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EDITORIAL



Friends,

Recently, the CBDT and CBIC notified some important changes in the GST and Income Tax Laws. We have discussed the major changes in the edition of our Bulletin. A quick glimpse of the major changes notified are as under.

GST RATE INCREASE ON FLY ASH BRICKS, BLOCKS, BRICKS, TILES, ETC.: Effective from 1st April 2022, the GST rate of FLY ASH BRICKS, BLOCKS, BRICKS has been increased from 5% to 12%. However, the GST Rate would be 6% in case the ITC on manufacturing these items shall be foregone. Also, for the above taxpayers, the threshold limit of registration shall be Rs.20 Lakhs and not Rs.40 Lakhs. Also, the above taxpayers shall not be eligible to avail of composition scheme.

LINKING OF AADHAR WITH PAN: The Income Tax department on 30th March 2022 notified that the taxpayers who had not yet linked their Aadhaar with their Permanent Account Number (PAN) and did not do so by March 31 would be required to pay a penalty after 31st March. The Central Board of Direct Taxes (CBDT) said a late fee of Rs 500 will be levied in cases where the Aadhar is linked within the next three months or by June 30, 2022. A fine of Rs 1,000 will be levied thereafter.

ALL TIME HIGH GROSS GST COLLECTION IN MARCH'2022, BREACHING EARLIER RECORD OF ₹ 1,40,986 CRORE COLLECTED IN THE MONTH OF JANUARY 2022: The gross GST revenue collected in the month of March 2022 is ₹ 1,42,095 crore of which CGST is ₹ 25,830 crore, SGST is ₹ 32,378 crore, IGST is ₹ 74,470 crore (including ₹ 39,131 crore collected on import of goods) and cess is ₹ 9,417 crore (including ₹ 981 crore collected on import of goods). The gross GST collection in March'2022 is all time high

breaching earlier record of ₹ 1,40,986 crore collected in the Month of January 2022.

MCA EXTENDS AUDIT TRAIL DATE TO APRIL 1, 2023 & CSR-2 TO 31.05.2022: MCA has vide notification dated 31.03.2022 extends Implementation of Audit Trail software to financial year commencing on or after the April 1, 2023 and also extended CSR-2 due date till May 31, 2022. It is to be noted that The MCA vide its notification dated 24th March, 2021 had introduced the concept of audit trails by inserting proviso to rule 3(1) of the Companies (Accounts) Rules, 2014. However, the applicability was deferred by 1 year by amending the same vide Companies (Accounts) Second Amendment Rules, 2021. The new date of applicability was 1st April, 2022. Yet again, the MCA has amended the proviso vide Companies (Accounts) Second Amendment Rules, 2022 and has deferred the applicability by 1 more year. Hence the provision of audit trail is now applicable w.e.f. 1st April, 2023. It is to be noted that as per Rule 56 of the CGST Rules 2017 Any entry in registers, accounts and documents shall not be erased, effaced or overwritten, and all incorrect entries, otherwise than those of clerical nature, shall be scored out under attestation and thereafter, the correct entry shall be recorded and where the registers and other documents are maintained electronically, **a log of every entry edited or deleted shall be maintained. Hence, as per GST law, the requirement to maintain audit trail is prescribed from the beginning of GST era.**

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
7 th April	Challan No. ITNS-281	March, 2022	Payment of TDS/TCS deducted /collected in March 2022.

INCOME TAX

NOTIFICATION

FACELESS JURISDICTION OF INCOME-TAX AUTHORITIES SCHEME, 2022

OUR COMMENTS: The Central Government vide notification 15/2022 dated 28th March 2022, hereby notified Faceless Jurisdiction of Income-tax Authorities Scheme, 2022.

The scheme shall come into force with effect from the date of its publication in the Official Gazette.

Definitions.—

(1) In this Scheme, unless the context otherwise requires, —

(a) “**Act**” means the Income-tax Act, 1961 (43 of 1961);

(b) “**automated allocation**” means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial intelligence and machine learning, with a view to optimise the use of resources;

(2) words and expressions used herein and not defined, but defined in the Act, shall have the meaning respectively assigned to them in the Act.

