ASC

GST Times

Volume 27, December 2022

Complied by: GST Team, ASC Group

INDEX

① **Compliance Calender**

② **News Highlights**

- Major agenda for GST Council to be headed on December 17th
- Time for income tax and GST reforms, Revenue secretary Tarun Bajaj- Budget 2023
- Karnataka Govt Caps Convenience Fee At 5% For App-Based Auto Rides
- Online gaming likely to attract 28% GST on full value
- Pre-Budget meet- GST rationalisation, easier bank credit and hike in public expenditure
- Govt may remove penal offences covered under IPC from GST law
- GST on Health Insurance to reduce, deadlock persists on input tax credit
- Letter to Finance Minister for urgent GST Council Meet by WB Chief Advisor
- Maharashtra businessman nabbed as for INR 45 cr. fake bills scam
- Low Number of E-way bills in India despite high GST revenue
- Chandigarh GST revenue sees 28% rise in October

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.	10.12.2022	GSTR – 7	November 2022	Summary of Tax Deducted at Source (TDS) and deposited under GST laws.
2.	10.12.2022	GSTR – 8	November 2022	Summary of Tax Collected at Source (TCS) and deposited by e-commerce operators under GST laws
3.	11.12.2022	GSTR – 1	November 2022	GST Filing of returns by a registered person with aggregate turnover exceeding INR 5 Crores during the preceding financial year or any registered person have opted to file monthly return.
4.	13.12.2022	GSTR – 1 IFF	November 2022	Details of B2B Supply of a registered person with turnover less than INR 5 Crores during the preceding year who has opted for Invoice Furnishing Facility(IFF) under QRMP Scheme.
5.	13.12.2022	GSTR – 6	November 2022	Details of Input Tax Credit (ITC) received and distributed by an Input Service Distributors (ISD).
6.	13.12.2022	GSTR – 5	November 2022	Summary of outward taxable supplies and tax payable by a non-resident taxable person.
7.	20.12.2022	GSTR -5A	November 2022	Summary of outward taxable supplies and tax payable by a person supplying OIDAR services.
8.	20.12.2022	GSTR – 3B	November 2022	GST Filing of returns by a registered person with aggregate turnover exceeding INR 5 Crores during the preceding financial year.
9.	25.12.2022	PMT – 06	November 2022	Registered person opted to file return under QRMP Scheme.
10.	28.12.2022	GSTR – 11	November 2022	Statement of inward supplies received by persons having Unique Identification Number (UIN).
11.	31.12.2022	GSTR – 9	2021-22	An annual return is to be filed by all regular taxpayers having the turnover above 2 crores in a particular financial year (i.e. taxpayers who file regular returns in FORM GSTR-3B, GSTR-1, etc.).
12.	31.12.2022	GSTR – 9C	2021-22	A self-certified reconciliation statement form for all the taxpayers having the turnover above 5 crores in a particular financial year.

News Highlights

Major agenda for GST Council to be headed on December 17th

The GST Council said "The 48th Meeting of the GST Council will be held on 17th December, 2022 by video conference". The agenda of the 48th meeting of the GST Council is expected to be finalized in the coming days. Still, the meeting also assumes significance as it comes just ahead of the 2023-24 Union Budget.

The meeting would discuss two reports of a panel of State finance ministers on levy of GST on casinos, online gaming and horse racing and the other on setting up of GST Appellate Tribunal.

The Council may also look into a report by an officers' panel on the decriminalisation of certain offences under the GST Act as well as discuss the new role of the Competition Commission of India as the anti-profiteering authority for GST. Besides, a report from the officers' panel on the decriminalisation of certain provisions of the GST law too is likely to be taken up for discussion.

State Finance Ministers have also held a pre-Budget meeting with the Union Finance Minister, where they deliberated on various issues including the extension of the GST compensation period was also raised. State FMs have also been calling for a meeting of the Council for some time as it is required to meet at least once every three months.

Time for Income Tax and GST reforms, says Revenue Secretary Tarun Bajaj -Budget 2023

Pointing out some emerging issues in income tax and GST, Revenue Secretary Tarun Bajaj said there is a need for reforms in both direct and indirect taxes.

He mentioned "We have to rationalise rates under the Goods and Services Tax ,...reduce the number of slabs and relook at exemptions. Then there are some issues like online gaming, and the setting up of tribunals. Such issues will keep coming up, so they need to be resolved."

He also added to get gas and aviation turbine fuel into GST.

