THE TAX POST

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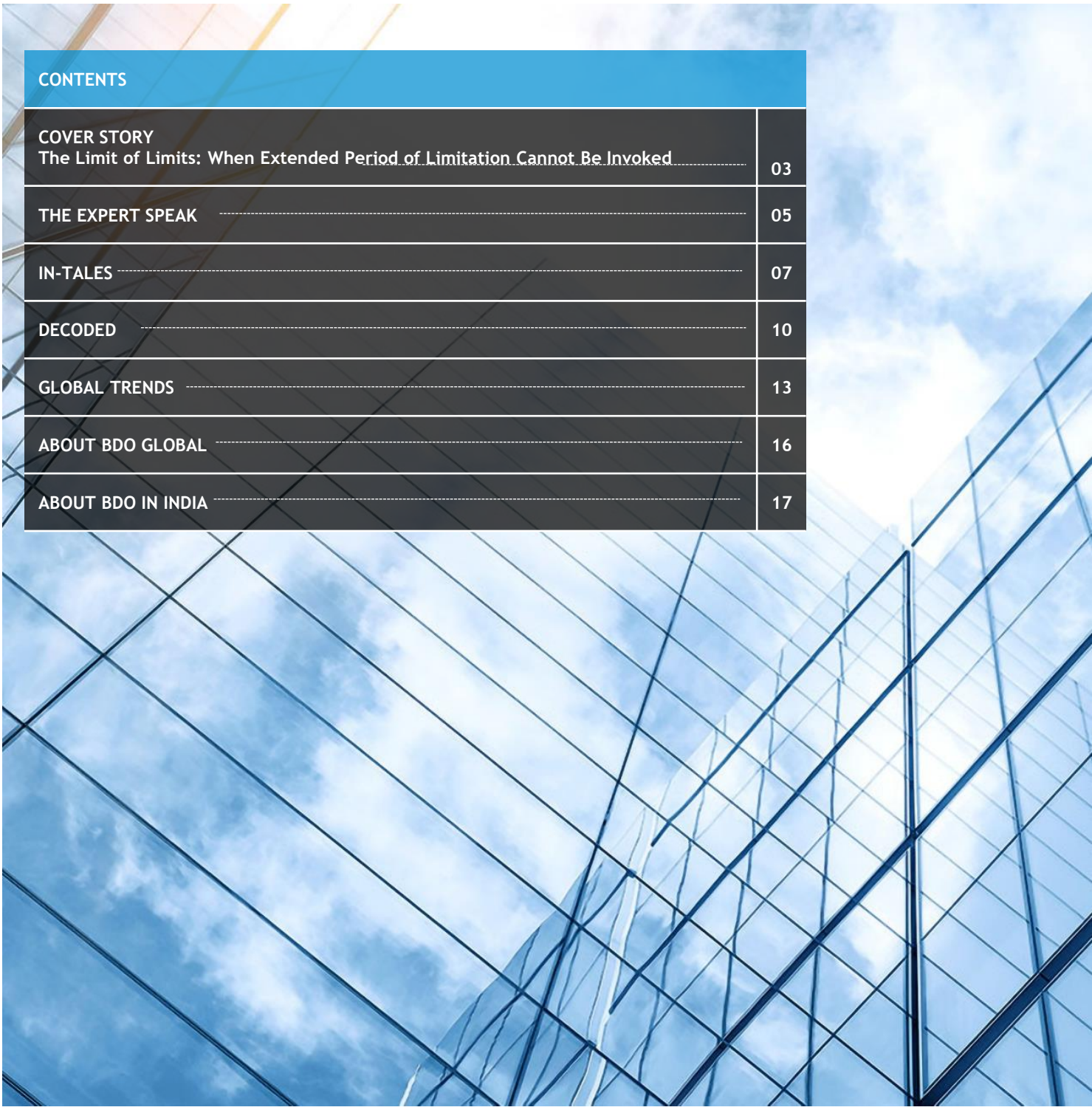

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PREFACE

"Continuous improvement is better than delayed perfection."

- Mark Twain

The tax authorities are obligated to conduct an adjudication process to verify the accuracy and correctness of the self-assessed liability declared by the Taxpayer. For this, the GST law has prescribed the time limits within which the adjudication process can be completed. For exceptional situations (such as fraud, wilful mis-statement or suppression of facts), the tax authorities are provided with an extended limitation period of five years (as against the prescribed period of three years in other cases) under Section 74 of the Central Goods and Services Tax Act, 2017.

The 'Cover Story' section of this publication examines the instances in which the extended period of limitation can be invoked under the GST law, while also highlighting the instances (based on the judicial precedents under the erstwhile indirect tax laws) in which the extended period of limitation cannot be invoked by the tax authorities. This would enable the Taxpayers to meticulously analyse the show cause notices issued by the tax authorities.

This edition's 'Expert Speak' segment analyses the recent Public Notice No.33/2024 dated 20 March 2024 issued by Office of the Commissioner of Customs (NS-III), (TSK), JNCH, Maharashtra which had prescribed the procedure to be followed by the tax authorities for verification and defacing of specified Country of Origin certificate. The section also examines its impact on the industry including the challenges faced by the industry and the way forward for mitigating risks and thereby ensuring business continuity.

The 'In Tales' section dissects the Oil and Gas sector, highlighting the global outlook and India's position in the Oil and Gas sector. The section also summarises the key challenges faced by the industry from an indirect tax perspective.

The 'Decoded' segment of this edition dissects a judgement of the Patna High Court that has held that an automatic interest liability occurs in case of delay in furnishing returns irrespective of whether the payment is made from Electronic Cash Ledger or Electronic Credit Ledger.

We continue to bring the latest news on indirect taxes from across the globe in our feature 'Global Trends'.

We wish our readers a happy reading!

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COVER STORY

The Limit of Limits: When Extended Period of Limitation Cannot Be Invoked

Introduction

The Goods and Services Tax (GST) law mandates a self-assessment system for Taxpayers to determine and discharge their GST liabilities. Consequently, the tax authorities are obligated to conduct an adjudication process to verify the accuracy and correctness of the self-assessed liability declared by the Taxpayer.

Ordinarily, adjudication orders (under Section 73 of the Central Goods and Services Tax Act, 2017 -CGST Act in short) must be issued within a three-year period from the relevant date, which can be either the due date for filing annual returns or the date on which an erroneous refund was issued. The aforementioned three-year period is commonly referred to as the ***'normal period of limitation'***. However, under section 74 of the CGST Act, in exceptional circumstances, the extended limitation period of five years from the relevant date is available to the tax authorities for issuing the adjudication order.

In terms of Section 74 of the CGST Act, the extended period of limitation can be invoked only where the tax is not paid/ short-paid or erroneously refunded or input tax credit has been wrongly availed or utilised due to the following circumstances in order to ***'evade tax'***:

- Fraud;
- Wilful mis-statement; or
- Suppression of facts

It is worth noting that the CGST Act prescribes different limitation periods for adjudication orders under Sections 73 and 74. This differentiation reflects the severity and nature of the taxpayer's non-compliance. Consequently, an extended limitation period applies in situations where the non-payment, short-payment, etc. are suspected to be intentional tax evasions. Unsurprisingly, the associated penalties for such deliberate transgressions are also more substantial compared to the cases without an intention to evade tax.

Recent Surge in Investigations and Audits

A recent surge in investigations and audits by the Directorate General of GST Intelligence (DGGI), Central Tax Officers, and State Tax Officers encompassed the period from 1 July 2017 onwards. It is crucial to recognise that the limitation period for issuing Show Cause Notices (SCNs) under Section 73 of the CGST Act has already expired for FY 2017-18 and 2018-19. Similarly, the deadline for FY 2019-20 will expire on 31 May 2024. Consequently, the SCNs arising from these ongoing investigations for alleged demands pertaining to FY 2017-18 and 2018-19 (and possibly 2019-20 as well) will have to be issued by invoking the extended limitation period under Section 74 of the CGST Act.

Given this context, it is imperative to delve into the core principles that govern the invocation of the extended period of limitation under the indirect tax regime. In this regard, particular attention should be paid to the precedents established by the Supreme Court and various High Courts.

