

The Tsunami of Tax Changes

47th GST Council Meeting

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Central Tax Notifications (Rules & Procedures)

• *Notifications issued by CBIC*

Notification No.	Date	Particulars
16/2022 – Central Tax amending 14/2019- Central Tax	13-July-2022 07-March-2019	Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash Blocks CHANGED Fly ash bricks; Fly ash aggregates; Fly ash blocks – Reg. Composition levy < 1.5 Crore
15/2022 – Central Tax amending 10/2019- Central Tax	13-July-2022 07-March-2019	Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash Blocks CHANGED Fly ash bricks; Fly ash aggregates; Fly ash blocks – Reg. AATO Forty Lakh
14/2022-Central Tax	05-July-2022	First Amendment, 2022 to the CGST Rules, 2017
13/2022-Central Tax	05-July-2022	Extension of the time-limit for adjudication and excluding 01/03/2020 to 28/02/2022 for refund computation and recovery of erroneous refund
12/2022-Central Tax	05-July-2022	Waiver of late fees for filing of Form GSTR-4 2021-22
11/2022-Central Tax	05-July-2022	Extension of due date Form GST CMP-08 for Q1 FY 22-23
10/2022-Central Tax	05-July-2022	Exempt taxpayers having AATO upto Rs. 2 crores from the requirement of furnishing annual return for FY 2021-22
09/2022-Central Tax	05-July-2022	Seeks to notify certain provisions of Finance Act, 2022, Transfer of ECL Balance & Interest u/s 50(3)

Notification 09/2022 – Central Tax dated July 05, 2022

Notifies following:

- Clause (c) of Section 110 of the Finance Act, 2022 - Amends Section 49(10) of CGST Act, 2017¹

This is regarding the transfer of electronic cash ledger balances

Refer also:

¹ Notification No. 14/2022 dated July 05, 2022 – Inserts Sub-rule(14) to Rule 87 of CGST Rules, 2017

- Section 111 of the Finance Act, 2022 – Amends Section 50(3) of CGST Act, 2017 retrospectively w.e.f. July 01, 2017²

This is regarding the interest on reversal of excess availment input tax credit

Refer also:

² Notification No.14/2022 dated July 05, 2022 – Inserts Rule 88B to CGST Rules, 2017

Transfer of “Balance in Electronic Cash Ledger”

Amendment to Section 49(10) r/w Rule 87(14) of CGST Rules

Transfer any amount of tax, interest, penalty, fee, or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for,—

(a) integrated tax, central tax, State tax, Union territory tax or cess or;

(b) integrated tax or central tax of a distinct person within the same State/UT or another State/UT

Condition in case of (b):

No such transfer shall be allowed if the said registered person has any unpaid liability in his electronic liability register

Form:

Amendments to **Form GST PMT-09** also notified

Interest on wrongful availment and utilisation of input tax credit

Amendment to Section 50(3) r/w Rule 88B of CGST Rules

Where the input tax credit has been wrongly availed and utilized, the interest has to be paid at such rate as prescribed³

The When's of What of interest? This is where it gets “INTERESTING”

Input tax credit construed to be utilised – When?

Input tax credit wrongly availed shall be construed to have been utilised, when **the balance in the electronic credit ledger falls below the amount of input tax credit wrongly availed**, and the extent of such utilisation of input tax credit shall be the amount by which the balance in the electronic credit ledger falls below the amount of input tax credit wrongly availed

Date of utilisation of input tax credit – When?

- The date, on which the return is due to be furnished under section 39 or the actual date of filing of the said return, whichever is earlier, on account of payment of tax through the said return
- the date of debit in the electronic credit ledger in all other cases

³**Section 116 r/w Sixth Schedule of Finance Act, 2022** – Prescribed ROI at 18% p.a. Rules, 2017 amending Notification 13/2017 – Central Tax dated June 28, 2017
w.e.f. July 01, 2017

Notification 10/2022 – Central Tax dated July 05, 2022

Notifies following:

- Powers conferred in terms of proviso to Section 44

This is regarding the exemption from filing the annual return for the financial year 2021-22 where AATO is \leq Two Crore.

Notification 13/2022 – Central Tax dated July 05, 2022

Notifies following:

- Powers conferred by Section 168A of the CGST Act, 2017 on recommendations of the council
 - Extends the time limit specified for recovery of tax not paid or short paid or of input tax credit wrongly availed or utilised
 - Excludes the period from March 01, 2020, to February 28, 2022, for
 - Computation of period of limitation for recovery of erroneous refund (Time limit to issuance of order is 3 years from the **date of such erroneous refund**)
 - Computation of period of limitation for filing refund application (Time limit to file refund claim is 2 years from the **Relevant date**)

Time limit specified for recovery of tax not paid or short paid or of input tax credit wrongly availed or utilised

Case	Before Notification	After Notification
To issue SCN	November 05, 2022	June 30, 2023
	November 07, 2022	June 30, 2023
To issue Adjudication order	February 05, 2023	September 30, 2023
	February 07, 2023	September 30, 2023

*** The said extension provides an extended time limit for any reason other than the reason of fraud or any willful-misstatement or suppression of facts to evade GST*

