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EDITORIAL



Friends,

The Government tabled certain amendments to Budget 2022 in the Lok Sabha on 25th March. The budget was originally presented on 1st February 2022. Following public and expert feedback, the Government generally introduces amendments in its budget proposals and these were introduced in the Lok Sabha on 25th March 2022. There are a few amendments that individuals should take note of, from an income tax point of view.

1. Loss return can also be updated

Updated return is a provision introduced in Budget 2022 which allows individuals who may have missed out on declaring some income, to file an updated return within 2 years of the end of an assessment year. For example, if you miss out on declaring some income for FY 2021-22, this translates to AY 2022-23. You can file an updated return till FY 2024-25. The amendments tabled today extended this facility to loss returns as well. A loss return is one in which a net loss is declared and no tax is payable. Updated returns are returns that you can file within 2 years of the end of the assessment year in question. In an updated return, you can include income that may have gotten inadvertently missed out and pay tax and penalty on it. The amended Finance Bill allows individuals who have filed a loss return to also be eligible to fill an updated return provided positive income is declared in the updated return.

2. Time limit for assessments for AY 2020-21 extended

The Government has been gradually reducing the time limit given to the income tax department to complete assessments. Assessments for AY 2020-21 had to be completed within 1 year of the end of the assessment year, which would be 31st March 2022. From AY 2021-22, the time limit had been shortened further to 9 months.

However, in the amendments tabled today, the time limit for completion of assessment proceedings for AY 2020-21 has been extended. Assessments for AY 2020-21 (FY 2019-20) had to be completed by 31st March 2022. The amended finance bill has increased the time limit to 30th September 2022.

3. Crypto losses cannot be set off against crypto gains or other assets

The amendments to the Finance Bill reiterated a reply given by the Government in the Lok Sabha on Monday. In the reply, the government had clarified that losses incurred in 1 cryptocurrency cannot be set off against gains in another. For instance, if you make a ₹100 gain on bitcoin and a ₹70 loss on Ethereum, you have to pay tax on ₹100 and not on your net profit of ₹30. At a 30% slab, this will work out to ₹30 (not including surcharge and cess). Similarly, one cannot set off gains and losses on cryptocurrency against gains and losses in other assets like stocks, mutual funds or real estate. For instance, if you have made gains of ₹100 on cryptocurrency and a loss of ₹40 on bitcoin, the same cannot be adjusted to reduce taxable income.

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
30 th March	Section 194-IA	February, 2022	The deadline for submitting a challan-cum-statement for tax deducted under section 194-IA in February 2022.
30 th March	Section 194-IB	February, 2022	The deadline for submitting a challan-cum-statement for tax deducted under section 194-IB in February 2022.
30 th March	Section 194M	February, 2022	The deadline for submitting a challan-cum-statement for tax deducted under section 194-M in February 2022.
31 st March	FORM-10A	FY 2022-23	Application for registration/provisional registration/intimation /approval /provisional approval of Trusts, institutions, or Research Associations, etc., in Form 10A. (which was required to be filed on or before 30-06-2021)
31 st March	FORM-10AB	FY 2022-23	Application in Form 10AB for conversion of provisional registration to regular registration or renewal of registration /approval after five years of registration /approval of Trust, institution, etc. (which was due on or before February 28,2022).
31 st March	Revised /Belated return	AY 2021-22	All assesses must file a belated/revised return of income for the assessment year 2021-22. (provided assessment has not been completed before March 31, 2021)

INCOME TAX

CIRCULAR

CONDONATION OF DELAY UNDER SECTION 119(2)(B) OF THE INCOME-TAX ACT, 1961 IN FILING OF FORM 10-IC FOR ASSESSMENT YEAR 2020-21

OUR COMMENTS: CBDT vide Circular 6/2022 dated 17th March 2022, stated that Section 115BAA of the Income-tax Act, 1961 (the Act) was inserted by the Taxation Laws (Amendment) Act, 2019 w.e.f. 01.04.2020. As per the Section, the income-tax payable in respect of the total income of a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020. shall, at the option of such person be computed at the rate of twenty-two per cent subject to satisfaction of conditions contained in sub-section(2) of the Section.