Scope, Powers and Performance of functions of income-tax authorities. —

For the purpose of this Scheme, —

(a) the exercise of all or any or the powers and performance of all or any of the functions conferred on, or, as the case may be, assigned to income-tax authorities, by or under the Act as referred to in section 120 of the Act; or

(b) vesting the jurisdiction with the Assessing Officer as referred to in section 124 of the Act, shall be in a faceless manner, through automated allocation, in accordance with and to the extent provided in—

(i) section 144B of the Act with reference to making faceless assessment of total income or loss of assessee;

(ii) the Faceless Appeal Scheme, 2021 notified under sub-sections (6B) and (6C) of section 250 of the Act with reference to the disposal of appeals;

(iii) the Faceless Penalty Scheme, 2021 notified under sub-sections (2A) and (2B) of section 274 of the Act with reference to imposition of penalty under Chapter XXI of the Act;

(iv) the e-Verification Scheme, 2021 notified under sub-sections (1) and (2) of section 135A of the Act with reference to the calling for of information under section 133 of the Act, collecting certain information under section 133B of the Act, or calling for information by prescribed authority under section 133C of the Act, or exercise of power to inspect register of companies under section 134, or exercise of power of Assessing Officer under section 135 of the Act;

(v) the e-Settlement Scheme, 2021 notified under sub-sections (11) and (12) of section 245D of the Act with reference to the settlement of pending applications by the interim Board;

(vi) the e-advance rulings Scheme, 2022 notified under sub-sections (9) and (10) of section 245R of the Act with reference to dispute resolution for persons or class of persons, as specified by the Board, who may opt for dispute resolution under the Chapter XIX-AA of the Act with reference to dispute arising from any variation in the specified order fulfilling the specified conditions.

[For further details please refer the Notification]

GST

NOTIFICATION

INCREASE IN GST RATE OF FLY ASH BRICKS, BLOCKS, BUILDING BRICKS AND ROOFING TILES

Our Comments: The CBIC has issued following notifications on 31-03-2022 to increase GST rates for Fly Ash Bricks, Blocks, Building Bricks and roofing tiles to 12% with ITC and 6% without ITC from existing rate of 5%.

N. No. & Date	Description
04/2022-Central Tax Dated 31-03-2022	Seeks to amend notification no. 14/2019-Central Tax to implement special composition scheme for Brick Kilns.
03/2022-Central Tax Dated 31-03-2022	Seeks to amend notification no. 10/2019-Central Tax to implement special composition scheme for Brick Kilns.
01/2022-Central Tax (Rate) Dated 31-03-2022	Seeks to amend notification No. 1/2017-Central Tax (Rate) to notify the increased GST Rate. The GST rate in the following Items have been increased from 5% to 12%.
02/2022-Central Tax (Rate) Dated 31-03-2022	Seeks to provide for a concessional rate on intra state supply of bricks conditional to not availing the ITC. The GST Rate would be 6% incase the ITC on manufacturing these items shall be foregone.
01/2022-Integrated Tax (Rate)	Seeks to amend notification No. 1/2017-Integrated Tax (Rate) to notify the increased GST Rate. The

Dated 31-03-2022	GST rate in the following Items have been increased from 5% to 12%.
02/2022-Integrated Tax (Rate) Dated 31-03-2022	Seeks to provide for a concessional rate on inter state supply of bricks conditional to not availing the ITC. The GST Rate would be 6% incase the ITC on manufacturing these items shall be foregone.

These notifications shall be effective from April 1st, 2022.

[For further details please refer the Notification]

FEMA

DISCUSSION

EXTERNAL COMMERCIAL BORROWINGS (ECB) UNDER FEMA

OUR COMMENTS: We will discuss the topics 'External Commercial Borrowings' (ECB) under FEMA'.

External Commercial Borrowings (ECB) form part of debt structure of Balance Sheet of Company and separate regulation Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, is framed by RBI for this. Further, RBI has also issued Master Direction on External Commercial Borrowings, Trade Credits and structured Obligations updated upto August 08, 2019 and complete framework for ECB can be find there. Before raising ECB, it is important the check the activities for which ECB are not allowed. These activities include Real estate activities. Real estate activities means real estate activity involving own or leased property, for buying, selling and renting of commercial and residential properties or land and also includes activities either on a fee or contract basis assigning real estate agents for intermediating in buying, selling, letting or managing real estate.