Notification 14/2022 – Central Tax dated July 05, 2022

Notifies following:

- **Amendment to the CGST Rules, 2017**
 - Deemed revocation of the suspension of registration (Rule 21A)
 - Value of duty credit scrips is not exempt supply (Rule 43)
 - Declaration where e-invoice is not required to be issued (Rule 46)
 - Re-credit of ECL where the registered person deposits the amount of erroneous refund sanctioned to him (Rule 86)
 - Notifying UPI/IMPS as Payment Methods on Common Portal & Transfer of balance in ECL to distinct person (Rule 87)
 - Interest on delayed payment of taxes (Rule 88B)
 - SO under SEZ Rules, 2006, Statement for refund on account of export of electricity, Value of goods exported outside of India, Refund in case of inverted duty structure (Rule 89)
 - Amendment to Export on payment of taxes (Rule 96)
 - Amendment to Form GSTR-3B, GSTR-9, GSTR-9C, GST PMT -03A, GST PMT-06, GST PMT-07, GST PMT-09, GST RFD-01, Statement-3B (Export of electricity)

Deemed revocation of suspension of GST Registration (Rule 21A)

Refer Section 29 of CGST Act, 2017 r/w Second Proviso to Rule 21A (4)

Before Amendment in Finance Act, 2022

After Amendment vide Section 101 in Finance Act, 2022 (not yet notified)

Section 29(2)

Clause – (b) a person paying tax under section 10 has not furnished returns for three consecutive tax periods

Clause – (b) 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 the said return

Clause – (c) any registered person, other than a person specified in clause (b), has not furnished returns for a continuous period of six months"

Clause – (c) any registered person, other than a person specified in clause (b), has not furnished returns for such continuous tax period as may be prescribed

Provided further that where the registration has been suspended under sub-rule (2A) for contravention of the provisions contained in clause (b) or clause (c) of sub-section (2) of Section 29 and the registration has not already been cancelled by the proper officer under Rule 22, the suspension of registration shall be deemed to be revoked upon furnishing of all the pending returns.

Value of duty credit scrips (Rule 43)

Explanation 1 -For the purposes of rule 42 and this rule, it is hereby clarified that the aggregate value of exempt supplies shall exclude:-

(d) the value of supply of Duty Credit Scrips specified in the notification of the Government of India, Ministry of Finance, Department of Revenue No. 35/2017-Central Tax (Rate), dated the October 13, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number GSR 1284(E), dated the October 13, 2017.

¹If a new Act is 'to explain' an earlier Act, it would be without object unless construed retrospective. An explanatory Act is generally passed to supply an obvious omission or to clear up doubts as to the meaning of the previous Act. It is well- settled that if a statute is curative or merely declaratory of the previous law retrospective operation is generally intended.

²It is clear, therefore, that it is only a beneficial procedural section that could be attributed retrospectivity without the Legislature itself giving retrospective operation to such beneficial procedural section.

¹Principles of Statutory Interpretation, 11th Edn. 2008, Justice G.P. Singh

²Hon'ble Jammu and Kashmir High Court in the case of [Fairdeal Motors vs. CIT](#), 101 ITR 687

Declaration where e-invoice is not required to be issued (Rule 46)

Notification No.13/2020 dated March 21, 2020 as amended w.e.f. April 01, 2022, the AATO limit is Rs.20 Crore.

Taxpayers to include a declaration as below,

“I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule.”:

Refer Rule 54(2), (3), (4) & (4A) –

- i. a government department, a local authority,
- ii. a Special Economic Zone unit
- iii. an insurer or a banking company or a financial institution, including a non-banking financial company
- iv. the supplier of taxable service is a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage
- v. the supplier of taxable service is supplying passenger transportation service
- vi. registered person supplying services by way of admission to exhibition of cinematograph films in multiplex screens

Re-credit of the erroneous refund sanctioned to taxpayer (Rule 86)

Rule 86(4B)

Where a registered person deposits the amount of erroneous refund sanctioned to him,

(a) under sub-section (3) of section 54 of the Act, or

(b) under sub-rule (3) of rule 96, in contravention of sub-rule (10) of rule 96?

along with interest and penalty, wherever applicable, through FORM GST DRC-03

An amount equivalent to the amount of erroneous refund deposited by the registered person shall be re-credited to the electronic credit ledger by the proper officer by an order made in **FORM GST PMT-03A**

Refer Circular No. 174/06/2022 dated July 06, 2022 - preferably within a period of 30 days from the date of receipt of the request for re-credit of erroneous refund amount so deposited or from the date of payment of the full amount of erroneous refund along with applicable interest, and penalty, wherever applicable, whichever is later

Interest on delayed payment of taxes (Rule 88B)

The next chapter of my life is always more interesting than the last one!

