UNION BUDGET 2022: ANALYSIS BY TAX CONNECT

Knowledge Partner:

Tax connect analysis of Direct and Indirect tax proposals

TAX CONNECT

Mumbai : A/1001, Cirrus Bldg, Cosmos Paradise; Pokhran Road No. 1, Thane (West), Maharashtra – 400606
Bangalore: A-414,Carlton Towers,19th Main; Road Hal Old Airport Rd, Domlur, Bengaluru, Karnataka-560008
New Delhi: B-139, 2nd Floor, Transport Nagar, Noida-201301 (U.P)
Kolkata : 1, Old Court House Corner, "Tobacco House" 1st Floor, R.No.-13 (North), Kolkata-700001
: Room No 119; 1st Floor; Diamond Arcade; 1/72, Cal Jessore Road; Kolkata – 700055

Dubai : AziziFeirouz, 803, 8th Floor, AL Furjan, Opposite Discovery Pavillion, Dubai, UAE

Contact: +91 9830661254 ; +918777784162
Website: www.taxconnect.co.in
Email: info@taxconnect.co.in

DIRECT TAXES

RATES OF INCOME-TAX IN RESPECT OF INCOME LIABLE TO TAX FOR THE A.Y. 2022-23.

OUR COMMENTS:

There is no change in tax rates either in the Act or in the First Schedule.

SURCHARGE IN CASE OF CO-OPERATIVE SOCIETY

Earlier Surcharge was 12% of income-tax if net income of co-operative society exceeds Rs.1 Crore.

Now, the surcharge on income-tax shall be at the rate of 7% in case the total income of a cooperative society exceeds Rs. 1 crore but does not exceeds Rs.10 crore and at the rate of 12% to be levied in case having a total income exceeding Rs. 10 Crore.

Surcharge for Co-operative society		
Criteria	**Old Rate**	**New Rate**
Net Income<= 1Cr	-	-
Net income > 1 Cr up to 10 Cr	12%	7%
Net Income >10 Cr	12%	12%

OUR COMMENTS:

For Co-operative Societies, the Surcharge has been reduced and also the AMT (as specified below) has been reduced to 15%.

RATIONALIZATION OF PROVISIONS OF THE ACT TO PROMOTE THE GROWTH OF CO-OPERATIVE SOCIETIES

U/s 115JC, for cooperative society, if tax payable under the normal provisions of the Income Tax Act is less than 18.5% of its adjusted total income, then tax payable shall be 18.5% of the adjusted total income which is known as AMT (Alternate Minimum Tax), for co- operative society, which has now been reduced to 15%.

Alternative Minimum Tax		
Person	**Old Rate**	**New Rate**
Co-operative society	18.50%	15%

SURCHARGE ON DEDUCTION OF INCOME-TAX AT SOURCE

Surcharge on Income taxable u/s 112, shall be charged at the rate of 10%, where the income or aggregate of income, subject to the deduction under the sections 192, 193, 194A, 194B, 194BB, 194D, 194LBA, 194LBB, 194LBC and 195, exceeds fifty lakh rupees but does not exceed one crore rupees and at the rate of fifteen per cent, where the income or aggregate of income, subject to the deduction exceeds one crore rupees.

OUR COMMENTS:

Surcharge of TDS has been introduced for the specified sections.

INTRODUCTION OF A NEW SUB-SECTION (8A) IN SECTION 139 TO PROVIDE FOR FURNISHING OF UPDATED RETURN

This provision allows for filing an updated return of income by any person, whether he has filed a return previously for the relevant assessment year, or not within twenty-four months from the end of the assessment year. Subsection 8A of Section 139 has been prescribed in detail in the memorandum.

OUR COMMENTS:

It is important to note that the Updated ITR can be filed incase where no return has been furnished or even when belated or revised ITR has been furnished. However, incase where Survey u/s 133A or Search and Seizure u/s 132 or even requisition of books u/s 132A or assessment, reassessment or re-computation has been initiated, the updated ITR cannot be filed. Further there will be an additional burden of tax as per Sec 140B as below incase updated ITR is furnished.

INTRODUCTION OF A NEW SECTION 140B TO PROVIDE FOR THE TAX REQUIRED TO BE PAID FOR OPTING TO FILE A RETURN UNDER SUB-SECTION (8A) OF SECTION 139 OF THE ACT

This section provides the details of the amount of tax and interest to be paid by an Assessee when he opts to file return under sub-section (8A) of section 139 of the Act. The detailed provisions have been mentioned in the memorandum.

In view of the sub-section (8A) of section 139 and new section 140B, consequential amendments in section 144, section 153, section 234A and section 234B and 276CC have also been made.
All the above-mentioned amendments will take effect from 1st April, 2022. Clauses 38, 39,41, 48, 64, 65 and 81 to give effect to these amendments.

OUR COMMENTS:

Income tax return filers will be allowed to update their returns upto 2 years after the end of the relevant assessment year in case they forgot to include any income when the return was first filed. However, an additional tax of 25% to 50% on the tax and interest due on the additional income will be payable.

A NEW SECTION 158AB INSERTED IN THE ACT FOR LITIGATION MANAGEMENT WHEN IN AN APPEAL BY REVENUE AN IDENTICAL QUESTION OF LAW IS PENDING BEFORE JURISDICTIONAL HIGH COURT OR SUPREME COURT

Currently, a lot of time and resources are consumed in filing of appeals which involve identical issues. With the introduction of section 158AB, if a question of law in the case of an assessee is identical to a question of law which is pending in appeal before the jurisdictional High Court or the Supreme Court in any case, the filing of further appeal in the case of this assessee by the department may be deferred till such question of law is decided by the jurisdictional High Court or the Supreme Court.
This will greatly help in reducing the repeated litigation between taxpayers and the department.

With the introduction of section 158AB, a sunset clause is to be inserted in sub-section (1) of section 158AA to provide that no direction shall be given under the said sub-section on or after 1st April, 2022. This amendment will take effect from 1st April, 2022.

OUR COMMENTS:

It is now no more person specific but general. However, intimation/undertaking is required from the assessee.

AMENDMENT IN SECTION 245MA OF THE ACT RELATED TO DISPUTE RESOLUTION COMMITTEE:

It is to insert a new sub-section to enable the Assessing Officer to pass an order giving effect to the resolution of dispute by the DRC. However, since DRC is an alternate dispute resolution mechanism itself, a taxpayer may opt for approaching either the Dispute Resolution Panel under section 144C of the Act or the DRC under section 245MA of the Act, and the AO shall pass the final order in conformity with the order by the DRC even in the case of an eligible assessee.

This amendment will take effect from 1st April, 2022. Clause 67 to give effect to this.

OUR COMMENTS:

The enabling provision has been introduced to give power to the Assessing Officer to pass an order giving effect to the order or directions of the Dispute Resolution Committee.

CLARIFICATION REGARDING TREATMENT OF CESS AND SURCHARGE

Income-tax is not an allowable expenditure for computation of business income. This includes tax as well as surcharges. The 'Health and Education Cess' is imposed as an additional surcharge on the taxpayer for funding specific government welfare programs. However, some courts have allowed 'Health and education 'cess' as business expenditure, which is against the legislative intent.

In order to make the intention of the legislation clear and to make it free from any misinterpretation, it is proposed to include an Explanation retrospectively in the Act itself to clarify that any surcharge or cess on income and profits is not allowable as business expenditure. This amendment will take effect retrospectively from 1st April, 2005 and will accordingly apply in relation to the assessment year 2005-06 and subsequent assessment years.

OUR COMMENTS:

Now it is settled that no deduction of surcharge/ cess can be taken.

AMENDMENTS RELATED TO SUCCESSOR ENTITY SUBSEQUENT TO BUSINESS REORGANIZATION

It is to insert a new section 170A to the Act, to enable for the entities going through business reorganization, for filing of modified returns for the period between the date of effectivity of the order and the date of issuance of final order of the competent authority.

Another new section 156A is to be inserted to give effect to the orders of the competent authority in cases where such orders recast the entire liability to ensure future viability of sick entities and in the process, modify the demand created vide various proceedings in the past, by the Income Tax department as well, amongst other things. These amendments will take effect from 1st April, 2022.

OUR COMMENTS:

The provisions relating to assessment or other proceedings, for filing of modified returns and to give effect to the orders of the competent authority and to modify demands in accordance with such directions has been included.

CLARIFICATION IN RESPECT OF DISALLOWANCE UNDER SECTION 14A IN ABSENCE OF ANY EXEMPT INCOME DURING AN ASSESSMENT YEAR

Section 14A of the Act provides that no deduction shall be allowed in respect of expenditure incurred by the assessee in relation to income that does not form part of the total income as per the provisions of the Act (exempt income).

It is to insert an Explanation to section 14A of the Act to clarify that in a case where exempt income has not accrued or arisen or has not been received during the previous year relevant to an assessment year and the expenditure has been incurred during the said previous year in relation to such exempt income, the provisions of section 14A shall apply and shall be deemed to have always applied.
This amendment will take effect from 1st April, 2022.

OUR COMMENTS:

It has been clarified that disallowance of expenditure will be made even when exempt income has not accrued or arisen or has not been received during the previous year relevant to an assessment year and the expenditure has been incurred during the said previous year in relation to such exempt income.

CLARIFICATIONS ON ALLOWABILITY OF EXPENDITURE UNDER SECTION 37

It is to insert another Explanation under Explanation 1 to sub-section (1) of section 37 to further clarify the expression “expenditure incurred by an Assessee for any purpose which is an offence or which is prohibited by law” even in foreign country. The detailed Explanation as given in the memorandum will take effect from 1st April, 2022.

OUR COMMENTS:

Even if the law violated is of a foreign country deduction cannot be availed. This is important to note here. Detailed analysis of the said amendment has been done in the Memorandum.

