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## GST COLLECTION UPDATES

**₹1,47,686 crore gross GST revenue collected in the month of September 2022**

**Monthly GST revenues more than ₹1.4 lakh crore for seven months in a row**

**Revenues for the month of September 2022 are 26% higher than the GST revenues in the same month last year**

**Another milestone crossed in September with more than 1.1 crore e-way bills and e-invoices, combined (72.94 lakh e-invoices and 37.74 lakh e-way bills), generated without any glitch on the GST Portal run by NIC on 30<sup>th</sup> September 2022**

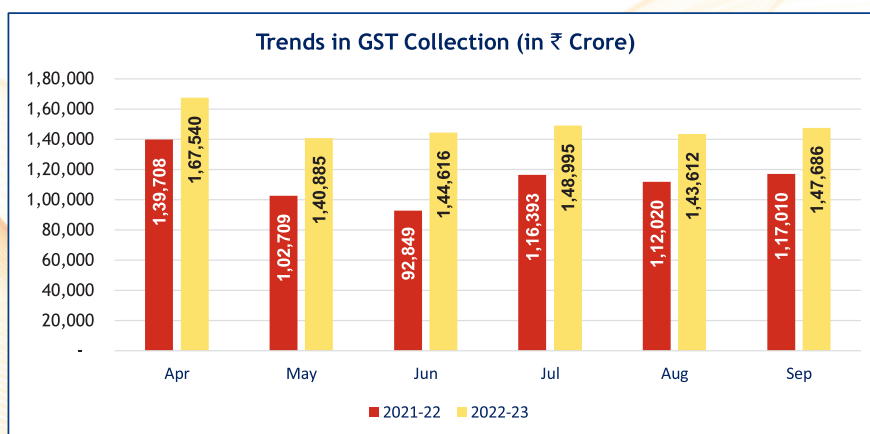
The gross GST revenue collected in the month of September 2022 is ₹1,47,686 crore of which CGST is ₹25,271 crore, SGST is ₹31,813 crore, IGST is ₹80,464 crore (including ₹41,215 crore collected on import of goods) and Cess is ₹10,137 crore (including ₹856 crore collected on import of goods).

The Government has settled ₹31,880 crore to CGST and ₹27,403 crore to SGST from IGST as regular settlement. The total revenue of Centre and the States after regular settlements in the month of September 2022 is ₹57,151 crore for CGST and ₹59,216 crore for SGST.

During the month, revenues from import of goods was 39% higher and the revenues from domestic transaction (including import of services) are 22% higher than the revenues from these sources during the same month last year.

The growth in GST revenue till September 2022 over the same period last year is 27%, continuing to display very high buoyancy. During the month of August 2022, 7.7 crore e-way bills were generated, which was marginally higher than 7.5 crore in July 2022.

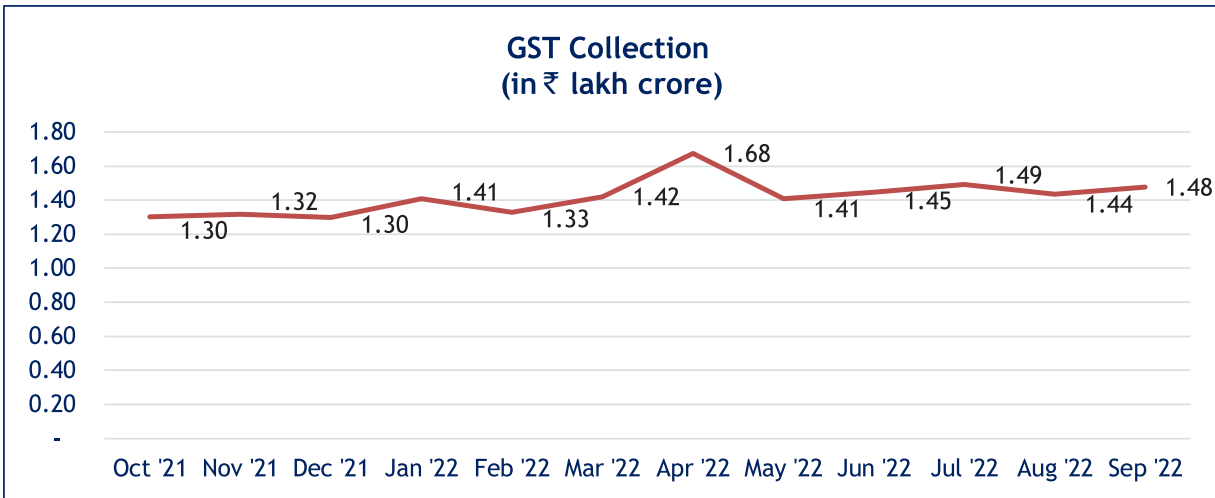
This month witnessed the second highest single day collection of ₹49,453 crore on 20<sup>th</sup> September with second highest number of 8.77 lakh challans filed, next only to ₹57,846 crore collected on 20<sup>th</sup> July 2022 through 9.58 lakh challans, which pertained to end of the year returns. This clearly shows that the GST Portal maintained by GSTN has fully stabilized and is glitch free.



Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1864082>

## TRENDS IN GST COLLECTION

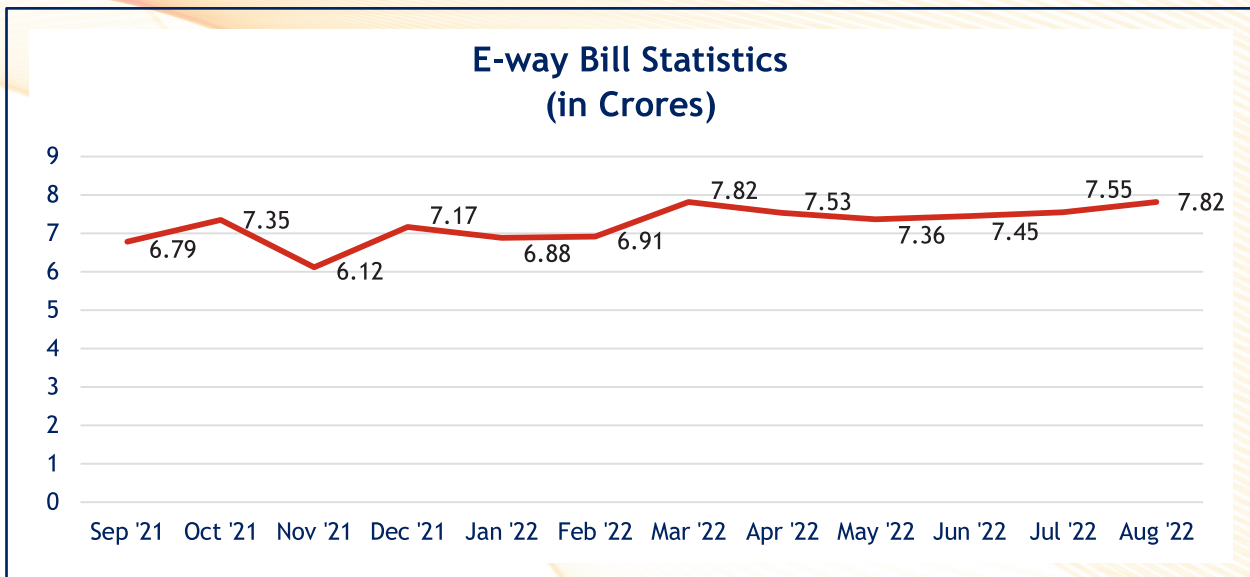
The chart below shows trends in monthly gross GST revenues during the last one year.



Source: Compiled from Press Releases issued by PIB

## TRENDS IN E-WAY BILLS GENERATED

The chart below shows E-way bills generated corresponding to the monthly GST collection.



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

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

## STATE-WISE GROWTH IN GST REVENUES

Amount in ₹ Crores

State	Jul-Sep 2021	Jul-Sep 2022	Growth/ Decline
Jammu and Kashmir	1,201	1,293	8%
Himachal Pradesh	2,051	2,167	6%
Punjab	4,349	5,094	17%
Chandigarh	465	561	21%
Uttarakhand	3,326	3,784	14%
Haryana	16,525	20,966	27%
Delhi	11,025	13,417	22%
Rajasthan	9,137	10,319	13%
Uttar Pradesh	17,649	20,859	18%
Bihar	3,194	4,001	25%
Sikkim	676	781	16%
Arunachal Pradesh	163	188	15%
Nagaland	90	129	43%
Manipur	115	118	3%
Mizoram	57	79	39%
Tripura	171	184	8%
Meghalaya	360	446	24%
Assam	2,809	3,252	16%
West Bengal	10,919	13,845	27%
Jharkhand	6,420	7,572	18%
Odisha	10,258	11,301	10%
Chattisgarh	7,056	7,406	5%
Madhya Pradesh	7,424	8,491	14%

## STATE-WISE GROWTH IN GST REVENUES

State	Jul-Sep 2021	Jul-Sep 2022	Growth/ Decline
Gujarat	22,965	26,887	17%
Daman and Diu	1	1	0%
Dadra and Nagar Haveli	785	935	19%
Maharashtra	50,658	62,395	23%
Karnataka	21,949	29,138	33%
Goa	907	1,238	36%
Lakshadweep	2	5	150%
Kerala	5,051	6,443	28%
Tamil Nadu	21,204	25,472	20%
Puducherry	445	586	32%
Andaman and Nicobar Islands	59	72	22%
Telangana	10,630	12,333	16%
Andhra Pradesh	7,916	9,714	23%
Ladakh	42	58	38%
Other Territory	382	642	68%
Center Jurisdiction	566	549	-3%
Grand Total	259,002	312,721	21%

### Notes:

1. Above collections do not include GST on import of goods
2. Average growth rate is 23%
3. States having collections more than 23% have been highlighted

Source: Compiled from Press Releases issued by PIB



# NOTIFICATIONS AND CIRCULARS

## NOTIFICATIONS

### **NOTIFICATION No. 18/2022-Central Tax dated September 28, 2022**

This notification provides that 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 from 1<sup>st</sup> day of October, 2022.

#### **Section 100 of the Finance Act, 2022 pertains to amendment in Section 16 of the CGST Act, 2017 (Eligibility and conditions for taking input tax credit)**

- A new clause (ba) has been added in Section 16(2) to provide that ITC with respect to a supply can be availed only if such credit has not been restricted in the details communicated to the taxpayer under section 38 (GSTR-2B).
- Section 16(4) has been amended to provide for an extended time for availment of ITC by a registered person in respect of any invoice or debit note pertaining to a financial year upto 30<sup>th</sup> November of the succeeding financial year or furnishing of annual return, whichever is earlier.

#### **Section 101 of the Finance Act, 2022 pertains to amendment in Section 29 of the CGST Act, 2017 (Cancellation or suspension of registration)**

Section 29(2)(b) has been amended to provide that the registration of a person is liable for cancellation, where a person paying tax under Section 10 has not furnished the return for a financial year beyond three months from the due date of furnishing of the said return as against the earlier provision which provided non-filing for three consecutive tax periods.

