

# INDIRECT TAX WEEKLY DIGEST

05 September 2023

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## GOODS & SERVICES TAX

### LEGISLATIVE UPDATES

#### GSTN ADVISORY

##### ADVISORY FOR APPLICANTS WHERE GST REGISTRATION APPLICATION IS MARKED FOR BIOMETRIC-BASED AADHAAR AUTHENTICATION

- The biometric-based Aadhaar Authentication functionality has been launched in the Union Territory of Puducherry from 30 August 2023, in the pilot phase.
- Accordingly, after submission of the application for GST registration, the applicant will either receive a message for visiting a GST Suvidha Kendra (GSK) or will receive a link on the declared Mobile number and Email ID.
- GSTN has issued an advisory suggesting that:
  - Applicants who receive the link on the declared Mobile number and Email ID can proceed to complete the registration process as per the existing process.
  - Applicants who receive a message for visiting GSK are required to visit the designated GSK (for carrying out biometric authentication) before the TRN expiry date (as detailed in Email for Biometric-based Aadhaar Authentication Process). In such cases, an Application Reference Number will be generated only on completion of Biometric-based Aadhaar Authentication.

[GSTN Advisory dated 28 August 2023]

##### INTRODUCTION OF ELECTRONIC CREDIT REVERSAL AND RE-CLAIMED STATEMENT ON GSTN

- *Vide* Notification no.:14/2022-Central Tax dated 05 July 2022 read with Circular no:170/02/2022-GST dated 6 July 2022, CBIC had notified certain changes in Table 4 of Form GSTR-3B to enable the Taxpayers to report correct information regarding Input Tax Credit (ITC) availed, ITC reversed, ITC re-claimed and ineligible ITC.

- In this regard, it was inter alia clarified that re-claimable ITC reversed earlier (in Table 4(B)(2) of Form GSTR-3B) can be subsequently claimed in Table 4(A)(5) of Form GSTR-3B on fulfilment of necessary conditions. Such reclaimed ITC is also required to be reported in Table 4(D)(1) of Form GSTR-3B.
- For facilitating correct and accurate reporting of ITC reversal and re-availment thereof, the following procedures have been stipulated:
  - A new ledger/statement viz., **‘Electronic Credit Reversal and Re-claimed Statement’** is introduced to help in tracking ITC which was reversed in Table 4(B)(2) and thereafter reclaimed in Table 4(D)(1) and 4(A)(5).
  - The aforesaid statement aims to improve the overall consistency and correctness of ITC reversals and re-availment thereof, starting from August 2023 (Taxpayers filing Form GSTR-3B every month) or quarter ending 30 September 2023 (Taxpayers filing Form GSTR-3B every quarter), as the case may be.
  - **Reporting of the opening balance of ‘Electronic Credit Reversal and Re-claimed Statement’:**
    - **Steps to report opening balance:** Login → Report ITC Reversal Opening Balance; or Login → Services → Ledger → Electronic Credit Reversal and Re-claimed Statement → Report ITC Reversal Opening Balance.
    - **Determination of opening balance:** The opening balance of the statement would be determined after considering the returns for July 2023 (Taxpayers filing Form GSTR-3B every month) or the quarter ending 30 June 2023 (Taxpayers filing Form GSTR-3B every quarter), as the case may be.
    - **Due date for reporting of opening balance:** 30 November 2023.

- **Amendment of opening balance:** The taxpayers shall also be provided three amendment opportunities to correct their opening balance in case of any mistakes or inaccuracies in reporting.
  - **Due date for reporting of amendments:** 31 December 2023.
  - **Due date:** Both reporting of the original opening balance as well as amendment are to be reported by 30 November 2023.
- A validation mechanism is incorporated on the GST portal (in Form GSTR-3B) which will trigger a warning message if a taxpayer attempts to re-claim excess ITC in Table 4D(1) than the available ITC reversal balance in the statement along with ITC reversal made in the current return period in Table 4B(2). While the Taxpayer will have an option to proceed and file Form GSTR-3B despite such a warning, the advisory states that filing of Form GSTR-3B in such instances may not be advisable.  
[GSTN Advisory dated 31 August 2023]

