VERENDRA KALRA & CO
CHARTERED ACCOUNTANTS

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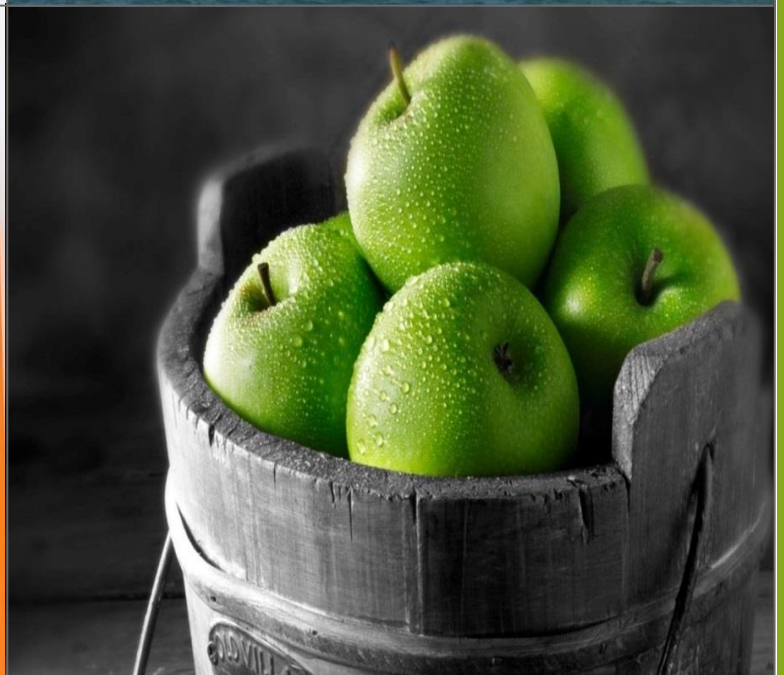
INDIRECT TAX REVIEW

MARCH, 2021



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- E-Invoicing mandatory for taxpayers having turnover more than INR 50 Crores
- Various clarification on refund related issues

and *more...*

NOTIFICATIONS

E-invoicing mandatory for taxpayers having turnover more than INR 50 Cr. w.e.f. April 1, 2021

The CBIC amended Notification No. 13/2020- Central Tax dated March 21, 2020 to reduce the aggregate turnover limit for e-invoicing from INR 100 crores to INR 50 crores w.e.f. April 1, 2021.

Source: Notification No. 05/2021- Central Tax dated March 8, 2021

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Various clarifications on refund related issues

Various representations have been received seeking clarifications on some of the issues relating to GST refunds. The issues have been examined and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"), hereby clarifies the issues detailed hereunder:

Clarification in respect of refund claim by recipient of Deemed Export Supply

Representations have been received in respect of difficulties being faced by the recipients of the deemed export supplies in claiming refund of tax paid in respect of such supplies since the system is not allowing them to file refund claim under the aforesaid category unless the claimed amount is debited in the electronic credit ledger.

Para 41 of Circular No. 125/44/2019 – GST dated 18/11/2019 has placed a condition that the recipient of deemed export supplies for obtaining the refund of tax paid on such supplies shall submit an undertaking that he has not availed ITC on invoices for which refund has been claimed. Thus, in terms of the above circular, the recipient of deemed export supplies cannot avail ITC on such supplies but when they proceed to file refund on the portal, the system requires them to debit the amount so claimed from their electronic credit ledger.

The 3rd proviso to Rule 89(1) of CGST Rules, 2017 allows for refund of tax paid in case of a **deemed export supply** to **the recipient or the supplier** of deemed export supplies. The said proviso is reproduced as under:

"Provided also that in respect of supplies regarded as deemed exports, the application may be filed by, -

(a) the recipient of deemed export supplies; or

(b) the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund"

From the above, it can be seen that there is no restriction on recipient of deemed export supplies in availing ITC of the tax paid on such supplies when the recipient files for refund claim. The said restriction has been placed by the Circular No. 125/44/2019-GST dated 18.11.2019.

