



A2Z TAXCORP LLP
Tax and Law Practitioners

Weekly GST Communique

October
2022
Week 2



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Recorded GST Course: Scrutiny Notices, Assessment, Audit, Inspection, Search, Seizure & Arrest under GST (September, 2022)

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Assessment, Audit,
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Under GST**



By
CA Bimal Jain
(GST Expert)



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GST

Important Judgments, Rulings of the week



GST Returns can be filed for the period prior to cancellation of GST registration

The Hon'ble Madras High Court in ***M. Mallika Mahal v. The Commissioner of Central GST and Central Excise [WP.Nos.10663 of 2022 dated August 17, 2022]*** held that the assessee should be permitted to file GST returns for the period before the cancellation of GST Registration and make payment of tax dues along with interest. Also, the Court directed the assessing authority to instruct GSTN to make necessary changes in the portal to facilitate these changes.

For complete case summary [Click Here](#)

Concerned authority should provide information under RTI even if the information is available in the public domain

The Hon'ble Central Information Commission in ***Anil Khanna Vs CPIO [CIC/DGSTCX/A/2021/129351 dated September 19, 2022]*** directed the Center Public Information Officers ("CPIO") to provide an extract of a copy of relevant rules or notifications pertaining to 'consideration' which will suffice the information sought by the assessee regarding percentage on the amount received as an incentive which needs to be payable to GST Department (Delhi) by him towards GST Tax. Therefore, concluded that the CPIO must provide the information free of cost to the assessee within 15 days from the date of receipt of this order under due intimation to the Central Commission ("CIC").

For complete case summary [Click Here](#)



CESTAT: Demand of duty of Rs. 163 Crore based on assumptions is not permissible

The CESTAT, Delhi in *M/s Miraj Products Pvt. Ltd. V. Commissioner, Central Goods & Service Tax [Final Order Nos. 50804 – 50805/2022 dated September 02, 2022]* held that the assessing authority has not found any undeclared machines in the manufacturing premises or factory of the assessee and duty has been demanded based on assumptions and presumption, which is not permissible under the scheme of compounded levy on the product manufactured by the assessee. Therefore, the appeals filed by the assessee were allowed by the CESTAT.

For complete case summary [Click Here](#)

SC: Liability to pay customs duty invocable when DEPB license is fake/forged

The Hon'ble Supreme Court of India in *Munjal Showa Ltd. v. Commissioner of Customs and Central Excise [Civil Appeal Nos. 2576 of 2010 AND 5608 of 2011 dated September 23, 2022]* dismissed both the appeals filed by the assessee and directed the adjudicating authority to complete the penalty proceedings on remand, at the earliest preferably within a period of six months from the date of this judgment as the penalty proceedings were reported to be pending pursuant to the remand order passed by the CESTAT.

For complete case summary [Click Here](#)

Tax concession disputes are not subject to arbitration: Supreme Court

The Hon'ble Supreme Court in the matter of *M/s Shree Enterprise Coal Sales Pvt Ltd v. Union of India & Anr [Civil Appeal No 6539 of 2022 dated September 12, 2022]* overruled the Allahabad High Court judgment and ordered to remand the proceedings back to the High Court for consideration on merits. The Hon'ble Supreme Court also observed that the High Court was in error while dismissing the writ petition filed by the assessee.

For complete case summary [Click Here](#)

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Important Notifications, Circulars of the week



Declarant eligible to avail the benefit of waiver of interest under SVLDRS if taxes paid in full

Background:

Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (“**SVLDRS**”) is an Amnesty-cum-Dispute Settlement Scheme, which provide one time opportunity to tax-payers to settle the tax dispute and avail tax relief. The major issue that whether the cases where total tax dues have been paid are eligible under the scheme for waiver of interest was raised in ***M/s Sigma Construction Co. v. UOI & Ors (W.P No. 16411/2021 dated August 08, 2022)*** wherein the Hon’ble High Court, Madhya Pradesh directed CBIC to issue a clarificatory instruction so that the ambiguity can be removed.

Clarification:

The CBIC vide ***Instruction F. No. CBIC 110267/75/2022-CX-VIII SECTION CBEC dated October 06, 2022*** clarified the issue by referring to clause (iii) of para 2 of the *Circular 1073/06/2019-CX dated October 29, 2019*, where it is already been clarified that in cases where the assessee has filed ST-3 return on or before June 30, 2019 and has paid the tax dues in full before filing the application, the declarant is eligible to avail the benefit of the scheme for waiver of interest. This shall also include the cases where the interest has been demanded by an SCN/OIO.

For complete Instruction [Click Here](#)



MNRE clarifies that the increase in GST on renewable energy devices, as well as the levy of BCD on cells and modules, will be treated as a change in law

The Ministry of New & Renewable Energy (MNRE) has issued Circular vide **F. No. 283/3/2018-GRID SOLAR-PART(4) dated September 27, 2022** clarified that the increase in rate of GST on renewable energy devices from 5% to 12% w.e.f October 1, 2021 and imposition of Basic Customs Duty (“BCD”) on cells at 25% and modules at 40% w.e.f. April 1, 2022 would be treated as Change in Law.

