1. **COMMERCE MINISTRY FIXES DECEMBER 31 AS DEADLINE FOR EXPORTERS TO SUBMIT APPLICATIONS FOR PENDING DUES**
2. **CBIC INSTRUCTS FIELD UNITS TO FREE UP SHIPPING CONTAINERS AMID GLOBAL SHORTAGE, INDUSTRY DEMANDS**
3. **INVERTED DUTY ON TEXTILES TO BE CORRECTED FROM JAN '22: INDIAN FM**
4. **GENERATION OF EWB WHERE PRINCIPAL SUPPLY IS SUPPLY OF SERVICES: ADVISORY**
5. **WILL FOLLOW CHALLENGE METHOD TO SELECT STATES UNDER MITRA, SAYS TEXTILE MINISTRY OFFICIAL**

===

1. COMMERCE MINISTRY FIXES DECEMBER 31 AS DEADLINE FOR EXPORTERS TO SUBMIT APPLICATIONS FOR PENDING DUES

The last date for exporters to submit online applications to claim their pending dues under different export promotion schemes will be December 31, according to a notification of the Commerce Ministry. The government announced to release Rs 56,027 crore against pending tax refunds of exporters under different export incentive schemes. For claiming pending refunds under merchandise exports from India Scheme (MEIS), the Ministry said, exporters can submit applications for exports made in the period July 1, 2018 to March 31, 2019 and from April 1, 2019 to March 31, 2020 and from April 2020 to December 31, 2020. Under services export from India Scheme (SEIS), they can file applications for exports made during 2018-20. "The last date for submitting online applications under MEIS, SEIS, ROSCTL, ROSL and 2 per cent additional adhoc incentive has been notified to be December 31, 2021," it said. Similarly, textile exporters can file applications for exports made during March 7, 2019 to December 31, 2020 under RoSCTL (Rebate of State and Central Levies and Taxes) scheme. It added that after December 31, no further applications would be allowed to be submitted and they would become time-barred. Further, the validity period of duty credit scrips or certificates issued on or after September 16, 2021 shall be 12 months from the date of issue. Commenting on this, former FIEO President S K Saraf said that the decision of extending the last date for application of scrip-based schemes is a welcome move. It shows the government's sensitivity to the difficulties faced by exporters in these challenging times, he said adding, however, the DGFT needs to make the application portals operational and ensure their continuous working.

(Source: The Economic Times)

2. CBIC INSTRUCTS FIELD UNITS TO FREE UP SHIPPING CONTAINERS AMID GLOBAL SHORTAGE, INDUSTRY DEMANDS

The Central Board of Indirect Taxes and Customs (CBIC) has requested field units to expeditiously eliminate unclaimed or confiscated items and transfer import cargo pending inquiry to warehouses, so as to free up shipping containers. The Board has additionally requested field units to give month-to-month updates on containers which were held up by intelligence companies or caught in courtroom instances, and have been subsequently freed up. “Dispose expeditiously the unclaimed/uncleared/seized/confiscated goods including that are holding up containers whenever it becomes necessary to detain the imported cargo, pending completion of enquiry/investigation, such cargo should be removed to a customs warehouse and the container can be released for further use," the Board mentioned in directions issued to field units. The Board added that field formations ought to encourage the exercise by providing it to importers. Monthly progress experiences have been sought by the fifth of each month. "It is guided that proactive steps enabling release of such containers should also be adopted," the Board mentioned. The directions come amid a global scarcity of shipping containers triggered by the momentary closure of sea ports together with these in China due to Covid 19 pandemic which has lead to a large enhance in freight charges and an imminent hunch in exports. Industry has sought authorities intervention, in search of that motion of empty containers out of India be curtailed and a freight help scheme. However, the federal government has requested container shipping traces to be clear of their levy of assorted fees and settle for fee in free international change, in a gathering held by Commerce and Industry Minister Piyush Goyal earlier on the problem. The authorities additionally cautioned that arbitrary levy of cost could appeal to the eye of the Competition Commission of India. Shipping industry has in flip mentioned that orders for brand new containers and container ships had been being positioned, apart from repositioning of present containers. The CBIC mentioned that it has taken numerous measures over final 12 months to tackle container shortages together with a particular drive to free up all out there containers which resulted within the launch of almost 14,000 containers. In July this 12 months, the Board circulated an up to date checklist of lengthy standing 13,104 containers obtained from Container Shipping Lines Association (CSLA) to the field formations.

