruling of the lower authority and concluded that the liaison activities did not constitute a supply under the CGST Act. The key reasons as deduced by the AAAR have been set out hereunder:

- (i) The liaison office is not recognized as a separate legal entity in India and can at best be considered as a geographical extension of the parent company in Germany. Since the concept of a “related person” pre-supposes the existence of two persons, the company in Germany and the liaison office in India are not

“related persons” but are instead one single legal entity. Further, the liaison activities do not fall within the purview of the definition of “business”; and

- (ii) The parent company in Germany and the liaison office being one legal entity, the liaison activities performed for the parent company is tantamount to a service rendered to self, which does not fall within the scope of ‘supply’ under GST.

[Fraunhofer-Gesellschaft Zurforderung Der Angewandtenforschung – KAR/AAR/04/2021]

Electricity Charges with Rent

Gujarat AAR held that electricity charges cannot be included in value of supply under Section 15(2)(c) of the CGST Act, 2017, when collected in addition to rent in the absence of express clause providing for such recovery under the lease agreement.

[Gujarat Narmada Valley Fertilizers & Chemicals Ltd. AAR No. GUJ/ GAAR/ R/93/2020]

02.

LEGACY TAXES (CENTRAL EXCISE / SERVICE TAX / VAT / CST)

CASE LAWS | SUPREME COURT & HIGH COURTS

Opportunity of hearing is mandatory for any action under Section 14AA of the Central Excise Act, 1944

The Petitioner challenged the action of the Commissioner in invoking Section 14AA of the Central Excise Act, 1944 without giving any notice or hearing opportunity to it.

The Hon’ble Court held that the intent of Section 14AA is to levy an additional audit responsibility on those class of Petitioners who have availed irregularly high quantum of credit. The requirement arises only when the Commissioner is of the view that high quantum of credit has been availed. Considering the object and intent of the provision, it was held that the principles of natural

justice must be read into the provision and it is incumbent that an assessee is heard before any order is passed under Section 14AA.

[Paharpur Cooling Towers Ltd & Anr v Assistant Commissioner of Central Excise, Calcutta. 2021-VIL-94-CAL-CE]

Refund of excess payment made during investigation

The Petitioner had not paid certain quantum of duty on goods which it had captively consumed. During the course of investigation, the Appellant accepted its liability and sought to pay the same. Subsequently, Show Cause Notice sought to appropriate the same. The Petitioner subsequently settled dispute before the Settlement Commission admitting liability for lower amount and sought refund of the balance amount.

The Hon’ble High Court held that excess amount left after adjusting the cumulative tax liability has to be paid back. Further, question of limitation for amounts paid during investigation do not arise since such payments partake the character of “payment under protest”. The Hon’ble High Court held that retaining of excess money after adjusting the tax liability would be contrary to law. With these observations, the liability was adjusted, and the refund was granted.



[Tamil Nadu Newsprint and Papers Ltd v Customs, Central Excise & Settlement Commission & Commissioner, CGST 2021-VIL-160-MAD-CE]

Rules of classification

Hon'ble Supreme Court, while deciding a case involving classification of relays used as part of the Railways signalling system under Central Excise Tariff Act. In this case, Hon'ble Supreme Court dealt with the application of Section Note 2 and Section Note 3 of Chapter 87 of the Central Excise Tariff. Per the Supreme Court, Section Note 3 (sole or exclusive use) takes precedence over Section Note 2.

[Westinghouse Saxby Farmer Limited vs. Commr of Central Excise, Calcutta 2021-TIOL-121-SC-CX-LB]

CASE LAWS | CESTAT

Service tax on liquor license fee

The Appellant was involved in the manufacture and sale of alcoholic liquor. For the purpose of conducting its business, it had paid various fees like Brewery License Fee, Bond Registration Fee, Permit Fee, Registration Fee, Export Fee, Import Fee, Appeal filing fee to the State Government. Demand was raised on the Appellant for paying service tax under reverse charge mechanism vis-à-vis the various kinds of fee paid to the State Government.

The Hon'ble Tribunal interpreted the phrase "by whatever name called" as appearing in Section 117 to mean and include fees paid for activities such as import, export, transport, brand registration etc. In addition to the same, it was also noted that grant of license or permit by the State Government is in lieu of parting with its privilege to deal with liquor. The same is not confined merely to the license for manufacturing liquor but also takes within its fold the other ancillary aspects such as import, export and transport. Accordingly, the demand raised vis-à-vis the

payments made for these activities were set aside. The sole demand which was sustained was demand on account of payment made for storage renewal fees.

