

UNION BUDGET 2022- 2023

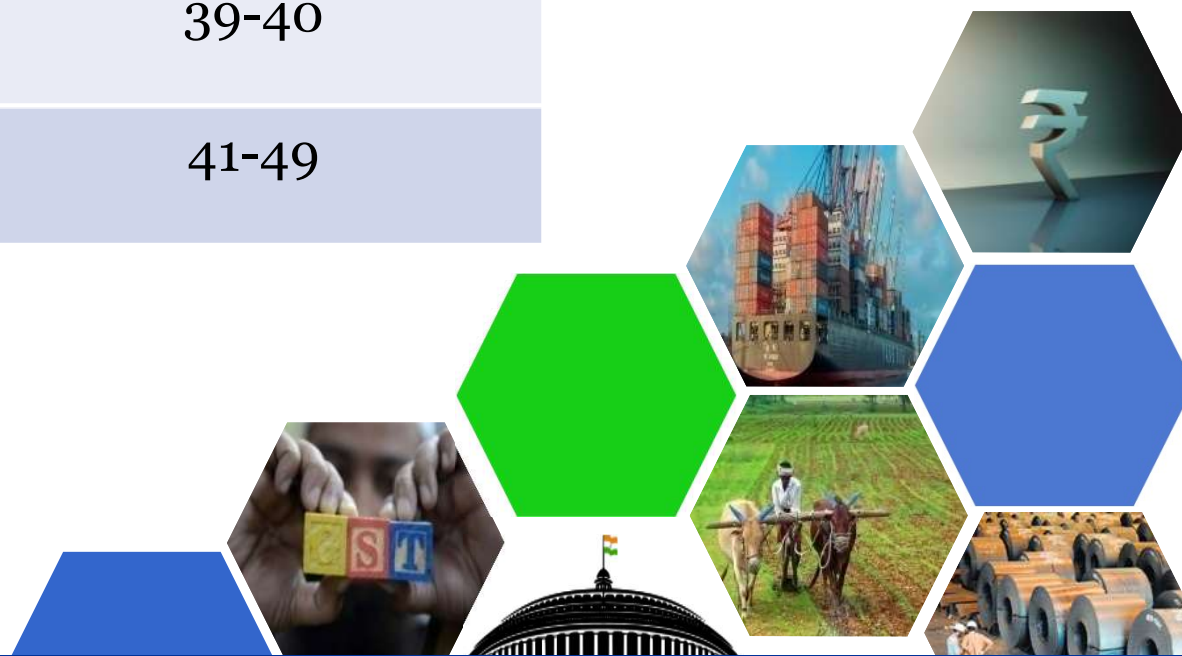


**Indirect
Taxation**



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Customs



Legislative Changes to counter Cannon India



- Recently Supreme Court in the case of Canon India Ltd had specifically hold that that officers from DRI were not the proper officer under Customs Act and hence they were not empowered to reassesse any final assessment carried out under a bill of entry. Accordingly, the Hon'ble Apex Court quashed the Show cause notice issued by DRI without passing any decision on merit.
- On the basis of above decision, series of litigations started in various High Courts across the Country. Although Department has filed a review petition against the Cannon India judgement before the Hon'ble Supreme Court, which is presently sub judice, few High Courts have already dismissed show cause notices issued by DRI based on the Apex Court verdict. At the same time, High Courts of few States as well as Tribunal dealing with such issues have kept the matter on hold till the matter is finalised by the Apex Court.
- An amendment has been proposed under Section 2 clause (34), Section 3 and Section 5 to remove ambiguity arising out of the interpretation of terms "Proper officer" towards inclusion of officers of DRI.
- Interestingly, Clause 96 in the finance bill has been incorporated to validate all the action taken or done under various chapters of the Customs act as it stood prior to this amendment. Such insertion of Clause 96 in the Finance Bill without any reference to Customs provisions, specifies intention of the Government to inter-alia validate all the provisions relating to the dispute under Customs litigation including decision of Cannon India.

Our Comments

- Above proposed amendments in various Customs provisions signifies that there were ambiguity under different provisions in relation to interpretation of term “Proper Officer”. Accordingly, such proposed amendments supports the arguments placed before the Apex Court in case of Cannon India matter.
- However, at the same time such retrospective amendment by insertion of Clause 96 in the Finance Bill empowering law makers to validate all actions taken or done would certainly open flood gates of litigation in days to come.
- It is advisable to understand insertion of Clause 96 in true spirit and intent and based on same necessary rejoinders to be filed at the appropriate forum.

