



# 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)





# CONTENTS

GST Collection Updates	1
Trends in GST Collection and E-Way Bills Generated	2
Clarification Regarding Time Limit For Certain Compliances	3
GST Portal Updates	4
GST in News	8
Compliance Calendar	11
GST Quiz	13

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## GST COLLECTION UPDATES

**₹1,51,718 crore gross GST revenue collected for October 2022**

**Second highest collection ever with, next only to collection in April 2022**

**Monthly GST revenues more than ₹1.4 lakh crore for eight months in a row, with ₹1.5 lakh crore crossed for 2<sup>nd</sup> time since inception of GST**

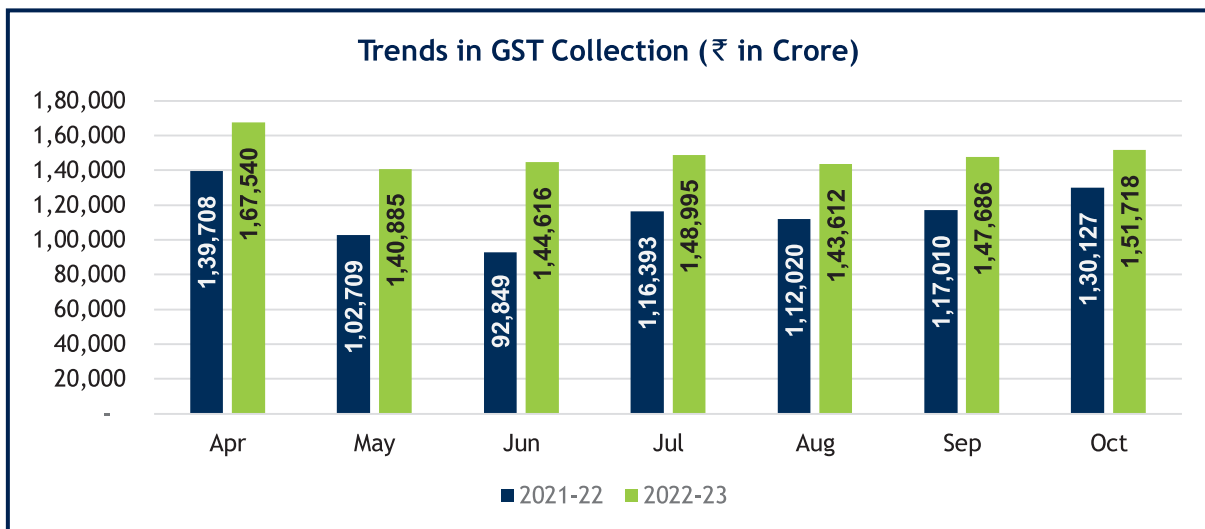
**September 2022 sees generation of 8.3 crore e-way bills, which is significantly higher than 7.7 crore e-way bills generated in August 2022**

The gross GST revenue collected in the month of October 2022 is ₹1,51,718 crore of which CGST is ₹26,039 crore, SGST is ₹33,396 crore, IGST is ₹81,778 crore (including ₹37,297 crore collected on import of goods) and Cess is ₹10,505 crore (including ₹825 crore collected on import of goods), which is second highest till date.

The Government has settled ₹37,626 crore to CGST and ₹32,883 crore to SGST from IGST as regular settlement. In addition, Centre has also settled ₹22,000 crore on adhoc basis in the ratio of 50:50 between Centre and States. The total revenue of Centre and the States after regular as well as adhoc settlements in the month of October 2022 is ₹74,665 crore for CGST and ₹77,279 crore for the SGST.

It is for the second time the gross GST collection has crossed ₹1.50 lakh crore mark. October also saw the second highest collection from domestic transactions, next only to April 2022. This is the ninth month and for eight months in a row now, that the monthly GST revenues have been more than the ₹1.4 lakh crore mark. During the month of September 2022, 8.3 crore e-way bills were generated, which was significantly higher than 7.7 crore e-way bills generated in August 2022.