[Anheuser Busch InBev India Ltd v Commissioner of Central Tax, Bengaluru 2021-VIL-70-CESTAT-BLR-ST]

Secondment of employees is not "manpower recruitment or supply agency service"

The Appellant had incurred expenses on reimbursement of remuneration paid to manpower deployed by Appellant's parent company situated in USA. The Appellant was alleged to have evaded service tax on the aspect of receipt of "Manpower recruitment or supply agency Service"

The Hon'ble Tribunal held that for any service to qualify as "manpower recruitment or supply agency service", few conditions have to be fulfilled.

They are:

- the agency needs to be a person;
- the agency must be providing a specified service;
- the specified service has to be of recruitment or supply of manpower; and
- the service may be provided directly or indirectly and can be on a temporarily basis or otherwise.

Taking into consideration the factual matrix and the agreements executed, the Hon'ble CESTAT did not find the aforesaid conditions to be present. The act of secondment of employees by the parent company was held to not amount to "manpower recruitment or supply agency service". The demand was accordingly set aside.

[Lowe's Services India Pvt Ltd v Commissioner of Central Tax, Bangalore 2021-VIL-69-CESTAT-BLR-ST]



03. CUSTOMS

CASE LAWS | SUPREME COURT & HIGH COURTS

DRI is not “the proper officer” for section 28 of the Customs Act 1962

The Hon'ble Supreme Court, while deciding the authority of the DRI, emphasized on the article “the” occurring before the phrase ‘proper officer’, and stated that the legislature does not intend to confer the power on any ‘proper officer’, but only on “the proper officer”. While referring to the earlier decision of the Supreme court in the case of Consolidated Coffee Ltd. and Another vs. Coffee Board, Bangalore [(1980) 3 SCC 358] and Shri Ishar Alloy Steels Ltd. vs. Jayaswal Neco Ltd, [(2001) 3 SCC 609], the Hon'ble Supreme Court held that the article “the” is called a ‘Definite Article’ because it points out and refers to a particular person or a thing. If the legislature intended that ‘any proper officer’ could exercise powers under Section 28(4) of the Customs Act then it could have used the word “any”. Specific usage of the article “the” has been done with the intention to designate only the ‘proper officer’ who had assessed the goods at the time of clearance as the officer who could issue a show cause notice under section 28(4).

[*Canon India Private Limited v. Commissioner of Customs, Civil Appeal No.1827 of 2018*]

CASE LAWS | CESTAT

04. TRADE PROTECTION MEASURES

BY INDIA – INITIATION, PROVISIONAL, FINAL INCLUDING REVIEW

Initiation of anti-dumping investigation

Ruling on classification of winches, enforcement of BIS and penalty in case of mis- classification

In a recent decision, CESTAT Mumbai held as under:

- Winch primary used is the synchronized spatial choreography of large arrays of tethered lighting elements, and specifically used for stage lighting is not a simple handling or lifting equipment but a lighting fixture and therefore, considering essential characteristics of the goods, merits classifications under heading 94054090 of the customs tariff.
- The Electronics and IT Goods (Requirements for Compulsory Registration) Order, 2012 requires specified electronics and IT goods to be compulsorily registered with BIS authorities for import into India. Such goods are also must confirm to the specified Indian Standard (IS) and bear Self declaration confirming to Relevant IS on the goods. In absence of any specified IS, such goods cannot be brought within the ambit of the Order.
- Mere misclassification of goods is not a misdeclaration and therefore goods cannot be confiscated under Section 111(m) of the Customs Act for misclassification under Customs tariff.

[*Star Dimension India Pvt Ltd vs Assistant Commissioner of Customs 2021-TIOL-95-CESTAT-MUM*]

Plastic processing machines or injection press used for processing or moulding of plastic materials (excluding blow moulding machines, vertical injection moulding machines, electric injection moulding machines, and multi colour/multi-mould machine) imported from China PR on an application filed by the Plastic Machinery Manufacturers Association.

[*DGTR Case No. AD-OI-46/2020 dated 17 February 2021*]

Mid Term Review

“Welded Stainless Steel Pipes and Tubes” imported from China and Vietnam has been



initiated on application by Kunshan Kinglai Hygienic Materials.

Sunset Review

“Polytetrafluoroethylene” imported from Russia has been initiated on complaint by Gujarat Fluorochemicals.