### AMERA BILL MERA ADHIKAAR SCHEME

- The GSTN has developed and launched a mobile application (available on iOS and Android platforms) and a web portal for the 'Mera Bill Mera Adhikaar' Scheme (Scheme).
- The Scheme will be implemented from 1 September 2023 in the states of Gujarat, Assam, Haryana and the Union Territories of Puducherry and Daman & Diu and Dadra & Nagar Haveli.
- A detailed manual<sup>1</sup> has also been issued by the GSTN to guide the taxpayers through the process of participating in the Scheme.  
[GSTN Advisory dated 24 August 2023]

## NOTIFICATIONS

### EXTENSION OF DUE DATE OF FILLING FORM GSTR-1, GSTR-3B AND GSTR-7 (MANIPUR)

The due date for filling Form GSTR-1, GSTR-3B and GSTR-7 for the period from April 2023 to July 2023 and for the quarter ending 30 June 2023 (Form GSTR-3B) has been extended to 25 August 2023 for registered persons whose principal place of business is situated in Manipur.

[Notification no:41,42,43&44/2023-Central Tax dated 25 August 2023]

## JUDICIAL UPDATES

### TAX AUTHORITIES CANNOT CONDUCT AN AUDIT OF A CLOSED BUSINESS BUT ARE EMPOWERED TO UNDERTAKE ASSESSMENTS

#### Facts of the case

- M/s. Tvl. Raja Stores (Taxpayer), a partnership firm registered under the GST law, was duly furnishing periodical GST returns.

- The Taxpayer intended to close their business, and accordingly, applied the Tax Authorities. Subsequently, the Authorities issued an order allowing the Taxpayer to close their business w.e.f. 31 March 2023.
- However, the Taxpayer failed to pay the tax collected from the recipients. Consequently, a notice was issued to the Taxpayer by the Tax Authorities for conducting an audit for the periods starting from FY 2017-18 to FY 2021-22 (relevant period).
- Aggrieved by the above, the Taxpayer, after seeking adjournment in respect of the aforesaid notice, filed a Writ Petition before the Hon'ble Madras High Court.

#### Contentions by the Taxpayer

- As per Section 65 of the Central Goods and Services Tax Act, 2017 (CGST Act), the Tax Authorities are empowered to conduct an audit of 'any registered person'.
- In the present case, the Taxpayer's registration was already cancelled before the commencement of the audit, and hence, the audit cannot be conducted by the Tax Authorities.

#### Contentions by the Tax Authorities

- The Taxpayer was a registered person during the relevant period and hence, in respect of such period, the Tax Authorities are empowered to conduct an audit.
- While the Taxpayer has challenged the aforesaid notice, he is bound to submit a reply to the said notice. Against this backdrop, the grounds raised in the Writ Petition cannot be accepted because the Taxpayer is a recently closed unit, and the Tax Authorities are empowered to conduct an audit.

#### Observations and Ruling of the Hon'ble High Court

- Section 65 of the CGST Act states that the audit of a registered person can be conducted 'for such period', 'for such frequency' and 'in such manner'.
- When the aforesaid provision provides for periodical audit, the Tax Authorities having failed to conduct for all these years, cannot suddenly wake up and conduct an audit for all those years. However, this will not preclude the Tax Authorities from initiating assessment proceedings with the Taxpayer under Sections 73 and 74 of the CGST Act.
- Given the above, the aforesaid notice for conducting the audit is quashed, and the Tax Authorities are directed to initiate assessment proceedings under Sections 73 and 74 of the CGST Act.

[Tvl. Raja Stores Vs. The Assistant Commissioner (ST), [TS-421-HC(MAD)-2023-GST], dated 30 August 2023]

### SHOW CAUSE NOTICES (SCN) MUST BE HOSTED AT THE CORRECT PLACE ON THE GST PORTAL

#### Facts of the case

- M/s. Sabari Infra Pvt. Ltd. (Taxpayer) was issued various SCNs for FY 2017-18 to 2021-22 which were uploaded by the Tax Authorities on the GST portal in the 'Additional Notices and Orders' section instead of the 'View Notices and Orders'.

