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LEGAL PRECEDENTS

PART A: ADVANCE RULINGS

1. Input Tax Credit on Solar Power Panels

The Applicant awarded consolidated contract to contractor for designing, engineering, supply and installation of solar power panels. The Applicant used entire electricity generated from solar power panels for operating its manufacturing plant. The Applicant sought ruling from the Authority for Advance Ruling ('AAR') on its eligibility to take Input Tax Credit ('ITC') on installation of solar power panels.

The AAR observed that the Applicant procured solar power panels for use in its business and capitalized entire amount excluding GST component. The Applicant did not claim depreciation on GST element. Basis this, the Applicant is eligible to avail ITC on solar power panels under Section 16 of the Central Goods and Services Tax Act, 2017 ('CGST Act') as solar power panels qualify as plant and machinery.

KLF Nirmal Industries Private Limited, 2021-VIL-274-AAR

OTHER UPDATES

1. Extension of period of limitation for filing appeal before the CESTAT

The Supreme Court vide **Misc. Application No. 665/2021 in SMW (C) No. 3/2020 dated April 27, 2021** allowed extension of limitation period for all juridical and quasi-judicial proceedings. Following the order, the CESTAT has directed that all benches of CESTAT need to strictly adhere to the Supreme Court's extension order without insisting for condonation of delay application.

The Applicants desiring to take benefit of Supreme Court's order, need to make a statement in appeal form itself.

CESTAT Office Memorandum dated **July 26, 2021**

2. Validity of AEO certificate for AEO-T1 entities

As per **Circular No. 33/2016 – Customs** dated **July 22, 2016**, validity of AEO-T1 certificate is 3 years. AEO-T1 entities need to apply for extension of validity of such certificates.

The CBIC has removed requirement for renewal of AEO-T1 certificates and allowed auto-renewal for certificates issued on or after **April 1, 2019**. Such entities need to submit annual self-declaration between October 1 to December 31 of each year.

Circular No. 18/2021-Customs dated **July 31, 2021**

3. Transfer of Advance Authorization and EPCG Authorization

Government has notified online procedure for filing and transfer of Advance Authorization and EPCG Authorization from earlier entity to new entity in case of amalgamation, de-merger or acquisition.

DGFT Trade Notice No. 14/2021-22 dated **August 4, 2021**

RECENT NEWS

1. As India Inc opens up, industry seeks clarity on availability of ITC under CSR spending

<https://m.economictimes.com/industry/banking/finance/as-india-inc-opens-up-industry-seeks-clarity-on-availability-of-itc-under-csr-spending/articleshow/85006716.cms>

2. E-way bill generation to be blocked from Aug 15 for GST return non-filers

<https://www.livemint.com/news/india/eway-bill-generation-to-be-blocked-from-aug-15-for-gst-return-nonfilers-11628173756129.html>

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