In this regard, it is submitted that in order to ensure that there is no dual benefit to the claimant, the portal allows refund of only Input Tax Credit (ITC) to the recipients which is required to be debited by the claimant while filing application for refund claim. Therefore, whenever the recipient of deemed export supplies files an application for refund, the

portal requires debit of the equivalent amount from the electronic credit ledger of the claimant.

As stated above, there is no restriction under 3rd proviso to Rule 89(1) of CGST Rules, 2017 on recipient of deemed export supply, claiming refund of tax paid on such deemed export supply, on availment of ITC on the tax paid on such supply. Therefore, the para 41 of Circular No. 125/44/2019-GST dated 18.11.2019 is modified to remove the restriction of non-availment of ITC by the recipient of deemed export supplies on the invoices, for which refund has been claimed by such recipient. The amended para 41 of Circular no. 125/44/2.019-GST dated 18.11.2019 would read as under:

"41. Certain supplies of goods have been notified as deemed exports vide notification No. 48/2017-Central Tax dated 18.10.2017 under section 147 of the CGST Act. Further, the third proviso to rule 89(1) of the CGST Rules allows either the recipient or the supplier to apply for refund of tax paid on such deemed export supplies. In case such refund is sought by the supplier of deemed export supplies, the documentary evidences as specified in notification No. 49/2017- Central Tax dated 18.10.2017 are also required to be furnished which includes an undertaking that the recipient of deemed export supplies shall not claim the refund in respect of such supplies and shall not avail any input tax credit on such supplies. Similarly, in case the refund is filed by the recipient of deemed export supplies, an undertaking shall have to be furnished by him stating that refund has been claimed only for those invoices which have been detailed in statement 5B for the tax period for which refund is being claimed and **the amount does not exceed the amount of input tax credit availed in the valid return filed for the said tax period.** The recipient shall also be required to declare that the supplier has not claimed refund with respect to the said supplies. The procedure regarding procurement of supplies of goods from DTA by Export Oriented Unit (EOU) / Electronic Hardware Technology Park (EHTP) Unit / Software Technology Park (STP) Unit / Bio-Technology Parks (BTP) Unit under deemed export as laid down in Circular No. 14/14/2017-GST dated 06.11.2017 needs to be complied with."

Extension of relaxation for filing refund claim in cases where zero-rated supplies has been wrongly declared in Table 3.1(a).

Para 26 of Circular No. 125/44/2019-GST dated 18th November 2019 gave a clarification in relation to cases where taxpayers had inadvertently entered the details of export of services or zero-rated supplies to a Special Economic Zone Unit/Developer in table 3.1(a) instead of table 3.1(b) of **FORM GSTR-3B** of the relevant period and were unable to claim refund of the integrated tax paid on the same through **FORM GST RFD-01A.** This was because of a validation check placed on the common portal which prevented the value of refund of integrated tax/cess in **FORM GST RFD-01A** from being more than the amount of integrated tax/cess declared in table 3.1(b) of **FORM GSTR-3B.** The said Circular clarified that for the tax periods from **07.2017 to 30.06.2019**, such registered persons shall be allowed to file the refund application in **FORM GST RFD-01A** on the common portal subject to the condition that the amount of refund of integrated tax/cess claimed shall not be more than the aggregate amount of integrated tax/cess mentioned in the tables **3.1(a), 3.1(b) and 3.1(c)** of **FORM GSTR-3B** filed for the corresponding tax period.

Since the clarification issued vide the above Circular was valid only from 01.07.2017 to 30.06.2019, taxpayers who committed these errors in subsequent periods were not able to file the refund applications in **FORM GST RFD-01A/ FORM GST RFD-01.**

The issue has been examined and it has been decided to extend the relaxation provided for filing refund claims where the taxpayer inadvertently entered the details of export of services or zero-rated supplies to a Special Economic Zone Unit/Developer in table 3.1(a) instead of table 3.1(b) of FORM GSTR-3B **till 31.03.2021.** Accordingly, para 26 of Circular No. 125/44/2019-GST dated 18.11.2019 stands modified as under:

"26. In this regard, it is clarified that for the tax periods commencing from **01.07.2017 to 31.03.2021**, such registered persons shall be allowed to file the refund application in FORM GST RFD-01 on the common portal subject to the condition that the amount of refund of integrated tax/cess claimed shall not be more than the aggregate amount of integrated tax/cess mentioned in the Table under columns 3.1(a), 3.1(b) and 3.1(c) of **FORM GSTR-3B** filed for the corresponding tax period."