Meaning of the Terms 'Fraud', 'Wilful Mis-statement' and 'Suppression'

While the terms 'fraud' and 'wilful mis-statement' are not defined under the CGST Act, Explanation 2 to Section 74 of the CGST Act defines the term 'suppression' to mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under the CGST Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer. Let us now examine the ratios of relevant judicial precedents that have interpreted the meaning of these terms:

- As far as 'fraud' and 'collusion' is concerned, the intent to evade duty is built into these words. Further, under Section 11A of the Central Excises & Salt Act, 1944, the phrase ***'mis-statement or suppression of facts'*** is qualified by the word ***'wilful'*** which means with intent to evade duty[1].
- Mere omission to give correct information is not suppression of facts unless it was deliberate to stop the payment of duty. Suppression means failure to disclose full information with the intent to evade payment of duty. An incorrect statement cannot be equated with a wilful mis-statement[2].

[1] Cosmic Dye Chemical Vs. CCE [1995 (75) ELT 721 (SC)]
[2] Continental Foundation Jt. Venture Vs. Commr. Of C. Ex., Chandigarh-I [2007 (216) ELT 177 (SC)]

- The term ***'suppression of fact'*** means that the correct information was not disclosed deliberately to escape from payment of duty. When the facts are known to both parties, omission by one to do what he might have done and not what he must have done does not render it suppression[3].
- Mere failure or negligence on the part of the manufacturer either not to take out a licence or not to pay duty in case where there was scope for doubt does not attract the extended limitation[4].
- A mere non-declaration cannot establish any wilful withholding of vital information for the purpose of evasion of excise duty. There could be a bona fide belief on the part of the Taxpayer. Thus, non-declaration per se cannot prove that there was the intention to evade payment of duty or that the assessee was guilty of fraud, collusion, misconduct or suppression to invoke an extended period of limitation[5].

Instances Where the Extended Period of Limitation Cannot Be Invoked

Following a thorough examination of the terms 'fraud, wilful mis-statement and suppression of facts,' it is critical to analyse the circumstances under which the extended limitation period cannot be invoked.

- ***"Affirmati Non Neganti Incumbit Probatio"*** which means that the burden of proof is upon him who affirms and not on him who denies[6]. Accordingly, the element of fraud, wilful mis-statement and suppression of facts with an intent to evade tax must be proved by the tax authorities and such onus cannot be shifted on to the Taxpayer, failing which, the extended period of limitation cannot be invoked by the tax authorities.
- Fraud arises from a deception committed by disclosure of incorrect facts knowingly and deliberately to invoke the exercise of power and procure an order from an authority or tribunal. It must result in the exercise of jurisdiction which otherwise would not have been exercised. The misrepresentation must be in relation to the conditions provided in a section on existence or non-existence of which the power can be exercised. However, non-disclosure of a fact not required by a statute to be disclosed may not amount to fraud[7].
- Extended period of limitation cannot be invoked where the issue under dispute is an interpretational issue and where the different statutory authorities have taken divergent/ contrary views[8]. Similarly, the classification of a product was held to be purely an interpretational issue for which an extended period of limitation cannot be invoked by the tax authorities[9].
- There cannot be a presumption that Public Sector Undertakings (PSUs) have an intention to evade payment of duty. Hence, the extended period of limitation cannot be invoked where the Taxpayer is a PSU[10].
- In cases where a taxpayer is entitled to claim the benefit of the tax not paid/ short-paid, the issue would be considered as being revenue neutral and consequently, the extended period of limitation cannot be invoked in such cases[11].

Conclusion

Moreover, to counter the allegations and the risks of the GST authorities invoking the extended limitation period, the Taxpayers should meticulously analyse the SCNs received. A comprehensive response should be prepared, addressing all potential grounds to challenge the applicability of the extended period along with various submissions/ declarations/ data submitted with authorities at different points in time. This includes relying on relevant legal precedents established by the Supreme Court and various High Courts. Any omission in raising such challenges at an initial stage carries an inherent risk of these arguments being rejected by appellate authorities at a later stage.

[3] Pushpam Pharmaceutical Company Vs. Collector of C. Ex., Bombay [1995 (78) ELT 401 (SC)]
[4] Pushpam Pharmaceutical Company Vs. Collector of C. Ex., Bombay [1995 (78) ELT 401 (SC)]
[5] Collector of Central Excise Vs. H.M.M. Ltd. [1995 (76) ELT 497 (SC)]
[6] M/s. Lord Chloro Alkali v. Special Director Enforcement Directorate [2017 (9) TMI 491 – Delhi HC]
[7] Commissioner of Customs (Preventive) Vs. Aafloat Textiles (I) Pvt. Ltd. [2009 (235) ELT 587 (SC)] and Shrisht Dhawan Vs. Shaw Brothers [1992 (1) SCC 534]
[8] Jaiprakash Industries Ltd. Vs. CCE [2002 (146) ELT 481 (SC)]
[9] Commissioner of GST and Central Excise Vs. Ameya Foods [2024 (15) Centax 476 (SC)]
[10] CCE Vs. Chennai Petroleum Corpn. Ltd. [2007 (211) ELT 193 (SC)]
[11] Commissioner of Central Excise Vs. Coca-Cola India Pvt. Ltd. [2007 (213) ELT 490 (SC)] – However, this ruling was distinguished by the Supreme Court in CC, CE & ST, Bangalore (Adjudication) Vs. Northern Operating Systems Pvt. Ltd. by holding the precedential value of this ruling is of a limited nature as the Supreme Court ruling in Coca-Cola (supra) did not provide its independent reasoning.

THE EXPERT SPEAK

Third Country Invoicing and Claiming of Free Trade Agreement Concessional Duty of Imports - A Perspective from the Recent Public Notice Issued by the TSK, Mumbai Commissionerate in March 2024

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Background and Issue

The recent Public Notice no:33 of 2024 dated 20 March 2024 issued by Office of the Commissioner of Customs (NS-III), (TSK), JNCH, Maharashtra has raised questions on the 'Ease of Doing Business' in India. Most of the imports under "Third Country Invoicing" model along with the claim of benefits under the Free Trade Agreements (FTAs) have been challenged by the Mumbai Customs authorities on the ground of declaration of different FOB Value in the invoice vis-à-vis FTA certificate.

Representations are being made by the Industry to the Commissioner of Customs (NS-III) and the finality or solution to this issue has not been reached.

Scope and Definition

Third Country Invoicing denotes commercial invoices issued in the Third country and not by the consignor in the exporting country. The origin of the goods nonetheless is based upon the value addition done in the 'country of origin' itself, with Free on Board (FoB) value in the 'country of origin' being the base for arriving at the local value content.

For example, let us consider FTA entered between India and ASEAN bloc for import under **"Third Country Invoicing".** In this regard, a reference can be made to the Customs Tariff [Determination of Origin of Goods under the Preferential Trade Agreement between the Governments of Member States of the Association of Southeast Asian Nations (ASEAN) and the Republic of India] Rules, 2009 (AIFTA Rules 2009) issued vide Notification no:189/2009-Customs (N.T.) dated 31 December 2009. Further, Notification no:46/2011-Customs dated 1 June 2011 inter alia confers the concessional Basic Customs Duty of 5% on certain products.

Challenges in Documentation and Disclosure

While processing the Bill of Entries, the objections are being raised stating the following:

Manufacturer Invoice Value in USD	121.90
Customs Invoice Value in USD	136.77
Total invoice Value Difference in USD	**14.87**

Obviously, the difference is due to the nominal margin including administrative expenses of Hub Company i.e., Third Party Company / Trader. In this instance, the FTA Certificate issued in the originating country of export normally refers to the invoice value of the Third Country party which is being objected by the Customs Department. The FOB value of the originating country needs to be maintained while the value addition for charges by the Third Country invoice may have a separate line of disclosure.

The eligibility for FTA benefit i.e., RVC (Regional Value Content) certified by the Department of Foreign Trade of the originating country, though based on the Originating Country Invoice FOB Value only, is becoming a complex process to establish before Customs authorities.

Clarification *Vide* the Recent Public Notice

It has to be noted the aforesaid Public Notice is issued by Turant Seva Kendra of Mumbai Port only and is not being insisted or followed up by the other ports. Hence, this seems to have a limited application to the specific Commissionerate and may or may not have a persuasive value.

