

ASC

GST TIMES



Compliance Calendar

S. No.	Due Date	Forms	Period	Description
1.	10 th May 2022	GSTR-7	April, 2022	Return for Tax Deducted at source to be filed by Tax Deductor
2.	10 th May 2022	GSTR-8	April, 2022	E-Commerce operator registered under GST liable to TCS
3.	11 th May 2022	GSTR-1	April, 2022	Taxpayers having an aggregate turnover of more than INR 5 crores or opted to file monthly return
4.	13 th May 2022	GSTR-1	April, 2022	Taxpayers who have opted for Invoice Furnishing Facility (IFF) under Quarterly Return Monthly Payment ("QRMP") Scheme
5.	13 th May 2022	GSTR-6	April, 2022	Every Input Service Distributor (ISD)
6.	14 th May 2022	GSTR-2B	April, 2022	Auto generated ITC statement
7.	20 th May 2022	GSTR-5	April, 2022	Return for Non-Resident taxable Person
8.	20 th May 2022	GSTR-5A	April, 2022	Return for NRI, providing online information and database access or retrieval services to non-taxable person in India
9.	20 th May 2022	GSTR-3B	April, 2022	Taxpayers having an aggregate turnover of more than INR 5 crore or have opted to file monthly return.
10.	25 th May 2022	PMT-06	April, 2022	Taxpayers who have opted to file return under QRMP Scheme
11.	28 th May 2022	GSTR-11	April, 2022	Statement of inward supplies received by persons having Unique Identification Number

TOPIC COVERED

Gujarat High Court Condemns Coercive Steps Taken By Dept. For Recovery Of Dues From Wipro While Appeal Was Pending 03

GST Council not planning to raise tax slab from 5% to 8%, says Centre 04

Clarification related to the misleading reports of purported feedback sought on raising GST Rates on 143 items 05

GST compensation period for TN uniikeiy to be extended 05

Benefit of the exemption on import of specified COVID-19 related items may not be denied merely on issue of procedure 06

CBiC issued revised guidelines for NRMCL/LRMC for Customs and GST 07

Rajasthan Govt. issued guidelines for personal hearing in virtual mode under GST and VAT 10

Gujarat High Court Condemns Coercive Steps Taken By Dept. For Recovery Of Dues From Wipro While Appeal Was Pending

Case Title: *M/s Wipro Ltd. Versus State of Gujarat*

The Gujarat High Court bench of Justice J.B. Pardiwala and Justice Nisha M. Thakore has condemned the coercive steps of the department for recovery of dues from Wipro when the appeal was pending before the first appellate authority as well as the Tribunal.

Wipro Ltd. Was registered under the VAT Act and the Central Sales Tax Act, 1956 for the relevant period.

State Tax officer issued a notice to the SBI branch manager for providing the details of closing balance of Wipro Ltd. And then issue a demand draft as per the available balance at the closing of the year



Wipro Ltd. Challenging the legality and validity of the same contended that the assessment order was pending before the First Appellate Authority as well as tribunal also department does not provided any tangible material on basis of which Wipro Ltd. Would likely to be defeated and attachment is important for in the interest of revenue.

Also Wipro Ltd. Contended that department has initiated the recovery proceedings without following the procedure as specified in section 44 of the VAT act and issued a notice to the bank for issuing a draft from the account of Wipro Ltd.

The court while quashing the notice by Department issued the Direction to first appellate authority and Tribunal to take up and dispose off all the appeals filed by Wipro Ltd. Within 2 months.

The court observed that in the absence of debtor – creditor relationship department could not have asked bank to debit the account and Wipro Ltd. And credit the account of treasury of the State Government, also the department should not have proceeded since the case was pending before First Appellate Authority and Tribunal for the stay towards recovery of tax.

