



INDIRECT TAX WEEKLY DIGEST

20 September 2023

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GOODS & SERVICES TAX

LEGISLATIVE UPDATES

NOTIFICATION

CONSTITUTION OF STATE BENCHES OF THE GOODS AND SERVICES TAX APPELLATE TRIBUNAL (GSTAT)

Department of Revenue, Ministry of Finance has issued a notification constituting 31 State Benches of the GSTAT with effect from 14 September 2023. The Benches in Aizawl, Agartala and Kohima shall be operational in such manner as the President of the GSTAT may order, based on the number of appeals filed by suppliers in respective states.

[Notification no:S.O.4073(E) dated 14 September 2023]

ADVISORIES RELATING TO E-INVOICE

TIME LIMIT FOR REPORTING DOCUMENTS ON THE INVOICE REPORTING PORTAL (IRP)

GSTN had earlier released an advisory¹ stipulating that the time limit for reporting invoices, credit notes and debit notes on the IRP for taxpayers having Aggregate Annual Turnover (AATO) of INR 1 bn or more. However, its implementation was deferred until further notice by a subsequent advisory².

A new advisory has been released stating that the GST Authority has decided to impose a time limit of 30 days for reporting documents on IRP. This time limit would apply to all taxpayers having AATO equal to or exceeding INR 1 bn. Further, the aforesaid time limit would apply to all documents for which IRNs are required to be generated and thus, the Credit/Debit notes will also have to be reported within 30 days of issue from the date of issue. This validation will come into effect from 1 November 2023.

[Advisory dated 13 September 2023 on the IRP³]

IMPLEMENTATION OF 2-FACTOR AUTHENTICATION (2FA) ON THE IRP

Effective 1 November 2023, 2FA on IRP shall be mandatory for all taxpayers with AATO exceeding INR 0.2 bn.

[Advisory dated 11 September 2023 on the IRP³]

JUDICIAL UPDATES

APPELLATE AUTHORITY CANNOT REJECT AN APPEAL BOTH ON GROUNDS OF LIMITATION AS WELL AS MERITS

Facts of the case

- M/s. Tribest Fine Yarns Ltd. (Taxpayer) obtained registration under the Central Goods and Service Tax Act, 2017 (CGST Act) in respect of which, the Tax Authorities issued a Show Cause Notice to the Taxpayer proposing to cancel the Taxpayer's GST registration.
- Subsequently, after considering the response filed by the Taxpayer, the Tax Authorities issued an order cancelling the GST registration of the Taxpayer.
- Against this, the Taxpayer filed an application seeking revocation of cancellation of GST registration. Concurrently, the Taxpayer had also filed a Writ Petition before the Hon'ble Bombay High Court challenging the validity of the aforesaid order cancelling the Taxpayer's GST registration.
- The aforesaid Writ Petition was dismissed by the Hon'ble High Court while also directing the Tax Authorities to decide on the Taxpayer's application seeking revocation of the cancellation of registration.

¹ Our summary of the advisory can be accessed [here](#).

² Our summary of the advisory can be accessed [here](#).

