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ASC

GST Times

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Complied by: GST Team, ASC Group

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Message from Director

Dear Reader,

I would like to express my gratitude for taking out your valuable time to read our monthly newsletter "GST Times". We are particularly grateful to our regular reader for unwavering support to keep the knowledge-sharing initiative alive in the form of monthly newsletter, articles, knowledge videos, etc

GST is now the single largest indirect tax levied within India on the supply of goods and services which impacts every individual or business staying/operating in India. In such situation, it becomes essential to keep ourselves updated with all compliances and government notification related to GST.

Our objective of releasing this newsletter is imparting expert analysis and knowledge on all GST-related clarifications, circular, notifications, periodic updates, news, government policies, etc. We also combine the "Compliance Calendar" in this newsletter giving the due date on GST to makesure you file before the due dates.

We, as ASC, always believe in strengthening the relationship between our clients. We understand and value holistic growth through our expert consultancy services in the field of taxation, assurance, financial and legal dimensions.

I am hopeful that reading this newsletter would be rewarding to the readers. This small initiative shall go a long way in building our healthy relationships and create the platform to work together in near future. I would like to request my readers to kindly share your valuable comments & suggestions on this initiative for its further improvisation.

ASC Group, continues to leader for financial, legal, taxation, secretarial and business consulting firm for 27+ years, operation in 9 location globally with 1000+ functional clients. Our team of 300+ professionals consists of experienced Chartered Accountant, Companies Secretaries, Lawyers, Investment Advisory, and Management Consultant who continuously contribute towards the ease o doing business across the world.

I wish to close my note with the words "Content could be anything, but it should add value to the reader's life".

Deepak Kumar Das
Director
ASC Group

Compliance Calender

S. No.	Due Date	Forms	Period	Description
1.	10.11.2022	GSTR-7	October, 2022	Return for Tax Deducted at source to be filed by Tax Deductor.
2.	10.11.2022	GSTR-8	October, 2022	E-Commerce operator registered under GST liable to TCS.
3.	11.11.2022	GSTR-1	October, 2022	Taxpayers having an aggregate turnover of more than INR 5 crores or opted to file monthly return.
4.	13.11.2022	GSTR-1	October, 2022	Taxpayers who have opted for Invoice Furnishing Facility (IFF) under Quarterly Return Monthly Payment ("QRMP") Scheme.
5.	13.11.2022	GSTR-6	October, 2022	Every Input Service Distributor (ISD).
6.	20.11.2022	GSTR-5	October, 2022	Return for Non-Resident taxable Person.
7.	20.11.2022	GSTR-5A	October, 2022	Return for NRI, providing online information and database access or retrieval services to non-taxable person in India.
8.	20.11.2022	GSTR-3B	October, 2022	Taxpayers having an aggregate turnover of more than INR 5 crore or have opted to file monthly return.
9.	25.11.2022	PMT-06	October, 2022	Who has opted to file return under QRMP Scheme.
10.	28.11.2022	GSTR-11	October, 2022	Statement of inward supplies received by persons having Unique Identification Number (UIN).

Major Amendments made in Finance Act 2022 notified w.e.f. 01 October 2022 - GST Update

Amendments made in Finance Act 2022 notified w.e.f 1st October 2022 vide Notification No. 18/2022 – Central Tax, F.No.CBIC-20013/1/2022-GST, Dated 28th September 2022

Finance Act 2022 made around fifteen amendments which include omissions, insertions, and substitutions made in the CGST Act 2017. They were covered by section 100 to section 114 of the Finance Act, 2022 (6 of 2022). All the amendments made in the Finance Act, 2022 have been notified.

The following notifications have been issued by the Ministry of Finance in order to notify the applicability and the effective date of the amended/introduced sections. Notify Date as 01-10-2022 of Section 16, 29, 34, 37, 38, 39, 41, 47, 48, 49, 52, 54, 168 and omitted 42, 43, 43A, of CGST Act 2017

Brief Summary of Major Amendments /Relaxations

1. **Extension in the time limit to claim ITC under GST:** It seeks to amend section 16(4) of the CGST Act, 2017 so as to provide that a registered person shall not be entitled to take the input tax credit in respect of any invoice or debit note after the thirtieth day of November (Earlier this date was 20th Oct i.e. due date for filing GSTR -3B for September) following the end of the financial year to which such invoice or debit note pertains, or furnishing of the relevant annual return, whichever is earlier.