Section 29(2)(c) has been amended to provide that the registration of a person is liable for cancellation, where a person other than those paying tax under Section 10, has not furnished returns for such continuous tax period as may be prescribed.

#### **Section 102 of the Finance Act, 2022 pertains to amendment in Section 34 of the CGST Act, 2017 (Credit and debit notes)**

Section 34(2) has been amended to provide for an extended time for issuance of credit notes in respect of any supply made in a financial year upto 30<sup>th</sup> November of the succeeding financial year or furnishing of annual return, whichever is earlier.

#### **Section 103 of the Finance Act, 2022 pertains to amendment in section 37 of the CGST Act, 2017 (Furnishing of details of outward supplies)**

Section 37 has been amended to:

- Provide for tax period-wise sequential filing of GSTR-1.
- Do away with two-way communication process in return filing.
- Extend time limit for rectification of details furnished in GSTR-1 to 30<sup>th</sup> November of succeeding FY or furnishing of annual return, whichever is earlier.

### **Section 104 of the Finance Act, 2022 pertains to substitution of Section 38 of the CGST Act, 2017 (Communication of details of inward supplies and input tax credit)**

Section 38 is substituted to make way for:

- Communication of details of inward supplies and input tax credit to the recipient by means of an auto-generated statement and to do away with two-way communication process in return filing.
- Such auto-generated statement (GSTR-2B) to contain the details of inward supplies in respect of which input tax credit may be availed and the details of supplies on which input tax credit cannot be availed by the recipient.

### **Section 105 of the Finance Act, 2022 pertains to amendment in Section 39 of the CGST Act, 2017 (Furnishing of returns)**

Section 39 has been amended to:

- Provide for the mandatory requirement of filing of GSTR-1 before filing of GSTR-3B return for a tax period.
- Change the due date of filing of return of a month by Non-Resident Taxable person to 13<sup>th</sup> of the following month instead of 20<sup>th</sup> day after the end of a calendar month at present.
- Extend time limit for rectification of details furnished in GSTR-3B to 30<sup>th</sup> November of succeeding FY or furnishing of annual return, whichever is earlier.

### **Section 106 of the Finance Act, 2022 pertains to substitution of Section 41 of the CGST Act, 2017 (Availment of ITC)**

Section 41 has been substituted to:

- Do away with the concept of “claim” of eligible input tax credit on a “provisional” basis;
- Provide for availment of self-assessed input tax credit subject to the condition that where the tax payable has not been paid by the supplier input tax credit availed shall be reversed along with the applicable interest by the recipient. Further, where such tax has been paid by the supplier, input tax credit may be re-availed by the recipient.

### **Section 107 of the Finance Act, 2022 pertains to Omission of Sections 42, 43 and 43A of the CGST Act, 2017**

Section 42, 43, and 43A have been omitted so as to do away with:



## NOTIFICATIONS AND CIRCULARS

- The concept of “claim” of eligible input tax credit on a “provisional” basis and subsequent matching, reversal and reclaim of such credit;
- Concept of matching, reversal and reclaim of reduction in output tax liability; and
- Two-way communication in return filing.

### Section 108 of the Finance Act, 2022 pertains to amendment in Section 47 (Levy of late fee)

Levy of late fees for late furnishing of return under Section 52 has been inserted.

*Source: <https://cbic-gst.gov.in/pdf/central-tax/NN-18-2022-eng.pdf>*

### Notification No. 19/2022-Central Tax dated September 28, 2022

This notification seeks to make amendments (Second Amendment, 2022) to the CGST Rules, 2017 pursuant to the amendments made in the CGST Act, 2017 *vide* the Finance Act, 2022 being notified with effect from 1<sup>st</sup> October, 2022. Save as otherwise provided in these rules, they shall come into force with effect from the 1<sup>st</sup> day of October, 2022.

1. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), in rule 21, after clause (g), the following clauses shall be inserted, namely:-

“(h) being a registered person required to file return under sub-section (1) of section 39 for each month or part thereof, has not furnished returns for a continuous period of six months;

(i) being a registered person required to file return under proviso to sub-section (1) of section 39 for each quarter or part thereof, has not furnished returns for a continuous period of two tax periods.”

*Two new conditions for cancellation of registration have been added in Rule 21.*

2. In rule 36 of the said rules,-

(a) in sub-rule (2), the words, letters and figure, “, and the relevant information, as contained in the said document, is furnished in FORM GSTR-2 by such person” shall be omitted;

(b) in sub-rule (4), in clause (b), after the words, “the details of”, the words, “input tax credit in respect of” shall be inserted;

*Rule 36 has been amended to remove the reference to Form GSTR-2 pursuant to the amendment made in section 38 with regard to removal of Form GSTR-2 and doing away with two-way communication process.*

3. In rule 37 of the said rules,-

(a) for sub-rules (1) and (2), the following sub-rules shall be substituted, namely:-

“(1) A registered person, who has availed input tax credit on any inward supply of goods or services or both, other than the supplies on which tax is payable on reverse charge

basis, but fails to pay to the supplier thereof, the amount towards the value of such supply along with the tax payable thereon, within the time limit specified in the second proviso to sub-section (2) of section 16, shall pay an amount equal to the input tax credit availed in respect of such supply along with interest payable thereon under section 50, while furnishing the return in FORM GSTR-3B for the tax period immediately following the period of one hundred and eighty days from the date of the issue of the invoice:

Provided that the value of supplies made without consideration as specified in Schedule I of the said Act shall be deemed to have been paid for the purposes of the second proviso to sub-section (2) of section 16:

Provided further that the value of supplies on account of any amount added in accordance with the provisions of clause (b) of sub-section (2) of section 15 shall be deemed to have been paid for the purposes of the second proviso to sub-section (2) of section 16.