Second Sunset Review

Viscose Staple Fibre (VSF) excluding Bamboo fibre imported from China PR and Indonesia on an application filed by the Association of Man Made Fibre Industry of India. VSF was subjected to anti-dumping duty vide Notification No. 76/2010-Cus (ADD) dated 26 July 2010 for a period of five years and has been extended for another five years vide Notification No. 43/2016-Cus (ADD) dated 8 August 2016. Existing duties will expire on 7 August 2021.

[DGTR Case No. SSR-AD-03/2021 dated 22 February 2021]

Temporary reprieve

Anti-dumping duty payable on the following products has been temporarily revoked for the period from 2 February 2021 to 30 September 2021:

Products	Country of origin / Country of export	Original Notification
Straight Length Bars and Rods of Alloy Steel falling	People's Republic of China	Notification No. 54/2018-Customs (ADD), dated 18 October 2018
High-Speed Steel of Non-Cobalt Grade	Brazil, China, Germany	Notification No. 38/2019-Customs (ADD), dated 25 September 2019
Flat rolled product of steel, plated or coated with alloy of Aluminium and Zinc	China, Vietnam and Republic of Korea	Notification No. 16/2020-Customs (ADD), dated 23 June 2020

[Notification Nos. 05/2021-Customs (ADD) dated 1 February 2021; 6/2021-Customs (ADD) dated 1 February 2021; 7/2021-Customs (ADD) dated 1 February 2021]

Definite Anti-dumping duty

Aniline at varying rates ranging from USD 36.90 / MT to USD 121.79 / MT) depending upon the country of origin and exporting country as well as the producer. It will be levied for a period of five years effective from 29 July 2020 and shall exclude the period from 29 January 2020 till 18 February 2021 (being the intervening period between the lapse of the provisional levy and finalisation thereof). The anti-dumping duty will be payable in Indian currency by taking the applicable exchange rate.

[Notification No.8/2021-Customs (ADD) dated 19 February 2021]

Extension of levy

- Glazed/Unglazed Porcelain/Vitrified tiles in polished or unpolished finish with less than 3% water absorption when imported from China - anti-dumping duty extended upto 28 June 2021.

[Notification No.9/2021-Customs (ADD) dated 25 February 2021]

- Melamine when imported from China - anti-dumping duty extended up to 31 March 2021

[Notification No.10/2021-Customs (ADD) dated 25 February 2021]

Countervailing duty

- Flat products of stainless steel imported from Indonesia has been rolled back with effect from 2 February 2021.

[Notification No. 01/2021-Customs (CVD) dated 1 February 2021]

- Certain Hot Rolled and Cold Rolled Stainless Steel Flat Products imported from China has been temporarily revoked for the period from 2 February 2021 to 30 September 2021

[Notification No. 02/2021-Customs (CVD) dated 1 February 2021]



05.

FOREIGN TRADE POLICY AND SPECIAL ECONOMIC ZONES

IMPORT & EXPORT POLICY UPDATES

Import Policy on odoriferous preparations:

Import of odoriferous preparations such as room fresheners/car fresheners that do not operate by burning falling under HS Code 33074900 made 'free' from "restricted" category.

[Notification No. 54/2015-2020 dated 1 January 2021]

Policy on handle food import at the time of clearances:

New sub para added in General Notes Regarding Import Policy Schedule I in ITC(HS) 2017, listing out Authorised Officers to handle food import clearances at 150 food import entry points for items listed against HS Code 1515 of ITC(HS) 2017 (Other Fixed Vegetable Fats and oils).

[Notification No. 57/2015-2020 dated 10 February 2021]

NOTIFICATIONS / CIRCULARS / PUBLIC NOTICES PERTAINING TO CURRENT FTP

e-Certificate Management System

With effect from 22 February 2021 onwards, following applications have to be submitted online under "online e-Certificate Management System" through importer's dashboard on the DGFT Web portal:

- a. I Card (as under ANF-2B);
- b. Free Sale and Commerce Certificate (as under ANF-2H & 2I);
- c. End User Certificate (as under ANF-2J); and
- d. Status Holder Certificate (as under ANF-3C).

[Trade Notice No. 41/2020-21 dated 15 February 2021]

Launch of e-TRQ

With effect from 8th February 2021 onwards, all applicants seeking Tariff Rate Quota (TRQ) for imports need to apply online under "e-Tariff Rate Quota" in the Import Management System, through importer's dashboard on the DGFT Web portal.

