

India Union Budget Highlights

Global transition to growth

February 2021

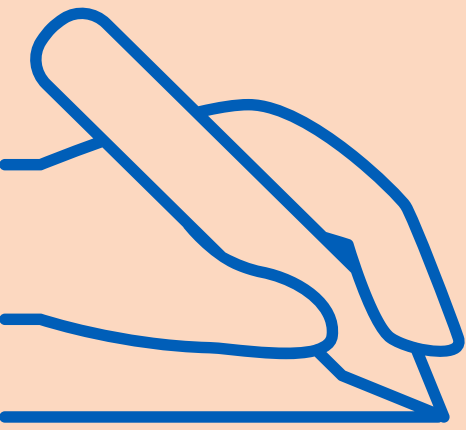
Key Indirect Tax announcements

Goods and Services Tax

Input tax credit on invoices and/or debit notes available only if corresponding details furnished by the suppliers in their returns



Amendments relating to zero-rated supplies



Refund of IGST paid on zero-rated supplies restricted to specified class of taxpayers/supplies

Supplies to SEZ units to be treated as zero-rated only when made for authorised operations

Refund of ITC received on zero rated supply of goods to be deposited along with interest in case of non-realization of sales proceeds within the timelines prescribed

Submission of **audited reconciliation in GSTR-9C withdrawn**. Self-certified Reconciliation statement to be included in annual return

Customs

Definite timeline of **two-years** introduced for completion of proceedings under Customs, extendable by a further period of one year by the Commissioner

Automatic sunset clause of **2 years** for customs duty exemption notifications subject to conditions
(unless otherwise specified, varied or rescinded earlier)

Bill of entry to be filed mandatorily **one day** prior to arrival of the conveyance

Government to review **400 old** Customs exemptions. Revised Customs duty structure to be rolled out from **October 2021**

Common portal under Customs i.e. '**Common Customs Electronic Portal**' to be constituted - to facilitate registration, filing of bills of entry, shipping bills, issuance of notice, summons, order, etc

"Agriculture Infrastructure and Development Cess" introduced on import of specified goods – to be used to finance the improvement of agriculture infrastructure, without increasing burden on consumers

Changes in Customs Tariff

01 Duty rate on solar invertors increased from **5% to 20%** and on solar lanterns from **5% to 15%**

03 Duty rate on certain parts of automobiles increased from **10% to 15%**

05 Duty rate on gold reduced from **12.5% to 7.5%**; Agriculture and Infrastructure Development Cess of **2.5%** imposed

07 **High speed rail projects** added to Project Imports scheme

02

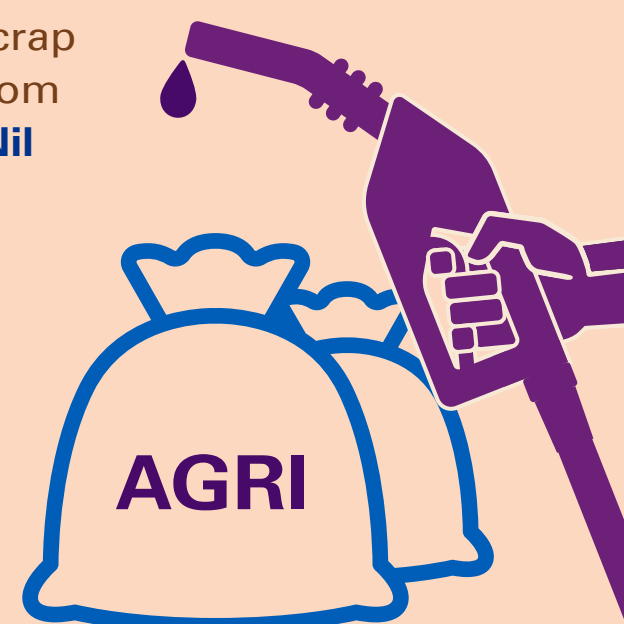
Duty rate on specified inputs or parts for manufacture of cellular mobile phone increased from Nil to **2.5%**

04

Duty rate on compressors of refrigerating and air-conditioning equipment increased from **12.5% to 15%**

06

Duty rate on iron and steel scrap reduced from **2.5% to Nil**



Central Excise

Agriculture Infrastructure and Development Cess of INR2.5 per liter on petrol and INR4 per liter on diesel imposed - Basic Excise Duty and Special Additional Excise Duty calibrated to ensure no additional burden on consumers

Central Sales Tax

Facility for issuance of Form C to be restricted for reselling or manufacturing/processing of petroleum products and alcoholic liquor for human consumption

The information contained herein is of a general nature and is not intended to address the specific circumstances of any particular individual or entity.

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