

INDIRECT TAX

Weekly Digest

20 July 2022
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GOODS & SERVICES TAX

LEGISLATIVE UPDATES

NOTIFICATIONS

Rate changes on Services

S. No.	Description	Old Rate	New Rate
1.	Transport of goods and passengers by ropeways	18%	5% (with ITC of services)
2.	Renting of truck/goods carriage where cost of fuel is included	18%	12%
3.	Services provided by a clinical establishment by way of providing room [other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neo natal Intensive Care Unit (NICU)] having room charges exceeding INR. 5000 per day to a person receiving health care services.	Nil	5% (The credit of input tax charged on goods and services used in supplying the service has not been taken)
4.	Services supplied by foreman to chit fund	12%	18%
5.	Job work in relation to processing of hides, skins and leather	5%	12%

6.	Job work in relation to manufacture of leather goods and footwear	5%	12%
7.	Job work in relation to manufacture of clay bricks	5%	12%
8.	Works contract for roads, bridges, railways, metro, monorail effluent treatment plant, crematorium etc.	12%	18%
9.	Works contract supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals etc. & sub-contractor thereof.	12%	18%
10.	Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof.	5%	12%
11.	Services by way of treatment or disposal of bio-medical waste or the processes incidental thereto by a common bio-medical waste treatment facility to a clinical establishment	Nil	12%

[Notification no:3/2022-Central Tax (Rate) dated 13 July 2022]

Rationalisation of exemptions on specified Services

- All taxable service of department of posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory would be subject to forward charge. Hitherto certain taxable services of department of post were taxed on RCM basis;
- Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having value of supply of a unit of accommodation below or equal to INR 1000 per day or equivalent taxable at 12%.
- Exemption on transport of passengers by air to and from North Eastern states & Bagdogra is being restricted to economy class.
- Exemption on following services is being withdrawn
 - Transportation by rail or a vessel of railway equipment and material.
 - Services provided by a GTA, by way of transport in a goods carriage, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed INR. 1500;
 - Services provided by a GTA, by way of transport in a goods carriage, where consideration charged for transportation of all such goods for a single consignee does not exceed INR. 750.
 - Storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.)
 - Fumigation in a warehouse of agricultural produce.
 - Services by way of slaughtering of animals.
 - Services by RBI, IRDA, SEBI, FSSAI, GSTN.
 - Renting of residential dwelling to business entities (registered persons).
 - Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation.
- Exemption on services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams).
- Exemption on service provided by Indian tour operator to a foreign resident for a tour partially in India and partially outside India is to be subject to tax proportionate to the tour conducted in India for such foreign tourist subject to conditions that this concession does not exceed half of tour duration.
 - Provided further that in making the above calculations, any duration of time equal to or exceeding 12 hours shall be considered as one full day and any duration of time less than 12 hours shall be taken as half a day.
 - "foreign tourist" means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.
- Exemption on training or coaching in recreational activities relating to arts or culture, or sports is being restricted to such services when supplied by an individual.

- The exemption on services by way of right to admission to the events organised under FIFA U-17 Women's World Cup 2020 has been given, whenever it is rescheduled;

[Notification no:4/2022-Central Tax (Rate) dated 13 July 2022]

Changes to 'Reverse Charge' levy

The provisions of Reverse Charge Mechanism (RCM) will not be applicable to a GTA in the following cases:

- The supplier has taken registration under the CGST Act, 2017 and exercised the option to pay tax on the services of GTA in relation to transport of goods supplied by him under forward charge; and
- The supplier has issued a tax invoice to the recipient charging GST at the applicable rates and has made a declaration as prescribed in Annexure III of the notification on such invoice issued by him. A declaration form also prescribed for those who decides to opt pay GST under forward charge.
- Removed the services by way of speed post, express parcel post, life insurance, and agency services provided to a person other than Central Government, State Government or Union territory or local authority from the purview of RCM.
- Included service by way of renting of residential dwelling to a registered person in the purview of RCM.