- Section 14 has been proposed to be amended in respect to valuation empowering board to specify additional disclosure requirement to be made by the importer in situations where truthful and accurate value has not been declared based on value trends submitted earlier or similar other criteria.
- Section 110AA has been proposed in the Finance Bill requiring Audit wing investigating any matter of revenue leakage to transfer their findings in writing to the proper officer having originally assessed bills of entry or in case of multiple jurisdiction to an officer to whom the board assigns such matter. We understand that such amendment have been made so that proper officers defined under the Act can only issue demand and similar ambiguity in that of Cannon India is not repeated.
- Section 135AA has been proposed in the Finance Bill prohibiting publication of data in relation to import & export. Any publication action would be punishable with imprisonment for a term which may extend to 6 months or with fine which may extend to INR 50,000 or both. Further such action has been made as a cognizable offence.

- Section 28E has been proposed to be amended under Advance Ruling to remove the explanation of Joint venture in India from the definition of applicants. Further by omitting clause(h) of Section 28E the definitions of Non-residents, Indian Co. and foreign Co. is removed.
- Section 28H has been proposed to be amended in relation to the application for Advance ruling, now the application can be withdrawn at any time before an Advance Ruling is pronounced, as against the current time limit of 30 days from the date of filling application. Further the form, manner and fees is sought to be amended.
- An Amendment has been proposed under Sub-section 7 of Section 28I to omit the words “by the members”.
- Section 28J has been proposed to be amended to retain the validity of an Advance ruling for three years or till there is a change in law or facts.

ADD and CVD on Steel Products Revoked



Considering the high cost of steel, Anti Dumping duty is being permanently revoked, effective from 1st February, 2022 on imports of the following :

Subject Goods/Subject Country	Notification Invoking ADD/CVD
Straight Length Bars and Rods of alloy-steel/ Originating in or exported from PR China	Notification No. 05/2022-Cus (ADD) dated 01/02/2022.
High Speed Steel of Non-Cobalt Grade/ Originating in or exported from Brazil, PR China and Germany.	Notification No. 06/2022-Cus (ADD) dated 01/02/2022.
Flat rolled product of steel, plated or coated with alloy of Aluminium or Zinc Originating in or exported from PR China, Korea RP and Veitnam.	Notification No. 07/2020-Cus (ADD) dated 01/02/2022.
Certain Hot Rolled Stainless Steel Flat Products, originating in or exported from china PR.	Notification No. 01/2020-Cus (CVD) dated 01/02/2022.

The Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (herein after referred to as 'IGCR Rules, 2017') allows importation of notified goods at a concessional rate of duty subject to fulfillment of end use conditions as specified. The entire process prescribed earlier was carried out manually commencing from registration to issuing bond, thereafter obtaining procurement certificate and its submission at the time of processing of bill of entry. Further, on completion of end use, cancellation of bond was a time consuming process.

Amendment has been proposed to introduce **end to end automation** and provide submission of all the necessary details electronically through common portal. Major highlights are as under :

- The importer shall provide one- time information on the common portal in form IGCR-1. on acceptance of information, an Import of Goods at Concessional Rate Identification Number (IIN) shall be generated against such information furnished. The importer who intends to avail benefit of an exemption notification shall submit a continuity bond with such surety or security as deemed appropriate by Customs authority.
- IIN and continuity bond number to be provided at the time of filing the Bill of Entry. Based on such declaration Customs will allow concessional rate of duty. **It clearly means that concept of obtaining procurement certificate each time before consignment arrival has been done away with.**
- On assessment of bill of entry bond value shall automatically gets debited.

- The importer shall maintain an account to clearly indicate the quantity and shall produce the said account as and when required by the Customs authority.
- The importer shall submit a monthly statement in form IGCFR-3 by the tenth day of the following month.
- Procedure for allowing imported goods for job work, unit transfer, re-export or clearance of unutilised or defective goods, depreciation applicable on the imported capital goods, if it is cleared for other purpose has also been automated.