(2) Where the said registered person subsequently makes the payment of the amount towards the value of such supply along with tax payable thereon to the supplier thereof, he shall be entitled to re-avail the input tax credit referred to in sub-rule (1).”

(b) sub-rule (3) shall be omitted;

4. In rule 38 of the said rules,-

(a) in clause (a), in sub-clause (ii), the word, letters and figure, “in FORM GSTR-2” shall be omitted;

(b) in clause (c), for the words, letters and figure, “and shall be furnished in FORM GSTR-2”, the words, letters and figure, “and the balance amount of input tax credit shall be reversed in FORM GSTR-3B” shall be substituted;

(c) clause (d) shall be omitted;

5. In rule 42 of the said rules, in sub-rule (1), in clause (g), the words, letters and figure, “at the invoice level in FORM GSTR-2 and” shall be omitted;

6. In rule 43 of the said rules, in sub-rule (1), the words, letters and figure, “FORM GSTR-2 and” at both the places where they occur, shall be omitted;

7. In rule 60 of the said rules, in sub-rule (7), for the words “auto-drafted”, the words “auto-generated” shall be substituted;

8. Rules 69,70,71,72,73,74,75,76,77 and 79 of the said rules shall be omitted;

The said rules have been omitted as a result of doing away with the two-way communication process for return filing.

9. In rule 83 of the said rules, in sub-rule (8), in clause (a), the words “and inward” shall be omitted

10. In rule 85 of the said rules, in sub-rule (2),-

## NOTIFICATIONS AND CIRCULARS

- (a) in clause (b), for the words “said person;”, the words “said person; or” shall be substituted;
- (b) clause (c) shall be omitted;

11. In rule 89, of the said rules, in sub-rule (1),-

- (a) after the words “claiming refund of”, the words, brackets and figures “any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 or” shall be inserted;
- (b) the first proviso shall be omitted;
- (c) in the second proviso, for the words “Provided further that”, the words “Provided that” shall be substituted;
- (d) in the third proviso, for the words “Provided also that”, the words “Provided further that” shall be substituted;

Therefore, now the refund of any balance in the electronic cash ledger as provided under Section 49(6) shall be filed electronically in Form RFD-01 instead of the respective return forms as provided earlier.

- 12. In rule 96 of the said rules, in sub-rule (3), for the words, letters and figures, “FORM GSTR-3 or FORM GSTR-3B, as the case may be”, the letters and figure, “FORM GSTR-3B” shall be substituted;
- 13. FORM GSTR-1A, FORM GSTR-2 and FORM GSTR-3 of the said rules shall be omitted;
- 14. In FORM GST PCT-05 of the said rules, in Part-A, in the table, against Sr. No.1, under the heading “List of Activities”, the words, “and inward”, shall be omitted.

*Source: <https://cbic-gst.gov.in/pdf/central-tax/NN-19-2022-eng.pdf>*

### **NOTIFICATION No. 20/2022-Central Tax dated September 28, 2022**

This notification seeks to rescind Notification No. 20/2018-CT dated 28<sup>th</sup> March, 2018.

*Source: <https://cbic-gst.gov.in/pdf/central-tax/NN-20-2022-eng.pdf>*



## CIRCULARS

**Circular No. 180/12/2022-GST dated September 09, 2022**

*Guidelines for filing/ revising TRAN-1/TRAN-2 in accordance with the orders of Hon'ble Supreme Court dated July 22, 2022 & September 02, 2022 in the case of Union of India vs. Filco Trade Centre Pvt. Ltd.*

The facility for filing TRAN-1/ TRAN-2 or revising the earlier filed TRAN-1/TRAN-2 on the Common Portal by an aggrieved registered assessee (hereinafter referred to as the 'applicant') will be made available by GSTN during the period from 01.10.2022 to 30.11.2022. The Board has issued following detailed guidelines for implementation of the above:

1. The applicant may file declaration in FORM GST TRAN-1/TRAN-2 or revise earlier filed TRAN-1/TRAN-2 duly signed or verified through electronic verification code on the Common Portal. In cases, where the applicant is filing a revised TRAN- 1/TRAN-2, a facility for downloading the TRAN-1/TRAN-2 furnished earlier by him will be made available on the Common Portal.
2. The applicant shall at the time of filing or revising the declaration in FORM GST TRAN-1/TRAN-2, also upload on the Common Portal the pdf copy of a declaration in the format as given in Annexure 'A' of this circular. The applicant claiming credit in Table 7A of FORM GST TRAN-1 on the basis of Credit Transfer Document (CTD) shall also upload on the Common Portal the pdf copy of TRANS-3, containing the details in terms of the Notification No. 21/2017- CE (NT) dated 30.06.2017.
3. No claim for transitional credit shall be filed in Table 5(b) & 5(c) of FORM GST TRAN-1 in respect of such C-Forms, F-Forms and H/I-Forms which have been issued after the due date prescribed for submitting the declaration in FORM GST TRAN-1 i.e., after 27.12.2017.
4. Where the applicant files a claim in FORM GST TRAN-2, he shall file the entire claim in one consolidated FORM GST TRAN-2, instead of filing the claim tax period wise as referred to in sub-clause (iii) of clause (b) of sub-rule (4) of rule 117 of the CGST Rules, 2017. In such cases, in the column 'Tax Period' in FORM GST TRAN-2, the applicant shall mention the last month of the consolidated period for which the claim is being made.
5. The applicant shall download a copy of the TRAN-1/TRAN-2 filed on the Common Portal and submit a self-certified copy of the same, along with declaration in Annexure 'A' and copy of TRANS-3, wherever applicable, to the Jurisdictional Tax Officer within 7 days of filing of declaration in FORM TRAN-1/TRAN-2 on the Common Portal. The applicant shall keep all the requisite documents/records/returns/invoices, in support of his claim of transitional credit, ready for making the same available to the concerned Tax Officers for verification.
6. It is pertinent to mention that 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 earlier filed. The applicant is required to take utmost care and precaution while filing or revising TRAN-1/TRAN-2 and thoroughly check the details before filing his claim on the Common Portal.