[Notification no:5/2022-Central Tax (Rate) dated 13 July 2022]

Rate changes on Goods

S. No.	Description	Old Rate	New Rate
1.	Curd, Lassi, Butter milk, pre-packaged and labelled	Nil	5%
2.	Jaggery of all types including Cane Jaggery (gur), Palmyra Jaggery, pre-packaged and labelled; Khandsari Sugar, pre-packaged and labelled	Nil	5%
3.	Puffed rice, commonly known as Muri, flattened or beaten rice, commonly known as Chira, parched rice, commonly known as khoi, parched paddy or rice coated with sugar or gur, commonly known as Murki, pre-packaged and labelled;	Nil	5%
4.	Mango under CTH 0804, including mango pulp (other than mangoes sliced, dried)	Nil	12%

5.	All Goods, including printing ink, writing or drawing ink and other inks, whether or not concentrated or solid, fountain pen ink, ball pen ink	12%	18%
6.	Knives with cutting blades, paper knives, pencil sharpeners and blades therefor, spoons, forks, ladles, skimmers, cake-servers etc	12%	18%
7.	Power driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps, bicycle pumps	12%	18%
8.	Machines for cleaning, sorting, or grading, seed, grain pulses; machinery used in milling industry or for the working of cereals etc; pawan chakki that is air based atta chakki; wet grinder	5%	18%
9.	Machines for cleaning, sorting, or grading eggs, fruit or other agricultural produce and its parts, milking machines and dairy machinery	12%	18%
10	LED Lamps, lights and fixture, their metal printed circuits board	12%	18%
11	Drawing and marking out instruments	12%	18%
12	Solar Water Heater and system	5%	12%
13	Prepared/finished leather/chamois leather/composition leathers	5%	12%
14	Ostomy appliances	12%	5%
15	Tetra Pak (Aseptic packaging paper)	12%	18%

16	Tar (whether from coal, coal gasification plants, producer gas plants and coke oven plants.	5%/18%	18%
17	Cut and polished diamonds	0.25%	1.5%
18	Cheques, loose or in book form	Nil	18%
19	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	Nil	12%
20	Parts of goods of heading 8801	Nil	18%
21	E-waste	5%	18%
22	Scientific and technical instruments supplied to public funded research institutes	5%	Applicable rate

Note: Wherever rate is prescribed on the condition that “put up in unit container and bearing a registered brand name or bearing a brand name on which an actionable claim or enforceable right in a court of law is available other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily, subject to the conditions as in the ANNEXURE”, it has been substituted “as pre-packaged and labelled”. Revised the scope of exemptions given to different goods to exclude pre-packaged and pre-labelled retail pack in terms of Legal Metrology Act from it;

[Notification no:6 and 7/2022-Central Tax (Rate) dated 13 July 2022]

Withdrawal exemption in form of a concessional rate of GST on Petroleum/ Coal bed methane

The rate of GST charged on the following description of goods has been increased from 5% to 12%. Goods specified in the list annexed to notification no:3/2017-CT(R) dated 28 June 2017 in connection with:

- Petroleum operations undertaken under petroleum exploration licenses or mining leases, granted by the Government of India or any State Government to the Oil and Natural Gas Corporation or Oil India Limited on nomination basis, or
- Petroleum operations undertaken under specified contracts, or
- Petroleum operations undertaken under specified contracts under the New Exploration Licensing Policy, or
- Petroleum operations undertaken under specified contracts under the Marginal Field Policy (MFP), or

- Coal bed methane operations undertaken under specified contracts under the Coal Bed Methane Policy.
- Petroleum operations or coal bed methane operations undertaken under specified contracts under the Hydrocarbon Exploration Licensing Policy (HELP) or Open Acreage Licensing Policy (OALP)]

[Notification no:8/2022-Central Tax (Rate) dated 13 July 2022]

Refund restricted on accumulated ITC on edible oils & coal

Refund of unutilised ITC, where the credit has accumulated on account of Inverted duty structure (other than nil rated or fully exempt supplies), is not allowed on the following list of goods.