Exemption from Cesses to specified categories



Hitherto exemption from Basic Customs duty was extended to specified categories. The same has been further extended to various kind of cess such as AIDC, Health Cess, RIC :

Notification No.	Description
148/194	Exempts free gifts, goods imported by Indian Red Cross Society, specified goods for the treatment of victims of Bhopal gas disaster, goods for the purpose of relief and rehabilitation, goods gifted under a bilateral agreement
38/96	Exempts specified goods of Bhutanese or Indian origin
104/2010	Exempts specified goods when imported into India from Nepal, from whole of customs duty subject to certain conditions
60/2011	Exempts specified goods from customs duty for sale in Kalaichar and Balat border heats at Indo-Bangladesh border
40/2107	Exemption to imports of specified goods from Bhutan, Bangladesh and china from Customs duty

Agricultural products and By products.

Sr. No	Tariff Heading/Chapter	Description	Previous Rate of BCD (%)	Amended Rate BCD (%)
1.	0306	Live Black tiger shrimp	30	10
2.	03061900	Frozen Krill	30	15
3.	1518	Algal Oil for manufacturing of aquatic feed	30	15

Electrical machinery and equipment and part thereof.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	851821, 851822, 851829	Single or multiple loudspeakers	15	20
2.	851830	Headphones and earphones	15	20
3.	90283010	Smart Meters*	15	25
4.	9028901	Printed Circuit Board Assembly of Smart Meters**	7.5	20

Read with specific conditions mentioned in notification no. 11/2022, 12/2022 and 13/2022-custom.

*Effective rate continue to be 15% till 31.03.22.

**Effective rate continue to be 7.5% till 31.03.22.

Customs Rate Amendments - Effective from 2nd February,22



Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
5.	39209999, 90021100	Camera lens for use in manufacture of Camera Module for Cellular Mobile Phone	10/15	2.5
6.	Specific Chapter	Specified parts for use in manufacture of transformers of chargers/adapters	10/15	5
7.	Chapter 74 or 76	Copper/Aluminium based Copper clad laminate for use in manufacture of PCB/MCPCB	5/7.5	Nil
8.	Chapter 90	Items used in manufacture of X-ray items	5	10
9.	Chapter 90	X-Ray Machines	7.5	10

Gems and Jewellery Industries.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	7117	Imitation Jewellery.	20	20% or Rs. 400/kg., whichever is higher
2.	710221, 71023100	Simply Sawn Natural Diamonds imported under Kimberley Process Certification Scheme (KPCS)	10	Nil
3.	Chapter 71	Cut and Polished Diamonds, Natural Gemstones	7.5	5

Capital Goods.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	73251000	S. G. Ingot Castings used in manufacturing of Plastic Processing Machinery	10	7.5
2.	84834000, 84779000	Ball Screw and Linear Motion Guide	7.5	10
3.	Chapter 84	Bushing	10	7.5
4.	8419	Coffee roasting, brewing or vending machineries for use in the manufacturing or processing of coffee	10	7.5

Solar Energy Sector.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	85414200	Solar Cells*	Nil	25
2.	85414300	Solar Modules*	Nil	40
3.	85414900	Others*	Nil	40
4.	85241100	Liquid crystals	15	Nil

Paper or Paperboard.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	4707	Recovered (waste and scrap) paper or paperboard	Nil	2.5

Molluscs, wheather Live, fresh, Chilled, frozen or dried.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	03073200	Frozen Mussels	30	15
2.	03074320	Frozen Squids	30	15

Lac; natural gums, resins, gum-resins and oleoresins.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rates BCD(%)
1.	13019013	Asafoetida.	20	5

Medical or Surgical Instruments.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	90183210	Surgical needles imported for manufacture of Surgical sutures	5	Nil

Toys, games and sports requisites.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	9503	Parts of electronic toys for manufacture of electronic toys.	15	25

Alcohols and their halogenated, Sulphonated, nitrated or nitrosated Derivatives.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	29051100	Methyl alcohol	5	2.5
2.	29152100	Acetic acid	7.5	5

Cocoa and cocoa preparations.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	18010000	Cocoa Beans, whole or broken, raw or roasted.	30	15

Fuels, Chemicals and Plastics.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	271019	Fuel oil and other oil	5	5
2.	28371100	Sodium cyanide	7.5	10
3.	2701, 2702, 2703	Coal, Lignite, Peat	1	5

Metals

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	7204	Iron and steel scrap*	Nil	Nil

*Exemption is being extended up to 31.03.2023.

Animal or Vegetable Fats and their Cleavage Products Industries.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	15163000	Microbial fats and oils and their fractions	30	100

MSME Sector.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	6601	Umbrellas	10	20

Aluminium/ Copper based Copper Clad Laminates.

