# TAX CONNECT

fourth ISSUE March 2014

Friends,

We have witnessed two budgets in February: State Budget and Interim Union Budget.

Despite being low on expectations, The Union budget has given a pleasant surprise by **cutting the excise duty on automobiles, capital goods and mobile phones**.

The State budget though has quite a few pleasantries. Just to pen down a few -

- **Increase in exemption limit for payment of P. Tax.**
- **Introduction of a new scheme of enrolment in P Tax upon payment of Rs 1,000 to Rs 2,000.**
- **Doing away with the submission of minimum sale invoices of Rs. 50,000 for VAT registration.**
- **Allowance of Input tax credit on old plant and machinery.**
- **Increasing the lower slab for charging 6% stamp duty on properties from Rs.25 lakhs to Rs.30 lakhs.**

We all should also now gear up for The New Companies Act. In a major development, the relevant provisions and rules for **Corporate Social Responsibility of Companies from 1.4.2014** have been notified.

We are now entering into a period of hectic activity as we near the close of FY 2014-15. This is a month of planning for closure of books and various payments like **Advance Income Tax, Service Tax for the month of March and quarter January-March and Excise Duty for all other units except SSI units for the month of March.** Not to forget Income Tax return filing by 31st March!

**Finally, just to remind that we shall be available for your queries on any issue 24x7 on our mail id or over a telecon.**


| Due Date | Compliance |
|---|---|
| **5-Mar-14** | Service Tax & Excise Duty Payment for all other units except SSI units for the month of February. **(6-Mar,2014: Online Payment)** |
| **7-Mar-14** | Income Tax TDS Payment |
| **10-Mar-14** | Sales Tax TDS Payment |
| **10-Mar-14** | ER1, ER2 & ER6 Return |
| **15-Feb-14** | Excise Duty Payment for SSI units for the month of February. **(16-Mar,2014: Online Payment)** |
| **15-Mar-14** | Provident Fund Payment |
| **15-Mar-14** | Advance Income Tax Payment- Quarterly (January to March, 2014) |
| **21-Mar-14** | VAT/CST/ Entry Tax/ Professional Tax Payment for the month of February |
| **21-Mar-14** | ESI Tax Payment |
| **25-Mar-14** | Provident Fund Return |
| **25-Mar-14** | Sales Tax TDS Certificate Issue |
| **31-Mar-14** | Advance Income Tax Payment- Yearly (April-March) |
| **31-Mar-14** | Service Tax Payment for the month of March and quarter January-March. |
| **31-Mar-14** | Excise Duty Payment for all other units except SSI units for the month of March. **(1-Apr,2014: Online Payment)** |
| **31-Mar-14** | Due Date of Belated ITR |

Truly Yours

**Timir Baran Chatterjee**
**M.Com, FCS, MBA(International Business)-IIFT, Qualified Cost Accountant**

**Vivek Jalan**
**B.Com, *FCA***

1 Old Court House Corner
**"Tobacco House"**
1st Floor; Room No.13 (North)
Kolkata – 700001

**Contact: +9331042424; +919831594980;+913322625203**
**e-mail:** tb.chatterjee@dic.co.in; tb.chatterjee@yahoo.co.in
cavivekjalan@gmail.com; vivek.jalan@icai.org

# INTERIM UNION BUDGET HIGHLIGHTS (2014-15)

## DIRECT TAX PROPOSALS

- **There are no changes in personal and corporate income tax rates.**
- The revised draft of the DTC Bill announced to be ready and to be made available on website for a public discussion.