Sl No.	HSN	Description
1	1507	Soya-bean oil and its fractions, whether or not refined, but not chemically Modified
2	1508	Ground-nut oil and its fractions, whether or not refined, but not chemically modified.
3	1509	Olive oil and its fractions, whether or not refined, but not chemically modified.
4	1510	Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils or fractions of heading 1509
5	1511	Palm oil and its fractions, whether or not refined, but not chemically modified.
6	1512	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified.
7	1513	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified.
8	1514	Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified.

9	1515	Other fixed vegetable or microbial fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified
10	1516	vegetable fats and oils and their fractions, partly or wholly hydrogenated, interesterified, re-esterified or elaidinised, whether or not refined, but not further prepared.
11	1517	Edible mixtures or preparations of vegetable fats or vegetable oils or of fractions of different vegetable fats or vegetable oils of this Chapter, other than edible fats or oils or their fractions of heading 1516
12	1518	Vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516
13	2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal
14	2702	Lignite, whether or not agglomerated, excluding jet
15	2703	Peat (including peat litter), whether or not agglomerated”

[Notification no:9/2022-Central Tax (Rate) dated 13 July 2022]

All Fly Ash Bricks attract same concessional rate irrespective of Fly ash content

All fly ash bricks attract same concessional rate of GST at the rate of 6% irrespective of fly ash content.

[Notification no:10/2022-Central Tax (Rate) dated 13 July 2022]

JUDICIAL UPDATES

ORDERS BY AUTHORITY FOR ADVANCE RULING (AAR)

Transfer of airport operations by Airport Authority of India under Concession agreement is ‘Supply’

Facts of the case

- M/s. Airports Authority of India (“Taxpayer”) have executed an agreement with Adani Lucknow International Airport Limited (“Concessionaire”) for transfer of whole operations of Lucknow Airport;

- Concessionaire agrees to pay the taxpayer consideration towards aeronautical and non-aeronautical assets, capital work-in-progress, which is being transferred by the taxpayer to the concessionaire;
- Taxpayer will raise invoice on the Concessionaire for reimbursement of salary/staff cost of select employees. Further, a monthly concession fees is paid to the taxpayer as per the agreement;
- In this regard, the taxpayer intends to know whether the transfer of business of airport operations will be considered as supply under GST laws and related tax implications on said transaction.

Questions before the AAR

- Whether the transfer of business by the taxpayer to concessionaire be treated as 'Supply' under section 7 of the CGST Act, 2017?
- Whether the transfer of business by taxpayer to concessionaire is treated as supply as 'going concern' and covered in clause 4 of Schedule II of CGST Act, 2017?
- Whether the transfer of business by taxpayer to concessionaire is covered under the entry no:2 of the exemption notification no:12/2017-CT(R) dated 28 June 2017 ("exemption notification")?
- If the answer is negative, then whether GST is leviable on the transfer of existing assets, aeronautical assets, non-aeronautical assets and capital work in progress by taxpayer to concessionaire?
- Whether the aforesaid transfer of assets be treated as 'services' and the classification for the same?
- Whether the concession fees paid by concessionaire to taxpayer be treated as consideration for transfer of business?
- Whether GST is applicable on monthly/annual concession fees charged by the taxpayer on concessionaire?
- Whether GST is leviable on the invoice raised by the taxpayer for reimbursement of the salary/ staff cost on concessionaire?
- Whether GST is applicable on the reimbursement claimed of Municipal tax, Property Tax and water charges by the taxpayer from concessionaire?
- Whether any reversal is required in accordance with section 17(2)/(3) of CGST Act, 2017?

Contention of the Taxpayer

- Basis the agreement entered, the taxpayer submitted that the existing operations carried-out by the taxpayer would now be carried-out by the concessionaire and therefore there would be no doubt on existence and nature of permanency of the operations. Accordingly, there is no harm to the concept of 'going concern' in the instant transaction;
- Taxpayer also relied on various judicial pronouncements in support of its contention and stated that since the business is being transferred as 'going concern', tax exemption should be available in view of exemption notification.

