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EDITORIAL



Friends,

The GST Council in its 47th meet in Chandigarh has decided to bring more items under its ambit that may affect the pocket of the common man. The decisions by the GST Council on exemptions and correction of inversion will come into effect from July 18 this year.

Rate Rationalization to remove inverted duty structure:

- **Printing, writing or drawing ink:** The GST rate has been increased from 12% to 18%.
- **Knives:** Knives with cutting blades, Paper knives, Pencil sharpeners and blades therefor, Spoons, forks, ladles, skimmers, cake-servers etc have been placed under the 18% GST slab, up from the 12% slab.
- **Pumps and Machines:** The Power driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps, Bicycle pumps have been increased from 12% to 18%. Machines for cleaning, sorting or grading, seed, grain pulses; Machinery used in milling industry or for the working of cereals etc, pawan chakki that is air-based atta chakki, wet grinder will also attract GST rates of 18% as opposed to 12% earlier.
- **LED Lights, Lamps:** The prices of LED Lights, fixtures, LED Lamps are set to see a price hike as the GST council has recommended a correction in the inverted duty structure from 12% to 18%.

- **Drawing and marking out instruments:** The GST rate have been increased from 12% to 18%.
- **Solar Water Heater and system:** The GST rate has been increased from 5% to 12%.
- **Prepared/ finished leather/chamois leather / composition leathers:** The GST rate has been increased from 5% to 12%.
- **Refund of accumulated ITC not to be allowed on following Edible Oils and Coal.**
- **GST rate on Services supplied by foreman to chit fund has been increased from 12 % to 18%.**
- **GST rate has been increased from 5% to 12% for the services of job work in relation to the followings:**
 - processing of hides, skins and leather
 - manufacture of leather goods and footwear
 - manufacture of clay bricks
- **GST rate has been increased from 5% to 12% for the services of Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof.**
- **GST rate has been increased from 12% to 18% for the services of Works contracts:**
 - for roads, bridges, railways, metro, effluent treatment plant, crematorium etc.
 - supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals etc. & sub-contractor thereof.

GST Rate has been changed for the followings:

- **Orthopedic & Ostomy Appliances:** Splints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the

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body, to compensate for a defect or disability; intraocular lens will now attract a GST rate of 5% as opposed to 12% earlier.

- **Tetra Pak (Aseptic Packaging Paper)** GST rate has been increased from 12% to 18%.
- **Tar** (whether from coal, coal gasification plants, producer Gas plants and Coke Oven Plants is now taxable at 18%.
- **Cut and Polished diamonds** GST rate has been increased from 0.25% to 1.5%.
- **Ropeway Rides:** The GST council has slashed the rates of GST on transport of goods and passengers through ropeways from 18% to 5% with an Input Tax Credit.
- **Goods Carriage Rent:** The GST Council has also slashed GST from 18% to 12% on renting of goods carriage with operators where the cost of fuel is included in the consideration.
- **Petroleum/ Coal bed methane:** GST rate has been changed from 5% to 12%.
- **Scientific and technical instruments:** The GST rate has been changed from 5% to applicable rate if supplied to public funded research institutes.
- **E-waste:** GST rate has been changed from 5% to 18%.

Exemptions from GST on the followings:

- **Medicine:** NIL IGST will be levied on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination Programme.
- **Defence Items:** NIL IGST will be levied on specified defence items imported by private entities/vendors, when end-user is the Defence forces.

Withdrawal of exemptions on the followings:

- **Packaged Food:** The GST panel has accepted the recommendation to bring packed food items under the

GST ambit. Hitherto, GST was exempted on specified food items, grains etc when not branded, or right on the brand has been foregone. It has been recommended to revise the scope of exemption to exclude from it pre packaged and pre-labelled retail pack in terms of Legal Metrology Act, including pre-packed, pre-labelled curd, lassi and butter milk.

- **Bank Cheque Book Issuance:** 18 % GST will be levied on fee charged by banks for the issue of cheques.
- 12% GST will be levied on Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed.
- 18% GST will be levied on Parts of Balloons And Dirigibles, Gliders, Hand Gliders And Other Non-Powered Aircraft falling under heading 8801.
- Transport of passengers by air (other than economy class) to and from NE states & Bagdogra.
- Transportation by rail or a vessel of railway equipment and material
- storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.)
- Fumigation in a warehouse of agricultural produce.
- Services by RBI, IRDA, SEBI, FSSAI,
- Services by GSTN
- Renting of residential dwelling to business entities (registered persons).
- Services provided by the cord blood banks by way of preservation of stem cells.