The manner of calculation of Adjusted Total Turnover under sub-rule (4) of Rule 89 of CGST Rules, 2017.

Doubts have been raised as to whether the restriction on turnover of zero-rated supply of goods to 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, imposed by amendment in definition of the "Turnover of zero-rated supply of goods" vide Notification No. 16/2020-Central Tax dated 23.03.2020, would also apply for computation of "Adjusted Total Turnover" in the formula given under Rule 89 (4) of CGST Rules, 2017 for calculation of admissible refund amount.

Sub-rule (4) of Rule 89 prescribes the formula for computing the refund of unutilized ITC payable on account of zero-rated supplies made without payment of tax. The formula prescribed under Rule 89 (4) is reproduced below, as under:

"Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC ÷Adjusted Total Turnover"

Adjusted Total Turnover has been defined in clause (E) of sub-rule (4) of Rule 89 as under:

"Adjusted Total Turnover" means the sum total of the value of-

(a) the turnover in a State or a Union territory, as defined under clause (112) of section 2*, excluding the turnover of services; and*

(b) *the turnover of zero-rated supply of services determined in terms of clause (D) above and non-zero-rated supply of services,*

excluding-

(i) the value of exempt supplies other than zero-rated supplies; and

(ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any,

during the relevant period.'

"Turnover in state or turnover in Union territory" as referred to in the definition of "Adjusted Total Turnover" in Rule 89 (4) has been defined under sub-section (112) of Section 2 of CGST Act 2017, as:

"Turnover in State or turnover in Union territory" means the aggregate ***value of all taxable supplies*** *(excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and exempt supplies made within a State or Union territory by a taxable person,* ***exports of goods*** *or services or both and inter State supplies of goods or services or both made from the State or Union territory by the said taxable person but excludes central tax, State tax, Union territory tax, integrated tax and cess"*

From the examination of the above provisions, it is noticed that "Adjusted Total Turnover" includes "Turnover in a State or Union Territory", as defined in Section 2(112) of CGST Act. As per Section 2(112), "Turnover in a State or Union Territory" includes turnover/ value of export/ zero-rated supplies of goods. The definition of "Turnover of zero-rated supply of goods" has been amended vide Notification No.16/2020- Central Tax dated 23.03.2020, as detailed above. In view of the above, it can be stated that the same value of zero-rated/ export supply of goods, as calculated as per amended definition of "Turnover of zero-rated supply of goods", need to be taken into consideration while calculating "turnover in a state or a union territory", and accordingly, in "adjusted total turnover" for the purpose of sub-rule (4) of Rule 89. Thus, the restriction of 150% of the value of like goods domestically supplied, as applied in "turnover of zero-rated supply of goods", would also apply to the value of "Adjusted Total Turnover" in Rule 89 (4) of the CGST Rules, 2017.

Accordingly, it is clarified that for the purpose of Rule 89(4), the value of export/zero rated supply of goods to be included while calculating "adjusted total turnover" will be same as being determined as per the amended definition of "Turnover of zero-rated supply of goods" in the said sub-rule. The same can explained by the following illustration where actual value per unit of goods exported is more than 1.5 times the value of same/ similar goods in domestic market, as declared by the supplier:

Illustration: Suppose a supplier is manufacturing only one type of goods and is supplying the same goods in both domestic market and overseas. During the relevant period of refund, the details of his inward supply and outward supply details are shown in the table below:

Net admissible ITC = Rs. 270

Outward Supply	Value per unit	No of units supplied	Turnover	Turnover as per amended definition
Local (Quantity 5)	200	5	1000	1000
Export (Quantity 5)	350	5	1750	1500 (1.5*5*200)
Total			**2750**	**2500**

The formula for calculation of refund as per Rule 89(4) is:

Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC ÷Adjusted Total Turnover

Turnover of Zero-rated supply of goods (as per amended definition) = Rs. 1500

Adjusted Total Turnover= Rs. 1000 + Rs. 1500 = Rs. 2500 [and not Rs. 1000 + Rs. 1750]

Net ITC = Rs. 270

Refund Amount = Rs. $\frac{1500*270}{2500}$ = Rs. 162

Thus, the admissible refund amount in the instant case is Rs. 162.