## INDIRECT TAX PROPOSALS

### CENTRAL EXCISE

- Reduction in excise duty from 12% to 10% on all goods falling under chapter 84 and chapter 85 of the Schedule to the Central Excise Tariff Act for the period up to 30.6.2014 which includes consumer durable (e.g. television sets, refrigerators, set top box, telephone set, CD, DVD's, washing machines,personal computers, etc.) and capital goods (e.g. machineries, boilers, turbines, forklift trucks, printing devises,electric motors and generators, etc.) The rates can be reviewed at the time of the regular Budget.
- Relief provided to the automobile industry. Reduction in excise duty as follows for the period up to 30.6.2014:

| AUTOMOBILES | REDUCTION IN EXCISE DUTY |
|---|---|
| **Small cars, motor cycles, scooters and commercial vehicles** | from 12% to 8% |
| **SUVs** | from 30% to 24% |
| **Large and mid-segment cars** | from 27/24% to 24/20% |

- Appropriate reductions made in excise duty on **chassis and trailers**.
- Restructuring the excise duties for all categories of **mobile handsets**. The rates will be 6% with CENVAT credit or 1% without CENVAT credit.

### CUSTOMS

- Rationalisation of the customs duty structure on **non-edible grade industrial oils and its fractions, fatty acids and fatty alcohols** at 7.5%.
- **CVD and SAD exemption on the following machinery imported for construction of roads has been withdrawn**:
  - Hot mix plant batch type with electronic controls and bag type filter arrangements more than 120 T/hour capacity
  - Electronic paver finisher (with sensor device) for laying bituminous pavement 7m size and above
  - Kerb laying machine
  - Mobile concrete pump placer of 90/120 cu m/hr capacity
  - Skid steer loaders
  - Drilling jumbos, Loaders, Excavators, Shortcrete machine and three stage crushers
- To provide a concessional customs duty of 5% on capital goods imported by the Bank Note Paper Mill India Private Limited to encourage indigenous production of security paper for printing currency notes.

### SERVICE TAX

- To exempt **loading, unloading, packing, storage and warehousing of rice** from service tax. The storage or warehousing of paddy was already excluded from the levy of service tax according to the Finance Act, 2012, read with the Negative List.
- To **accept the request of Ministry of Health and Family Welfare** regarding the **exemption from service tax of the services provided by cord blood banks** as these are also healthcare services and should be exempt from service tax.

**Amendments in Mega Exemption Notification (effective from 17 February 2014)**

# CENTRAL TAXES

## SERVICE TAX

### AMENDMENT IN MEGA-EXEMPTION NOTIFICATION

The Central Government vide **Notification No. 02/2014-ST dated 30.01.2014** substituted Paragraph 2, Clause (s) of the **mega exemption Notification** No. 25/2012-ST dated 20.06.2012 and notified that **"governmental authority" would now means an authority or a board or any other body set up by an Act of Parliament or a State Legislature ~~AND~~ OR established by Government with 90% or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution;'**

### NO SERVICE TAX ON SERVICES PROVIDED BY AN AUTHORISED PERSON OR SUB-BROKERS TO THE MEMBER OF THE COMMODITY EXCHANGE

The Central Government vide **Notification No. 03/2014-ST dated 03.02.2014** directed that the service tax payable on the services provided by an authorised person or sub-broker to the member of a recognised association or a registered association, **in relation to a forward contract,** shall not be required to be paid in respect of such taxable service on which the service tax was not being levied during the period commencing from the 10th day of September 2004 and ending with the 30th day of June 2012.

The same was taxable before 2012 though, but service tax was not being levied in practice.

### ADDITION OF SERVICES IN MEGA-EXEMPTION LIST

The Central Government vide Notification No. 04/2014-ST dated 17.02.2014 inserted the following services in the opening paragraph of Notification No. 25/2012-ST dated 20.06.2012:

(i) After Entry 2, the following entry shall be inserted, namely:

***"2A. Services provided by cord blood banks by way of preservation of stem cells or any other service in relation to such preservation;"***

(ii) After Entry 39, the following entry shall be inserted, namely:

***"40. Services by way of loading, unloading, packing, storage or warehousing of rice."***

### CHARTERED ACCOUNTANT'S TO CONDUCT SPECIAL AUDIT

In the case of A.C.L. Education Centre Pvt. Ltd. & Ors, Allahabad HC upheld the validity of Rule 5A(2) of Service Tax Rules requiring production of necessary documents like Trial Balance, IT Audit Report for special audit u/s 72A of Finance Act, 1994.