With effect from April 1, 2022, a Basic Customs Duty (BCD) @ 25% has been imposed on import of solar PV cells (HS Code: 85414200) and a Basic Customs Duty @ 40% has been imposed on import of solar PV modules (HS Code: 85414300).

Further, as per Notification No. 8/2021 dated September 30, 2021, the GST rate for specified renewable energy devices and parts for their manufacture have increased from 5% to 12%.

The Renewable Energy (RE) Developers have represented to MNRE for treating the above two events as 'Change-in-Law'.

The matter has been examined in MNRE and MNRE's Renewable Energy Implementing Agencies (SECI/ NTPC Ltd./ NHPC Ltd.) are hereby requested that:

a) BCD imposition as Change-in-Law: W.r.t. solar PV / solar PV-wind hybrid power projects, wherein the last date of bid submission was on or before the announcement on March 9, 2021, regarding imposition of Basic Customs Duty (BCD) on import of solar PV cells and modules with effect from April 1, 2022, and wherein the Scheduled Commissioning Date (SCD), including time extensions granted, if any, was on or after April 1, 2022, REIAS may consider imposition of BCD on import of solar PV cells and modules with effect from April 1, 2022 under 'Change-in-Law' unless the same is disallowed by specific provisions in the tender documents/ contracts.

b) Hike in GST rate as Change-in-Law: W.r.t. RE power projects, wherein the last date of bid submission was on or before September 30, 2021, i.e. on or before Top of Form the issuance of notification regarding increase in GST rate for specified renewable energy devices and parts for their manufacture from 5% to 12%, and wherein the Scheduled Commissioning Date (SCD), including time extensions granted, if any, was on or after October 1, 2021, REIAS may consider this hike in GST rate from 5% to 12% under 'Change-in-Law' unless the same is disallowed by specific provisions in the tender documents/ contracts.

For complete Circular [Click Here](#)



CBIC clarifies that the Supreme Court's decision on the classification of 'relay' is not applicable to all goods

The CBIC vide **Instruction No. 25/2022-Customs dated October 03, 2022** has clarified that the judgement of the Supreme Court in the Westinghouse Saxby case regarding the classification of “relays” has no wide application as the classification of various parts of Section XVII is to be decided to take into account all facts, details of individual cases, under the Customs Tariff Act.

An instruction 01/2022-Customs dated January 05, 2022 was issued by the Board pursuant to the various representations received from the field and trade regarding the divergent practices pertaining to the classification of "automobile parts" in light of the judgment of the Supreme Court dated March 08, 2021 in the case of *M/s Westinghouse Saxby Farmer Ltd, Vs. Commissioner of Central Excise, Kolkata*,

Concerns have been raised on the validity of the above instruction, as the Review Petition (Civil) D. No. 802/2022 filed in the instant case, vide its order dated August 10, 2022, was dismissed. The matter was examined and the opinion of the learned Additional Solicitor General was also sought on the matter.

In terms of the opinion received, it is clarified that the instruction 01/2022 dated January 05, 2022 has brought out distinguishing reasons as to how the decision of the Supreme Court would apply only to the goods in the facts and circumstances. The law continues to remain the same and therefore, the instruction remains valid and does not require any changes.

For complete Instruction [Click Here](#)

CBIC clarified health certificate to be accompanied with the import of certain food consignments

The CBIC vide **Instruction No. 26/2022 – Customs dated October 06, 2022** has modified Board *Instruction no. 18/2022- Customs dated August 12, 2022* to clarify vide its order dated September 26, 2022 that a integrated/single certificate incorporating food safety related requirements/ attestations is also accepted by FSSAI at the time of import clearance.

Further, it must be ensured that the integrated certificate shall incorporate all information as per the format given vide FSSAI in its *Order dated August 03, 2022* enclosed with *Instruction no. 18/2022- Customs dated August 12, 2022*.

For complete Instruction [Click Here](#)

CBIC issued Instructions regarding the changes to the Import Policy for Fresh (green) Areca Nut

The CBIC issued **Instruction No. 27/2022-Customs on October 7, 2022**, regarding changes to the Import Policy for Fresh (green) Areca Nut.

Kind attention is invited to the Director General of Foreign Trade's (DGFT) *Notification No. 36/2015-2020 dated September 28, 2022, issued vide S.O. No.4570(E)* on the above captioned subject and the related *Public Notice 25/2015-2020 dated September 28, 2022* issued by DGFT (copies enclosed), both of which are self explanatory.

Considering that the product, Fresh (green) Areca Nut, is a prohibited item in the absence of the compliance to the policy conditions stipulated therein, the Kolkata Customs Zone may devise an appropriate mechanism for registration of Registration Certificate (RC), debit / utilisation of the quantity in the RC, monitoring validity of the RC, and an overall monitoring mechanism for the effective implementation of the revised policy stipulation.

All the Pr. Chief/Chief Commissioners are also hereby requested to kindly bring the contents of this instruction to the attention of all concerned for information.

For complete Instruction [Click Here](#)

Extended the last date to file applications for TRQs of HSN 7108 (Gold) for 3rd quarter and revalidation for previous quarters

The DGFT vide **Public Notice No. 28/2015-2020 dated October 06, 2022** amended Annexure IV of Appendix 2-A notified vide *Public Notice No. 06/2015-20 dated May 01, 2022* and *Public Notice No. 23/2015-20 dated August 29, 2022*.