³ <https://einvoice1.gst.gov.in/>

- Pursuant to the above, the Tax Authorities passed an order dated 31 March 2022 (Order-in-Original) confirming the cancellation of registration on the following grounds:
 - The Taxpayer was found to be non-existent at its principal place of business; and
 - The Taxpayer had failed to submit books of accounts either in physical or in electronic form.
- Being unaware of the Order-in-Original passed by the Tax Authorities, the Taxpayer filed a letter requesting the Tax Authorities to decide on the Taxpayer's application for revocation of cancellation of GST registration, in terms of the order passed by the Hon'ble High Court. Subsequently, a copy of the Order-in-Original was given to the Taxpayer on 20 September 2022.
- Against this, on 20 December 2022, the Taxpayer filed an appeal before the First Appellate Authority for setting aside the Order-in-Original. However, vide the Impugned Order, the aforesaid appeal was dismissed by the First Appellate Authority on the following grounds:
 - **Limitation:** The appeal was filed after the expiry of the 4 months from the date of receipt of Order-in-Original;
 - **Merits:** The leave and license agreement for the principal place of business is not genuine and the directors are only paper directors having no knowledge about the Taxpayer's business.
- Aggrieved by the above and pending constitution of the GST Appellate Tribunal, the Taxpayer filed a Writ Petition before the Hon'ble High Court.
 - However, the First Appellate Authority failed to consider several factors as required by law in considering the aforesaid issue of limitation such as receipt/service of the Order-in-Original by the Taxpayer which was contended before the First Appellate Authority.
- **Merits:** Though the First Appellate Authority concluded that the appeal is barred by limitation, it also examined the merits of the case which is unsustainable.
- In view of the above, the Impugned Order is set aside, and the proceedings are remanded back to the First Appellate Authority for deciding the appeal afresh, including the issue of limitation, with the following directions:
 - If the First Appellate Authority holds that the appeal is barred by limitation, then the merits of the case need not be dealt with.
 - However, if the First Appellate Authority holds that the appeal is not barred by limitation, then the same should be decided on merits with elaborate findings being rendered on the merits of the Taxpayer's case.

[M/s. Tribest Fine Yarns Ltd. Vs. Union of India, [2023-VIL-617-BOM], dated 12 September 2023]

BENEFIT UNDER THE BUDGETARY SUPPORT SCHEME IS NOT AVAILABLE TO UNITS PURSUANT TO A CHANGE IN ITS CONSTITUTION

Legislative Background:

- In terms of Notification no: 20/2007-Central Excise dated 25 April 2007 (NN 20/2007), an 'eligible unit' (viz., New Industrial Unit which commenced commercial production on or after 1 April 2007 or an existing unit which undertakes substantial expansion) was granted exemption from payment of Excise duty on manufacture of various goods (subject to certain exceptions) for 10 years starting from the date of commencement of commercial production.
- With the introduction of the GST law, the eligible units were unable to claim the aforesaid exemption for the remaining period for which the aforesaid Excise duty exemption was available (residual period). As a result, the Central Government introduced the Budgetary Support Scheme (BSS) which was offered as a measure of goodwill to all 'eligible units' for the 'residual period'. BSS allowed the 'eligible units' to claim reimbursement of a specified percentage of Central Goods and Services Tax (CGST)/Integrated Goods and Services Tax (IGST) paid by such unit in cash through Electronic Cash Ledger (ECL).
- To claim reimbursement under the BSS, the eligible unit is required to obtain one-time registration on the ACES-GST portal and obtain a Unique ID (UID) which is used for processing claims under the BSS.

Facts of the case

- **Writ Petition filed by Zydus Wellness Products Ltd.:**
 - Zydus Wellness-Sikkim (ZWS), a partnership firm, was an 'eligible unit' in terms of NN 20/2007 as well as the BSS. Accordingly, ZWS was claiming reimbursement of a specified

Contentions by the Taxpayer

- **Limitation:** The Taxpayer had received the copy of the Order-in-Original only on 20 September 2022 and the appeal was filed on 20 December 2022 i.e., within the time limit prescribed under Section 107 of the CGST Act. This aspect was not considered by the First Appellate Authority.
- **Merits:** Despite the observations of the First Appellate Authority stipulating that the appeal is time-barred, the First Appellate Authority proceeded to decide the appeal on merits, and hence, the Order-in-Original deserves to be set aside.

Contentions by the Tax Authorities

- **Limitation:** The Order-in-Original was sent to the Taxpayer via speed post which was returned unserved. Further, the Order-in-Original was also emailed to the Taxpayer's registered email ID. Hence, the Taxpayer cannot contend non-receipt of the Order-in-Original and that the same was received on 20 September 2022 only pursuant to the Taxpayer's request. Accordingly, the present petition is liable to be dismissed because the appeal was filed by the Taxpayer belatedly and hence, is barred by limitation.