Source: Circular No. 147/03//2021-GST dated March 12, 2021

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Waiver of penalty for non-compliance of QR code provisions during December, 2020 to June, 2021 if complied from July 1, 2021

The CBIC amended Notification No. 89/2020 – Central Tax dated November 29, 2020 to extend the waiver of penalty leviable under Section 125 of the CGST Act, 2017 (i.e. general penalty) for non-compliance of provisions of Notification No. 14/2020– Central Tax dated March 21, 2020 (QR Code provisions) between the period from December 1, 2020 to June 30, 2021, subject to the condition that the said person complies with the provisions of the said notification from July 1, 2021.

Source: Notification No. 06/2021 – Central Tax dated March 30, 2021

JUDGEMENTS AND ADVANCE RULING

Opportunity of being heard shall be given before passing of any order by the GST Authority

Issue: **Whether the Impugned order and the order of attachment should be quashed on the ground that it is violation of the principles of natural justice and no opportunity of hearing was given to the Applicant?**

Judgement**:** The Hon'ble High Court of Gujarat in **Alkem Laboratories Ltd. v. Union of India [R/Special Civil Application No. 994 of 2021, decided on February 4, 2021]** quashed and set aside the order imposing liability of Service tax along with interest & penalty and order in Form GST DRC-16 by the Assistant Commissioner for attachment of factory premises on the ground that no opportunity of personal hearing was given and held that one opportunity shall be given to appear and to defend the case.

Held that:

- Analyzed the provisions of Section 78 of the CGST Act, and observed that no recovery proceedings can be initiated against the assessee before the expiry of three months from the date of the service of the order. It is not in dispute that in the case on hand, within one month, the proceedings came to be initiated in the form of attachment of the factory premises.
- Further observed that, the Applicant has filed the replies to the different notices issued by the Respondent and that no opportunity of personal hearing was given to the Applicant by the concerned authority before passing the Impugned order.
- Stated that, although the Court should have declined to entertain this writ application as the Impugned order is an appealable order, but the Court thought fit to entertain this writ application, as no opportunity of being heard was given.
- Noted that, Section 75(4) of the CGST Act, makes it abundantly clear that an opportunity of hearing has to be given, more particularly, in those cases where a request is received in writing from the person chargeable with tax or penalty and where no adverse decision is contemplated against such person.

- Quashed and set aside the, Impugned order and the order of attachment dated December 17, 2020.
- Remitted the matter to the Respondent for fresh consideration. Further, directed Respondent to issue a notice to the Applicant, for fixing a particular date for hearing and submission, and thereafter, proceed to pass the final order in accordance with law.

Source: R/Special Civil Application No. 994 of 2021, decided on February 4, 2021

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Assessee can rectify or revise Form GSTR-3B or GSTR-1

Issue: **Whether the Petitioner is entitled to seek rectification of Form GSTR-3B?**

Judgement: The Hon'ble Gujarat High Court in **M/S Deepak Print v. Union of India [R/Special Civil Application No. 18157 of 2019, decided on March 9, 2021]** directed the revenue department to allow the rectification of entries in the Form GSTR-3B return for the Month of May, 2019, on account of genuine bonafide human error.