## NOTIFICATIONS AND CIRCULARS

- In this regard, it is clarified that the applicant can edit the details in FORM TRAN-1/TRAN-2 on the Common Portal only before clicking the “Submit” button on the Portal. The applicant is allowed to modify/edit, add or delete any record in any of the Table of the said forms before clicking the “Submit” button. Once “Submit” button is clicked, the form gets frozen, and no further editing of details is allowed. This frozen form would then be required to be filed on the portal using “File” button, with DSC or an EVC. The applicant shall, therefore, ensure the correctness of all the details in FORM TRAN-1/TRAN-2 before clicking the “Submit” button. GSTN will issue a detailed advisory in this regard and the applicant may keep the same in consideration while filing the said forms on the Portal.
  - It is further clarified that pursuant to the order of the Hon’ble Apex Court, once the applicant files TRAN-1/TRAN-2 or revises the said forms filed earlier on the Common Portal, no further opportunity to again file or revise TRAN-1/TRAN-2, either during this period or subsequently, will be available to him.
7. It is clarified that those registered persons, who had successfully filed TRAN-1/TRAN-2 earlier, and who are not required to make any revision in the same, are not required to file/ revise TRAN-1/TRAN-2 during this period from 01.10.2022 to 30.11.2022. In this context, it may further be noted that in such cases where the credit availed by the registered person on the basis of FORM GST TRAN-1/TRAN- 2 filed earlier, has either wholly or partly been rejected by the Proper Officer, the appropriate remedy in such cases is to prefer an appeal against the said order or to pursue alternative remedies available as per law. Where the adjudication/ appeal proceeding in such cases is pending, the appropriate course would be to pursue the said adjudication/ appeal. In such cases, filing a fresh declaration in FORM GST TRAN-1/TRAN-2, pursuant to the special dispensation being provided *vide* this circular, is not the appropriate course of action.
8. The declaration in FORM GST TRAN-1/TRAN-2 filed/ revised by the applicant will be subject to necessary verification by the concerned Tax Officers. The applicant may be required to produce the requisite documents/ records/ returns/ invoices in support of their claim of transitional credit before the concerned Tax Officers for verification of their claim. After the verification of the claim, the Jurisdictional Tax Officer will pass an appropriate order thereon on merits after granting appropriate reasonable opportunity of being heard to the applicant. The transitional credit allowed as per the order passed by the Jurisdictional Tax Officer will be reflected in the Electronic Credit Ledger of the applicant on the Common Portal.

*For more details please refer <https://cbic-gst.gov.in/pdf/Circular-180-12-2022-GST.pdf>*

## GST PORTAL UPDATES

### Changes in Table 4 of GSTR 3B - Reporting of ITC availment, reversal and Ineligible ITC

1. The Government vide Notification No. 14/2022 - Central Tax dated 05<sup>th</sup> July, 2022 has notified few changes in Table 4 of Form GSTR-3B for enabling taxpayers to correctly report information regarding ITC availed, ITC reversal and ineligible ITC in Table 4 of GSTR-3B.
2. The Notified changes of Table 4 of GSTR-3B have been incorporated in GSTR-3B and are available on GST Portal since 01.09.2022. The taxpayers are advised to report their ITC availment, reversal of ITC and ineligible ITC correctly as per following format of Table 4 of GSTR-3B at GST Portal for the GSTR-3B to be filed for the period August 2022 onwards. These changes in reporting in Table 4 are not applicable for period prior to August 2022. Changes introduced in the format of Table 4 of GSTR-3B at the GST Portal are depicted in Red font in the table below:

**Table 4 - Eligible ITC**

Details	Integrated Tax	Central Tax	State/UT Tax	Cess
1.	2.	3.	4.	5.
<b>(A) ITC Available (whether in full or part)</b>				
1. Import of goods				
2. Import of services				
3. Inward supplies liable to reverse charge (other than 1 & 2 above)				
4. Inward supplies from ISD				
5. All other ITC				
<b>(B) ITC Reversed</b>				
1. As per rules 38, 42 and 43 of CGST Rules and Section 17(5)				
2. Others				
<b>(C) Net ITC Available (A) - (B)</b>				
<b>(D) Other Details</b>				
1. ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period				
2. Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions				

## GST PORTAL UPDATES

3. From the format of Table 4, following is noteworthy:
  - I. All non-reclaimable reversal of ITC needs to be reported in Table 4(B)(1)
  - II. All reclaimable ITC reversals may be reported in Table 4(B)(2). It should be noted that ITC reversed under 4(B)(2) can be reclaimed in Table 4(A)(5) at appropriate time and the break-up detail of such reclaimed ITC should be provided in Table 4(D)(1) in the same return.
  - III. The ITC not-available mentioned in Form GSTR-2B of the taxpayer has to be reported in Table 4(D)(2) of Table 4.
  - IV. Any ITC availed inadvertently in Table 4(A) in previous tax periods due to clerical mistakes or some other inadvertent mistake maybe reversed in Table 4(B)2.
4. Corresponding changes in GSTR-2B and auto-population of GSTR-3B at present are under development and the taxpayer should reflect the changes required in GSTR-3B return by way of editing the pre-filled entries so as to correctly self-assess the GSTR-3B return. These changes would be available on GST Portal in due course of time.
5. Taxpayers may also refer to CBIC Circular No. 170/02/2022-GST dated 06<sup>th</sup> July, 2022 for detailed clarification on reporting of ITC availment, ITC reversal and Ineligible ITC in GSTR-3B.