“Administrative directions for fulfilling recovery targets for the collection of revenue should not be at the expense of foreclosing the remedies which are available to assessees for challenging the correctness of a demand. The sanctity of the rule of law must be preserved. The remedies which are legitimately open in law to an assessee to challenge a demand cannot be allowed to be foreclosed by a hasty recourse to coercive powers. Assessing Officers and appellate authorities perform quasi-judicial functions under the GVAT Act, 2003,” the court said.

GST Council not planning to raise tax slab from 5% to 8%, says Centre



The Narendra Modi Government on Monday, April 18th, 2022, denied media reports pertaining to the planning of the Goods and Services Tax (GST Council) to raise the tax slab from 5% to 8%.

Currently, the GST has a four-tier slab structure of 5, 12, 18 and 28 %. The gold and gold jewellery attract tax @3%.

There were media reports that the Council may decide to cut - back the list of exempt items by moving some of the non-food items to 3 % slab in order to raise revenue. Also to raise the 5 per cent slab to either 7/8/9%.

A panel of state ministers, headed by Karnataka Chief Minister Basavaraj Bommai, has been set up last year by the Council, to suggest ways to augment revenue by rationalising tax rates and correcting anomalies in the tax structure. The panel included West Bengali finance minister Amit Mitra, Kerala finance minister KN Balagopal and Bihar deputy chief minister Tarkishore Prasad.

According to Government sources, the Group of Ministers has still not prepared its report on rate rationalisation and it is yet to be submitted to the council.

Also, since finance minister Nirmaia Sitharaman, who is the chairperson of the GST council, is currently in the United States to attend IMF and G20 meetings, the date for next meeting is also not set.

The last GST council meeting was held on December 31, 2021.

Under GST, essential items are either exempted or taxed at the lowest rate while luxury and demerit items attract the highest tax (Luxury and sin goods also attract cess).

Clarification related to the misleading reports of purported feedback sought on raising GST Rates on 143 items

As per the press release posted on April 25th, 2022 by PIB Delhi, the Finance Ministry has clarified the report on raising GST rates on 143 items is misleading.

The media was reported that a feedback has been sought from the States relating to suggestions for raising the GST rates on 143 items.

However, from the press release it has been clarified there has been no feedback from the states in relation to the suggestions on the GST rates on specific items or specific proposals to restructure the rates.



The media reported the feedback without any basis in fact, and on a total speculative basis.

The GST Council, in its 45th Meeting had formed a Group of Ministers to look into the rationalization of rates. The deliberations are ongoing and the report is yet to be submitted to the Council, which then be taken into consideration.

GST compensation period for TN unlikely to be extended



Finance Minister Palanivel Thiaga Rajan on Tuesday, 19 April, 2022, said he would write to the Union Finance Ministry and GST Council seeking clarification on rumours about possible hike in tax rates, since there is no indication from the Union Government that the GST compensation period would be extended beyond June.

The minister said this while responding to questions from PMK floor leader GK Mani, ER Eswaran of the KDMK and T Velmurugan of TVK in the Assembly during zero hour.

“The Centre and the council have realised that income from has been low and this should be set right. There are rumours about possible hike in GST rates, I will be seeking a clear reply to put these rumours to rest,” the minister said.

He said, “If GST compensation period is not extended, States would face revenue loss of thousands of crores of rupees.”

“After five years of implementing GST, we didn’t reach expected tax growth.”

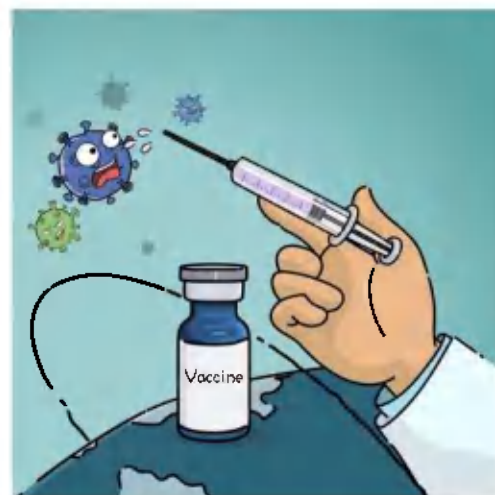
Also, the growth expected by implementing ‘One Nation One Taxation’ did not happen. Some may blame the pandemic. But, even before the pandemic, the issue was clear,” the minister said.