Held that:

- Observed that the Respondent did not give a formal reply or respond to the representation preferred by the Petitioner. The Petitioner tried his best to take up the matter with the concerned authority, but ultimately had to come before the Court with the present writ application.
- Noted that, in last two years, the Respondent has not even thought fit to file a formal reply opposing the writ application. Even, as on date, time was prayed for, which the Court declined having regard to the facts of the present case.
- Relied on the decision of the Hon'ble Delhi High Court in the case of **Bharti Airtel Limited v. Union of India & Ors., [Writ Petition (Civil) No. 6345 of 2018, decided on May 05, 2020]** and held that the Petitioner should be permitted to rectify the Form GSTR-3B in respect of the relevant period.
- Directed the Respondent, to modify the conditions and rules mentioned in Annexure A of Circular No. 26/26/2017-GST dated December 29, 2017, by which a registered person can edit any error if occurred during submitting/offsetting the ITC and before the filing of the Form GSTR-3B return.
- Further, directed the Respondent that on filing rectified Form GSTR -3B, Respondent shall verify the claims made therein and give effect to the same once verified with in 2 weeks.
- Furthermore, Petitioner shall not be saddled with the liability of payment of late fees as they have been dragged into unnecessary litigation only on account of the technicalities raised by the Respondent.

Source: R/Special Civil Application No. 18157 of 2019, decided on March 9, 2021

No GST on exempted services of transmission or distribution of electricity

Issue: **Whether GST would be leviable on various allied services of distribution and supply of electricity that are exempted by the Central Government vide Services Exemption Notification?**

Judgement: The Hon'ble Rajasthan High Court in **Jodhpur Vidyut Vitran Nigam Ltd. v. UOI & ors. [D.B. Civil Writ Petition No. 9397/2018, decided on February 5, 2021]** quashed Para 4(1) of Circular No. 34/8/2018-GST dated March 1, 2018 ("Impugned Circular") which clarifies that following activities provided by DISCOMS to consumers are taxable: 1. Application fee for releasing connection of electricity; 2. Rental Charges against metering equipment; 3. Testing fee for meters/ transformers, capacitors etc.; 4. Labour charges from customers for shifting of meters or shifting of service lines; 5. Charges for duplicate bill. Further, held that, a Circular cannot seek to clarify provisions of statutory notification, which is otherwise unequivocal.

Held that:

- Observed that, a simple reading of Services Exemption Notification leaves no room for ambiguity that entire package of services namely transmission or distribution of electricity has been exempted. Whereas, a perusal of Impugned Circular, reveals that the GST Council has sought to bring in tax-net five services enumerated therein, regardless of the fact that complete bundle or package of services namely transmission and distribution of electricity by an electricity transmission or distribution utility have been exempted.
- Attempt of chipping out some of the services, out of the complete package and treating them to be taxable is not only arbitrary and unreasonable but such exercise is also violative of provisions of Section 8 of the CGST Act.
- Noted that, similar issue has been dealt with by the Hon'ble Gujarat High Court in **Torrent Power Ltd. v. Union of India [R/Special Civil Application No. 5343 of 2018, decided on December 19, 2018]** wherein the Court has struck down para 4(1) of the impugned Circular being contrary to the Services Exemption Notification and ultra vires the provisions of Section 8 of the CGST Act.
- Held that, a circular cannot seek to clarify provisions of statutory notification, which is otherwise unequivocal. There is no room for ambiguity or doubt, for which the GST Council was required to issue the circular.
- Relied and agreed with the view taken by the Hon'ble Gujarat High Court in case of Torrent Power Ltd. (supra) and quashed para 4(1) of the Impugned Circular.
- Issued injunction and restrained the Authorities from raising any demand and/or taking any coercive measures to recover any tax on the basis of Impugned Circular.

Source: D.B. Civil Writ Petition No. 9397/2018, decided on February 5, 2021

CUSTOMS

Urgent measures to sensitize trade in light of proposed changes to Section 46 of the Customs Act, 1962

The CBIC issued the urgent measures to sensitise trade in light of proposed changes to Section 46 of the Customs Act, 1962.

Kind reference is invited to the proposed amendments in Section 46 of the Customs Act, 1962 introduced through the Finance Bill, 2021 [clause 84 of the Bill].