We believe that the intent is to resolve this vide the clarification issued by the aforesaid Public Notice in the context of mismatch in the FOB value, reproduced below:

Sl. No.	Requirements during the defacing procedure mentioned as per Para 3 of PN 33/2024 dated 20 March 2024
(i)	*The 3rd Party Invoice which does not indicate FOB value as mentioned in FTA Certificate along with other cost and services:* *The importer will submit invoice of exporter of originating country on the basis of which FTA certificate was issued.*
(ii)	*The 3rd Party Invoice contains a greater number of items than mentioned in FTA certificate:* *The importer will submit invoice of exporter of originating country on the basis of which FTA certificate was issued and amend the Bill of Entry accordingly.*
(iii)	*The CTH in the Bill of Entry filed on the basis of 3rd Party Invoice does not match with the CTH indicated in the FTA Certificate:* *The importer will submit invoice of exporter of originating country on the basis of which FTA certificate was issued and amend the Bill of Entry accordingly.*

As per the above clarification, the copy of invoice issued by the exporter of the originating country is required to be submitted to the Customs department. However, despite this being done, the matter has not attained finality and the customs clearance for the imported goods is not allowed the FTA benefits.

Substantial Compliance or Procedural Lacuna

The following are the substantial compliances envisaged in the relevant Notifications and circulars:

- Regional Value Content condition is fulfilled: The Form AI issued by the Department of Foreign Trade of the respective originating country should be based on the Manufacturer FOB Value and this should satisfy the Regional Value Content (RVC) being more than a prescribed percentage (For example, 35%) and the certificate has to be issued accordingly.
- Disclosure requirements in Form AI: The Third Country invoice detail has to be disclosed on Form AI to meet the criteria of **Rule 13 of AIFTA Rules 2009**. This is intended to prove that the consignment directly moved from the exporting country to the importing country (India) and Operational Certification Procedures as set out in Annexure III have been adhered[12] to.
- Reasons have to be recorded in writing for rejection of FTA Certificate: The FTA certificate has to be submitted to the originating country in case the certificate is sought to be rejected by the Customs authorities in the country of import. In such case, the importer would also have an option to discuss with the issuing authority to reconsider the recent requirements of Indian Customs for future shipments[13]. Accordingly, a speaking order or rejection report would be issued by Customs authorities.
- Where the origin of the product is not in doubt, the FTA benefit should not be denied: AIFTA Rules 2009[14] confirms that FTA benefits cannot be denied if the origin of the product is not in doubt. This point is proven beyond doubt if the originating exporter's invoice is also produced (as per the aforesaid Public Notice).
- Acceptance of Certificate of Origin: Relevant clause - Rule 13 of AIFTA Rules 2009.
  "The Customs Authority of the importing party shall accept an AIFTA Certificate of Origin where the sale invoice is issued either by a company located in a third country or an AIFTA exporter for the account of the said company, provided that the product meets the requirements of these rules".[15]

[12] viz., Name, Country of the Company and declaration of "Third Country Invoicing" has to be disclosed in the Box Number of the respective Form AI
[13] There is an obligation on the part of the Department to state the reason for rejection in Box Number # of FTA Form AI and return the originals Forms as per Para number 7(c), and (d) of Annexure III mentioned in Rule 13 of AIFTA Rules 2009
[14] Para 15(a) of Annexure III mentioned in Rule 13 of AIFTA Rules 2009
[15] Para number 22 of Annexure III of Rule 13

Rulings/ Decisions

CESTAT has upheld duty benefits in the case of Third Party Invoicing in the case of ***M/S. OLAM ENTERPRISES INDIA PVT. LTD. VERSUS COMMISSIONER OF CUSTOMS, TUTICORIN [Appeal no.:C/40587/2017, Final Order No.:40459/2018 CESTAT, CHENNAI], dated 19 February 2018***.

It was held by the CESTAT as under:

"we are of the considered opinion that the AIFTA certificates very much covers the impugned goods which have been imported by the appellant and in view of Article 22 of the Procedures, issue of invoice by party in third country namely M/s. Panasia International Limited, Dubai will not negate the benefit of the AIFTA certificate and the benefit of notification no.46/2011-Cus. The impugned order, which holds a contrary view will therefore have to be set-aside which we hereby do. The appeal is allowed with consequential benefits, if any, as per law."

Key takeaways of the decision of the CESTAT

- From the preferential Country of Origin of AIFTA format, it is clear that the third country invoicing is allowed.
- There has to be a Bill of Lading issued from the Country of Origin to the country of the importer.
- The AIFTA Certificate of Origin should be issued by the relevant Issuing Authority with a copy of original commercial invoice in respect of the goods.

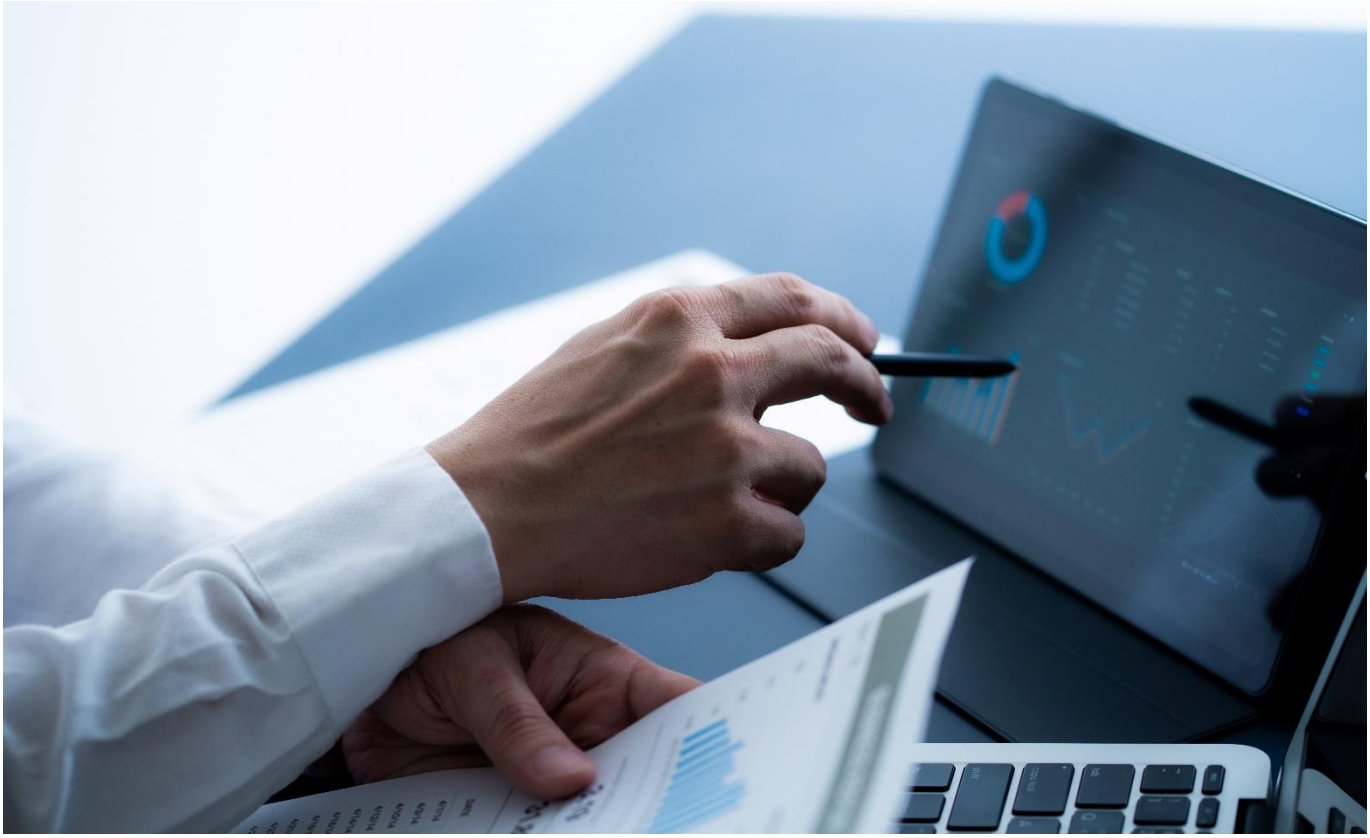
Conclusion

The *prima facie* view that emerges from the above discussion is that though there is substantial compliance with the procedures as envisaged in the FTAs and notifications are in place, trivial issues are becoming a show-stopper. It is felt that this Public Notice, which initially looked like a clarification, nonetheless, has in-depth contents in terms of disclosure of the break-up of invoice/ FOB values. This may force the industry even to revisit the business models of Third Country Invoicing and switch to direct imports.