Rule 88B analyses three scenarios:

- i. where the supplies made during a tax period are declared by the registered person in the return for the said period and the said return is furnished after the due date in accordance with provisions of section 39 (*except where such return is furnished after commencement of any proceedings under section 73 or section 74*)
- ii. In all other cases, where interest is payable in accordance with sub section (1) of section 50
- iii. In case, where interest is payable on the amount of input tax credit wrongly availed and utilized in accordance with sub-section (3) of section 50
(Discussed already in previous slides)

Amendments to Rule 89

Explanation to Rule 89(1) regarding refund application for supplies to SEZ unit or a SEZ developer

For the purposes of this sub-rule, “specified officer” means a “specified officer” or an “authorised officer” as defined under rule 2 of the Special Economic Zone Rules, 2006

Explanation to Rule 89(4) regarding value of exported goods

The value of goods exported out of India shall be taken as –

(i) the Free on Board (FOB) value declared in the Shipping Bill or Bill of Export form, as the case may be, as per the Shipping Bill and Bill of Export (Forms) Regulations, 2017; or

(ii) the value declared in tax invoice or bill of supply, whichever is less

Can the Rule 89(4) overrides Section 15?



Amendments to Rule 89

Amendment to Refund computation on account of inverted duty structure

In *Union of India vs. VKC Footsteps India Private Limited 2021 (9) TMI 626 – SC* held that –

*The above judicial precedents indicate that in the field of taxation, this Court has only intervened to read down or interpret a formula if the formula leads to absurd results or is unworkable. In the present case however, the formula is not ambiguous in nature or unworkable, nor is it opposed to the intent of the legislature in granting limited refund on accumulation of unutilised ITC. It is merely the case that the practical effect of the formula might result in certain inequities. The reading down of the formula as proposed by Mr Natarjan and Mr Sridharan by prescribing an order of utilisation would take this Court down the path of recrafting the formula and walk into the shoes of the executive or the legislature, which is impermissible. Accordingly, we shall refrain from replacing the wisdom of the legislature or its delegate with our own in such a case. **However, given the anomalies pointed out by the assesseees, we strongly urge the GST Council to reconsider the formula and take a policy decision regarding the same.***

Amendments to Rule 89

Amendment to Refund computation on account of inverted duty structure

Particulars	Amount (In Rs.)
Turnover of inverted rated supply of goods and services	1,00,00,000
Adjusted Total Turnover	3,00,00,000
Tax payable on inverted rated supply of goods and services	5,00,000
Net ITC	20,00,000
ITC availed on inputs and input services	25,00,000

Amendments to Rule 89

Amendment to Refund computation on account of inverted duty structure

Option 1 (Old): $1,00,00,000/3,00,00,000 * 20,00,000 (-) 5,00,000 = \text{Rs.}1,66,667/-$

Option 2 (Now): $1,00,00,000/3,00,00,000 * 20,00,000 (-) 5,00,000 * 20,00,000/25,00,000 = \text{Rs.}2,66,667/-$

Option 3 (Dream): $1,00,00,000/3,00,00,000 * 25,00,000 (-) 5,00,000 = \text{Rs.}3,33,334/-$

Refer to **Circular No. 173/05/2022 dated July 06, 2022**, which clarifies on issue of claiming a refund under an inverted duty structure where the supplier is supplying goods under some concessional notification. In such cases, as the rate of tax of output supply is less than the rate of tax on inputs at the same point of time due to the supply of goods by the supplier under such concessional notification, the credit accumulated on account of the same is admissible for refund under the provisions of clause(ii) of the first proviso to sub-section (3) of section 54 of the CGST Act.

Amendments to Rule 96

Withholding refund under Rule 96

Hitherto Rule 96(4) prescribes two situations:

- i. a request has been received from the jurisdictional Commissioner of central tax, State tax or Union territory tax to withhold the payment of refund
- ii. the proper officer of Customs determines that the goods were exported in violation of the provisions of the Customs Act,

Now, a third situation is inserted:

- iii. the Commissioner in the Board or an officer authorised by the Board, on the basis of data analysis and risk parameters, is of the opinion that verification of credentials of the exporter, including the availment of ITC by the exporter, is considered essential before grant of refund, in order to safeguard the interest of revenue. (Risky Exporter)

Further amendment made to rules, Where refund is withheld in accordance with the provisions shall be dealt in accordance with the provisions of rule 89

GSTR-3B Changes - Notification 14/2022 dated July 05, 2022

Reverse charge liability payable by the registered person as recipient of notified services and payable by e-commerce operators u.s 9(5) to be disclosed separately.

Insertion of new table 3.1.1 : To furnish details of taxable supplies made through e-commerce operators on which e-commerce operators remit GST under section 9(5)

Nature of Supplies	Total Taxable value	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5	6
(i) Taxable supplies on which electronic commerce operator pays tax under sub-section (5) of section 9 [to be furnished by the electronic commerce operator]					
(ii) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax under sub-section (5) of section 9 [to be furnished by the registered person making supplies through electronic commerce operator].”;					

GSTR-3B changes - contd

New disclosures to be made with regard to input tax credit availed, reversed, re-claimed as under:

1. Provision to disclose reversals under Rule 38 (i.e) claim of credit and 50% reversals by banks and financial institutions, Rule 42, Rule 43 and Section 17(5) (**“Absolute reversals”**)
2. Provision to disclose reclaimable ITC– deferred credit, Rule 37 reversals etc (**“Temporary reversal”**)
3. ITC Reclaimed which was reversed in earlier tax period (**“Temporary reversals”**)
4. Provision to disclose ineligible ITC which is time –barred u/s 16(4)
5. Provision to disclose ineligible ITC due to POS provisions