Other miscellaneous changes:

Hotel Rooms: The GST Council also decided to bring hotel rooms under Rs 1,000 per day under the 12% GST slab.

Bio-medical waste treatment facilities: Like CETPs, common bio-medical waste treatment facilities for

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treatment or disposal of biomedical waste shall be taxed at 12% so as to allow them ITC.

Training or Coaching: Tax exemption on training or coaching in recreational activities relating to arts or culture, or sports is being restricted to such services when supplied by an individual.

Post: All taxable service of Department of Posts would be subject to forward charge. Hitherto certain taxable services of Department of post were taxed on reverse charge basis.

Measures for Trade facilitation:

- Waives **Mandatory Registration For Small Businesses Selling Via E-Commerce:** As a measure of Ease of Doing Business for MSMEs the council recommended to waive the mandatory registration for businesses supplying goods with turnover up to Rs 40 lakh subject to certain conditions.
- Composition taxpayers would be allowed to make intra-State supply through e-commerce operators subject to certain conditions.
- Amendment in formula prescribed in sub-rule (5) of rule 89 of CGST Rules, 2017 for calculation of refund of unutilized Input Tax Credit on account of inverted rated structure
- Amendment in CGST Rules for handling of pending IGST refund claims for some cases where the exporter is identified as risky exporter.
- Re-credit of amount in electronic credit ledger to be provided in those cases where erroneous refund amount sanctioned to a taxpayer on account of accumulated ITC or on account of IGST paid on zero rated supply of goods or services, in contravention of rule 96(10) of the CGST Rules, is deposited by him along with interest and penalty, wherever applicable. A new FORM GST PMT-03A is introduced for the same.

- Provision relating to interest will be payable on the wrongly availed ITC only when the same is utilized will be notified at the earliest.
- Provision relating to transfer of balance in electronic cash ledger of a registered person to electronic cash ledger of CGST and IGST of a distinct person will be notified at the earliest.
- Waiver of late fee for delay in filing FORM GSTR-4 for FY 2021-22 by approximately four more weeks, i.e. till 28.07.2022.
- Extension of due date for filing FORM GST CMP-08 for Q1 of FY 2022-23 from 18.07.2022 to 31.07.2022.
- Exemption from filing annual return in FORM GSTR-9/9A for FY 2021-22 to be provided to taxpayers having AATO upto Rs. 2 crores.
- Explanation 1 after rule 43 of CGST Rules to be amended to provide that there is no requirement of reversal of input tax credit for exempted supply of Duty Credit Scrips by the exporters.
- UPI & IMPS to be provided as an additional mode for payment of Goods and Services Tax to taxpayers under Rule 87(3) of CGST Rules.
- Amendment in CGST Rules to provide for refund of unutilized Input Tax Credit on account of Export of Electricity. This would facilitate the exporters of electricity in claiming refund of utilized ITC on zero rated supplies.
- Supplies from Duty Free Shops (DFS) at international terminal to outgoing international passengers to be treated as exports by DFS and consequential refund benefit to be available to them on such supplies.

Measures for streamlining compliances in GST:

- Provision for automatic revocation of suspension of registration in cases where suspension of registration

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was done by the system under Rule 21A (2A) of CGST Rules, for continuous non-filing of specified number of returns, once all the pending returns are filed on the portal by the taxpayer.

- Proposal for comprehensive changes in FORM GSTR-3B to be placed in public domain for seeking inputs/suggestions of the stakeholders.
- Time period from 01.03.2020 to 28.02.2022 to be excluded from calculation of the limitation period for filing refund claim by an applicant under section 54 and 55 of CGST Act, as well as for issuance of demand/ order (by proper officer) in respect of erroneous refunds under section 73 of CGST Act.
- Further, limitation under section 73 for FY 2017-18 for issuance of order in respect of other demands linked with due date of annual return, to be extended till 30th September, 2023.