[Trade Notice No. 40/2020-21 dated 4 February 2021]

Coal Import Monitoring System

The effective date of Coal Import Monitoring System introduced vide Notification No.49/2015-2020 dated 22 December 2020 for import of Anthracite Coal, Bituminous Coal, Coking Coal, Steam Coal and other Coal (HS Code 27011990) extended to 1 April 2021 from 1 February 2021. The facility of online registration under the said system to be made available from 15 February 2021.

[Notification No. 56/2015-2020 dated 28 January 2021]

Yearly up-dation of Importer Exporter Code

Every importer / exporter is mandatorily required to IEC every year failing which IEC would be deactivated.

[Notification No. 58/2015-20 dated 12 February 2021]

Issuance of Certificate of Origin (Non-Preferential)

All India Plastics Manufacturers Association (North Zone), Gurugram, Haryana authorised to issue Certificate of Origin (Non-Preferential) and is enlisted under Appendix 2E of FTP, 2015-2020 [List of Agencies Authorized to issue Certificate of Origin (Non-Preferential)].

[Public Notice No. 37/2015-2020 dated 8 January 2021]

Registration-cum-Membership Certificate (RCMC)

Details of products inserted for which M/s Electronics and Computer Software Export Promotion Council is authorised to issue Registration-cum-Membership Certificate (RCMC) under Appendix 2T of FTP, 2015-2020 [List of Export Promotion Councils/Commodity Boards/Export Development Authorities]. Such products are Consumer electronics, Electronic



instruments, Electronic components, Computer hardware, Computer software, IT/ITES software services, BPO/KPO.

[Public Notice No. 38/2015-2020 dated 9 February 2021]

SOP for verification of Self Certified CoO under GSP System

For verification of the self-declaration of the Certificate of Origin by the competent local authorities, DGFT has notified Standard Operating System Annexure II Appendix 2C.

[Public Notice No. 39/2015-20 dated 15 February 2021]

Town of Export Excellence

Noida in Uttar Pradesh has been notified as a Town of Export Excellence for Apparel products in Appendix 1B of Handbook of Procedures.

[Public Notice No. 40/2015-20 dated 25 February 2021]

Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme

RoDTEP shall be applicable to all goods exported with effect from 1 January 2021 with an aim to refund exporters the embedded Central, State and local duties/taxes that were so far not being rebated/refunded and therefore placing exports at a disadvantage. The refund would be credited in an exporter's ledger account with customs and

used to pay Basic Customs duty on imported goods.

RoDTEP rates would be notified shortly by the Department of Commerce. Exporters desirous of availing the benefit under the RoDTEP scheme shall be required to declare its intention for each export item in the shipping bill or bill of export. The notified rates, irrespective of the date of notification, shall apply with effect from 1 January 2021 to all eligible exports of goods.

[Press Release dated 31 December 2020]

CASES | CESTAT, HIGH COURT AND SUPREME COURT

MEIS-benefit not deniable for 'procedural infirmity' when intention evident from documents

Shipping bills filed with declaration of intent to avail the MEIS benefits, erroneously marking 'N' instead of 'Y' in the reward column of such shipping bills on EDI System. Revenue denied the MEIS benefits even after issuance of Amendment Certificate altering the declaration in the Relevant Shipping bills for claiming MEIS Scheme from 'No' to 'Yes'.

Gujarat High Court grants benefits of MEIS holding that benefit cannot be denied merely for 'procedural infirmity' in marking/ticking "Y" in the rewards column when intention evident from documents.

[Bombardier Transportation India Pvt. Ltd. Vs. DGFT (Gujarat High Court)]

of Jammu & Kashmir (J&K ID Scheme)

The Central Government has announced a new industrial development scheme which would be effective from 01 April 2021 up till 31 March 2037. The scheme seeks to promote setting up and expansion of manufacturing and eligible services units in the Union Territory of Jammu & Kashmir. Broadly, following kinds of incentives are available under the scheme:

- a. Capital Investment Incentive;
- b. Capital Interest Subvention;
- c. Goods and Services Tax Linked Incentives; and
- d. Working Capital Interest Subvention.

06.