Observations and Ruling of the Hon'ble High Court

- **Limitation:**
 - On a perusal of the Impugned Order, it appears that the primary reason for rejecting the Taxpayer's appeal was that the appeal was filed after the expiry of 4 months.

- On 28 February 2019, ZWS was converted into a company viz., Zydus Nutritions Ltd. and later, on 4 June 2019, Zydus Nutritions Ltd. changed its name to Zydus Wellness Products Ltd. (Taxpayer I).
- Taxpayer I intended to claim the benefit of reimbursement of GST under the BSS for the 'residual period'. However, considering the lack of clarity as to whether Taxpayer I would be treated as an 'eligible unit', Taxpayer I referred CBIC which was examined by the Department of Industrial Policy and Promotion, Ministry of Commerce in consultation with CBIC and it was decided as under:
 - As per guidelines of the BSS, if a unit undergoes relocation, expansion & change of ownership, it will be ineligible for the benefits offered under the BSS.
 - Accordingly, Taxpayer I will be ineligible to claim the reimbursement under the BSS.
- In respect of the above, Taxpayer I filed a Writ Petition before the Hon'ble Sikkim High Court to determine its eligibility to claim the benefit (of reimbursement) under the BSS.
- **Writ Petition filed by Alkem Laboratories Ltd. (Taxpayer II):**
 - The facts in respect of Writ Petition filed by Taxpayer II are identical to the facts in respect of Taxpayer I (as highlighted above), except that on 5 October 2019, Unit-V of Cachet Pharmaceuticals Pvt. Ltd. (transferee company) was transferred by way of slump sale to Taxpayer II on a going concern basis.
 - Similar to Taxpayer I, Taxpayer II had also made a reference to CBIC seeking clarification concerning its eligibility under the BSS. However, the same was answered in the negative, stipulating that Taxpayer II was not entitled to claim the benefit under the BSS.
- It is undisputed that the aforesaid change in constitution/ownership (in respect of both the Taxpayers) entailed the grant of a fresh UID and change in GST registration.

Contentions by the Taxpayers⁴

- The change in ownership, and thus, the grant of a fresh UID and GST registration number do not disentitle the Taxpayers from availing the benefit under the BSS because the scheme seeks to provide benefit to the 'eligible units' and not to the 'owners' thereof.
- **Specific contentions qua Taxpayer I:**
 - The only criteria for claiming the benefit under the BSS is that the unit must be considered as an 'eligible unit' at the time of transition to the GST regime on 1 July 2017, and the benefit would be available for the 'residual period'.
 - The change in constitution from a partnership firm to a company cannot prevent Taxpayer I from availing the benefit under the BSS. Even with the change in the constitution and the change in name, the business, assets, and liabilities were vested with Taxpayer I.
 - While the exemption provisions must be strictly
- interpreted as regards its applicability, once it is found that the exemption is available, the same must be interpreted liberally.
- Reliance was placed on *P.R. Prabhakar Vs. CIT [2006 (6) SCC 86]*, *TATA Iron and Steel Co. Ltd. Vs. State of Jharkhand [2005 (4) SCC 272]* & *Government of India Vs. Indian Tobacco Association [2005 (7) SCC 396]*.
- **Specific contentions qua Taxpayer II:**
 - The Circular/Office Memorandum (i.e., clarification provided by CBIC) cannot take away or restrict the benefit available to Taxpayer II under the BSS. Further, change of ownership is immaterial to the benefit available under the BSS as such benefit is available to a 'unit' and not dependent on the ownership.
 - Reliance was placed on *Dana India Ltd. Vs. Union of India [2013 (298) ELT 710 (Uttarakhand)]* wherein it was held that exemption should be available based on the 'unit' and not based on its ownership.
 - An exemption should be liberally interpreted in accordance with the object sought to be achieved in cases where the exemption is to grant an incentive for promoting economics.