<sup>1</sup>The user manual can be accessed [here](#).

- As a result, the SCNs went unnoticed, and the Taxpayer did not file a reply to the SCNs. In the absence of the reply to the SCNs, the Tax Authorities confirmed the SCNs and issued four Orders-in-Original (Impugned Orders) to the Taxpayer.
- Aggrieved by the above, the Taxpayer filed a Writ Petition before the Hon'ble Madras High Court.

#### Contentions by the Taxpayer

- Since the SCNs were uploaded in the Dashboard of the GST portal under an incorrect heading (in the '**Additional Notices and Orders**' section instead of '**View Notices and Orders**'), the Taxpayer failed to take note of the said SCNs and hence, could not file a reply to the SCNs. Reliance in this regard was placed on the manual provided on the GST portal which clearly indicates that the SCNs are required to be uploaded on the '**View Notices and Orders**' section.
- Had the SCNs been uploaded in the correct section, the Taxpayer would have noticed them, filed a response, and would have participated in the proceedings.

#### Contentions by the Tax Authorities

- The SCNs were duly uploaded on the GST portal, although under a separate section. Since the Taxpayer was communicated about the SCNs, there is no violation of the principles of natural justice and hence, the Impugned Order passed pursuant to the SCNs does not call for any interference.
- Moreover, the Taxpayer still has time to file an appeal before the Appellate Authority under Section 107 of the CGST Act.

#### Observations and Ruling of the Hon'ble High Court

- The problem has arisen due to the complex architecture of the GST portal, which has been designed to facilitate easy access to information.
- This has resulted in the Taxpayer failing to take note of the SCNs issued by the Tax Authorities and hence, was unable to file reply to the SCNs which then culminated in the issuance of the Impugned Orders.
- Considering the above, the Impugned Orders are quashed, and the case is remanded back to the Tax Authorities to pass a fresh order. Further, the Impugned Order shall be treated as corrigendum to the SCNs basis which, the Taxpayer is directed to file its responses to the SCNs.

*[M/s. Sabari Infra Pvt. Ltd. Vs. Assistant Commissioner (ST), [2023-VIL-565-MAD], dated 31 July 2023]*

#### AMENDMENT IN RESPECT OF COMPUTATION OF TURNOVER OF ZERO-RATED SUPPLIES FOR ADJUSTED TOTAL TURNOVER OPERATES PROSPECTIVELY

##### Facts of the case<sup>2</sup>

- M/s. Tata Steel Ltd. (Taxpayer), inter alia engaged in the manufacture and export of iron and steel (Goods), procured coal from vendors and discharged applicable GST and Compensation Cess (Cess) thereon.

- The Taxpayer exported Goods under a Letter of Undertaking (LUT) without payment of tax and claimed refund of unutilised ITC of GST and Cess attributable to such exports.
- The taxable value and invoice value in the tax invoices (for exports) were at cost and not at the export value of the Goods because the Taxpayer was unable to determine the value of supply with respect to such exports. Further, the details of shipping bills and the corresponding commercial value of Goods were unavailable while filing Form GSTR-1. Accordingly, the Taxpayer had reported the aforesaid value of tax invoices (i.e., at cost price) in Table 6A of Form GSTR-1. Subsequently, the Taxpayer amended the details of shipping bills issued at the time of actual export along with the export value of Goods in Table 9A of Form GSTR-1.
- Pursuant to the above, the Taxpayer filed a refund application for refund of unutilised ITC of Cess in respect of the aforesaid exports as per the formula stipulated under Rule 89(4) of the Central Goods and Services Tax Rules, 2017 (CGST Rules). The turnover of zero-rated supply of goods in the aforesaid formula was based on the actual export value of Goods (i.e., the amended value as reported in Table 9A of Form GSTR-1).
- While granting partial refund on a provisional basis (under Section 54(6) of the CGST Act read with Rule 91(2) of the CGST Rules), the Tax Authorities issued a SCN to the Taxpayer alleging that the 'turnover of zero-rated supply of goods' indicated in the refund application cannot be ascertained with certainty.
- Although the Taxpayer filed a reply to the SCN, the same was confirmed by the Tax Authorities *vide* the Order-in-Original (OIO) denying a refund of INR 11.24 Mn on the following grounds:
  - As per Para 47 of Circular no:125/44/2019-GST dated 18 November 2019 (Circular), the 'turnover of zero-rated supply of goods' was determined to be INR 5.84 Bn (as against INR 6.04 Bn as claimed by the Taxpayer).
  - Refund on 149 invoices was denied on account of the unavailability of their details on the ICEGATE portal.
- Against this, the Taxpayer filed an appeal against the OIO before the Appellate Authority, which was rejected, *vide* the Order-in-Appeal (Impugned Order).
- Aggrieved by the above, the Taxpayer filed a Writ Petition before the Hon'ble Jharkhand High Court.