INCENTIVE / INDUSTRIAL POLICIES BY STATE / UT / CENTRAL GOVERNMENT

Notifications / Circulars / Public Notices pertaining to current UT and Central Government Industrial Policy

Announcement of New Central Sector Scheme for Industrial Development of Union Territory



While all manufacturing sectors are eligible under the scheme (except for the industries specified in a negative list), the incentive under the scheme is available only to certain specified services sectors, viz:

- a. Tourism and hospitality;
- b. Services promoting film tourism;
- c. Ropeways, entertainment parks, etc;
- d. Heritage property restoration;
- e. Healthcare;
- f. IT / ITES;
- g. Maintenance & repairs;
- h. Logistics;
- i. Testing, analysis, R&D and certification; and
- j. Education and skill development.

[Notification in F. No. 1(1)/2020-SSS dated 19 February 2021]

Announcement of production linked incentive (PLI) scheme to promote telecom and networking products manufacturing in India

Ministry of Communications has issued a PLI scheme with an intent to promote manufacturing of Telecom and Networking products in India. The scheme would be providing certain incentives as a percentage of eligible sales over the base year. Products eligible under the PLI scheme are as under:

- a. Core Transmission Equipment;
- b. 4G/5G, Next Generation Radio Access Network and Wireless Equipment;
- c. Access & Customer Premises Equipment (CPE), Internet of Things (IoT) Access Devices and Other Wireless Equipment; and
- d. Enterprise equipment: Switches, Routers.

[Notification in F. No. 13-01/2020-IC 24 February 2021]

07.

OTHER REGULATORY LAWS

AMENDMENT UNDER BUREAU OF INDIAN STANDARDS ACT 2006

Amendment to Bureau of Indian Standards (Conformity Assessment) Regulations, 2018

An amendment has been proposed in the renewal procedure for license to use Standard Mark granted by Bureau of Indian Standards ("BIS") under Bureau of Indian Standards (Conformity Assessment) Regulations, 2018. As per the amendment, a new category of license, viz "Dormant" license has been provided for. Under this, a manufacturer holding a licence due for renewal may submit an application requesting for the expiry of his license to be kept in deferment for a period not exceeding one year as he would not be able to operate the license because of financial problems arising out of lack of demand for the Standard Marked products.

[Department of Consumer Affairs Notification in F. No. BS/11/11/2021 dated 5 February 2021]

New Articles under compulsory standard marks by Bureau of Indian Standards (BIS):

Effective	Goods / articles	Indian Standard	Web Link
May 2021			
10 th	Press Tool Punches	IS 4296 (Part 1): 2016	Here
		IS 4296 (Part 2): 2015	Here
		IS 4296 (Part 3): 2015	Here
July 2021			



Effective	Goods / articles	Indian Standard	Web Link
1 st	Industrial and protective rubber knee and ankle boots	IS 5557: 2004	Here
	All rubber gum boots and ankle boots	IS 5557 (Part 2):2018	Here
	Moulded solid rubber soles and heels	IS 5676: 1995	Here
	Rubber microcellular sheets for soles and heels	IS 6664: 1992	Here
	Solid PVC soles and heels	IS 6719: 1972	Here
	PVC sandal	IS 6721: 1972	Here
	Rubber Hawaii Chappal	IS 10702: 1992	Here
	Slipper, rubber	IS 11544: 1986	Here
	Polyvinyl chloride (PVC) industrial boots	IS 12254: 1993	Here
	Polyurethane sole, semirigid	IS 13893: 1994	Here
	Unlined moulded rubber boots	IS 13995: 1995	Here
	Moulded plastics footwear- Lined or Unlined polyurethane boots for general industrial use	IS 16645: 2018	Here
	Footwear for men and women for municipal scavenging work	IS 16994: 2018	Here
	Personal Protective Equipment - Footwear	IS 15298 (Part 2): 2016	Here
IS 15298 (Part 3) : 2019		Here	
IS 15298 (Part 4) : 2017		Here	
August 2021			
1 st	Centrifugally cast (Spun) iron pipes	IS 1536: 2001	Here
		IS 3989: 2009	Here
		IS 15905: 2011	Here
January 2022			
1 st	Household refrigerating appliance- Refrigerators with or without low temperature	IS 1476 (Part1): 2000	Here
	Freezers	IS 7872: 2018	Here
	Household frost - Free refrigerating appliances - Refrigerators cooled by internal forced air circulation	IS 15750: 2006	Here