Bajaj said, "On the direct taxes side, about two, or three issues. One is to fix the capital gains on all fronts. Second is the personal income tax and the third is to rewrite the code to simplify it. If you do that, litigation will reduce".

Further, there is a need to rewrite the personal tax regimes to make the new regime better than the old one.Bajaj said, “Under the new regime, the exemption limit is ?2.5 lakh while in the old scheme you don’t have to pay any taxes up to ?7.5 lakh. Most people fall within this income bracket and so they have no incentive to come to the new tax regime”.

The Revenue Secretary said that the Government is simplifying the tax structure but more reforms are needed.

“We are now trying to provide one income-tax return form in place of six. This itself is a way toward simplification. We have introduced a faceless system in direct tax and customs. We have brought in a lot of

Karnataka Govt Caps Convenience Fee At 5% For App-Based Auto Rides

Amidst an ongoing tussle between the Karnataka Government and cab aggregators, the state Government has reportedly sought to cap the convenience fee at 5% for auto rickshaw rides.

However, senior officials told the Economic Times that the convenience fee was exclusive of GST, meaning users will have to pay an additional 5% GST on an aggregate total of base fare and service charge.
This is nearly half of the prevailing interim 10% service charges that cab operators are currently allowed to charge customers.

This decision comes close on the heels of a meeting that saw Chief Minister Basavaraj Bommai, chief secretary, Vandita Sharma, transport secretary, NV Prasad and transport commissioner SN Siddaramappa in attendance.

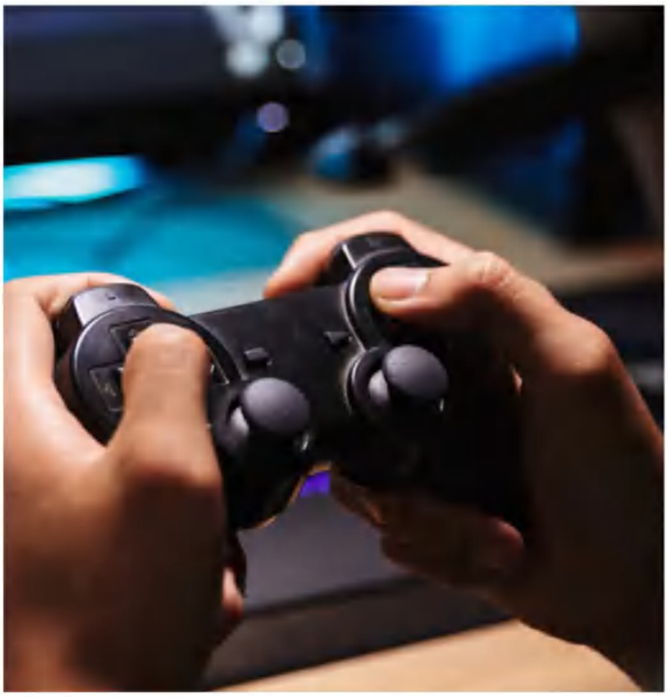
The outcome also came ahead of the deadline for the Government to file an affidavit on the matter before the High Court on Friday. A bench headed by Justice CM Poonacha will take up the matter for hearing on Monday.

M Manjunath, president of the Adarsha Auto and Taxi Drivers Union, welcomed the Government’s latest decision and said it was in the interests of passengers and autorickshaw drivers.

In October, the court asked the stakeholders to hold meetings and decide on the overall fare fixation for autorickshaw services offered by ride-hailing apps.

It also provided interim relief to the ride-hailing apps after the Government decided to ban their auto-rickshaw services. The apps were then allowed to charge 10 per cent extra plus GST for the auto-rickshaw services.

Online gaming likely to attract 28% GST on full value



To discourage gambling and betting-related games, the GST Council is likely to hike the tax rates for online gaming from 18% to 28%. A Group of Ministers, set up by the Ministry of Finance to look into matters related to the GST regime covering online gaming, casinos, and race courses, may suggest a flat GST rate of 28% on online gaming soon.

According to a report, a final recommendation on the revised rates, as also on whether the levy should be on the gross gaming revenue or per transaction, is likely to be disclosed in the next week's meeting of the GoM headed by Meghalaya Chief Minister Conrad Sangma. The GST council will take a final call after that.

The meeting took place yesterday where the members discussed the valuation of services provided by casinos and online gaming. There was a broad consensus on a flat 28% tax rate, however, there was no consensus regarding gross gaming revenue (GGR) or on the basis of per transaction.