Way Forward

Delay in clearances, due to the inability of the importer to submit specified documentary requirements, may affect business continuity. Industries are facing a challenge and are unable to meet the delivery commitment to customers due to this issue, thus majorly impacting business continuity. In this context, the following are the options available to the industry:

- Payment of duty under protest
- Persuasion to issue a speaking order (since the rejection of FTA would not be given on record)
- Filing an appeal against the aforesaid order and seeking a refund of the duty paid under protest through appellate remedies
- Planning for the disclosure requirement of next shipments
- Representation to the Central Board of Indirect Taxes and Customs (CBIC)



IN-TALES

Fuelling Growth: Understanding the Impact of GST on the Oil and Gas Sector

Introduction

The Oil and Gas industry is one of the eight core industries in India[16]. The sector plays a major role in influencing the decision-making for all the other important sections of the economy. India's economic growth is strongly correlated with its energy demands. Consequently, projections indicate a rising need for oil and gas, which could position the sector as an attractive investment opportunity. India is the third-largest consumer of oil in the world, as of 2023.

Global Outlook

The oil and gas market size has grown strongly in recent years. The factors contributing to this growth include a surge in crude oil and natural gas production, expansion of the petrochemical industry, growth of emerging markets, and a rise in investments for oil and gas exploration in the developing countries. The industry is expected to grow at a Compound Annual Growth Rate (CAGR) of 5.2% by 2028, reaching a market size of USD 9.35tn. The growth forecast can be attributed to growth in resource exploration and Government support globally. The factors that could hinder growth in the future include price volatility and geopolitical tensions[17].

Oil and Gas Industry in India

India is the third-largest energy and oil consumer in the world, and the fourth-largest importer of Liquefied Natural Gas (LNG). India's refining capacity stands at 256.8 Million Metric Tonnes per Annum (MMTPA) as of April 2024, comprising 23 refineries. India aims to increase its refining capacity to 450 MMTPA by 2030[18].

The overall consumption of Petroleum products[19] in the country saw an increase of 4.6% to reach 233.3 Million Metric Tonnes (MMT) in FY 2023-24, on a Year-on-Year basis. The major product-wise breakdown during this period is as under:

- LPG consumption increased by 4% from 28 MMT to 29 MMT. As on 1 April 2024, there are 324 million active LPG domestic connections by PSUs.
- India's consumption of natural gas stood at 66.6 Billion Cubic Metres (BCM), resulting in a 11% Year-on-Year increase.
- Motor Spirit consumption increased from 35 MMT to 37.2 MMT.
- HSD consumption increased from 85.9 MMT to 89.7 MMT.
- Crude oil processing increased by 2.5% from 255.2 MMT to 261.5 MMT.

Key Segments of the Indian Oil and Gas Sector

- **Upstream segment - exploration and production:** State-owned Oil and Natural Gas Corporation Limited dominates the upstream segment. It is the largest upstream company in the exploration and production (E&P) segment, accounting for approximately 70% of the country's total oil and gas output.
- **Midstream segment - storage and transportation:** Indian Oil Corporation Limited operates a 14,701 km network of crude, gas and product pipelines, with a capacity of 94.6 MMT per annum of oil and 20.0 Million Metric Standard Cubic Metre per Day (MMSCMD) of gas.
- **Downstream segment - refining, processing and marketing:** Indian Oil Corporation Limited is the largest company, controlling 11 out of 22 Indian refineries, with a combined capacity of 80.7 MTPA. Further, Reliance launched India's first privately owned refinery in 1999 and has gained considerable market share (30%). Also, Nayara Energy Limited's (NEL's) Vadinar refinery has a capacity of 20 MMT per annum, accounting for almost 10% of the total refining capacity.

[16] https://www.ibef.org/industry/oil-gas-india
[17] https://www.thebusinessresearchcompany.com/report/oil-and-gas-global-market-report
[18] https://www.investindia.gov.in/sector/oil-gas#:~:text=As%20on%20Apr%202022%2C%20estimated,2030%20from%20about%206.7%25%20now
[19] https://www.investindia.gov.in/sector/oil-gas#:~:text=As%20on%20Apr%202022%2C%20estimated,2030%20from%20about%206.7%25%20now

Key Domestic Oil and Gas Companies

- Indian Oil Corporation Ltd
- Reliance Industries Limited
- Bharat Petroleum Corporation Limited
- Hindustan Petroleum Corporation Limited
- Oil & Natural Gas Corporation Limited
- Gas Authority of India Limited
- Oil India Limited

Key Indirect Tax Issues Faced by the Oil and Gas Sector

- **Non-subsummation of petroleum products in GST:**
  - While the GST law in India was introduced with an objective of subsuming all indirect tax levies, presently, petroleum products [i.e., petroleum crude, high-speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel] are still outside the purview of the GST law.
  - Consequently, these petroleum products are currently subjected to Excise Duty and Value Added Tax (VAT) / Central Sales Tax (CST).
  - Apart from the above, all the goods (as defined in the GST law) are liable to GST.
  - Accordingly, the procurement of petroleum products results in non-creditable inputs leading to a cascading effect of taxes. Also, considering that petroleum products are one of the most vital inputs for the logistics sector, the non-subsummation of petroleum products under the GST law leads to an increase in the logistics cost for all industries. Lastly, since petroleum products are outside the GST net, they also are unable to claim GST ITC, further increasing the cascading effect of taxes.
- **Scope of support services to exploration, mining or drilling of petroleum crude or natural gas or both**
  - Support services to exploration, mining or drilling of petroleum crude or natural gas or both is liable to GST at the rate 12% with effect from 1 October 2019[20].
  - CBIC has clarified[21] that the scope of 'support services to exploration, mining or drilling of petroleum crude or natural gas or both' shall be governed by the following explanatory note:
    - SAC 998621 Support services to oil and gas extraction
      This service code includes derrick erection, repair and dismantling services; well casing, cementing, pumping, plugging and abandoning of wells; test drilling and exploration services in connection with petroleum and gas extraction; specialised fire extinguishing services; operation of oil or gas extraction unit on a fee or contract basis.
    - SAC 998622 Support services to other mining n.e.c.
      This service code includes draining and pumping of mines; overburden removal and other development and preparation services of mineral properties and sites, including tunneling, except for oil and gas extraction; test drilling services in connection with mining operations, except for oil and gas extraction; operation of other mining units on a fee or contract basis.
  - The term 'support service' is not defined in the Central Goods and Services Tax Act, 2017. However, the term support service as per the erstwhile Chapter V of the Finance Act, 1994[22] *inter alia* included *infrastructural, operational, administrative support and construction or works contract*.
  - The Appellate Authority for Advance Rulings (AAAR) in the following cases have adopted a view that the service of the establishment of infrastructure facilities for oil and gas extraction and supervisory services for a project are not included in support services to exploration, mining or drilling of petroleum crude or natural gas or both. A summary with the ratio of the judgment is as below:

CASELAW	RATIO
Worley Services India Pvt. Ltd[23]	The activities, which merit classification under SAC 998621, are in the nature of physical performance or activities which are being directly used in the mining and extraction operations. The services in the nature of review, monitoring, management and supervision of the project works which are done towards realisation of mining activities are not covered in 'support services to exploration, mining or drilling of petroleum crude or natural gas or both' and hence will not attract GST @12%
Petrofac International UAE LLC[24] Kalpataru Projects International Limited[25] ION Exchange (India) Limited[26]	For the services to be eligible to classification under the instant SAC Heading no:998621, it is required that the service should support the main activity of oil and gas extraction by the infrastructure put in place for the purpose. The service of establishment of infrastructure facilities for oil and gas extraction is not covered in 'support services to exploration, mining or drilling of petroleum crude or natural gas or both' and hence will not attract GST @12%

[20] Notification no 20/2019- Central Tax (Rate) dated 30 September 2019
[21] Circular No. 114/33/2019-GST, dated 11 October 2019
[22] Section 65B(49) of Chapter V of the Finance Act- effective upto 31 March 2016
[23] In Re: Worley Services India Pvt. Ltd [(2023) 2 Centax 301 (App. A.A.R. - GST - Mah.)]
[24] In Re: Petrofac International UAE LLC[(2024) 17 Centax 279 (App. A.A.R. - GST - Raj.)]
[25] In Re: Kalpataru Projects International Limited (2024) 16 Centax 175 (A.A.R. - GST - Raj.)]
[26] In Re: ION Exchange (India) Limited [(2024) 16 Centax 136 (A.A.R. - GST - Raj.)]