CLARIFICATION REGARDING DEDUCTION ON PAYMENT OF INTEREST ONLY ON ACTUAL PAYMENT

It is to amend Explanation 3C, Explanation 3CA and Explanation 3D of section 43B to provide that conversion of interest payable under clause (d), clause (da), and clause (e) of section 43B, into debenture or any other instrument by which liability to pay is deferred to a future date, shall not be deemed to have been actually paid and accordingly shall not be allowed as deduction.

This amendment will take effect from 1st April, 2023 and will accordingly apply in relation to the assessment year 2023-24 and subsequent assessment years

OUR COMMENTS:

No deduction of 'constructive' interest payment is allowed by converting to loan or debenture. 'Actual' payment is required to be done.

CONSEQUENCE FOR FAILURE TO DEDUCT/COLLECT OR PAYMENT OF TAX – COMPUTATION OF INTEREST

In case of a default for deduction/collection of tax or payment of tax is a subject matter of frequent litigation.

In order to make the intention of the legislation clear and to make it free from any misinterpretation, it is to amend sub-section (1A) of section 201 and sub-section (7) of section 206C to provide that where any order is made by the Assessing Officer for default, interest shall be paid in accordance with the order made by the Assessing Officer in this regard. These amendments will take effect from 1st April, 2022.

OUR COMMENTS:

Interest for failure to deduct/collect or payment of tax is to be paid in accordance with the order made by the Assessing Officer.

EXTENSION OF THE LAST DATE FOR COMMENCEMENT OF MANUFACTURING U/S 115BAB

Sec. 115BAB of the Act contains an option of lower rate of tax @15% for new domestic manufacturing companies provided they do not avail any specified incentives and fulfil certain condition. As per the provisions such companies are required to be set-up on or before 01.10.2019 and required to commence production before 31.03.2023. However, due to cumulative impact of Covid-19 there has been some delay in setting up of such companies.

In order to provide relief to such companies, the last date of commencement of production has been extended to 31.03.2024 from 31.03.2023

This amendment will take effect from 1st April, 2022 and will accordingly apply in relation to the assessment year 2022-23 and subsequent assessment years

OUR COMMENTS:

The relief of concessional rate of taxation @ 15 % for new domestic manufacturing companies has been extended till 31.03.2024.

EXTENSION OF THE LAST DATE OF INCORPORATION FOR ELIGIBLE START UP FOR EXEMPTION

Sec. 80IAC of the Act provide for a deduction of an amount equal to 100% of profit derived from an eligible business by an eligible start up for 3 consecutive years out of 10 years beginning from date of incorporation subject to certain conditions. However, due to Covid-19 there has been delay in setting up of such start up units.

In order to promote such eligible start-ups, the last date of incorporation has been extended to 31.03.2023 from 31.03.2022.

This amendment will take effect from 1st April, 2022 and will accordingly apply in relation to the assessment year 2022-23 and subsequent assessment years

OUR COMMENTS:

The relaxation in the form of deduction has been provided of an amount equal to 100% of the profits and gains derived from an eligible business by an eligible start-up for 3 consecutive assessment years out of 10 years, beginning from the year of incorporation provide it is incorporated on or after 01-04-2016 but before 31-03-2023.

DIRECT TAXES

TAX INCENTIVES FOR UNITS LOCATED IN INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC) ARE PROVIDED IN THE ACT

Government has establishment a world class financial services Centre. Units located in IFSC enjoy some concession. In order to make location in IFSC more attractive, it is to provide additional incentives. Please refer Clauses 4, 16 and 23 for further details.

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

INCENTIVE TO NPS (NATIONAL PENSION SYSTEM) SUBSCRIBERS FOR STATE GOVT. EMPLOYEES

Currently, Sec. 80CCD of the Act (NPS account) provides for deduction to assesses in the computation of his total income, if it does not exceed 14% of his salary where such contribution is made by Central Govt. This limit is presently 10% where such contribution is made by any other employer.

In order to ensure that State Govt. employees also gets full deduction of the enhanced contribution made by State Govt., the limit of deduction for state govt. employees has also been extended to 14% from 10% in respect of contribution made by State Govt. to the account of its employee.

OUR COMMENTS:

Deduction from Total Income for contribution to NPS is allowed to Employees of State Govt. also, if it does not exceed 14% of his salary. Previously the limit was 10%.

CONDITION OF RELEASING OF ANNUITY TO A DISABLED PERSON

The existing provision of section 80DD provides for a deduction to an individual or HUF, who is a resident of India, in respect of:

a) Expenditure for the medical treatment of a dependant, being a disabled person, or

b) Amount paid to LIC or any other insurer for maintenance of disabled dependant.

Deduction shall be allowed only if the payment of annuity or lump sum amount is made to the benefit of the dependant, in the event of the death of the individual or the member of the HUF in whose name subscription to the scheme has been made.

However, there are cases where dependants may need payment of annuity during lifetime of their guardians. Therefore, in order to remove such genuine hardship, deduction will now be allowed during the lifetime, i.e., upon attaining age of 60 years or more of the individual in whose name subscription to the scheme has been made.

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

EXEMPTION OF AMOUNT RECEIVED FOR MEDICAL TREATMENT AND ON ACCOUNT OF DEATH DUE TO COVID-19

As per sec. 56(2)(x) of the Act, where any person receives, any sum of money, from any person in any previous year without consideration, the aggregate value of which exceeds Rs. 50,000, the whole sum shall be the income of the person receiving such sum.
Further, exemption has been provided for ex-gratia received in case of illness or death due to Covid-19 by adding the following proviso to sec.56(2)(x):

a) any sum of money received in respect of any expenditure actually incurred by individual on his medical treatment or treatment of any member of his family, in respect of any illness related to COVID-19 shall not be the income of such person

b) any sum of money received by a member of the family of a deceased person, from the employer of the deceased person (without limit), or from any other person or persons to the extent that such sum or aggregate of such sums does not exceed 10 Lakh, where the cause of death of such person is illness relating to COVID-19 and the payment is, received within twelve months from the date of death of such person, shall not be the income of such person.

These amendments will take effect retrospectively from 1st April, 2020 and will accordingly apply in relation to the assessment year 2020-21 and subsequent assessment years.

OUR COMMENTS:

Money received by individuals either as one-time ex-gratia from an employer or for treatment of covid-19 will not be considered as income in their hands. Further, Income tax exemption is announced on the money received by the family members from the employer and/or well-wishers in case of death of the earning member of a family due to Covid-19.

FACILITATING STRATEGIC DISINVESTMENT OF PUBLIC SECTOR COMPANIES

Section 79 of the Act provides for carry forward and set-off of losses in case of certain companies. Sub-section (1), inter-alia, provides that where a change in shareholding has taken place during the previous year, not being a company in which the public are substantially interested, no loss incurred in any year prior to the previous year shall be carried forward and set off against the income of the previous year, unless on the last day of the previous year, the shares of the company carrying not less than 51% of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than 50% of the voting power on the last day of year or years in which the loss was incurred.

In order to facilitate the strategic divestment of PSU, the provisions of 79(1) shall not apply to an erstwhile PSU subject to condition that ultimate holding co. of such PSU continues to hold at least 51% of voting power.

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

RATIONALIZATION OF PROVISIONS OF SECTION 206AB AND 206CCA

Sec.206AB and 206 CCA provides for special provision for deduction and collection of tax at source respectively, in case of person who has not filed the returns of income for both the two assessment years relevant to the two previous years immediately preceding the financial year in which tax is required to be deducted or collected, for which the time limit for filing return of income under sub-section (1) of section 139 has expired**;** and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in each of these two previous years at higher rates.
Now, Two-year requirement under above sections has been reduced to One year.

Further, following sections has been removed from the purview of 206AB:
a) 194-IA
b) 194-IB
c) 194M

This amendment will take effects from 1st April,2022.

OUR COMMENTS:

The utility for checking the same on the Portal will also be amended as such

RATIONALIZATION OF PROVISIONS OF TDS ON SALE OF IMMOVABLE PROPERTY

Section 194-IA of the Act amended to provide that in case of transfer of an immovable property (other than agricultural land), TDS is to be deducted at the rate of 1%. of such sum paid or credited to the resident or the stamp duty value of such property, whichever is higher. In case the consideration paid for the transfer of immovable property and the stamp duty value of such property are both less than fifty lakh rupees, then no tax is to be deducted under section 194-IA.

This amendment will take effects from 1st April,2022.

OUR COMMENTS:

TDS will be applicable on a non-agriculture immovable property of over ₹50 lakh on the basis of the sale price or the stamp duty value, whichever is higher.

TDS ON BENEFIT OR PERQUISITE OF A BUSINESS OR PROFESSION (194R)

As per clause (iv) of section 28 of the Act, the value of any benefit or perquisite, whether convertible into money or not, arising from business or exercise of profession is to be charged as business income in the hands of the recipient of such benefit or perquisite

Accordingly, a new section 194R to the Act to provide that the person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from carrying out of a business or exercising of a profession by such resident, shall, before providing such benefit or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of ten per cent of the value or aggregate of value of such benefit or perquisite.

No tax is to be deducted if the value or aggregate value of the benefit or perquisite paid or likely to be paid to a resident does not exceed twenty thousand rupees during the financial year.

Further, the provisions of the said section shall not apply to an individual or a Hindu undivided family, whose total sales, gross receipts or turnover does not exceed one crore rupees in case of business or fifty lakh rupees in case of profession during the financial year immediately preceding the financial year in which such benefit or perquisite, as the case may be, is provided.

This amendment will take effects from 1st April,2022.

OUR COMMENTS:

For Example, incase a Company takes its dealers on foreign tours for sales promotion, then the value of expenses incurred by the company on foreign tour will be considered as business income in the hands of the dealer. The company is required to deduct TDS @ 10% if value of benefit is more than Rs. 20,000 for a financial year.