- **Special Audit u/s 72A to be conducted by qualified Chartered Accountants (CA) only, as per ICAI's Accounting Standards.**
- Rule 5A (2) merely facilitates conduct of audit by appointed CAs, by empowering designated officer to collect material on behalf of Commissioner.
- It is assesses' pious duty to make available record mentioned under said Rule for scrutiny by Audit Party.
- Rule 5A (2) is not ultra vires, as the same is in consonance to Section 72A of the Finance Act, 1994 and the same was enacted by the competent authority.

## CUSTOMS

### EXTENSION OF LIMIT FOR BAGGAGE

The Central Government vide **Notification No. 10/2014-Customs (N.T) dated February 10, 2014,** has extended the limit in INR under the Customs Baggage Regulations **from Rs. 7,500 to Rs. 10,000** and the passengers now are also required to declare the number of hand bags. Amendment has also been brought in Customs Baggage Declaration Form I.

# cENTRAL EXCISE

## DUTY CLIMBED UP ON TOBACCO & PAN MASALA

The Central Government vide **Notifications No. 01/2014-Centarl Excise (N.T.), 02/2014-Central Excise (N.T.), 03/2014-Central Excise, 04/2014-Central Excise & Circular No. 980/2014 dated 24th January, 2014,** has **hiked duty on Tobacco & Pan Masala** determinable on installed packing machines. Also, it has been clarified that:-

- Compounded levy of excise on tobacco (unmanufactured / chewing) and pan masala to be determined on monthly deemed production and not unit's actual production;
- Though, the actual production may be higher than deemed production, but it cannot be the round for re-determining excise liability;
- Levy of Duty is based on number of installed packing machines.

## HIGH COURT DECISION

1. **26th February, 2014**: **Section 11AC** of Central Excise Act read with **Rule 13** Cenvat Credit Rules--**Wrong availment and utilization of Cenvat Credit** on the inputs which have been destroyed and on which insurance have been claimed. When the Original Authority had clearly recorded a finding that the conduct of the assessee was with an intention to evade payment of duty, **the penal provisions stand attracted and penalty is imposable.** *[The Commissioner of Central Excise vs .M\S Hanil Lear India (P) Ltd (Madras High Court)]*

2. **22st February, 2014: Section 5A** of Central Excise Act**: Under Notification No. 1/95 CE dated 04.01.1995, exemption** was provided in respect of **capital goods to 100% Export Oriented Undertaking** but input materials such as cement used for construction of industrial estates or industrial property **wouldn't fall within the description of capital goods** and assessee is **not entitled to any exemption from payment of duty on cement** or treating it as capital goods. Therefore assessee appeal dismissed.

## RE-LABELLING & AFFIXING BRAND ON IMPORTED GOODS DOES NOT AMOUNT TO MANUFACTURE

In the case of **Indian Additives Limited, the Madras High Court** has held that the **activity of re-labelling of name, address and affixing brand name on imported goods not covered by definition of "manufacture"** u/s 2(f) of the Central Excise Act,1994.

- The Court rejected Revenue's contention that activity transformed imported product into different product, having distinct name, character and use.
- Concurs with Tribunal's findings that inscription of name of assessee along with other details was with a view to comply with statutory requirement under Standard of Weights and Measures Act, 1976.
- This activity does not render goods marketable and imported goods sold as such in India after re-labeling without any re-packing from bulk to retail pack.
- Assessee never intended to suppress identity of imported goods as buyers are well aware that goods were imported and not manufactured by assessee.

# INCOME TAX

## EXTENSION OF DUE DATE FOR FILING REFUND CLAIMS

The CBDT vide **Circular No. 04/2014 dated 10.02.2014** has extended u/s 119(2) (a) the date for filing ITR-V for AYs 2009-10, 2010-11 and 2011-12 to 31.03.2014. The time-frame under the second proviso to s. 143(1) for issuing the Intimation has been extended to 6 months from the end of the month in which ITR-V is received.

