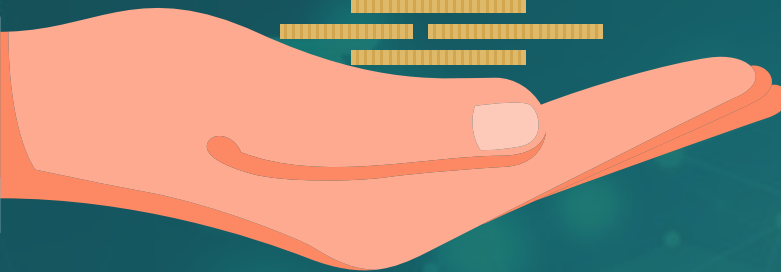
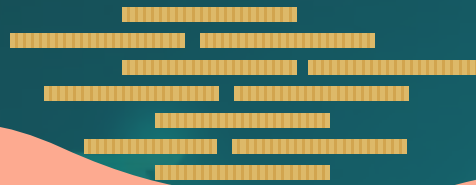




NEWSLETTER

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**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)



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Disclaimer: Although due care has been taken in preparation of this Newsletter, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this Newsletter. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.





GST STATISTICAL UPDATES

Rs. 1,29,780 crore gross GST Revenue collected in December 2021

The gross GST revenue collected in the month of December 2021 is **Rs. 1,29,780 crore** of which CGST is **Rs. 22,578 crore**, SGST is **Rs. 28,658 crore**, IGST is **Rs 69,155 crore** (including Rs 37,527 crore collected on import of goods) and cess is **Rs. 9,389 crore** (including Rs. 614 crore collected on import of goods).

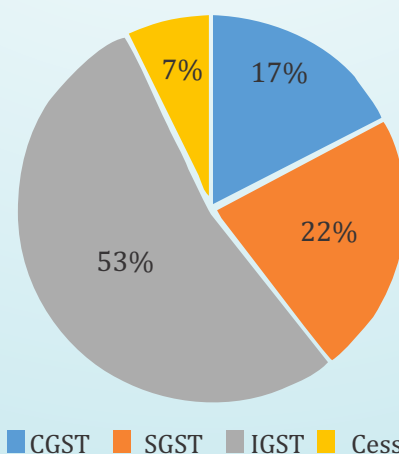
The Government has settled Rs. 25,568 crore to CGST and Rs. 21,102 crore to SGST from IGST as regular settlement. The total revenue of Centre and the States in the month of December 2021 after settlements is Rs. 48,146 crore for CGST and Rs. 49,760 crore for the SGST.

The revenues for the month of December 2021 are **13% higher** than the GST revenues in the same month last year and 26% higher than the GST revenues in December 2019. During the month, revenues from import of goods was 36% higher and the revenues from domestic transaction (including import of services) are 5% higher than the revenues from these sources during the same month last year.

The GST collection in the month is close to Rs 1.30 lakh crore despite reduction of 17% in the number of e-way bills generated in the month of November, 2021 (6.1 crore) as compared to the month of October, 2021 (7.4 crore).

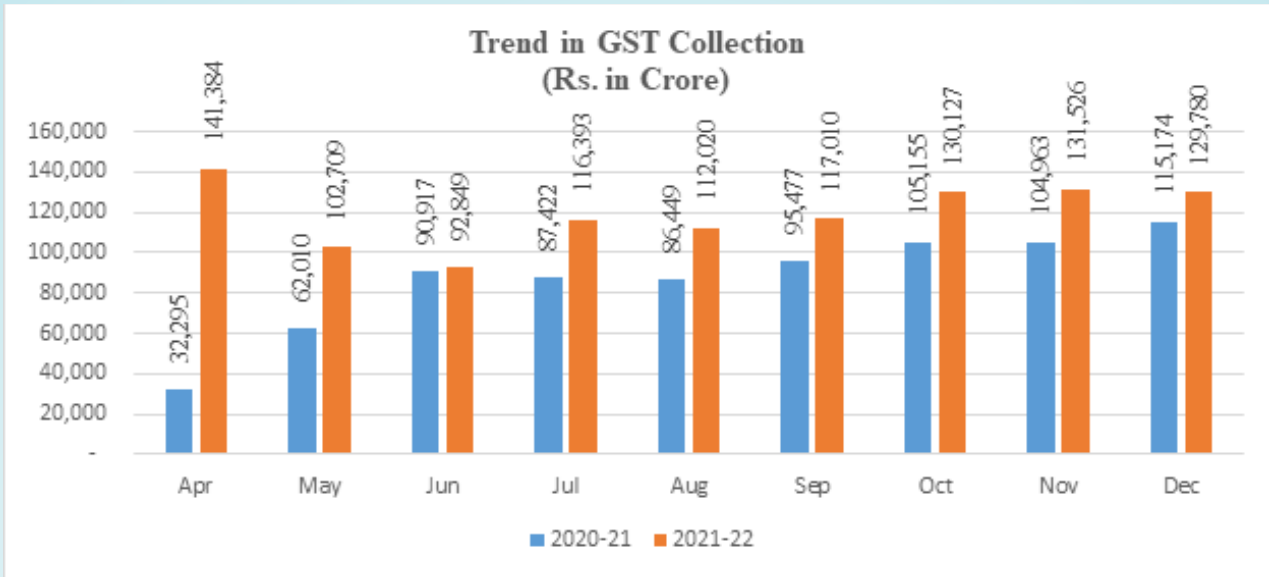
The average monthly gross GST collection for the third quarter of the current year has been Rs 1.30 lakh crore against the average monthly collection of Rs 1.10 lakh crore and Rs 1.15 lakh crore in the first and second quarters respectively.

