

DA TAX UPDATE INDIRECT TAX

An E-Tax update from
Darda Advisors LLP

Fortnightly update – May 2022
Issue -37

Goods and Service Tax

Customs and Others

Goods and Service Tax

Bhagwati Construction Vs Union of India [R/Special Civil Application No. 15114 of 2021]

No denial of refund of GST in case payment of tax made through electronic credit ledger instead of electronic cash ledger, where there is no nexus between input and output supply.

Hills Cement Company Limited Vs Union of India [WP(C) No. 177 of 2022]

Meghalaya HC stays recovery of GST on royalty paid for mining rights to State.

Sh. Rahul Sharma on behalf of Local Circles India Pvt. Ltd. Vs Mataji Paints and Hardware [Case No 09/2022]

Anti-Profiteering penalty not imposable for the period prior to 01 January 2020.

Tvl. Kumaran Filaments (P) Ltd. Vs Commissioner of Central GST and Central Excise [W.P.(MD) No. 11113 of 2020]

Interest on delayed payment of tax cannot be demanded when amount of tax was available in credit ledger.

Sanchita Kundu & Anr. Vs Assistant Commissioner of State Tax [W.P.A. 7231 of 2022 With W.P.A. 7232 of 2022]

ITC cannot be denied on genuine transaction with suppliers whose registration was cancelled after transaction.

Goods and Service Tax

In re K M Trans Logistics Private Limited [Advance Ruling No. Raj/Aaar/5/2019-20]

No exemption from GST on GTA services for mere non-issuance of consignment note.

In re Rajasthan State Industrial Development & Investment Corporation Limited [Advance Ruling No. RAJ/AAR/2020-21/12]

ITC not allowed on works contract services for construction of immovable property.

Dhabriya Polywood Limited Vs Union of India [R/Special Civil Application No. 7702 of 2022]

Goods & Vehicles should not be detained merely for mistake in selection of ODC vehicle type while generating e-Way Bill.

G.O.Ms.No. 45 | Dated: 09 May 2022

Government of Telagana has launched a one time settlement scheme for pending disputes in VAT for faster revenue collection.

Press Release No 539 dated 10 May 2022

For reporting supplies taxable @6% in GSTR 1, they need to be shown under 5% supply and then manual increase of tax shall be done as an interim measure.

Goods and Service Tax

**Circular No. F.3(433)/GST/
Policy/2022/1268-77|
Dated: 13,05.2022**

Government of Delhi has released a module for grievance redressal mechanism in case of pending refunds.

**GSTN clarification on
Incomplete GSTR 2B for
April 2022**

GSTR 2B has not been generated completely for some taxpayer for the month of April 2022. GSTN is working on the same and shall soon regenerate the GSTR 2B. CBIC is also considering relaxation of late fee for GSTR 3B.

**No.F.12(15)FD/Tax/2022 -
128 Jaipur, dated:
10.03.2022**

It has been decided to provide reimbursement of State Tax due

and deposited by hotels and tour operators in order to promote tourism.

**AATO Computation for FY
2021-22**

The functionality of AATO for the FY 2021-22 has now been made live on taxpayers' dashboards and updation facility has also been provided.

Customs & Others

Vaibhav Global Ltd. Vs Commissioner of Customs [Customs Miscellaneous Application No. 50619 of 2021 In Customs Appeal No. 50959 of 2020]

The Hon'ble CESTAT held that packing of the goods into different packs amounts to manufacture and while exporting such goods, the activity of packing / repacking entitles the EOU to claim exemption from the customs duty while exporting such repacked goods.

Ramvir Singh Vs Commissioner of Customs [Customs Appeal No. 52776 of 2019-SM]

CESTAT find that the appellant has received full set of documents through the freight forwarder and there was no reason for him to doubt the genuineness of the exporter. Further, as the goods were factory stuffed and sealed,

the appellant – CHA has no reason to doubt any malpractice on the part of the exporter.

F. No. S. Misc. 02/2018-19- A.M-II dated 02 May 2022

There would have been difficulties in filing of Bills of Entry for the vessel arrived on 01 May 2022 & 02 May 2022 due to Systems Error code 523. Hence, "Late Fee" imposable in terms of Bill of Entry (forms) amendment Regulations, 2017 vide Notification No. 27/2017 – Customs dated 31 March 2017 will be waived off in respect of Bills of Entry filed belatedly, which pertains to IGM's filed on 01 May 2022 & 02 May 2022 on production of negative acknowledgement.

SEZ Division Notification dated 05 May 2022

Letter of Approval granted to Plastic Recycling units in SEZs and EOUs for a term of 5 years by the Board of Approval.

Import and Export data

Imports of March 2022 at \$ 75.87 B

Exports of March 2022 at \$ 67.79 B

		April 2022 (USD Billion)	April 2021 (USD Billion)	Growth vis-à-vis April 2021 (%)
Merchandise	Exports	40.19	30.75	30.70
	Imports	60.30	46.04	30.97
	Trade Balance	-20.11	-15.29	-31.50
Services*	Exports	27.60	18.06	52.87
	Imports	15.57	9.62	61.87
	Net of Services	12.03	8.44	42.61
Overall Trade (Merchandise+ Services)*	Exports	67.79	48.80	38.90
	Imports	75.87	55.66	36.31
	Trade Balance	-8.08	-6.86	-17.83

Source : PIB

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