Rajan also recalled that two committees were formed after the GST Council in Lucknow, to address issues faced by the States. **“One is a standing committee for system reformation and I am one of its members. The second one was the rate rationalisation committee whose objective is to recommend measures for increasing the effective tax rate from 11.4% to 15%. The committee was asked to submit its report to the GST Council within three months but it has not happened.”**

Benefit of the exemption on import of specified COVID-19 related items may not be denied merely on issue of procedure

The CBIC issued *instruction No. 4/2022-Customs dated April 27, 2022* regarding implementation of Notification No. 28/2021-Customs dated April 24, 2021 stating that the benefit of the exemption from the whole of customs duty and health cess to the parts of specified medical oxygen related equipment may not be denied merely on the issue of non-observance of conditions of Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (“IGCR”).

Reference is invited to notification No. 28/2021-Customs dated April 24, 2021 that sought to exempt customs duty and health cess on import of oxygen, oxygen related equipment and COVID-19 vaccines, up to September 30, 2021.



Notification No. 28/2021-Customs dated April 24, 2021 provided exemption from the whole of customs duty and health cess to the parts of specified medical oxygen related equipment provided that importers follow the procedure set out in Customs (import of Goods at Concessional Rate of Duty) Rules, 2017 (iGCR).

Certain references have now been received stating that in audits and verification, the issue of non-observance of conditions of IGCR is being raised.

In this context, it is stated that owing to the peculiar circumstance of the COVID-19 wave, parts of medical oxygen related equipment were imported on emergency requirement and at times are said to have been assembled at the premises of hospital or other establishments.

Considering the medical national emergency faced by the nation, these very exceptional circumstances may have led to the importers not being able to adhere to certain procedural aspects of the IGCR.

Considering the circumstances in which such imports were undertaken, the benefit of the exemption notification may not be denied, merely on the issue of not observing the procedure, provided that the goods so imported have been put to the intended use, i.e., in the manufacture of specified equipment related to the production, transportation, distribution or storage of Oxygen, which if required, is verifiable from invoices and other documents showing supply of such manufactured goods by the importer.

These instructions would apply only in respect to the imports made under the notification No. 28/2021-Customs dated April 24, 2021 owing to the peculiar circumstances of the Covid-19 pandemic.

CBIC issued revised guidelines for NRMC/LRMC for Customs and GST

The CBIC issued revised guidelines vide Instruction No. 3/2022-Customs dated April 23, 2022 for the National Risk Management Committee ("NRMC")/Local Risk Management Committee ("LRMC") for effective implementation of the Risk Management System in Customs and GST.

Kind attention is invited to the Board's Circular No. 23/2007-Customs dated June 28, 2007 and Circular No. 43/2005-Customs dated November 24, 2005 on Risk Management System and Charter of functions for National Customs Targeting Centre (erstwhile Risk Management

Division (2005-2017) and Risk Management Centre for Customs (2017-2020)) and the constitution of National/Local Risk Management Committee. Consequent to the creation of Directorate General of Analytics and Risk Management (DGARM), the Directorate has been looking into the risk parameters of Customs, Passenger profiling and GST.

Therefore, there is an urgent need to revisit the guidelines and mandate of the NRMC.

National Risk Management Committee (NRMC) for Customs & GST:

There shall be established a National Risk Management Committee for Customs and GST. The DGARM, Delhi will be the nodal agency responsible for convening the NRMC meeting to review the functioning of the NCTC-Cargo, NCTC (Pax) and the GST Business Analytics Wing. These wings under the DGARM will supervise the implementation and enhancement of RMS, APIS and the DGARM applications and provide feedback for improving the effectiveness of risk management and all related aspects. The NRMC will be a Standing Committee with the Member (Investigation), CBIC, as Chairman and Additional Director General, DGARM Hqrs, Delhi will the Member Secretary of the NRMC.