GST Collection in December, 2021

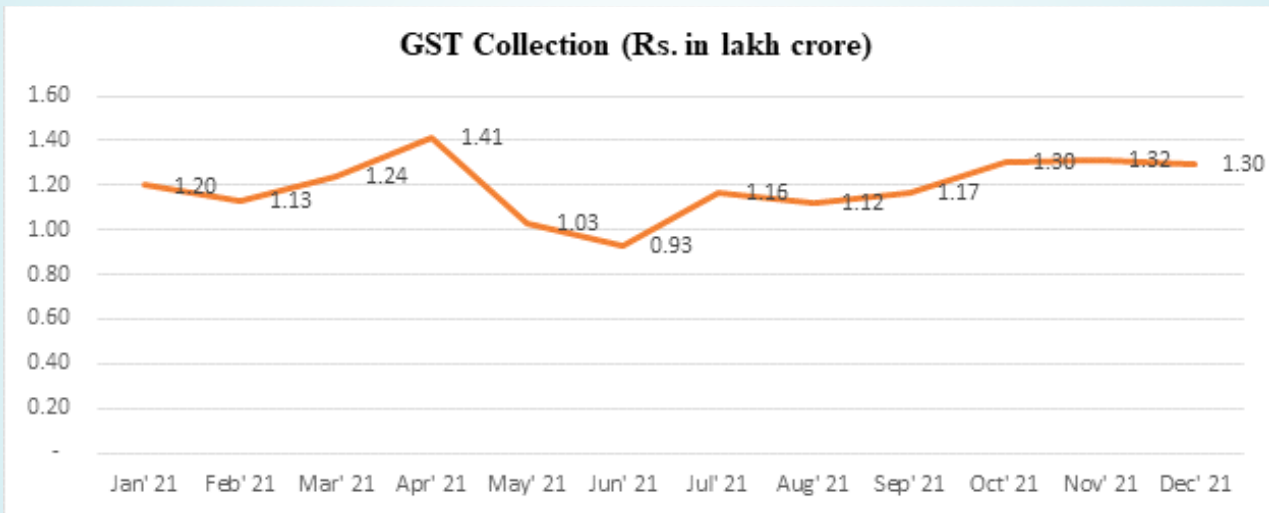


Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1786774>

The chart below shows trends in monthly gross GST revenues during the current financial year compared to the previous financial year.



The chart below shows trends in monthly gross GST revenues during the last one year.



Source: Compiled from Press Releases issued by PIB





Union Minister of State for Finance Shri Pankaj Chaudhary in written reply to a question in Lok Sabha on December 13, 2021 stated that as per provisions of GST (Compensation to States) Act, 2017, GST compensation for financial years 2017-18, 2018-19 and 2019-20 has already been paid to all the States/UTs.

However, the economic impact of the pandemic has led to higher compensation requirement due to lower GST collection and at the same time lower collection of GST compensation cess. GST compensation of Rs. 1,30,464 crore has been released to States/UTs to partly meet the compensation payable for the period April'20 to March'21 as the amount in GST Compensation Fund was not adequate to meet the full compensation requirement.

The issue of shortfall of cess collection into Compensation Fund and GST compensation to States/UTs due to economic impact of the pandemic has been deliberated in 41st, 42nd & 43rd GST council meetings. As per the decision of GST Council, Rs. 1.1 lakh crore for FY 2020-21 & Rs. 1.59 lakh crore for FY 2021-22 has been released to States/ UTs as back to back loan to meet the resource gap of the States/UTs due to shortfall in GST compensation. Release of this amount has been front loaded during the financial year to enable States/UTs to undertake capital expenditure.

In addition, depending on the amount available in the Compensation Fund, Centre has also been releasing the regular GST compensation to States to make up for GST revenue shortfall. Taking into account, the GST compensation released from Compensation Fund as well as back-to-back loan released in FY 2020-21 and FY 2021-22, GST compensation of ₹ 37,134 crore for period April'20 to March'21 and ₹ 14,664 crore for April-September'21 is pending to States/ UTs as per provisional figures.