Furthermore, a few members raised concerns that learning-based gaming should remain in the 18% slab as they are not harmful and can't lead to gambling and betting.

The online gaming industry has opposed the proposal to levy GST on the entry fee, along with a 115% surcharge, and is instead advocating for levying tax only on GGR. However, some stakeholders feel laws and regulations related to online games are underdeveloped in India and are becoming a major cause of concern for investigating authorities, companies, and customers.

Currently, a tax rate of 18% is levied on the commission collected by the online gaming platforms for each game not involving betting or gambling. The GST rate applicable to online games involving betting or gambling is 28%.

On horse racing, GST is levied at 28% of the total bet value.

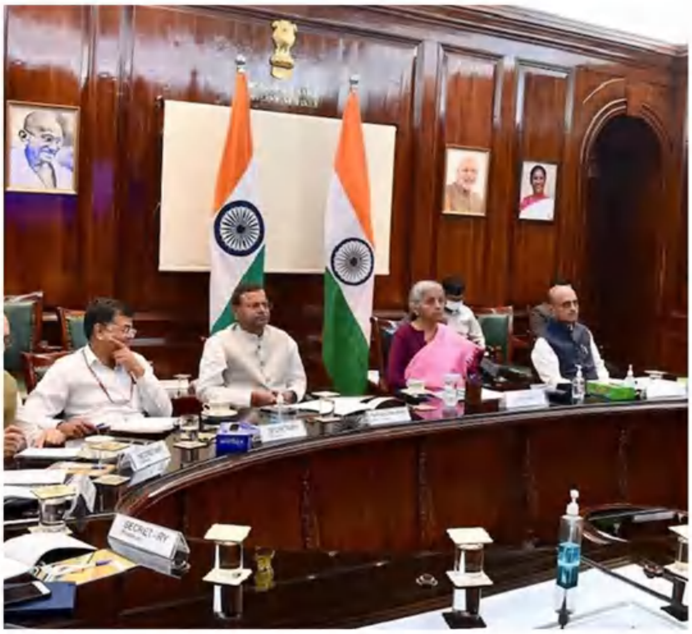
In the past couple of years, the online gaming industry has seen an upscale in user base due to better internet penetration and the availability of smartphones apart from personal computers and tablets. India

India has more than 560 Mn internet users, making it a growing market for the online gaming industry.

Analysts said the GST Council might categorize actionable claims as 'services' by putting it under Section 7 of the CGST Act for taxation purposes without getting into the debate of games of skill or chance.

Pre-Budget meet- GST rationalisation, easier bank credit and hike in public

The Union Finance Minister Nirmala Sitharaman met infrastructure industry experts at the customary pre-budget meeting, the latter sought rationalisation of GST, easier bank credit and a hike in public expenditure.



Cellular Operators' Association of India (COAI) in its demonstration to the Finance Minister has presented a reduction of levies and taxes on the telecom sector amidst new new-age 5G networks and services floating across the country. " SP Kochhar, Director General of COAI said; our demand for cost reduction should be looked at expeditiously,"

According to sources, the authority of the auto industry pursued the government's support in terms of long-term policies for making India as a strong electric vehicle (EV) manufacturing base. They also pitched for government support to the electric vehicle companies for reskilling the workforce.

The Federation of Indian Micro and Small & Medium Enterprises (FISME) was of the opinion that the bank loan rating (BLR) condition was proving to be a great dampener in the growth of MSMEs and pursued immediate interference in establishing a joint committee of the RBI, stakeholders and banks to innovate a unique rating model for MSMEs, which primarily focuses on solvency.

FISME made a plea to form a task force to study the extent of the spread of the malice and suggest remedial measures in a time-bound manner. This is done after observing that some private sector banks levy pre-payment penalties i.e. 4% on MSMEs for those who are trying to change bank as a result of unsatisfied and poor services,

Industry body PHD Chamber of Commerce and Industry (PHDCCI) recommended that infrastructure investments in the country should not be less than 10 per cent of the GDP to accomplish state-of-the-art infrastructure and become a developed economy by 2047.

The virtual meetings were attended by the Union Ministers of State for Finance Bhagwat Kishanrao Karad, Pankaj Chaudhary, and other senior officials.

The official gave suggestions on the budget to be held on 2023-24, which will be presented in Parliament by the Finance Minister on February 1.

Govt may remove penal offences covered under IPC from GST law

The Government is considering removing the penal offences which are already covered under the IPC from the GST Act to make it more taxpayer-friendly, an official said. The part of the exercise to decriminalise GST law is supposed to be taken up in the next GST Council meeting. The Finance Ministry will propose amendments to the GST law once approved by the GST Council, which could be taken up in the upcoming Parliament session next month.