PROVISIONS PERTAINING TO BONUS STRIPPING AND DIVIDEND STRIPPING TO BE MADE APPLICABLE TO SECURITIES AND UNITS

Section 94 of the Act contains anti avoidance provisions to deal with transactions in securities and units of mutual fund which, inter-alia, include dividend stripping and bonus stripping. It is not applicable on bonus stripping undertaken in case of securities. For prevention of Tax evasion through bonus stripping, the FB-2022 has to amend the section 94 and make it applicable on securities as well.

This amendment will take effect from 1st April, 2023 and will accordingly apply in relation to the assessment year 2023-24 and subsequent assessment years.

OUR COMMENTS:

Now, Anti avoidance provisions is now applicable on bonus stripping undertaken in case of securities also.

SCHEME FOR TAXATION OF VIRTUAL DIGITAL ASSETS

The new clause (47A) has been inserted to define the term "virtual digital assets" in section 2 of the Act. As per the new clause, a virtual digital asset is to mean any information or code or number or token (not being Indian currency or any foreign currency), generated through cryptographic means or otherwise, by whatever name called, providing a digital representation of value which is exchanged with or without consideration, with the promise or representation of having inherent value, or functions as a store of value or a unit of account and includes its use in any financial transaction or investment, but not limited to, investment schemes and can be transferred, stored or traded electronically. Non fungible token and; any other token of similar nature are included in the definition.

A new scheme to provide for taxation of virtual digital assets has been in the Bill. The section 115BBH seeks to provide that where the total income includes any income from transfer of any virtual digital asset, the income tax payable shall be the aggregate of the amount of income-tax calculated on income of transfer of any virtual digital asset at the rate of 30% and the amount of income-tax with which the Assessee would have been chargeable had the total income of the Assessee been reduced by the aggregate of the income from transfer of virtual digital asset. Only cost of acquisition will be deductible as expense. No allowance or set off of any loss shall be allowed to the Assessee under any provision of the Act while computing income from transfer of such asset.

This amendment will take effect from 1st April, 2023 and will accordingly apply in relation to the assessment year 2023-24 and subsequent assessment years

Also, section 194S is inserted in the Act to provide for deduction of tax on payment for transfer of virtual digital asset to a resident at the rate of one per cent of such sum.

It is also to provide that in case of a transaction where tax is deductible under section 194-O along with the section 194S, then the tax shall be deducted under section 194S and not section 194-O.

This amendment will take effect from 1st of July, 2022.

OUR COMMENTS:

It is also important to note the following –

1. One has to wait for the related impact of supply of Crypto Assets under GST
2. The tax should be year-wise and not transaction wise.

WITHDRAWAL OF CONCESSIONAL RATE OF TAXATION ON DIVIDEND INCOME UNDER SECTION 115BBD

In order to provide parity in the tax treatment in case of dividends received by Indian companies from specified foreign companies vis a vis dividend received from domestic companies, it is to amend section 115BBD of the Act to provide that the provisions of this section shall not apply to any assessment year beginning on or after the 1st day of April, 2023.

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

WITHDRAWL OF EXEMPTION FOR FOREIGN CONSULTANTS ETC.

Withdrawal of certain exemptions under clauses (8), (8A), (8B) and (9) of section 10 of the Income-tax Act, 1961. These amendments will take effect from 1st April, 2023 and will accordingly apply in relation to the assessment year 2023-24 and subsequent assessment years.

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

AMENDMENT IN THE PROVISIONS OF SECTION 248 OF INCOME-TAX ACT ALONG WITH INSERTION OF SECTION 239A

The tax deducted u/s 195 of the Act and paid by a person where it was not deductible as per the provisions of section 248 of the Act. By insertion of Section 239A in the Act, to provide that such a person who has made the deduction of tax under such an agreement or arrangement and borne the tax liability, when no tax deduction was required, may file an application for refund of such tax deducted before the Assessing Officer. If he is not satisfied with the order of the Assessing Officer, go into appeal against such order before the Commissioner (Appeals), under section 246A of the Act. Accordingly, the provisions of section 248 of the Act will not apply in cases where the date of tax payment, to the credit of Central Government is on or after 01.04.2022.

OUR COMMENTS:

If a person who, has made the deduction of tax and borne the tax liability, when no tax deduction was required, may file an application for refund of such tax deducted before the Assessing Officer itself, no appeal to the Commissioner (Appeals) is required to be filed.

AMENDMENT IN CASH CREDIT U/S 68 OF THE ACT:

Section 68 of the Act amended, that the nature and source of any sum, whether in form of loan or borrowing, or any other liability credited in the books of an assessee shall be treated as explained only if the source of funds is also explained in the hands of the creditor or entry provider. However, this additional onus of proof of satisfactorily explaining the source in the hands of the creditor, would not apply if the creditor is a well regulated entity, i.e., it is a Venture Capital Fund, Venture Capital Company registered with SEBI. However, such amendment will take effect from 1st April, 2023 and will accordingly apply in relation to the assessment year 2023-24 and subsequent assessment years.

OUR COMMENTS:

Like 2012 when similar amendments were made for share capital credits, this is expected to have far reaching impact.

AMENDMENT IN SECTION 278A AND 278AA

Sections 278A and 278AA are related to punishment with prosecution against persons for failure to pay tax to the credit of Centra Government under Chapter XVIIB for tax deducted at source. However, similar provisions for offence with respect to tax collected at source under Chapter XVII-BB, providing for punishment with prosecution against persons failing to pay tax collected at source is not there under sections 278A and 278AA. Therefore, it is to include section 276BB under sections 278A and 278AA owing to the similar nature of offences that are punishable under section 276B and section 276BB.

OUR COMMENTS:

Prosecution provisions has been included for offence with respect to TCS.

FACELESS SCHEMES

Extend the timeline of issuing directions of Section 92CA, 144C, 253 and 255 till 31st March 2024. These amendments will take effect from 1st April, 2022.

OUR COMMENTS:

Time line for issuing directions for faceless assessments has been extended till 31st March 2024.

AMENDMENT IN FACELESS ASSESSMENT UNDER SECTION 144B OF THE ACT:

In order to streamline the process of faceless assessment and address the various legal and procedural problems being faced in the implementation of the Section 144B of the Act. For detailed please refer memorandum. This amendment will take effect from 1st April, 2022.

Omitted the sub-section 9 of section 144B of the Act. Such are take effect retrospectively from 1st April, 2021.

OUR COMMENTS:

Important to note that now on request of the assessee the Commissioner will facilitate ORAL HEARING subject to certain restrictions and conditions. This should be major relief.

INSERTION OF NEW SECTION 79A IN THE ACT:

It is to insert a new section 79A in the Act to provide that notwithstanding anything contained in the Act, where consequent to a search initiated under section 132 or a requisition made under section 132A or a survey conducted under section 133A, other than under sub-section (2A) of section 133A, the total income of any previous year of an assessee includes any undisclosed income, no set off, against such undisclosed income, of any loss, whether brought forward or otherwise, or unabsorbed depreciation under sub-section (2) of section 32 shall be allowed to the assessee under any provision of this Act in computing his total income for such previous year. This amendment will take effect from 1st April, 2022 and will accordingly apply in relation to the assessment year 2022-23 and subsequent assessment years.

OUR COMMENTS:

No deduction is allowed for losses brought forward or otherwise and unabsorbed depreciation shall be allowed in case of any undisclosed income has been identified during search or survey.

DIRECT TAXES

RATIONALIZATION OF THE PROVISIONS OF SECTIONS 271AAB, 271AAC AND 271AAD OF THE ACT:

Sections 271AAB, 271AAC, 271AAD penalise actions pertaining to undisclosed income, unexplained credits or expenditures, or deliberate falsification or omission in books of accounts. Therefore, in order to improve deterrence against noncompliance among tax payers, it is to amend the sections 271AAB, 271AAC and 271AAD by enabling the Commissioner (Appeals) to levy penalty under these sections along with Assessing Officer.

OUR COMMENTS:

Enabling provision to the Commissioner (Appeals) to levy penalty for non compliance taxpayers.

PENALTY FOR FAILURE TO SUBMIT DOCUMENTS AND DETAILS.

Increase the amount of penalty from the existing sum of one hundred rupees to five hundred rupees under sub section 2 of section 272A.

OUR COMMENTS:

Amount of penalty for failures has been increased to Rs.500 per day.

AMEND THE TITLE OF SECTION 179 OF THE ACT:

The liability of directors of a private company under this section is not conditional upon the company being in liquidation and the section makes no reference to liquidation. Therefore, to make the title of the section uniform with its provisions, it is to amend the title of the section to “Liability of directors of private company”. This amendment will take effect from 1st April, 2022.

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

RATIONALISATION OF THE PROVISION OF CHARITABLE TRUST AND INSTITUTIONS:

Rationalization of the provisions of both the exemption regimes by-

(I) Ensuring their effective monitoring and implementation;
(II) Bringing consistency in the provisions of the two exemption regimes; and
(III) Providing clarity on taxation in certain circumstances.
For detailed clarification please refer memorandum.

Insertion a new proviso to the effect that requirement for approval to issue notice under section 148 shall not be required to be taken by the Assessing Officer. If he has passed an order under 148A(d) with prior approval in that case stating that the income is escaping assessment. These amendments will take effect from 1st April, 2022.

In section 148, omitted the word “flagged” from clause (i) of Explanation 1.

In clause (ii) of Explanation 2 to section 148 to omit the reference of subsection (5) of section 133A made therein.

In Explanation 2 of section 148 to omit the reference to three assessment years preceding the assessment year relevant to the year of search.

Insertion of Sub section 4 in Section 153B, that nothing contained in the said section shall apply to any search initiated under section 132 or requisition made under section 132A on or after the 1st day of April, 2021.

