

TAX CONNECT

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EDITORIAL



Friends,

The goal of every tax administration is to foster voluntary. In a significant step towards Atmanirbhar Bharat, Central Board of Indirect Taxes & Customs (CBIC) has reduced the compliances required under the Customs (Import of Goods at Concessional Rate of Duty-IGCR) Rules, 2017 and introduced end to end automation of the procedure involved. Towards this end, the online portal has gone live on www.icegate.gov.in. Importers desirous of availing exemptions linked to these Rules may register on the portal now. The said rule provides for procedural safeguards to ensure that the goods imported at a concessional rate of duty, subject to an end-use condition, are used for the purpose specified in the exemption notification. Based on the feedback from the Industry, the procedures were simplified and made paperless and contactless with end-to-end automation.

The changes brought about are summarized as follows:

1. All the intimations for claiming such exemptions can be submitted electronically, through a common portal that has been notified.
2. The various forms in which details need to be submitted electronically have also been standardized and notified.
3. The transaction-based permissions and intimations which were a part of the erstwhile procedures have now been done away with.
4. Instead of a quarterly return, for effective monitoring of the use of goods for the intended purposes, a monthly statement has been introduced. This statement shall also be submitted by the importer electronically on the Common Portal.

5. Accepting the demand of the trade, a specific provision has been introduced clarifying the procedure for allowing imported goods for inter-unit transfer.

6. In order to further ease the procedures, an option for voluntary payment through the Common Portal, as specified in the Rules, is being enabled shortly.

For the sake of clarity among trade and industry, the procedure set out in the IGCR Rules, 2017 and the guidelines for smooth implementation have been clarified and elaborated through the Customs Circular 04/2022 dated 27-02-2022. Further, in order to familiarize the trade with the new system based architecture, the DG Systems, CBIC has published System Advisory 06/2022, dated 01-03-2022 and System Advisory 07/2022, dated 01-03-2022.

In addition, the importers have been given an option to follow the erstwhile procedure till 13.03.2022, so as to facilitate the transition in a smooth and seamless manner.

Just to reiterate that we remain available over telecom or e-mail.

Truly Yours

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TAX CALENDAR

Due Date	Form/Return/ Challan	Reporting Period	Description
13 th March	GSTR - 6	February, 2022	ISD - Return for input service distributor
13 th March	GSTR 1 IFF	February, 2022	Opted for quarterly filing as per QRMP Scheme
15 th March	ITNS - 280	February, 2022	Advance Income Tax in case of company/Advance Income Tax in case of non-corporate assessee.

INCOME TAX

CASE LAW

REALLY DEALCOMM PRIVATE LIMITED VERSUS UNION OF INDIA & ORS-HIGH COURT OF CALCUTTA

BREIF: Common facts and issues are involved in the writ petition as appear on perusal of relevant record, and upon considering the submissions of the parties, it appears that the petitioners are aggrieved by the issuance of the impugned notices under section 148 of the Income Tax Act, 1961 on the grounds that the same are barred by limitation, and that the respondents-income-tax authorities concerned, before issuing the impugned notices under section 148 of the 1961 Act, have not observed the statutory formalities under section 148A of the 1961 Act as prescribed by the Finance Act, 2021 which are applicable with effect from 1st April 2021 before issuance of notices under section 148 of the 1961 Act on or after 1st April 2021. Validity of the re-assessment proceedings initiated against the individual petitioners - enforcement of the Enabling Act and the Finance Act, 2021 - scope of provisions of Section 148 read with Section 148A as substituted by Finance Act, 2021 - substituting the provisions of the Act by means of the Finance Act, 2021 with effect from 01.04.2021, the old provisions were omitted from the statute book and replaced by fresh provisions with effect from 01.04.2021 - time limitation existing under the Act had been extended under the Ordinance - relaxation of limitation granted on account of general hardship existing upon the spread of pandemic COVID -19 - extension which was given one final push by the impugned Notification dated 27.04.2021 as it became necessary on account of the spread of the second wave of the pandemic COVID-19.