Subject to passing of Finance Bill, 2021 by the Parliament of India, these changes in Section 46 would facilitate pre-arrival processing and assessment of Bills of Entry (BE) by mandating their advance filing thus leading to significant decrease in the Customs clearance time. The amended Section 46 would require an importer to file a BE before the end of the day (including holidays) preceding the day of arrival of the vessel/aircraft/vehicle carrying the imported goods at a Customs port/station at which such goods are to be cleared for home consumption or warehousing.

The proposed amendments in Section 46 also empower the Board to prescribe different time limits for filing of BE in certain cases, but not later than the end of the day of arrival of the vessel/aircraft/vehicle at the Customs port/station. Trade has represented for a relaxation so as to prescribe a different time line for filing of Bills of Entry in respect of imports at Land Customs Stations and airports, imports consigned from neighbouring countries, which arrive by short-haul vessels citing practical difficulties that may arise in filing of the BE before the end of the day (including holiday) preceding the day of arrival of the vessel/aircraft/vehicle carrying the imported goods at a Customs port/station. Board is considering the same. However, any relaxation, that is found merited can be notified only after the proposed amendment to Section 46 comes into effect.

It may be noted that the aforementioned changes would be a distinct departure from the present legal provision that allows the filing of a BE even after the arrival of the vessel/aircraft/vehicle. Therefore, it is of utmost importance that the trade/Customs Brokers etc. are alerted to be ready for the change, which would come into force shortly with the enactment of the Finance Bill, 2021. Hence, Board requests all the field formations to issue suitable Public Notices/Trade Notices urgently to sensitize the trade so as to avoid inconvenience and disruptions.

Board would shortly issue a detailed clarificatory circular on the subject, once the Finance Bill, 2021 is enacted.

Source: Instruction No. 05/2021-Customs dated March 24, 2021

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Clarifications on the legislative changes in Section 46 of Customs Act, 1962

Reference is invited to the amendments in Section 46 of the Customs Act, 1962 introduced through the Finance Act, 2021. These changes facilitate pre-arrival processing and assessment of Bills of Entry (BE) by mandating their advance filing thus leading to significant decrease in the Customs clearance time. The amended Section 46 requires an importer to file a BE before the end of the day (including holidays) preceding the day of arrival of the vessel/aircraft/vehicle carrying the imported goods at a Customs port/station at which such goods are to be cleared for home consumption or warehousing. However, Board is empowered to prescribe different time limits for such filing in certain cases, but by no

later than the end of the day of arrival of the vessel/aircraft/vehicle at the Customs port/station.

Changes in Section 46

In this regard, Board has carried out consultations with members of the trade and Customs field formations for the smooth implementation of the changes to the Customs Act, 1962 as above. After examining the relevant issues Board notes that the ground reality is that in case of short haul vessels/flights the importer may at times not get the Master Bill of Lading (MBL)/Master Airway Bill (MAWB) on the preceding day of the arrival of the vessel/aircraft. Further, when goods arrive by vehicle at a LCS, it is invariably the case that the import report is filed only at the time of its arrival. In these situations, it would be difficult for the importer to adhere to the new requirement of Section 46, as above. Accordingly, with a view to facilitate the importers, Board has amended the Bill of Entry (Electronic Integrated Declaration) Regulations, 2018 by issue of Notification No.34/2021-Customs (N.T.), dated 29.03.2021 thereby prescribing Page 2 of 3 different time limits for filing BE in respect of goods imported by various modes of transport. It may be noted that, the existing provision that a BE may be presented up to 30 days prior to the expected arrival of the aircraft or vessel or vehicle carrying the imported goods continues. Thus, with certain exceptions, as notified, the BE can now be filed anytime from 30 days prior to the expected arrival of the aircraft or vessel or vehicle upto the end of day preceding the day of such arrival. Similarly, changes have been carried out in the Bill of Entry (Forms) Regulations, 1976 vide Notification No.35/2021-Customs (N.T.) dated 29.03.2021 in case of manual filing of BEs.