In the first proviso of sub-section (1) of section 149 to provide that no notice under section 148 shall be issued at any time in a case for the relevant assessment year beginning on or before 1st day of April, 2021, if a notice under section 148 or section 153A or section 153C could not have been issued at that time on account of being beyond the time limit specified under the provisions of clause (b) of sub-section (1) of section 149 or section 153A or section 153C, as the case may be, as they stood immediately before the commencement of the Finance Act, 2021. These amendments will take effect retrospectively from 1st April, 2021.

DIRECT TAXES

Amendment in sub-section (8) of section 132 to make the provisions of that section also applicable to assessment or reassessment or re-computation under subsection (3) of 143 or section 144 or section 147, as the case may be.

Amend clause (i) of sub-section (1) and sub-section (4) of section 132B to provide that these provisions shall also apply to assessment or reassessment or recomputation. These amendments will take effect from 1st April, 2022.

Insertion a new section 148B to provide that no order of assessment or reassessment or re-computation under the Act shall be passed by an Assessing Officer below the rank of Joint Commissioner, except with the prior approval of the Additional Commissioner or Additional Director or Joint Commissioner or Joint Director, in respect of assessments consequent to search, survey and requisition to reduce avoidable inaccuracies. This amendment will take effect from 1st April, 2022.

Amendment in section 153, by inserting a new clause to provide for exclusion of the period of limitation for the purpose of assessment, reassessment or recomputation, (not exceeding one hundred eighty days) commencing from the date on which a search is initiated under section 132 or a requisition is made under section 132A and ending on the date on which the books of account or other documents, or any money, bullion, jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee, in whose case such search is initiated or such requisition is made or to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to or to whom any books of account or documents seized or requisitioned pertains or pertain to, or any information contained therein, relates to.

Amendment the definition of "specified date" in clause (a) Explanation to section 271AAB to make it also applicable to a notice issued under section 148 in case where search is initiated on or after 1st April, 2021. This amendment will take effect from lst April, 2022.

Amendment in the clause (b) of sub-section (1) of the section 149 to provide that a notice under section 148 shall be issued only for the relevant assessment year after three years but prior to ten years from the end of the relevant assessment year where the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income chargeable to tax, represented,
(a) in the form of an asset; or
(b) expenditure in respect of a transaction or in relation to an event or
occasion; or
(c) an entry or entries in the books of account,
which has escaped assessment amounts to or likely to amount to fifty lakh rupees or more.

Insertion a new sub-section (1A) in section 149 to provide that notwithstanding anything contained in sub-section (1) of the said section, where the income chargeable to tax represented in the form of an asset or expenditure in relation to an event or occasion of the value referred to in clause (b) of sub-section (1) of the said section, has escaped assessment and the investment in such asset or expenditure in relation to such event or occasion has been made or incurred, in more than one previous years relevant to the assessment years within the period referred to in clause (b) of sub-section (1) of the said section, notice under section 148 shall be issued for every such assessment year for assessment, reassessment or recomputation, as the case may be.

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

REGISTRATION FOR NGOS:

Reference to prescribed authority under clause of section 10(23C) provides that the application for the approval of any trust under the first regime, shall be filed before the jurisdictional Principal Commissioner or Commissioner and such Principal Commissioner or Commissioner shall grant approval after examination of the application. Earlier such applications were required to be filed before the prescribed authority. Accordingly necessary amendments were carried out. However, the reference to prescribed authority continues at certain places in the clause (23C) of section 10 of the Act. It is, therefore, to substitute the reference to prescribed authority with Principal Commissioner or Commissioner in sub-clause (iv), (v), (vi) and (via) and nineteenth proviso to clause (23C) of section 10 of the Act.

OUR COMMENTS:

jurisdictional Principal Commissioner or Commissioner will be the authority for approval of the any trust.

AMENDMENT T0 SECTION 35(1A):

It is to amend section 35(1A) of the Act to provide that the deduction claimed by the donor with respect to the donation given to any research association, university, college or other institution referred to in clause (ii) or clause (iii) or the company referred to in clause (iia) of sub-section (1) of section 35 of the Act shall be disallowed unless such research association, university, college or other institution or company files the statement of donations. This amendment will take effect retrospectively from 1st April, 2021.

OUR COMMENTS:

Donor will not get the deduction if statement of donation not filed by the Donee.

AMENDMENT IN THE PROVISIONS OF SECTION 263:

It is to amend the provisions of section 263 of the Act so as to provide that the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or Commissioner who is assigned the jurisdiction of transfer pricing may call for and examine the record of any proceeding under this Act, and if he considers that any order passed by the TPO, working under his jurisdiction, to be erroneous in so far as it is prejudicial to the interests of revenue, he may pass an order directing revision of the order of TPO. Consequential changes are also be made in the provisions of section 153 of the Act inter alia to provide two months' time to the Assessing Officer to give effect to the order of TPO consequent to the directions in the revision order.

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

AMENDMENT IN THE PROVISIONS OF SECTION 119 OF INCOME-TAX ACT:

Section 234F of the Act provides that in case a person fails to furnish return of income under section 139 within the prescribed time, he shall be liable to pay a fee of five thousand rupees. Currently this section is not expressly mentioned in clause (a) of sub-section (2) of section 119 of the Act. 3. While this section acts as a deterrent against those who do not comply with obligations imposed under the Act, it also leads to an unintended consequence of levying fee on persons who face genuine difficulties in filing return of income within the specified time, like members of the armed forces stationed in remote regions with no access to the requisite infrastructure.
Considering the genuine hardships faced by certain classes of persons in filing return of income and not to impose a fee for a default which is beyond their control, it is to insert section 234F and include it in the list of sections 107 mentioned in clause (a) of sub-section (2) of section 119 of the Act, so as to enable the Board to issue such orders or instructions, as deemed fit.

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

INCOME-TAX AUTHORITIES FOR THE PURPOSES OF SECTION 133A OF THE ACT:

It is to amend the Explanation to section 133A of the Act to provided that income tax authority shall be sub-ordinate to Principal Director General or Director General or Principal Chief Commissioner or Chief Commissioner, as the case may be, specified by the Board

OUR COMMENTS:

For detailed discussion on the provisions, the Memorandum can be referred to.

REDUCTION OF GOODWILL FROM BLOCK OF ASSETS TO BE CONSIDERED AS 'TRANSFER:

It is to clarify that for the purposes of section 50 of the Act, reduction of the amount of goodwill of a business or profession, from the block of asset in accordance with sub

item (B) of item (ii) of sub-clause (c) of clause (6) of section 43, shall be deemed to be transfer.
This amendment will take effect retrospectively from 1st April 2021 and will accordingly apply in relation to the assessment year 2021-22 and subsequent assessment years.

OUR COMMENTS:

Since, Depreciation on goodwill is not allowed, the same is to be transferred from Block of Assets.

SLUMP SALE:

Slump sale is defined in section 2(42C) of the Act, as the transfer of one or more undertaking, by any means, for a lump sum consideration without values being assigned to individual assets and liabilities in such sales.
Vide the Finance Act, 2021, the definition of “slump sale” was amended to expand its scope to cover all forms of transfer under slump sale. However, inadvertently, in the last sentence there is reference to the word “sales” instead of “transfer”, Therefore, it is to carry out consequential amendment by amending the provision of clause (42C) of section 2 of the Act, to substitute the word “sales” with the word “transfer”.
This amendment will take effect retrospectively from the 1st April, 2021 and will accordingly apply in relation to the assessment year 2021-22 and subsequent assessment years.

OUR COMMENTS:

Minor changes in the definition of Slump Sale.

AMENDMENTS UNDER GOODS AND SERVICES TAX

1. A new clause (ba) to Section 16(2) of the CGST Act is being inserted as under:

"The details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted"

OUR COMMENTS:

From the proposed amendment, it is clear that the value mentioned under **"ITC not available"** as mentioned in GSTR-2B would not be allowed as ITC from the notified date. This restriction adds an additional responsibility on the recipient of goods/ services to have regular check on supplier's compliance for ITC availment. The legal validity of this provisions shall be tested judicially

Examples:

a. POS and supplier state are same but recipient state is different
b. Return filed post annual cut off.
c. Supplier in the cooling period of taking new registration. (Period to be prescribed)
d. Supplier who has defaulted the tax payment for continuous period as prescribed in rules
e. Supplier who has paid tax in GSTR-3B < the tax payable in GSTR-1 subject to allowed limits
f. Supplier who has availed ITC more then allowed limits under section 38(2)(a).
g. Supplier who defaulted in complying mandatory payment of tax liability in cash if applicable (1% of tax liability)
h. Other class of suppliers as may be prescribed in rules.

(Clause 99 of the Finance Bill)

2. Section 41 of the CGST Act is being substituted with section 41(1) so as to provide that a registered person may avail input tax credit for eligible input tax on self-assessment basis **(not on provisional basis)**.

OUR COMMENTS:

However, if the tax payable thereon has not been paid by the supplier, then such credit availed shall be reversed along with the applicable interest.

Further if the supplier makes payment for the aforesaid supplies, then the registered person may re-avail the amount of credit reversed earlier.

(Clause 105 of the Finance Bill)

3. The date of limitation has been changed to 30th November of the following financial year from due date of furnishing of the return under section 39 for the month of September for the following-

   A. Time limit for availment of input tax credit under section 16(4) by a registered person in respect of any invoice or debit note pertaining to a financial year. *(Clause 99 of the Finance Bill)*

   B. Time limit for issuance of credit notes under Section 34(2) in respect of any supply made in a financial year. Previously the time limit was *"not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier"*(*Clause 101 of the Finance Bill, 2022*).

