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Circular No. 14/2021
25.03.2021

Sub.: Highlights of Finance Bill 2021 with regard to Apparel Industry

Dear Members,

Finance Bill 2021 has been passed by the Lok Sabha on 23rd March, 2021 and thereafter by Rajya Sabha on 24th March, 2021. We had issued a circular on 2nd Feb 2021, wherein we had given details of the budget proposals relating to the apparel sector. Now, the Highlights relating to changes in Finance Bill relating to apparel sector are given in this Circular. The details of the changes are given in the tabular form in the Annexure of this circular. The summary of these changes are given as follows:

- 1. Export Performance Certificate (EPC) related changes:** The facility of Duty free import under S.No.311 (trimmings and embellishments etc.) will be available till 31.03.2021 only
- 2. Duty free import of Tags, Labels (Provision Under S. No. 257): Printed bags** have been added for duty free import under S. No. 257. Now, the import of products under S. 257 are subject to **Condition 108**
- 3. Changes related to IGST Refund:** As per amendment, i.e. IGST refunds (without LUT) will now be restricted for class of persons, a class of goods or services. No notifications has been issued so far regarding class of persons/goods/ services
- 4. Timeline for completing investigation/inquiry:** Investigation to be completed within 2 years from the date of initiation of audit, search, seizure or summons

5. Common Customs Electronic Portal: This will facilitate registration, filing of bills of entry, shipping bills, other document or form as prescribed or for payment of duty and for carrying out such other functions and for such purposes as may be specified by the CBIC

6. Changes related to Bill of Entry: This will facilitate pre-arrival processing and assessment of Bills of Entry (BE)

7. Amendments in the CGST ACT, 2017: There has several amendments like Requirement to file GSTR-9C is omitted from F.Y. 2020-21, GSTR9 will be filled on self-declaration basis, tax liability declared in GSTR-1 will be taken as self-assessed tax and the same should be paid while filing GSTR-3B.

8. Procedural changes relating to Appeal, Penalty and Prosecution

This is for your information please..

With best wishes,

Yours sincerely,

Dr. L. B. Singhal,
Secretary General,
AEPC