(Source: Public News)

3. INVERTED DUTY ON TEXTILES TO BE CORRECTED FROM JAN '22: INDIAN FM

Inverted duty on textiles and footwear will be corrected from January 1, 2022, India's Finance Minister Nirmala Sitharaman said at a press conference. She was addressing the media after chairing the 45th meeting of the Goods and Service Tax (GST) Council in Lucknow. Currently, certain inputs are taxed at a higher rate than finished goods. "GST rate changes in order to correct inverted duty structure, in footwear and textiles sector, as was discussed in earlier GST Council Meeting and was deferred for an appropriate time, will be implemented with effect from 01.01.2022," an official statement issued after the press conference said. Textiles and footwear businesses are unable to claim input-tax credit (ITC) because raw materials like yarn and fabric are taxed at a higher rate than the finished goods (clothing and apparel). The GST Council had discussed the issue of inverted duty structure in the past, but had not reached any conclusion, particularly last year, as reducing GST on raw material would result in loss of revenue. The main impact of inverted duty structure in on the working capital of the businesses. It is because the GST paid at higher rates on raw materials is blocked till the government releases refund. The GST Council held its physical meeting today after a gap of 16 months. The Council had last met physically on March 14, 2020 in New Delhi. The gross GST revenue collected in the month of August 2021 was ₹1,12,020 crore of which CGST was ₹20,522 crore, SGST was ₹26,605 crore, IGST was ₹56,247 crore (including ₹26,884 crore collected on import of goods) and Cess was ₹8,646 crore (including ₹646 crore collected on import of goods). The revenues for the month of August 2021 were 30 per cent higher than the GST revenues in the same month last year. During the month, the revenues from domestic transaction (including import of services) were 27 per cent higher than the revenues from

these sources during the same month last year. Even as compared to the August revenues in 2019-20 of ₹98,202 crore, this is a growth of 14 per cent.
(Source: Fibre2Fashion)

4. GENERATION OF EWB WHERE PRINCIPAL SUPPLY IS SUPPLY OF SERVICES: ADVISORY

Advisory for Taxpayers regarding Generation of EWB where the principal supply is Supply of services.

1. Representations have been received from various trade bodies stating that they are not able to generate EWB bill for movement of those goods where their principle supply is classifiable as a service, since there is no provision for generating **E-way Bill** by entering SAC (Service Accounting Code-Chapter 99) alone on the E- way bill portal.
2. To overcome this issue, the taxpayers are advised as below:

a. Rule 138 of **CGST Rules, 2017**, inter alia, states “Information to be furnished prior to commencement of movement of goods and generation of e-way bill.-(1) Every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees” Thus, E way bill is required to be generated for the movement of Goods.

b. Therefore, in cases where the principal supply is purely a supply of service and involving no movement of goods, the e-way bill is not required to be generated.

c. However, in cases where along with the principal supply of service, movement of some goods is also involved, e-way bill may be generated. Such situations may arise in cases of supply of services like printing services, works contract services, catering services, pandal or shamiana services, etc. In such cases, e-way bill may be generated by entering the details of HSN code of the goods, along with SAC (Service Accounting Code) of services involved.

(Source: Tax Guru)

5. WILL FOLLOW CHALLENGE METHOD TO SELECT STATES UNDER MITRA, SAYS TEXTILE MINISTRY OFFICIAL

The Textiles Ministry will follow a "challenge method" to select states for the proposed Mega Investment Textiles Parks (MITRA) scheme, under which seven parks will be set up in the country, a top government official has said. The scheme, which was announced in the Union Budget 2021-22, is at advanced stages of approval, Textiles Secretary U P Singh said. "We are expecting that in the next 15 days, we will get (cabinet) approval on the MITRA scheme," he told PTI. He said that there are more takers for the scheme as some states want two or three such parks and because of that "we will follow a challenge method to select states". Apart from 1,000 acre land for one such park, the ministry will look at some important things like nearby availability of raw material, all kinds of infrastructure including port, road and rail connectivity, water and power availability, and incentives of states among others. States will have to apply for the scheme and "we will float expression of interest (EoI) kind of thing. We will seek documents as per a format and then we will do evaluation," Singh said. He added that a portal will also be developed for that. Textiles Minister Piyush Goyal had recently stated: "We need competition among states to capture business opportunities and we will see that competition in the MITRA scheme. We have to finalize 6-7 textile parks. States will have to commit for land, labour laws, infrastructure and power at attractive rates. "The government has proposed the MITRA scheme to enable the textile industry to become globally competitive, attract large investments, boost employment generation and exports. Talking about the production linked (PLI) incentive scheme for the textiles sector, the secretary said by September-end, detailed guidelines will be issued for the scheme. The Union Cabinet on September 8 approved the PLI scheme for MMF (man-made fibre) and technical textiles worth Rs 10,683 crore, which will be provided to industry over a five-year period. "It is a fund limited scheme. We are expecting that more people will come forward for this and for that, we are putting certain criteria. There will be certain criteria for selection of companies, which would get the benefits of this scheme," Singh said. He said the companies that would invest in aspirational districts and tier 3/4 towns would get preference. Preference will also be given to the companies that will go to small cities, create more employment, and have better financial and technical capabilities, he added. "If we will get more applications in two months above Rs 10,683 crore, then we will select them based on this criteria," Singh said.

(Source: The Economic Times)