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1. GOVT EXTENDS CURRENT FOREIGN TRADE POLICY TILL SEPTEMBER 2021

The centre extended the foreign trade policy that provides export-linked incentives till 30th September this year. The existing foreign trade policy 2015-2020 was to expire on March 31 this year. Last year, the government had extended the policy till 31 March, 2021, in light of Covid-19, to help exporters grapple with the pandemic and the slowdown induced by it. "The existing FTP 2015-20, which is valid up to March 31, 2021 is extended up to September 30, 2021," the Directorate General of Foreign Trade said in a notification. Under the FTP, the government offers incentives under various import-linked export schemes such as Duty Free Import Authorisation (DFIA) and Export Promotion Capital Goods (EPCG). Under EPCG, exporters can import certain amounts of capital goods at zero duty for upgrading technology related with exports while DFIA allows them to import certain goods like sugar at zero duty. While the six-year policy has been extended for another six months as India witnesses a second wave of the Covid-19 pandemic, a call on a fresh policy for 2021-2026 is also expected soon as the government continues discussions with stakeholders on the same. Exports during April-February this fiscal dipped by 12.23 per cent to USD 256 billion. Imports during the period too declined by 23.11 per cent to USD 340.8 billion, leaving a trade deficit of USD 84.62 billion.
(Source:The Economic Times)

2. MEETING DISCUSSES MEASURES TO ERADICATE CHILD LABOUR IN TEXTILE INDUSTRY

The Bureau of International Labour Force of United States Department of Labour (US DoL) should remove cotton seeds, cotton, thread and yarn produced in India from its list of commodities that it restricts for imports, said Manojkumar Patodia, chairman of Cotton Textile Export Promotion Council (Texprocil) A virtual seminar was organised by the Texprocil, Employers Federation of Southern India (EFSI), Ethical Trade Initiative (ETI) and the Southern India Mills' Association (SIMA). A press release from SIMA said major importing countries, especially the US, are very sensitive to the issue of child labour. The US DoL restricts imports of goods appearing in the list of goods on the source countries produced by child labour or forced labour violating International Labour Standards. In a list published September 30 last year, the US DoL included Indian cotton seeds, cotton, thread and yarn besides other commodities based on the reports published by certain NGOs. The Indian companies have been advised to monitor and ensure that no child labour or forced labour is employed within their organisation or with the suppliers' organisations. Mr. Patodia highlighted the need for eradicating child labour employment, the actions being taken by US DoL, the magnitude of sensitivity. He also spoke about the need for not only de-listing cotton seeds, cotton, thread / yarn from the list, but also the need for social accountability and the need for taking care of children. Siddhartha Rajagopal, Executive Director of Texprocil spoke about the procedures for de-listing the goods from US Trafficking Victims Protection Re-organization Act (TVPR) list. He also briefed the steps to be initiated by textile export promotion councils and industry associations in the preparation of dossiers by engaging third party agency study, collection of data from the Department of Labour, collection of information from NGOs, adopting code of conduct and strictly adhering to labour laws to eradicate child labour, etc. K. Selvaraju, Secretary General of SIMA, explained about the labour employment code and conduct recommended by it and also the role played by The British Standards Institution in getting the star rating. He stated that the code will facilitate any textile manufacturing unit to protect itself from any criticism from the NGOs and also other stakeholders. SIMA has established a Sustainability Cell that helps textile mills for auditing and certificate of employment code, apart from assisting the mills in compliance. The SIMA has developed a draft code on the eradication of child labour for the employer’s compliance, he said

(Source: The Hindu)

3. HSN CODE / SAC MANDATORY ON INVOICES AS PER REVISED REQUIREMENT FROM 1ST APRIL FOR GST TAXPAYER WITH TURNOVER OF MORE THAN RS 5 CR: CBIC