The amendments are as follows:

1. Tariff Rate Quota (“**TRQ**”) issued for import for the 1st and 2nd quarter of FY 2022-23 shall be revalidated from September 30, 2022 to November 30, 2022. The allottees may apply for such revalidation via online on the DGFT website.
2. The last date of application TRQ under tariff head 7108 for the 3rd quarter of FY 2022-23 is extended till October 10, 2022 from August 31, 2022.

For complete Public Notice [Click Here](#)

DGFT clarified issues related to Export Policy of Rice

The DGFT vide **Trade Notice No. 18/2022-23 dated October 4, 2022** has clarified issues related to the Export Policy of Rice.

Reference is invited to Notification No. 31/2015-2020 dated September 08, 2022 amending the export policy of Broken Rice under HS code 10064000 under Chapter 10 of Schedule-2 of the ITC (HS) Export Policy from 'Free' to 'Prohibited' with immediate effect read with Trade Notices No. 17/2022-2023 dated September 28, 2022.



Subsequently representations have been received regarding Rice (5% and 25%) where irrevocable letter of credit has been issued before September 08, 2022 is also being stopped at the ports.

Accordingly, in supersession of Trade Notice No. 17/2022-23 dated September 28, 2022, it is clarified in respect of normal rice that "Rice (5% and 25%) is already exempted as it is not broken rice but normal rice with permissible limits of broken rice as per standards. However, it will carry 20% duty as per notification".

For complete Trade Notice [Click Here](#)



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Important Press Releases of the week



CBIC clarified that the extended time limit for claiming ITC under S.16(4), issuing CN, & amendments of returns of the previous year shall also be applicable for FY 2021-22

Vide Notification No. 18/2022-Central Tax dated September 28, 2022, the Central Government has appointed October 01, 2022 as the date on which the provisions of sections 100 to 114, except clause (c) of section 110 and section 111, of the Finance Act, 2022 shall come into force.

Thereby, the time limit for the following compliances in respect of a particular financial year has been extended and fixed as November 30 of the next financial year, or furnishing of the relevant annual return, whichever is earlier:

Relevant section of the Finance Act, 2022	Corresponding provision of the CGST Act, 2017	Corresponding compliance requirements
Clause (b) to Section 100	Section 16(4)	Claiming of ITC in respect of any invoice or debit note in the return
Section 102	Section 34(2)	Declaration of the details of credit notes in the return
Clause (c) to Section 103	Proviso to Section 37(3)	Rectification of particulars in details of outward supplies
Clause (c) to Section 105	Proviso to Section 39(9)	Rectification of particulars furnished in a return
Section 112	Proviso to Section 52(6)	Rectification of particulars in the statement furnished by a TCS operator

Doubts have been raised whether the said extended timelines are applicable in respect of compliances for FY 2022-23 onwards or whether the same are also applicable to the compliances for FY 2021-22. Doubts have also been raised whether the timelines for the said compliances stand extended to the date of filing/ furnishing of



the return/ statement for the month of November 2022 or the said compliances can be carried out in a return or the statement filed/ furnished upto November 30, 2022.

In this regard, it is clarified that the extended timelines for compliances listed in para 2 are applicable to the compliances for FY 2021-22 onwards. It is further clarified that the said compliances in respect of a financial year can be carried out in the relevant return or the statement filed/ furnished upto November 30 of the next financial year, or the date of furnishing annual return for the said financial year, which ever is earlier. It is also clarified that no extension of due date of filing monthly return/ statement for the month of October (due in November) or the due date of filing quarterly return/ statement for the quarter ending September has been made vide the amendments in CGST Act, 2017 notified through Notification No. 18/2022-Central Tax dated September 28, 2022.

For complete Press Release [Click Here](#)

Sales Tax Amnesty Scheme 2022 - Last date to file an application is closing in..!

The Sales Tax Amnesty Scheme 2022 announced by the GST Department of the Government of Maharashtra has received an overwhelming response from the business community across the state. The last day to pay the eligible requisite amount was **September 30, 2022**.

Nearly in one lakh twenty thousand cases the payment has been made by the dealers till this date. Against these payments, more than one lakh twelve thousand applications have been already received by the department. The last date to submit the applications against the payments is **October 14, 2022**. That means merely a week is left to file the applications. If someone fails to file an application within this stipulated time, then he may lose the entire benefit of the scheme despite having paid the full eligible requisite amount.

Therefore, an appeal is being made by the department to all the dealers to file all pending applications before the last date i.e. **October 14, 2022** ends.

For complete Press Release [Click Here](#)

Concessional custom duty on Edible Oil import extended till March 2023 to keep domestic price under control

The Central Board of Indirect Taxes and Customs (CBIC) in a notification no. 46/2022-Customs dated August 31, 2022, has extended existing concessional import duties on specified edible oils up to March 31, 2023. The move is aimed at increasing domestic supply and keeping prices under control.

The concessional customs duty on edible oil import has been extended by another 6 months, which means that the new deadline will now be March 2023. Prices of edible oil have been on declining trend driven by fall in global prices. With falling global rates and lower import duties, retail prices of edible oils have fallen considerably in India.