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	Chapter 39, 74, 75, 76	Aluminium/ Copper based Copper Clad Laminates used in manufacturing of PCBs/ MCPCBs	5	NIL

Other Specified electronic goods as included in the specified notification **other than Chapters mentioned above has been exempted till 31st March, 2024.

Machineries For Textile Sector

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	Chapter - 84	synthetic fiber or yarn industry	5	7.5/10/15*
2.	Chapter - 84	Goods use in textile industry	5	7.5/10/15*
3.	Chapter - 84	Machinery or equipment use in handloom sector	Nil	7.5/10/15*
4.	Chapter - 84	Machineries such as Knitting, weaving machines	5	7.5/10/15*

Machineries For Textile Sector

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	Chapter – 84	Other remaining entries except mentioned above	5	7.5/10/15*
2.	Chapter – 84	Machinery for use in the silk textile industry	0/5	7.5/10/15*
3.	Chapter – 84	Shuttle less looms and parts for their manufacture for use in the textile industry	Nil	7.5/10/15*
4.	Chapter - 84	Other remaining entries falling under tariff headings 8444, 8445, 8446, 8447, 8448 or 8449	5	7.5/10/15*

Machineries for Petroleum Sector

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	Chapter – 84 or any other chapter	Goods required for setting up crude petroleum refinery	5	7.5/10/15*
2.	Chapter – 84 or any other chapter	Kits required for the conversion of motor-spirit or diesel driven vehicles into Compressed Natural Gas driven or Propane driven or Liquefied Petroleum Gas driven vehicles	5	7.5/10/15*

Machineries for Petroleum Sector

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	Chapter – 84 or any other chapter	Raw materials for manufacture of goods for off- shore oil exploration or exploitation	Nil	7.5/10/15*
2.	Chapter – 84 or any other chapter	Other	5	7.5/10/15*

Machineries for Leather Sector

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	Chapter – 84 or any other chapter	Machinery or equipment for effluent treatment plant for leather industry	Nil	7.5/10/15*

Machineries for Leather Sector

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	Chapter 84, 85 & 90	Goods specified in List 27, designed for use in the leather industry or the footwear industry	5	7.5/10/15*

Machinery for Food Packing Sector

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	84223000, 84224000 , 84229090	Machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers	5	7.5/10/15**
2.	8438	Machinery for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable fats or oils	5	7.5/10/15**

* Different Rates of BCD depending on item of machineries for Leather sector have been specified

** Different Rates of BCD depending on item of machineries for Food Packing sector have been specified

Notification No. 2/2022 - Customs, dated 1st February, 2022

Machineries for Power Sector

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	Chapter 84 or any other chapter	Goods specifically required for use in high voltage power transmission project	5	7.5/10/15*
2.	Chapter 84 or any other chapter	Wind operated electricity generators upto 30kw	5	7.5/10/15*
3.	Chapter 84 or any other chapter	All goods imported by a manufacturer-supplier for mfg and supply of machinery and equipment to a power generation plant	5	7.5/10/15*

Machineries for Power Sector

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	Chapter 84 or any other chapter	High Voltage DC Divider and CT, Optical current transformer	5	7.5/10/15
2.	Chapter 84 or any other chapter	Remaining Parts of Wind operated electricity generator(WOEG)	5	7.5/10/15
3.	Chapter 84 or any other chapter	Permanent magnets for manufacture of PM synchronous generators above 500KW	5	7.5/10/15
4.	Chapter 84 or any other chapter	All goods for renovation or modernization of a power generation plan	5	7.5/10/15

Concessional BCD rates extended to project imports are being eliminated gradually in manner explained in slide 36. For ease of reference following table specify rate changes for various projects

Power Project:

Sr. No	Tariff Heading/Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	9801	Mega Power project specified in List 31	NIL	7.5
2.	9801	Mega Power project-500 MW	2.5	7.5
3.	9801	Nuclear Power Project- 440MW	NIL	7.5
4	9801	Power Generation Project including gas turbine power project	5	7.5
5	9801	Barge mounted power plants	5	7.5
6	9801	Power transmission, sub-transmission or distribution project	5	7.5

Coal Project:

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	9801	Coal mining projects	Nil	7.5

Gas Project:

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	9801	Project for LNG Re-gasification Plant	5	7.5
2	9801	Liquefied natural gas (LNG) facility project	NIL	7.5

Iron Ore Project:

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	9801	Iron ore pellet plants/projects and iron ore beneficiation plants/ projects	2.5	7.5

Water Supply Project:

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	9801	Drinking Water Supply Projects for supply of water for human or animal Consumption	NIL	7.5

Other Projects:

Sr. No	Tariff Heading/ Chapter	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	9801	All goods	5	7.5
2.	9801	All items of equipment for National Automotive Testing and Research and Development Infrastructure Project (NATRIP)	NIL	7.5
3.	9801	Goods required for installation of mechanized handling systems and pallet racking systems in 'mandis' and warehouses for food grains, sugar and horticultural produce	5	7.5
4	9801	Aerial passenger ropeway project	5	7.5

- New projects registered after 30th September 2022 under project imports will attract 7.5% BCD rate.
- Projects registered till 30th September 2022 under project imports will continue to get lower rates of duty till 30th September 2023.
- With effect from 30th September 2023, all projects registered under project imports will attract 7.5% BCD rate.

Customs Rate Amendments – Export Duty



Sr. No	Tariff Heading	Description	Previous Rate of BCD(%)	Amended Rate BCD(%)
1.	4101	Raw hides and skins of buffalo	40	30

Applicability of Social Welfare Surcharge

Clarification had been issued by CBIC vide a specific circular* that creates dilemma for the importers claiming exemption from Social Welfare Surcharge (SWS) on import where BCD itself is exempt. Further, CBIC has issued another circular** and clarifying that SWS is levied and collected, as a duty of customs, and applies at the rate of 10% of aggregate of customs duties payable on import of goods and not on the value of imported goods. Hence, SWS payable would be 'Nil' in cases where the aggregate of customs duties is zero even though SWS has not been exempted. The above-mentioned updates have been came into force via specific notification*** issued in respect of the public interest.

Certain obsolete notifications whose validity had expired or become rescinded, having no implication have been deleted vide notification no. 04/2022 –Customs and 5/2022-Customs both dated 01.02.2022

* Circular No. 02/2020 –Custom dated 10 January, 2020

** Circular No. 03/2022 –Custom dated 1 February, 2022

*** Notification No. 03/2022 dated 1 February, 2022

Central Excise



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 new standard have been specified. Accordingly, necessary tariff changes as per table below have also been provided. Further, 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 levied¹

Chapter Heading	Description	Unit	Rate of Duty
2710 12	Light oils and preparations	Kg.	14% + Rs. 15per litre
2710 12 41	Motor Gasoline Confirming to standard IS 2796, IS 17021, IS 17586 or IS 17076	Kg.	14% + Rs. 15per litre
2710 12 42	E 20 fuel blends conforming to the new BIS Specification IS 17021	Kg.	14% + Rs. 15per litre
2710 12 43	E 12 fuel blends conforming to the new BIS Specification IS 17586	Kg.	14% + Rs. 15per litre
2710 12 44	E 15 fuel blends conforming to the new BIS Specification IS 17586	Kg.	14% + Rs. 15per litre
2710 12 49	M 15 fuel blends conforming to the new BIS Specification IS 17076	Kg.	14% + Rs. 15per litre

1. Effect from 1st October 2022

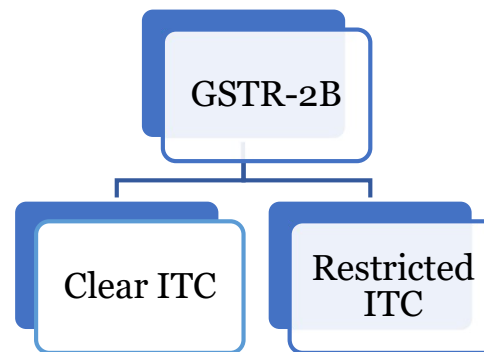
GST



ITC under automated route with restrictions



- A new¹ condition has been inserted in the GST laws for claiming input tax credit only of those invoices **which are reflected in the GSTR-2B**.
- Amendment in Section 38 has been proposed to categorise credits, which are even though reflected in GSTR 2B but are restrictive in nature and hence recipient shall not be able to enjoy the same as credit.