   C. Time limit for rectification of errors under first proviso to section 37(3) in respect of details of outward supplies furnished (GSTR-1). (*Clause 102 of the Finance Bill, 2022)*

   D. Time limit for rectification of errors under first proviso to section 39(9) in the return furnished (GSTR-1). (*Clause 104 of the Finance Bill, 2022)*

   E. Time limit for rectification of errors under section 52(6) in the statement furnished (GSTR-6). (*Clause 111 of the Finance Bill, 2022)*

OUR COMMENTS:

The static date is kept at 30th November which means that the assessee needs to carry out the rectification in the return to be filed for the month of October of the subsequent financial year.

One may take a view that if the rectification is carried out in the books before 30th November and the effect of the same is given in the return filed for the month of November, then it must still be a sufficient compliance. However, this aspect is not clear as of now.

4. Section 50(3) of the CGST Act is being substituted retrospectively, with effect from the 1st of July 2017, so as to provide for levy of interest on input tax credit wrongly availed and utilized at such rate not exceeding 24% as may be notified by the government.

OUR COMMENTS:

Interest is liable only on wrongly utilized ITC and not on mere availment. This provision is amendment retrospectively w.e.f. 01.07.2017 to avoid disputes for the past period. Before this amendment also, the existing provisions were sufficient to say that interest is not liable on the un-utilized ITC. Further, the rate of interest is clarified as 18% for wrongly utilised ITC.
(Clause 110 of Finance Bill, 2022)

5. As there is no need to file inward supplies returns (GSTR-2 now), section 38 was suitably amended to support the existing system of GSTR-2B (auto-generated statement of inward supplies).

OUR COMMENTS:

This auto-generated statement would reflect the list of supplies eligible and ineligible for ITC availment. The list of supplies which are said to be ITC cannot be availed would consist of invoices uploaded by following suppliers:

A. Supplier in the cooling period of taking new registration. (Period to be prescribed)
B. Supplier who has defaulted the tax payment for continuous period as prescribed in rules
C. Supplier who has paid tax in GSTR-3B < the tax payable in GSTR-1 subject to allowed limits
D. Supplier who has availed ITC more then allowed limits under section 38(2)(a).
E. Supplier who defaulted in complying mandatory payment of tax liability in cash if applicable (1% of tax liability)
F. Other class of suppliers as may be prescribed in rules.

(Clause 103 of the Finance Bill)

6. Section 29(2)(b) and (c) of the CGST Act are being amended so as to provide that the registration of a person is liable for cancellation, where -

   A. a person paying tax under section 10 has not furnished the return for a financial year beyond three months from the due date of furnishing of the said return. Earlier the same was three consecutive tax period.

   OUR COMMENTS:

   Presently taxpayers under composition scheme are liable to file only one return in a year. CMP 08 is a statement to be filed every quarter for payment of tax by the Composition taxable person.

   This amendment is brought to make in line with that to specify registration would be cancelled if return is not filed by 3 months from the due date of such annual return.

   B. a person, other than those paying tax under section 10, has not furnished returns for such continuous tax period as may be prescribed. Earlier the same was for a continuous period of 6 months.

   OUR COMMENTS:

   By this amendment the default period will now be prescribed in rules which could defer for the different categories of taxpayers.

   (Clause 100 of the Finance Bill)

7. **Sec. 37. Furnishing details of outward supplies.- Amended**

(1) Every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of section 10 or section 51 or section 52, shall furnish, electronically subject to such

conditions and restrictions and, in such form and manner as may be prescribed, the details of outward supplies of goods or services or both effected during a tax period on or before the tenth day of the month succeeding the said tax period and such details ~~shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed:~~ shall, subject to such conditions and restrictions, within such time and in such manner as may be prescribed, be communicated to the recipient of the said supplies.

OUR COMMENTS:

Hence, the communication of details of the outward supplies shall be made subject to conditions and restriction as may be prescribed in the rules.

~~Provided that the registered person shall not be allowed to furnish the details of outward supplies during the period from the eleventh day to the fifteenth day of the month succeeding the tax period:~~

~~Provided further that~~ Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein:

~~Provided also that~~ Provided further that any extension of time limit notified by the Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

~~(2) Every registered person who has been communicated the details under sub-section (3) of section 38 or the details pertaining to inward supplies of Input Service Distributor under sub-section (4) of section 38, shall either accept or reject the details so communicated, on or before the seventeenth day, but not before the fifteenth day, of the month succeeding the tax period and the details furnished by him under sub-section (1) shall stand amended accordingly.~~

(3) Any registered person, who has furnished the details under sub-section (1) for any tax period ~~and which have remained unmatched under section 42 or section 43~~, shall, upon discovery of any error or omission therein, rectify such error or omission in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period:

Provided that no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after ~~furnishing of the return under section 39 for the month of September~~ the thirtieth day of November following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.

Provided further that ………………………..

Explanation.—For the purposes of this Chapter, the expression "details of outward supplies" shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period.

(4) "A registered person shall not be allowed to furnish the details of outward supplies under sub section (1) for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies under sub-section (1), even if he has not furnished the details of outward supplies for one or more previous tax periods".

OUR COMMENTS:

The legal backing has been given on the condition specified in Rule 59(6) that GSTR-1 cannot be filed if GSTR-3B of previous period is not filed.
(Clause 102 of the Finance Bill)

8. Amendment in Sec. 39 - Furnishing of returns:

A. Sub section (5)- **The time limit for filing of GSTR-5 by a non-resident taxpayer was reduced from 20 days to 13 days.**

B. In sub-section (7) of section 39, or the first proviso, the following proviso shall be substituted, namely: – *"Provided that every registered person furnishing return under the proviso to sub-section (1) shall pay to the Government, in such form and manner, and within such time, as may be prescribed,—*

(a) an amount equal to the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month; or

(b) in lieu of the amount referred to in clause (a), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed."

OUR COMMENTS:

With this amendment option would be given to pay tax on adhoc basis instead of actual liability for the prescribed persons. Currently, the small tax payers under QRMP scheme are having this facility.

C. In sub-section (9) to section 39, for the words and figures "Subject to the provisions of sections 37 and 38, if", the word "Where" shall be substituted. Since GSTR-1 and GSTR-2 were not implemented, the relevant provisions were omitted.

D. In sub-section (10), for the words "has not been furnished by him", the following shall be substituted, namely: –

"or the details of outward supplies under sub-section (1) of section 37 for the said tax period has not been furnished by him:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return, even if he has not furnished the returns for one or more previous tax periods or has not furnished the details of outward supplies under sub-section (1) of section 37 for the said tax period."

OUR COMMENTS:

Before this amendment the GSTR-3B cannot be filed only if the earlier months GSTR-3B was not filed. From now the taxpayers cannot file GSTR-3B without filing GSTR-1 of such month or GSTR-3B of previous months. However, government may relax for certain persons which may be prescribed.

(Clause 104 of the Finance Bill)

9. **Sections 42, 43 and 43A of the CGST Act are being omitted so as to do away with two-way communication process in return filing.**

   (Clause 106 of the Finance Bill)

10. Section 47 of the CGST Act is being amended so as to provide for levy of **late fee for delayed filing of return under section 52 TCS return** (GSTR-8) by E-Commerce Operator.
    (Clause 107 of the Finance Bill)

11. **The reference to section 38 is being removed from section 48 consequent to the amendment in section 38 of CGST Act.**
    (Clause 108 of the Finance Bill)

12. **Section 49 of the CGST Act is being amended so as to-**

A. provide for prescribing restrictions for utilizing the amount available in the electronic credit ledger;

B. allow transfer of amount available in electronic cash ledger under the CGST Act of a registered person to the electronic cash ledger under the said Act or the IGST Act of a distinct person;

OUR COMMENTS:

The taxpayer can transfer the balance of IGST and CGST in electronic cash ledger to any other GSTIN in the same PAN, subject to that there is no unpaid liability in the electronic liability ledger.

C. **provide for prescribing the maximum proportion of output tax liability which may be discharged through the electronic credit ledger.**

13. **Sub section (12) has been inserted to provide legal backing for Rule 86B (1% of tax liability mandatory to be paid in cash by specified persons even though ITC is available).**
    (Clause 109 of Finance Bill, 2022)

14. **Section 54 of the CGST Act is being amended so as to:**

A. Sub section (1) explicitly provide that refund claim of any balance in the electronic cash ledger shall be made in such form and manner as may be prescribed;

OUR COMMENTS:

The refund of the balance lying in the electronic cash ledger was supposed to be automatic and was expected to be credited based on disclosure made in GSTR 3 without any question being asked. However, with prescription of separate form, all the applications are now routed through the jurisdictional officers, which leads to unnecessary departmental intervention and delays in the sanction of refund claim. It is also seen that the refunds of cash balances are being denied based on simple procedural/technical grounds which is leading to unnecessary litigation.

Since, GSTR 3 is kept in abeyance, therefore by virtue of this amendment, it is provided that a registered person can claim the refund of the balance lying in the electronic cash ledger in such form and manner as may be prescribed. The effective date is yet to be notified.

B. Sub section (2) provide the time limit for claiming refund of tax paid on inward supplies of goods or services or both under section 55 as two years from the last day of the quarter in which the said supply was received;

OUR COMMENTS:

The time limit of claiming refund of tax paid on inward supplies of goods or services or both by a specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation, Consulate or Embassy of foreign countries or any other person or class of persons, notified under section 55 has been provided as to two years from the last day of the quarter in which such supply was received. Earlier, the time limit to claim the refund was six months from the last day of the quarter in which such supply was received. The effective date of the amendment is yet to be notified

C. Sub section (10) extend the scope of withholding of or recovery from refunds in respect of all types of refund;

OUR COMMENTS:

The proper officer has the power to withhold the payment of refund or to deduct the same from any tax, interest, penalty due from the taxpayer in case where the registered person has defaulted in furnishing any return or who is required to pay any tax, interest or penalty, which has not been stayed by any court, Tribunal or Appellate Authority.