The current duty structure on crude palm oil, RBD Palmolein, RBD palm oil, crude soybean oil, refined soybean oil, crude sunflower oil and refined sunflower oil remains unchanged till March 31, 2023. The import duty on crude varieties of palm oil, soyabean oil and sunflower oil is currently zero. However, after taking into account 5 per cent agrices and 10 per cent social welfare cess, the effective duty on crude varieties of these three edible oils touches 5.5 per cent.

The basic customs duty on refined varieties of palmole in and refined palm oil is 12.5 per cent, while social welfare cess is 10 per cent. So, the effective duty is 13.75 per cent. For refined soyabean and sunflower oil, the basic customs duty is 17.5 per cent and taking into account 10 per cent social welfare cess, the effective duty comes to 19.25 per cent.

For complete Press Release [Click Here](#)

7 new PLI schemes just approved; MSMEs are real beneficiaries of PLI scheme: Piyush Goyal

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal announced that 7 new PLI schemes that are not part of the original program had just been approved and reiterated the Government's commitment to promote manufacturing in India. He was addressing IIM Ahmedabad's Red Brick Summit 2022 virtually from New Delhi on October 01, 2022.

Shri Goyal said that the Production Linked Incentive (PLI) scheme has been very well received. The Minister opined that the idea behind PLI was to promote those champion sectors where we have a comparative and competitive advantages. The Minister also said that we must get out of the mindset of subsidies and build a resilient and self-reliant business ecosystem that is not dependant on government.

The Minister highlighted India's green energy push and said that India is one of those few countries which have not only met the commitment it made in Paris in 2015 but has exceeded it. "We committed to 175 GW of clean energy. We have now upped the ante to set a target of 500 GW and we are well on track to achieve it", he said. Shri Goyal added that our energy mix is expected to be predominantly renewable by 2030. The Minister also noted that India was well on track to create 1 billion tonne Carbon sink through afforestation and rejuvenation. He added that our industry has been working on newer technologies like green Hydrogen to ensure round- the - clock supply of renewable energy.

Referring to Prime Minister Shri Narendra Modi's vision of an international solar grid, the Minister said that efforts were being made to collaborate with like-minded nations to create such a grid. He said that love and respect for nature are intrinsic in every Indian and added that this government is totally committed in its efforts to make India and the whole planet a better place to live in. The Minister said that PM Modi believed very strongly in inter-generational equity, that we do not have the right to take away the natural resources of the world and leave behind a problem for our future generations. He invited participation from academia and industry in the Government's pursuit of sustainable development.

For complete Press Release [Click Here](#)



India's Merchandise Trade Preliminary data for the month of September, 2022

India has achieved monthly value of merchandise export in September 2022 amounting USD 32.62 billion, decreased by 3.52% over USD 33.81 billion in September 2021. India's merchandise export in April -September 2022-23 was USD 229.05 billion with an increase of 15.54% over USD 198.25 billion in April -September 2021-22.

Value of non-petroleum and non-gems and jewellery exports in September 2022 was USD 22.9 billion, registering a negative growth of 9.78% over non-petroleum and non-gems and jewellery exports of USD 25.38 billion in September 2021. The cumulative value of non-petroleum and non-gems and jewellery exports in April -September 2022-23 was USD 158.68 billion, an increase of 5.53% over cumulative value of non-petroleum and non-gems and jewellery exports of USD 150.37 billion in April -September 2021-22.

Value of non-petroleum imports was USD 43.75 billion in September 2022 with a positive growth of 10.73% over non-petroleum imports of USD 39.51 billion in September 2021. The cumulative value of non-petroleum imports in April -September 2022-23 was USD 263.54 billion, showing an increase of 28.58% compared to non-oil imports of USD 204.97 billion in April -September 2021-22.

The trade deficit in September 2022 was USD 26.72 billion, while it was 149.47 billion USD during April -September 2022-23. The trade deficit in September 2022 was an improvement over trade deficit of USD 28.68 Billion in August 2022.

Statement 1: India's Total Trade in Merchandise goods in September 2022

	Value in Billion USD	
	SEPT'22	SEPT'21
Exports	32.62	33.81
Imports	59.35	56.29
Deficit	26.72	22.47

Statement 2: India's Total Trade in Merchandise goods in April-September 2022-23

	Value in Billion USD	
	APR'22-SEPT'22	APR'21-SEPT'21
Exports	229.05	198.25
Imports	378.53	274.50
Deficit	149.47	76.25

For complete Press Release [Click Here](#)



India emerges as the world's largest producer and consumer of sugar and world's 2nd largest exporter of sugar

In Sugar Season (Oct-Sep) 2021-22, a record of more than 5000 Lakh Metric Tons (LMT) sugarcane was produced in the country out of which about 3574 LMT of sugarcane was crushed by sugar mills to produce about 394 LMT of sugar (Sucrose). Out of this, 35 LMT sugar was diverted to ethanol production and 359 LMT sugar was produced by sugar mills. With this, India has emerged as the world's largest producer and consumer of sugar as well as the world's 2nd largest exporter of sugar.