Source: [https://tutorial.gst.gov.in/downloads/news/advisory\\_of\\_label\\_change\\_in\\_GSTR\\_3B\\_02\\_09\\_2022.pdf](https://tutorial.gst.gov.in/downloads/news/advisory_of_label_change_in_GSTR_3B_02_09_2022.pdf)

### Supreme Court allows 4 weeks extension to open Common Portal for TRAN-1 & TRAN-2

Hon'ble Supreme Court while hearing an application from GSTN, has allowed extension of 4 weeks' time to comply with their order dated 22/07/2022 issued in the matter of UOI & Anr. Vs. Filco Trade Centre Pvt. Ltd. & Anr. bearing SLP (C) nos. 32709-32710/2018.

Accordingly, GSTN would open the Common Portal for filing transitional credit through TRAN-1 and TRAN-2 w.e.f 01/10/2022.

Source: <https://www.gst.gov.in/newsandupdates/read/554>

### New Functionalities made available for Taxpayers on GST Portal

S. No.	Form/ Functionality	Functionality made available for Taxpayers
<b>Registration</b>		
1.	Functionality to add new fields while submitting response to a notice, in Form GST REG-04	<p>While filing clarification in Form REG-04, whenever the applicant clicks on any tab in Registration module, he/she would be displayed a pop-up window with following two options:</p> <ul style="list-style-type: none"> <li>• "Open All Allowed Fields"- By choosing this the users would be able to edit or add all the allowed fields (wherever required with option to upload Documents) except certain core fields.</li> <li>• "Open fields with Queries raised through REG-03" - If the user wants to edit only the fields where tax officer had raised the query, he/she can select this option which will allow him to edit only the fields with queries (Similar to the existing Process).</li> </ul>

2.	Addition of restricted items in the Composition restriction table	<p>Following new items have been added to the restrictive list displayed to the applicants while applying for registration if they opt for composition levy, as per Notification No. 04/2022-Central Tax dated 31<sup>st</sup> March 2022 and Notification No. 43/2019-Central Tax, dated 30<sup>th</sup> Sept 2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #fff9c4;"> <th style="width: 10%;">S. No.</th> <th style="width: 15%;">HSN</th> <th style="width: 75%;">Description</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2202 10 10</td> <td>Aerated Water</td> </tr> <tr> <td>2.</td> <td>6815</td> <td>Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks</td> </tr> <tr> <td>3.</td> <td>6901 00 10</td> <td>Bricks of fossil meals or similar siliceous earths</td> </tr> <tr> <td>4.</td> <td>6904 10 00</td> <td>Building bricks</td> </tr> <tr> <td>5.</td> <td>6905 10 00</td> <td>Earthen or roofing tiles</td> </tr> </tbody> </table>	S. No.	HSN	Description	1.	2202 10 10	Aerated Water	2.	6815	Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks	3.	6901 00 10	Bricks of fossil meals or similar siliceous earths	4.	6904 10 00	Building bricks	5.	6905 10 00	Earthen or roofing tiles
S. No.	HSN	Description																		
1.	2202 10 10	Aerated Water																		
2.	6815	Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks																		
3.	6901 00 10	Bricks of fossil meals or similar siliceous earths																		
4.	6904 10 00	Building bricks																		
5.	6905 10 00	Earthen or roofing tiles																		
<b>Refund</b>																				
1.	Changes in time limit for filing Refund application in Form GST RFD-01	<ul style="list-style-type: none"> <li>The GST portal was configured to allow taxpayers to file an application for refund for up to previous 60 months.</li> <li>To enable taxpayers to apply for refund for any period beginning July, 2017, on account of a court order/amnesty scheme, the period beginning from July, 2017, onwards has been made available for selection by taxpayers.</li> </ul>																		
2.	Edit facility in “Undertaking for PMT-03 of Inadmissible amount”, provided to taxpayers for revising the inadmissible amount after submission of undertaking	<ul style="list-style-type: none"> <li>In cases where the refund amount claimed by a taxpayer is partially/ fully rejected by the Tax Officer, the rejected/ inadmissible refund amount is re-credited to the respective ledger from which it was debited earlier, by Tax Officer in Form GST PMT-03. This amount is re-credited only after the taxpayer submits an undertaking for not filing an appeal for the entire/ part of the inadmissible amount.</li> <li>The taxpayers have now been provided with a functionality to modify the amount declared by them in the undertaking if they had committed a mistake while entering the amount earlier.</li> </ul>																		

Source: [https://tutorial.gst.gov.in/downloads/news/new\\_functionalities\\_compilation\\_september\\_2022.pdf](https://tutorial.gst.gov.in/downloads/news/new_functionalities_compilation_september_2022.pdf)



## GST IN NEWS

### **GST Council Meeting delayed as States' Ministers undecided on Tax formula on Casinos, Horse Racing and Online Games**

The Goods and Services Tax (GST) Council meeting that was scheduled to be held in August this year has been delayed as the Group of Ministers' (GoMs) for levying of GST on online gaming, horse racing, and casinos is yet to decide on whether to classify such games as games of skill or games of chance. The GoM was created to define online games, horse racing and casinos so that a clear logic of taxing these activities could be set.

In May last year, the Government had set up a GoM for better valuation of services of casinos, online gaming portals, and race courses for levying GST.