1.2 As per sub-section (5) of section 115 BAA of the Act read with Rule 21AE of the Income-tax Rules, 1962 (the Rules), the assessee company is required to submit Form 10-IC electronically on or before the due date of filing of return of income u/s 139(1) of the Act and such option once exercised shall apply to subsequent assessment years.

1.3 Failure to furnish such option in the prescribed form on or before the due date specified u/s 139(1) of the Act results in denial of concessional rate of tax of twenty-two per cent to such person.

2. Representations have been received by the Board stating that Form 10-IC could not be filed along with the return of income for AY 2020-21. which was **the first year of filing of this form**. It has been requested that the delay in filing of Form 10-IC may be condoned.

3. On consideration of the matter, with a view to avoid genuine hardship to the domestic companies in exercising the option u/s 115BAA of the Act, the Central Board of Direct Taxes, in exercise of the powers conferred under section 119(2)(b) of the Act, hereby directs that:

The delay in filing of Form 10-IC as per Rule 21AE of the Rules for the previous year relevant to A.Y 2020-21 is

condoned in cases where the following conditions are satisfied:

- i) The return of income for AY 2020-21 has been filed on or before the due date specified under section 139(1) of the Act;
- ii) The assessee company has opted for taxation u/s 115BAA of the Act in (e) of "Filing Status" in "Part A-GEN" of the Form of Return of Income ITR-6 and
- iii) Form 10-IC is filed electronically on or before 30.06.2022 or 3 months from the end of the month in which this Circular is issued, whichever is later.

[For further details please refer the Circular]

GST

INSTRUCTION

CBIC ISSUES SOP FOR SCRUTINY OF GST RETURNS FOR FY 2017-18 AND 2018-19

Our Comments: The Central Board of Indirect Taxes and Customs (CBIC) has issued a standard operating procedure (SoP) for the scrutiny of GST returns for the financial year 2017-18 and 2018-19. Section 61 of the Central Goods and Services Tax Act, 2017 read with rule 99 of Central Goods and Services Tax Rules, 2017 provides for scrutiny of returns and related particulars furnished by the registered person.

The SoP stated that “till the time a Scrutiny Module for online scrutiny of returns is made available on the CBIC-GST application, as an interim measure, the following Standard Operating Procedure (SOP) is being issued by the Board in order to ensure uniformity in selection/identification of returns for scrutiny, methodology of scrutiny of such returns and other related procedures.”

The SoP stated that the selection of returns for scrutiny is to be based on specific risk parameters. For this purpose, the Directorate General of Analytics and Risk Management (DGARM) has been assigned the task to select the GSTINs registered with Central tax authorities, whose returns are to be scrutinized, and to communicate the same to the field formations from time to time through the DDM portal (to the nodal officer of the Commissionerate concerned) for further action.

Further, scrutiny of returns of a taxpayer may be conducted by Superintendent of Central Tax in-charge of the jurisdictional range of the said taxpayer. The proper officer shall conduct scrutiny of returns pertaining to minimum of 3 GSTINs per month. Scrutiny of returns of

one GSTIN shall mean scrutiny of all returns pertaining to a financial year for which the said GSTIN has been identified for scrutiny as stated by the SoP.

The Proper Officer shall scrutinize the returns and related particulars furnished by the registered person to verify the correctness of the returns. Information available with the proper officer on the system in the form of various returns and statements furnished by the registered person and the data/details made available through various sources like DGARM, ADVAIT, GSTN, E-Way Bill Portal, etc. may be relied upon for this purpose.