The official said, "law committee has finalised the amendments in Section 132 of the GST Act as part of the exercise to decriminalise the law".

The offences that are similar to those covered under the Indian Penal Code would be removed from GST law, the official added.

The amendments in Section 132 of the GST Act would be placed before the GST Council for approval. After that, it would go to Parliament for implementation of changes in the GST Act. Once approved by Parliament, states are obligated to amend their state GST laws.

Tax experts said basically fake billing offences could be part of the decriminalisation exercise. They may also comprise supplies of goods or services or both without proper invoices and bills without a supply of goods or issues of invoices.

Also, the act of availing input tax credit (ITC) using fake invoices could be catered to under the offences stated in the IPC.

GST on Health Insurance to reduce, deadlock persists on input tax credit

The central Government has made a significant step to boost the health insurance sector. The Government aim to reduce the GST on health insurance on premium package. However, a deadlock persists on the input tax credit.

People are becoming more aware of health insurance after Covid pandemic and this move aims to boost insurance penetration.

Insurance companies are continuously demanding to reduce the GST on health insurance premiums. In this regard, the Government agrees to reduce the GST rate on health insurance from 18% to 5% without ITC. But insurance companies insist on ITC. Insurance companies are demanding that the GST of health insurance be reduced from 18% to 12% with ITC.

As per insurance companies, 18% GST is a big hindrance in health insurance sales and it is also putting a barrier in increasing the insurance penetration. Industry suggested, whatever loss it will incur due to GST cut will be compensated with increased premiums and high volume. Insurance companies also claim to introduce health insurance into 12% tax bracket with Input Tax credit.

Currently, 18% GST is imposed on life and health insurance. A high GST Rate is not supportive of boosting the insurance penetration. For the last few days, the demand for GST reduction on health insurance has been floating due to the low penetration of health coverage in India.

The insurance company has urged the Governments to resolve the issue without any further hurdles.

Letter to Finance Minister for urgent GST Council Meet by WB Chief Advisor

Principal Chief Advisor Amit Mitra to the Chief Minister of West Bengal wrote Union Finance Minister Nirmala Sitharaman in a letter on Wednesday to call an urgent GST Council meeting which was not met for over four and half months.

In a letter to the Finance Minister, Amit Mitra who was the former chairman of the Empowered committee of state finance minister and principal chief Advisor of West Bengal cited regulations for the GST Council.

He drew attention to Rule 6 Procedure & Conduct of Business Regulations of the GST Council in the undertaking of Article 279A (8) of the India Constitution, which states: The GST Council shall meet at least once in every quarter of the financial year.

“However, in absolute violation of this sincere provision, you have not yet called a single GST council meeting (physical or virtual) for over the last four and a half months,” he said in the letter. He further added; There was no intimation of any emergency communicated to the Minister of State or Finance, of West Bengal or any Member of the GST Council".

Mitra further said that the reports of the Ministers of two Groups on GST rate rationalisation and GST on casinos, online gaming and horse racing, which were established last year, are still awaited. The GoM on rate rationalisation had in June submitted only an interim report, while the GoM on casinos, online gaming and horse racing was given an extension to review its decisions.
The GST Council, chaired by Sitharaman and having her counterparts from all states, last met on June 28-29 in Chandigarh. The Council was slated to meet next in August at Madurai but no meeting has happened since then.

He pointed out that in the "federalist spirit", all states are doing stellar work in increasing GST collections which benefits the central government as much as it helps the states. "For example, the policy of zero tolerance for GST return default, by the West Bengal Government, has led to a sharp rise in return filing and thereby, GST collections. From 70% return filing in the previous year, it has risen to 93 per cent during the months of April-October, 2022. Similar may be the case in several other states as well.

The States are also conducting scrutiny of returns copiously and have taken anti-evasion drives consistently," he said, adding that not following the Rules of conduct is a case of “severe undermining of the only Federalist institution where Ministers of all states and Union Territories come together, under your Chairpersonship”.

Maharashtra businessman nabbed as for INR 45 cr. fake bills scam

This is news regarding Maharashtra businessman nabbed as GST sleuths bust INR 45 cr. fake bills scam on 4th November 2022.

An official said here on Friday, the Maharashtra Goods & Services Tax Department has busted a GST scam involving fake invoices worth INR 45 crore and arrested a businessman for the alleged fraud. Launching a special operation, GST sleuths raided Arnav Creations on Wednesday as part of the ongoing probe into the malaise of fraudulent invoices to cheat the exchequer.