The Committee may also invite any other Pr/Chief Commissioner, Pr/Commissioner, as may be required.

The NRMC shall be convened once every year and will have the following main (but not limited to) functions:



- i. Review the effectiveness of existing Risk Parameters employed in various modules namely import, Export, Container Scanning, Express Cargo Clearance System (ECCS), Post Clearance Audit (PCA), Protection and enforcement of Intellectual Property Rights (iPR) etc., and Risks posed by changes in Modus Operandi, new exemption notifications and new CCR's.
- ii. Review existing parameters and suggest new parameters to address concerns on border and port security.
- iii. Once NCTC(Pax) is operationalized, the NRMCM shall look at incremental improvements to be made in the Automated Targeting System.
- iv. The Business Analytics wing of GST implements various modules e.g., Risky Exporters, Risky Taxpayers, Scrutiny of Returns, Audit, Analytical reports etc. The NRMCM will advise on changes, if any, to be made in the various risk criteria that define the Risk in these modules.
- v. Deliberate and advise on new and emerging risks and suggest ways to address systemic risks, having cross-cutting implications.
- vi. Discuss new initiatives and projects for stepping up risk management strategy and associated processes, including the development of new modules and deployment of new technologies.
- vii. Be the Forum for giving feedback and suggestions on improving the efficacy of risk management.
- viii. Discuss and recommend measures for timely and effective risk mitigation by field formations.
- ix. Deliberate on economic trends, changes in policies, duty rates and exemptions, etc., that could be exploited by the trade to evade Duties and Prohibitions and suggest remedial action for the same.
- x. Discuss the efficacy of the Examination orders that would be made available shortly through the ICETAB, obviating the need for printing in the paper.
- xi. Have an oversight on the generation of the centralised examination orders based on various parameters and its rollout in phases to enhance uniformity.
- xii. To discuss and advise on enhanced use of technology, data sources and analytics capabilities to discern Security related Risks. Deliberate on use of AI/ML, Image analytics, geospatial analysis etc.
- xiii. To address security vulnerabilities in the International Supply Chain through entity profiling of stakeholders, leveraging information in databases about movement of vessels and containers etc.
- xiv. Any other matter that DGARM may consider for seeking the views of the NRMCM.

The NRMCM may hold an additional meeting(s) in a year, as and when the situation warrants.

Recommendations/deliberations of National Risk Management Committee Meeting will be submitted to the CBIC and other relevant stakeholders for further necessary action.

Local Risk Management (LRM) Committee:

A Local Risk Management Committee (LRMC) shall be constituted in each Custom Zone and CGST zone and it shall be headed by an officer not below the rank of Pr. Commissioner/Commissioner.

The LRMC will comprise of the Additional / Joint Commissioner in charge of Special Investigation and intelligence Branch (SIIB), Anti-Evasion/Preventive wings as the case may be, who will be designated as the Local Risk Manager, and will also function as the Secretary to the Committee. The LRM Committee shall also include the Additional / Joint Commissioner in charge of Customs Post Clearance Audit/CGST Audit and a nominee, not below the rank of a Deputy Director from the regional / zonal unit of DRI, DGGI, DG Audit, and Ast/Deputy Director from DGARM, Delhi or Mumbai, wherever possible.

