

CUSTOMS AND GST ALERT



NEWS UPDATE

Central Government has constituted the Principal Bench of the Goods and Services Tax Appellate Tribunal at New Delhi, and 31 State benches across the country.

CASE LAW UPDATES

Customs

M/S NAVAYUGA ENGINEERING CO LTD. v. UNION OF INDIA AND ANR

2024 (7) TMI 1221

Supreme Court holds that (i) where confiscated goods are redeemed after payment of fine and other charges, the owner of goods shall additionally be liable to pay customs duties; (ii) where confiscation proceedings are initiated, obligation to pay customs duties and other charges shall arise only when the owner of the goods exercises the option to pay fine for redemption of goods and the Customs department accepts the same; and (iii) liability to pay customs duties shall also include liability to pay interest on delayed payment.

Goods and Services Tax

M/S STANDARD CHARTERED BANK v. PRINCIPAL COMMISSIONER OF CENTRAL TAX AND ORS

2024 (7) TMI 1443

Telangana High Court holds that assessee having centralised registration were entitled to transition pre-GST input credit into the GST regime through a branch located in any State, so

long as the said branch was covered under the same Permanent Account Number for which centralised registration was obtained in the pre-GST regime.

INDIAN MEDICAL ASSOCIATION, KERALA STATE BRANCH v. UNION OF INDIA AND ORS

2024 (7) TMI 1448

Kerala High Court upholds constitutional validity of section 7(1) (aa) of Central Goods and Services Tax Act, 2017, which creates distinction between a club / association and its members / constituents and seeks to tax transactions entered between them; holds the provision to be prospectively applicable from 01.01.2022.

MANDARINA APARTMENT OWNERS WELFARE ASSOCIATION v. COMMERCIAL TAX OFFICER

2024 (7) TMI 1158

Madras High Court holds that issuance of notice in Form GST ASMT-10 is mandatory when a return is selected for scrutiny and any discrepancy is observed therein; further holds that in case Form GST ASMT-10 is not issued in the above circumstances, conclusions drawn during scrutiny proceedings cannot form the basis for any future adjudication.

COMMISSIONER OF CENTRAL TAX RANGAREDDY-GST v. DELOITTE CONSULTING INDIA PROJECTS LP

2024 (6) TMI 1330

CESTAT, Hyderabad bench holds that merely because a foreign entity operated a project / representational office in India, consideration received by the foreign entity for services provided indirectly to Indian customers (through intermediate related entities) could not automatically be made liable to service tax in India, without establishing actual provision of service or receipt of consideration by such project / representation office.

REGULATORY UPDATES

Customs

INSTRUCTION NO 19/2024-CUS

Central Government has issued instructions to streamline the exercise of power of provisional attachment of bank accounts by Customs authorities; placed emphasis on formation of opinion based on relevant material, existence of *prima facie* case, approval from Principal Commissioner, recording basis of forming opinion in order, issuance of order to bank and concerned account holder, and prompt completion of investigation and adjudication proceedings.

NOTIFICATION NO 50/2024-CUS (NT)

Central Government has extended the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to Special Economic Zone (SEZ) units with effect from 01.07.2024.

Goods and Services Tax

NOTIFICATION NO 16/2024-CENTRAL TAX DATED 06/08/2024

The CBIC has issued notification to provide that the effective date for mandatory distribution by Input Service Distributor shall be 01-04-2025 and the effective date for applicability of penalty provisions for tobacco manufacturers shall be 01-10-2024. These provisions were incorporated within the CGST Act vide the Finance Act, 2024.

Foreign Trade Policy

TRADE NOTICE NO 10/2024-25-FTP

Directorate General of Foreign Trade has launched an updated version (2.0) of the Steel Import Monitoring System (SIMS) at <https://sims.steel.gov.in>.

TRADE NOTICE NO 11/2024-25-FTP

Directorate General of Foreign Trade has notified the draft ITC(HS)-based Export Policy for Chapters 40 to 98 (accessible [here](#)), in lieu of the existing description-based Export Policy. Interested parties may submit their comments on the draft policy by email to export-dgft@nic.in by 11.08.2024.

PUBLIC NOTICE NO 14/2024-25-FTP

Directorate General of Foreign Trade has reduced the composition fee from 3% to 1% for failure by an Advance Authorisation (AA) / Duty Free Import Authorisation (DFIA) holder to fulfil export obligation (EO) in value terms and where the minimum value addition falls below prescribed limit.

PUBLIC NOTICE NO 15/2024-25-FTP

Directorate General of Foreign Trade has notified the following relaxations in the Export Promotion Capital Goods (EPCG) Scheme: (i) time limit for furnishing installation certificate increased to 3 years; (ii) extension period increased to EO period; (iii) provision mandating submission of installation certificate for import of spares deleted; and (iv) composition fee for extension of EO period rationalised and linked to duty saved amount (including for licenses issued under the erstwhile Foreign Trade Policy 2015-2020).

PUBLIC NOTICE NO 16/2024-25-FTP

Directorate General of Foreign Trade had amended the Standard Input Output Norms (SION) and wastage permissible for export of gold / silver / platinum jewellery, with effect from 27.05.2024. However, pursuant to representations from the industry, the aforesaid amendment has been kept in abeyance till 31.08.2024 and the pre-amendment position has been restored.

For any clarifications, please write to:

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