   ASC Interpretation: As per the Notification No. 18/2022 of Central Tax, ITC in respect of invoices pertaining to a financial year can be claimed upto 30th November of the next financial year.

2. **Amendment in sub-section (2) of section 34 of the CGST Act:** To provide for the thirtieth day of November following the end of the financial year, or the date of furnishing of the relevant annual return, whichever is earlier, as the last date for issuance of credit notes in respect of any supply made in a financial year.

   ASC Interpretation: As per Notification No. 18/2022 of Central Tax, the date of issuance of credit note in respect of invoices pertaining to a financial year has been extended till 30th November of the next financial year.

3. **Amended sub-section (10) of section 49:** To allow transfer of amount available in electronic cash ledger under the CGST Act of a registered person to the electronic cash ledger under the said Act or the IGST Act of a distinct person. It also seeks to insert sub-section (12) so as to provide for prescribing the maximum proportion of output tax liability which may be discharged through the electrotnic credit ledger.

ASC Interpretation: Further amount available in Electronic Cash Ledger of a registered person is now transferable to its deemed distinct person (Having same PAN with different GSTN) under the said amendment. (Facility will be available shortly at GSTN portal)

4. **Section 16 of the CGST Act, 2017:** By inserting a new clause (BA) in sub-section (2) thereof, so as to provide that input tax credit with respect to a supply may be availed only when such credit has not been restricted in the details communicated to the registered person under section 38.

ASC Interpretation: A new clause has been inserted under section 16 (2) of CGST Act 2017 namely (ba) for providing restrictions in respect of details communicated to registered persons under section 38.

Further, the old section 38 has been replaced with the new one to prescribe the manner, time, conditions and restrictions for communicating details of ITC through an auto-generated system. Also providing for ITC that can be availed or can-not be availed by the recipient.

5. **For Section 38 of CGST Act, 2017 following section shall be substituted namely-**

1.The details of outward supplies furnished by the registered persons under section 37 (1) and of such other supplies as may be prescribed, and an auto-generated statement (GSTR-2B) containing the details of the input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.

2.The auto-generated statement under sub-section (1) shall consist of–

- details of inward supplies in respect of which credit of input tax may be available to the recipient; and
- details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37,–
    - by any registered person within such period of taking registration as may be prescribed*; or
    - by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed*; or

- by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said subsection during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed*; (GSTR-1 VS GSTR-3B) or
- by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a),
- by such limit as may be prescribed*; (Supplier's GSTR-3B VS GSTR -2B) or
- by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed*; (Restriction in Credit Ledger) or

ASC Interpretation: A new section 38 has been introduced for the restriction of ITC to claim in GSTR-3B by the recipient. There are so many rules in this relationship which are not yet prescribed.

Following are the Key amendments made under made in Finance Act 2022 notified w.e.f. 01 October 2022

Clarification on Notification no 18/2022-CT dated 28.09.2022 irt time limit

This is to update you regarding a press release dated 04-10-2022 issued by the Ministry of Finance.

Vide Notification no.18/2022 Central tax dated 28.09.2022, from 01.10.2022 the provisions of Sec 100-114, except clause (c) Sec 110 and Sec 111, of Finance Act 2022 shall come into force.

The time limit of particular compliance has been extended to 30th November of the next financial year or the furnishing of the relevant annual return whichever is earlier.

Relevant Section of the Finance Act,2022	Corresponding Provision of the CGST Act, 2017	Corresponding Compliance Requirements
Clause (b) to Section 100	Section 16(4)	Claiming of ITC in respect of invoice or debit note in the return
Section 102	Section 34 (2)	Declaration of the details of credit notes in the return
Clause (c) to Section 103	Proviso to Section 37(3)	Rectification of particular 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

It is clarified that these extended timelines are applicable to the compliances for F.Y. 2021-22 onwards. Further, it is clarified that there is no due date extension for the filing of monthly returns for October or quarterly returns for September

Update on GST Portal

New functionalities made available on the GST portal for Taxpayer from September 2022

The Goods and Service Tax Network has issued a new module for GST stakeholders. These functionalities pertain to different modules such as Registration, Returns, Refund and other miscellaneous topics.