## CLARIFICATION REGARDING SCOPE OF ADDITIONAL INCOME-TAX ON DISTRIBUTED INCOME UNDER SECTION 115R OF THE INCOME TAX ACT

The CBDT vide **Circular No.06/2014 dated 11.02.2014**,in exercise of its powers under section 119 of the Act hereby clarifies that additional income-tax under sub-section (2) of section 115R of the Act is to be levied on income distributed by way of dividend to unit-holders of mutual funds or specified companies and receipts from redemption/repurchase of units or allotment of additional units by way of bonus units would not be subjected to levy of additional income tax under that section.

## HIGH COURT DECISION

1. **21st February, 2014: Amount lying in the PPF account of a subscriber is immune from attachment and sale for recovery of the income tax dues.** As long as an amount remains invested in a PPF account of an individual, the same would be immune from attachment from recovery of the tax dues. *[Dinesh Chandra Bhailalbhai Gandhi (Gujarat High Court)]*

2. **21st February, 2014: Section 10 (23C): An institution which regularly makes more than 10% to 15% surplus is existing for profit and not eligible for exemption.** Such "surplus" which is invested in fixed deposits and fetches huge interest cannot be stated to be "incidental". *[Visvesvaraya Technological University vs. ACIT (Karnataka High Court)]*

3. **21st February, 2014: Section 147:** Assessee is not entitled to challenge validity of reopening of books on a ground not stated in objections to AO. *[Crown Consultants Pvt.Ltd. vs. CIT (Bombay High Court)]*

4. **21st February, 2014: Section 254:** Tribunal is not required to consider pleadings, material etc to which its pointed attention is not drawn. *[Dholadhar Investment Pvt. Ltd. vs. CIT (Delhi High Court)]*

5. **25ft February, 2014: Section 10A/10B: Interest income out of surplus funds in Banks and sister concerns & EEFC account is eligible for exemption.** The profits of the business of the undertaking includes the profits and gains from export of the articles as well as all other incidental incomes derived from the business of the undertaking. **It is clear that what is exempted is not merely the profits and gains from the export of articles but also the income from the business of the undertaking.** *[CIT vs. Motorola India Electronics (P) Ltd (Karnataka High Court)]*

6. **25th February, 2014:** Undue delay in passing order causes prejudice & results in loss of confidence in the judicial body. Such a delayed order to be set aside. *[Emco Ltd vs. UOI (Bombay High Court)]*

## ITAT DECISIONS

1. **21st February, 2014: Section 14A/Rule 8:** Disallowance if primary object of investment is to hold controlling stake in group concern and not to earn tax free income. *[Garware Wall Ropes Ltd vs. ACIT (ITAT Mumbai)]*

# COMPANIES ACT, 2013

## APPLICABILITY OF SECTION 135 AND SCHEDULE VII

The Central Government vide Notification dated 27.02.2014 hereby appoints the **1st day of April, 2014 as the date on which the provisions of Section 135 and Schedule VII of the said Act shall come into force.**

## INTRODUCTION OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

The Central Government vide Notification dated 27.02.2014 **has made the Companies (Corporate Social Responsibility Policy) Rules, 2014 under Companies Act, 2013** which shall **come into force on the 1st day of April, 2014.**

The CSR Policy of the company shall, inter-alia, include the following :

- A list of CSR projects or programs which a company plans to undertake falling within the purview of the Schedule VII of the Act, specifying modalities of execution of such project or programs and implementation schedules for the same, and

- Monitoring process of such projects or programs.

Provided that the CSR activities does not include the activities undertaken in pursuance of the normal course of business of a company.