Centre is committed to release full GST Compensation to the States/UTs as per GST (Compensation to States) Act, 2017 for the transition period by extending the levy of Compensation cess beyond 5 years to meet the GST revenue shortfall as well as servicing the loan borrowed through special window scheme. As far as States' share of Central portion of GST is concerned, it is being released regularly.

GST compensation due to States/ UTs

(Amount in Rs. Crore)

Name of State/UT	Provisional GST compensation yet to be released for FY 2020-21	Provisional GST compensation yet to be released for FY 2021-22 (Apr-Sep)
Andhra Pradesh	1,195	387
Arunachal Pradesh	0	0
Assam	351	79
Bihar	754	0
Chhattisgarh	309	0
Delhi	2,543	2,104
Goa	360	394
Gujarat	3,145	0
Haryana	1,141	0
Himachal Pradesh	391	0
J & K	371	0
Jharkhand	582	87
Karnataka	3,528	0
Kerala	1,484	0
Madhya Pradesh	1,194	0
Maharashtra	6,723	6,430
Manipur	0	0
Meghalaya	61	61
Mizoram	0	0
Nagaland	0	0
Odisha	630	0
Puducherry	134	0
Punjab	1,838	0
Rajasthan	1,439	0
Sikkim	1	0
Tamil Nadu	2,894	2,049
Telangana	615	0
Tripura	37	0
Uttar Pradesh	3,120	2,321
Uttarakhand	595	0
West Bengal	1,699	751
Total	37,134	14,664

Source: <http://164.100.24.220/loksabhaquestions/annex/177/AU2481.pdf>



RECOMMENDATIONS OF 46th GST COUNCIL MEETING

The GST Council's 46th meeting was held on 31st December, 2021 in New Delhi under the chairpersonship of Union Finance & Corporate Affairs Minister, Smt. Nirmala Sitharaman.

The GST Council has recommended to defer the decision to change the rates in textiles recommended in the 45th GST Council meeting. Consequently, the existing GST rates in textile sector would continue beyond 1st January, 2022.



Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1786581>

REVAMPED TAX INFORMATION PORTAL

CBIC launched a revamped tax information portal through which all indirect tax legislations, rules, regulations and forms will be available for ease of reference of taxpayers.



Source: <https://taxinformation.cbic.gov.in/>



MEASURES FOR THE BENEFIT OF SMALL BUSINESSES AND CONSUMERS

Union Minister of State for Finance Shri Pankaj Chaudhary in written reply to a question in Lok Sabha on December 13, 2021 stated that the GST Council, in its meetings have deliberated and taken various measures for the benefit of small businesses and consumers.

Details of the salient milestones are as follows:

- 01**

A threshold exemption limit of Rs. 40 lakh for goods and Rs. 20 lakh for services has been prescribed.
- 02**

A composition levy scheme is operational under which assesseees with turnover below a specified threshold can discharge their GST liabilities in a simple manner at reduced rates.
- 03**

Taxpayers having aggregate annual turnover less than Rs. 2 crore are not required to file Annual Return in FORM GSTR-9 and FORM GSTR-9A for FY. 2017-18, 2018-19, 2019-20 and 2020-21.
- 04**

Taxpayers having aggregate annual turnover less than Rs 5 crore are not required to furnish Annual Reconciliation Statement in FORM GSTR-9C.
- 05**

Quarterly Return Monthly Payment Scheme (QRMP) has been introduced with effect from 01.01.2021 for registered persons having aggregate turnover up to Rs. 5 crore as per which taxpayers have been given facility to file GST returns on quarterly basis, instead of monthly basis.
- 06**

Late fee imposed for delayed filing of returns has been rationalized to reduce the burden of late fee on smaller taxpayers.

Source: <http://164.100.24.220/loksabhaquestions/annex/177/AU2375.pdf>



NOTIFICATIONS AND CIRCULARS

NOTIFICATION NO. 37/2021 – CENTRAL TAX DATED 01.12.2021

This notification seeks to make following amendments through CGST (Ninth Amendment) Rules, 2021:

1. Tenure of National Anti-Profitteering Authority extended from 4 years to 5 years

Rule 137 of the CGST Rules, 2017 has been amended with effect from the 30th day of November 2021 to extend the tenure of National Anti-Profitteering Authority from 4 years to 5 years.