- Given the above, the scope of 'support service to exploration, mining or drilling of petroleum crude or natural gas or both' is an issue that requires clarification from the tax authorities/ GST Council.

- **Non-Issuance of C-form for Taxpayers engaged in the supply of GST goods**
  - Central Sales Tax Act, 1956 (CST Act) provides a concessional rate of CST of 2% for interstate movement of petroleum crude, high-speed diesel, motor spirit, natural gas and aviation turbine fuel (hereinafter referred to as 'petroleum products'), provided the said petroleum products are used for the following[27]:
    - Re-sale;
    - Manufacture or processing of petroleum products; Similar view was clarified by the Ministry of Finance vide Office Memorandum no:28011/03/2014-ST-II dated 7 November 2017.
  - Accordingly, a person inter alia engaged in the manufacture/ resale of goods other than petroleum products may not be able to acquire petroleum products at a concessional rate.
- **Non-availability of exemption on re-import of equipment/ rig from SEZ/ FTWZ**
  - Customs duty on re-import of specified goods is exempt, subject to the conditions notified[28]. The said exemption *inter alia* covers oil rigs/ equipment used for providing support to mining activities provided the same are re-imported into India and subject to proviso and conditions as provided in the relevant notification.
  - As per Rule 48 of the Special Economic Zone Rules, 2006 (SEZ Rules), where goods procured from DTA by a Unit are supplied back to the DTA, as it is or without substantial processing, such goods shall be treated as re-imported goods.
  - However, the Authority for Advance Ruling (AAR) in the following cases have held that the activity of bringing goods from a Unit or Developer in Special Economic Zone (SEZ) to Domestic Tariff Area (DTA) is not covered under the definition of the term, 'import' under the Special Economic Zone Act, 2005 (SEZ Act) and therefore such transfer from SEZ to DTA cannot be termed as 're-import':
    - Halliburton Offshore Services Inc.[29]
    - Baker Hughes Singapore Pte[30]
    - BJ Services Company Middle East Ltd[31]
    - Baker Hughes Oilfield Services India Pvt. Ltd.[32]
- Given that the term 're-import' is defined to connote different meanings under the SEZ Rules and the Customs Act, 1962, the applicability of the same requires clarification from the tax authorities/ GST Council.
- **Miscellaneous issues:** In addition to the above, the oil and gas industry faces various issues *inter alia* including the following:
  - Denial of ITC due to mismatches (between eligible ITC as per Form GSTR-3B vis-à-vis Form GSTR-2B) and other defaults by the supplier (such as non-filing of return, non-payment of tax, cancellation of GST registration, etc.).
  - Reversal of proportionate ITC as per Rules 42 and 43 of the CGST Rules.
  - Service tax on Royalty paid under Petroleum Mining Lease: The CESTAT Chennai in the case of Oil and Natural Gas Corporation Ltd. Vs. Commissioner of CGST and Central Excise had held that Service tax is not payable on Royalty paid under a petroleum mining lease since the same is a kind of regulatory fees. The CESTAT had also observed that the issue pertaining to whether 'Royalty' is a tax is a subject matter of dispute before the 9-member Constitution Bench of the Supreme Court in Mineral Area Development Authority (Civil Appeal No. 4056-4064 of 2019). Pending such outcome, the decision in India Cements Ltd. Vs. State of Tamil Nadu [AIR 1990 SC 85] wherein Royalty was held to be a tax must be followed. It was also held that even if Royalty which is a regulatory fee contains a compensatory part, the Finance Act, 1994 does not provide for a mechanism to levy service tax on an amount which has the characters of both regulatory and compensatory.

Conclusion

The Indian oil and gas sector stands at a crossroads. While the demand for energy continues to rise, we must acknowledge the pressing need for import reduction, environmental responsibility, and technological advancements. Despite the challenges from the indirect tax perspective as highlighted above, the future of the Indian oil and gas sector looks bright. Through the collaborative efforts of the government, industry leaders and innovators, the Indian oil and gas sector can ensure a secure, sustainable and prosperous future.

[27] Section 8(1) read with Section 2(d) and Section 8(3) of the CST Act
[28] Notification no 45/2017- Customs dated 30 June 2017
[29] In Re: Halliburton Offshore Services Inc. [2023 (7) TMI 316 (AAR, Delhi)]
[30] In Re: Baker Hughes Singapore Pte [MANU/RU/0001/2023]
[31] In Re: BJ Services Company Middle East Ltd [MANU/RU/0002/2023]
[32] In Re: Baker Hughes Oilfield Services India Pvt. Ltd – [(2023) 12 Centax 18 (A.A.R. - Cus. - Del.)]
[33] Oil and Natural Gas Corporation Ltd. Vs. Commissioner of CGST and Central Excise [2024-VIL-38-CESTAT-CHE-ST] dated 9 January 2024

DECODED

Interest is Leviable Even if Delayed Tax Payment is Made Through Electronic Credit Ledger

Introduction

Section 50(1) of the Central Goods and Services Tax Act, 2017 (CGST Act) provides that interest on delayed payment of GST would be attracted in case of failure to discharge applicable GST within the prescribed due date, including in respect of cases involving delayed filing of return i.e., Form GSTR-3B. Further, proviso to Section 50(1) of the CGST Act provides that except in specified exceptional scenarios, interest on delayed filing of Form GSTR-3B filed after the prescribed due date shall be only on the portion of the tax which is payable by debiting the Electronic Cash Ledger (ECL). To sum up, interest would not be leviable on the portion of tax paid by debiting Electronic Credit Ledger (ECrL).

The scope of proviso to Section 50(1) of the CGST Act was extended by the Madras High Court[34] by *inter alia* holding that GST gets credited to the Government upon payment made in the ECL and not at the time of filing Form GSTR-3B. Consequently, the High Court held that interest is not leviable in cases where the tax amount is deposited in the ECL before the due date of filing Form GSTR-3B.

However, the Patna High Court[35] has recently taken a contrary view[36] *inter alia* holding that the input tax credit (ITC) to the ECrL accrues only when the Form GSTR-3B is filed and not when the tax is paid to the supplier which is consequently remitted by such supplier to the Government. Accordingly, interest is leviable for delayed filing of Form GSTR-3B even in cases where the GST liability was discharged through debiting the ECrL.

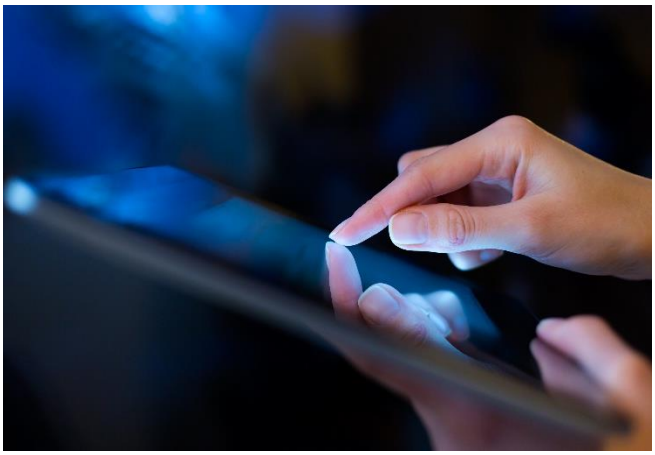
In this Section, we shall examine the Patna High Court ruling.