Earlier, this power of recovery, withholding of refund was restricted to only refund of any unutilised input tax credit i.e., refunds on zero rated supply and inverted rate structure. However, vide this amendment is made in section 54(10) of the CGST Act, 2017 the power to withhold, deduct the refund is now extended to all other types of refund as well. The effective date of the amendment is yet to be notified

D. provide clarity regarding the relevant date for filing refund claim in respect of supplies made to a Special Economic Zone developer or a Special Economic Zone unit by way of insertion of a new sub-clause (ba) in clause (2) of Explanation thereto.

(Clause 113 of Finance Bill, 2022)

15. **Since the existing system of GSTR-1 & GSTR-3B is being continued, the provisions relating to alternative system of returns i.e. GSTR 2 and GSTR 3 are omitted.**

(Clause 99 of the Finance Bill)

16. **www.gst.gov.in' is notified as the Common Goods and Services Tax Electronic Portal, retrospectively w.e.f. 22.06.2017.**

    (Clause 114 of Finance Bill, 2022)

17. Notification No. 13/2017- Central Tax, Notification No. 6/2017- Integrated Tax, both dated 28th June 2017 and Notification No. 10/2017- Union Territory Tax, dated the 30th June 2017 is being amended retrospectively, with effect from the 1st day of July, 2017, so as to notify rate of interest under section 50(3) of the CGST Act as 18%.

18. Central Tax, Union Territory Tax and Integrated Tax on supply of **unintended waste generated during the production of fish meal** (falling under heading 2301), **except fish oil,** is being **exempted during the period commencing from the 1st day of July 2017**, and ending with the 30th day of September, 2019 (both days inclusive), subject to the condition that if said tax has been collected, the same would not be eligible for refund.

19. Service by way of grant of **alcoholic liquor license**, against consideration in the form of **license fee or application fee** or by whatever name it is called by the State Governments, has been **declared as an activity or transaction which shall be treated neither as a supply of goods nor a supply of service** vide notification No. 25/2019- Central Tax (R) dated 30.09.2019, notification No. 24/2019- Integrated Tax (R) dated 30.09.2019 and notification No. 25/2019- Union Territory Tax (R) dated 30.09.2019. **These notifications have been given retrospective effect from 01.07.2017.** However, no refund shall be made of tax which has been collected, but which would not have been so collected, had the said notifications been in force at all material times.

AMENDMENTS UNDER CUSTOMS

1. In Section 2, clause 34 is being modified to specifically state that assignment of functions to an officer of Customs by the Board or the Principal Commissioner of Customs or the Commissioner of Customs shall be done under the newly inserted sub-sections (1A) and (1B) of Section 5 in the Customs Act, 1962 (52 of 1962)

2. Section 3 is being amended to specifically include the officers of DRI, Audit and Preventive formation in the class of Officers.

3. Sub-section (1A) and (1B) have been inserted in section 5 of the Act to explicitly provide power of assignment of function to officers of customs by the Board or as the case may be by the Principal Commissioner or Commissioner of Customs.

4. Sub-section (4) to Section 5 is being inserted to delineate the criteria which the Board may adopt while imposing limitations or conditions under sub-section (1) or while assigning functions under sub-section (1A) to the officer of Customs

5. Sub-section (5) to Section 5 is being inserted to ensure that wherever necessary, for the proper management of work, two or more officers of customs, can concurrently exercise powers and functions.

OUR COMMENTS:

- **Meaning of the term 'Proper officer' u/s 2(34) is modified to cover the officers who is assigned those functions by the Board or the Principal Commissioner/ Commissioner of Customs u/s 5 of the Customs Act, 1962.**

- **include Officers of DRI, Audit and Preventive formation as the class of officers of Customs.**

- **a specific power is now inserted in the main section by inserting section (1A) and (1B) to Section 5 of the Customs Act, 1962 conferring the power upon the board/ Principal.**

It was held by the larger bench of the Apex Court in the case of Canon India Pvt. Ltd. 2021 that the case initiated by the Additional Director General (ADG) of the DRI by issuing show cause notices are invalid

without any authority of law since the notification is invalid having been issued by an authority which had no power to do so in purported exercise of powers under a section which does not confer any such power.

As a consequence, it is manifest that only such a Customs Officer who has been assigned the specific functions of assessment and reassessment of duty in the jurisdictional area where the import concerned has been affected, by either the Board or the Commissioner of Customs, in terms of Section 2(34) of the Act is competent to issue notice undersection 28 of the Act. Any other reading of Section 28 would render the provisions of Section 2(34) of the Act otiose inasmuch as the test contemplated under Section 2(34) of the Act is that of specific conferment of such functions.

6. Section 14 is being amended to include provisions for rules enabling the Board to specify the additional obligations of the importer in respect of a class of imported goods whose value is not being declared correctly, the criteria of selection of such goods, and the checks in respect of such goods.

OUR COMMENTS:

Generally, the transaction value of the goods imported is accepted under Customs where the buyer and seller are not related and price charged is the sole consideration. However, in order to arrest the menace of under valuation in Customs, it is now provided that in respect of certain class of imported goods, where the Board has reason to believe that the value of such goods may not be declared truthfully or accurately, having regard to the trend of declared value of such goods or any other relevant criteria, then in such cases the importer would be required to undertake some additional obligations and certain additional checks to be exercised.

7. Section 28E is being amended to omit the Explanation under clause (c) and omit clause (h)

8. Section 28H is being amended to make provisions for prescribing appropriate fees by Board relating to application for advance Ruling. Consequently, the sub-section (3) is being omitted

9. Sub-section (7) under section 28I is being substituted so as to remove the word “Members” and also make changes accordingly.

10. Sub-section (2) under Section 28J is being substituted so that advance ruling under sub-section (1) of Section 28J is now valid for a period of three years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier. Proviso is also inserted to provide that the advance rulings in force on the date on which the Finance Bill, receives assent of the President, the said period of three years shall be reckoned from the date on which the Finance Bill receives assent of the President.

OUR COMMENTS:

By virtue of this amendment, the details of application fees of Rs. 10,000/- as provided in the act has been removed and the power is provided to the board to prescribe the fees by way of rules. The actual details of the application fees would be known once the same is prescribed in the rules.

Advance ruling pronounced by the Authority can be signed any Proper officer like Secretory to Customs Authority for Advance Ruling it need not be the Member of the Bench.

Further, currently, the time limit to withdraw the application is pegged at 30 days from the date of application. Now, by way of this amendment, the flexibility is given to the applicant to withdraw his application at any time before a ruling is pronounced from the current 30 days’ time period.

Any advance ruling sought by the assessee shall be valid only for maximum of 3 years, subject to changes in the law or facts of the case. Before the amendment, the advance ruling was binding on the assessee for life-time until there was change in law or change in the facts of the case. The proposed

amendment has given room for adopting the interpretation in favour of the revenue developed during the course of time, even when there is no change in the law to such effect after 3 years of passing the advance ruling.

11. Section 110AA is being inserted with a view to affirm the principle that, wherever, an original function duly exercised by an officer of competent jurisdiction, the officer, who originally exercised such jurisdiction shall have the sole authority to exercise jurisdiction for further action like reassessment, adjudications, etc. consequent to the completion of such inquiry, investigation, audit or any other purpose.

OUR COMMENTS:

If a proper officer has initiated an audit for assessment of imported/ exported goods of an auditee, or if he has initiated search or seizure and in the process of verification has encountered discrepancies which are prejudicial to the interest of revenue, then such officer shall record his findings and share the same with the proper officer having the jurisdiction, who shall then initiate proceedings under section 28, 28AAA, by way of issuance of notice.

12. Section 135AA is being inserted to protect the import and export data submitted to Customs by importers or exporters in their declarations by making the publishing of such information, unless provided by the law, as an offence under Customs Act.

I. OTHER LEGISLATIVE AMENDMENTS PERTAINING TO CUSTOMS

1. A new clause 96 has been inserted, this clause seeks to give validation to any action taken or functions performed before the date of commencement of the Finance Act, 2022, under certain Chapters of the Customs Act by any officer of Customs, as specified in Section 3 of the Customs Act, as amended, where such action was in pursuance of their appointment and assigning of functions by the Central government or the Board under the Customs Act.

II. AMENDMENTS IN THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

1. First Schedule to the Customs Tariff Act amended so as to revise the rates of Basic Customs Duty in respect of certain tariff items in Chapter 15, 66, 71, 85 and 90 with effect from the 2nd February, 2022;

2. Further, first Schedule to the Customs Tariff Act amended with a view to harmonise certain entries with Harmonised System of Nomenclature to create new tariff lines in respect of certain entries and to revise the rates in respect of certain tariff items in Chapter 1, 3 , 5, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 21, 22, 23, 25, 26, 27, 28, 29, 31, 32,33, 34, 35, 38, 39, 40, 44, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68, 69, 70, 71,72,73,74,75,76,81,84,85,88,89,90,91,95,97,98 with effect from the 1st May, 2022.

3. To align the Indian Tariff with the Complementary Amendments to the HS-2022 published by WCO, as signatory to HS Convention. These complementary amendments include minor changes across chapters in the Tariff, all aimed at bringing greater clarity to the HS. Further, New Tariff entries are being introduced by accommodating the requests from different Ministries and Departments. These new entries will help-
   - to identify new categories of Fuels being introduced in the Country;
   - to give a fillip to identification and exports of Handicrafts;
   - to clarify the manner of determination of Fe content in iron ore being exported;
   - to provide greater clarity on the goods being exempted through different notifications of the Government.