I. Mandatory furnishing of information for inter-state supplies in GSTR-3B

Registered persons making inter-State supplies are advised to

- (i) to the unregistered persons, shall also report the details of such supplies, place of supply-wise, in Table 3.2 of FORM GSTR-3B & and Table 7B or Table 5 or Table 9/10 of FORM GSTR-1;
- (ii) to the registered persons paying tax under section 10 of the SGST/CGST Act (composition taxable persons) and to UIN holders, shall also report the details of such supplies, place of supply-wise, in Table 3.2 of FORM GSTR-3B;
- (iii) shall update their customer database properly with correct State name and ensure that correct PoS is declared in the tax invoice and in Table 3.2 of FORM GSTR-3B while filing their return, so that tax reaches the Consumption State as per the principles of destination-based taxation system.

II. Information regarding ITC availed, reversal & Ineligible ITC

- It is important that any reversal of ITC or any ITC which is ineligible under any provision of the CGST Act should not be part of Net ITC Available in Table 4(C) and accordingly, should not get credited into the ECL of the registered person.
- It is clarified that the reversal of ITC of ineligible credit under section 17(5) or any other provisions of the CGST Act and rules thereunder is required to be made under Table 4(B) and not under Table 4(D) of FORM GSTR-3B.
- Any ineligible ITC auto-populated, reversals under Rule 42/ 43 which are permanent in nature and not likely to be reclaimed are to be reported in 4B(1). Temporary reversals which are likely to be reclaimed such as Rule 37, credits auto-populating but deferred are to be reported as reduction in 4B(2).
- Ineligible ITC u/s 17(5) does not entail any disclosure in that respective column;
- Other ITC which is auto-populating as blocked credit either because it is time barred or because of place of supply issue are to be reported in 4D(2).



Central Tax Rate Notifications (Exemptions & Rate changes)

• *Notifications issued by CBIC*

Notification No.	Date	Particulars
11/2022 – Central Tax (Rate)	13-July-2022	Rescinds notification No. 45/2017- Central Tax (Rate)
05/2022 – Central Tax (Rate)	13-July-2022	Amendment to Notification 13/2017- Central Tax (Rate) (Reverse charge mechanism)
04/2022 – Central Tax (Rate)	13-July-2022	Amendment to Notification 12/2017- Central Tax (Rate) (Services Exemption Notification)
03/2022 – Central Tax (Rate)	13-July-2022	Amendment to Notification 11/2017- Central Tax (Rate) (Services Rate Notification)
06 & 07/2022 – Central Tax (Rate)	13-July-2022	Pre-packaged & Labelled goods Amendment to Notification 01 & 02/2017- Central Tax (Rate) (Goods Notification) & Other miscellaneous goods
09/2022 – Central Tax (Rate)	13-July-2022	Restrictive list for inverted duty structure [Notification 09/2022-CT (R)]
08/2022-Central Tax (Rate)	13-July-2022	Concessional CGST rate for supplies to Exploration and Production notified under section 11 (1) - 03/2017 - Central GST (CGST) Rate (Change in rate from 2.5% to 6%)

Withdrawal of Concessional Rate when supplied to the specified institutions [Notification No.11/2022 – Central Tax (Rate)]

Notification No. 45/2017-Central Tax (Rate) dated November 14, 2017, a concessional rate of 5% was available when certain items such as -

- (a) Scientific and technical instruments, apparatus, and equipment (including computers);
- (b) accessories, parts, consumables, and live animals (experimental purpose);
- (c) computer software, Compact Disc-Read Only Memory (CD-ROM), recorded magnetic tapes, microfilms, microfiches;
- (d) Prototypes, the aggregate value of prototypes received by an institution does not exceed fifty thousand rupees in a financial year.

were supplied to -

Public funded research institution or a University or an Indian Institute of Technology or Indian Institute of Science, Bangalore or a Regional Engineering College, other than a hospital; Research institution, other than a hospital; Departments and laboratories of the Central Government and State Governments, other than a hospital and (Regional Cancer Centre (Cancer Institute)

Accordingly, the concessional rate of 5% shall not be applicable when the above items be supplied to the aforementioned notified institutes and the normal rates (i.e 5%, 12%, 18% or 28% etc.) applicable to the product based on tariff shall apply.

Reverse Charge Mechanism [Notification No.05/2022 – Central Tax (Rate)]

Amending Principal Notification No. 13/2017 dated June 28, 2017

i. Goods Transport Agency

Condition for reverse charge mechanism has been modified in line with the GTA amendments and the RCM shall not apply where the supplier has taken registration under the CGST Act, 2017 and exercised the option to pay tax on the services of GTA in relation to transport of goods supplied by him under forward charge;

ii. Government-related services

Modification of Postal department services in line with the amendment to the exemption entry

iii. Residential dwelling

Insertion of Entry 5AA for Service by way of renting of residential dwelling to a registered person.