Another shining highlight of the season is the highest exports of about 109.8 LMT that too with no financial assistance which was being extended upto 2020-21. Supportive international prices and Indian Government Policy led to this feat of Indian Sugar Industry. These exports earned foreign currency of about Rs. 40,000 crores for the country.

During SS 2021-22, sugar mills procured sugarcane worth more than 1.18 lakh crore and released payment of more than 1.12 lakh crore with no financial assistance (subsidy) from Government of India. Thus, cane dues at the end of sugar season are less than ₹ 6,000 crore indicating that 95% of cane dues have already been cleared. It is also noteworthy that for SS 2020-21, more than 99.9% cane dues are cleared.

There is an optimum closing balance of 60 LMT of sugar which is essential to meet domestic requirements for 2.5 months. The diversion of sugar to ethanol and exports led to unlocking of value chain of the whole industry as well as improved financial conditions of sugar mills leading to more optional mills in ensuing season.

For complete Press Release [Click Here](#)

DFS modifies ECLGS to give Civil Aviation sector necessary collateral-free liquidity at reasonable interest rates to tide over their present cash flow problems

Recognising that an efficient and strong civil aviation sector is vital for the economic development of the country, the Department of Financial Services (DFS), Ministry of Finance, has modified the Emergency Credit Line Guarantee Scheme (ECLGS) yesterday to enhance the maximum loan amount eligibility for airlines under ECLGS 3.0 to 100% of their fund based or non-fund-based loan outstanding as on the reference dates or Rs. 1,500 crore, whichever is lower; and of the above, Rs. 500 crore shall be considered, based on equity contribution by the owners.

All other criteria terms and conditions parameters prescribed under the operational guidelines of the ECLGS on August 30, 2022 shall be applicable as it is.

The modifications introduced are aimed to give necessary collateral-free liquidity at reasonable interest rates to tide over their present cash flow problems.



Earlier in March 2022, the Emergency Credit Line Guarantee Scheme (ECLGS) was extended beyond March 2022, till March 2023, to implement the announcement made in the Union Budget 2022-23 by Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman. Keeping in view the high proportion of non-fund based credit in the overall credit of the civil aviation sector, the eligible borrowers were permitted to avail up to 50% of their highest total fund and non-fund based credit outstanding, subject to a maximum of Rs. 400 crore per borrower.

For complete Press Release [Click Here](#)

India to accord top priority to national interest in FTA negotiations; Govt will not diverge from this approach for the sake of deadlines: Piyush Goyal

The Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and textiles, Shri Piyush Goyal on October 07, 2022 said that India would accord top priority to national interest in FTA negotiations. FTAs to be entered into after thorough consultation with all stakeholders including industry and the government will not diverge from this approach for the sake of deadlines, he added.

The Minister was speaking at the meeting held to review India's Export Performance in the first six months of this financial year with key representatives from Export Promotion Councils and Industry Associations in New Delhi on October 07, 2022.

At the meeting, the Minister emphasised on sustaining the export momentum and said that the interaction with Export Promotion Councils has given the confidence that Indian exports will be able to wither the global headwinds and will surpass last year's exports by a big margin. He added that India must keep prospecting for new opportunities in the world market and utilize all such possible chances to expand trade. He also emphasised on doing a deep dive of services import and see the areas/sectors in which they are increasing.

Industry was apprised on the healthy growth of around 15.5 % seen in the first six months of this financial year, as compared to previous year. The industry however was alerted on the dip in export performance in September 2022. Highlighting the healthy growth seen in some markets such as Latin America and Africa, it was informed that the evolving economic and geo-political environment required the industry to be attentive and optimistic so that growth opportunities in such new markets are not missed.

An engaging round of discussion was held subsequently with EPCs and industry representatives on challenges, opportunities and way forward for increasing exports from India. Industry has flagged certain issues related to the rising of cost of raw materials and subdued demand in certain key export markets due to high inventory levels. Industry requested for including left out sectors under RoDTEP and rationalisation of existing RoDTEP rates, exploring possibility for increased support under Interest Equalisation Scheme (IES) and under Market Access Initiative (MAI), and operationalisation of Production-Linked Incentive (PLI) Schemes for additional sectors.

For complete Press Release [Click Here](#)



DPIIT notifies establishment of Credit Guarantee Scheme for Startups

The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry has notified the establishment of the Credit Guarantee Scheme for Startups (CGSS) for providing credit guarantees to loans extended by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).

CGSS is aimed at providing credit guarantee up to a specified limit against loans extended by Member Institutions (MIs) to finance eligible borrowers viz. Startups as defined in the Gazette Notification issued by DPIIT and amended from time to time. The credit guarantee cover under the Scheme would be transaction based and umbrella based. The exposure to individual cases would be capped at Rs. 10 crore per case or the actual outstanding credit amount, whichever is less.

In respect of transaction-based guarantee cover, the guarantee cover is obtained by the MIs on single eligible borrower basis. Transaction based guarantees will promote lending by Banks/ NBFCs to eligible startups. The extent of transaction-based cover will be 80% of the amount in default if the original loan sanction amount is up to Rs. 3 crore, 75% of the amount in default if the original loan sanction amount is above Rs. 3 crore, and up to Rs. 5 crore, and 65% of the amount in default if the original loan sanction amount is above Rs. 5 crore (up to Rs. 10 crore per borrower).