The LRMC will meet once every quarter and will have the following functions:

- i. Review of trends in imports of major commodities and all related issues such as admissibility, classification/valuation, CCR's, levy of BCD, IGST, ADD, as well as discuss trends and patterns of trade with a view to identify risk indicators.
- ii. Review the trends in GST revenue, Refunds, eWay bills, ITC availment, filing of GST returns etc. with a view to identify the risk indicators.
- iii. Ensure the regular updation of DIGIT through DRI/DGGI so as to facilitate risk analysis of taxpayers.
- iv. Decide on the interventions/targets to be put in place at the local level, both for assessment and examination of goods prior to clearance and for post clearance audit;
- v. Periodic review of all the local interventions/targets that merit PAN india applicability for referring them to NCTC-Cargo through respective NACs for examination and further necessary action
- vi. Review the actions taken by local officers on NCTC/RMS instructions, Alerts, and Analytics Reports, etc., provide regular feedback/report to NCTC-Cargo, and share the details of local new and emerging risks.
- vii. Review all local alerts and recommend their continuation, only if found absolutely necessary. LRM may also advise use of ICES application to insert general instructions and Alerts rather than through the RMS.
- viii. Any other matter which the LRMC considers important to be brought before the NRMCM.
- ix. To share the minutes of the meeting with DGARM.

LRMC Minutes/Periodic reports with the approval of the Pr/Commissioner will be sent to the ADG, DGARM, Delhi who will be the Member Secretary of the NRMCM.

Rajasthan Govt. issued guidelines for personal hearing in virtual mode under GST and VAT



The Rajasthan Government has issued Guidelines vide *Instruction No. F. 5 Misc. / Appeals / Legal / CCT / 15-16/2370 dated April 18, 2022* for a personal hearing in the virtual mode under GST and VAT.

in view of the challenges presented by the outbreak of COVID-19 pandemic and the feedback received from trade and field formations, the following instructions are hereby issued for conduct of personal hearings in virtual mode by all the

Appellate and Adjudicating Authorities as this initiative would help in speeding up of passing of the Appellate and Adjudication proceedings, saving cost of travel and time, ensuring social distancing in these challenging times. This initiative would facilitate all stakeholders such as Suppliers/Taxpayers under GST/VAT, Importers, Exporters, Advocates, Tax Practitioners and Authorized Representatives.

Broad guidelines to conduct such virtual hearing are being provided for expeditious completion of ongoing work of appeals and adjudications and quick delivery of justice through quasi-judicial proceedings. These guidelines are in reference to the directions given by the Hon'ble Supreme Court under Article 142 of the Constitution of India in *Suo Moto Writ (Civil) No. 5/2020*. This facility shall apply to all proceedings pending under all the Acts administered by the Department. The guidelines for the conduct of virtual mode of personal hearing through video conferencing facility are as under:

- (i) in any proceedings before Appellate Authority/ Adjudicating Authority the appellant/respondent, shall give his consent to avail facility of personal hearing before such authority, through Video conferencing at the time of filing his appeal or immediately after issuance of this instruction, in case pending appeals/adjudication matter. He should also indicate his e-mail address for correspondence, etc;
- (ii) The date and time of hearing along with link for the video conference shall be informed to the appellant/ respondent or their authorized representative and the concerned Appellate Authority or Adjudicating Authority, shall share the link through e-mail. This link should not be shared with any other person without the approval of the Appellate Authority/ Adjudicating Authority;
- (iii) The Advocate/Authorized Representative appearing in virtual hearing, should file his vakalatnama or authorization letter along with a copy of his photo ID card and contact details to the Appellate