Below is the summary of the New functionalities made available on the GST portal

1. Registration

- **Functionality to add new fields while submitting a response to a notice, in Form GST REG 04:**

  While filing clarification in Form REG-04, for any tab in the Registration module, a pop-up window with the following two options:

  > "Open All Allowed Fields"
  > "Open fields with Queries raised through REG-03"

- **Addition of restricted items in the Composition restriction table**

  New items have been added to the restrictive list displayed to the applicants (opting for composition levy) while applying for registration in accordance with Notification No. 04/2022-Central Tax dated 31st March 2022 and Notification No. 43/2019-Central Tax, dated 30th Sept 2019

2. Returns

- **Settlement of Inadmissible/In-eligible ITC - Label change**

  The Notified changes of Table 4 of GSTR-3B (as per Notification no 14/2022- Central Tax dated 05th July 2022) 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 the new format of Table 4 of GSTR-3B at GST Portal for the GSTR-3B to be filed for the period August 2022 onwards.

3. Refund

- Changes in time limit for filing Refund applications in Form GST RFD-01
- Edit facility in "Undertaking for PMT-03 of Inadmissible amount", provided to taxpayers for revising the inadmissible amount after submission of the undertaking.

Punjab GST Collection crosses INR 10000 Cr in last 6 months for the 1st time

The Punjab finance, planning, excise and taxation minister Harpal Singh Cheema has stated that the state had collected INR 10,604 crore GST during the first 6 month of this year, stating a growth of 22.6% in GST collection against the same period last year which was Rs 8,650 crore.

He also added that the state government has passed the Punjab GST amendment bill 2022 to plug all loopholes, besides stopping bogus billing which would benefit the trader and also increase the revenue of the state.

Punjab finance, planning, taxation and excise minister Harpal Singh Cheema said the state has GST collected Rs 10,604 crores during the first 6 months of the financial year 22-23, crossing the Rs 10K crore-mark for 1st time since the enactment of the tax regime.

Issuing a statement here, the finance minister said the state has seen a growth of 22.6% in GST collection in the current financial year as against the same period last year. He further added that during the first 6 months of the last FY, GST collection stood at Rs 8,650 crore.

Cheema disclosed the GST figures for September 2022 and said the state has registered a growth rate of 22%. He said the GST collection in Punjab for September this year was Rs 1,710 crore as compared to the collection of Rs 1,402 in September 2021.

The finance minister said chief minister (CM) Bhagwant Mann-led Punjab government has estimated a GST collection of Rs 20,550 crores in its maiden budget for the financial year 2022-23. "The state has accomplished more than 50% in the first 6 months," said Cheema while adding that the state is expected to see a healthy growth in GST collection during the upcoming festival season.

The finance minister said the state govt. has passed the Punjab GST (Amendment) Bill 2022 in the Punjab assembly to plug all loopholes, besides stopping bogus billing which would not only benefit the traders but would also surge the own revenue of the state.

Delhi's GST collection in 2nd quarter of FY 2022-23 falls by over 6%

According to Government sources, it is informed that Delhi's [Goods and Services Tax (GST)] collection in the second quarter of 2022-23 has dipped by more than 6 per cent in comparison to the first quarter of the fiscal.

However, the combined GST collection of the first two quarters of 2022-23 was 28% higher than the corresponding period of the financial year 2021-22. It reflects that the economic situation is recovering from the effects of the COVID-19 pandemic, as mentioned by the officials.

The official also reported to the press that it is anticipated that GST collection in the third quarter (October-December) would be high with a spur in trade and business during the festive season.
The GST collection of Rs 14,297 crore in the first quarter (April-June) was Rs 880 crore more than the Rs 13,417 crore collected in July-September.