However, this would not include, (i) construction/development of industrial parks/integrated townships/SEZ (ii) purchase/long term leasing of industrial land as part of new project/modernisation of expansion of existing units and (iii) any activity under 'infrastructure sector' definition. b) Investment in capital market. c) Equity investment. d) Working capital purposes, except as allowed specifically e) General corporate purposes, except as allowed specifically f) Repayment of Rupee loans, except as allowed specifically Report this ad g) On-lending to entities for the above activities, except as allowed specifically Now the next questions arises here is that who can be eligible lender and who can be eligible borrower? So, the eligible lenders are: The primary requirement for eligible lender is that the lender should be resident of Financial Action Task Force (FATF) or The International Organization of Securities Commission (IOSCO) compliant country, including on transfer of ECB.

However, a) Multilateral and Regional Financial Institutions where India is a member country will also be considered as recognized lenders; b) Individuals as lenders can only be permitted if they are foreign equity holders or for subscription to bonds/debentures listed abroad. Foreign equity holders means Report this ad i. direct foreign equity holder with minimum 25% direct equity holding in the borrowing entity, ii. indirect equity holder with minimum indirect equity holding of 51%, or iii. group company with common overseas parent ; and c) Foreign branches / subsidiaries of Indian banks are permitted as recognised lenders only for FCY ECB (except FCCBs and FCEBs). Foreign branches / subsidiaries of Indian banks, subject to applicable prudential norms, can participate as arrangers/underwriters/market-makers/traders for Rupee denominated Bonds issued overseas. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed. Similarly, eligible borrowers can be explained in two parts: Part I: In case of FCY denominated ECB, eligible borrowers include: All entities eligible to receive FDI. Further, the following entities are also eligible to raise ECB: Report this ad i. Port Trusts; ii. Units in SEZ; iii. SIDBI; and iv. EXIM Bank of India. Part II: In case of INR denominated ECB a) All entities eligible to raise FCY ECB; and b) Registered entities engaged in micro-finance activities, viz., registered Not for Profit companies, registered societies/trusts/ cooperatives and Non-Government Organisations.

CUSTOMS

NOTIFICATION

CUSTOMS (ELECTRONIC CASH LEDGER) REGULATIONS, 2022

OUR COMMENTS: The Central Board of Indirect Taxes and Customs (CBIC) notified the Customs (Electronic Cash Ledger) Regulations, 2022 vide Notification No. NOTIFICATION No. 20/2022-CUSTOMS (N.T.) Dated 30th March 2022.

Manner of maintaining Electronic Cash Ledger.- (1) The electronic cash ledger shall be maintained in **FORM ECL-1** on the common portal for each person in regard to every deposit made towards duty, interest, penalty, fee or any other sum payable by the person under the provisions of the Act or under the Customs Tariff Act, 1975 (51 of 1975), or the rules and regulations made thereunder or any duties of customs, including cesses and surcharges levied as duties of customs under any other law for the time being in force, for the purpose of crediting the deposit and for debiting when the amount available in the electronic cash ledger is used for making payment towards duty, interest, penalty, fee or any other amount.

(2) The deposit made in the electronic cash ledger shall not accrue any interest.

(3) A unique identification number shall be generated at the common portal when a credit or debit, as the case may be, is made to the electronic cash ledger.

(4) The unique identification number relating to such debit or credit shall be indicated in the relevant Customs declaration.

(5) Any deposit into the electronic cash ledger shall be made by a person by generating a deposit challan in FORM-ECL-2 on the common portal:

Provided that the deposit challan as so generated in FORM-ECL-2 shall be valid for a period of fifteen days

.(6) The deposit under sub-regulation (5) shall be made through any of the following authorised modes, namely:-

(a) internet banking through an authorised bank;

(b) National Electronic Fund Transfer or Real Time Gross Settlement from any bank;

(c) over the counter payment through an authorised bank:

Provided that the limit of the over the counter payment, in case of a person, shall not exceed ten thousand rupees in a day:

Provided further that the said limit of ten thousand rupees shall not apply to deposit made by the Government Department or where the Jurisdictional Commissioner of Customs authorises a higher amount to be deposited.