2. Amendments made in GST DRC-03

Following changes have been made in Form GST DRC-03:

(i) The heading of the Form has been changed as under:

*“Intimation of payment made voluntarily or made against the Show Cause Notice (SCN) or statement or intimation of tax ascertained through **FORM GST DRC-01A**”*

(ii) The causes of payment in item no. 3 have been expanded. Now, the drop down list will provide:

“Audit, inspection or investigation, voluntary, SCN, annual return, reconciliation statement, scrutiny, intimation of tax ascertained through FORM GST DRC-01A, Mismatch (Form GSTR-1 and Form GSTR-3B), Mismatch (Form GSTR-2B and Form GSTR-3B), others (specify)”

(iii) Item no. 5 which require to provide the “details of SCN, if payment is made within 30 days of its issue” has been amended. Amended item reads as under:

“Details of show cause notice, if payment is made within 30 days of its issue, scrutiny, intimation of tax ascertained through Form GST DRC-01A, audit, inspection or investigation, others (specify)”

(iv) A separate column mentioning “Fee” has been inserted in the table of serial No. 7 pertaining to the details of payments made including interest and penalty, if applicable.

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-37-central-tax-english-2021.pdf>

NOTIFICATION NO. 38/2021-CENTRAL TAX DATED 21.12.2021

This notification seeks to bring into force certain sub-rules of Rule 2 of the CGST (Eighth Amendment) Rules, 2021, introduced vide *Notification No. 35/2021–Central Tax dated 24th September, 2021* with effect from 1st day of January 2022 like compulsory Aadhar authentication

for registered persons in order to file revocation application under Rule 23, application for refund of tax, interest, penalty, fees or any other amount under Rule 89 and application for refund of integrated tax paid on goods or services exported out of India under Rule 96.

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-38-central-tax-english-2021.pdf>

NOTIFICATION NO. 39/2021-CENTRAL TAX DATED 21.12.2021

This notification seeks to notify 01.01.2022 as the date on which provisions of section 108, 109 and 113 to 122 of the Finance Act, 2021 (hereinafter referred to as FA, 2021) shall come into force.

1. Section 108 of the FA, 2021

Section 7 of the CGST Act amended retrospectively w.e.f. 1st July, 2017 to tax supplies between an association and its members and insertion of an explanation thereto, deeming association and its members as two separate persons.

2. Section 109 of the FA, 2021

Section 16(2)(aa) under CGST Act has been inserted to provide that ITC would be available to the recipient only when the details of the invoice or debit note has been furnished by the supplier in his GSTR-1 and such details have been communicated to the recipient in GSTR-2A which means 5% limit for availing ITC of unmatched ITC will not be available w.e.f. January 01, 2022.

3. Section 113 of the FA, 2021

Explanation 1 to Section 74 of the CGST Act has been amended to delink the provisions of penalty under Section 129 and Section 130 (for e-way bill violations) from Section 74.

4. Section 114 of the FA, 2021

An explanation to Section 75 (12) of the CGST Act has been inserted which states that “self-assessed tax” shall include the tax payable in respect of details of outward supplies furnished under section 37 i.e. in GSTR-1, but not included in the return furnished under section 39 i.e. in GSTR-3B.

5. Section 115 of the FA, 2021

The powers of provisional attachment of property under Section 83 of the CGST Act have been increased to include any proceedings under Chapter XII (Assessment), Chapter XIV (Inspection, Search, Seizure and Arrest) or Chapter XV (Demands & Recovery).

6. Section 116 of the FA, 2021

A proviso to Section 107(6) of the CGST Act has been inserted to provide that an appeal against an order under Section 129(3) for e-way bill violations shall be filed only when a sum equal to 25% of the penalty (earlier 10%) has been paid by the appellant.

7. Section 117 of the FA, 2021

Section 129 of the CGST Act regarding detention, seizure and release of goods and conveyances in transit has been amended.

8. Section 118 of the FA, 2021

Non-obstante clause from Section 130 (1) of the CGST Act has been removed and Section 130(3) of the CGST Act has been omitted.

9. Section 119 of the FA, 2021

Section 151 of the CGST Act has been substituted to enlarge the scope of the same. The Commissioner's power to issue a notification and call upon the requisite person to collect statistics relating to any matter connected with GST has been substituted with the power to issue an order and direct any person to furnish the information relating to any matter connected with GST.

10. Section 120 of the FA, 2021

Section 152 of the CGST Act has been amended so as to provide that no information obtained under sections 150 and 151 shall be used for the purposes of any proceedings under the Act without giving an opportunity of being heard to the person concerned.

11. Section 121 of the FA, 2021

In Section 168 (2) of the CGST Act, "sub-section (1) of section 44" has been substituted with "section 44" and "sub-section (1) of section 151" has been omitted.

12. Section 122 of the FA, 2021

Consequent to the amendment in Section 7 of the CGST Act, paragraph 7 of Schedule II to the CGST Act pertaining to supply of goods by any unincorporated association or a body of persons to a member thereof has been omitted with effect from the 1st day of July, 2017.