With effect from the 1st April, 2021, it has been made mandatory for a GST taxpayer, having turnover of more than Rs 5 crore in the preceding financial year, to furnish 6 digits HSN Code (Harmonised System of Nomenclature Code), or as the case may be, SAC (Service Accounting Code) on the invoices issued for supplies of taxable goods and services. A taxpayer having a turnover of upto Rs 5 crore in the preceding financial year is required to mandatorily furnish 4 digits HSN code on B2B invoices. Earlier, the requirement was 4 digits and 2 digits respectively. For more details, notification No. 78/2020-Central Tax, dated 15.10.2020. Accordingly, with effect from the 1st April, 2021, GST taxpayers will have to furnish HSN/SAC in their invoices, as per the revised requirement. HSN codes for goods at 6 digits are universally common. Therefore, common HSN codes apply to Customs and GST. Accordingly, codes prescribed in the Customs tariff are used for GST purposes too (as has been specifically mentioned in the GST rate schedule). In Customs Tariff, HS code is prescribed as a heading (4 digits HS), sub-heading (6 digits HS), and tariff items (8 digits). These documents are accessible on the CBIC website. The Customs Tariff may be accessed for HSN codes. GST rate schedule for goods and services may be accessed and then follow the path àGST Rates/Ready reckoner-Updated Notifications/Finder à GST Rates Ready Reckoner/Updated Notifications. Further, HSN search facility is also available on the GST portal. Manufacturers and importers/exporters have been commonly using HSN Codes. Manufacturers were furnishing these codes even in the pre-GST regime. Importers and exporters have been furnishing these codes in import/export documents. Traders would mostly be using HSN codes furnished in the invoices issued to them by the manufacturer or importer suppliers. As such, a large number

of GST taxpayers are already furnishing HS codes/SAC at 6/8 digits on a voluntary basis on the invoices, e -waybills, and GSTR 1 returns.
(Source: Tax Scan)

4. IN A FIRST, CENTRE HIKES BT COTTON SEED PRICES

The Union Government, for the first time since it issued the Cotton Seed Price (Control) Order in 2015, has increased the maximum sale price (MSP) of cottonseed by five per cent to ₹767 for a packet of 450 gm of Bollgard-II seed. The price of Bollgard-I is put at ₹635/packet. The industry sells about 5-5.5 crore packets (of 450 gm each) of cottonseed every year. The price hike has evoked mixed response from the industry and farmers. While the seed industry has welcomed the move, farmers said it would further increase cost of production for them. “The stakeholders such as seed producing farmers, seed companies and distributors will get part of what we get. We pass on the benefit to them,” a seed industry representative said. For the farmer, it is not much of a burden. Even if he were to buy 10 packets (for five acres), the total additional cost would not be more than ₹200, he contended. Vijoo Krishnan, Joint Secretary of the All-India Kisan Sabha, condemned the increase in the seed price. “At a time when the cost of production is increasing, the Government’s decision would result in additional burden on the farmers. We oppose the decision,” he said. “The seed value component was reduced from ₹751 in 2016 to ₹730 in 2020. We asked for a correction of this and make it ₹810. But the Government increased it by only 5 per cent,” NSAI (National Seed Association of India) President M Prabhakara Rao told *BusinessLine.* The association represents the seed companies that take the Bollgard-II technology from Monsanto, through its Indian joint venture Mahyco Monsanto, to equip their hybrids with ability to protect the plants from pink bollworm. ‘Remove price control’ “We are happy with the increase of five per cent in cottonseed price. This is less than the 10 per cent that we requested for, but we consider it as a good gesture by the Government,” Ram Kaundinya, Director General of Federation of Seed Industry of India (FSII) and Alliance for Agri Innovation, told *BusinessLine.* The FSII represents agri biotechnology companies in the country. “We represented to the Government that the cottonseed business was becoming unviable for the industry and research investments in developing new hybrids has dwindled significantly. If this is not corrected immediately it will adversely affect cotton yields and farmers profitability,” he said. Cotton production in the country has to go to 57 million bales (of 170 kg) by 2027 from the current level of 37 million bales in order to support the aggressive plans by the textiles industry. The industry argues that the cost of seed production is increasing tremendously. While the prices of other inputs such as fertilisers and pesticides have gone up significantly, the price of Bollgard-II has not kept pace with the cost increases. “It has been reduced from ₹800 to ₹730 over the last five years, out of which the seed component (excluding the trait value) moved down from ₹751 per packet to ₹730,” he said. The FSII wanted the Government to remove the price control completely. “This will encourage more investments to flow into introduction of modern technologies and seed varieties into the market, which is crucial for the health of Indian cotton industry and the Indian cotton farmer,” he said.
(Source: Business Line)

5. CENTRE RELEASES RS. 30,000 CRORE AS GST COMPENSATION AS WELL AS RS. 28,000 CRORE AS IGST AD-HOC SETTLEMENT TO THE STATES/UTS