Contentions by the Tax Authorities

- **Specific contentions qua Taxpayer I:**
 - Taxpayer I came into existence after the change in the constitution of ZWS from a partnership firm to a company. A unit to be declared as an 'eligible unit' under the BSS is synonymous with the company operating it.
 - As ZWS ceased its operations as a partnership firm and was taken over by Taxpayer I without making any investments, Taxpayer I cannot be considered an 'eligible unit' under the BSS.
 - A similar view was also provided by the CBIC in the reference made by Taxpayer I that a change in constitution and ownership disqualifies a unit from claiming benefits under the BSS because the new company would have a separate GST registration, PAN and UID.
- **Specific contentions qua Taxpayer II:**
 - Taxpayer II came into existence on 5 October 2019 when it acquired Unit-V from the transferee company. After the acquisition, the unit became a new manufacturing unit.
 - The benefit under the BSS was provided as a measure of goodwill only to those units which were eligible for availing benefit under the earlier Excise duty exemption/refund schemes.
 - Reliance was placed on *Union of India Vs. VVF Industries and others [2020 (20) SCC 57]* contend that withdrawal of an exemption, being in the public interest is a matter of policy and the Courts cannot bind the earlier government policy for all times to come irrespective of the satisfaction of the government that change in policy was necessary in public interest.

⁴ For ease, both Taxpayer I and Taxpayer II have been collectively referred to as Taxpayers

Observations and Ruling of the High Court

- The judgements relied upon by the Taxpayers are not applicable to the present case as none of these judgements relate to the BSS. Further, the decision in *Dana India Pvt. Ltd. (supra)* can be distinguished on account of the following:
 - The assessee, in that case, had already exercised its option in writing to claim the benefit of exemption as per the CBIC Circular.
 - In the present case, no Circular has been issued in favour of the Taxpayers.
- On a harmonious reading of the BSS and NN 20/2007, it appears that -
 - Under the BSS, support was inter alia given to **existing manufacturing units** operating in Sikkim because these units were unable to enjoy the full benefit of exemption available under NN 20/2007. Thus, BSS was a measure of goodwill only to those units which were eligible to claim exemption benefits under NN 20/2007.
 - Para 7.1 of the BSS mandates the manufacturer to file an application for claiming the benefit.
 - The definition of ‘eligible unit’ (under Para 4.1) provides that the application must have reference to the Central Excise registration number/GST registration number.
 - The definition of ‘residual period’ relates to the remaining period out of the total period not exceeding 10 years from the date of commercial production. The documentary evidence regarding the date of commercial production (Para 5.7) also relates to the option filed by the ‘manufacturer’ at the time of availing the benefit under the exemption notification which would imply the date of commercial production of ZWS and the transferee company and not that of Taxpayers.
- On perusing the definition of ‘person’ (Section 2(84) of the CGST Act) and Section 22 of the CGST Act, it appears that -
 - After the change in ownership, the Taxpayers were liable to be registered under Section 22 of the CGST Act, which was distinct from the GST registration of ZWS and the transferee company.
 - Thus, the Taxpayers and the predecessor entities were separate and distinct legal entities. While the predecessor entities were entitled to the benefit under the BSS, the Taxpayers could not file the application for claiming the benefit since they are not ‘eligible units’.

Contentions by the Taxpayer

- The competing tariff entries pertaining to HSN Code 1704 (of Notification no: 1/2017-Central Tax (Rate) dated 28 June 2017 (Rate Notification)) in which, the Product can be classified are tabulated as hereunder:

SCHEDULE	ENTRY	HEADING	DESCRIPTION	GST RATE
I	92	1702 or 1704	Palmyra sugar, mishri, batasha, bura, sakar, khadi sakar, harda, sakariya, gatta, kuliya, elaichidana, lukumdana, chikkis like puffed rice chikki, peanut chikki, sesame chikki, til chikki, til patti, til revdi, sugar makhana, groundnut sweets, gajak, khaja, khajuli, anarsa	5%
II	32AA	1704	Sugar Boiled Confectionery	12%
III	12	1704	Sugar Confectionery other than items covered under the aforesaid two entries (residuary entry)	18%