Explanation. - For the removal of doubts it is hereby clarified that for making deposit of any amount indicated in the deposit challan, the commission, if any, payable to the bank in respect of such payment shall be borne by the person making such deposit.

(7) Where the deposit is made through an authorised mode other than the internet banking through an authorised bank, a mandate form shall be generated along with the deposit challan on the common portal and the same shall be submitted to the bank from where the deposit is being made:

Provided that the mandate form shall be valid for a period of fifteen days from the date of generation of the deposit challan.

(8) Upon use of an authorised mode to make deposit, on successful credit of the amount to the concerned government account maintained in the authorised bank, a Challan Identification Number shall be generated by the collecting bank and the same shall be indicated in the deposit challan as generated in **FORM ECL-2**.

(9) On receipt of the Challan Identification Number from the collecting bank, the said amount shall be credited to the electronic cash ledger of the person on whose behalf the deposit has been made and the common portal shall make available a receipt to this effect.

CUSTOMS

(10) Where the bank account of the person concerned or the person making the deposit on his behalf, is debited but no Challan Identification Number is generated or such number is generated but not communicated to the common portal, the said person may represent electronically through the common portal to the bank or electronic gateway through which the deposit was initiated.

4. Manner of making payment from the electronic cash ledger .- (1) A person may use the amount available in the electronic cash ledger for making payment towards duty, interest, penalty, fee, or any other sum payable by such person under the provisions of the Act or under the Customs Tariff Act, 1975 (51 of 1975), or the rules and regulations made thereunder ,or any duties of customs, including cesses and surcharges levied as duties of customs under any other law for the time being in force, through payment challan in **FORM ECL-3** generated,-

(i) by the customs automated system in accordance with provisions of the Act, rules or regulations made thereunder; or

(ii) by the person on the basis of his own ascertainment of the amount of duty or sum payable by such person.

(2) The person shall select the payment challan so generated under sub-regulation (1) on the common portal for debit of the amount shown in the payment challan from electronic cash ledger of such person :

Provided that, the amount shown in the payment challan shall be automatically debited from the electronic cash ledger by the customs automated system, –

(a) in the case where consent for auto-debit of specified amount has been provided in the customs declaration by the person; and

(b) The amount available in the electronic cash ledger is sufficient for the payment of the entire amount of the payment challan.

(3) The successful debit under sub-regulation (2), shall be visible on electronic cash ledger and the credit shall be

shown in the Electronic Duty Payment Ledger (Cash) maintained in **FORM ECL-4**.

5. Refund.- (1) The balance in the electronic cash ledger, after payment of duty, interest, penalty, fee or any other amount payable, may be applied for refund by the person on the common portal in **FORM ECL-5**.

(2) Upon receipt of application under sub-regulation (1), the amount applied for from the balance shall no longer be available for use by the person and its refund shall be decided within thirty days from the date of application on the common portal and the amount to be refunded shall thereafter be credited to the bank account of the person registered with customs automated system.

6. Intimation of discrepancy in electronic cash ledger.- A registered person shall, upon noticing any discrepancy in his electronic cash ledger, communicate the same on the common portal.

[For further details please refer the Notification]

DGFT

NOTIFICATION

AMENDMENT IN IMPORT POLICY OF URAD [BEANS OF THE SPP VIGNA MUNGO (L.) HEPPER] (ITC(HS) 0713 3110) AND TUR/PIGEON PEAS (CAJANUS CAJAN) (ITC(HS) 0713 60 00) UNDER ITC (HS) 2022, SCHEDULE - I (IMPORT POLICY)

OUR COMMENTS: The Central Government vide notification no 63/2015-2020 dated 29th March 2022, hereby notified the import Policy of Urad and Tur as under:

ITC (HS) Code	Item Description	Existing Import Policy	Revised Import Policy	Revised Policy Condition
07133110	Urad [Beans of the SPP Vigna mungo (L.) Hepper]	Free	Free	Import is 'Free' up to 31.03.2023
07136000	Tur/ Pigeon Peas (Cajanus Cajan)	Free	Free	Import is 'Free' up to 31.03.2023

Effect of the Notification: The "Free" Import Policy of Urad and Tur shall stand extended up to 31.03.2023.

