

# GST & CORPORATE TAX



WEEKLY NEWSLETTER | CA JAY BOHRA

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## The week that was...

- ❖ **Finance Bill, 2022 passed in Lok Sabha** completing Budgetary exercise for FY 2022-23. Bill passed with **39 amendments**. Notable ones are:
  - ✓ **No intra-asset set-off in Crypto Tax:** Losses incurred in 1 cryptocurrency cannot be set off against gains in another nor can be set-off against gains in other assets
  - ✓ **Crypto mining cost not to be allowed as deduction** under Income Tax Act
  - ✓ Clarifies that **transfer of virtual digital asset** will include any virtual digital asset, irrespective of whether it is a capital asset or not
  - ✓ **Retrospective application of disallowing cess/surcharge deduction clarified:** Deduction for surcharge or Cess disallowed w.e.f. AY 2005-06, deemed to be under-reported income and thus, subjected to a **50% penalty**. However, taxpayers will be allowed to make an application and seek re-computation of the total income. Once the taxpayer pays the tax and interest due thereon, then there will be no penalty imposed.
  - ✓ Individuals who have filed a **loss return to also be eligible to file an updated return**
  - ✓ **Time limit for completion of Assessments for AY 2020-21 (FY 2019-20) increased to 30.09.2022**
  - ✓ **Monetary penalty provision** on publishing import-export data **removed** from Customs law
- ❖ CBIC issued **SOP for scrutiny of returns** for FY 2017-18 and 2018-19
- ❖ Maharashtra passes Bill to waive pre-GST tax arrears



## Important Judgements: Indirect Tax

### West Bengal Entry Tax Act retrospective amendment struck down

The Hon'ble West Bengal Taxation Tribunal in *Tata Steel Ltd. & Ors v. The State of West Bengal & Ors\** held that the entry tax amendments introduced retrospectively and validation of the Act by amending Section 5 and 6 of the said Act through Finance Act, 2017 is ultra-vires and unconstitutional.

\* Case No. RN-08 of 2018 dated 25.03.2022

### GST: Transitional ITC to be credited directly to ledger even without filing TRAN-1

The Hon'ble Madras High Court in *M/s Avatar Petro Chemicals (P.) Ltd. v. GST Council, New Delhi\*\** held that unutilized credit on inputs and capital goods which could have been transitioned if TRAN-1 was filed properly shall be credited directly into Electronic Credit Register of assessee without filing TRAN-1 again as these credits are indefeasible.

\*\*2022 (3) TMI 743 - MADRAS HIGH COURT

### GST: Order blocking ITC without recording any reasons in writing is arbitrary and unsustainable

The Hon'ble Gujarat High Court in *M/s New Nalbandh Traders v. State of Gujarat\*\*\** held that order blocking electronic credit ledger without evidencing existence of reasons to believe as ITC being fraudulently availed and without recording any reasons in writing is arbitrary and erroneous and liable to be set aside.

\*\*\* 2022 (3) TMI 908 - GUJARAT HIGH COURT



### 30<sup>th</sup> March

Furnishing of **TDS Challan-cum-statement** u/s 194-IA, 194-IB and 194M for Feb, 2022

### 31<sup>st</sup> March

• Due date for **linking of Aadhaar number with PAN**  
• **Revised/Belated return** of income for **AY 2021-22**

• Application for **Letter of Undertaking (LUT)** for **FY 2022-23**  
• Intimation to pay tax under **Composition Scheme** for **FY 2022-23**