Observation and Ruling by the AAR

- The AAR on observed that as per section 2(17)(d) of the CGST Act, 2017, 'business' includes supply or acquisition of goods including capital goods and services in connection with commencement or closure of business. Further on reviewing the agreement AAR also concluded that the said arrangement between the taxpayer and concessionaire is covered under transfer of going concern;
- The AAR while reviewing the scope of clause 4 of Schedule II of CGST Act, 2017 observed that the para 4(a) is in respect of transfer or disposal of goods forming part of the assets of a business and para 4(b) is in respect of goods put to any private use or for use, other than a purpose of business and both are not applicable to the instant case. Further, the para 4(c) is applicable only when a person ceases to be a taxable person. Therefore, transfer of business in the aforesaid case is not covered under clause 4 of Schedule II of CGST Act, 2017;
- AAR concluded that the aforesaid case of transfer of business is covered under exemption notification, therefore, no GST applicability will arise on transfer of business assets;
- AAR also concluded that the monthly concession fees payable by concessionaire to the taxpayer is included in consideration of transfer of business and therefore falls under the said exemption;
- AAR on observing the invoices raised by the taxpayer for reimbursement of salary/staff cost concluded that such payment of emoluments is not part of transfer of business but rather it is supply of manpower services by the taxpayer to concessionaire;
- AAR further concluded that there is no case for exemption on the reimbursement of emolument of employees to taxpayer as services of manpower supply is provided by one distinct entity to another distinct entity where transfer of business as a going concern is not a pre-condition nor this supply of manpower services is a corollary to the agreement for transfer of business for the operations management and development of the airport. Therefore, the same supply of service is taxable at 18%;
- AAR also concluded that the reimbursement of municipal tax, property tax and water charges by taxpayer from the concessionaire forms part of consideration for transfer of going concern;
- AAR also concluded that since the aforesaid supply of transfer of going concern is 'exempt' supply, ITC pertaining to such exempted supplies shall be reversed.

[AAR-Uttar Pradesh, M/s. Airport Authority of India, Ruling no:UP ADRG 03/2022, dated 13 May 2022]

Works Contract services for implementation of Intelligent Traffic Management System ('ITMS') for Local authority taxable

Facts of the case

- M/s. Amnex Infotechnologies Private Limited ('Taxpayer') has won the work for selection of Master System Integrator ('MSI') for implementation of ITMS in Shahjahanpur city by Shahjahanpur Nagar Nigam;
- MSI's scope of work includes assessing, installing, testing and maintenance along with lightning, earthing, cabling and traffic control system;

- The project execution includes assessment of existing system, site surveys, supply, installation, testing and commissioning of ITMS and its maintenance. Thus, the contract involves supply of goods as well as supply of services;
- Further, the ownership of asset and IPR of customized solution shall vest with Shahjahanpur Nagar Nigam, Uttar Pradesh.

Questions before the AAR

- What is the GST rate on taxpayer for provision of services provided to Shahjahanpur Nagar Nigam (Local Authority)?
- Applicable HSN/ SAC code for supply?

Contention of the Taxpayer

- The taxpayer has submitted the various clauses of the scope of supply as specified in request for proposal;
- The taxpayer has further submitted that it supplies more than two taxable supplies of goods or services which are integrated in such a way that all of them constitute, on the overall, a supply to set up a comprehensive ITMS. Hence, the supply would be a composite supply as defined in section 2(30) of the CGST Act, 2017;
- The taxpayer has submitted that the role in the said project involves infrastructural cabling / civil work for fixation of different intelligent, traffic management projects like adaptive traffic control system, red light violation detection system, automatic number plate recognition system, etc. which squarely covers under definition of original works;
- The taxpayer has stated that works contract provided by it falls under definition of original work under works contract service and that Shahjahanpur Nagar Nigam is a Local Authority in the state of Uttar Pradesh and consequently the service provided by the taxpayer falls under entry no:3(vi)(a) of notification no:11/2017-CT(R) dated 28 June 2017 and liable to tax @ 12%.