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Makes the amendment to Principal Notification 12/2017- CT (R):

Entry No. 6

Services by the Central Government, State Government, Union territory or local authority **excluding** the aforementioned services

(a) ~~services by the Department of Posts by way of speed post, express parcel post, life insurance, and agency services provided to a person other than the Central Government, State Government, Union territory~~

Similar amendments have been included in Entry 7, 8 & 9.

Entry No. 24C is inserted to include

Services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams).

Implies post office services, other than postcards and inland letters, book post and envelopes weighing less than 10 gm, are now taxed.

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Makes the amendment to Principal Notification 12/2017- CT (R):

Entry No. 12

Services by way of renting of residential dwelling for use as residence [except where the residential dwelling is rented to a registered person]

Makes the amendment to Principal Notification 13/2017- CT (R):

Entry 5AA

Service by way of renting of a residential dwelling to a registered person by any person to any registered person

Issues

- a) **Whether input tax credit would be allowed to the recipient?**
Alternatively, it would be treated as per Section 17(5)(g) – goods or services or both used for personal consumption
- b) **In case of Sole Proprietors, esp. there would be a requirement of recording the transactions under RCM?**

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Refer M/s **Kasturi & Sons Ltd, AAR- Maharashtra 2022 (6) TMI 193**,
“As per the said schedule entry the residential dwelling/property must be given on rent for use as a residence. The entry does not mention as to whom the said services to be supplied. The exemption given in Sr. No. 12 mentioned above is qua the supply of service and not qua the recipient of the supply. We therefore agree with the contention of the applicant that, Serial No.12 of Notification No.12/2017-CT (Rate) and the corresponding Notification under MGST Act, 2017, is very clear wherein it gives exemption to the nature of the property and its usage and not by the status of recipient.”

Refer M/s **Price Waterhouse Coopers P. Ltd. Vs. CCE – CESTAT Chandigarh 2021 (9) TMI 488** –**On going through the policy of a company**, *It is clearly stated that when the employee of the appellant goes for an official visit for consultancy to their clients for the stay thereof, they required accommodation by way of guest house/hotel. These facts has not been controverted by the revenue with any tangible evidence. In the absence of any contrary evidence produced by the revenue, the allegation is only an allegation and that cannot be turned into demand as revenue has failed to produce any evidence on record to say that the guest house/hotel has been used by the employees of the appellant for their personal use. In these circumstances, the Cenvat credit cannot be denied to the appellant.*

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Makes the amendment to Principal Notification 12/2017- CT (R):

Entry No. 14 omitted

Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having “value of supply” of a unit of accommodation below or equal to one thousand rupees per day or equivalent.

Entry 7 of Notification 11/2017-CT(R)

Supply of ‘hotel accommodation’ having value of supply of a unit of accommodation ~~above one thousand rupees but~~ less than or equal to seven thousand five hundred rupees per unit per day or equivalent is taxed at 12%.

Particulars	Rate of tax
Value of supply of a unit of accommodation is less than or equal to Rs.7,500 per day	12%
Value of supply of a unit of accommodation is more than Rs.7,500 per day	18%

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Makes the amendment to Principal Notification 12/2017- CT (R):

Entry No. 15

Transport of passengers, with or without accompanied belongings, by air, **in economy class** embarking from or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra located in West Bengal

Entry 20

Services by way of transportation by rail or a vessel from one place in India to another of the following goods -
(d) railway equipments or materials (Omitted)

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Following exemptions are modified w.e.f. July 18,2022:

Entry No. 24B

Amended from Services by way of storage or warehousing of cereals, pulses, fruits, ~~nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibre such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, coffee and tea~~ **to** Services by way of storage or warehousing of cereals, pulses, fruits and vegetables.

Entry No. 74 [Rate of tax 2.5%, Refer Entry 31A of Notification 11/2017-CT (R)]

Proviso to Entry No. 74 “Provided that nothing in this entry shall apply to the services provided by a clinical establishment by way of providing room [**other than Intensive Care Unit (ICU)/Critical Care Unit (CCU)/Intensive Cardiac Care Unit (ICCU)/Neo natal Intensive Care Unit (NICU)**] having room charges exceeding Rs. 5000 per day to a person receiving health care services=

Entry No. 80

Amended from Services by way of training or coaching in recreational activities relating to-

(a) arts or culture, or

(b) sports by charitable entities registered under section 12AA or 12AB of the Income-tax Act **to**

Services by way of training or coaching in-

(a) recreational activities relating to arts or culture, **by an individual**, or

(b) sports by charitable entities registered under Section 12AA or 12AB of the Income Tax Act.

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Following exemptions are modified w.e.f. July 18, 2022:

Entry No. 82A

Services by way of right to admission to the events organized under FIFA U-17 Women's World Cup 2020 [**whenever rescheduled**]

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Following exemptions are withdrawn w.e.f. July 18,2022:

Entry No. 26

Services by the **Reserve Bank of India**

Entry No. 32

Services provided by the **IRDA to insurers** under the Insurance Regulatory and Development Authority of India Act, 1999

Entry No. 33

Services provided by the **SEBI** set up under the Securities and Exchange Board of India Act, 1992 (15 of 1992) by way of protecting the interests of investors in securities and to promote the development of, and to regulate, the securities market.