- The benefit under the BSS was available to only those units who were eligible to claim an exemption under NN 20/2007, but their exemption was untimely withdrawn due to the introduction of GST law with effect from 1 July 2017.
- In the present case, the Taxpayers cannot claim the benefit under NN 20/2007 since they were not in existence when the exemption was available. Consequently, the benefit under the BSS would not be available to the Taxpayers.
- In view of the above, the Writ Petitions filed by the Taxpayers are dismissed.
[M/s. Zyodus Wellness Products Ltd. Vs. Union of India, [TS-451-HC(SIK)-2023-GST], dated 13 September 2023]

INDUSTRIAL INPUTS SOLD TO MANUFACTURERS ARE NOT CLASSIFIABLE UNDER THE RELEVANT ENTRY FOR THE SAME WHEN SOLD TO END CONSUMERS⁵

Facts of the case

- M/s. Sri Venkateshwara Cashew Chicky Manufacturers (Taxpayer) is inter alia engaged in the manufacture and sale of ‘N.B.S Crackle’ (Product) to ice cream manufacturers. The proportion of the ingredients used in the manufacture of the Product is as under:
 - Sugar - 68% to 70%;
 - Cashew Nuts - 28% to 30%;
 - Butter - 1% to 2%; and
 - Glucose - 1% to 2%.
- The Product is manufactured by boiling a mixture of sugar and water until it is caramelised, which is then mixed with cashew nuts, butter, and glucose. The mixture is cooled down and converted into papads and then, processed into an NBS Crackle machine.
- The Product is supplied by the Taxpayer as an industrial raw material to the manufacturer of ice creams for its onward use as toppings in ice creams.
- The Taxpayer classifies the Product as ‘Sugar Confectionery’ on which, GST @ 18% was discharged by the Taxpayer.
- The Taxpayer filed an application before the Authority for Advance Ruling, Andhra Pradesh (AAR) to determine whether the Product manufactured and supplied by the Taxpayer merits classification as ‘Sugar Boiled Confectionery’ under HSN Code 1704 attracting GST @ 12%.

⁵ The provisions of the CGST Act are pari materia to the provisions of the Andhra Pradesh Goods and Services Tax Act, 2017. For the sake of brevity, we have referred to the provisions of the CGST Act herein.

- In the present case, the Product ought to be classified under Entry 32AA of Schedule II to the Rate Notification on account of the following reasons:
 - Chapter 17 of First Schedule to the Customs Tariff Act, 1975 (CT Act) deals with ‘Sugar & Sugar Confectionery’ where Headings 1701 to 1703 cover various forms of Sugar and Heading 1704 specifically relates to ‘Sugar Confectionery’.
 - Since the phrase ‘Sugar Confectionery’ or ‘Confectionery’ are neither defined under the GST law nor under the CT Act, its meaning can be ascertained from the meaning provided in dictionaries. On perusal of dictionary definitions, it appears that the term ‘confectionery’ connotes any eatables which are made by compounding or mixing with sugar ingredients. It is undisputed that the Product, in the present case, contains sweet ingredients and hence, would be covered within the purview of the term ‘confectionery’.
 - Reliance was placed on *Annapurna Biscuit (Mfg.) Co. & Anr. Vs. State of U.P. & Anr. [(1975) 35 STC 127 (ALL)]* to contend that ‘confectionery’ comprises articles in which the main ingredient is ‘sugar’, although other articles may be added to enhance its taste. Further, ‘confectionery’ is normally made by the cooking process, other than baking. In the present case, since the Product contains a substantial amount of sugar and is not made by baking process, it can be treated as ‘confectionery’.
- Sugar confectionery includes ‘Sugar Boiled confectionery’. As per the Indian Standard IS 1008:2004, one of the requirements to classify a product as a ‘Sugar-boiled confectionery’ is that the product should be prepared by the process of boiling. As highlighted above, in the present case, the Product is caramelized by boiling the sugar with water, and hence, the Product must be classified as ‘Sugar Boiled confectionery’.
- Entry 32AA (of Schedule II to the Rate Notification) is a specific entry dealing with ‘Sugar Boiled confectionery’ and the same must prevail over a general entry 12 (of Schedule III to the Rate Notification).