Observations and Ruling by the AAR

- The AAR has observed that the said supply would be covered under Works contract. Further, as per Schedule II(6)(a) CGST Act, 2017, supply of Works contract shall be treated as a supply of service;
- The AAR noted that the service recipient is Shahjahanpur Nagar Nigam, Uttar Pradesh which is a Local authority. Thus, the subject supply is covered vide entry no:3 (vi)(a) of notification no:8/2017-IGST(R) dated 28 June 17 at Tariff 9954 and liable to 12% IGST rate.
- The authority has further submitted that supply is covered under entry no:3(vi)(a) of notification no:8/2017-Integrated Tax (rate) dated 28 June 2017 under tariff 9954 and liable to 12% IGST rate;
- The SAC 995468: Other installation services n.e.c. with the description encompasses the ITMS project, which is an original works installation.

[AAR-Gujarat, M/s. Amnex Infotechnologies Private Limited, Ruling No:GUJ/GAAR/R/2022/33, dated 1 June 2022]

CENTRAL EXCISE

NOTIFICATION

CBIC exempts E12 & E15 blended fuel from Special Additional Excise Duty

CBIC has exempted special additional duty, Agriculture Infrastructure and Development Cess and additional duty of excise (Road and Infrastructure Cess) under Central Excise on blended fuels as described below:

Sl. No.	Description of goods
1	12% ethanol blended petrol that is a blend, - <ul style="list-style-type: none"> ▪ consisting, by volume, of 88% motor spirit, (commonly known as petrol), on which the appropriate Duties of Excise have been paid and of 12% ethanol on which the appropriate Central tax, State tax, Union territory tax or Integrated tax, as the case may be, have been paid; and ▪ conforming to the Bureau of Indian Standards specification 17586.
2	15% ethanol blended petrol that is a blend, - <ul style="list-style-type: none"> ▪ Consisting, by volume, of 85% motor spirit, (commonly known as petrol), on which the appropriate Duties of Excise have been paid and of 15% ethanol on which the appropriate Central tax, State tax, Union territory tax or Integrated tax, as the case maybe, have been paid; and ▪ Conforming to the Bureau of Indian Standards specification 17586.

[Notification no:13/2022 dated 12 July 2022, Notification no:14/2022 dated 12 July 2022 & Notification no:15/2022 dated 12 July 2022]

EXCISE/SERVICE TAX

CUSTOMS

NOTIFICATION

Amendment in entry no:515A of notification no:50/2017-Customs on reduced Customs duty

Reduced Customs duty of 5% applicable on Open cell (15.6" and above) for use in the manufacture of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV panels of heading 8524 [Flat panel display modules, whether or not incorporating touch-sensitive screens]. Earlier the exemption was available to the goods specified under the heading 8529 [parts suitable for use solely or principally with the apparatus of headings 8524 to 8528].

[Notification no:39/2022 dated 12 July 2022]

Exemption on import of Diethylcarbamazine (DEC) tablets

CBIC has exempt IGST on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination Programme.

[Notification no:40/2022-Customs dated 13 July 2022]

Exemption on import of defence related goods

CBIC has extended the Customs duty exemption on import of defense equipment and their parts to entities other than public sector entities also.

[Notification no:41/2022-Customs dated 13 July 2022]

Withdrawal of GST exemption on research equipment imported by public funded research institutions

CBIC has withdrawn IGST exemption on import of research equipments by public funded research institutions or a university of an Indian Institute of Technology or Indian Institute of Science, Bangalore or Regional Engineering College, non-commercial institutions etc.

[Notification no:42/2022-Customs dated 13 July 2022]

Publication of Controlled Delivery (Customs) Regulations 2022

Manner have been prescribed for the purposes of undertaking controlled delivery under section 109A of the Act:

- The proper officer having a reasonable belief, that a suspect consignment, is being imported into or exported out of India, in the form of the baggage or otherwise, shall file a report in FORM-I proposing to undertake controlled delivery of such consignment and the report so-filed by the proper officer, shall be put-up before the specified authority for approval of undertaking such controlled delivery;
- The specified authority after due consideration may approve the controlled delivery of the suspect consignment and authorise the proper officer to undertake such controlled delivery. Provided that in case of controlled delivery to a foreign country, the specified authority shall approve the controlled delivery under clause (b) of section 109A of the Act in consultation with the competent authority of such country to which such consignment is destined;
- Upon receiving the approval of the specified authority to undertake controlled delivery, the proper officer may, if required, affix any mark, or install any special investigative tools, including devices for track-and-trace monitoring of the suspect consignment, during the course of controlled delivery operation, without impacting or tampering with the nature of the said consignment as far as possible;
- The specified authority, while approving the controlled delivery of the suspect consignment, may also issue a general authorisation in FORM-II, which may be presented to any other enforcement authority established by law for the time being in force, under the control of the Government of India or any State Government or Union territory or a foreign country, as the case may be, on demand, in case such other enforcement authority intends to take possession of the suspect consignment, due to infringement of any law for the time being in force;
- Provided that the specified officer may issue such authorisation in any other form as may be laid down by the competent authority of a foreign country to which suspect consignment is destined;

- The proper officer may complete the controlled delivery at a time and place, where such officer identifies the person reasonably believed to be involved in the commission of an offence or contravention related to the suspect consignment;
- The proper officer may terminate the controlled delivery at any time, with the approval of the specified authority, in those cases where the proper officer has reasons to believe that there is a likelihood of a grave and imminent threat to the life of the proper officer herself/himself or the panchas or any other person;
- Provided that when controlled delivery to a foreign country is undertaken, the specified authority shall give such approval after due consultation with the competent authority of such foreign country to which suspect consignment is destined;
- Provided further that where such approval cannot be obtained prior to terminating the controlled delivery, the approval may be obtained immediately afterwards, but not later than seventy-two hours of terminating the said controlled delivery.
- In case of the controlled delivery undertaken in respect of a suspect consignment destined to a foreign country, the controlled delivery shall be deemed to be,
 - Completed under sub-regulation (5); or
 - Terminated under sub-regulation (6),
 at the time and the place, wherefrom the suspect consignment moves out of the customs area or the customs port or the customs airport or a land customs station in India, for a foreign destination:

Provided that where the controlled delivery is terminated before its completion, the proper officer shall take such necessary action in regard to the suspect consignment as would have warranted in normal course had these regulations not been applied to the said suspect consignment;
- Upon completion or termination of the controlled delivery, as the case may be, the proper officer shall submit a report to the specified authority in that regard;
- Where the suspect consignment is destined to a foreign country, the specified authority shall, upon receipt of the report under sub-regulation (8), inform, the competent authority of such foreign country, of such completion or termination, as the case may be.

Application to other officers

The manner to undertake controlled delivery specified under these regulations shall mutatis mutandis be applicable to any other officer authorised by the proper officer under section 109A of the Act for undertaking such controlled delivery.

The proper officer shall be Deputy Director of Revenue Intelligence or Assistant Director of Revenue Intelligence.

[Notification no:59/2022 dated 12 July 2022 & Notification no:61/2022 dated 14 July 2022]

INSTRUCTIONS

Warehousing of solar power generating units or items like solar panel, solar cell etc

Solar power generating units have applied for permission under section 65 of the Customs Act, 1962 for warehousing of imported solar panels/solar modules and related accessories, etc. declared as capital goods to generate electricity (from sunlight) as resulting/resultant goods for home consumption. Certain jurisdictional Commissioners have granted such permissions.

Reading of section 65 shows that in relation to any particular goods, resulting from the operations, they can either be removed from warehouse for export or for home consumption. In respect of applications of the type referred in para 1 above, the resultant electricity is identical whether it be removed for home consumption or for export. In Manufacture and Other Operations in Warehouse (no.2) Regulations, 2019 (hereinafter referred as 'MOOWR 2019'), the Regulation 15 (removal of resultant goods from the warehouse for export) requires affixing a one-time-lock to the load compartment of the means of transport in which, such goods are removed from the warehouse. As the identical goods, i.e., electricity, may also be cleared for home consumption, the provision for removal for export shows that those goods, i.e. electricity, which are of the nature to which it is incapable to affix one-time-lock to the load compartment of the means of transport in which such goods are removed, fall squarely outside the scope of MOOWR 2019 because of inability to satisfy the essence of the prescribed condition.