Entry No. 47A

Services by way of licensing, registration and analysis or testing of food samples supplied by the Food Safety and Standards Authority of India (**FSSAI**) to Food Business Operators.

Entry No. 51

Services provided by the Goods and Services Tax Network (**GSTN**) to the Central Government or State Governments or Union territories for implementation of Goods and Services Tax.

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Following exemptions are withdrawn w.e.f. July 18,2022:

Entry No. 53A

Services by way of fumigation in a warehouse of agricultural produce

Entry No. 54 (h)

Services relating to the cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fiber, fuel, raw material or other similar products or agricultural produce by way of services by way of fumigation in a warehouse of agricultural produce

Entry No. 56

Services by way of slaughtering of animals.

Entry No. 73

Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation.

Entry No. 75 [Rate of tax 12%, Refer Entry 32(ia) of Notification 11/2017-CT (R)]

Services provided by operators of the common bio-medical waste treatment facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto.

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Following exemption is included for Foreign Tourists tour operator services:

Entry No. 52A

Tour operator service, which is performed partly in India and partly outside India, supplied by a tour operator to a foreign tourist, to the extent of the value of the tour operator service which is performed outside India

>>value of the tour operator service performed outside India shall be such proportion of the total consideration charged for the entire tour which is equal to the proportion which the number of days for which the tour is performed outside India has to the total number of days comprising the tour, or 50% of the total consideration charged for the entire tour, **whichever is less**

>>any duration of time equal to or exceeding 12 hours shall be considered as one full day and any duration of time less than 12 hours shall be taken as half a day

“Foreign tourist” means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes

Notification 03/2022 – Central Tax (R) dated July 13, 2022

Makes the amendment to Principal Notification 11/2017- CT (R):

Entry No. 9

Services of Goods Transport Agency (GTA) in relation to transportation of goods (including used house hold goods for personal use) supplied by a GTA where,-

(a) GTA does not exercise the option to itself pay GST on the services supplied by it

Rate of tax – 2.5%

Condition - The credit of input tax charged on goods and services used in supplying the service has not been taken.

(b) GTA exercises the option to itself pay GST on services supplied by it & Rate of tax – 2.5%

Condition - The credit of input tax charged on goods and services used in supplying the service has not been taken.

(c) GTA exercises the option to itself pay GST on services supplied by it & Rate of tax – 6%

For (b) & (c) - The option by GTA to itself pay GST on the services supplied by it during a Financial Year shall be exercised by making a declaration in **Annexure V** on or before **the 15th March of the preceding Financial Year**. Provided that the option for the Financial Year 2022-2023 shall be exercised **on or before the 16th August 2022:**

Notification 05/2022 – Central Tax (R) dated July 13, 2022

Annexure III

I/we have taken registration under the CGST Act, 2017 and have exercised the option to pay tax on services of GTA in relation to transport of goods supplied by us during the Financial Year _____ under forward charge.

Notification 04/2022 – Central Tax (R) dated July 13, 2022

Other allied changes to Goods Transport Agency:

Key exemptions omitted for GTA:

Clause (b) & (c) of Entry 21 of Notification 12/2017-CT (R)

Services provided by a goods transport agency, by way of transport in a goods carriage of

-

(b) goods, where consideration charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees;

(c) goods, where consideration charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred and fifty

Amendment in rate of works contract services [Notification No.03/2022-CT (R)]

Amending Principal Notification No. 11/2017 dated June 28, 2017

Composite supply of works contract services by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration, the reduced rate of tax of 12% has been omitted. Therefore, these are liable at 18%.

What remains in Entry 3 (Rate of tax @ 12%).

- i. Composite supply of works contract and associated services, in respect of offshore works contract relating to oil and gas exploration and production (E&P) in the offshore area beyond 12 nautical miles from the nearest point of the appropriate base line
- ii. Composite supply of works contract provided by a sub-contractor to the main contractor providing services specified in item (vii) above to the Central Government, State Government, Union territory or a local authority [Increased from 5% to 12%]
- iii. Composite supply of works contract, involving predominantly earth work (that is, constituting more than 75per cent. of the value of the works contract) provided to the Central Government, State Government, Union territory or a local authority. [Increased from 5% to 12%]

Amendment in rate of tax[Notification No.03/2022-CT (R)]

Amending Principal Notification No. 11/2017 dated June 28, 2017

Entry 8(via)

Transport of passengers, with or without accompanied belongings, by ropeways. The rate of tax is 5% without ITC. This was earlier taxed at 18% with ITC.

Entry 9(via)

Transport of goods, by ropeways. The rate of tax is 5% without ITC. This was earlier taxed at 18% with ITC.

Entry 10(ia)

Renting of goods carriage where the cost of fuel is included in the consideration charged from the service recipient is taxed at 12%.

Entry 11

Supporting services in transport [vs. Composite supply?]

This entry does not include goods transport service involving Goods Transport Agency (GTA) service, which falls under Heading 9965. The rate of tax is 18%.