The team of Assistant Commissioners Arjun P. Suryawanshi, Ramesh Awaghade and Pradnya Brahmande, along with Inspectors, implemented the operation with guidance from State Tax Joint Commissioner Anil Bhandari and Deputy Commissioner Mohan R. Bagade.

Jagdish Jagannath Patil, 48, who is said to be the proprietor of Arnav Creations, with a GST Registration in the firm's name since August 2018, was apprehended in the raid. The probe revealed that Patil had availed fake Input Tax Credit of INR 7.08 crore from certain non-existent tax-payers by means of returns only and without any movement of GST INR 47 crore.

In this manner, he passed on the credit of INR 6.79 crore without actually supplying goods or services worth INR 45 crore.

Patil was produced before the Esplanade Court Additional Chief Metropolitan Magistrate in Mumbai who sent him to 14 days of judicial custody, said Suryawanshi. In the current financial year, this is the 49th arrest made by the department which has again sternly warned tax evaders to beware of declaring bogus turnover and claiming fake ITC benefits.

Low Number of E-way bills in India despite high GST revenue

This is news regarding low number of E-way bills in India despite high GST revenue. The GST regime covers e-way bills for the transport of goods, which went down during October, even as the tax inflow was high.

For the month of October India's GST collection has surpassed the INR 1.5 lakh Cr. mark for the second time. This can be attributed to factors that as high sales during the festive season and inflation. Apart from high sales during the festive season, the rise in tax revenue on everything from groceries to transport could also be attributed to factors such as inflation.

Even though the tax inflow was high, E-way bills for the transport of goods went down during the month of October. This indicates the decline in the movement of goods around India, while factory output went up as the purchase managers index was up from 55.1 to 55.3.

Even though E-way bills went down from 8.4 crore in September to 7.68 crore in October, they still maintained steady pace, which indicates a healthy growth in shipments, as it stayed above 7 crores since March.

This drop in E-way bills could have been triggered by a higher number of holidays during the festive season. These e-way bills are an indicator of the balance between consumption and supply in the country, and showed a healthy growth in shipments from May to September, staying above seven crores since March.

Whenever there is a transport of goods worth more than INR 50,000 crore within a state or between states, it is required to generate the E-way bill from an online portal. The physical copy of the e-receipts is to be carried by the transporter, and the mechanism is meant to ensure compliance and curb tax evasion.

Chandigarh GST revenue sees 28% rise in October

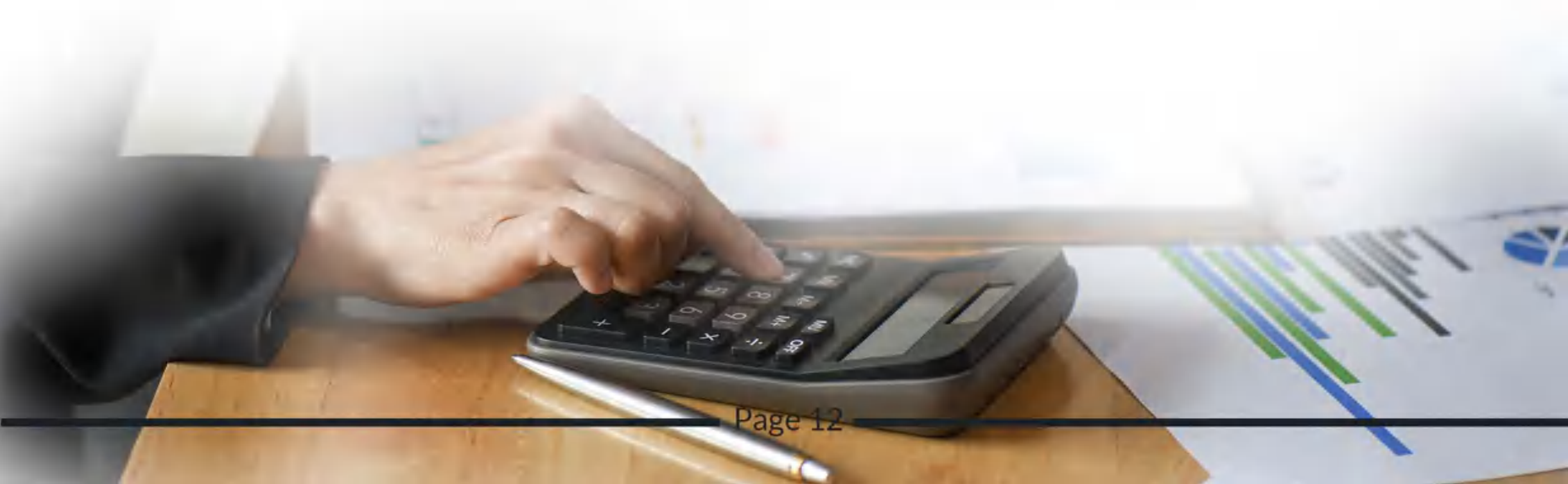
This is the recent news regarding Chandigarh GST revenue sees 28% rise in October, dated 02/11/2022 Official source Indian Express.