Observations and Rulings of the AAR

- As per the HSN Explanatory Notes, Heading 1704 covers most of the sugar preparations which are marketed in a solid or semi-solid form and are generally suitable for immediate consumption and hence, are collectively referred to as sweetmeats, confectionery or candies (based on the CBIC FAQs dated 29 September 2017).
 - On the other hand, ‘Sugar Boiled confectionery’ is sugar and water, etc., boiled at such high temperatures that practically no water remains, and a vitreous mass is formed which is bought and consumed by the end users.
 - In the present case, the Product is only sold to ice cream manufacturers. The Product is not meant for consumption by end users directly but is used in the production of ice cream as toppings. Hence, the Product which is an industrial input cannot be classified as ‘Sugar Boiled confectionery’.
- [M/s. Sri Venkateshwara Cashew Chikky Manufacturers, [TS-448-AAR(AP)-2023-GST], dated 26 May 2023]*

SALES TAX / VAT

LEGISLATIVE UPDATES

NOTIFICATIONS

GOA - THE GOA (RECOVERY OF ARREARS OF TAX, INTEREST, PENALTY, OTHER DUES THROUGH SETTLEMENT) ACT, 2023 (GOA AMNESTY SCHEME)

- The Goa Amnesty Scheme provides for the settlement of arrears of tax, interest, and penalty under the following legislations in respect of assessments up to 30 June 2017, subject to certain conditions and restrictions:
 - Central Sales Tax Act, 1956;
 - Goa Entertainment Tax Act, 1964;
 - Goa Sales Tax Act, 1964 (Sales Tax Act);
 - Goa Tax on Luxuries Act, 1988;
 - Goa Tax on Entry of Goods Act, 2000;
 - Goa Value Added Tax Act, 2005; (GVAT Act)

- The extent of relief granted under the Amnesty Act is as under:

CRITERIA	SETTLEMENT AMOUNT
Arrears of tax, interest and/or penalty arising due to non-submission of 'Specified forms/Certificates'* as per the assessment order and where no review or appeal is preferred against such order or is already decided as of 5 September 2023.	80% of the arrears of tax (The balance amount of tax and the full amount of interest and penalty shall be waived fully)
Arrears of tax, interest and/or penalty arising due to non-submission of 'Specified forms/Certificates'* as per the assessment order and where such dues are disputed in review or appeal or in revision or in any other suit or writ petition, filed before any court of law, on or before 5 September 2023.	50% of the arrears of tax (The balance amount of tax and the full amount of interest and penalty shall be waived fully). The arrears of tax are to be reduced after considering the 'Specified forms/Certificates' furnished by the dealer till the date of filing of the application.
Arrears of tax, interest and/or penalty arising due to assessment or reassessment under Section 31 or 31A of the GVAT Act pursuant to an action under Section 73 of the GVAT Act.	100% of the arrears of tax and 50% of the penalty imposed (Balance amount of penalty and full amount of interest shall be waived fully).

*Specified forms/certificates shall mean:

- Declaration form or declaration certificate, in Form 'C', Form 'D', Form 'E-I/ E-II', Form 'F', Form 'H' of the Central Sales Tax (Registration and Turnover) Rules, 1957;
- Certificates of exemption in Form ST XI A or ST XI B of the Sales Tax Act;
- Certificates of Tax Deduction at Source in Form VAT-VII under the GVAT Act.