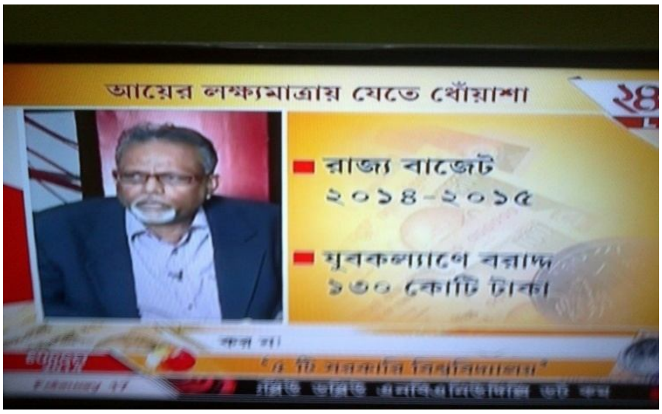
# WEST BENGAL BUDGET (2014-2015)

The Hon'ble Finance Minister of West Bengal, Mr. Amit Mitra has presented the Budget for F.Y. 2014-15. Major Highlight of the same on tax front are as follows:

- Exemption limit for payment of professional tax:

| CATEGORY | EXISTING | PROPOSED |
|---|---|---|
| Salaried Person | **7,000 p.m.** | **8,500 p.m.** |
| Professionals | **18,000 p.a.** | **60,000 p.a.** |
| Businessmen and Traders | **No Limit** | **5 lakhs** |

- **Introduction of profession tax enrolment and automatic registration through the web based electronic module** and self-generation of de-materialised registration or enrolment certificate.
- To avail the benefit of the amnesty scheme in professional tax, **a new scheme of enrolment is introduced upon payment of Rs 1,000 to Rs 2,000** with no penalty and no interest.
- VAT registration simplified by introducing automatic registration by filing online application. **Submission of minimum sale invoices of INR 50,000 has been waived off**.
- **Allowance of Input tax credit on old plant and machinery** used for manufacturing goods.
- Extended the **benefit of pre-assessment refund** to all dealers having accumulated input tax credit on account of inter-State sales.
- A bench of the Appellate & Revisional Board is constituted at Siliguri thus obviating the need to travel to Kolkata for filing Appeals and Hearing.
- Large Taxpayer unit for big tax paying dealers. There will be a single nodal officer for most of the services and for statutory compliance with regard to VAT, Sales Tax, CST, Profession Tax, and Entry Tax.
- No pre-verification visit of the Sales Tax officials to the dealers place before grant of pre-assessment refund thus reducing the delayed process for refund.
- No random and unauthorised visit by the Sales Tax officials without a written instruction from the concerned Charge Officer showing the reason for the visit.
- Benefit of Industrial Promotion Assistance extended till 31st March, 2015 for Micro and Small scale Enterprises.
- **E-stamping in property registration** will be introduced from the next financial year.
- **Stamp duty @ 6% on all properties of market value upto INR 30 lakhs** (earlier INR 25 Lakhs) instead of 7% from present.
- Reduce the rate of interest on delay of payment of stamp duty from 2% p.m. to 1% p.m. by setting an upper limit of Rs 20,000.
- Exemption from payment of Rural Employment and Education Cess for Tea Industry.
- Reduction of tax rate from 14.5% to 5% on sanitary napkins with MRP upto Rs. 25, hairbands and hair clips and also on gas stove including LPG stove costing not more than Rs. 1000/-.




**Timir Baran Chatterjee, giving his valuable feedback on West Bengal Budget (2014-2015) on the channel 24 Ghanta Live on 17th February, 2014**

# W.B. TAXES

## VAT

**GENERATION OF WAYBILL IN FORM 50A AND MANDATORY ENTRY OF IMPORT EXPORT CODE (IEC) THEREON**

Way Bill in Form 50A is being generated by registered dealers and is generated even by a person who is not a registered dealer. Now in order to identify a particular dealer making import from outside India and to ensure genuineness of import and to expedite the clearance of consignments from sea port or air port, **a new field for capturing data has been introduced in entry No.6 of the existing Way Bill module under sub-entry "Importer's Import Export Code".**

Now every dealer generating e-Way Bill for import of goods from outside India shall upload Bill of Entry No. and date in serial no. 6 along with his 'Import Export Code (IEC)' in a new field created.