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 July	Form 27C	June 2022	Last date of submission of declaration i.e for no TCS u/s 206C(1A) obtained from manufacturer to the Commissioner/Chief Commissioner of Income Tax as the case maybe.
7 th July	Challan Form ITNS 281	April - June 2022	Quarterly payment of TDS for payments u/s 192, 194A, 194D or 194H with the prior approval of the Joint Commissioner
7 th July	Challan Form ITNS 281	June 2022	Monthly payment of TDS on all types of payments (Except in the case where amount is credited in the month of March 31)
7 th July	Challan Form ITNS 281	June 2022	Monthly payment of TCS u/s 206C (other than government assessee)

INCOME TAX

NOTIFICATION

CENTRAL GOVERNMENT SPECIFIES THE SOVEREIGN WEALTH FUND, NAMELY, SEVENTY SECOND INVESTMENT COMPANY LLC

OUR COMMENTS: The Central Board of Direct Taxes (CBDT) vide Notification No. 69/2022 dated 27.6.2022 In exercise of powers conferred by sub-clause (vi) of clause (b) of the Explanation 1 to clause (23FE) of section 10 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the "Act"), the Central Government hereby specifies the sovereign wealth fund, namely, Seventy Second Investment Company LLC (PAN: ABICS2676N), (hereinafter referred to as "the assessee") as the specified person for the purposes of the said clause in respect of the investment made by it in India on or after the date of publication of this notification in the Official Gazette but on or before the 31st day of March, 2024 (hereinafter referred to as "said investments") subject to the fulfilment of the following conditions, namely:-

(i) the assessee shall file return of income, for all the relevant previous years falling within the period beginning from the date in which the said investment has been made and ending on the date on which such investment is liquidated, on or before the due date specified for furnishing the return of income under sub-section (1) of section 139 of the Act;

(ii) the assessee shall get its books of account audited for the previous years referred to in clause (i) by any accountant specified in the Explanation below sub-section (2) of section 288 of the Act and furnish the Audit Report in the format annexed as Annexure to this notification herewith at least one month prior to the due date specified for furnishing the return of income under sub-section (1) of section 139 of the Act;

(iii) the assessee shall furnish a quarterly statement within one month from the end of each quarter electronically in Form II as annexed to Circular No 15 of 2020, dated the 22nd July, 2020 with F.No. 370142/26/2020-TPL, issued by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes (Tax Policy and Legislation Division), in respect of each investment made by it during the said quarter;

(iv) the assessee shall maintain a segmented account of income and expenditure in respect of such investment which qualifies for exemption under clause (23FE) of section 10 of the Act;

(v) the assessee shall continue to be owned and controlled, directly or indirectly, by the Government of Abu Dhabi, and at no point of time should any other person have any ownership or control, directly or indirectly, in the assessee;

(vi) the assessee shall continue to be regulated under the laws of the Government of the United Arab Emirates or the Government of Abu Dhabi or both;

(vii) the earnings of the assessee shall be credited either to the account of the Government of Abu Dhabi or to any other account designated by that Government so that no portion of the earnings inures any benefit to any private person, barring any payment made to creditors or depositors for loan taken or borrowing [as defined in sub-clause (a) of clause (ii) of Explanation 2 to clause (23FE) of section 10 of the Act] made for purposes other than for making investment in India;

(viii) the assessee shall not have any loan or borrowing [as defined in sub-clause (a) of clause (ii) of Explanation 2 to clause (23FE) of section 10 of the Act], directly or indirectly, for the purposes of making investment in India;

(ix) the asset of the assessee shall vest in the Government of Abu Dhabi upon dissolution, barring any payment made to creditors or depositors for loan taken or borrowing for purposes other than for making investment in India; and

(x) the assessee shall not participate in the day-to-day operations of investee (as defined in clause (i) of Explanation 2 to clause (23FE) of section 10 of the Act), but any monitoring mechanism to protect the investment with the investee, including the right to appoint directors or executive director, shall not be considered as participation in the day-to-day operations of the investee.

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2. Violation of any of the conditions as stipulated in clause (23FE) of section 10 of the Act and this notification shall render the assessee ineligible for the tax exemption.

3. This notification shall come into force from the date of its publication in the Official Gazette.

Annexure - Audit Report to be filed by the Sovereign Wealth Fund claiming exemption under of section 10 of the Income-tax Act, 1961 has been provided in the said notification.

[For further details please refer the Notification]

NOTIFICATION

U/S 92C(2) OF IT ACT 1961- COMPUTATION OF ARM'S LENGTH PRICE

OUR COMMENTS: The Central Board of Direct Taxes (CBDT) vide Notification No. 70/2022 dated 28.6.2022 notified that where the variation between the arm's length price determined under section 92C of the said Act and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed one per cent. of the latter in respect of wholesale trading and three per cent. of the latter in all other cases, the price at which the international transaction or specified domestic transaction has actually been undertaken shall be deemed to be the arm's length price for assessment year 2022-2023.