The Central Government has released GST Compensation of Rs. 30,000 crore to States as part compensation admissible for FY 2020-21 on 27th March, 2021. The total amount of compensation released so far for the year 2020-21 is Rs. 70,000 crore. As per the decision of GST Council, back to back loan of Rs. 1,10,208 crore has also been released in lieu of shortfall in release of GST Compensation for FY 2020-21. In addition to above, Centre has also released Rs. 28,000 crore (Rs. 14,000 crore to States and Rs. 14,000 crore to Centre) by way of adhoc settlement of IGST on 30th March' 2021. Taking into account the release of GST Compensation, back to back loan and adhoc IGST settlement, balance of only Rs. 63,000 crore approx. GST Compensation is pending to States/UTs for FY 2020-21.
(Source: pib.nic.in)

6. CBIC NOTIFIES ICEGATE AS COMMON PORTAL FOR REGISTRATION, BILLS OF ENTRY

The Central Board of Indirect Taxes and Customs (CBIC) notified ICEGATE or Indian Customs and Central Excise Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway as the common customs electronic portal for all customs related documentation and duty payments. In a notification issued, the Board has specified the portal as the one for facilitating registration, filing of bills of entry, shipping bills, other documents and forms prescribed under the Customs Act or any other law, besides duty payments and data exchange with other systems within or outside India. CBIC has also amended the bill of entry forms for goods arriving via land, sea or air prescribing the use of the common portal for submitting bills of entry. The Board has also specified that bills of entry must be filed before the end of the preceding day on which the goods arrive at the customs port, other than inland container depot and air freight station. If goods are arriving from Bangladesh, Maldives, Myanmar, Pakistan, and Sri Lanka, the authorised person will have to file the bill of entry before the end of the day of arrival of the vessel. In case of goods arriving at customs airport, the authorised person will have to file the bill of entry before the end of the day of arrival of the aircraft. In case of an inland container depot, air freight station, land customs station, at which goods are to be cleared for home consumption or warehousing, the authorised person has been directed to file the bill of entry before the end of the day before the vehicle, including train, arrives. The changes form part of the move to making the customs processing of bills of entry and declarations more electronic, paperless and seamless, so as to facilitate trade.
(Source: The Economic Times)

7. JNPT OPENS NEW INTER-TERMINAL ROUTE TO STREAMLINE TRAFFIC MOVEMENT

The country's premier container port JNPT announced the opening of a new inter-terminal route, connecting BMC Terminal with the other four other terminals at the Port to further streamline the traffic movement. The new route, inaugurated by JNPT chairman Sanjay Sethi in the presence of other port and Customs officials, among others, will reduce the container movement distance between BMCT and the other four terminals by half, from the existing 5 km to 2.5 km in one direction, JNPT said in a statement. The new route is expected to increase the rail share and volume of transhipment containers in the Port, it said. Jawaharlal Nehru Port Trust (JNPT) operates five container terminals that handle over 50 per cent of the total container cargo among the major domestic ports. These are Jawaharlal Nehru Port Container Terminal (JNPCT), the Nhava Sheva International Container Terminal (NSICT), the Gateway Terminals India Pvt Ltd (GTIPL), Nhava Sheva International Gateway Terminal (NSIGT) and the newly-commissioned Bharat Mumbai Container Terminals Private Limited (BMCTPL). The Port also has a shallow water berth for general cargo and another liquid cargo terminal which is managed by BPCL-IOCL consortium. The new route will be used exclusively for the movement of TP (Transhipment) & ITRHO (Inter Terminal Rail Handling Operation) containers between BMCT and other terminals of JN Port offering a smooth and continuous flow of ITRHO and TP containers, the port operator said. "The inauguration of an internal-terminal route will help in the overall trade cycle and further enhance our efficiency. It will further streamline the movement of rail containers between BMCT with all the other four container terminals at the port," said Sethi. JNPT has also taken various other initiatives under 'Ease of Doing Business' that have helped save a significant amount of time and cost for the importers-exporters community, he said. The ITRHO aims to maximise train placement, track productivity, efficiency, cost effective handling, reduce dwell time of import ICD boxes as well as connecting export ICD boxes to respective terminals in time and also increase rail quotient at JNPT, the statement said. Trade will be benefitted, as the new route would ensure timely connection of export containers arriving by trains in mixed condition to the particular vessel in any of the terminals and also enhance the train handling time at JN Port, the port operator stated.

(Source: The Free Press)