Entry 15

Services provided by a foreman of a chit fund in relation to chit , the rate of tax has been increased from 12% to 18%.

Amendment in rate of job work services [Notification No.03/2022-CT (R)]

Amending Principal Notification No. 11/2017 dated June 28, 2017

Entry 26(i)(e), (ea) & (h) omitted

Services by way of job work in relation to

e) Processing of hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

(ea) manufacture of leather goods or foot wear falling under Chapter 42 or 64 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) respectively;

(h) manufacture of clay bricks falling under tariff item 69010010 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);

These job work services which were earlier taxable at 5% are now taxed at 12% under Entry 26(id).

Pre-packaged & Labelled goods [Amendments in GST Rate]

Before 18 July 2022

GST applied on specified goods when they **were put up in a unit container and were bearing a registered brand name or were bearing a brand name in respect of which an actionable claim or enforceable right in a court of law is available.**

On or After 18 July 2022

The expression 'pre-packaged and labelled' means a 'pre-packaged commodity' as defined in clause (1) of section 2 of the Legal Metrology Act, 2009 (1 of 2010) where, the package in which the commodity is pre-packed or a label securely affixed thereto is required to bear the declarations under the provisions of the Legal Metrology Act, 2009 (1 of 2010) and the rules made thereunder.' "Pre-packaged commodity" means a commodity that without the purchaser being present is placed in a package of whatever nature, whether sealed or not, so that the product contained therein has a pre-determined quantity

Thus, the supply of such specified commodity having the following two attributes would attract GST:

(i) It is pre-packaged; and

(ii) It is required to bear the declarations under the provisions of the Legal Metrology Act, 2009 (1 of 2010) and the rules made thereunder.

Pre-packaged & Labelled goods [Amendments in GST Rate]

For such commodities (food items- pulses, cereals, flour, etc.), rule 3 (a) of Chapter-II of Legal Metrology (Packaged Commodities) Rules, 2011, prescribes that package of commodities containing quantity of more than 25 kg or 25 litre do not require a declaration to be made under rule 6 thereof. Accordingly, GST would apply on such specified goods where the pre-packaged commodity is supplied in packages containing quantity of less than or equal to 25 kilogram.

Illustration: Supply of pre-packed atta meant for retail sale to ultimate consumer of 25 Kg shall be liable to GST. However, supply of such a 30 Kg pack thereof shall be exempt from levy of GST.

Refer FAQs clarified by F. No. 190354/172/2022-TRU dated July 17, 2022

Scenario	Rate of tax
Specified commodities sold in loose form	Exempt
Specified commodities packed in the presence of buyer	Exempt
Pre-packed and labelled up to 25 Kg or 25 Litre	Taxable
Supply made to Industrial/Institutional buyer	Exempt

Pre-packaged & Labelled goods [Amendments in GST Rate]

HSN	Description	Rate of tax
0202, 0203, 0204, 0205, 0206, 0207, 0208, 0209, 0210	Meat and edible meat offal	5%
0303, 0304, 0305, 0306, 0307, 0308, 0309	Fish and crustaceans, molluscs and other aquatic invertebrates	5%
0403	Curd; Lassi; Butter milk	5%
0406	Chena or paneer	5%
0409	Natural honey	5%
0504	Guts, Bladders And Stomachs Of Animals (Other Than Fish), Whole And Pieces Thereof, Fresh, Chilled, Frozen, Salted, In Brine, Dried Or Smoked	5%
0713	Dried leguminous vegetables, shelled, whether or not skinned or split	5%

Pre-packaged & Labelled goods [Amendments in GST Rate]

HSN	Description	Rate of tax
0714	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, frozen, whether or not sliced or in the form of pellets	5%
08	Dried Makhana	5%
1001	Wheat and Meslin	5%
1002	Rye	5%
1003	Barley	5%
1004	Oats	5%
1005	Maize/Corn	5%
1006	Rice	5%
1007	Grain Sorghum	5%

Pre-packaged & Labelled goods [Amendments in GST Rate]

HSN	Description	Rate of tax
1008	Buckwheat, millet and canary seed; [other cereals such as Jawar, Bajra, Ragi]	5%
1101	Wheat or meslin flour	5%
1102	Cereal flours other than of wheat or meslin, [maize (corn) flour, Rye flour, etc.	5%
1103	Cereal groats, meal and pellets	5%
1105	Flour, powder, flakes, granules or pellets of potatoes	5%
2009 89 90	Tender Coconut water	12%

Other Goods[Amendments in GST Rate]

Description	Before Amendment	After Amendment (July 18, 2022)
Cut & Polished Diamonds	0.25%	1.5%
Cheques, loose or book form	Exempt	18%
Solar Water heater system	5%	12%
Lamps, Lights, fixtures, printed circuits boards LED	12%	18%
Centrifugal pumps, Tubewell pumps	12%	18%

Restrictive list for inverted duty structure [Notification 09/2022-CT (R)]