Explanation.- For the purposes of this notification, "wholesale trading" means an international transaction or specified domestic transaction of trading in goods, which fulfils the following conditions, namely:-

(i) purchase cost of finished goods is eighty per cent. or more of the total cost pertaining to such trading activities; and

(ii) average monthly closing inventory of such goods is ten per cent. or less of sales pertaining to such trading activities.

[For further details please refer the Notification]

NOTIFICATION

AMENDMENT IN JURISDICTION OF INCOME TAX AUTHORITIES

OUR COMMENTS: The Central Board of Direct Taxes vide notification no. 71/ 2022 dated 28.06.2022 made the following further amendments in the Notification of the Government of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes No.70/2014 dated the 13th November, 2014, published in Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) vide number S.O. 2915(E) dated the 13th November, 2014 namely:-

In the said Notification, for SCHEDULE-II, the following Schedule shall be substituted, namely:-

"SCHEDULE-II

Sl. No.	Chief Commissioner of Income-tax (Central)	Headquarters	Principal Commissioner/Commissioner of Income-tax (Central)	Headquarters
(1)	(2)	(3)	(4)	(5)
1.	Chief Commissioner of Income-tax (Central), Delhi	Delhi	(i) Principal Commissioner/Commissioner of Income-tax (Central), Delhi -1	Delhi
2.	Chief Commissioner of Income-tax (Central)-2, Delhi	Delhi	(ii) Principal Commissioner/Commissioner of Income-tax (Central), Delhi - 2 (iii) Principal Commissioner/Commissioner of Income-tax (Central), Delhi - 3	Delhi
3.	Chief Commissioner of Income-tax	Mumbai	(iv) Principal Commissioner/Commissioner of Income-tax (Central), Mumbai -1	Mumbai

INCOME TAX

	(Central), Mumbai -1		(v) Principal Commissioner /Commissioner of Income-tax (Central), Mumbai – 2	Mumbai
4.	Chief Commissioner of Income- tax (Central), Mumbai – 2	Mumbai	(vi) Principal Commissioner /Commissioner of Income-tax (Central), Mumbai – 3	Mumbai
			(vii) Principal Commissioner /Commissioner of Income-tax (Central), Mumbai – 4	Mumbai".

2. This notification shall come into force from the date of publication in the Official Gazette.

[For further details please refer the Notification]

NOTIFICATION

DIRECTION MADE BY CBDT TO INCOME-TAX AUTHORITY TO EXERCISE THE POWERS AND PERFORM FUNCTIONS AND ALSO JURISDICTION AS SPECIFIED AMENDED

OUR COMMENTS: The Central Board of Direct Taxes vide notification no. 72/2022 dated 28. 06.2022 hereby made the following amendments in the Notification of the Government of India, Ministry of Finance No. 54/2014, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (ii) vide number S.O. 2756 (E) dated the 22nd October, 2014, namely:-

In the said Notification, in the Schedule,-

(I) in Serial Number 1, in column number (4), for entries (iii) to (ix), the following entry shall be substituted, namely:-

“(iii) Chief Commissioner of Income-tax (International Taxation), Delhi”;

(II) after Serial Number 3 and the entries relating thereto, the following Serial Number and entries shall be inserted, namely:-

Serial No.	Designation of Income-tax Authorities	Headquarters	Jurisdiction
(1)	(2)	(3)	(4)
“4.	Chief Commissioner of Income-tax (International Taxation), Delhi	Delhi	(i) Commissioner of Income Tax (International Taxation)-1, Delhi (ii) Commissioner of Income Tax (International Taxation)-2, Delhi (iii) Commissioner of Income Tax (International Taxation)-3, Delhi (iv) Commissioner of Income Tax (Transfer Pricing)-1, Delhi (v) Commissioner of Income Tax (Transfer Pricing)-2, Delhi (vi) Commissioner of Income Tax (Transfer Pricing)-3, Delhi (vii) Commissioner of Income Tax (International Taxation and Transfer Pricing), Kolkata”.