[For further details please refer the Instruction]

FEMA

CIRCULAR

EXIM BANK'S GOVERNMENT OF INDIA SUPPORTED LINE OF CREDIT (LoC) OF USD 7.29 MILLION TO THE GOVERNMENT OF COOPERATIVE REPUBLIC OF GUYANA

OUR COMMENTS: Vide Circular No. RBI/2021-2022/181 dated 10th March 2022 it has been clarified that Export-Import Bank of India (Exim Bank) has entered into an agreement dated September 29, 2021 with the Government of Cooperative Republic of Guyana, for making available to the latter, Government of India supported Line of Credit (LoC) of USD 7.29 million (USD Seven Million and Two Hundred Ninety Thousand Only) for the purpose of procuring and installing 30,000 Solar Home Lighting Systems in the Hinterland Communities in Guyana. 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 14, 2022. Under the LoC, the terminal utilization period is 60 months from the scheduled completion date of the project.

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

NOTIFICATION

RATE OF EXCHANGE OF ONE UNIT OF FOREIGN CURRENCY EQUIVALENT TO INDIAN RUPEES AND VICE VERSA

OUR COMMENTS: The Central Board of Indirect Taxes & Customs vide notification 18/2022 Customs (N.T.) dated 17th March 2022 notified the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or vice versa, shall, with effect from 18th March, 2022, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SCHEDULE-I

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	56.85	54.50
2.	Bahraini Dinar	208.15	195.50
3.	Canadian Dollar	61.05	58.95
4.	Chinese Yuan	12.15	11.80
5.	Danish Kroner	11.45	11.10
6.	EURO	85.45	82.40
7.	Hong Kong Dollar	9.90	9.55
8.	Kuwaiti Dinar	258.50	242.20
9.	New Zealand Dollar	53.40	51.05

10.	Norwegian Kroner	8.70	8.40
11.	Pound Sterling	101.70	98.25
12.	Qatari Riyal	21.55	20.10
13.	Saudi Arabian Riyal	20.90	19.65
14.	Singapore Dollar	56.95	55.10
15.	South African Rand	5.25	4.95
16.	Swedish Kroner	8.20	7.90
17.	Swiss Franc	82.50	79.30
18.	Turkish Lira	5.35	5.05
19.	UAE Dirham	21.35	20.05
20.	US Dollar	76.90	75.20

SCHEDULE-II

Sl. No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	65.20	62.90
2.	Korean Won	6.45	6.05

[For further details please refer the Notification]

DGFT

NOTIFICATION

AMENDMENT IN POLICY CONDITION OF SL. NO. 55 & 57, CHAPTER 10 SCHEDULE-2, ITC(HS) EXPORT POLICY, 2018 - EXPORT OF RICE (BASMATI AND NON-BASMATI)

OUR COMMENTS: The Central Government vide notification 61/2015-2020 dated 23rd March 2020, hereby made the following policy conditions that shall be amended to the existing entries of Chapter 10 at Sl. No. 55 and 57:-

Sl. No.	Tariff item HS code	Item Description	Export Policy	Present Policy Condition	Revised Policy Condition
55	1006 2000 10063 0 1006 3010 1006 3090 10064 000	Non-Basmati Rice	Free	Export to EU Member States and European countries namely United Kingdom, Iceland, Liechtenstein, Norway and Switzerland permitted subject to issuance of Certificate of Inspection by Export Inspection Council / Export Inspection Agency'.	Export to EU Member States and European countries namely United Kingdom, Iceland, Liechtenstein, Norway and Switzerland permitted subject to issuance of Certificate of Inspection by Export Inspection Council / Export Inspection Agency'. Certificate of Inspection by Council/ Export Inspections Agency shall be mandatory for export to remaining European countries with effect from 1 st July, 2022.

				effect from 1 st July, 2022.	
57	1006 3020	Basmati Rice (Dehusked (Brown), semi-milled, milled both in either par-boiled or raw condition.	Free	Export to EU Member States and European countries namely Iceland, Liechtenstein, Norway and Switzerland permitted subject to issuance of Certificate of Inspection by Export Inspection Council / Export Inspection Agency.	Export to EU Member States and European countries namely United Kingdom, Iceland, Liechtenstein, Norway and Switzerland permitted subject to issuance of Certificate of Inspection by Export Inspection Council / Export Inspection Agency.