JUDGMENT: - These writ petitions are covered by the decision of Ashok Kumar Agarwal-vs-Union of India [2021 (10) TMI 697 - ALLAHABAD HIGH COURT] decided in favour of the assessee/petitioners.

Explanations A(a)(ii)/A(b) to the notifications dated March 31, 2021 and April 27, 2021 are declared to be ultra vires the Relaxation Act, 2020 and are, therefore, bad in law and null void. All the impugned notices under section 148 of the Income Tax, 1961 are quashed with liberty to the assessing officers concerned to initiate fresh re-assessment

proceedings in accordance with the relevant provisions of the Act as amended by the Finance Act, 2021 and after making compliance of the formalities as required by the law.

In view of the judgements and orders of this court dated January 17, 2022 in the case of Manoj Jain-vs-Union of India & Ors. in WPA No.11950 of 2021 and in the case of Bagaria Properties and Investment Private Limited & Anr. in WPO No.244 of 2021, all these writ petitions herein are disposed of by allowing the same.

Explanations A(a)(ii)/A(b) to the notifications dated March 31, 2021 and April 27, 2021 are declared to be ultra vires the Relaxation Act, 2020 and are, therefore, bad in law and null void. All the impugned notices under section 148 of the Income Tax, 1961 are quashed with liberty to the assessing officers concerned to initiate fresh re-assessment proceedings in accordance with the relevant provisions of the Act as amended by the Finance Act, 2021 and after making compliance of the formalities as required by the law.

GST

ADVISORY

ENHANCED REGISTRATION APPLICATION USER INTERFACE

Our Comments: The portal published an advisory dated 10th March 2022 stated methods for Enhanced Registration application user interface (UI):

i. User Interface (UI) with respect to the address fields in the Registration Application GST REG-01 has been enhanced as follows:-

- Incorporation of a map tile along with a drag and drop facility of address pinhead on to the exact location of the applicant's address.
- Once selected, the details will automatically fill in the various address input fields given in the application.
- Address fields have been linked so as to auto- fill other macro level address entry fields based on the entry in one of such fields particularly PIN Codes. For example; on entering the PIN code, the corresponding State and Districts will get auto-filled.
- The user can also directly fill-up the address input fields which are now aided with suggestive address input dropdowns from which the user can select the appropriate/relevant address field(s). This action will reduce errors in the address texts and will also ease the filling up of the appropriate address input fields by the user.
- The address fields have been segregated appropriately to reduce confusions while entering the relevant inputs under various address heads.

- Based on the address entries given by the user, the Latitude/ Longitude of the address will get auto populated which is non-editable.

ii. For more information on the Registration Application, it is requested to visit the GST Portal.

FEMA

CIRCULAR

EXIM BANK'S GOVERNMENT OF INDIA SUPPORTED LINE OF CREDIT (LOC) OF USD 500 MILLION TO THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

OUR COMMENTS: Vide Circular number 28 dated 10th March 2022, Export-Import Bank of India (Exim Bank) has entered into an agreement dated February 02, 2022 with the Government of the Democratic Socialist Republic of Sri Lanka, for making available to the latter, Government of India supported Line of Credit (LoC) of USD 500 million (USD Five Hundred Million only) for the purpose of financing purchase of petroleum products from India. Under the arrangement, financing of export of eligible goods and services from India, as defined under the agreement, would be allowed subject to their being eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this agreement. Out of the total credit by Exim Bank under the agreement, goods, works and services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India, and the remaining 25 per cent of goods and services may be procured by the seller for the purpose of the eligible contract from outside India.

2. The Agreement under the LoC is effective from February 18, 2022. Under the LoC, the terminal utilization period is 6 months from the date of signing of LoC agreement or such other extended date which Exim Bank may agree at the request of Borrower, provided however that such extended date shall in no case be beyond 12 (twelve) months from the date of LoC agreement.

