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GST THIS WEEK

TOP FOUR GST NEWS UPDATES THAT YOU MUST KNOW

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

The Karnataka High Court has ruled that the Union Government is entitled to levy CGST as well as excise duty on tobacco and tobacco-derived products. Before the Central Goods and Services Act, 2017, tobacco products were taxed under Central Excise Act read with Central Excise Tariff Act. The Court said that though the Excise Act was repealed, tobacco and tobacco products were added to the Seventh Schedule of the Constitution under Entry 84

[Source: Business Insider](#)



Exporters fear liquidity hit after GST exemption ends

The Government's move to withdraw the GST exemption in export freight has made exporters nervous as they expect liquidity to shrink at a time of weak demand in developed countries. From October 1, 2022 ocean freight has to be paid at 5%, while exports by air billed to customers in India attracts 18% levy. While the refund process has become easier, it still takes time of 3 months to get the money back

[Source: Times of India](#)



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

The Committee on Labour, Textiles and Skill Development has endorsed the need to rationalise duties on raw material inputs to man-made textiles to correct the inverted duty structure, a year after a similar decision was reversed by GST Council. The problem of inverted duty structure arises when the finished product is at a lower tax bracket, compared to raw material input. This usually leads to a rise in the rate of the finished product

[Source: Business Standard](#)



GST Proceedings Initiated by Anti Evasion and Range Officer for same period is invalid, rules Calcutta HC

The Calcutta High Court has held that the audit proceedings initiated by the Anti Evasion and Range Office for the same period shall be invalid under the CGST Act, 2017. The High Court held that since the audit proceedings under Section 65 has already commenced, it is but appropriate that the proceedings should be taken to the logical end. Further the proceedings initiated by the Anti Evasion and Range Office for the very same period shall not be proceeded with

[Source: Taxscan](#)



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