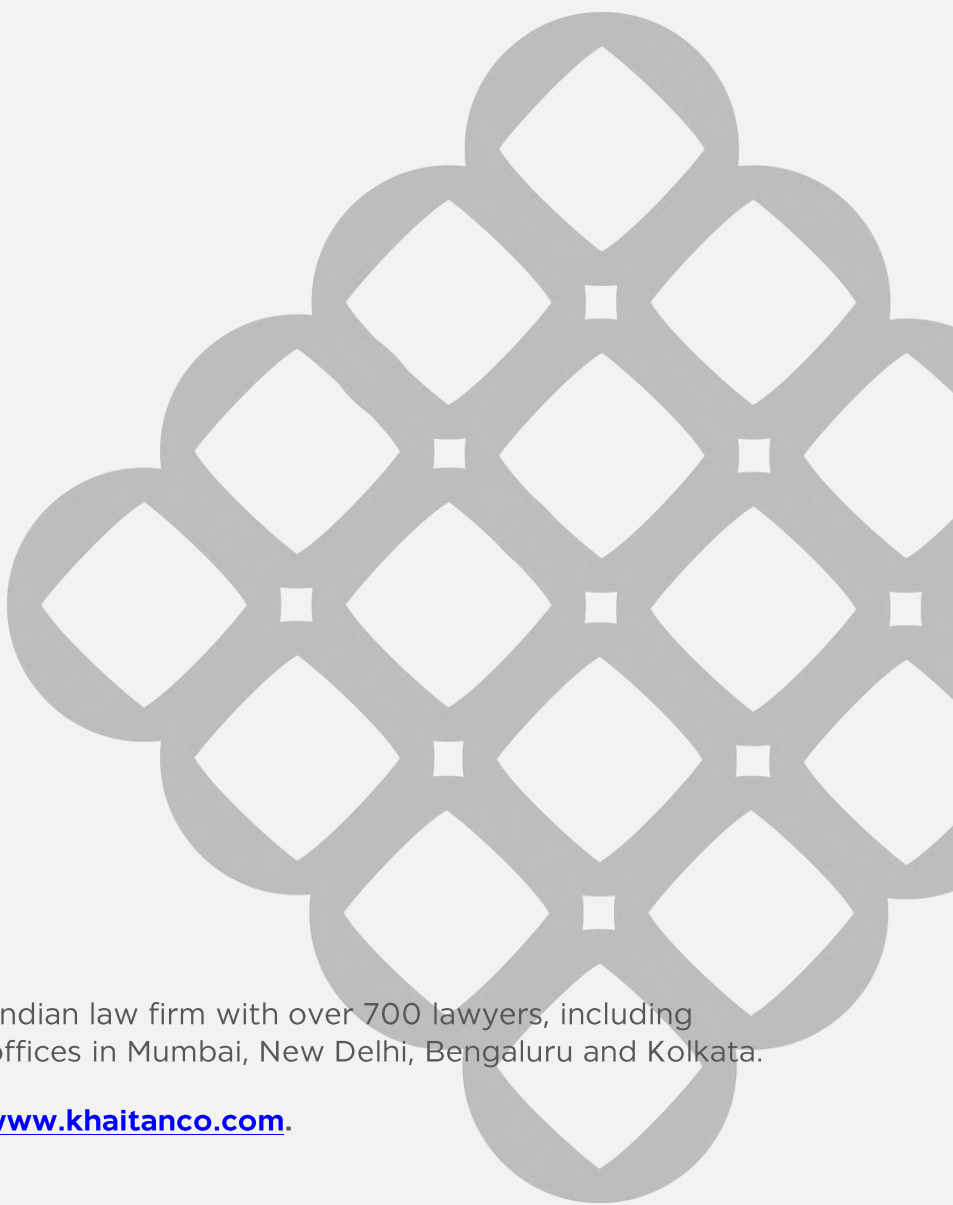
We hope the e-Bulletin enables you to assess internal practices and procedures in view of recent legal developments and emerging industry trends in the indirect tax landscape.

For any queries in relation to the E-Bulletin, please email us at idt.bulletin@khaitanco.com.



AMBITION STATEMENT

"Our ambition is to be a respectable law firm providing efficient and courteous service, to act with fairness, integrity and diligence, to be socially responsible and to enjoy life. We should put greater emphasis on working in consonance with our aforesaid values than on maximizing earnings. Earn we should but with dignity and pleasure."



Khaitan & Co is a premier full-service Indian law firm with over 700 lawyers, including 150+ partners and directors, and has offices in Mumbai, New Delhi, Bengaluru and Kolkata.

To know more about us, please visit www.khaitanco.com.



**KHAITAN
& CO**
Advocates since 1911

www.khaitanco.com