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-39-central-tax-english-2021.pdf>

NOTIFICATION NO. 40/2021 – CENTRAL TAX DATED 29.12.2021

This notification seeks to make following amendments through the CGST (Tenth Amendment), Rules, 2021:

1. Due date for furnishing Form GSTR-9 and 9C for FY 2020-21 extended from 31.12.2021 to 28.02.2022

A new sub-rule (1A) has been inserted in Rule 80 (Annual Return) to provide that the annual return in GSTR-9 for the financial year 2020-2021 can be furnished on or before 28.02.2022. Also, sub-rule (3A) has been inserted to provide that self-certified reconciliation statement in Form GSTR-9C can be furnished along with the said annual return on or before 28.02.2022.

2. Rule 36(4) has been substituted with effect from 1.1.2022

Rule 36(4) has been substituted to provide that ITC would be available to the recipient only when the details of the invoice or debit note has been furnished by the supplier in his GSTR-1 or using his invoice furnishing facility (IFF) and such details have been communicated to the recipient in GSTR-2B which means 5% limit for availing ITC of unmatched ITC will not be available w.e.f. January 01, 2022.

3. Following proviso has been inserted in Rule 95 (3) after clause (c) with effect from the 1.4.2021, namely:-

"Provided that where Unique Identity Number of the applicant is not mentioned in a tax invoice, the refund of tax paid by the applicant on such invoice shall be available only if the copy of the invoice, duly attested by the authorized representative of the applicant, is submitted along with the refund application in FORM GST RFD-10."

4. Rule 142 pertaining to notice and order for demand of amounts payable under the Act and Rule 159 pertaining to provisional attachment of property have been amended with effect from 1.1.2022.
5. Rule 154 has been substituted with effect from 1.1.2022 with the new Rule namely ***“Disposal of proceeds of sale of goods or conveyance and movable or immovable property”***.
6. New Rule 144A namely ***“Recovery of penalty by sale of goods or conveyance detained or seized in transit”*** has been inserted after Rule 144 with effect from 1.1.2022.
7. **Following Forms have been amended with effect from 1.1.2022:**
 - FORM GST APL-01: Appeal to Appellate Authority
 - FORM GST DRC-11: Notice to successful bidder
 - FORM GST DRC-12: Sale Certificate
 - FORM GST DRC-23: Restoration of provisionally attached property / bank account under section 83
8. **Following existing Forms have been substituted with effect from 1.1.2022:**
 - FORM GST DRC-10: Notice for Auction under section 79 (1) (b) or section 129(6) of the Act
 - FORM GST DRC-22: Provisional attachment of property under section 83
9. New Form GST DRC-22A namely ***“Application for filing objection against provisional attachment of property”*** has been inserted after Form GST DRC-22 with effect from 1.1.2022.

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-40-central-tax-english-2021.pdf>

CIRCULAR NO. 167 / 23 / 2021 – GST DATED 17.12.2021

Clarification regarding modalities of compliance to the GST laws in respect of supply of restaurant service through e-commerce operators (ECO).

The GST Council in its 45th meeting held on 17th September, 2021 recommended to notify, Restaurant Service under section 9(5) of the CGST Act, 2017. Accordingly, the tax on supplies of restaurant service supplied through e-commerce operators shall be paid by the e-commerce operator. In this regard *Notification No. 17/2021-Central Tax (Rate) dated 18.11.2021* has been issued. This Circular clarifies the following:

- As ‘restaurant service’ has been notified under section 9(5) of the CGST Act, 2017, the ECO shall be liable to pay GST on restaurant services provided, with effect from the 1st January, 2022, through ECO. Accordingly, the ECOs will no longer be required to collect TCS and file GSTR-8 in respect of restaurant services on which it pays tax in terms of section 9(5). On other goods or services supplied through ECO, which are not notified u/s 9(5), ECOs will continue to pay TCS in terms of section 52 of CGST Act, 2017 in the same manner at present.
- As ECOs are already registered in accordance with rule 8 (in Form GST-REG 01) of the CGST Rules, 2017 (as a supplier of their own goods or services), there would be no mandatory requirement of taking separate registration by ECOs for payment of tax on restaurant service under section 9(5) of the CGST Act, 2017.
- ECOs will be liable to pay GST on any restaurant service supplied through them including by an unregistered person.
- For threshold consideration or any other purpose in the Act, the person providing restaurant service through ECO shall account such services in his aggregate turnover.