As per the report, the Delhi government collected Rs 5,871 crore from GST in April, Rs4,113 crore in May, Rs 4,313 in June, Rs 4,327 crore in July, Rs 4,349 crore in August and Rs 4,741 crore in September.
The GST collection of Delhi in the first two quarters of 2022-23 was Rs 27,214 crore as compared to Rs 21,505 crore in 2021-22. The Delhi government had estimated total revenue receipts of Rs 75,800 crore in the budget for 2022-23, including tax collection of Rs 47,700 crore.

The GST, which is the biggest component of Delhi's tax revenue, combined with the Value-Added Tax (VAT), is estimated to earn Rs 31,200 crore for the government (other taxes include excise duty, stamp and registration fee on sale of properties and road tax on motor vehicles)

GST E-invoices mandatory for businesses with over INR 5 crore turnover annually

This is to highlight that now businesses with an annual turnover of over Rs 5 crore will have to move to e-invoicing under goods and services tax (GST) from January 1, 2023. The GST Network has asked its technology providers to make the portal ready to handle the increased capacity by December, a government official privy to the development, told ET.

The official said the target is to bring all businesses with turnover above Rs 1 crore under this framework by next fiscal year, which will further plug revenue leakages and improve compliance.

It would help in syncing sales data of a small business vendor and large corporate clients, which is used to claim tax credit. This, the official said, would help in swift detection of false ITC claims, broaden GST base and improve compliance.

From October 1, businesses having aggregate annual turnover of Rs 10 crore and above have moved to e-invoicing for business-to-business (B2B) transactions.

GST Offences: Govt to Introduce One-Time Settlement to Avoid Litigations

This is in regard to recent news in one of the Official sources dated 19.10.2022 for an opportunity that could be given to businesses to settle minor GST offences in works.

This is to highlight that the Government is considering a GST dispute settlement scheme offering a time-bound scheme covering only minor GST offences while a one-time opportunity to settle past disputes under Excise Duty, Service Tax and Customs Duty.

A Government Official told the source, ***"Discussions are on to allow businesses to settle cases, and once we are ready with the details, it may be taken to the Council,".***

Some of the major highlights of the news are as below:

- The scheme will not cover wilful tax evasion. backsliders and offenders against whom enforcement agencies have started off;
- The idea is to de-clutter courts and disposes of cases arising because of differences in the interpretation of GST provisions;
- The proposed scheme is likely to be on the lines of the Centre's 'Sabka Vishwas Scheme' of 2019, which looks to resolve all legacy disputes relating to erstwhile Service Tax and Central Excise;
- Officials said setting up Tribunals may take some time and in the interim, a one-time dispute settlement mechanism may speedily help clean up small disputes;
- A second official said, making a case for this one-time settlement scheme, "There are instances where the department has spent more money on pursuing the litigation than the tax claims,".

GST Council to meet before mid-November; GoM reports on the appellate tribunal, tax casinos on agenda

The GST Council is prone to meet within the first half of November to debate the reviews of the panel of ministers on establishing the GST Appellate Tribunal and levy of tax casinos and online gaming, an official mentioned.

As well as, the standing on the lot awaited full report of the committee tasked with the rationalization of GST charges may additionally come up for dialogue on the Forty-Eighth Council assembly in Madurai.

Even when the report, which is to have a look at the merger in GST slab which will lead to costs of some items and providers going up, is offered, it's unlikely to be acted upon by the GST Council in view of excessive inflation.

The GoM on price rationalization arranged on September 24, 2021, was initially a consequence of submitting its report within two months or November 2021. The panel has bought subsequent extensions since then. The Council, in its final assembly in June, had given the GoM time until September to submit a full report.

The official mentioned that the GoM on GST appellate tribunal has already submitted its report, whereas the variations with respect to GST on casinos and online gaming are nonetheless being ironed out.

"The Council will meet next month, before mid-November," the official informed PTI. In its final assembly on June 28-29, the Council had determined to take away tax exemptions on a number of products and providers and in addition, corrected inverted responsibility construction.