Facts of the Case

- Sincon Infrastructure Pvt. Ltd. (Taxpayer), registered under the CGST Act, had been issued an audit report dated 26 August 2022, raised nine objections, of which, two objections pertain to the alleged interest liability in respect of the following issues:
  - Non-payment of interest for delayed cash payment through Form GST DRC-03 in FY 2017-18 – Payment was made through debit in ECL; and
  - Non-payment of interest on delayed payment of GST liabilities in FY 2018-19 – Payment was made by offset/ debit in ECrL.
- Against this, on 12 September 2022, the Taxpayer filed a detailed reply in respect of each of the nine objections raised by the tax authorities in the audit report.
- As regards the two objections pertaining to the non-payment of interest for FY 2017-18 and FY 2018-19, the tax authorities proceeded to straight away issue the demand notice under Section 74(5) read with Rule 142 of the Central Goods and Services Tax Rules, 2017 (CGST Rules)[37]. The order inter alia provides that the Taxpayer was provided a personal hearing at the Monitoring Committee Meeting (MCM) wherein the submissions put forth by the Taxpayer were rejected by the MCM.
- Aggrieved by the peremptory demand made and the recovery proceedings initiated by the tax authorities, the Taxpayer filed a Writ Petition before the Patna High Court.

Contentions of the Taxpayer

- As regards interest liability for FY 2018-19, it is undisputed that the GST liabilities were offset from the ECrL, since the amount is already in the coffers of the Government and the set-off towards the output tax is merely a book adjustment which would absolve the Taxpayer from the interest liability (Proviso to Section 50(1) of the CGST Act).
- Reliance in this regard was placed on ***M/s. Refex Industries Ltd. Vs. The Assistant Commissioner of CGST & Central Excise [TS-89-HC-2020(MAD)-NT]*** wherein it was held that interest applies only on the 'cash component' of delayed tax remittance i.e., the amounts paid by debiting the ECL.
- The proper officer has issued the notice by invoking Section 74 read with Section 65 (7) of the CGST Act. Also, the demand raised by the proper officer has been raised on the dictates of the Monitoring Committee.



[34] Eicher Motors Ltd. Vs. The Superintendent of GST and Central Excise [TS-19-HC(MAD)-2024-GST]
[35] Sincon Infrastructure Pvt. Ltd. Vs. Union of India and Ors. [TS-216-HC(PAT)-2024-GST]
[36] **Editors Note:** ***Eicher Motors Ltd. (supra)*** was not referred / examined in the Patna High Court ruling in ***Sincon Infrastructure Pvt. Ltd. (supra)***.
[37] **Editors Note:** The tax authorities subsequently issued a show cause notice in respect of the remaining seven objections of the audit report by invoking Section 74 read with Section 65(7) of the CGST Act. However, since the said proceeding is not subject matter of dispute, the same was not dealt with by the Patna High Court.

Contentions of the Tax Authorities

- Proviso to Section 50(1) of the CGST Act only enables levy of interest when the debit is made from ECL and it does not prohibit interest levy when the debit is made from ECrL. Irrespective of the debit from ECL or ECrL, there can be payment of tax only when the return is filed and if there is a delay, Section 50(1) of the CGST Act imposes interest liability on a person committing delay.
- As regards the contention of the Taxpayer that the tax authorities have acted on the dictates of Monitoring Committee, it is pertinent to note that –
  - CBIC is conferred with the power to issue instructions or directions (Section 168 read with Section 2(16) of the CGST Act).
  - The tax authorities are obliged to follow such instructions or directions.
  - The recovery proceedings in the present case are initiated based on such instructions.
- Reference was also placed ***on India Yamaha Motor Pvt Ltd vs. The Assistant Commissioner & Ors. [TS-448-HC(MAD)-2022-GST]*** wherein the Madras High Court, while referring to its earlier ruling in ***Refex Industries Ltd. (supra)*** held, disregarding the assessee's contention, that interest is not leviable on the balance lying to its credit in the ECL and ECrL.
- Similarly, the Jharkhand High Court in ***RSB Transmissions (India) Ltd vs. UOI & Ors. [TS-589-HC(JHAR)-2022-GST]*** held that the mere deposit of amount in the Electronic Cash Ledger on any date prior to filing of the GSTR-3B return, does not amount to payment of tax due to its State exchequer.

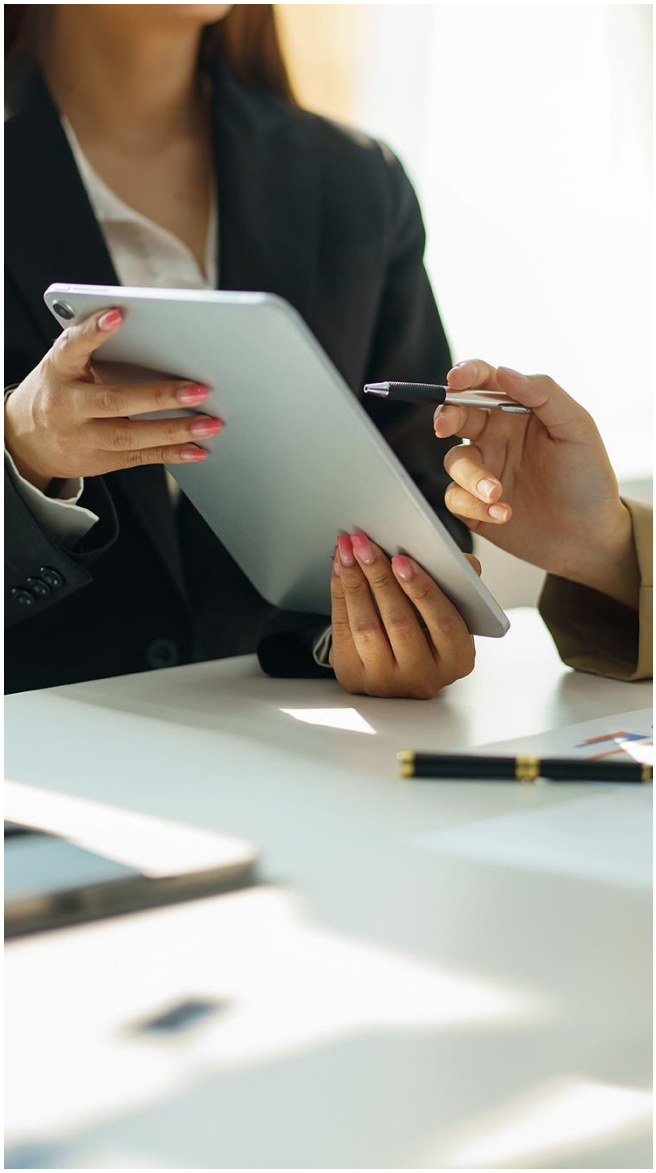
Observations and Ruling by the Hon'ble High Court

- **Dictate by Monitoring Committee:**
  - There is no provision for the Monitoring Committee to make a hierarchical decision that would be binding on the tax authorities.
  - While CBIC is empowered to issue instructions or directions, the same cannot be further delegated by constitute a body to issue binding orders on the tax authorities on the principle of *'delegatus non potest delegari'*.
  - The decisions of the Monitoring Committee does not oblige the tax authorities to follow it verbatim and the tax authorities are required to consider the matter and arrive at a decision in so far as assessment as well as the recovery process are concerned.
- **Analysis of relevant provisions concerning the imposition of interest:**
  - On perusal of Section 39 read with Section 50 of the CGST Act, it can be construed that the payment of tax is required to be made by the Taxpayer along with the furnishing of the return on or before the due date for filing the said returns.
  - As per Section 41 of the CGST Act, the credit to ECrL occurs only on self-assessment which, as contemplated in the statute, occurs only on furnishing a return. The mere fact that the supplier has remitted the tax to the Government which is also collected from the recipient would not create a claim of credit in the ECrL. The credit of input tax is occasioned in the ECrL only when the return is filed, and the eligible input tax is claimed in the return so filed.
- **Payment through ECL**: ECL is akin to a current account maintained by a legal entity with a bank where no interest is accrued with the only restriction that the debits made, have to be as against the payment of tax, interest, penalty or any other dues under the CGST Act. A conjoint reading of Sections 49 and 39 of the CGST Act indicates that the payment of tax occurs only on the furnishing of returns, which payment is by way of debit made from the ECL.
- **Payment through ECrL**: Section 49 indicates that input tax credit is credited to the assessee's ECrL on the basis of the self-assessment made in the return. Thus, only when a return is filed, does the input tax credit accrue to the assessee and the same is not linked to the payment made by the assessee to its supplier (and the consequent remittance by the supplier to the Government).
- **Precedential value of the judgements cited above:**
  - While observing the contrary views adopted by the very same Learned Judge of the Madras High Court in ***Refex Industries Ltd. (supra) and India Yamaha Motor Pvt. Ltd. (supra)***, the High Court observed since these rulings do not have a binding precedential value, the apparent conflicting views need not be delved upon.