For clarification of the importers and trade, the changes that have been made effective vide the above stated notification dated 29.03.2021 are as follows: -

S.No. (1)	Customs Station (2)	Bill of Entry is Required to be Filed Latest by End of the Day of Arrival of the Vessel/Aircraft/Vehicle (3)	Bill of Entry is Required to be Filed Latest by the End of Day Preceding the Day of Arrival of the Vessel/Aircraft/Vehicle (4)
1	Sea Port	Imports consigned from following countries viz. 1. Bangladesh 2. Maldives 3. Myanmar 4. Pakistan 5. Sri Lanka	Imports consigned from all countries other than those mentioned in column (3)
2	Airport	All imports	None
3	Land Customs Station (LCS)	All imports	None
4	Inland Container Depot (ICD)	None	All Imports

The importers are encouraged to file the BE well in advance and definitely by the above-mentioned timelines. In accordance with the said Section 46 read with the said Regulations, a BE that is filed after the above timelines shall attract late charges. Similarly, relevant dates for determining the late charges as clarified earlier by Circular No. 12/2017-Customs, dated 31st March, 2017 for different types of Customs Stations remains unchanged i.e., Entry Inwards for the Seaport and Date

of Arrival at the Airport, ICDs/Air Freight Stations and Land Customs Stations.

In respect of import goods arriving at seaports, consigned country (refer column 3 of the sl.no 1 of above table) refers to the country where the goods have been consigned by the exporter of the goods by way of Bill of Lading (HAWB/HBL, or MAWB/MBL, as the case may be). The same is already being mentioned as the country of consignment in the Bill of Entry. To illustrate, in respect of the goods consigned from Sri Lanka by the Sri Lanka exporter, Bill of Entry is to be filed latest by the end of the day of the arrival, whereas in respect of the goods consigned from let us say, Hong Kong, but merely transhipped through Sri Lanka, Bill of Entry is Page 3 of 3 required to be filed latest by the end of day preceding the day of the arrival of the vessel.

Removal of the need for MBL/MAWB in Advance BE:

Several representations have been received regarding the non-availability of MBL/MAWB within the prescribed time-limits leading to delay in filing advance BE. Upon carefully examining this matter and noting the genuine difficulties of the importers, Board has decided to do away with the requirement of MBL/MAWB for the filing of advance BE. Only the reference to House Bill of Lading (HBL)/ House Airway Bill (HAWB) would be sufficient at the time of advance filing. Thus, an importer can now file the advance BE on the strength of either a MBL/MAWB or the HBL/HAWB or both.

Further, to regularize the BE filed in advance with the Arrival Manifest (IGM) when a BE has been filed only with the HBL/HAWB (and not MBL/MAWB), it is proposed to enable an option in ICEGATE for the importer to subsequently update the MBL/MAWB in the BE. This amendment to the already filed BE would be auto approved in the Customs Automated System without the need for approval of a Customs officer. An automated approval by the Customs Automated System is supported by section 149 of the Customs Act, 1962 amended vide Finance Act, 2021. Since all such amendments would be auto approved by the Customs Automated System, these would not be subject to levy of fees under the Levy of Fees (Customs Documents) Regulations, 1970. To implement the changes stated above, Directorate General of Systems would be shortly issuing advisories related to the changes in the system.

Source: Circular No. 08/2021-Customs dated March 29, 2021

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GST REVENUE COLLECTION

The gross GST revenue collected in the month of March 2021 is at a record of ₹ 1,23,902 crore of which CGST is ₹ 22,973 crore, SGST is ₹ 29,329 crore, IGST is ₹ 62,842 crore (including ₹ 31,097 crore collected on import of goods) and Cess is ₹ 8,757 crore (including ₹ 935 crore collected on import of goods).

The government has settled ₹ 21,879 crore to CGST and ₹ 17,230 crore to SGST from IGST as regular settlement. In addition, Centre has also settled ₹ 28,000 crore as IGST ad-hoc settlement in the ratio of 50:50 between Centre and States/UTs. The total revenue of Centre and the States after regular and ad-hoc settlements in the month of March' 2021 is ₹ 58,852 crore for CGST and ₹ 60,559 crore for the SGST. Centre has also released a compensation of ₹ 30,000 crore during the month of March 2021.

Source: pib.gov.in

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LET'S TALK

For a deeper discussion of how these issues might affect your business, please contact our Indirect Taxation Team.

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