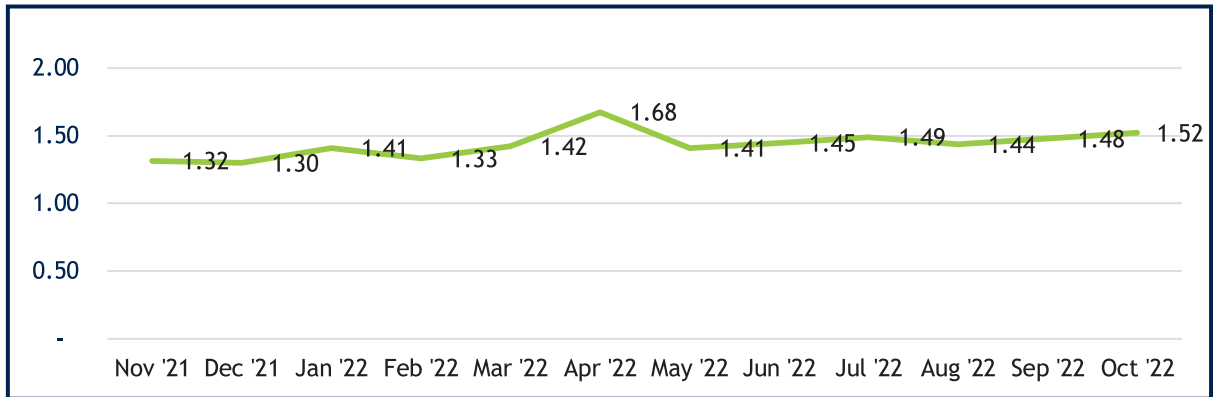
The chart below shows trends in monthly gross GST revenues during the current financial year.



Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1872591>

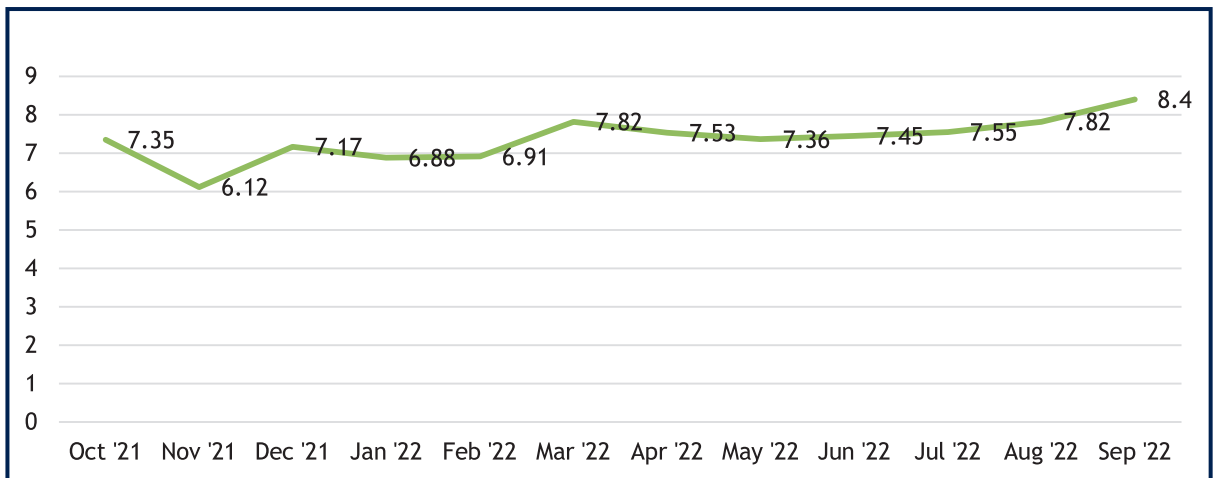
## TRENDS IN GST COLLECTION AND E-WAY BILL GENERATED

### GST COLLECTION (IN ₹ LAKH CRORE)



Source: Compiled from Press Releases issued by PIB

### E-WAY BILLS GENERATED (IN CRORES)



Source: <https://gstn.org.in/>

Note: The revenue collections in the current month pertain to the transactions conducted in the previous month. For example: revenue collections for the month of Nov '21 (as per PIB release) reflects the transactions conducted in Oct '21. Therefore, in the above charts e-way bills generated in Oct '21 is shown corresponding to the GST Revenue collection for Nov '21 and so on.

## CLARIFICATION REGARDING TIME LIMIT FOR CERTAIN COMPLIANCES

Vide Notification No. 18/2022-Central Tax dated 28.09.2022, the Central Government has appointed 01.10.2022 as the date on which the provisions of sections 100 to 114, except clause (c) of section 110 and section 111 of the Finance Act, 2022 shall come into force.