- ECOs are not the recipient of restaurant service supplied through them. Since these are not input services to ECO, these are not to be reported as inward supply (liable to reverse charge).
- Restaurant services attract concessional GST rate of 5% subject to non-availability of ITC. ECO shall not be required to reverse ITC on account of restaurant services on which it pays GST in terms of section 9(5) of the Act (as they are not the providers of restaurant service).
- On restaurant service, ECO shall pay the entire GST liability in cash (No ITC could be utilized for payment of GST on restaurant service supplied through ECO).
- The invoice in respect of restaurant service supplied through ECO under section 9(5) will be issued by ECO.
- Considering that liability to pay GST on supplies other than 'restaurant service' through the ECO, and other compliances under the Act, including issuance of invoice to customer, continues to lie with the respective suppliers (and ECOs being liable only to collect tax at source (TCS) on such supplies), it is advisable that ECO raises separate bill on restaurant service in such cases where ECO provides other supplies to a customer under the same order.
- The ECO may, on services notified under section 9 (5) of the CGST Act, 2017, including on restaurant service provided through ECO, may continue to pay GST by furnishing the details in GSTR-3B, reporting them as outward taxable supplies for the time being. Besides, ECO may also, for the time being, furnish the details of such supplies of restaurant services under section 9(5) in Table 7A(1) or Table 4A of GSTR-1, as the case may be, for accounting purpose.
- Registered persons supplying restaurant services through ECOs under section 9(5) will report such supplies of restaurant services made through ECOs in Table 8 (Nil rated, exempted and non GST outward supplies) of GSTR-1 and Table 3.1 (c) [Other outward supplies (Nil rated, exempted)] of GSTR-3B, for the time being.

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular-167-2021-GST.pdf>

CIRCULAR NO. 168/24/2021 – GST DATED 30.12.2021

Mechanism for filing of refund claim by the taxpayers registered in erstwhile Union Territory of Daman & Diu for period prior to merger with U.T. of Dadra & Nagar Haveli.

New GSTINs with UT Code 26 were created for the taxpayers of erstwhile UT of Daman and Diu w.e.f 1st August, 2020 on merger of the UT of Dadra & Nagar Haveli and UT of Daman & Diu. During the transition, the taxpayers have transferred their ITC balance from their electronic credit ledger of the old GSTIN (by reversing the balance amount available in electronic credit ledger through the last return in FORM GSTR 3B filed for the old GSTIN prior to merger) to the new GSTIN (by availing the ITC for the said amount in the first return in FORM GSTR 3B filed for the new GSTIN) as per procedure specified under Notification No. 10/2020-CT dated 21.03.2020.

Due to transfer of ITC from old GSTIN to new GSTIN, the taxpayers are unable to apply for refund on account of zero-rated supplies and inverted rated structure for the period prior to merger in respect of old GSTIN as they have no ITC available in the electronic credit ledger of the old GSTIN for debiting the amount from electronic credit ledger for claiming refund of unutilised ITC. Such taxpayers are also unable to apply for such refund claim from the new GSTIN because all the

invoices bear the old GSTIN and the system has certain validations which do not allow the refund application to be filed from the new GSTIN for the period prior to the merger.

Following procedure has been prescribed to enable such taxpayers to file refund claim for the period prior to merger:

- i. The application for refund shall be filed under 'Any other' category on the GST portal using their new GSTIN. In the Remarks column of the application, the applicant needs to enter the category in which the refund application otherwise would have been filed. For example, if the applicant wants to claim refund of unutilised ITC on account of export of goods/services, in remarks column, he shall enter '*Refund of unutilised ITC on account of export of goods/services without payment of tax for the period prior to merger of Daman & Diu with Dadra & Nagar Haveli*'. The application shall be accompanied by all the supporting documents which otherwise are required to be submitted with the refund claim.
- ii. At this stage, the applicant is not required to make any debit from the electronic credit ledger.
- iii. On receipt of the claim, the proper officer shall calculate the admissible refund amount as per law. Further, upon scrutiny of the application for completeness and eligibility, if the proper officer is satisfied that the whole or any part of the amount claimed is payable as refund, he shall request the applicant, in writing, if required, to debit the said amount from the electronic credit ledger through FORM GST DR-03. Once the proof of such debit is received by the proper officer, he shall proceed to issue the refund order in FORM GST RFD-06 and the payment order in FORM GST RFD-05.
- iv. For the categories of refund where debit of ITC is not required, the applicant may apply for refund under the category "Any other" mentioning the reasons in the Remarks column. Such application shall also be accompanied by all the supporting documents which are otherwise required to be submitted along with the refund claim.

No refund claim, requiring debit from the electronic credit ledger or where the refund would result in re-credit of the amount sanctioned in the electronic credit ledger, shall be filed using old GSTIN.

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular-168-2021-GST.pdf>





GST PORTAL UPDATES

Mandatory Aadhaar Authentication for Registered Persons

The Central Government vide Notification No. 38/2021-CT dated 21.12.2021 has notified January 1, 2022 as the implementation date for Rule 10B of CGST Rules, 2017.

In the said rule, it is mandatory for the registered person to undergo Aadhaar authentication for the below purposes,

1. Filing of application for revocation of cancellation of registration in FORM GST REG-21 under Rule 23 of CGST Rules, 2017
2. Filing of refund application in FORM RFD-01 under Rule 89 of CGST Rules, 2017
3. Refund of the IGST paid on goods exported out of India under Rule 96 of CGST Rules, 2017.