## PROFESSIONAL TAX

**EXCLUSION OF FACTORY OR GODOWN/WAREHOUSE FROM OBTAINING SEPARATE CERTIFICATE OF ENROLMENT AND PAYMENT OF PROFESSIONAL TAX**

A question has come up whether a factory or godown / warehouse (of such entity) shall be treated as a separate person for the purpose of obtaining separate certificate of enrolment and payment of Tax. The Commissioner, Professional Tax, West Bengal vide **Circular No. 01/2014 dated 13.02.2014** hereby clarifies that **no factory or godown / warehouse of a firm, company, corporation, or other corporate body, any society, club or association, unless it acts as a branch or office, shall be treated as a separate person** for the purpose of the Act.

# QUERY & REPLY

**QUERY**

The company is a registered dealer under West Bengal Value Added Tax Act & Rules. It is dealing in mainly two commodities: **Product A** and **Product B**

It purchases the goods from Registered and Unregistered dealers within and outside West Bengal. For local purchases it pays Input Vat. Product A is sold within and outside West Bengal. In case of Product B, the sales are made within WB, interstate outside WB and in the course of export outside India.

The company has output VAT Payable on Product B. The company has adjusted Input Tax Credit (ITC) against Output VAT on Sales of Product A, but there still remains a substantial amount of unutilized ITC.

Can the company set off ITC of Product A with the Output Vat Payable on Product B?

**NAME AND ADDRESS WITHHELD**

**REPLY**

In this regard, a combined reading of Section 16, 22 and 21A of The WB VAT Act allows the registered dealers to adjust the input tax credit against output tax to the extent of the amount of tax paid or payable by such dealer on his purchase of taxable goods, other than such taxable goods as specified in the negative list made in the State from a dealer when such goods are purchased for the sales made within WB, interstate outside WB and in the course of export outside India. It is pertinent to mention here that **the benefit is allowed to a dealer and no co-relation is required between input tax credit taken on certain goods and output tax credit payable on another set of goods. Since the registration certificate of the dealer (including amendments applied for) specifies both the products, Product A and Product B, therefore, the company can adjust the total ITC (from both the products) against the total Output VAT payable (on both the products).**

# AN INSIGHT OF SAFEGUARD DUTY AND ITS RELEVANCE IN FOREIGN TRADE

By: TIMIR BARAN CHATTERJEE

## INTRODUCTION

In the technical language of the World Trade Organization (WTO) system, a **safeguard** is used to restrain international trade in order to protect a certain home industry from foreign competition. A member may take a "safeguard" action (e.g. restrict importation of a product temporarily) to protect a specific domestic industry from an increase in imports of any product which is causing, or which is threatening to cause, serious injury to the domestic industry that produces like or directly competitive products.

Safeguards are usually seen as responses to fair trade behaviour, as opposed to unfair trade practices such as

- Dumping
- Sub-sidy

As such they are supposed to be used only in very specific circumstances, with compensation, and on a universal basis, i.e., a member restricting imports for safeguard purposes will have to restrict imports from all other countries i.e. by considering MFN (Most Favoured Nation) term. However, exceptions to this non-discriminatory rule are provided for in the Agreement on Safeguards itself as well as in some ad hoc agreements. Safeguards usually take the form of increased duties to higher than bound rate or standard rates or quantitative restrictions on imports.

## WHEN CAN SAFEGUARDS BE APPLIED?

A safeguard measures may be applied when:

- there are increased imports
- There is **serious injury** or a **threat of serious injury** to domestic industry

## HOW LONG CAN SAFEGUARDS BE IN PLACE?

No safeguard measures may last longer than four years, unless through a new investigation. Its continuation is found to be necessary to prevent or remedy serious injury and there is evidence that the industry is adjusting.

## COMPENSATION FOR AFFECTED MEMBERS

WTO members applying safeguard measures generally must compensate other members for their effects. They must offer a substantially equivalent level of concessions and other obligations to affected members for the duration of the safeguard. If there is no agreement on trade compensation within 30 days, the affected exporting members individually may suspend substantially equivalent concessions and other obligations – that is, raise tariffs – unless the Council for Trade in Goods disapproves of this. During the first three years of application of a safeguard measure, however, this remedy is not available if the measure is taken in response to an absolute increase in imports and otherwise conforms to the provisions of the safeguards agreement.