In the June GST Council meeting, the GoM had recommended that online gaming should be taxed at the full value of the consideration, including the contest entry fee paid by a player for participating in the game. It meant a uniform 28% GST on online gaming, horse racing, and casinos.

The recommendation went against the existing norm of 18% GST on casinos, horse racing and online games where no betting or gambling is involved. The rate is 28% for online games involving betting or gambling.

Goa had objected to this recommendation with an argument that a 28% rate on the full-face value of chips or coins purchased at a casino would severely hit the sector as the entire amount was not spent on betting. A major part of the payment for chips or coins was used for buying items such as food and beverages, the State pointed out.

This led the GST Council to send the proposal back to the GoM on casinos, horse racing and online gaming to re-examine the issues after holding discussions with the States and stakeholders. The Panel was expected to submit its report in September, which has now got delayed.

*"The decision on whether to classify online games as games of chance or games of luck is yet to be taken. That is why the GoM report has got delayed. Once you decide on how to treat these games, then the taxation part would be easier to arrive at," the Official said.*

In the case of race courses, the GoM had suggested that GST should be levied on the full value of bets pooled in the totalisators and placed with the bookmakers.

*"There is no consensus yet on the categorization of these games. If it is decided that online gaming and horse trading do not fall under games of chance and are in fact games of skill, in that case the law should be interpreted with nuance. A law already exists for application of 30 per cent TDS on payout. Every time someone collects money, it should be split into two different accounts. First account's*

deposit should be attracting 28 per cent GST and the second account should be an ESCROW account. All payouts should go from there with a 30 per cent TDS that's mandated," the Official said.

Source: <https://www.outlookindia.com/business/gst-council-meeting-delayed-as-states-ministers-undecided-on-tax-formula-on-casinos-horse-racing-and-online-games-news-227631>

## 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 Central GST (CGST) as well as excise duty on tobacco and tobacco-derived products.

It dismissed a bunch of petitions by tobacco manufacturers who had challenged the same.

"The levy of excise duty on tobacco and tobacco products is a matter of public policy and this court in the exercise of writ jurisdiction would not interfere with the same. The CGST itself contemplates levy of excise duty upon tobacco and tobacco products apart from they being taxed under the provisions of CGST," Justice M I Arun said in the recent judgment.

The Joint Commissioner on March 25, 2021 issued an order imposing excise duty and National Calamity Contingent Duty (NCCD) on tobacco products manufactured and sold in the Belagavi jurisdiction.

The HC said that though the Excise Act was repealed, tobacco and tobacco products were added to the Seventh Schedule of the Constitution under Entry 84. "Thus, apart from levy of taxes under the provisions of CGST Act, 2017, excise duty can be levied on tobacco and tobacco products under the Central Excise Act, 1944." As for the NCCD, the HC noted that Section 136 of the Finance Act, 2001 contemplates levy of such a duty.

"NCCD is a surcharge and a type of excise duty which can be levied independently of the excise duty as contemplated under the provisions of Fourth Schedule to the Central Excise Act, 1944. Thus, levy of NCCD in the absence of levy of excise duty cannot be considered as bad in law," the HC said.

Dismissing the petitions, the HC clarified: "For better clarification, reference is made out in the Central Excise Act. Repealing of Central Excise Act does not absolve the petitioners paying NCCD as determined under the Seventh Schedule."

Source: <https://www.businessinsider.in/india/news/both-gst-and-excise-duty-can-be-imposed-on-tobacco-karnataka-hc/articleshow/94662390.cms>

## Exporters fear liquidity hit after GST exemption ends

The Government's move to withdraw the GST exemption on export freight at the start of the month has made exporters nervous as they expect liquidity to shrink at a time when they are dealing with weak demand in advanced countries, prompting them to seek a relook.

From October 1, GST on ocean freight will have to be paid at 5%, while exports by air billed to customers in India attracts 18% levy.

While Officials have argued that there was no need to extend the benefit, given that the refund

process has become easier, exporters argued that it can take up to three months, if not more, to get the money back. The process is not completed until the returns are filed and the deadline for filing is by 20<sup>th</sup> of every month for transactions in the previous month. With interest rates rising and payment cycles from overseas buyers getting longer, exporters said, there was a need for additional liquidity. “The recessionary trends have led to tough competition from other countries in international market... International buyers have already started delaying accepting orders. Thus, inventory cost in holding export consignments in India is also increasing,” said Apparel Export Promotion Council Chairman Naren Goenka.

He and other exporters have argued that freight costs will rise. “Non-extension of notification has caused panic and uncertainty adding to the liquidity challenges of the exporters...overseas freights have gone up by 300-350% from pre-Covid level and though there is little correction in the freight rate recently, freights are still 200-250% more than 2019 level,” FIEO President A Sakthivel has said in a letter to FM Nirmala Sitharaman, while seeking an extension.

*Source: <https://timesofindia.indiatimes.com/business/india-business/exporters-fear-liquidity-hit-after-gst-exemption-ends/articleshow/94669363.cms>*

### **Status quo Shippers oppose GST on export freight, say unwarranted burden on business**

Kerala exporters’ fraternity is keeping their fingers crossed over the Government notification to restart GST collection on international outbound freight from October 1. They pointed out that the situation comes at a time when the sector is recouping from the Covid-induced slowdown.

Dil Koshy, Secretary, Agricultural Products & Processed Food Exporters Association said that the Government decision has brought unwarranted burden on exporters’ business, especially when interest rates moved northwards with RBI’s repo rate hike that had led to increased interest rates on existing loans of exporters. With normalcy getting restored in many countries, many are in the process of reviving business with the starting of regular flights. However, the re-imposition of 18 per cent GST on air freight and 5 per cent on seaways will lead to a working capital shortage and cause a burden on the exporters, he said.