The forty-seventh GST Council assembly in June, held in Chandigarh, had authorized the interim report of the GoM on price rationalization, headed by Karnataka Chief Minister Basavaraj Bommai.

The Council had then given a 3-month extension to the panel for submitting a full report on price rationalization and potential tax slab merger below the GST.

With regard to establishing the GST Appellate Tribunal (GSTAT), the Haryana deputy chief minister Dushyant Chautala led GoM has submitted its report back to finance minister Nirmala Sitharaman.

The report, a {source} mentioned, has beneficial one technical member and one judicial member within the GSTAT. The GST would hear appeals toward the orders handed by the GST Appellate Authority, which includes tax officers.

The official additional mentioned the GoM on relevant GST prices on casinos, horse racing, and online gaming are to reach a consensus and an ultimate determination is predicted quickly.
The GoM, headed by Meghalaya chief minister Conrad Sangma, had initially levied 28 percent GST on online gaming, casinos, and horse racing.

Nonetheless, the Council, in June, referred again to the report of the panel for additional dialogue after Goa finance minister Mauvin Godinho highlighted that there was a necessity for larger detailing and a larger understanding of why casinos require a unique therapy in taxation in comparison with horse racing and online gaming.

GST Slabs Rejig Unlikely Before 2024 General Elections

This is the recent news regarding GST slabs rejig unlikely before 2024 general elections, dated-28/10/2022 Official source Financial Express.

According to official sources, with inflation likely to remain elevated for a longer period and key state elections due in 2023, the Narendra Modi 2.0 government may choose not to restructure the GST slabs before it demits office in May 2024.

Sources said High inflation has reduced the urgency of the exercise because the objective of revenue neutral rate (RNR) will inevitably lead to higher rates for a large number of items and potentially jack up their prices. Even though the group of ministers (GoM) on rates rationalisation headed by Karnataka chief minister Basavaraj Bommai was required to submit a report by end-September on the tax slab rejig, it was not in a hurry.

The official said, "The Centre and most states are of the view that the tax rates and slabs have to be changed and some of the remaining exemptions are to be removed,".

A senior official told FE, "not much appetite for GST rate and slabs overhaul".

According to the RBI estimate, CPI inflation is projected to average 6.7% per cent in FY23 compared with 5.5% in FY22.

Citing the possibility of geopolitical conflicts intensifying and reigniting supply-chain pressures that have eased recently, the finance ministry last week said, "If so, inflation may yet see a resurgence rather than a decline in 2023."

Revenue secretary Tarun Bajaj had said in the past that the government may continue with the highest GST slab of 28% on luxury/sin goods while exploring the possibility of reducing the remaining three major slabs 5%, 12% and 18% to two.

Officials reckon that 12% (8% share in GST revenues) and 18% (65% share) slabs can be merged into a new median rate of 15% while the 5% (10% share in GST revenues) slab can be replaced by a new rate of 6% or 7%.

Another official said, Raising the 5% GST rate, which includes sensitive products such as food and medicines, needs to be done gradually. Similarly, if 18% is dropped suddenly to 15%, there will be a big revenue loss.

As per an RBI study, the weighted average tax rate under the GST has come down to 11.6%, from 14.4% at the time of its launch as against the revenue neutral rate of 15.5%. The government is drawing some comfort from the buoyancy in GST collections, which could fetch the Centre up to Rs 1.5 trillion more in CGST in FY23 while states would garner a little more than that.

On June 29, the GST Council approved the removal of a host of tax exemptions and raised rates for a larger number of mass-consumption items to remove anomalies and inversion.