## DEVELOPING COUNTRIES AND SAFEGUARDS

Safeguard measures shall not be applied against a product originating in a developing country Member as long as its share of imports of the product concerned in the importing Member does not exceed 3 per cent, provided that developing country Members with less than 3 per cent import share collectively account for not more than 9 per cent of total imports of the product concerned.

## WHAT HAPPENS IF THERE IS A DISPUTE OVER THE LEGALITY OF A SAFEGUARD

The Agreement on Safeguards directs members to pursue consultations and disputes arising under the general WTO dispute settlement procedures.

## DOES INDIA APPLY ANY SAFEGUARDS?

The Customs Tariff Act, 1975 has been amended to include various provisions for giving relief to the domestic producers against injury caused to them by imports in accordance with the Agreements. These include Section 8B, Section 8C, Section 9A, Section 9B and Section 9C of the Customs Tariff Act, 1975 and the Rules made thereunder.

## WHO CAN FILE THE APPLICATION?

An application for initiation of a safeguard investigation can be made by any aggrieved producer / manufacturer, trade representative body, firm or association, which is representative of domestic industry.

## WHAT INFORMATION IS REQUIRED TO BE INCLUDED IN THE APPLICATION?

The application should contain, inter alia, the following information:

- General Information about the applicant(s).
- Product in respect of which increase in imports noticed.
- Increased imports.
- Domestic production.
- Injury.
- Cause of injury.
- Submissions.

## CAN ONE APPLY SIMULTANEOUSLY FOR BOTH ANTI-DUMPING DUTY AND SAFEGUARD DUTY?

The Safeguard duty Rules require that in case the injury to the domestic industry is caused due to dumping, the domestic industry should seek for the imposition of anti-dumping duty and not safeguard duty. This is because Safe Guard duty is imposed when volume of import is increased all on a sudden with a fair pricing model affecting serious injury to the domestic industry whereas anti dumping duty is imposed when goods are imported at an abnormally low price i.e. the price prevailing of the like product in the domestic market of the exporting country.

## ANTI DUMPING DUTY VS SAFEGUARD DUTY

| ANTI-DUMPING | SAFEGUARD |
|---|---|
| Anti dumping is against "unfair pricing" by Foreign Producers – charging higher price in home market and exporting at lower price | Safeguards are against cheap imports, which has shown a sudden surge in imports due to some unforeseen circumstances. |
| ➢ Anti dumping is company and country specific<br>➢ Duty varies from company to company | ➢ General safeguard is against all countries<br>➢ Transitional safeguards is against China<br>➢ Uniform duty on all imports |
| Form of injury is "material injury".<br>Threat of injury is recognized. However, threat of dumping is not recognized. | Form of injury is<br>➢ Serious injury in general safeguards<br>➢ Market disruption in case of China specific safeguards<br>Threat of injury is recognized. However, threat of "increase in imports" is not recognized. |
| No interim duty can be imposed before expiry of 60 days. However, duty can be imposed on retrospective basis on past 90 days imports. | Interim duty can be imposed on initiation of enquiry |
| Same requirements of injury for interim and final. | Existence of critical circumstances is an additional requirement for interim duties. |
| Final Order can be challenged before CESTAT. Writ can be filed before High Court or Supreme Court. | No appeal provision. Only a writ can be filed before High Court or Supreme Court. |
| India has wide and rich experience on anti dumping | Not many cases done globally |
| Three forms of duty possible<br>➢ Ad valorem (% on CIF import price)<br>➢ Fixed quantum (INR/US$ per unit of product)<br>➢ Benchmark pricing (duty is the difference between benchmark and landed price of imports) | Only ad-valorem form of duty<br>Quantitative restrictions possible (however, India has yet framed Rules for quantitative restrictions) |