According to him, the Government will not be getting any monetary benefits out of GST collections, but can only hold the funds for some time before reimbursing them fully to exporters. Moreover, there will be an inordinate delay in getting refunds.

Kerala, before Covid, shipped around 200 tonnes of fresh fruits and vegetables from the four airports. The average GST rate for perishable commodities like fruits and vegetables was in the range of ₹60-65 per kg by air, he added.

Munshid Ali, Secretary, Kerala Exporters Forum said the GST impact on ocean freight will hit agriculture exports, as air freights at a time will be much higher than the FOB value of exports. The overseas freight rates have gone up by 300-350 per cent from the pre-Covid level and after a few corrections, it is still 200-250 per cent more than at the 2019 level. Therefore, GST payments on such high freight rates will affect the liquidity of exporters, particularly when the bank interest rates have increased.

Considering India as a multi-market with a huge volume of cargo and good number of ports, CFS and

ICD's, he said Kerala Exporters Forum is battling for more competitive price mechanism for ocean freight.

The Government should extend the GST exemption on export freight and take the initiative to constitute a regulatory authority so that exporters can continue with the status quo without the need for arranging further funds, he added.

*Source: <https://www.thehindubusinessline.com/economy/agri-business/shippers-oppose-gst-on-export-freight-say-unwarranted-burden-on-business/article65975365.ece>*

## 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 the GST Council.

In its report on the development of man-made fibre (MMF), the Committee noted that the differential GST structure currently in place at various stages of MMF production is hindering the Indian textile and apparel industry.

“The Committee is of the firm view that there is a need to rationalise duties on raw material inputs to man-made textiles. Further, since the differential tariff rates and inverted duty structure are hindering the Indian textile and apparel industry to compete with global counterparts, the Committee urges the Ministry to follow up on the matter at the appropriate fora,” it observed in its report.

At the 45<sup>th</sup> meeting of the GST Council in September last year, the Council had decided for GST rate changes to rectify the inverted duty structure in the textile sector. Subsequently, the rate for textiles of any value was raised to 12 per cent, effective from January 1 this year. Earlier the GST rate was 5 per cent for sale value up to ₹1,000 per piece in the case of apparel. However, the decision was deferred by the GST Council at its 46<sup>th</sup> meeting in December last year as traders and a few States demanded roll-back.

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. There has not been much opposition to the rate hike in footwear, compared to textiles.

*Source: [https://www.business-standard.com/article/economy-policy/house-panels-recommends-rationalising-gst-on-inputs-of-man-made-textiles-122100401066\\_1.html](https://www.business-standard.com/article/economy-policy/house-panels-recommends-rationalising-gst-on-inputs-of-man-made-textiles-122100401066_1.html)*

## COMPLIANCE CALENDAR

Forms	Period	Due Date	Remarks
GSTR-1	Sep, 2022	Oct 11, 2022	Turnover exceeding ₹5 Crore or opted to file monthly return
GSTR-1	Jul-Sep, 2022	Oct 13, 2022	Opted for quarterly filing as per QRMP scheme
IFF (Optional)	Sep, 2022	NA	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*	Sep, 2022	Oct 20, 2022	Turnover exceeding ₹5 Crore or opted to file monthly return
GSTR-3B#	Jul-Sep, 2022	Oct 22/ 24, 2022	Opted for quarterly filing as per QRMP scheme
CMP-08	Jul-Sep, 2022	Oct 18, 2022	Quarterly statement-cum-challan to make tax payment by taxpayers registered under the composition scheme
GSTR-5	Sep, 2022	Oct 20, 2022	Monthly return for Non-Resident taxable person
GSTR-5A	Sep, 2022	Oct 20, 2022	Monthly return for Non-resident OIDAR services providers
GSTR-6	Sep, 2022	Oct 13, 2022	Monthly return for Input Service Distributors
GSTR-7	Sep, 2022	Oct 10, 2022	Monthly return for authorities liable to deduct tax at source (TDS)
GSTR-8	Sep, 2022	Oct 10, 2022	Monthly return for e-Commerce Operators liable to collect tax at source (TCS)
GSTR-9**	FY 2021-22	Dec 31, 2022	Annual return for normal taxpayers
GSTR-9C	FY 2021-22	Dec 31, 2022	Annual reconciliation statement

### **\*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.

### **\*\*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. Turnover limit applicable for e-invoicing with effect from October 01, 2022 is .....

- a) ₹5 Crore
- b) ₹10 Crore
- c) ₹50 Crore
- d) ₹100 Crore

2. Section 37 of the CGST Act, 2017 pertains to .....

- a) Furnishing details of outward supplies
- b) Furnishing details of inward supplies
- c) Communication of details of inward supplies and input tax credit
- d) Furnishing of returns

3. Section 38 of the CGST Act, 2017 pertains to .....

- a) Furnishing details of outward supplies
- b) Furnishing details of inward supplies
- c) Communication of details of inward supplies and input tax credit
- d) Furnishing of returns

4. Section 39 of the CGST Act, 2017 pertains to .....

- a) Furnishing details of outward supplies
- b) Furnishing details of inward supplies
- c) Communication of details of inward supplies and input tax credit
- d) Furnishing of returns

5. Section 47 of the CGST Act, 2017 pertains to .....

- a) Final Return
- b) Levy of late fee
- c) Payment of tax, interest, penalty and other amounts
- d) None of the above



**QUIZ TIME**

Answers: 1(b), 2(a), 3(c), 4(d), 5(b)

## Motto

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