This issues with the approval of Minister of Commerce & Industry.

[For further details please refer the Notification]

PUBLIC NOTICE

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

The Foreign Trade Policy (FTP) 2015-2020, the Director General of Foreign Trade hereby makes, vide public notice no **53/2015-2020 dated 31st March 2022**, with immediate effect, the following amendments:

In the Handbook of Procedures (HBP), 2015-20:

1. In para 1.01, the phrase 'shall remain in force until 31st March, 2022' is substituted by the phrase 'shall remain in force until 30.09.2022'.

2. In para 3.20 (a), the phrase 'or 31.03.2022, whichever is later' is substituted by the phrase 'or 30.06.2022, whichever is later'.

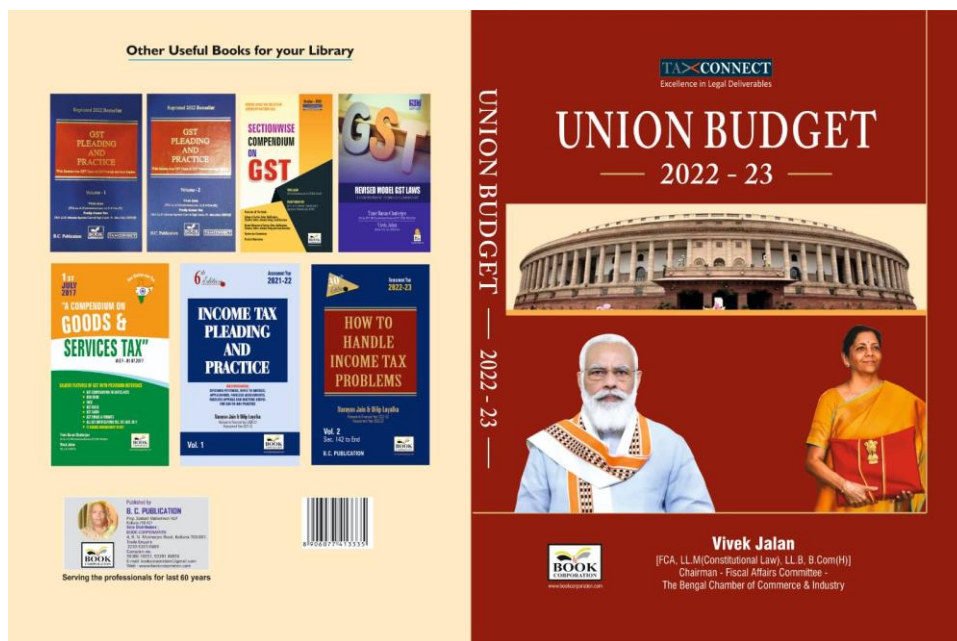
3. In para 4.12(vi), the date '31.03.2022', as appearing in the first Sentence is substituted by '30.09.2022'.

Effect of this Public Notice: Validity of the existing Hand Book of Procedures, 2015-20 is extended upto 30th September, 2022.

[For further details please refer the Public Notice]

:IN STANDS

UNION BUDGET 2022-23



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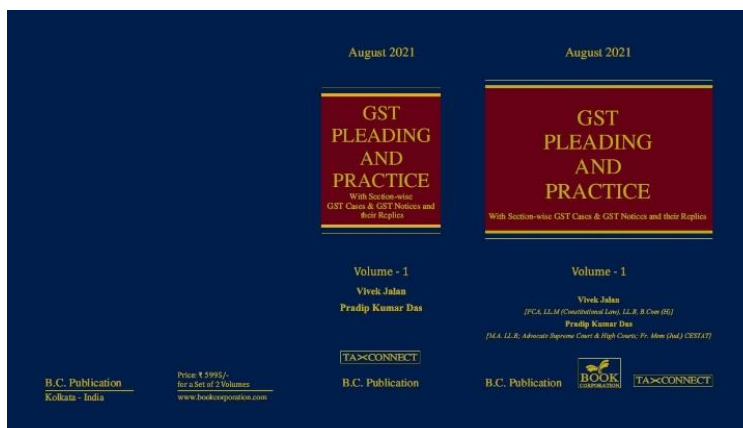
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:IN STANDS

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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