The Chandigarh administration collected INR 203 crore GST in October, which is the first month of this financial quarter, an increase of 28% from INR 158 crore in October last year.

They also reported that they had also seen a hike in each month of the last quarter too.

In September, UT logged GST collection of INR 206 crore, an increase of 35% from INR 152 crore in September 2021. Similarly, in August, UT saw a growth of 24% in GST collection, which stood at INR 179 crore, which was INR 35 crore more than the revenue of INR 144 crore generated during the same month last year.

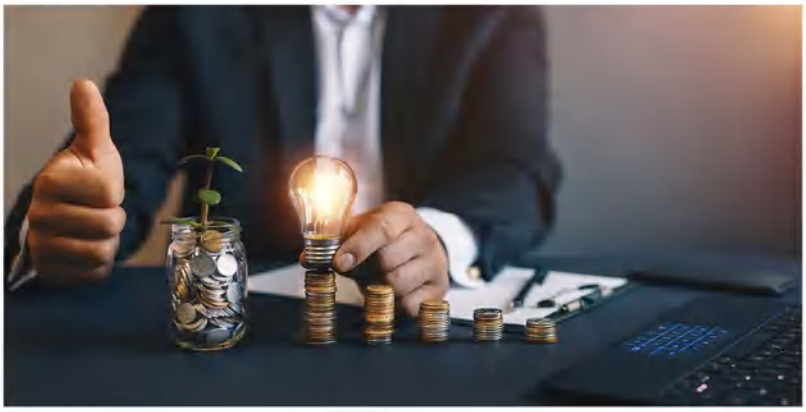
In July, the UT witnessed just 4% growth in GST collection. It stood at INR 176 crore, which was INR 7 crore more than the revenue of INR 169 crore generated during the same month last year.

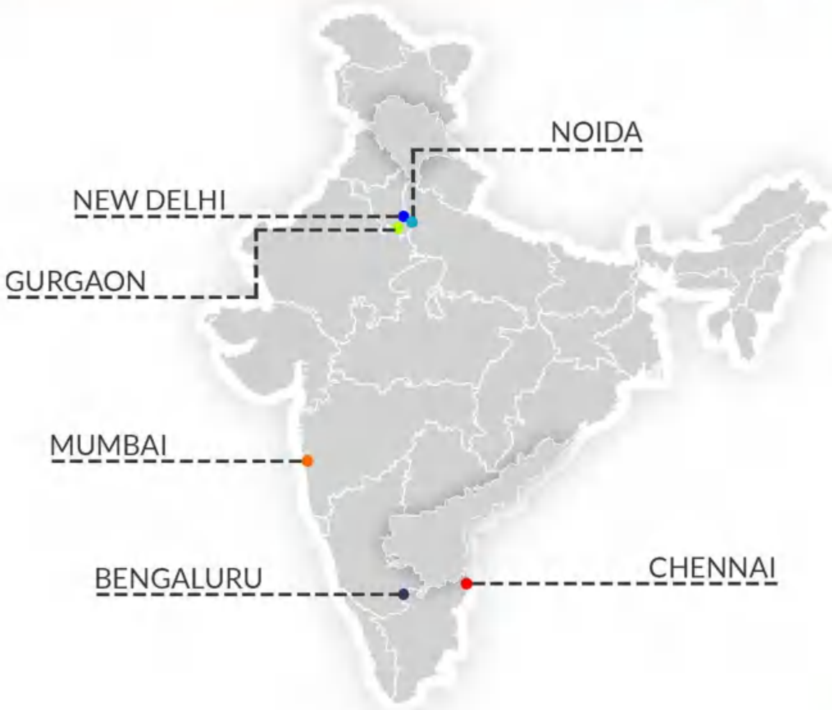


GET IN TOUCH

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