Moreover, the Regulation 20 is that CBIC, having regard to the nature of goods, their manner of transport or storage, may exempt a class of goods from any of the provisions of the MOOWR 2019. Neither this power has been exercised by CBIC to exempt goods in the nature of electricity from any of the provisions of MOOWR 2019, nor separate regulations relating to removal of electricity have been issued.

Incidentally, it may also be noted that the resulting electricity is also not ordinarily capable of being deposited in a warehouse.

Accordingly, it was directed to convey that grant of permission, is not in accordance with the MOOWR 2019 provisions or principles which are the conditions prescribed by CBIC in terms of section 65 of the Customs Act, 1962. The permissions granted to the type of generating units referred need to be immediately reviewed and the necessary follow-up action taken. No further permissions in such cases should be granted in terms of section 65 of the Customs Act, 1962.

[Instruction no.:13/2022 dated 09 July 2022]

Amendment in export policy of Wheat Flour (atta)

Vide notification no:18/2015-2020 dated 06 July 2022 the Central Government has amended the export policy of wheat flour (atta), stipulating that such exports would be subject to recommendation of Inter-Ministerial Committee (IMC) on export of wheat, with effect from 12 July 2022.

Vide para 2 of the above stated notification, it has been informed that during the period from 06 July 2022 till 12 July

2022 certain consignments of wheat flour, as specified therein, will be allowed to be exported.

It has further been informed that the provisions as under para 1.05 of the Foreign Trade Policy, 2015-2020 regarding transitional arrangement shall not be applicable under the above said notification and that necessary modalities with regard to quality of wheat flour will be notified separately.

[Instruction no.:14/2022 dated 11 July 2022]

FOREIGN TRADE POLICY (FTP)

NOTIFICATION

Nomination of 29 Non-Official Members for Board of Trade

The Directorate General of Foreign Trade (DGFT) has nominated 29 non-official members from large and small enterprises and different sectors in the Board of Trade, chaired by the commerce and industry minister.

Terms of reference for the non-official members of the Board be as follows:

- To provide a platform to State Governments and UTs for articulating state oriented perspectives on Trade Policy;
- To act as facilitator in implementation of district export hub events including sensitization workshops, identification, and promotion of identified products;
- To provide a platform to Government of India for apprising State Governments and UTs about International developments affecting India's trade potential and opportunities and to prepare them to deal with evolving situation;
- To help State Governments to develop and pursue export strategies in line with National Foreign Trade Policy;
- To provide a platform for deliberation on the need for infrastructure relevant for promoting trade and for identification of impediments and infrastructure gaps which adversely affect India's export;
- To facilitate a mechanism for discussion on operationalization of the trade infrastructure;
- To advise Government of policy measures for preparation and implementation of both short and long-term plans for increasing exports;
- To review export performance of various sectors, identify constraints and suggest industry specific measures to optimize export earnings;
- To examine existing institutional framework for imports and exports and suggest practical measures for further streamlining to achieve desired objectives;
- To review policy instruments and procedure for imports and exports and suggest steps to rationalize use; and
- To examine issues which are considered relevant for promotion of India's foreign trade and for strengthening international competitiveness of Indian goods and services.

[Notification no:21/2015-20 dated 08 July 2022]

NEWS FLASH

1. “GoM suggests no change in GST rate on online gaming, sticks to 28% recommendation”
<https://economictimes.indiatimes.com/news/economy/finance/gom-suggests-no-change-in-gst-rate-on-online-gaming/articleshow/92824704.cms>
[Source: Economic Times, 12 July 2022]
2. “Sale of online space for advertisement to attract 18% GST, says AAR”
https://www.business-standard.com/article/economy-policy/sale-of-online-space-for-advertisement-to-attract-18-gst-says-aar-122071300568_1.html
[Source: Business Standard, 13 July 2022]
3. “Rice millers across State to shut down against 5% GST on unbranded food products”
<https://www.thehindu.com/news/national/karnataka/rice-millers-across-state-to-shut-down-against-5-gst-on-unbranded-food-products/article65640099.ece>
[Source: The Hindu, 14 July 2022]
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