  - While the ratio laid down by the Jharkhand High Court in ***M/s. RSB Transmissions (India) Ltd. (supra)*** may not be a binding precedent, the same is correct and would apply to the present case to imply that the reasoning provided by the Jharkhand High Court as regards sustaining the levy of interest pertaining to the debits in ECL would also be extended to the debits in ECrL.
- As regards the insertion of proviso to Section 50(1) of the CGST Act, the contention of the Taxpayer that the proviso absolves an assessee from the interest liability in respect of payments made through ECrL was disregarded *inter alia* on the following grounds:
  - If there is a delay in furnishing returns, then obviously there is a delay in claiming input tax credit in ECrL.
  - The proviso was introduced to rectify an anomaly and restrict the claim of the assessee that the deposits made in ECL are in the nature of tax, interest, penalty or other amounts due under the GST law.
  - Proviso to Section 50(1) of the CGST Act intended the dispelling of any notion that the amounts merely deposited in ECL would be satisfaction of dues under the GST law as the date of deposit. It was not intended to prohibit the levy for a debit made from ECL which also occurs and translates into payment of dues under the GST law only when the returns are furnished.
- Under Section 50 of the CGST Act, when a delay occurs in payment of tax, there is a liability on the assessee to pay on its own and satisfy the interest liability for the period of delay.
  - In so far as the ECL is concerned, the payment of tax, interest, penalty or any other dues is occasioned only when the return is furnished i.e., by debiting the ECL, post which the amount is transferred to the State. This is *de hors* the time at which the Taxpayer makes an electronic cash transfer enhancing the balance in ECL.
  - As regards ECrL, it is to be noted that the input tax credit itself occurs when the return is furnished by claiming the input tax credit. Accordingly, the set-off as against the output tax is also occasioned when such set-off claimed in the return is adjusted against the output tax from ECrL. The aforesaid principle would apply even in cases where there is a credit balance in ECrL (from previous years) since the tax payment occurs only on the furnishing of returns.
- In view of the above, irrespective of whether the payments are made from ECL or ECrL, interest is payable on the delay in payment of tax, which is occasioned only on furnishing of returns and the simultaneous debit made from ECL or ECrL, as the case may be. Thus, payment of tax and furnishing of return have to occur simultaneously and none can separate one from another.
- Thus, on furnishing of delayed returns, interest liability would be automatic whether the tax payment is made from ECL or ECrL. Accordingly, the Writ Petition filed by the Taxpayer was dismissed.

Conclusion

This ruling is likely to have a major impact on the interpretation of proviso to Section 50(1) of the CGST Act. This ruling would also result in various interpretative disputes, based on which the rationale for insertion of proviso to Section 50(1) of the CGST Act would be defeated. It would also be important to assess the precedential value of this ruling considering that the Madras High Court ruling in ***Eicher Motors Ltd. (supra)*** was not dealt with. To this extent, the Taxpayers should need to await further jurisprudence on this issue.



GLOBAL TRENDS

VAT/GST NEWS

International

Singapore: Expanding GST Regulations to Overseas Suppliers

The Singaporean Inland Revenue Authority has issued GST registration guidance specifically tailored for overseas businesses which includes Overseas Vendor Registration for Business-to-Consumer (B2C) supplies and Reverse Charge for Business-to-Business (B2B) imports. It further elaborates the obligations of overseas suppliers, electronic marketplace operators and redeliverers.

(Source: https://www.globalvatcompliance.com/globalvatnews/singapore-gst-overseas-suppliers/)

ECJ Case: VAT Classification of Prepaid Cards and Vouchers

The European Court of Justice (ECJ) issued a preliminary ruling in Case No. C-68/23, addressing the VAT classification and liability related to the marketing of specific prepaid cards or voucher codes and ruled that the classification of a single-purpose voucher partly hinges on the necessity to know the location of service delivery to end consumers at the time of voucher issuance. Further, the resale of multi-purpose vouchers may attract VAT if it constitutes a service supplied directly in exchange for the vouchers.

(Source: https://www.globalvatcompliance.com/globalvatnews/ecj-case-vat-classification/)

Greece: Navigating Cross-Border Payment Regulations

The Greek Independent Authority for Public Revenue made a significant announcement regarding the upcoming deadline of 30 April 2024 for Payment Service Providers (PSPs). They are required to submit cross-border payment information during the first quarter through a new digital application. The Tax Agency will facilitate the transmission of PSPs' data to the European Union's Central Electronic System of Payment Information. This data will be accessible to tax administrations of EU member countries for conducting VAT fraud checks.

(Source: https://www.globalvatcompliance.com/globalvatnews/greece-cross-border-payment/)

Thailand: B2C Sellers to charge VAT in checkout on low-value consignments of goods imported to consumers

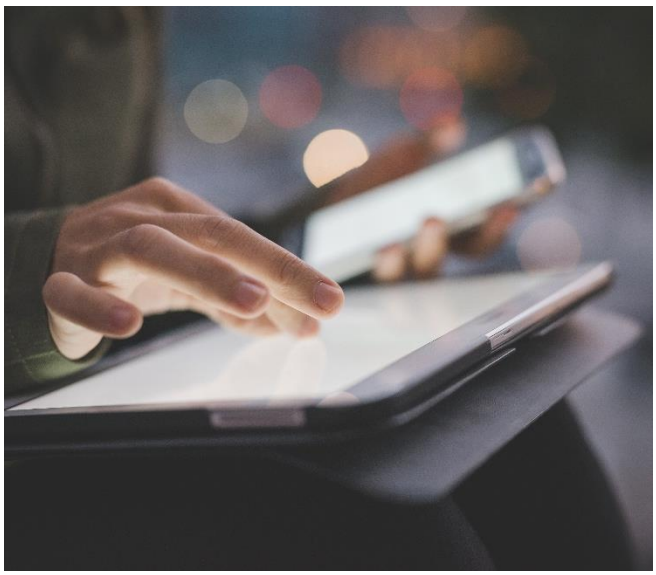
Thailand is set to impose VAT on low-value consignments of goods being imported directly by consumers. Presently, consignment value of up to THB 1,500 is exempt from VAT. However, effective 1 May 2024, such consignments will attract VAT at the online checkout, and the sellers will be required to obtain VAT registration (through simplified registration scheme), submit returns and discharge VAT. In case of failure to obtain VAT registration, the payment service providers (e.g. credit cards) would be liable to withhold VAT.

(Source: https://www.vatcalc.com/thailand/thailand-vat-on-low-value-imported-b2c-goods/)

Poland: Facials, manicures, make-up and body care services switch to 8% reduced rate

Effective 1 April 2024, Poland's Ministry of Finance is reassigning the VAT rate on cosmetic services from the 23% standard rate to the 8% reduced rate. These services are generally categorised as non-invasive, not requiring specialist medical training and are labour-intensive. General health and dental services remain exempt from Polish VAT.

(Source: https://www.vatcalc.com/poland/poland-cuts-vat-from-23-to-8-on-cosmetic-services-1-april-2024/)



India

Sanjaya Kumar Mishra to head GST Appellate Tribunal

The Centre has set in motion the Goods & Services Tax Appellate Tribunal (GSTAT) with the appointment of retired Justice Sanjaya Kumar Mishra as its President. The setting up of the tribunal aims to help businesses resolve various disputes efficiently. With 31 benches in major cities across India, GSTAT is envisioned as a specialised body to handle disputes related to GST, providing a timely and efficient resolution mechanism.

(Source: https://www.thehindubusinessline.com/economy/policy/sanjaya-kumar-mishra-to-head-gst-appellate-tribunal/article68134666.ece)

Ice cream not a luxurious item, says Chhattisgarh High Court

Chhattisgarh High Court has held that ice cream is not a luxurious item and has also directed the GST Council to reconsider its earlier decision to exclude Small-Scale Manufacturers of Ice Cream from the composition scheme. The High Court also observed that the GST Council ought to have taken into consideration the socio-political effect while subjecting Ice Cream to 18% GST.