- Amendment in Section 41 has been proposed requiring recipient to reserve input tax credit along with interest if tax has not been deposited by the supplier. The recipient shall be able to re-claim the said credit when supplier makes the payment towards such supply.
- Such drastic amendment would lead to company investing in a separate department for Vendor management or take clear credits reflected in GSTR 2B having direct impact on working capital.
- The concept of mismatching, reversal and reclaim of output tax liability or input tax credit has been omitted in the CGST Act.

1. Section 16(2)(ba) of the Central Goods and Service Act, 2017, changes proposed will be effective from the date president gives assent to Finance Bill

Restriction imposed on claiming ITC ¹



With the proposed changes, the reflection of ITC in GSTR-2B shall be automated on the basis of details uploaded by the supplier in GSTR-1.

Moreover in the following cases, the recipient will not be able to claim credit **even if the same is auto-populated in GSTR 2B :**

- Supplier not reflecting supplies **within such period of taking registration** as may be prescribed
- Supplier has **defaulted in payment of tax** for prescribed period.
- Output tax payable as per statement of outward supplies ('Form GSTR-1') exceeds the amount of tax actually paid by prescribed limits;
- Supplier has **availed input tax credit in excess of credit to be availed**, by such limits as prescribed;
- Supplier has **defaulted in discharging his tax liability through cash ledger as may be prescribed** for specified class of person²

1. Section 38 of the Central Goods and Service Act, 2017, changes proposed will be effective from the date president gives assent to Finance Bill

Restriction of utilisation of Input Tax Credit



- A new¹ clause has been proposed to be inserted in the Act to provide condition and restriction for payment of output liability through Electronic credit ledger.
- Relevant Notification shall be issued post enactment of said provisions restricting utilisation of Input Tax Credit towards payment of output tax liability.
- In our view such amendment will have far reaching impact in sectors already suffering from blockage of input tax credit on account of inverted duty structure.
- It is also advisable that a legal opinion and action may be sought to challenge such provisions before appropriate forum on the ground that such amendments are directly impacting seamless credit, which was the main objective for transition into GST laws from earlier multiple indirect tax regime.

Cancellation or Suspension of Registration¹



Section 29 of the CGST Act deals with situations wherein GST registration may be cancelled by the officer on own motion on account of non filing of return by the taxpayer.

Particulars	Normal taxpayer	Composition taxpayer
Before Amendment	Registration can be cancelled if taxpayer has not filed return for 6 consecutive tax period.	Registration can be cancelled if composition taxpayer has not filed return for 3 consecutive tax periods.
After Amendment	Registration shall be liable to be cancelled if taxpayer has not filed return for continuous tax period as may be prescribed.	Registration shall be liable to be cancelled if annual return is not filed within 3 months from due date of filing return.

1. Section 29(2) of the Central Goods and Service Act, 2017, changes proposed will be effective from the date president gives assent to Finance Bill

Furnishing of Outward supply¹



- Time-limit for rectification of error in respect of details of outward supplies has been extended to November 30 of the subsequent financial year.
- Return of outward supply in GSTR 1 for a particular period was allowed irrespective of the fact whether previous period GSTR 1 has been filed or not. With proposed amendment GSTR-1 of previous period needs to be filed for filing the current GSTR-1.
- Electronically the amended was incorporated in the portal. However the enactment in the GST Act has accordingly been proposed. Powers have been entrusted with the GST Council to allow relaxation in deserving cases.

1. Section 37 of the Central Goods and Service Act, 2017, changes proposed will be effective from the date president gives assent to Finance Bill

Amendment in relation to Refund Application

- **Time-limit for filing refund application for United Global organization** or Multilateral Financial Institution and organization has been aligned to 2 years from the last day of the quarter for refund cases applicable to all the category of tax payers. Earlier, such time limit was Six months from the last day of quarter.
- **Power for withholding refund** was provided in case return are not filed or payment of tax, interest & penalty has not been made. Such powers to withhold refunds were extended to a) refund of unutilised input tax credits, b) refunds on zero rated supply, c) refund under inverted rate structure. It has been proposed to extend similar restrictions to refund of electronic cash ledger.
- Hitherto **time Limit for making refund application for supplies made to SEZ developer or a SEZ unit was not specified.** It has been proposed that 2 years time line for such refund shall apply from due date of return in which such supplies were made to SEZ unit or SEZ developer.
- For Electronic Cash ledger refund specific form may be prescribed.