2. This notification shall come into force from the date of publication in the Official Gazette.

[For further details please refer the Notification]

INCOME TAX

CIRCULAR

ORDER UNDER SECTION 119 OF THE INCOME-TAX ACT, 1961 (THE ACT) IN RELATION TO TAX DEDUCTION AT SOURCE UNDER SECTION 194S OF THE ACT FOR TRANSACTIONS OTHER THAN THOSE TAKING PLACE ON OR THROUGH AN EXCHANGE

OUR COMMENTS: Vide Circular 14/2022 dated 28.06.2022 it was stated that order under section 119 of the Income-tax Act, 1961 (the Act) in relation to tax deduction at source under section 194S of the Act for transactions other than those taking place on or through an Exchange

Finance Act, 2022 inserted a new section 194S in the Act with effect from 1st July 2022. The new section mandates a person, who is responsible for paying to any resident any sum by way of consideration for transfer of a virtual digital asset (VDA), to deduct an amount equal to 1% of such sum as income tax thereon. The tax deduction is required to be made at the time of credit of such sum to the account of the resident or at the time of payment, whichever is earlier.

This deduction is not required to be made in the following cases:-

- (i) the consideration is payable by a specified person and the value or aggregate value of such consideration does not exceed fifty thousand rupees during the financial year; or
- (ii) the consideration is payable by any person other than a specified person and the value or aggregate value of such consideration does not exceed ten thousand rupees during the financial year.

The following are defined as "specified person" for the purposes of this provision:

- (i) An individual or Hindu undivided family (HUF) who does not have any income under the head "profit and gains of business or profession"; and
- (ii) An individual or HUF having income under the head "profits and gains of business or profession", whose total sales/gross receipts/turnover from business carried on by him does not exceed one crore rupee or in case of profession exercised by him does not exceed fifty lakh rupee. This threshold is to be seen in the financial year immediately preceding the financial year in which the VDA is transferred.

Sub-section (6) of section 194S of the Act authorises Central Board of Direct Taxes (CBDT) to issue guidelines, for removal of difficulties, with the approval of the Central Government. Accordingly, in exercise of the power conferred by sub-section (6) of section 194S of the Act, CBDT has issued guidelines in the form of Circular No. 13 of 2022 dated 22.06.2022 for transactions conducted on or through an Exchange. For all other transactions only the clarification provided in answer to question no 6 of that circular is applicable. The term "Exchange" has been defined to mean any person that operates an application or platform for transferring of VDAs, which matches buy and sell trades and executes the same on its application or platform. Same definition applies to this circular.

For all other transactions (not covered by circular no 13/2022), this circular is being issued under section 119 for proper administration of the Act.

1) Liability to deduct tax at source under section 194S of the Act when the consideration is other than in kind

According to section 194S of the Act, any person who is responsible for paying to any resident any sum by way of consideration for transfer of VDA is required to deduct tax. Thus, in a peer to peer (i.e. buyer to seller without going through an Exchange) transaction, the buyer (i.e person paying the consideration) is required to deduct tax under section 194S of the Act. The tax so deducted is required to be deposited with Government in accordance with the time and procedure prescribed in the Act read with the relevant provisions of the Income-tax Rules, 1962.

After deduction, the deductor is required to furnish a quarterly statement (in Form No. 26Q) for all such transactions of the quarter on or before the due date prescribed in the Income-tax Rules, 1962. For specified person Form 26QE has been introduced.

It may be clarified that the TDS shall be on consideration for transfer of VDA less GST.

2) Liability to deduct tax at source under section 194S of the Act when the consideration is in kind or in exchange of VDA

According to the proviso to sub-section (1) of section 194S of the Act, there could be a situation where the consideration is in kind or in exchange of another VDA or partly in kind and cash is not sufficient to meet the TDS liability. In this situation, the person responsible for paying such

INCOME TAX

consideration is required to ensure that tax required to be deducted has been paid in respect of such consideration, before releasing the consideration.

Thus, the buyer will release the consideration in kind after seller provides proof of payment of such tax (e.g. challan details etc.). In a situation where VDA "A" is being exchanged with another VDA "B", both the persons are buyer as well as seller. One is buyer for "A" and seller for "B" and another is buyer for "B" and seller for "A". Thus both need to pay tax with respect to transfer of VDA and show the evidence to other so that VDAs can then be exchanged. This would then be required to be reported in TDS statement along with challan number by both of them. This year Form 26Q has included provisions for reporting such transactions. For specified persons, Form 26QE has been introduced.

3. Interplay between provision of section 194S and section 194Q

Without going into the merit whether VDA is goods or not, it is clarified that once tax is deducted under section 194S of the Act, tax would not be required to be deducted under section 194Q of the Act.

[For further details please refer the Circular]

GST

DISCUSSION

THE KEY TAKEAWAYS FROM THE 47TH GST COUNCIL MEETING

OUR COMMENTS: The 47th GST Council meeting took a host of decisions that will affect everyone. The key outcomes of the meeting and its likely impact on the stakeholders has been discussed in the Editorial section of this issue.