(Source: https://www.thehindubusinessline.com/economy/ice-cream-not-a-luxurious-item-says-chhattisgarh-high-court/article68026964.ece)

Recovery of fraudulent GST input credit rises to12% in FY24: Sources

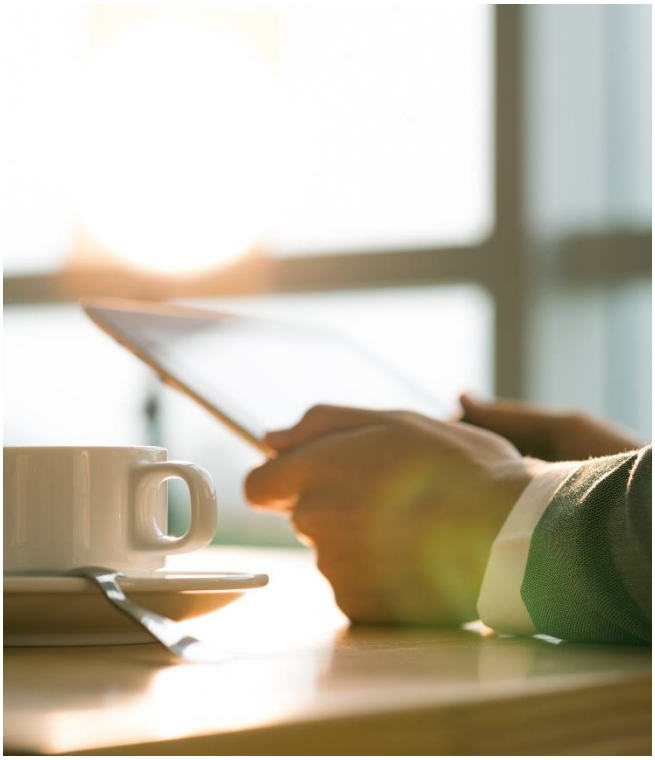
The recovery rate in GST cases pertaining to ITC fraud has gone up significantly in FY24, with the Directorate General of GST Intelligence (DGGI) recovering more than 12% of the dues (as against 2-3% during the previous years). During FY24, DGGI has detected GST frauds to the tune of INR 210.89bn. Of this, INR 25.77bn has already been recovered. This improvement in recovery rate comes as the DGGI has started to adopt a proactive strategy to detect ITC in the early stages while also using artificial intelligence and data tools.

(Source: https://www.moneycontrol.com/news/business/recovery-of-fraudulent-gst-input-credit-rises-to12-in-fy24-sources-12596261.html)

Online gaming industry hopes GST Council will reconsider decision to levy 28% tax

India's online gaming industry is sticking to its demands on GST. Under the new regime (effective 1 October 2023), the GST is levied @ 28% on the amounts deposited as against the erstwhile 18% GST rate which was charged on their revenues. The industry claims this change has led to a 450% jump in the effective GST on online gaming and most of the industry is currently absorbing the jump in the tax liability. Industry reports also claim the government's monthly GST collections from online gaming have shot up to INR 10-12bn from the earlier revenue of INR 2bn with online gaming platforms now contributing 1-2% of the overall GST collections. Further, the industry is also waiting for clarity in the GamesKraft case which deals with the retrospective application of GST by terming online gaming with money as gambling and betting instead of a game of skill.

(Source: https://www.cnbctv18.com/economy/online-gaming-industry-hopes-gst-council-will-reconsider-decision-to-levy-28-tax-19398744.htm)



CUSTOMS NEWS

International

Nepal: Nepal proposes customs pact with India to curb border trade offences

Nepal has proposed a customs agreement with India that will enable exchange of information and could help in curbing customs-related offences across the border. Since Nepal is a landlocked country, its international trade transits through India and considering that most of the trade takes place through land, the instances of offences are high. Presently, in respect of goods imported by Nepal from India, various documents are required to be furnished such as an authority letter by the customs agent, delivery order in case of inland container[38] depots at Biratnagar, Birgunj and Bhairahawa in addition to the invoice along with the Nepalese customs declaration.

(Source: https://www.newindianexpress.com/nation/2024/Apr/08/nepal-proposes-customs-pact-with-india-to-curb-border-trade-offences)

Georgia: Enhancing customs systems to unlock trade potential

Strategically situated at the eastern end of the Black Sea, Georgia is long seen as a top gateway for transportation between Western Europe, the Caucasus region and Central Asia. As a national economic priority, Georgia also seeks to boost free trade relations with the European Union (EU). In addition, the country is aiming to join the bloc which requires meeting strict deadlines to ensure compliance with all EU transit complexities. For this, Georgia is implementing a New Computerized Transit System, backed by UNCTAD's[39] Automated System for Customs Data (ASYCUDA) technologies and funding from the EU. This would in turn pave the way for Georgia to join the European Union Common Transit Convention, an international treaty to ease trade among the EU and a few other economies.

(Source: https://unctad.org/news/georgia-enhancing-customs-systems-unlock-trade-potential)

EU: EU-Central America: Council greenlights association agreement

The EU Council adopted a decision to conclude the agreement establishing an association between the EU and its member states, on the one hand, and Central America on the other. Through this agreement, the EU and Central America commit to a close, long-term relationship in all main policy areas. The agreement aims to strengthen and consolidate the relations between the parties through an association based on three mutually reinforcing and fundamental parts: political dialogue, cooperation and trade.

(Source: https://www.consilium.europa.eu/en/press/press-releases/2024/04/12/eu-central-america-council-greenlights-association-agreement/)

[38] **Editors Note:** While the news article uses the phrase inland clearance depot, we believe that the same ought to be inland container depot.
[39] United Nations Conference on Trade and Development

India

Ahead of Lok Sabha Elections 2024, India-UK free trade agreement nears conclusion, awaits new Government for final stamp

The India-UK Free Trade Agreement is likely to be signed post the formation of new government at the Centre. The last round of negotiations on pending issues between India and United Kingdom concluded this month, but the negotiating teams of both sides are continuing to hold virtual discussions on a few vital issues. The two countries are also negotiating a bilateral investment treaty (BIT), which is being negotiated by the finance ministry. Through the FTA, India is looking for greater access to sectors like textiles, automobile parts and marine products. The deal will also facilitate easier movement of skilled professionals.

(Source: https://www.livemint.com/news/india/ahead-of-lok-sabha-elections-2024-india-uk-free-trade-agreement-nears-conclusion-awaits-new-government-for-final-stamp-11711097012023.html)

India-Peru Trade Agreement: Bilateral Negotiations Ongoing

India and Peru are negotiating a bilateral trade agreement that will lower customs duties, address technical barriers to trade, and introduce dispute settlement mechanisms. The two countries concluded their 7th round of bilateral talks on 11 April 2024, with the next round scheduled for June in Lima. Peru has become India's third-largest commercial partner from Latin America and the Caribbean group of nations. The value of two-way trade between Peru and India has grown over the past 20 years, from USD 66mn in 2003 to an estimated USD 3.68bn in 2023. The trade deal under negotiation will be crucial to future industrial collaboration, opening doors for greater commercial investments and mutual gains for business stakeholders and consumer markets.

(Source: https://www.india-briefing.com/news/india-peru-trade-agreement-negotiations-key-developments-32024.html/)

CBIC chief wants speedy disposal of legacy cases

CBIC has asked field formations to dispose of legacy cases in which there is no dispute. According to the official data, cases with tax demand of about INR 290bn are stuck, some of which are over 10 years old. In most of these cases demand was raised but because of missing assessees, inadequate assets and liquidation of assets, recovery is not possible.

(Source:

https://economictimes.indiatimes.com/news/economy/policy/cbic-chief-wants-speedy-disposal-of-legacy-cases/articleshow/109173490.cms)

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Kolkata 700017, INDIA

Mumbai - Office 1
The Ruby, Level 9, North West Wing
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, INDIA

Mumbai - Office 2
601, Floor 6, Raheja Titanium, Western
Express Highway, Geetanjali, Railway
Colony, Ram Nagar, Goregaon (E),
Mumbai 400063, 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 400063, INDIA

Mumbai - Office 4
The Ruby, Level 9, South East Wing
Senapati Bapat Marg, Dadar (W)
Mumbai 400028, INDIA

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

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

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