Thereby, the time limit for the following compliances in respect of a particular financial year has been extended and fixed as 30<sup>th</sup> November of the next financial year, or furnishing of the relevant annual return, whichever is earlier:

<i>Relevant section of the Finance Act, 2022</i>	<i>Corresponding provision of the CGST Act, 2017</i>	<i>Corresponding compliance requirements</i>
Clause (b) to Section 100	Section 16(4)	Claiming of ITC in respect of any invoice or debit note in the return
Section 102	Section 34(2)	Declaration of details of credit notes in the return
Clause (c) to Section 103	Proviso to Section 37(3)	Rectification of particulars in details of outward supplies
Clause (c) to Section 105	Proviso to Section 39(9)	Rectification of particulars furnished in a return
Section 112	Proviso to Section 52(6)	Rectification of particulars in the statement furnished by a TCS operator

Doubts have been raised whether the said extended timelines are applicable in respect of compliances for FY 2022-23 onwards or whether the same are also applicable to the compliances for FY 2021-22. Doubts have also been raised whether the timelines for the said compliances stand extended to the date of filing/ furnishing of the return/ statement for the month of November 2022 or the said compliances can be carried out in a return or the statement filed/ furnished upto 30<sup>th</sup> November 2022.

In this regard, it is clarified that the extended timelines for compliances listed in para 2 are applicable to the compliances for FY 2021-22 onwards. It is further clarified that the said compliances in respect of a financial year can be carried out in the relevant return or the statement filed/ furnished upto 30<sup>th</sup> November of the next financial year, or the date of furnishing annual return for the said financial year, whichever is earlier. It is also clarified that no extension of due date of filing monthly return/ statement for the month of October (due in November) or the due date of filing quarterly return/ statement for the quarter ending September has been made *vide* amendment in CGST Act, 2017 notified through Notification No. 18/2022-Central Tax dated 28.09.2022.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1865179>

## GST PORTAL UPDATES

### Sequential filing of GSTR-1 & filing of GSTR-1 before GSTR-3B on GST Portal

1. The Central Government has amended Section 37 & Section 39 of CGST Act, 2017 vide Notification No. 18/2022-Central Tax dated 28<sup>th</sup> September, 2022 with effect from October 01, 2022. According to Section 37(4) of CGST Act, 2017 a taxpayer shall not be allowed to file GSTR-1 if previous GSTR-1 is not filed and as per Section 39(10) a taxpayer shall not be allowed to file GSTR-3B if GSTR-1 for the same tax period is not filed.

2. Section 37(4) & 39(10) of CGST Act, 2017 are reproduced below:

**Section 37(4):** *A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him.*

**Section 39(10):** *A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods or the details of outward supplies under sub-section (1) of section 37 for the said tax period has not been furnished by him.*

3. These changes are being implemented prospectively and will be operational on GST Portal from 1<sup>st</sup> November, 2022. Accordingly, from October 2022 tax period onwards, the filing of previous period GSTR-1 will be mandatory before filing current period GSTR-1.

**Illustration:** *Filing of October, 2022 period GSTR-1 will be mandatory before filing GSTR-1 of November, 2022 period.*

4. Further, from October, 2022 tax period onwards, filing of GSTR-1 will also be mandatory before filing GSTR-3B.

**Illustration:** *Taxpayer will not be allowed to file GSTR-3B for October, 2022 period if GSTR-1 of October, 2022 period is not filed.*

*Source: <https://www.gst.gov.in/newsandupdates/read/559>*

### Implementation of mandatory mentioning of HSN codes in GSTR-1

As per Notification No. 78/2020 - Central Tax dated 15<sup>th</sup> October, 2020, it is mandatory for the taxpayers to report minimum 4 digit or 6 digit of HSN Code in table-12 of GSTR-1 on the basis of their Aggregate Annual Turnover (AATO) in the preceding Financial Year.

To facilitate the taxpayers, these changes are being implemented in a phase-wise manner on GST Portal as below:

<i>Phases</i>		<i>Taxpayers with AATO of upto ₹5 crore</i>	<i>Taxpayers with AATO of more than ₹5 crore</i>
Phase 1	Part I	Taxpayers are required to mandatorily report 2-digit HSN codes for goods & services. Manual user entry is allowed for entering HSN or description and warning or alert message shall be shown in case of manual HSN. However, taxpayers will be able to file GSTR-1 after manual entry.	Taxpayers are required to mandatorily report 4-digit HSN codes for goods & services. Manual user entry is allowed for entering HSN or description and warning or alert message shall be shown in case of incorrect HSN code. However, taxpayers will be able to file GSTR-1 after manual entry.
	Part II	Same as above	Taxpayers will now have to mandatory report 6-digit HSN code. No change in other conditions.
Phase 2		Mandatory reporting of HSN at 4-digits	No change
Phase 3-4		To be communicated in due course.	