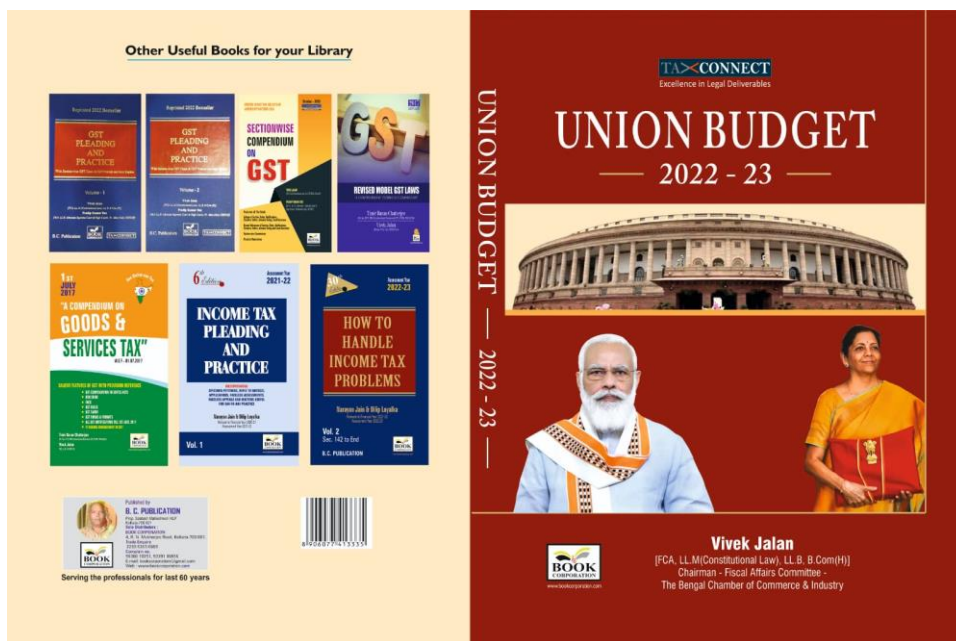
3. Effect of notification:

The is amended to the extent that export of Rice (Basmati and Non-Basmati) to EU member states and other European Countries namely United Kingdom, Iceland, Liechtenstein, Norway and Switzerland only will require Certificate of Inspection from EIA/EIC. Export to remaining European countries (except United Kingdom, Iceland, Liechtenstein, Norway and Switzerland) will require Certificate of Inspection by Export Inspection Council / Export Inspection Agency for export from 1st July, 2022.

[For further details please refer the Notification]

:IN STANDS

UNION BUDGET 2022-23



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4. Finance Bill
5. Memorandum
6. Notes on Clauses

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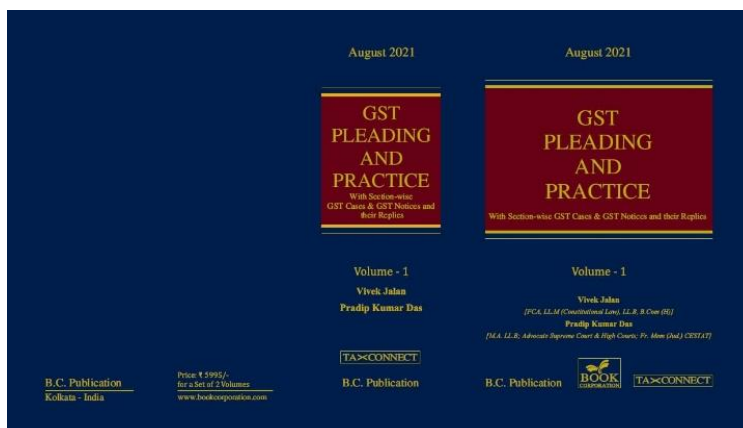
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:IN STANDS

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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