The taxable person, who have not yet authenticated their Aadhaar, may like to go through this authentication process before filing the above two applications and enabling GST system to validate and transmit the IGST refund data from GST system to ICEGATE system.

If Aadhaar number has not been assigned to the concern person for Aadhaar authentication as specified above, such person may undergo e-KYC verification by furnishing the following:

- (a) She/he will feed Aadhaar Enrolment ID and upload the acknowledgement; and
- (b) She/he shall also upload any one of the following documents:
 - (i) Bank passbook with photograph; or
 - (ii) Voter identity card issued by the Election Commission of India; or
 - (iii) Passport; or
 - (iv) Driving license issued by the Licensing Authority under the Motor Vehicles Act, 1988 (59 of 1988);

Provided further that such person shall undergo the Aadhaar authentication within a period of thirty days from allotment of the Aadhaar number.

Aadhaar authentication or e-KYC verification before filing of refund may be completed by navigating to "Dashboard > My Profile > Aadhaar Authentication Status"

Source: <https://www.gst.gov.in/newsandupdates/read/514>



GST IN NEWS

Restructuring GST rates: Available options for the GST Council

- A recent study of NIPFP on *“Revenue Implications of GST Rates Restructuring in India: An Analysis”* assesses the revenue implications of restructuring GST rates.
- Following the recommendation of the Fifteenth Finance Commission, the study explores the possibility of rationalisation of GST rate structure by merging the rates of 12% and 18%.
- The study finds that merging 12% and 18% tax rates into any tax rate lower than 18% may result in revenue loss. Since 18% tax rate holds two-fifth (41%) share in total taxable value (or taxable turnover) vis-à-vis 12.3% by 12 per cent tax rate, if the merged tax base attract 15% tax, there will be revenue loss.
- To compensate the revenue loss, if the GST council considers increasing the highest tax rate (i.e., 28% at present), the highest tax rate needs to be increased to 37.55% (or approximately 38%). Alternatively, if the council considers increasing 5% tax rate, it needs to be increased to 8.81% (or approximately 9%).
- Alternatively, the council may consider three rate structure of GST by adopting 8%, 15% and 30% and it may help to achieve revenue neutrality.
- In all possibility it is likely that special rates will continue as prevalent at present.

Source: <https://www.timesnownews.com/business-economy/economy/article/restructuring-gst-rates-available-options-for-the-gst-council/837915>

No proposal under consideration to reduce GST on health insurance premium: MoS Finance

- Minister of State for Finance Bhagwat K Karad on Monday said there is no recommendation under consideration of the GST Council to reduce Goods and Services Tax (GST) on health insurance premium.
- In a written reply to the Lok Sabha, Karad said the GST levied on health insurance premium is 18 per cent.
- “The rate of GST is decided on the recommendations of the GST Council, which is a constitutional body comprising members from the Central Government and State Governments. At present, no recommendation to reduce the GST rate on health insurance premium is under consideration of the GST Council,” he said.

Source: <https://economictimes.indiatimes.com/industry/banking/finance/insure/no-proposal-under-consideration-to-reduce-gst-on-health-insurance-premium-mos-finance/articleshow/88122722.cms>

Parliamentary panel for more subsidy, GST cut to up EV adoption

- A Parliamentary committee has recommended to the Government to increase the subsidy on buying of private electric three and four wheelers as has been done for promoting the adoption of electric two wheelers under FAME-II. It has also sought an increase in import duty on “child parts” smaller parts that are assembled together to create vital parts in a phased manner till these components are manufactured locally, while taking note that some of these items are still imported from countries including China.
- The panel has also suggested the lowering of GST rates on hybrid electric vehicles (HEVs). It took note of how currently EV cars are taxed at 5% and big HEVs are charged 43% (28% GST plus 15% cess).
- “EVs reduce energy consumption by 75% over internal combustion engine (ICE), while HEVs reduce energy consumption by 30-45% over ICE without any external charger. Hence, HEVs are also entitled for discount on GST rate as in the case of EVs. GST support of HEV would help the whole ecosystem and provide impetus to EVs,” said the Parliamentary standing committee on industry.



Source: <https://timesofindia.indiatimes.com/business/india-business/parliamentary-panel-for-more-subsidy-gst-cut-to-up-ev-adoption/articleshow/88135356.cms>

Basavaraj Bommai-led GoM on GST rate rationalisation likely to submit report by February

- The Group of Ministers (GoM) on GST rate rationalisation is likely to submit its final report by February, Karnataka Chief Minister Basavaraj Bommai, who heads it said.
- “I have held two meetings of the GoM so far, there are opposition states also, and I’m happy to say that I’ve been able to take everybody along – CPI, Congress, BJP and others. We’ve been successful in bringing everybody on the same platform, as everybody works for public interest,” Bommai said.
- He also said that he expects the revenues to go up after the rates are rationalized. At present, there are four slabs – 5, 12, 18 and 28- under the GST.
- Noting that he is in the middle of multiple challenges, Bommai, who also holds Finance portfolio said, “there’s the post-Covid recovery that we need to focus on, then there’s the threat of a new wave, the GST compensation regime is ending and our expenditure is rising. I’m in the middle of all this,” he said, adding that he wants to focus on solutions.