The umbrella-based guarantee cover will provide guarantee to Venture Debt Funds (VDF) registered under AIF regulations of SEBI (a growing segment of funding in Indian startup ecosystem), in view of the nature of funds raised by them and debt funding provided by them. The extent of umbrella-based cover will be the actual losses or up to a maximum of 5% of Pooled Investment on which cover is being taken from the fund in eligible startups, whichever is lower, subject to a maximum of Rs.10 crore per borrower.

Along with institutional mechanisms for operationalizing the Scheme, DPIIT will be constituting a Management Committee (MC) and a Risk Evaluation Committee (REC) for reviewing, supervising and operational oversight of the Scheme. The National Credit Guarantee Trustee Company Limited (NCGTC) will be operating the Scheme.

Prime Minister, Shri Narendra Modi launched Startup India Action Plan on January 16, 2016 to lay the foundation of Government support, schemes and incentives envisaged to create a vibrant startup ecosystem in the country. The Action Plan envisaged a Credit Guarantee Scheme to catalyze entrepreneurship through credit to innovators and encourage banks and other member institutions in the ecosystem for providing venture debt to startups.

For complete Press Release [Click Here](#)

India can increase footwear exports by 10 times in the near future: Piyush Goyal

India has immense potential in Footwear sector and can increase the production and export 10 times in near future. This was stated by Shri Piyush Goyal, Union Minister of Commerce & Industry, Consumer Affairs, Food &



Public Distribution and Textiles while virtually addressing 'Meet at Agra-Leather, Footwear Components & Technology Fair' on October 07, 2022.

Shri Goyal said that about 7,000 small industries units are connected with Footwear sector which holds great significance to the economy and Foreign Exchange Earnings of the country. Nearly 40% women are employed in the sector and for every 1000 pairs that are produced/sold, 425 jobs are secured.

India is the 2nd largest producer of footwear and leather garment and can become world leader and accounts for nearly 3 bn sq. ft of world's tannery, he added.

The Union Minister urged the sector representatives to look into non-leather footwear sector as well. He quoted the example of Textile sector mentioning that a lot of emphasis is now being given to the production of man-made fibre.

The Centre has notified the Indian Footwear & Leather Development Programme (IFLDP) with an outlay of Rs.1700 crore for implementation during 2021- 26.

He mentioned that all leading brands are dependent for raw material on India. He urged to prepare a plan so that Indian brands with high value projects find their way in the global market. He also suggested that National Institute of Design and National Institute of Packaging should collaborate to work towards skill development so as to create new designs for Indian and Global market.

For complete Press Release [Click Here](#)

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Important Updates of the week



Various functionalities made available for Taxpayers on GST Portal in September, 2022

The Goods and Services Tax Network (“GSTN”) has issued module wise new functionalities deployed on the GST Portal in September, 2022 for taxpayers.

1. Registration

S. No.	Form/Functionality	Functionality made available for Taxpayers
1	Functionality to add new fields while submitting response to a notice, in Form GST REG 04	<ul style="list-style-type: none"> • While filing clarification in Form REG-04, whenever the applicant clicks on any tab in Registration module, he/she would be displayed a pop-up window with following two options: <ul style="list-style-type: none"> ○ “Open All Allowed Fields”- By choosing this the users would be able to edit or add all the allowed fields (wherever required with option to upload Documents) except certain core fields. ○ “Open fields with Queries raised through REG-03” - If the user wants to edit only the fields where tax officer had raised the query, he/she can select this option which will allow him to edit only the fields with queries (Similar to the existing Process).



2	Addition of restricted items in the Composition restriction table.	<p>Following new items have been added to the restrictive list displayed to the applicants while applying for registration if they opt for composition levy, as per</p> <p>Notification No. 04/2022-Central Tax dated 31st March 2022 and Notification No. 43/2019-Central Tax, dated 30th Sept 2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">S. No.</th> <th style="width: 15%;">HSN</th> <th style="width: 75%;">Description</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2202 10 10</td> <td style="text-align: center;">Aerated Water</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">6815</td> <td>Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">6901 00 10</td> <td>Bricks of fossil meals or similar siliceous earths</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">6904 10 00</td> <td style="text-align: center;">Building bricks</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">6905 10 00</td> <td style="text-align: center;">Earthen or roofing tiles</td> </tr> </tbody> </table>	S. No.	HSN	Description	1	2202 10 10	Aerated Water	2	6815	Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks	3	6901 00 10	Bricks of fossil meals or similar siliceous earths	4	6904 10 00	Building bricks	5	6905 10 00	Earthen or roofing tiles
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2. Returns

S. No.	Form/Functionality	Functionality made available for Taxpayers
1	Settlement of Inadmissible/Ineligible ITC - Label change	<ul style="list-style-type: none"> The Government vide Notification No. 14/2022 – Central Tax dated 05th July, 2022, has notified few changes in Table 4 of Form GSTR-3B for enabling taxpayers to correctly report information regarding ITC availed, ITC reversal and ineligible ITC in Table 4 of GSTR-3B. The Notified changes of Table 4 of GSTR-3B have been incorporated in GSTR-3B and are available on GST Portal since 01.09.2022. The taxpayers are advised to report their ITC availment, reversal of ITC and ineligible ITC correctly as per new format of Table 4 of GSTR-3B at GST Portal for the GSTR-3B to be filed for the period August 2022 onwards. For the detailed advisory, please click here.