#### Contentions by the Taxpayer

- Para 47 of the Circular (Para 47):**
  - The value of supply of goods as per Section 15 of the CGST Act is the transaction value i.e., the price payable for such supply. Para 47 cannot arbitrarily impose a new condition to compute the value of zero-rated exports to diminish the benefit of a refund granted in the GST law.
  - It is well settled that a circular must be within four corners of the parent statute. In the present case, neither the CGST Act nor the CGST Rules stipulate a comparison of the value of supply as per tax invoices vis-à-vis the value reported in the shipping bill for

<sup>2</sup> While the decision relates to Writ Petitions filed by the Taxpayer for various tax periods starting from November 2017 to December 2019, for the sake of brevity, the facts summarised herein relate to one of these Writ Petitions.

calculation of refund amount introduced by the Circular without an underlying provision. Thus, the Circular, being against the GST law cannot be applied to oust the legitimate refund claim.

- The CBIC, by way of issuing the Circular, does not have the jurisdiction to direct that the actual export value is to be disregarded without justification to use a different figure only to calculate the refund. Thus, the fiction introduced by the Circular is against the scheme of the CGST Act.
- If the value in the shipping bill is ignored as per Para 47, it would also render Para 18 of the Circular and Sl. No:8 of Instructions (appended to Form GSTR-1) which inter alia stipulates that the amended value of export invoices should be considered while processing refunds as redundant.
- **Impugned Order and OIO:**
  - The findings of the Appellate Authority that he was bound by the Circular is incorrect as he acts in a quasi-judicial capacity and his power is not controlled by CBIC-issued directions.
  - While the aforesaid orders have considered the turnover of zero-rated supply of goods as INR 5.84 Bn in the numerator, a higher amount of INR 6.04 Bn was taken in the denominator which reduced the Taxpayer's eligibility to claim a refund, which is not only arbitrary but also illegal.
- There was no discussion in the SCN regarding 149 invoices which were not available on the ICEGATE portal. Further, the Impugned Order does not contain any discussion in respect of the aforesaid ground which was also contended before the Appellate Authority. Hence, the finding in respect of 149 invoices has travelled beyond the SCN, and hence, is unsustainable in law.
- The contention of the Tax Authority that direction issued in Para 47 has also been brought in by amending Rule 89(4) of the CGST Rules *vide* Notification no:14/2022 - Central Tax (Rate) dated 5 July 2022 (Amending Notification) is untenable because the aforesaid amendment was non-existent when the Impugned Order was passed, and that the aforesaid amendment was not retrospective in nature.

#### Contentions by the Tax Authorities

- Article 265 of the Constitution of India stipulates that no tax shall be collected except by authority of law which has not been challenged in the present case. Refund of taxes is neither a fundamental right nor a constitutional right but is a policy of the State to extend benefits for export promotion which cannot be challenged. Refund is always a matter of statutory prescription and can be regulated by the statute by prescribing conditions and limitations.
- The contention for setting aside Para 47 is without any legal basis as these guidelines are provided for scrutinising refund claims. Thus, the Tax Authorities were correct in verifying the turnover of zero-rated supply for determining the refund eligibility. Even Para 14.1 of the Circular dated 15 March 2018 emphasised the necessity of verification of invoices issued by the claimants during the processing of refund claims.