[Notification no:7/30/2023-LA dated 8 September 2023]

WEST BENGAL - EXTENSION OF DATE FOR DISPOSAL OF REVISION CASES FILED UNDER WEST BENGAL VALUE ADDED TAX ACT, 2003

The last date for disposal of revision applications (under Section 87(1C) of the West Bengal Value Added Tax Act, 2003) filed during the period starting from 1 April 2020 to 30 September 2022 has been extended till 31 March 2024.

[Notification no:1570&1571-F.T. dated 8 September 2023]

CUSTOMS

LEGISLATIVE UPDATES

NOTIFICATIONS

IMPOSITION OF ANTI-DUMPING DUTY (ADD) ON IMPORT OF FLAT BASE STEEL WHEELS

- Vide Notification no:46/2018-Customs (ADD) dated 13 September 2018, ADD was imposed on the import of 'Flat Base Steel Wheels of Nominal Diameter 16" - 20"' falling under sub-heading 8708 70 of the First Schedule to the CT Act, originating in or exported from China PR. The rate of ADD was US\$ 613 per MT.
- The Designated Authority, Directorate General of Trade Remedies, while reviewing the imposition of the aforesaid ADD has continued its recommendation to impose ADD in its Final Findings vide Notification no:7/02/2023-DGTR dated 12 June 2023.
- Pursuant to the above, the CBIC has issued a notification imposing ADD on the aforesaid products which are originating in or exported from China PR at the rate of US\$ 613 per MT.
- The aforesaid levy of ADD will be effective for a period of five years i.e., up to 10 September 2028.

[Notification no:09/2023-Customs (ADD) dated 11 September 2023]

EXTENSION OF DATE FOR APPLICABILITY OF BASIC CUSTOM DUTY (BCD) RATE

Notification no:50/2017-Customs, dated 30 June 2017 (NN 50/2017) which provides the effective rate of customs duties has been amended to provide that the benefit of reduced rate of Customs Duty available in respect of certain goods falling under CTH 9801 (which was valid till 30 September 2023) has now been extended till 30 September 2025. Accordingly, concerning the following goods under HSN 9801, the benefit of the effective rate of duty has been extended by a further period of 2 years, subject to certain conditions as provided in NN 50/2017:

DESCRIPTION OF GOODS	BCD	IGST
Goods required for coal mining projects	Nil	-
Goods required for: <ul style="list-style-type: none"> ▪ Power generation projects including gas turbine power projects (excluding captive power plants set up by projects engaged in activities other than in power generation); ▪ Power transmission, sub-transmission, or distribution projects 	5%	-
Goods required for setting up any Mega Power Project specified in List 31 (covered in Sl. No. 598 of NN 50/2017)	Nil	-
Goods required for: <ul style="list-style-type: none"> ▪ Project for LNG Re-gasification Plant; ▪ Aerial passenger ropeway project 	5%	-
All goods (covered in Sl. No. 601 of NN 50/2017)	5%	-
Goods required for setting up of any Nuclear Power Project specified in List 32 (covered in Sl. No. 602 of NN 50/2017)	Nil	-
Water Supply Projects	Nil	-

[Notification no:54/2023-Customs dated 14 September 2023]

FOREIGN TRADE POLICY (FTP)

LEGISLATIVE UPDATES

NOTIFICATIONS

AMENDMENT IN EXPORT POLICY OF FOOD SUPPLEMENTS CONTAINING BOTANICALS

Export Policy Conditions in relation to export of Food Supplements containing botanicals under ITC HS Code 1302 (Vegetable saps and extracts; pectic substances, pectinates and pectates, agar-agar and mucilages and thickeners, whether or not modified, derived from vegetable products) or 2106 (Food preparations not elsewhere specified or included) intended for human or animal consumption to European Union and United Kingdom has been modified as under:

- The aforesaid exports will be allowed subject to the issuance of an official certificate by the Export Inspection Council/Export Inspection Agencies or Shellac and Forest Products Export Promotion Council (SHEFEXIL)⁶.
- It has been provided that SHEFEXIL has been allowed to issue the official certificate (as above) till 10 December 2023 (i.e., for a period of three months from the date of this amendment being 11 September 2023).