The goods and services tax collection was above ₹1 lakh crore mark for the 11th month running in May, offering a big reprieve to the central government which is in a tight spot due to external and internal headwinds. Rolled out on July 1, 2017, GST had subsumed 17 central and state levies. States now have indirect tax autonomy only on excise revenues which come from fuel and liquor and on stamp duties. And five years on, the GST regime is still evolving.

The 47th GST Council meeting was held in Chandigarh, and it ended on Wednesday afternoon with Union Finance Minister Nirmala Sitharaman addressing the media.

Giving a leg up to the unorganised sector, the Council agreed to waive mandatory registration for small online sellers. From January 1, 2023, online sellers with an annual turnover of Rs 40 lakh or Rs 20 lakh-- in case of small and select states-- will be exempt from mandatory registration under GST. The move is expected to benefit 120,000 small traders. Currently, small offline sellers are exempted from compulsory registration.

While reports suggested that there could be a 28% GST on online gaming, casinos and horse racing, treating them on par with gambling, the council decided to further deliberate on the tax rate and the method of valuation of taxation on such services. *On the rationalisation of tax rates, the council has not taken up the issue and a ministerial panel has been given three months time to submit its report.

Let us now move on to the crucial subject of compensation to states. At the time of implementation of GST, the Centre had decided to compensate the states for any loss of revenue from the new tax for five years. The period ends on June 30. Several states, mostly ruled by opposition, have been demanding extension of GST compensation, citing two years of pandemic. However, the GST Council did not take any call on it. The proposal will likely be taken up again in the next meeting.

Meanwhile, the council has also accepted the recommendation by the group of ministers on correcting the inverted duty structure. A host of items now attract higher GST. For instance, LED lamps, ink, knives, blades, power-driven pumps, and dairy machinery will attract 18% GST, higher than the existing 12%. Further, the GST rate on solar water heaters and finished leather was hiked from 5% to 12%.

The GST council has proposed to withdraw tax exemptions for few items along with rate changes for few others. Exemptions have also been removed on a variety of services including hotels with a rent below Rs 1,000 a day, hospital room rents (excluding ICU) above Rs 5,000 per day and services provided by RBI, Irdai and Sebi. The council also wants all post office services, other than postcards and inland letters, book post and envelopes weighing less than 10 gm, to be taxed. However, goods that are unpacked and unlabelled are still exempt from GST.

The council has also reduced GST on some goods and services. It gave relief to the transport sector as it slashed rates on transport by ropeways and renting of truck/goods carriage where cost of fuel is included.

On whether to bring movement of gold and precious stones under the e-way bill regime, the council has allowed states to decide on the threshold above which e-way bill can be generated. The ministerial panel has recommended a threshold of Rs 2 lakh and above.

The GST council has also decided to set up a ministerial panel to address various concerns raised by the states on the GST appellate tribunal.

FEMA

CASELAW

FOREIGN EXCHANGE REGULATORY APPELLATE BOARD CONFIRMING THE ORDER PASSED BY THE ASSISTANT DIRECTOR IMPOSING PENALTY AND CONFISCATING AS PER SECTION 63 OF THE FOREIGN EXCHANGE REGULATION ACT, 1973

OUR COMMENTS: Foreign Exchange Regulatory Appellate Board confirming the order passed by the Assistant Director imposing penalty and confiscating as per section 63 of the Foreign Exchange Regulation Act, 1973.

JUDGEMENT:- Though the Appellant may be right in insisting on compliance of the order of this Court as it is and it is because of the pendency of the litigation that the Appellant is agreeable for receipt of the amount in Indian rupees, the Appellant cannot be penalized but must be compensated in fair manner.

Accordingly, we direct that the order passed by this Court be complied with by the Enforcement Directorate within a period of eight weeks, with a clarification that the amount of US\$ 1,300 should be converted in Indian rupees as per the rate prevailing as on today i.e. 14 June 2022 and be paid to the Appellant within a period of eight weeks along with interest. We place the responsibility of compliance with this order on the Assistant Director, Enforcement Directorate, the Respondent No.2 and if the order is not complied within a period of eight weeks as above, the Court may take serious view of non-compliance.

As regards the claim of interest is concerned, it is the contention of the Enforcement Directorate that since the Department had offered to return the amount immediately in Indian rupees, interest need not be imposed. The order dated 30 September 2010 stipulates 10% interest.