- The Taxpayer had revised invoice values for most of the invoices (as per the Range Officer report) but some abnormalities were also identified in the report for which, no rectification was carried out by the Taxpayer. Since the Taxpayer failed to substantiate the refund application, the Impugned Order and the OIO are proper and legitimate.
- The Taxpayer intends to claim a refund on the amended value of Goods declared in Table 9A of GSTR-1. However, Para 47 specifically states that in cases of discrepancy between the value of tax invoice and the value of shipping bills and clarifies the lower of the two values is to be considered while processing refund claims.
- Since Rule 89(4) of the CGST Rules is now amended in line with Para 47 *vide* the Amending Notification, the Impugned Order is correct and justified.

#### Observations and Ruling by the Hon'ble High Court

- The Amending Notification clarifies that the amendments to the CGST Rules came into effect prospectively from the date of their publication in the official gazette (except for specified amendments which were notified to be with retrospective effect).
- The amendment to Rule 89(4) of the CGST Rules was not explicitly notified to have a retrospective application, and hence, the same would be effective prospectively only.
- The amendment to Rule 89(4) of the CGST Rules inserted a new stipulation for comparison between the two values viz., taxable value in tax invoice and value in shipping bill, which was not present prior to the amendment and only the actual transaction value was considered. The amendment having brought a substantive change in law, will operate prospectively. Such an exercise was not contemplated prior to the amendment. The mere use of the term explanation is not indicative of the fact that the amendment is clarificatory/declaratory.
- While Para 47 contemplates a comparison of the value of export and shipping bills, the explanation merely requires the comparison of the value of tax invoice and the FOB value of exports. Thus, the explanation cannot be said to be on similar lines as Para 47. A policy can only be changed by way of an amendment and not by a circular and such policy change will be effective from the date of the amendment.
- In view of the above, the amendment in Rule 89(4) of the CGST Rules *vide* the Amending Notification is not clarificatory in nature, and hence, will have a prospective application. Since, the period of dispute involved in the Writ Petitions before the Hon'ble High Court is prior to the date of such amendment, the Impugned Order and the OIO are quashed and set aside.

*[M/s. Tata Steel Ltd. Vs. Union of India & Ors., [TS-422-HC(JHAR)-2023-GST], dated 21 August 2023]*



## VAT/ SALES TAX

### LEGISLATIVE UPDATES

#### NOTIFICATIONS

##### MADHYA PRADESH - EXTENSION OF TIME LIMIT FOR DISPOSING OF PENDING APPEALS

The time limit for disposing of all appeals under the specified legislations (viz., Madhya Pradesh Value Added Tax Act, 2002, Central Sales Tax Act, 1956, Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976 and the Madhya Pradesh Vilasita, Manoranjan, Amod Avam Vigyapan Kar Adhiniyam, 2011) which are pending before the Appellate Authorities has now been extended till 31 March 2024 (earlier, the time limit was extended till 29 February 2024).

[Notification no: CT/4/2/0001/2023-Sec-1-05(CT)(38) dated 29 August 2023]

##### HARYANA - CRITERIA REGARDING THE SELECTION OF CASES FOR SCRUTINY ASSESSMENT UNDER THE HARYANA VAT ACT, 2003 AND CENTRAL SALES TAX ACT, 1956