III. PRUNING AND REVIEW OF CUSTOMS DUTY CONCESSIONS/ EXEMPTIONS

1. Review of concessional rates of BCD prescribed to Capital Goods and Project Imports *vide* notification No. 50/2017 – Customs dated 30.6.2017 in certain sectors such as Textile, Power, Petroleum, Leather, Food Packaging and Other. Project Imports for certain projects were also mentioned in the notification. The Customs duty rate structure on capital goods and project imports has been comprehensively reviewed and exemption on capital goods/ project imports are being phased out in a gradual manner. However, certain exemptions on capital goods would continue.

2. Review of concessional rates of BCD prescribed in notification No. 50/2017 – customs dated 30.06.2017. The BCD exemption hitherto available on certain goods are being withdrawn by omitting some of the entries of notification No. 50/2017-Customs dated 30.6.2017. Additionally, modifications have also been made with respect to some of the entries of notification No. 50/2017-Customs dated 30.6.2017, wherein end-dates have been prescribed, and partial changes has been made to the exemptions.

3. Customs duty exemptions which have been granted through certain other standalone notifications such as 39/1996-Customsdated 23.07.1996, 25/1999-Customs dated 28.02.1999, 25/2002-Customs dated 01.03.2002, 27/2011-Customs dated 01.03.2011, 37/2017-Customs dated 30.06.2017 have also been reviewed.

4. The following obsolete/expired notifications have been rescinded such as 190/1978-Customs dated 22.09.1978, 191/1978-Customs dated 22.09.1978, 10/1995-Customs dated 7.3.1995, 26/1999-Customsdated 28.2.1999, 27/2004-Customs dated 23.01.2004, 14/2006-Customs dated 01.03.2006, 48/2006-Customs dated 26.05.2006, 90/2007-Customs dated 26.07.2007, 08/2011-Customs dated 14.02.2011, 24/2011-Customs dated 1.03.2011, 49/2013-Customs dated 29.11.2013, 23/2014-Customs dated 11.07.2014, 37/2015-Customs dated 10.06.2015, 11/2016-Customs dated 01.03.2016, 20/2020-Customs dated 9.04.2020, 40/2020-Customs dated 28.10.2020.

5. Inclusion of End-date as per Section 25(4A) of the Customs Act, 1962, in certain stand-alone notifications such as 146/94-Customs dated 13.07.1994, 147/94-Customs dated 13.07.1994, 50/96-Customs dated 23.07.1996, 30/2004-Customs dated 28.01.2004, 81/2005-Customs dated 08.09.2005, 5/2017-Customs dated 02.02.2017, 16/2017-Customs dated 20.04.2017, Serial No. 2 of 32/2017-Customs dated 30.06.2017.

IV. CHANGES IN EFFECTIVE BASIC CUSTOMS DUTY RATES IN RESPECT OF PHASED MANUFACTURING PROGRAM [PMP], WITH RESPECT TO SPECIFIC ELECTRONIC GOODS

Changes in effective basic customs duty rates for products such as PMP for Wrist Wearable Devices (Smart watches), PMP for Hearable Devices and PMP for Smart Meters

V. CHANGES IN BASIC CUSTOMS DUTY RATES/HEALTH CESS IN RESPECTIVE NOTIFICATIONS [with effect from 2.2.2022, unless specified otherwise] Pruning and review of customs duty concessions/ exemptions:

Changes in effective basic customs duty rates for products such as Agricultural Products and By Products, Fuels, Chemicals and Plastics, Paper, Gems and Jewellery Sector, Metals, Electrical and Electronics Sector, Medical devices, Toys, Capital Goods.

VI. DUTY CONCESSIONS ON SPECIFIED ITEMS WHEN IMPORTED BY BONAFIDE EXPORTERS:

1. A scheme for duty-free imports for the purpose of use in goods meant for export, based on end-use

monitoring is being introduced for bonafide exporters subject to the requirement of exporting value added products manufactured using inputs imported under these exemptions, within a period of six months. Importer shall be required to follow the procedure under the Import of Goods at Concessional Rate (IGCR) Rules, 2017.

2. The following changes are being made to operationalize the scheme as detailed under:
   a. Conditions required for availing exemptions *vide* S. No. 257 are being amended.

   b. S. No. 257A is being inserted to provide for conditional exemptions for import of specified items like decorative papers, motifs, back of photo frames, etc. to be used in manufacture of *handicraft products* meant for exports.

   c. S. No. 257B is being inserted to provide for conditional exemptions for import of specified items like fasteners, inlay cards, lining and inter-lining materials, wetblue chrome tanned leather, etc. to be used in manufacture of *textile or leather garments* meant for exports.

   d. S. No. 257C is being inserted to provide for conditional exemptions for import of specified items like buckles, buttons, locks etc. to be used in manufacture of *leather or synthetic footwears, or other leather products* meant for exports.

   e. S. No. 288, having been subsumed under new S. No. 257B, is being omitted.

VII. REVIEW OF LEVY OF SOCIAL WELFARE SURCHARGE [SWS] ON VARIOUS ITEMS BY AMENDING NOTIFICATION NO. 11/2018- CUSTOMS DATED 02.02.2018:

1. For S. No. 1 All goods falling under tariff items 0802 91 00, 0802 92 00 and 0802 99 00 have been exempted from SWS.

2. For S. No. 2 All goods falling under sub-headings 1509 90 and 1510 90 have been exempted from SWS.

3. For S. No. 3 All goods falling under tariff items 2515 12 90, 2516 11 00, 2516 12 00 have been exempted from SWS.

4. For S. No. 4 All goods falling under the sub-headings 5208 39, 5209 31, 5209 32, 5209 39, 5209 49, 5210 39, 5211 31, 5211 32, 5211 39, and 5211 49 have been exempted from SWS.

5. For S. No. 5 All goods falling under the sub-heading 5407 61 have been exempted from SWS.

6. For S. No. 7 All goods falling under tariff items 5516 22 00 and 5516 23 00 have been exempted from SWS.

7. For S. No. 8 All goods falling under tariff item 5802 30 00 have been exempted from SWS.

8. For S. No. 9 The current SWS exemption has been withdrawn for all goods falling under tariff item 6001 92 00.

9. For S. No.10. The current SWS exemption has been withdrawn for all the goods falling under tariff item 6101 20 00; goods falling under sub-heading 6101 30;goods falling under tariff items 6102 10 00 & 6102 20 00; goods falling under sub-heading 6102 30; goods falling under sub-heading 6104 19 (except of wool or fine animal hair or cotton); and goods falling under tariff items 6104 62 00 , 6104 63 00.

10. For S. No. 11. SWS exemption has been withdrawn for all the goods falling under subheadings 6201 30, 6201 40, 6202 30, 6202 40; falling under tariff items 6204 11 00, 6204 13 00; goods falling under sub-heading 6204 19, 6204 31; goods falling under tariff items 6204 32 00 & 6204 33 00; and goods falling under sub-headings 6204 39 & 6204 69.

11. For S. No.12. In the heading 6203, the exemption from SWS has been narrowed down to all the goods falling under tariff items 6203 22 00, 6203 23 00; goods falling under sub-heading 6203 29; goods falling under tariff item 6203 41 00; and goods falling under sub-heading 6203 42.
12. For S. No.13. SWS exemption has been withdrawn for all the goods falling under Sl. No. [Men's or boy's overcoats, car coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than

those of heading 6103, of wool or fine animal hair, falling under tariff item 6101 90 90] and Sl. No.4 [Upholstery fabrics falling under the following headings or sub-headings - 5208 39, 5209 31, 5209 32, 5209 39, 5209 49, 5210 39, 5211 31, 5211 32, 5211 39, 5211 49, 5407 61, 5516 22 00, 5516 23 00, 5802 30 00] of the notification No.11/2018 – Customs dated 02.02.2018.

VIII. OTHER MISCELLANEOUS CHANGES IN VARIOUS NOTIFICATIONS PROVIDING CONCESSION ON IMPORTS:

The Notification 148/94- Customs dated 13.07.1994, Notification No.38/96- Customs dated 23.07.1996, Notification No. 104/10- Customs dated 01.10.2010, Notification No. 60/2011-Customs Dated 14.07.2011,Notification No. 40/2017- Cus.dated 30.06.2017, Notification No. 50/2017 – Customs dated 30.06.2017 are amended.

IX. OTHER CHANGES (INCLUDING CERTAIN CLARIFICATIONS/ TECHNICAL CHANGES BY AMENDING NOTIFICATION NO. 50/2017 CUSTOMS DATED 30.06.2017

1. For Serial number 6 it is described that The condition of Specific Pathogen Free (SPF) for Live *L. Vannamei* Shrimp has been removed from the notification No. 50/2017 – Customs, as the same is being regulated by the Department of Fisheries.

2. For Serial number 525, 526A and 531A it is described that Certain clarificatory amendments have been made to entry no. 525, 526A and 531A of notification No. 50/2017 dated 30.06.2017, in order to bring clarity about the scope of exemptions in relation to imports of completely knocked down/semi knocked down forms (CKD/SKD) of electric vehicles (EV) (including commercial, passenger and two-wheeled electric vehicles). These amendments clarify that for an EV kit to be eligible for the duty benefits available to a CKD form of an EV, each individual component in the kit need not be in a disassembled form. Further, it has been clarified that even if some components are missing in the EV kit, the benefit of concessional rate of duty available to CKD/SKD kits would still be available provided that the kit as presented has the essential character of an EV.

3. For Serial number 531A it is described This entry provides for concessional rate of Customs duty on imports of two-wheeled electrical vehicles. The words ‘electric compressor’ and ‘contactor’ have been deleted from this entry as these parts are not used in two-wheelers.