3. Refund

S. No.	Form/Functionality	Functionality made available for Taxpayers
1	Changes in time limit for filing Refund application in Form GST RFD-01	<ul style="list-style-type: none"> The GST portal was configured to allow taxpayers to file an application for refund for up to previous 60 months. To enable taxpayers to apply for refund for any period beginning July, 2017, on account of a court order/amnesty scheme, the period beginning from July, 2017, onwards has been made available for selection by taxpayers.
2	Edit facility in 'Undertaking for PMT-03 of Inadmissible amount', provided to taxpayers for revising the inadmissible amount after submission of undertaking.	<ul style="list-style-type: none"> In cases where the refund amount claimed by a taxpayer is partially /fully rejected by the tax officer, the rejected/inadmissible refund amount is re-credited to the respective ledger from which it was debited earlier, by tax officer in Form GST PMT – 03. This amount is re-credited only after the taxpayer submits an undertaking for not filing an appeal for the entire/part of the inadmissible amount. The taxpayers have now been provided with a functionality to modify the amount declared by them in the undertaking if they had committed a mistake while entering the amount, earlier.

To know more [Click Here](#)

Single sign-on (SSO) functionality has been enabled for e-Invoice and e-Waybill

The Single sign-on ("**SSO**") functionality has been enabled for e-Invoice and e-Waybill.

The SSO is a facility by which the user can log in to the e-Way bill system using his/her credentials and click on the e-Invoice link to access the e-Invoice system directly without logging in again and vice versa.

To know more [Click Here](#)



CBIC issued Draft Rules on Customs Valuation of Imported Goods and Invites Comments

The Central Board of Indirect Taxes and Customs ("**CBIC**") has issued the draft rules pertaining to the Customs Valuation of imported goods in terms of recent amendment in Section 14 of the Customs Act, 1962 vide Section 89 of the Finance Act, 2022 and issued a notice calling for suggestions, views, comments, feedback etc. from stakeholders.

Attention is invited to the recent amendment made in Section 14 of the Customs Act, 1962 vide Section 89 of the Finance Act, 2022. The following text has been inserted below the second proviso in sub-section (1) of the said Section 14:

"(iv) the additional obligations of the importer in respect of any class of imported goods and the checks to be exercised, including the circumstances and manner of exercising thereof, as the Board may specify, where, the Board has reason to believe that the value of such goods may not be declared truthfully or accurately, having regard to the trend of declared value of such goods or any other relevant criteria."

The explanatory memorandum with the Finance Bill, 2022 explains-

"Section 14 is being amended to include provisions for rules enabling the Board to specify the additional obligations of the importer in respect of a class of imported goods whose value is not being declared correctly, the criteria of selection of such goods, and the checks in respect of such goods. This amendment is a measure to address the issue of undervaluation in imports."

The Draft Rules for making the above provision operational are enclosed (page 2- 10). It is requested to kindly provide suggestions, comments, inputs, feedback on the Draft Rules latest by October 14, 2022 at the email id diricd-cbec@nic.in with copy to uscus5-cbec@gov.in.

To know more [Click Here](#)

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Videos of the Week



When GST Registration can be cancelled by GST Dept || CA (Adv) Bimal Jain

You can access the complete video on “**When GST Registration can be cancelled by GST Dept || CA (Adv) Bimal Jain**” at following link: https://youtu.be/3vyiHM_KwXw

Webinar on Recent Changes in GST w.e.f October 1, 2022 || CA (Adv) Bimal Jain

You can access the complete video on “**Webinar on Recent Changes in GST w.e.f October 1, 2022 || CA (Adv) Bimal Jain**” at following link: <https://youtu.be/PAYd6AJ2vWg>

Thanks for Supporting and Voting to "CA Bimal Jain" awarded as "Best Facilitator" by TIOL Awards

You can access the complete video on “**Thanks for Supporting and Voting to "CA Bimal Jain" awarded as "Best Facilitator" by TIOL Awards**” at following link: <https://youtu.be/mdU8TvU0KPc>

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Income Tax

Important Updates of the week



Time for updating UDINs for forms filed in AY 2021-2022 is available till Nov 30, 2022

The Income Tax Department has issued an **Update dated October 03, 2022** regarding the time for updating the Unique Document Identification Numbers (“UDINs”) for forms filed in the Assessment Year (“AY”) 2021-2022 is available till November 30, 2022.

To know more [Click Here](#)

Form 3CEB offline utility is now available for filing on Income Tax e-filing portal

The Income Tax Department has issued an **Update dated October 04, 2022** regarding the Form 3CEB offline utility is now available for filing on the Income Tax e-filing portal.

To know more [Click Here](#)

Income Tax Department issued FAQ's related to filing Form 27C

The Income Tax Department has issued **Frequently Asked Questions (“FAQ's”) dated October 05, 2022** related to the filing of Form 27C on the Income Tax e-filing portal.