[Notification no: 31/2023 dated 11 September 2023]

⁶ Our summary of the trade notice can be accessed [here](#).

NEWS FLASH

“Goods in transit can't be seized under GST law without inquiry: HC”

https://www.business-standard.com/economy/news/goods-in-transit-can-t-be-seized-under-gst-law-without-inquiry-hc-123091100361_1.html

[Source: Business Standard, 11 September 2023]

“Will increase tax so much you'll find it difficult to sell', Gadkari warns as he proposes 10% tax on diesel vehicles”

<https://economictimes.indiatimes.com/industry/auto/auto-news/will-ask-fm-sitharaman-to-impose-additional-10-gst-on-diesel-engine-vehicles-gadkari/articleshow/103598385.cms?from=mdr>

[Source: Economic Times, 13 September 2023]

“GST on brand name usage baffles banks”

<https://www.livemint.com/industry/banking/gst-on-brand-name-usage-baffles-banks-11694715629173.html>

[Source: Mint, 14 September 2023]

“Auto dealers seek reduction of GST on entry-level two-wheelers”

<https://timesofindia.indiatimes.com/auto/news/auto-dealers-seek-reduction-of-gst-on-entry-level-two-wheelers/articleshow/103670721.cms?from=mdr>

[Source: The Times of India, 14 September 2023]

“Amid a boom in Mumbai redevelopment projects, triple GST sees court cases build up”

<https://timesofindia.indiatimes.com/city/mumbai/amid-boom-in-mumbai-redevelopment-projects-triple-gst-sees-court-cases-build-up/articleshow/103647274.cms?from=mdr>

[Source: The Times of India, 14 September 2023]

“Finance Ministry notifies 31 state benches of GST appellate tribunal”

<https://indianexpress.com/article/business/economy/finance-ministry-notifies-31-state-benches-gst-appellate-tribunal-8940920/>

[Source: The Indian Express, 15 September 2023]

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Mumbai 400028, INDIA

Mumbai - Office 4

The Ruby, Level 9, South East Wing
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, INDIA

Bengaluru - Office 1

Prestige Nebula, 3rd Floor,
Infantry Road,
Bengaluru 560095, INDIA

Chennai

No. 443 & 445, Floor 5, Main Building
Guna Complex, Mount Road, Teynampet
Chennai 600018, INDIA

Delhi NCR - Office 2

Windsor IT Park, Plot No: A-1
Floor 2, Tower-B, Sector-125
Noida 201301, INDIA

Kochi

XL/215 A, Krishna Kripa
Layam Road, Ernakulam
Kochi 682011, INDIA

Mumbai - Office 2

601, Floor 6, Raheja Titanium, Western
Express Highway, Geetanjali, Railway
Colony, Ram Nagar, Goregaon (E),
Mumbai 400063, INDIA

Pune - Office 1

Floor 6, Building No. 1
Cerebrum IT Park, Kalyani Nagar
Pune 411014, INDIA

Bengaluru - Office 2

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

Coimbatore

Pacom Square, Floor 3, 104/1, Sakthi
Main Road, Bharathi Nagar, Ganapathy
Coimbatore, Tamil Nadu - 641 006

Goa

701, Kamat Towers
9, EDC Complex, Pattoo Plaza
Panaji, Goa 403001, INDIA

Kolkata

Floor 4, Duckback House
41, Shakespeare Sarani
Kolkata 700017, INDIA

Mumbai - Office 3

Floor 20, 2001 & 2002 - A Wing, 2001 F
Wing, Lotus Corporate Park, Western
Express Highway, Ram Mandir Fatak Road,
Goregaon (E) Mumbai 400 063, INDIA

Pune - Office 2

Floor 2 & 4, Mantri Sterling, Deep Bungalow,
Chowk, Model Colony, Shivaji Nagar
Pune 411016, INDIA

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