The following criteria has been specified for the selection of cases for scrutiny Rule 27(2) of the Haryana Value Added Tax Rules, 2003:

| Rule       | Relevant provision  | Criteria for selection of cases   |
|------------|---|---|
| 27(1)(i)   | Gross turnover (GTO) exceeds INR 50 Mn in a year  | Dealers having GTO of INR 50 Mn or above in a year are under the scrutiny criteria.<br><br>Exception: Retail outlets of Diesel & Petrol only whose turnover is less than INR 250 Mn.  |
| 27(1)(iii) | Claim of refund exceeds INR 0.3 Mn in a year  | Claim of refund exceeds INR 0.3 Mn in a year  |
| 27(1)(iv)  | Claim of sales made in the course of inter-state trade and commerce or the course of export of goods out of the territory of India or in the course of import of goods into the territory of India or goods exported out of the State cumulatively or individually exceeds INR 2.5 Mn in a year | Cases where sales in the course of inter-state trade and commerce or in the course of export of goods out of the territory of India or in the course of import of goods into the territory of India or goods exported out of the State cumulatively or individually of INR 10 Mn or above in a year                 |
| 27(1)(vii) | Claim of sale, purchase or consignment of goods not matching with the accounts of the other party to the transaction  | Substantial mismatch of sale, purchase or consignment of goods not matching with the accounts of the other party to the transaction, with the prior approval of DETC(ST) in charge of the district  |
| 27(1)(ix)  | Cases based on definite intelligence about evasion of tax   | Cases based on definite intelligence about evasion of tax, where on definite information it is discovered that there is evasion or avoidance of tax by any dealers. Such cases shall be taken up for scrutiny assessment with the prior approval of the DETC (ST) in charge of the district.                        |
| 27(1)(xi)  | Cases of any particular trade or trades which the Commissioner may select   | <ul style="list-style-type: none"> <li>▪ All liquor licensees;</li> <li>▪ Dealers who have dual registration i.e., under the Haryana Value Added Tax Act, 2003 as well as Haryana Goods and Services Tax Act, 2017. Dealers who purchase Diesel/Petrol/Natural Gas in the course of interstate purchase.</li> </ul> |
| 27(1)(xii) | Cases in which the dealer fails to complete the return(s) in material particulars after being given an opportunity for the same   | In such cases, notice is to be issued within time and if not removed the deficiency issue notice informs N-2  |

It is also clarified that a scrutiny case selected under one criterion will not fall under any other criteria.

[Memo no: 742/ST-6 dated 28 August 2023]

## CUSTOMS

### LEGISLATIVE UPDATES

#### NOTIFICATIONS

##### EXPORT DUTY ON RICE, PARBOILED

- In terms of Section 8(1) of the Customs Tariff Act, 1975 (CTA), CBIC has issued a notification amending the Second Schedule to the CTA to impose Export Duty @ 20% on 'Rice, parboiled' falling under HSN Code 1006 3010 with effect from 25 August 2023 (relevant date).
- However, Notification no.: 55/2022-Customs dated 31 October 2022 prescribing the effective rate of Export Duty has been amended to stipulate that the Export Duty on the aforesaid product is as under:
  - 'Nil' rate of Export Duty to come into force from 16 October 2023; and
  - 'Nil' rate of Export Duty would be subject to fulfilment of the following conditions:
    - Where the goods meant for export has entered the customs station for exportation before the relevant date and an order permitting clearance has not been issued by the proper officer; and
    - Where the goods meant for export are backed by irrevocable Letter(s) of Credit (LC) which has been opened before the relevant date, and the message exchange date between the Indian and Foreign Bank / SWIFT date is before the relevant date, and such LC has been authenticated by the Recipient Bank.

[Notification no:49&50/2023-Customs dated 25 August 2023]

##### IMPOSITION OF ANTI-DUMPING DUTY (ADD) ON IMPORT OF FISHING NET

- Further to the recommendations of the Designated Authority, Directorate General of Trade Remedies vide Notification no:7/01/2023-DGTR dated 7 June 2023, CBIC has issued a notification imposing ADD on 'Fishing Net' (HSN Code 5608 1110) @ USD 2.19 per kg which are originating in or exported from the following countries:
  - China PR; and
  - Malaysia.