- Authority/ Adjudicating Authority through official e-mail address of the concerned authority after scanning the same;
- (iv) Virtual hearing through video conference shall be held from the office of Appellate Authority/ Adjudicating Authority or any official video conference facility set up in the office;
 - (v) The virtual hearing through video conference may be conducted through secured computer applications like Webex, VIDYO, etc. The person should download such application in their computer system/laptop/mobile phone earlier for ready connectivity for virtual hearing and join the video conference at the time allotted to them;
 - (vi) in case where the Appellants/ Respondents wishes to participate himself in the virtual hearing proceeding along with their Advocate/Authorized Representative, they should do so under proper intimation to the Appellate Authority/ Adjudicating Authority. They may participate in virtual hearing along with their Advocate/ Authorized representative or join the proceedings from their own office;
 - (vii) if the assessee or their authorized representative prefers to submit any document including additional submissions during the virtual hearing, he may do so by self-attesting such document and a scanned copy of the same may be e-mailed to the Appellate Authority/ Adjudicating Authority immediately after virtual hearing and in no case after 3 days of virtual hearing. The date of the hearing will be excluded for this purpose. Any document including additional submissions submitted shall be deemed to be a document for the purpose of the relevant statute read with Section 4 of the Information Technology Act, 2000;
 - (viii) Any official representing the Department may also participate in the virtual hearing through video conferencing. The concerned official shall inform the details in advance regarding such participation;
 - (ix) Along with providing virtual hearing, if any person insists on opportunity of being physically present, and plead personally the same must also be provided;
 - (x) if the officer deems necessary and expedient to call the any person for inquiry in person, he may do so;
 - (xi) All persons participating in the video conference should be appropriately dressed and maintain the decorum required for such an occasion.

For enquiries related to:

Service	Contact Person
India entry, Business Start-ups, Merger & Acquisition and Business Restructuring	alok@ascgroup.in
Insolvency and Bankruptcy	anju@ascgroup.in
GST (Goods and Service Tax)	deepak@ascgroup.in
Custom and EXIM Policy, Income tax, International Taxation, Corporate Law and Transfer Pricing	shailendra@ascgroup.in
Legal Metrology, ETA, BIS and other registration	mayank.singhal@ascgroup.in
Japanese Desk	amit.sayal@ascgroup.in
Audit and Risk Advisory	ankush.goyal@ascgroup.in
Sourcing solutions	ravi.ahuja@ascgroup.in

Delhi Head Office

73, National Park, Lajpat Nagar IV,
New Delhi - 110024 (India)
Phone: +91-11-41729056-57, 41601289
www.ascgroup.in, info@ascgroup.in

Noida Corporate Office

C-100, Sector-2, Noida- 201301
Uttar Pradesh (India)
Phone No: +91-120-4729400

Gurgaon Office

605, Suncity Business Tower
Golf Course Road, Sector-54,
Gurugram - 122002, Haryana (India)
Phone No.: +91-124-4245110/116

Mumbai Office

MBAI SAGAR TECH PLAZA, A WING, OFFICE NO.
315-316, ANDHERI KURLA ROAD, SAKINAKA,
ANDHERI (E), MUMBAI - 400037, INDIA.
022-6741 3369/70/7171

Bengaluru Office

0420, Second Floor,
20th Main, 6th Block, Koramangala,
Bangalore - 560095, Karnataka (India)
Phone No.: 80-42139271

Chennai Office

Level2 – 78/132,
Dr RK Salai Mylapore
Chennai - 600004, Tamil Nadu (India)
Mobile No: +91-8860774980

Pune Office

UNE OFFICE NO. 4, 1ST FLOOR SILVER OAK,
SN NAGAR ROAD, WADGAON SHERI,
PUNE- MH – 411014
LANDMARK: NEAR INORBIT MALL

Singapore Office

11 Woodlands Close, #04-36 H,
Woodlands 11, Singapore - 737853
Mobile No: +65-31632191
www.ascgroup.sg,
info@ascgroup.sg

Canada Office

885 Progress Ave Toronto
Ontario M1H 3G3 Canada
Mobile No: +1437-774-4488



Disclaimer:

This e-bulletin is for private circulation only. Views expressed herein are of the editorial team. ASC or any of its employees do not accept any liability whatsoever direct or indirect that may arise from the use of the information contained herein. No matter contained herein may be reproduced without prior consent of ASC. While this e-bulletin has been prepared on the basis of published/other publicly available information considered reliable, we do not accept any liability for the accuracy of its contents.