Department has not followed the procedure under section 42(4) of the Act and has taken unilateral steps. The approach of the Enforcement Directorate is to keep the application pending. In the circumstances, we do not propose to deviate from the rate of interest specified in the order dated 30 September 2010.

In light of the above, though the Appellant may be right in insisting on compliance of the order of this Court as it is and it is because of the pendency of the litigation that the Appellant is agreeable for receipt of the amount in Indian rupees, the Appellant cannot be penalized but must be compensated in fair manner.

9. Accordingly, we direct that the order dated 30 September 2010 passed by this Court be complied with by the Enforcement Directorate within a period of eight weeks, with a clarification that the amount of US\$ 1,300 should be converted in Indian rupees as per the rate prevailing as on today i.e. 14 June 2022 and be paid to the Appellant within a period of eight weeks along with interest. We place the responsibility of compliance with this order on the Assistant Director, Enforcement Directorate, the Respondent No.2 and if the order is not complied within a period of eight weeks as above, the Court may take serious view of noncompliance.

10. As regards the claim of interest is concerned, it is the contention of the Enforcement Directorate that since the Department had offered to return the amount immediately in Indian rupees, interest need not be imposed. The order dated 30 September 2010 stipulates 10% interest. The Department has not followed the procedure under section 42(4) of the Act and has taken unilateral steps. The approach of the Enforcement Directorate is to keep the application pending. In the circumstances, we do not propose to deviate from the rate of interest specified in the order dated 30 September 2010.

11. Civil application is disposed of accordingly.

CUSTOMS

NOTIFICATION

RATE OF EXCHANGE OF ONE UNIT OF FOREIGN CURRENCY (SWISS FRANC) EQUIVALENT TO INDIAN RUPEES

OUR COMMENTS: The Central Board of Indirect Taxes and Customs vide notification no 54/2022 dated 29th June 2022 hereby made the following amendments in the Central Board of Indirect Taxes and Customs Notification No.51/2022-CUSTOMS (N.T.), dated 16th June, 2022 with effect from 30th June, 2022.

In the SCHEDULE-I of the said Notification, for serial No.17 and the entries relating thereto, the following shall be substituted, namely: -

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)
17.	Swiss Franc	84.10	80.95

[For further details please refer the Notification]

NOTIFICATION

RATE OF EXCHANGE OF ONE UNIT OF FOREIGN CURRENCY (TURKISH LIRA) EQUIVALENT TO INDIAN RUPEES

OUR COMMENTS: The Central Board of Indirect Taxes and Customs vide notification no 53/2022 dated 28th June 2022 made the following amendments in the Central Board of Indirect Taxes and Customs Notification No.51/2022-CUSTOMS (N.T.), dated 16th June, 2022 with effect from 29th June, 2022.

In the SCHEDULE-I of the said Notification, for serial No.18 and the entries relating thereto, the following shall be substituted, namely: -

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)
18.	Turkish Lira	4.90	4.60

[For further details please refer the Notification]

DGFT

NOTIFICATION

ENLISTMENT OF PSIA UNDER PARA 2.55 OF HBP 2015-2020

OUR COMMENTS: Vide public notice no. 16 /2015-2020 dated 24th June 2022 the Director General of Foreign Trade hereby includes the following agency in Appendix 2G of Appendices and Aayat Niryat Forms of Foreign Trade Policy, 2015-20 in terms of Para 2.55 (d) of HBP 2015-20 with immediate effect :-

S. No. 1	M/s. Best Consultants Ltd.	Mulyankan	Areas of Operation
Address of Head Office	1 st Floor, Aditya Building, Corner of N.S. Phadke Marg and Telli Galli, Opposite Flyover Apartment, Andheri (East), Mumbai – 400069 Email: valuation@mulyankan.com		UAE, EU, Malaysia, Thailand, Singapore, USA, China, Canada

2. Further, additional areas of operation in case of the agencies provided in the notification are notified.

3. The agency at Sl. No. 1 is recognized for issuance of Pre-Shipment Inspection Certificates as per provisions of Para 2.55(e) of HBP, 2015-20 from the date of issue of this Public Notice. Hence the PSIAs approved shall have validity period of 03 years or till such time to be notified by DGFT, whichever is earlier. Details of approved spectrometers and survey meters for issuance of PSIC by these agencies are annexed.

4. The notified PSIA must ensure to update their membership certificate of MRAI/ISRI/IFIA and their office address and contact details from time to time as required.