[Notification no: 08/2023-Customs (ADD) dated 29 August 2023]

##### CHANGE IN RATE OF AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC) ON LIQUIFIED PROPANE, LIQUIFIED BUTANE AND LPG

Effective 01 September 2023, Notification no:11/2021-Customs dated 01 February 2021 inter alia stipulating the applicable AIDC rate on Liquefied Propane, Liquefied Butane and LPG is amended as under:

| Chapter or heading or subheading or tariff item | Description of goods | Existing Rate | Proposed Rate |
|---|----------------------|---------------|---------------|
| 2711 12 00                                      | Liquefied Propane    | 15%           | Nil           |
| 2711 13 00                                      | Liquefied Butane     |               |               |
| 27111910, 27111920 & 27111990                   | LPG                  |               |               |

Further, the condition stated in Notification no:45/2023-Customs, dated 01 July 2023<sup>3</sup>, which exempted the levy of AIDC on the products or mixtures when imported by Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd., or Bharat Petroleum Corporation Ltd. for supply to household domestic customers or non-domestic exempted category customers, has now been omitted.

[Notification no: 51/2023-Customs dated 31 August 2023]

<sup>3</sup> Our summary of notification can be accessed [here](#).

<sup>4</sup> Updated Appendix 3 can be accessed [here](#).

## FOREIGN TRADE POLICY

### LEGISLATIVE UPDATES

#### NOTIFICATIONS

##### AMENDMENT IN APPENDIX 3-SPECIAL CHEMICALS, ORGANISMS, MATERIALS, EQUIPMENT AND TECHNOLOGIES (SCOMET ITEMS) TO SCHEDULE 2 OF ITC (HS) CLASSIFICATION OF EXPORT AND IMPORT ITEMS, 2018

Annual SCOMET update-2023 has been notified to amend Appendix 3 (SCOMET items) to Schedule 2 of ITC (HS) Classification of Export and Import Items, 2018.

*[Notification no: 27/2023 dated 28 August 2023]*

##### AMENDMENT IN REGISTRATION FEES UNDER THE STEEL IMPORT MONITORING SYSTEM (SIMS)

The Registration Fees under SIMS has been revised to INR 500 (as against the earlier fees of INR 1 per thousand, subject to minimum fees of INR 500 and maximum fees of INR 1,00,000). On payment of such fees, the importers can submit advance information in an online system for the import of items and obtain an automatic Registration Number.

*[Notification no: 28/2023 dated 28 August 2023]*

##### AMENDMENT IN EXPORT POLICY OF NON-BASMATI WHITE RICE UNDER HS CODE 1006 30 90

Notification no: 20/2023<sup>5</sup> dated 20 July 2023 which inter alia stipulates the Export Policy of Non-basmati white rice has been amended to provide that export of Non-basmati white rice is allowed in the following instances where the period of export is up to 30 October 2023:

- Where the Non-basmati rice consignment has been handed over to the Customs before 9.57.01 pm on 20 July 2023 (relevant time) and is registered in the Customs; or
- Where the Non-basmati rice consignment has entered the Customs Station for exportation before the relevant time and is registered in the electronic systems of the concerned Custodian of the Customs Station with verifiable evidence of date and time stamping.

*[Notification no: 29/2023 dated 29 August 2023]*

##### ALLOCATION OF QUOTA FOR EXPORT OF NON-BASMATI WHITE RICE TO BHUTAN, MAURITIUS, AND SINGAPORE

Exporting Non-Basmati White Rice (HS Code 1006 30 90) to Bhutan, Mauritius and Singapore is permitted through National Co-operative Exports Limited. The allocated quotas for such exports are as under:

- 79,000 MTs to Bhutan
- 14,000 MTs to Mauritius
- 50,000 MTs to Singapore

*[Notification no: 30/2023 dated 30 August 2023]*

### POLICY CIRCULAR

##### CLARIFICATION REGARDING THE APPLICABILITY OF SAFEGUARD QUANTITATIVE RESTRICTIONS (QR) IMPOSED ON THE IMPORT OF ISOPROPYL ALCOHOL (IPA) BY THE SPECIAL ECONOMIC ZONE (SEZ) UNIT

- Notification no: 64/2015-20 dated 31 March 2023<sup>6</sup> stipulates the country-wise QR imposed on the import of IPA for a period of one year i.e., 2023-24.
- In this regard, it has been clarified that the import of IPA (HS Code 2905 1220) by SEZ units will not be subject to the aforesaid country-wise QR, provided that no DTA sale of IPA is allowed by the SEZ unit.

