

Meeting at DHI

9th January 2019: Department of Heavy Industries (DHI) had called a stakeholders meeting to discuss on the grievance raised by a Distribution Transformer manufacturer from Maharashtra.

The meeting was chaired by Mr. Parvin L Agarwal, Joint Secretary, DHI. The meeting was attended by officials from DHI, CEA, MSME, BIS, ERDA, and Members from IEEMA, ITMA and AITMA. IEEMA delegation was led by Mr. Sunil Misra, Director General, IEEMA and Mr. J. Pande, Sr. Director, IEEMA.

The meeting was called because SSE/MSME has submitted representation to DHI for simplification of the guidelines for mandatory certification of DTs. IEEMA suggested DHI that for SSE/MSME units where annual turnover is from 1 Crore to 5 Crores, may be provided financial support on testing charges for all mandatory quality control orders through Ministry of MSME, Government of India, through some grant. IEEMA also informed that STI guidelines evolved by BIS, which defines about the grouping criteria, may further be reviewed upon for further simplification to minimise testing. It was also emphasized by IEEMA on the need of taking user's feedback on the decision of self-certification over mandatory certification.

Technical Committee meeting of CAPACIT 2019

10th January 2019: Technical Committee meeting of CAPACIT 2019 was held at R&D office of Schneider Electric, Bangalore. All TC members were present to finalise the papers of the technical sessions during CAPACIT 2019 scheduled on 14th & 15th February 2019 at New Delhi.



IEEMA Capacitor division meeting

11th January 2019: IEEMA Capacitor division meeting was held at R & D office of Schneider Electric, Bangalore. 12 members participated from 10 member companies. The discussions were majorly on CAPACIT, finalising the session Chairmen, Key note speakers, life time achievement awards etc. Discussions were also held on Status of the Industry.

Meeting with Mr. Raj Pal, Economic Adviser, Ministry of Power

11th January 2019: Mr. A S Subramaniyan, Member, IEEMA; Mr. Sunil Misra, Director General, IEEMA, Mr. Uttam Kumar, Sr. Executive Officer, IEEMA and Mr. Maneesh Anand, Sr. Executive, IEEMA met Mr. Raj Pal, Economic Adviser, Ministry of Power to discuss the issue of Public Procurement Order by Ministry of Power. Mr. Raj Pal informed that MoP has already issued the Public Procurement Orders in respect of Transmission, Thermal and Hydro Sectors. IEEMA requested MoP to share the orders on the MoP/CEA websites for information.

Public Advocacy

Government removed Pre-Import Condition against Advance License

IEEMA had represented to the Government to simplify and keep the Advance License norms by removing the special condition for Advance License under GST.

The Customs Notification 79/2017, dated 13th October 2017, provides exemption from payment of IGST upto 31.03.2019 (as extended vide Notification No. 66/2018-Customs, dated 26.09.2018). However, this Notification was subject to certain pre-import conditions, which were derived from DGFT notification No. 33/2015-2020, dated 13th October 2017 and difficult to fulfil. Many a times, importers have to end up paying IGST, which defeated the objective and spirit of the Notification.

Government amended the Advance Authorisation notifications [Notification no. 18/2015-Cus and 20/2015-Cus], Vide its Notification no. 01/2019-Cus, dated 10th January 2019. The changes made are summarised as below:

Pre-import condition has been omitted for availing benefit of IGST and Compensation cess exemption;

Following conditions for availing IGST and Compensation cess exemption on import of inputs for replenishment [i.e. after fulfilling export obligation] have been inserted:

(i) If GST input tax credit has been availed on inputs used for manufacture and supply of exported goods, then a bond has to be furnished to the Dy. Comm. / Asst. Comm. of Customs at the time of clearance of replenishment inputs, binding the importer that the said replenishment inputs will be used in the importer's factory or a supporting manufacturer's factory for manufacture and supply of taxable goods [other than nil rated or fully exempt supplies]. A certificate from a chartered accountant evincing the same has to be furnished within six months from the date of clearance of the replenishment inputs.

The above bond is not required to be furnished if IGST and compensation cess is paid on import of replenishment inputs.

(ii) If GST input tax credit has not been availed on inputs used for manufacture and supply of exported goods, bond is not required to be furnished at the time of clearance of replenishment inputs, subject to furnishing the proof of such non-availment to the satisfaction of the abovementioned authorities.

Earlier, where IGST and compensation cess exemption had been availed, export obligation could be fulfilled only by way of *physical exports*. Now, the export obligations shall also be fulfilled by the following deemed exports [deemed under the GST regime]:

- Supply of goods under advance authorisation;
- Supply of goods under EPCG scheme; and
- Supply of goods to an EOU