Question 1: Who is required to file Form 27C on E-filing portal, buyer or seller?



Resolution: The Seller is required to file Form 27C on E-filing portal.

Question 2: How can buyer furnish the declaration to seller under section 206C(1A) for obtaining goods without collection of tax?

Resolution: The Buyer is required to manually fill Part-I of form 27C and submit it to the seller.

Question 3: What are the prerequisites for filing of Form 27C?

Resolution: The following are the prerequisites for filing of Form 27C-

- Seller should have TAN
- TAN of seller should be active and registered on the e-Filing portal.

Question 4: What is the process to file Form 27C on E filing portal?

Resolution: Following are the steps to file online Form 27C

Step 1: Seller to login on Income Tax Portal i.e. www.incometax.gov.in using TAN as User ID.

Step 2: Navigate to e-file -----> Income Tax Forms ----> File Income Tax Forms ----> Persons not dependent on any Source of Income (Source of Income not relevant) -----> Form 27C.

Step 3: Fill the details in “Part I- Details of the buyers” and “Part II- Details of seller, Attachments and Verification”.

Step 4: The seller shall scan and upload part I of the form, received from buyers as attachments under “Part II-Details of seller, Attachments and Verification” of the online form and proceed for filing Form 27C.

Question 5: Which documents/details are required to file Form 27C on e-filing portal?

Resolution: Following documents/ details are required-

- Details of the buyers (Name, PAN/Aadhar, Address, Status, email id, Mobile no, Nature of Business, Nature of goods and Purpose of utilizing the goods shall be provided for each Buyer)
- Date on which declaration is furnished
- Date of debiting of the amount payable by the buyer to the account of the buyer or receipt of the amount payable from the buyer in cash or by issue of a cheque or draft or by any other mode



- Self-certified copies of the declaration made by the buyers stating that the goods purchased are not to be utilised for trading purposes.

Question 6: What is the due date for filing Form 27C?

Resolution: Form No.27C should be filed by the seller on or before 7th day of the next following month in which the declaration is furnished by the buyer.

To know more [Click Here](#)



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News Flash

Kerala records 27% growth in GST collection in September, 2022

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Punjab collects ₹10,604 cr GST in first 6 months: FM Harpal Cheema

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Exporters dial FM Sitharaman to get extension of exemption from GST on export freight

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Status quo Shippers oppose GST on export freight, say unwarranted burden on business

For complete news [Click Here](#)

Govt mulls star rating system under GST to curb illegal ITC

For complete news [Click Here](#)

Both GST and Excise duty can be imposed on tobacco: Karnataka HC

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GST Council Meeting delayed as States' Ministers undecided on Tax formula on Casinos, Horse Racing and Online Games

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Delhi's GST collection in 2nd quarter of FY 2022-23 dips by over 6%

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Andhra Pradesh achieves 94.47% of its Tax Collection target, CM Jagan directs officials to be more efficient

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Exporters fear liquidity hit after GST exemption ends

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GoM may suggest different valuation mechanism for GST on games of skill and chance

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House panels recommends rationalising GST on inputs of man-made textiles

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Tamil Nadu: Our grievances not heard at GST council meet, says grain merchants

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DRI seizes 23.23 kg gold valued at Rs 11.65 crore being smuggled through North-East Borders, 4 held

For complete news [Click Here](#)



Abbreviations		
1.	GST	Goods and Services Tax
2.	CGST	Central Goods and Services Tax
3.	IGST	Integrated Goods and Services Tax
4.	CGST Act	Central Goods and Services Tax Act, 2017
5.	CGST Rules	Central Goods and Services Tax Rules, 2017
6.	IGST Act	Integrated Goods and Services Tax Act, 2017
7.	IGST Rules	Integrated Goods and Services Tax Rules, 2017
8.	ITC	Input Tax Credit
9.	RCM	Reverse Charge Mechanism
10.	Customs Act	Customs Act, 1956
11.	IT Act	Income Tax Act, 1961
12.	IT Rules	Income Tax Rules, 1962
13.	CBIC	Central Board of Indirect Taxes
14.	CBDT	Central Board of Direct Taxes



Thank You

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About us:

A2Z Taxcorp LLP is a boutique Indirect Tax firm having its offices at New Delhi and Guwahati specializing in GST, Central Excise, Custom, Service Tax, VAT, DGFT, Foreign Trade Policy, SEZ, EOU, Export – Import Laws, Free Trade Policy, etc. It is a professionally managed firm having a team of experienced and distinguished Chartered Accountants, Company Secretary, Lawyers, Corporate Financial Advisors and Tax consultants to provide various services like litigation and representation, transaction advisory, diagnostic reviews/ health checks, audit defense & protection, retainership & compliance, configuration of tax efficient business model etc. Its clientele consists mainly of Foreign MNC, large/mid-sized Indian companies which includes exporters, FMCG, consumer durables, automobiles, aerated beverages, ceramic tiles, real-estate, hospitality, etc.

Thanks & Best Regards,

Bimal Jain

FCA, FCS, LLB, B. Com (Hons)

[Author of a book on Goods and Services Tax, titled, “GST Law and Commentary \(with Analyses and Procedures\)” \[7th Edition\]](#)

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