*[Policy Circular no: 04/2023-24 dated 31 August 2023]*

### PUBLIC NOTICE

##### ALLOCATION OF QUOTA FOR EXPORT OF SUGAR TO THE EUROPEAN UNION (EU)

It has been notified that 5,841 MT of Sugar is permitted to be exported from India to the EU under the Tariff Rate Quota for the year 2023-24 (October 2023 to September 2024).

Certificate of Origin, if required for preferential export of sugar to EU shall be issued by the Additional Director General of Foreign Trade Mumbai on recommendations of Agriculture- and Processed Food Products Export Development Authority, New Delhi regarding the entity and the quantity qua eligibility. Other certification requirements, if any prescribed specifically for the export of sugar to the EU would continue to be followed.

*[Public Notice no: 29/2023 dated 25 August 2023]*

##### AMENDMENT OF STANDARD INPUT OUTPUT NORMS (SION) FOR THE LEATHER, LEATHER PRODUCTS AND FOOTWEAR

Effective 15 September 2023, the SION for Leather, Leather Products and Footwear and General Note for Leather and Leather Products shall be amended.

*[Public Notice no: 30/2023 dated 31 August 2023]*

### TRADE NOTICE

##### AMENDMENT IN EXPORT POLICY OF FOOD SUPPLEMENTS CONTAINING BOTANICALS

- Notification no:22/2023 dated 31 July 2023<sup>7</sup> which allows the export of Food Supplements containing botanicals under ITC HS Code 1302 and 2106, intended for human or animal consumption to the EU and United Kingdom, subject to the issuance of an official certificate by Export Inspection Council / Export Inspection Agencies, the designated Competent Authority for issuance of an official certificate.
- In this regard, it has been clarified that the certificates issued by Shellac and Forest Products Export Promotion Council (SHEFEXIL) prior to issuance of the aforesaid notification i.e., before 31 July 2023 shall continue to be recognised even after issuance of the aforesaid notification.

*[Trade Notice no: 24/2023 dated 25 August 2023]*

<sup>5</sup> Our summary of notification can be accessed [here](#).

<sup>6</sup> Our summary of notification can be accessed [here](#).

<sup>7</sup> Our summary of the notification can be accessed [here](#).

## NEWS FLASH

### “Petroleum dealers press for GST tax regime”

<https://www.thehindu.com/news/cities/chennai/petroleum-dealers-press-for-gst-tax-regime/article67239162.ece>

[Source: *The Hindu*, 26 August 2023]

### “GST office organises heritage walk to promote Mera Bill Mera Adhikaar scheme”

<https://www.thehindu.com/news/cities/puducherry/gst-office-organises-heritage-walk-to-promote-mera-bill-mera-adhikaar-scheme/article67244782.ece>

[Source: *The Hindu*, 28 August 2023]

### “Indian sugar body urges MoRTH to slash GST on flex-fuel vehicles to 5%”

<https://www.financialexpress.com/business/express-mobility-indian-sugar-body-urges-morth-to-slash-gst-on-flex-fuel-vehicles-to-5-3225161/>

[Source: *Financial Express*, 28 August 2023]

### “GST revenues grew 11% to about Rs 1.6 lakh crore in August”

<https://www.financialexpress.com/policy/economy-gst-revenues-grow-11-to-about-rs-1-6-lakh-crore-in-august-3229747/>

[Source: *Financial Express*, 01 September 2023]

### “Govt launches GST reward scheme in 6 states, UTs; Rs 30 crore corpus for prize money”

<https://www.financialexpress.com/policy/economy-govt-launches-gst-reward-scheme-in-6-states-uts-rs-30-crore-corpus-for-prize-money-3229765/>

[Source: *Financial Express*, 01 September 2023]



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