X. ANTI-DUMPING DUTY (ADD)/ COUNTERVAILING DUTY (CVD)/ SAFEGUARD MEASURES

1. ADD

Anti-Dumping duty is being permanently revoked, on imports of the following:

a. Straight Length Bars and Rods of alloy-steel, originating in or exported from People’s Republic of China, imposed *vide* notification No. 54/2018-Cus (ADD) dated 18.10.2018;

b. High Speed Steel of Non-Cobalt Grade, originating in or exported from Brazil, People’s Republic of China and Germany, imposed vide notification No. 38/2019-Cus (ADD) dated 25.09.2019;

c. Flat rolled product of steel, plated or coated with alloy of Aluminum or Zinc, originating in or exported from People’s Republic of China, Vietnam and Korea RP, imposed vide notification No. 16/2020-Cus (ADD) dated 23.06.2020.

2. CVD

Countervailing duty is being permanently revoked on imports of Certain Hot Rolled and Cold Rolled Stainless Steel Flat Products, originating in or exported from People’s Republic of China, imposed vide notification No. 1/2017-Cus (CVD) dated 07.09.2017.

XI. CHANGES IN EXPORT DUTY RATES IN NOTIFICATION NO. 27/2011 -CUSTOMS [with effect from 02.02.2022]:

Changes in Chapter 41 for leather commodity whereby duty rate git reduced to 30% from 40%

CHANGES IN RULES UNDER THE CUSTOMS ACT, 1962

Trade Facilitation- Amendment to IGCR rules, 2017

Customs (Import of goods at concessional rate of duty) Rules, 2017 are being amended to provide the following facilities:

a) To introduce end to end automation in the entire process. Requirement of submitting all the necessary details electronically, through a common portal, is being brought out in the Rules itself.

b) Standardizing and notifying the various forms in which details are to be submitted electronically.

c) Leveraging the advantage of such submissions electronically, the need for any transaction-based permissions and intimations are all being done away with.

d) Consequently, the procedure to claim the notification benefit is being simplified and automated.

e) For effective monitoring of the use of goods for the intended purposes, a Monthly Statement is being which is to be submitted by the importer on the Common Portal.

f) An option for voluntary payment of the necessary duties and interest, through the Common Portal is being provided to the importer.

EXCISE DUTY

I. AMENDMENT IN THE FOURTH SCHEDULE

For S. No. 1, Amendment done in Two new tariff items, that is, 2710 12 43 and 2710 12 44, falling under Chapter 27, have been inserted in the Fourth Schedule to the Central Excise Act, 1944, relating to E12 and E15 fuel blends, conforming to the new BIS specification [IS 17586] that has been issued for Ethanol Blended Petrol with percentage of ethanol up to twelve (E12) and fifteen (E15) percent respectively. This will align the Fourth Schedule to the Central Excise Act, 1944, with the similar amendment in the sub-heading 2710 12 in the First Schedule to the Customs Tariff Act, 1975.

II. AMENDMENT IN THE FOURTH SCHEDULE

For S. No. 1, Amendment done in Two new tariff items, that is, 2710 12 43 and 2710 12 44, falling under Chapter 27, have been inserted in the Fourth Schedule to the Central Excise Act, 1944, relating to E12 and E15 fuel blends, conforming to the new BIS specification [IS 17586] that has been issued for Ethanol Blended Petrol with percentage of ethanol up to twelve (E12) and fifteen (E15) percent respectively. This will align the Fourth Schedule to the Central Excise Act, 1944, with the similar amendment in the sub-heading 2710 12 in the First Schedule to the Customs Tariff Act, 1975.

III.CHANGE IN EFFECTIVE RATE OF ADDITIONAL BASIC EXCISE DUTY ON UNBLENDED PETROL AND DIESEL

In order to promote blending of Motor Spirit (commonly known as Petrol) with ethanol/methanol and blending of High Speed Diesel with bio-diesel, an additional Basic Excise Duty of Rs. 2 per litre on Petrol and Diesel, intended to be sold to retail consumers without blending, would be levied with effect from the 1st day of October, 2022.

IV.MENDMENTS IN THE SCHEDULE VII OF THE FINANCE ACT, 2001 (NCCD SCHEDULE)

Amendment done in The Seventh Schedule of the Finance Act, 2001, is being amended by substituting

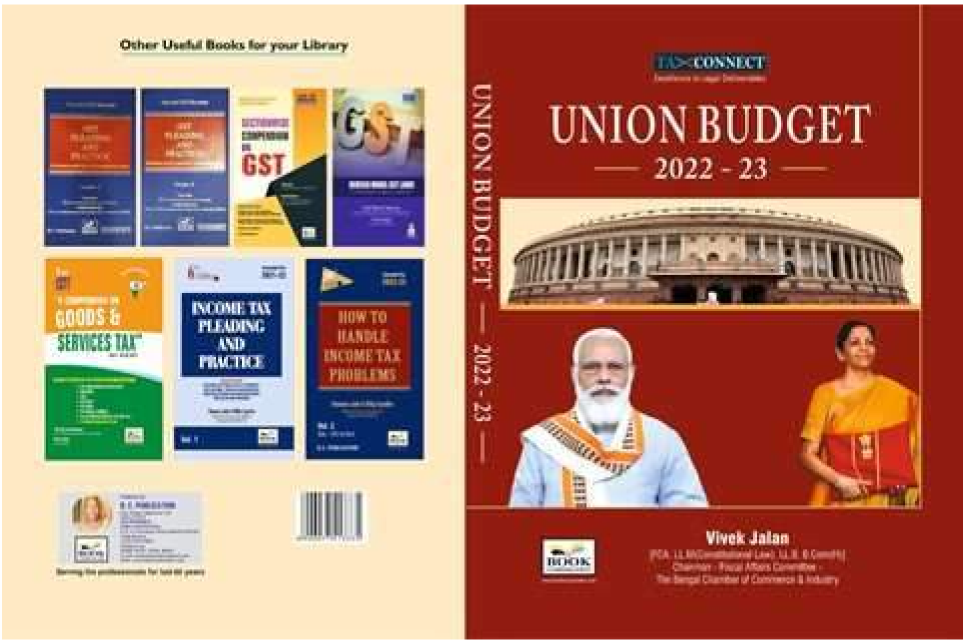
Central Excise tariff item 2709 20 00 with 2709 00 10 [Petroleum Crude]

V. OTHER CHANGES [INCLUDING CERTAIN CLARIFICATIONS / TECHNICAL CHANGES]

Notification No. 49/2008-Central Excise (N.T.) dated 24.12.2008, provides for Retail Sale Price(RSP) based valuation for specified goods and prescribes an abatement as a percentage of retail sale price for such goods. This notification was issued under section 4A of the Central Excise Act, 1944. Since then statutory/legal position has changed. Accordingly, this notification has been superseded by notification No. 01/2022- Central Excise (N.T.) dated the 1st February, 2022, in order to align the notification No. 49/2008-Central Excise (N.T.) with the current legal position, post rollout of GST regime.

:IN STANDS

UNION BUDGET 2022: ANALYSIS BY TAX CONNECT



We put before you our detailed Analysis of Direct and Indirect Proposals of Union Budget 2022.

Further, the following is also the link of "OUR PRE AND POST BUDGET ANALYSIS" on various TV Channels:

Pre-Budget at *INDIA TV* Link:
https://wetransfer.com/downloads/d716cef18fc6a6a87e8369aeceb4fedd20220201064527/ec4449a6277a7cc8ff9cb1934d67714520220201064603/56c4d9

Pre-Budget at *ABP* Link - https://youtu.be/Uhd_i1Uuhnw

Post-Budget at *ABP* Link - https://youtu.be/NlBRynbNgdU

Authors:

Vivek Jalan
[FCA, LL.M (Constitutional Law), LL.B, B.Com(H)]

Published by:

BOOK CORPORATION
4, R. N. Mukherjee Road
Kolkata 700001
Phones: (033) 64547999
Cell : 9830010297, 9331018333
Order by email:bookcorporation@gmail.com
Website :www.bookcorporation.com

In Association With:

TAX CONNECT ACADEMY
1, Old Court House Corner
Kolkata 700001
Phones: (033) 40016761
Cell : 9874466163, 9830661254
Order by email: info@taxconnect.co.in
Website : www.taxconnect.co.in

LET'S DISCUSS FURTHER!

OUR OFFICES:

MUMBAI

Building No.9, Flat- 403, LodhaEternis, 11th Road, MIDC, Andheri(E)-400093

Contact Person: Rajanikant Choudhury

Email: rajnikant.choudhary@taxconnect.co.in

BANGALORE

A-414,Carlton Towers, 19th Main; Road Hal Old Airport Rd, Domlur, Bengaluru, Karnataka-560008

Contact Person: Manmit Sinha

Email: manmit.sinha@taxconnectdelhi.co.in

DELHI

B-139, 2nd Floor, Transport Nagar, Noida-201301 (U.P)

Contact Person: Poonam Khemka

Email: poonam.khemka@taxconnectdelhi.co.in

KOLKATA

1, Old Court House Corner, "Tobacco House", 1st Floor, Room No. 13 (N), Kolkata-700001

Contact Person: Kajal Jaiswal

Email: kajal.jaiswal@taxconnectdelhi.co.in

KOLKATA

R No 119; 1st Floor; Diamond Arcade; 1/72, Cal Jessore Road; Kolkata – 700055

Contact Person: Kajal Jaiswal

Email: kajal.jaiswal@taxconnectdelhi.co.in

DUBAI

Azizi Feirouz, 803, 8th Floor, AL Furjan, Opposite Discovery Pavillion, Dubai, UAE

Contact Person: Rohit Sharma

Email: rohit.sharma@taxconnect.co.in

Disclaimer:

This e-bulletin is for private circulation only. Views expressed herein are of the editorial team and are based on the information, explanation and documents available on Government portal platforms. Tax Connect or any of its employees do not accept any liability whatsoever direct or indirect that may arise from the use of the information contained herein. No matter contained herein may be reproduced without prior consent of Tax Connect. While this e-article has been prepared on the basis of published/other publicly available information considered reliable, we do not accept any liability for the accuracy of its contents.