3. Shipments under the LoC shall be declared in Export Declaration Form as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable for export under the above LoC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer (AD) Category- I

banks may allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission.

5. AD Category – I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain complete details of the LoC from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or from their website www.eximbankindia.in

6. The directions contained in this circular have been issued under section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

[For further details please refer the Circular]

CUSTOMS

CIRCULAR

TOOLKIT FOR ANTI-EVASION/PREVENTIVE TEAMS

OUR COMMENTS: The Central Board of Indirect Direct Taxes and Customs, vide circular number 5/2022 dated 4.3.2022 issued a circular regarding Toolkit for Anti-evasion/Preventive teams.

With a view to enhance the efficiency and professionalism of officers/teams deployed for carrying out anti-evasion/anti-smuggling work, particularly when they are required to search premises, vehicles; verify a stock of goods; draw up a panchnama or to arrest a person away from their office premises, Board has received a suggestion that a standard toolkit may be provided.

2. In this regard, the undersigned is directed to say that officers/teams deployed for such work in Customs or CGST formations may be equipped with a suitable toolkit. A tentative list of items which could be considered for inclusion in the toolkit is given as Annexure-A. The list is suggestive in nature and may be modified so as to suit local needs.

3. Difficulties faced/suggestions, if any, may kindly be brought to the attention of the undersigned.

Suggested list of items in toolkit for Anti evasion:

- i. Battery Power Banks;
- ii. Binoculars;
- iii. Car Inverter to operate Printer etc. independently;
- iv. Comprehensive First Aid box;
- v. Drug Detection/ Narcotics test kit;
- vi. Fabric thickness gauge;
- vii. Faraday Bag (cuts off Mobile etc. from any sort of radio-waves and prevents remote tampering/ Deletion of Data of mobile etc.);

viii. File kit containing Copies of Summons, Panchnama, Test Memo etc.;

ix. GPS Tracker;

x. Hand held metal detector;

xi. High Power LED Torch;

xii. High precision digital weighing machine, closed door;

xiii. Modern Search Lights;

xiv. Multipurpose Screwdriver set;

xv. Night vision devices;

xvi. Stationery (Scissor, Stapler, Pen, Marker, Cello tape etc.);

xvii. Swiss Knife;

xviii. Videoscope

[For further details please refer the Circular]

DGFT

NOTIFICATION

AMENDMENT IN IMPORT POLICY CONDITIONS OF ITEMS UNDER ITC HS 0106 90 00 OF CHAPTER 01 OF ITC (HS), 2022, SCHEDULE - I (IMPORT POLICY)

OUR COMMENTS: The Central Government vide notification number 57/2015-2020 dated 7.3.2022 hereby amends the import policy condition of items under ITC(HS) 0106 90 00 of Chapter 01 of ITC (HS) 2022, Schedule-I (Import Policy) as under –

ITC (HS) Code	Item Description	Policy	Existing Policy Condition	Revised Policy Condition
010690 00	Other	Restricted	Subject to Policy Condition 6 of Chapter 01.	i. Subject to Policy Condition 6 of Chapter 01. ii. Import of <i>Drosophila melanogaster</i> is 'Free', subject to IBSC approval, as per the provisions of the Revised Simplified Procedures/ Guidelines on Import, Export and Exchange of GE organisms and products thereof for R&D purpose notified by the Department of Biotechnology vide OM No. BT/BS/17/635/2015-PID dated 17.01.2020.