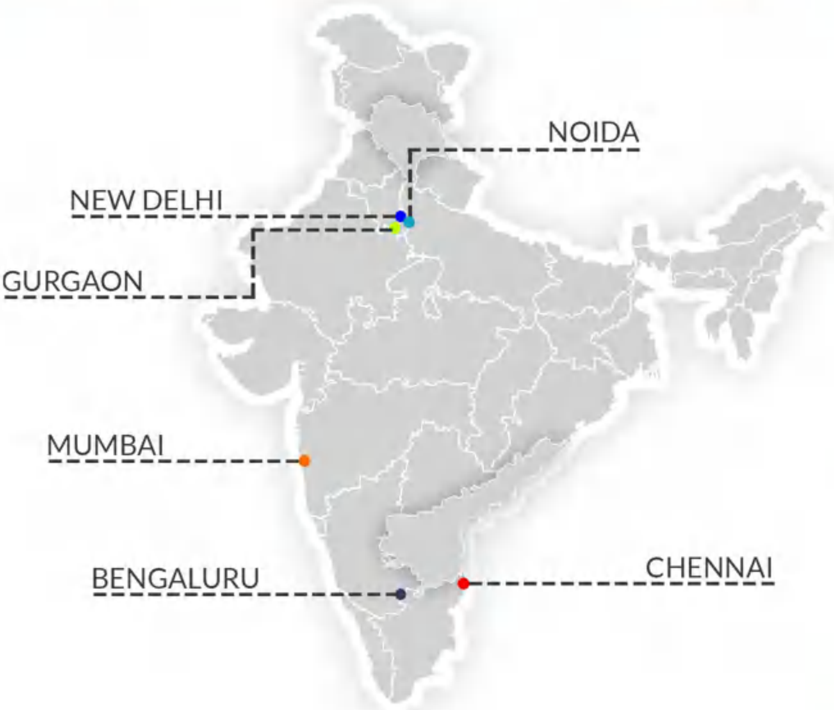
However, the Centre received a lot of brickbat against the coverage of pre-packaged and labelled food items under the 5% GST rate from nil, reflecting difficulties in implementing major changes in GST at this juncture.

The GST Council which meets at least once a quarter, could not meet as planned due to a delay in the submission of reports on setting up GSTAT. The Council could meet in November-December briefly.

GET IN TOUCH

For enquiries related to:

Service	Contact Person
India entry, Business Start-ups, Merger & Acquisition and Business Restructuring	alok@ascgroup.in
Insolvency and Bankruptcy	anju@ascgroup.in
GST (Goods and Service Tax)	deepak@ascgroup.in
Custom and EXIM Policy, Income tax, International Taxation, Corporate Law and Transfer Pricing	shailendra@ascgroup.in
Legal Metrology, ETA, BIS and other registration	mayank.singhal@ascgroup.in
Japanese Desk	amit.sayal@ascgroup.in
Audit and Risk Advisory	ankush.goyal@ascgroup.in
Sourcing solutions	ravi.ahuja@ascgroup.in



Delhi Head Office
73, National Park, Lajpat Nagar IV,
New Delhi - 110024 (India)
Phone: +91-11-41729056-57, 41601289
www.ascgroup.in,info@ascgroup.in

Noida Corporate Office
C-100,Sector-2,Noida- 201301
Uttar Pradesh (India)
Phone No: +91-120-4729400

Gurgaon Office
605, Suncity Business Tower
Golf Course Road, Sector-54,
Gurugram - 122002, Haryana (India)
Phone No.: +91-124-4245110/116

Mumbai Office
MBAI SAGAR TECH PLAZA, A WING, OFFICE NO. 315-316, ANDHERI KURLA ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400037, INDIA.
022-67413369/70/7171

Bengaluru Office
0420, Second Floor,
20th Main, 6th Block, Koramangala,
Bangalore - 560095, Karnataka (India)
Phone No.: 80-42139271

Chennai Office
Level2 – 78/132,
Dr RK Salai Mylapore
Chennai - 600004, Tamil Nadu (India)
Mobile No: +91-8860774980

Pune Office
UNE OFFICE NO. 4, 1ST FLOOR SILVER OAK,
SN NAGAR ROAD, WADGAON SHERI,
PUNE- MH – 411014
LANDMARK: NEAR INORBIT MALL

Singapore Office
11 Woodlands Close,#04-36 H,
Woodlands 11,Singapore -737853
Mobile No: +65-31632191
www.ascgroup.sg,
info@ascgroup.sg

Canada Office
885 Progress Ave Toronto
Ontario M1H 3G3 Canada
Mobile No: +1437-774-4488

www.ascgroup.in