5. As per para 2.55 (f) of HBP 2015-20, “ a PSIA can also carry out inspections in countries, where it does not have a full time equipped branch office but which falls within its area of operation, by deputing its Inspectors. However, for such inspections in other countries, the PSIA will be required to give prior intimation to DGFT by sending an email (at psia-travel-dgft@gov.in) and furnishing details of visit / inspection done by the Inspector in PSIC”.

6. The following 03 existing Pre-Shipment Inspection Agencies have been allowed to add additional instruments to their existing instruments as per Annexure of this Public Notice:

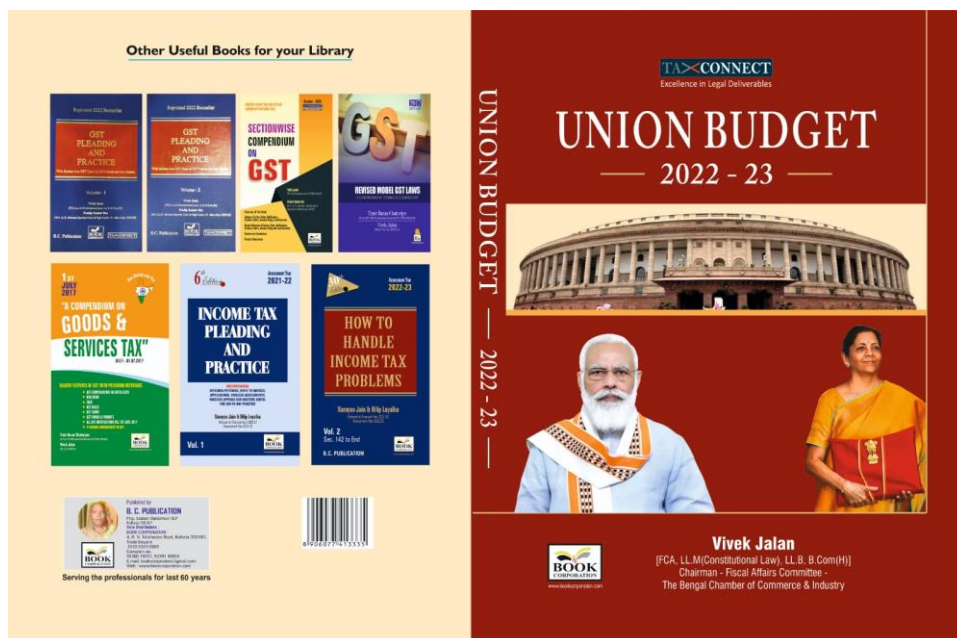
S. No.	Name of PSIA	Validity of PSIA
1	M/s. Mats Forest Pvt Ltd	03.05.2024
2	M/s. Trumetric Global Services Pvt Ltd	27.12.2023
3	M/s. Cerins Co., Ltd.	03.12.2022

Effects of this public notice: 01 Agency is notified as PSIAs alongwith their approved equipments. Additional areas of operation in respect of 02 existing PSIAs and additional instruments in respect of 03 existing PSIAs have also been notified.

[For further details please refer the Public Notice]

:IN STANDS

UNION BUDGET 2022-23



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5. **Memorandum**
6. **Notes on Clauses**

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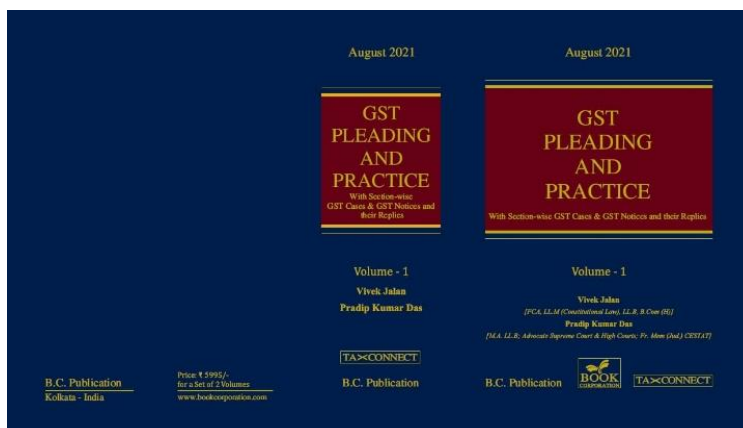
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GST PLEADING AND PRACTICE: With Section-wise GST Cases & GST Notices and their Replies



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6. Completely Updated Synopsis of Case Laws under GST by Supreme Court, High Court, AAARs & AARs

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