Source: <https://www.moneycontrol.com/news/business/economy/basavaraj-bommai-led-gom-on-gst-rate-likely-to-submit-report-by-february-7860631.html>



COMPLIANCE CALENDAR

Forms	Period	Due Date	Remarks
GSTR-1	Dec, 2021	Jan 11, 2022	Turnover exceeding ₹5 Crore or opted to file monthly return
GSTR-1	Oct-Dec, 2021	Jan 13, 2022	Opted for quarterly filing as per QRMP scheme
IFF	Dec, 2021	Not applicable	IFF is a facility where quarterly GSTR-1 filers can choose to upload their B2B invoices every month, currently under the QRMP Scheme
GSTR-3B*	Dec, 2021	Jan 20, 2022	Turnover exceeding ₹5 Crore or opted to file monthly return
GSTR-3B*	Oct-Dec, 2021	Jan 22/ 24, 2022	Opted for quarterly filing as per QRMP scheme.
CMP-08	Oct-Dec, 2021	Jan 18, 2022	Quarterly statement-cum-challan to make tax payment by taxpayers registered under the composition scheme

*GSTR-3B

20th of next month for taxpayers with an aggregate turnover in the previous financial year more than Rs. 5 crore or otherwise eligible but still opting out of the QRMP scheme.

For the taxpayers with aggregate turnover equal to or below Rs. 5 crore, eligible and remaining opted into the QRMP scheme, 22nd of month next to the quarter for taxpayers in category X States/UTs and 24th of month next to the quarter for taxpayers in category Y States/UTs

- Category X:** Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana and Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep.
- Category Y:** Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha, the Union Territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi.

Forms	Period	Due Date	Remarks
GSTR-5	Dec, 2021	Jan 20, 2022	Monthly return for Non-Resident taxable person
GSTR-5A	Dec, 2021	Jan 20, 2022	Monthly return for Non-resident OIDAR services providers
GSTR-6	Dec, 2021	Jan 13, 2022	Monthly return for Input Service Distributors
GSTR-7	Dec, 2021	Jan 10, 2022	Monthly return for authorities liable to deduct tax at source (TDS)
GSTR-8	Dec, 2021	Jan 10, 2022	Monthly return for e-Commerce Operators liable to collect tax at source (TCS)
GSTR-9**	FY 2020-21	Feb 28, 2022 [#]	Annual return for normal taxpayers
GSTR-9C***	FY 2020-21	Feb 28, 2022 [#]	Annual reconciliation statement
RFD-10	-	-	Eighteen months after end of the quarter for which refund is to be claimed

**GSTR-9

Taxpayers having annual aggregate turnover up to Rs. 2 crores are exempted from the requirement of furnishing annual return (GSTR-9) for FY 2020-21.

***GSTR-9C

Taxpayers having annual aggregate turnover up to Rs. 5 crores are exempted from the requirement of furnishing Reconciliation Statement (GSTR-9C) for FY 2020-21. Further, the requirement of certification by CA or CMA for those requiring to file GSTR-9C has been removed from the FY 2020-21 onwards. Instead, Form GSTR-9C requires to be self-certified by the business themselves.

The due date for furnishing Form GSTR-9 and 9C for FY 2020-21 extended from 31.12.2021 to 28.02.2022 vide Notification No. 40/2021 – Central Tax dated 29.12.2021.

Source: <https://www.gst.gov.in/>





GST QUIZ

1. **The due date for furnishing Form GSTR-9 and 9C for FY 2020-21 has been extended from December 31, 2021 to _____.**
 - a) January 31, 2022
 - b) February 28, 2022
 - c) March 31, 2022
 - d) None of the above

2. **Application for revocation of cancellation of registration is filed in _____.**
 - a) Form GST REG-20
 - b) Form GST REG-21
 - c) Form GST REG-22
 - d) Form GST REG-23

3. **Section 16 of the CGST Act, 2017 pertains to _____.**
 - a) Eligibility and condition for taking input tax credit
 - b) Availability of credit in special circumstances
 - c) Apportionment of credit and blocked credits
 - d) None of the above

4. **Which of the following rule of the CGST Rules, 2017 pertains to the documentary requirements and conditions for claiming input tax credit?**
 - a) Rule 32
 - b) Rule 34
 - c) Rule 36
 - d) Rule 37

Answers:

1. (b)
2. (b)
3. (a)
4. (c)



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