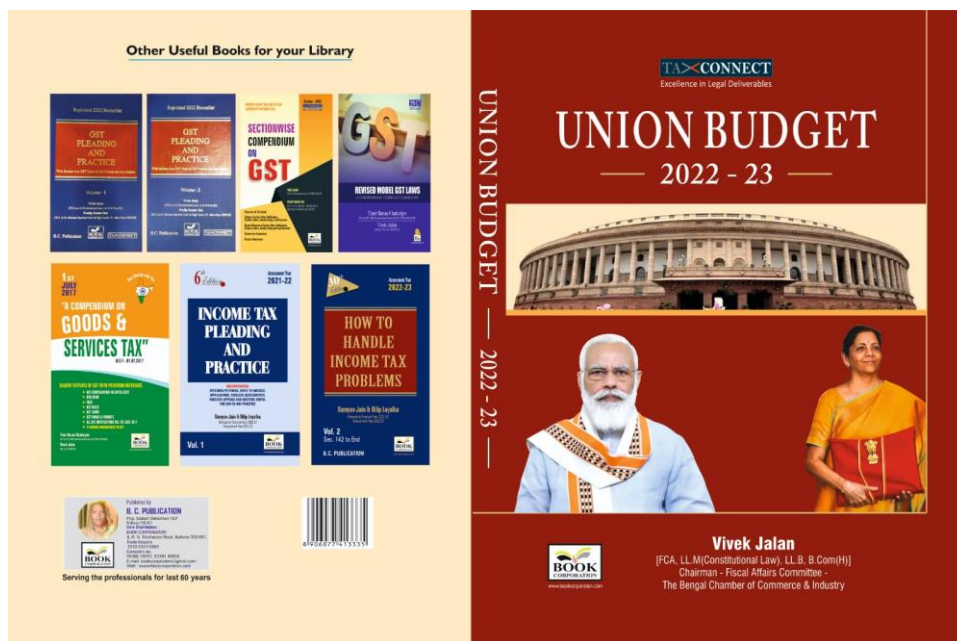
				thereof for R&D purpose notified by the Department of Biotechnology vide OM No. BT/BS/17/635/2015-PID dated 17.01.2020.
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Effect of the Notification: The Import of only '*Drosophila melanogaster*' under ITC (HS) 01069000 is 'Free' subject to IBSC approval, as per the provisions of the '*Revised Simplified Procedures/ Guidelines on Import, Export and Exchange of GE organisms and products thereof for R&D purpose notified*' by the Department of Biotechnology vide OM No. BT/BS/17/635/2015-PID dated 17.01.2020. The import of '*Drosophila melanogaster*' which does not fall under the provisions of aforesaid Revised Simplified Procedures would require an import authorisation from DGFT.

[For further details please refer to the Notification]

:IN STANDS

UNION BUDGET 2022-23



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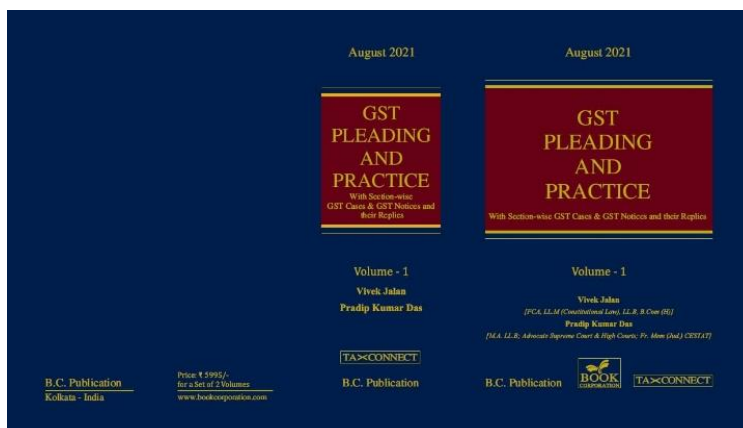
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:IN STANDS

GST PLEADING AND PRACTICE: With Section-wise GST Cases & GST Notices and their Replies



ABOUT THE BOOK: This publication includes:

1. GST Notices and their Replies
2. Orders and Appeals under GST
3. Text of provisions under IGST Act 2017 & CGST Act 2017
4. CGST & IGST Section-wise Synopsis of Case Laws and Notification/Circulars Gist
5. CGST & IGST Section-wise Synopsis of "Question of Law" answered under GST
6. Completely Updated Synopsis of Case Laws under GST by Supreme Court, High Court, AAARs & AARs

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