Part I & Part II of Phase 1 has already been implemented from 01<sup>st</sup> April 2022 & 01<sup>st</sup> August 2022 respectively and is currently live on GST Portal.

From 1<sup>st</sup> November, 2022, Phase-2 would be implemented on GST Portal and the taxpayers with up to ₹5 crore turnover would be required to report 4-digit HSN codes in table 12 of GSTR-1 as per below mentioned scheme.

<i>Taxpayers with AATO of upto ₹5 crore</i>	<i>Taxpayers with AATO of more than ₹5 crore</i>
Taxpayers would be required to mandatorily report 4-digit HSN code.  Manual user entry would be allowed for entering HSN or description and in case of a wrong HSN reported a warning or alert message will be shown. However, taxpayers will still be able to file GSTR-1.	To continue as it is.

The taxpayers are advised to correct the HSN details where there is an error and a warning message is shown. However, it is not a mandatory validation for filing GSTR-1.

Further phases would be implemented on GST Portal shortly and respective dates of implementation and nature of change would be updated from time to time.

*Source: [https://tutorial.gst.gov.in/downloads/news/hsn\\_table\\_12\\_10\\_22\\_advisory\\_new.pdf](https://tutorial.gst.gov.in/downloads/news/hsn_table_12_10_22_advisory_new.pdf)*

## Advisory on Filing TRAN-1/2 Forms to claim Transitional Credit

The Hon'ble Supreme Court of India *vide* order dated 22.07.2022 in the matter of *Union of India vs. M/s. Filco Trade Centre Pvt. Ltd.*, SLP(C) No. 32709-32710/2018 has allowed the aggrieved taxpayers to file Form TRAN-1/TRAN-2 to claim the transitional Input Tax Credit (ITC). In compliance of the Hon'ble court's directive, the facility for filing TRAN-1/ TRAN-2 or revising the earlier filed TRAN-1/ TRAN-2 on the GST common portal by aggrieved taxpayers, is now available on GSTN from 01.10.2022 till 30.11.2022.

All the aggrieved taxpayers who wish to file or revise TRAN-1/2 are hereby informed that the present process flow of TRAN filing is different from the filing process in the financial year 2017-18. As per the present flow the transitional credit availed by the taxpayer in TRAN-1/2 forms shall be verified by the jurisdictional tax officer before the credit entry is made in the respective ledgers.

The TRAN filing process has been improved *vis-à-vis* previous instance and the user interface of the portal has been made simpler for the taxpayers to file their TRAN-1/2 forms. However, before attempting to file the TRAN forms, the taxpayers should note some important points as mentioned below which would help them in smooth filing of the forms.

TRAN-2 form shall be made available only if the taxpayer has filed TRAN-1 and have made declaration in table 7 of TRAN-1. The taxpayer is requested to fill the complete details afresh in case they are revising the earlier filed TRAN-2 Form.

### Points to be Noted:-

In compliance of the Supreme Court's directive, the TRAN forms are enabled and the default filing status of TRAN forms for all taxpayers is now visible as "Not Filed". The status "Not Filed" only implies that TRAN forms are not filed in the new window provided by the Hon'ble Court during 01.10.2022 to 30.11.2022.

It is therefore clarified that those registered persons, who had successfully filed TRAN-1/TRAN-2 earlier, and who do not require to make any revision in the same, are not required to file/ revise TRAN-1/ TRAN-2 again during this period from 01.10.2022 to 30.11.2022.

The option of filing or revising TRAN-1/TRAN-2 on the common portal during the period from 01.10.2022 to 30.11.2022 is a one-time opportunity for the applicant to either file the said forms, if not filed earlier, or to revise the forms filed earlier.

Input Tax Credit shall reflect in the Credit ledger of the taxpayer post verification by the jurisdictional tax-officer.

*The detailed advisory can be accessed at [https://tutorial.gst.gov.in/downloads/news/advisory\\_tran\\_links\\_updated.pdf](https://tutorial.gst.gov.in/downloads/news/advisory_tran_links_updated.pdf)*

## Advisory on Filing TRAN forms for Taxpayers from Daman & Diu and Ladakh

Due to reorganization of the State of Jammu & Kashmir and merger of the Union territories of Dadra & Nagar Haveli and Daman & Diu, the taxpayers of Ladakh and earlier 'Daman and Diu' region have been



allotted new GSTINs. There is therefore a doubt as to how to file the TRAN-1 and whether it would be linked with the old TRAN-1 or not.