Extension of Time Limit for taking credit



- Time limit for claiming input tax credit in respect of invoices or debit note has been proposed to 30th November of the subsequent Financial Year. Earlier such time line was 20th October of subsequent Financial Year.
- Similarly the due date for issuance of credit note has been extended to 30th November of subsequent Financial Year.
- Similarly the time limit for rectification of error in return has been also extended till 30th November of subsequent Financial Year.
- Similarly, rectification of error in TDS return has also been extended till 30th November of subsequent Financial Year.
- Above time lines have been extended to align the same with statutory timelines for books closure and finalization

1. Section 16(4) of the Central Goods and Service Act, 2017, changes proposed will be effective from the date president gives assent to Finance Bill
2. Section 34 of the Central Goods and Service Act, 2017, changes proposed will be effective from the date president gives assent to Finance Bill

- GST was initially introduced with the concept of GSTR 1, GSTR 2 & GSTR 3. to have seamless flow of input tax credit. However, the same was implemented in modified form by way of filing of GSTR 1 and GSTR 3B. Omission of few provisions under GST Act has been proposed becoming redundant for non implementation of GSTR 1, GSTR 2 and GSTR 3.
- An amendment has been proposed to levy interest at the rate of 18% p.a. only on input tax which has been wrongly availed and utilized. Henceforth no interest would be levied on wrong availment of input tax credit which is not utilized. The said amendments have been proposed to have retrospective implications effective from 1st July'2017.
- It was proposed in 45th council meeting to provide a facility for transfer of IGST and CGST amount available in electronic cash ledger in same PAN of a distinct person. However, such transfer shall not be allowed if the taxpayer has any unpaid liability. Necessary enactment in this regard has been proposed in the Finance Bill.
- Unintended waste generated during the production of fish meal except fish oil has been retrospectively exempted from 1.07.2017 to 30.09.2019.
- Providing the grant of alcoholic liquor licence is treated as neither a supply of goods nor a supply of service. Changes have been proposed to provide retrospective amendment effective from 1st July'2017.

Founder Member



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Career History:

Twenty years of experience in Indirect Tax practice. Before moving to BT was heading eastern India Indirect Tax Practice of Ernst & Young from Kolkata office.

Education: Chartered Accountant

Specialty Areas:

Structuring & Planning under Indirect Tax including foreign trade Policy; Litigation at various levels till Tribunal & Planning under SEZ & EOU Schemes.

- Advisory services with regards to applicability of the taxes & duties as well as procedural compliance such as registration, assessments, to name a few.
- Review of contract and agreement to help mitigate the overall incidence of taxes & duties.
- Contributed thought leadership on technical papers as member of Indirect Tax committee at various chambers of commerce.
- Prolific speaker at various institutes, chambers, public gatherings.
- Conducting health checks in order to determine tax implications on client operations, gauge compliance with legal provisions and suggest tax planning opportunities.
- Advisory services relating to various aspects of GST, Customs, Central Excise & Service Tax Law and applicable regulations - covering rates of duties, exemptions, valuation planning, classification assistance and assessments.
- Assisting clients on the policies and procedures set down under the Foreign Trade Policy.
- Providing the right guidance to enable clients to make the most of duties & taxes by setting up of EOU/SEZ.

Clientele



And helping many more.....

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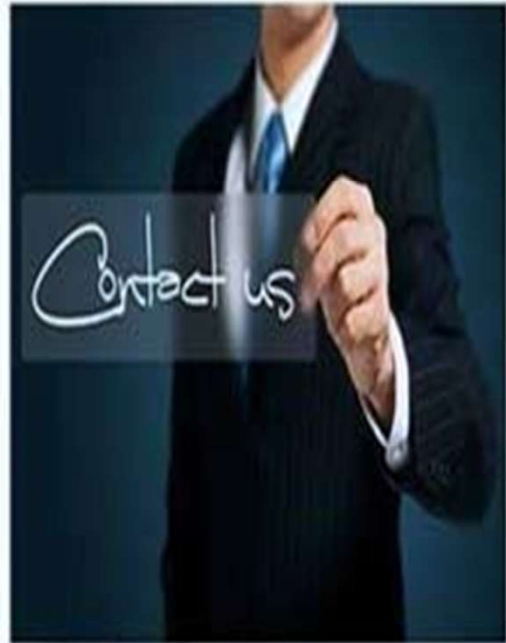


HELPING CLIENTS KEEP MORE OF WHAT THEY EARN

Thanking You.



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