The aggrieved taxpayers of both the above-mentioned regions are hereby informed that they can file or revise their TRAN-1 or TRAN-2 Forms only through their newly allotted GSTINs. Kindly do not use the old GSTIN for filing of TRAN forms.

The respective tax administrations of both the regions are also advised to accordingly facilitate the taxpayers and keep the above information in mind while processing the TRAN claims under the new GSTINs by linking both the old and revised TRAN-1 forms filed by such taxpayers.

*Source: <https://www.gst.gov.in/newsandupdates/read/561>*



## GST IN NEWS

### Re-focus efforts on revenue mobilization: CBIC to Officials

The Central Board of Indirect Taxes and Customs (CBIC) expects Officials to pay special attention to key areas of work improving tax compliance and revenue augmentation in the second half of the financial year.

CBIC Chairperson Shri Vivek Johri in a communication to Officers posted on the tax authority's website said, "As we move into the second half of the present financial year, we need to regroup and refocus our efforts on important areas of work, further augmentation of revenue and improvement in compliance, completion of pending investigation, expeditious disposal of seized items, especially precious metals."

The exhortation to focus on revenue augmentation and compliance improvement comes at a time the Government has slightly reduced its gross borrowing for the current fiscal to ₹14.2 trillion, down from the original plan of ₹14.3 trillion while its subsidy outgo on food and fertilizer is set to go up. Centre's direct and indirect tax revenue collections, however, have so far remained robust.

Both the direct and indirect tax administrations have been using data analytics extensively in addition to holding regular online campaigns to widen the tax base and check non-compliance.

*Source: <https://www.livemint.com/news/india/refocus-efforts-on-revenue-mobilization-cbic-to-officials-11667123202518.html>*

### Relief for small biz.; Govt. sets the ball rolling on decriminalisation of GST Act

Decriminalisation of the GST Act is on the cards, which would give a big reprieve to small businesses in India. In what could be a major overhaul of the GST Act in nearly six years after it came into effect, the Government is likely to raise the threshold limit for initiating criminal prosecution against GST evasion and draw a clear distinction between minor offences and wilful evasion under the proposed new changes.

For the new changes, the Government would be mainly touching upon section 38, 83, 132, 133 among others and amend them accordingly after the GST Council gives its go-ahead.

*Source: <https://www.thehindubusinessline.com/news/decriminalisation-of-gst-act-govt-sets-the-ball-rolling/article66069044.ece>*

### GST evasion of ₹420 crore detected in various sectors in Kerala

The Kochi Zonal Unit of the Directorate General of GST Intelligence, which has jurisdiction all over Kerala and Lakshadweep, has detected GST evasion of around ₹420 crore. It has realized around ₹115 crore of the tax amount evaded in FY 2021-22 in various sectors.

The Unit also detected around ₹283 crore with a realisation of about ₹47 crore in the current financial year. The office has also made two arrests in FY 2021-22 and one more arrest in the current financial year for gross violations of the GST law.

Shri Giridhar G.Pai, Additional Director General said that Real estate sector being one such sector, they have initiated search/summons proceedings against 15 real estate firms operating in Kerala. Investigations revealed evasion through irregular utilization of the input tax credit, suppression of turnover and non-payment on landowners' share.

### **Accumulation of Input tax credit**

The builders are liable to pay GST on construction service on the units/ flats/apartments on which any payments were received from the customers before the date of completion or date of first occupation. There is no GST liability on units where payments are received after the date of completion or date of first occupation. The builders take input tax credits commonly for all the units and they are required to reverse the credit attributable to the inputs used in the units on which no GST is payable. By not doing so, they illegally accumulate input tax credit. This credit is then used for payment of GST instead of paying it in cash.

Most of the builders enter into joint venture agreements with landowners and the landowners get some share of constructed apartments as consideration for the same. GST is to be paid on all the units/ flats/ apartments in the share allotted to landowners as payments are received in the form of development rights immediately on launch of the project itself. Some of these flats are booked by customers. The investigation revealed that GST is being paid only on those units in the land owner's share which have been sold to end customer before the date of completion or date of first occupation and those that remain unsold are being wrongly treated as exempted and no GST was paid. The builder has a liability to pay GST on the construction services rendered to the landowner.

With effect from April 1, 2019, a new reduced tax rate without input tax credit benefit has been introduced for residential projects. All new projects launched after March 31, 2019 are required to pay GST in cash alone. It is found that some builders are discharging their GST liability at the new reduced rates using input tax credit.

*Source: <https://www.thehindubusinessline.com/news/gst-evasion-worth-420-crore-detected-in-various-sectors-in-kerala/article66065028.ece>*

### **CBIC seeks details on digital assets from India's top crypto bourses**

The CBIC has sought from India's top cryptocurrency exchanges details such as the type of digital coins and tokens being traded and their valuation, and how they are divisible.

The body wants to bring crypto assets within the ambit of GST, and is working on the definition and classification of the crypto asset class to determine taxability on the value of each transaction.

There are several types of tokens of all cryptocurrencies, and the most common are utility and payment tokens. These do not have their investment backed or guaranteed by regulation.

Currently 18% GST is levied only on the services provided by crypto exchanges which are categorised as financial services.

### **Government is now examining levying GST on the entire value of a transaction.**

The Government in this year's Budget imposed a 30% tax on income from crypto assets with effect from April 1, 2022, and 1% TDS on payment of virtual assets of more than ₹ 10,000 in a year and taxation of such gifts in the hands of recipients from July 1, 2022.

*Source: [https://www.business-standard.com/article/economy-policy/cbic-seeks-details-from-crypto-bourses-over-digital-assets-valuation-122102801107\\_1.html](https://www.business-standard.com/article/economy-policy/cbic-seeks-details-from-crypto-bourses-over-digital-assets-valuation-122102801107_1.html)*



## COMPLIANCE CALENDAR

<i>Forms</i>	<i>Period</i>	<i>Due Date</i>	<i>Remarks</i>
GSTR-1	Oct, 2022	Nov 11, 2022	Turnover exceeding ₹5 Crore or opted to file <b>monthly</b> return
GSTR-1	Oct-Dec, 2022	Jan 13, 2022	Opted for <b>quarterly</b> filing as per QRMP scheme
IFF (Optional)	Oct, 2022	Nov 13, 2022	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*	Oct, 2022	Nov 20, 2022	Turnover exceeding ₹5 Crore or opted to file <b>monthly</b> return
GSTR-3B#	Oct-Dec, 2022	Jan 22/ 24, 2022	Opted for <b>quarterly</b> filing as per QRMP scheme.
CMP-08	Oct-Dec, 2022	Jan 18, 2022	<b>Quarterly</b> statement-cum-challan to make tax payment by taxpayers registered under the composition scheme

### **\*GSTR-3B**

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

### **#GSTR-3B**

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

<i>Forms</i>	<i>Period</i>	<i>Due Date</i>	<i>Remarks</i>
GSTR-5	Oct, 2022	Nov 13, 2022	<b>Monthly</b> return for Non-resident taxable persons
GSTR-5A	Oct, 2022	Nov 20, 2022	<b>Monthly</b> return for Non-resident OIDAR services providers
GSTR-6	Oct, 2022	Nov 13, 2022	<b>Monthly</b> return for Input Service Distributors
GSTR-7	Oct, 2022	Nov 10, 2022	<b>Monthly</b> return for authorities liable to deduct tax at source (TDS)
GSTR-8	Oct, 2022	Nov 10, 2022	<b>Monthly</b> return for e-Commerce Operators liable to collect tax at source (TCS)
GSTR-9**	FY 2021-22	Dec 31, 2022	<b>Annual</b> return for normal taxpayers
GSTR-9C	FY 2021-22	Dec 31, 2022	<b>Annual</b> reconciliation statement

### **\*\*GSTR-9**

*Taxpayers having annual aggregate turnover up to ₹2 crores are exempted from the requirement of furnishing annual return for FY 2021-22.*

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



## GST QUIZ



1. .... of the total number of members of GST Council form quorum in meetings of GST Council.
  - a) One-third
  - b) One-half
  - c) Three-fourth
  - d) None of the above
2. Decisions in GST Council are taken by a majority of not less than ..... of weighted votes cast.
  - a) One-third
  - b) One-half
  - c) Three-fourth
  - d) None of the above
3. Centre has ..... of the weightage of total votes cast to arrive at decisions in GST Council meetings.
  - a) One-third
  - b) One-half
  - c) Two-third
  - d) None of the above
4. All the States taken together have ..... of the weightage of total votes cast to arrive at decisions in GST Council meetings.
  - a) One-third
  - b) One-half
  - c) Two-third
  - d) None of the above

Answers: 1(b), 2(c), 3(a), 4(c)

## Motto

सत्यं वद। धर्मं चर।

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