(1)	(2)	(3)
“1A.	1507	Soya-bean oil and its fractions, whether or not refined, but not chemically modified
1B.	1508	Ground-nut oil and its fractions, whether or not refined, but not chemically modified.
1C.	1509	Olive oil and its fractions, whether or not refined, but not chemically modified.
1D.	1510	Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils or fractions of heading 1509
1E.	1511	Palm oil and its fractions, whether or not refined, but not chemically modified.
1F.	1512	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified.
1G.	1513	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified.
1H.	1514	Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified.
1I.	1515	Other fixed vegetable or microbial fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified.
1J.	1516	Vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared.
1K.	1517	Edible mixtures or preparations of vegetable fats or vegetable oils or of fractions of different vegetable fats or vegetable oils of this Chapter, other than edible fats or oils or their fractions of heading 1516
1L.	1518	Vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516
1M.	2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal
1N.	2702	Lignite, whether or not agglomerated, excluding jet
1O.	2703	Peat (including peat litter), whether or not agglomerated”



Clarifications issued by CBIC

• Clarifications issued by CBIC

Circular No.	Date	Particulars
176/08/2022-GST	06-JULY-2022	Withdrawal of Circular No. 106/25/2019-GST dated 29 June 2019. [Refund of taxes paid on inward supply of indigenous goods by retail outlets established at the departure area of the international airport]
175/07/2022-GST	06-JULY-2022	Manner of filing refund of unutilized ITC on account of export of electricity.
174/06/2022-GST	06-JULY-2022	Prescribing manner of re-credit in electronic credit ledger using FORM GST PMT-03A.
173/05/2022-GST	06-JULY-2022	Clarification on issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification.
172/05/2022-GST	06-JULY-2022	Clarification on various issue pertaining to GST
172/05/2022-GST	06-JULY-2022	Clarification on various issues relating to applicability of demand and penalty provisions under the CGST Act, 2017 in respect of transactions involving fake invoices.

Circular No. 172/04/2022-GST dated July 06, 2022

Clarification on various issues of Section 17(5) of CGST Act

(b) the following supply of goods or services or both-

(i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:

Provided that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;

(ii) membership of a club, health and fitness centre; and

(iii) travel benefits extended to employees on vacation such as leave or home travel concession:

Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.]

Circular No. 172/04/2022-GST dated July 06, 2022

Clarification on various issues of Section 17(5) of CGST Act

(b) the following supply of goods or services or both-

(i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, **leasing, renting or hiring of motor vehicles, vessels or aircraft** referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:

Perquisites provided by the employer to the employees

Schedule III to the CGST Act provides that “services by employee to the employer in the course of or in relation to his employment” will not be considered as supply of goods or services and hence GST is not applicable on services rendered by employee to employer provided they are in the course of or in relation to employment. It follows therefrom that perquisites provided by the employer to the employee in terms of contractual agreement entered into between the employer and the employee, will not be subjected to GST

Circular No. 172/04/2022-GST dated July 06, 2022

Use of Electronic Credit Ledger for payment of any tax

It is clarified that any payment towards output tax, whether self-assessed in the return or payable as a consequence of any proceeding instituted under the provisions of GST Laws, can be made by utilization of the amount available in the electronic credit ledger of a registered person; **It is further reiterated that as output tax does not include tax payable under reverse charge mechanism**, implying thereby that the electronic credit ledger cannot be used for making payment of any tax which is payable under reverse charge mechanism

Use of Electronic Credit Ledger for payment other than tax

It cannot be used for making payment of any interest, penalty, fees or any other amount payable under the said acts. Similarly, electronic credit ledger cannot be used for payment of erroneous refund sanctioned to the taxpayer, where such refund was sanctioned in cash.

Circular No. 172/04/2022-GST dated July 06, 2022

Use of Electronic Cash Ledger for payment of any tax

The amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of the GST Laws

Circular No. 171/04/2022-GST dated July 06, 2022

Clarification on various issues related to fake invoices

Circular clarifies this position in 3 Scenario's

Scenario 1: Registered person “A” has issued tax invoice to another registered person “B” without any underlying supply of goods or services or both, whether such transaction will be covered as “supply” under Section 7 of CGST Act and whether any demand and recovery can be made from ‘A’ in respect of the said transaction under the provisions of section 73 or section 74 of CGST Act. Also, whether any penal action can be taken against registered person ‘A’ in such cases

Clarification:

No penal action under the provisions of section 73 or section 74 is required to be taken against ‘A’ in respect of the said transaction. However, Mr. A shall be liable to penal action under Section 122(1)(ii) to pay penalty of Rs.10,000 or an amount equal to GST evaded.

Circular No. 171/04/2022-GST dated July 06, 2022

Clarification on various issues related to fake invoices

Circular clarifies this position in 3 Scenario's

Scenario 2: B' avails input tax credit on the basis of the said tax invoice. B further issues invoice along with underlying supply of goods or services or both to his buyers and utilizes ITC availed on the basis of the above mentioned invoices issued by 'A', for payment of his tax liability in respect of his said outward supplies. Whether 'B' will be liable for the demand and recovery of the said ITC, along with penal action, under the provisions of section 73 or section 74 or any other provisions of the CGST Act.

Clarification:

Registered person 'B' has availed and utilized fraudulent ITC on the basis of the said tax invoice, shall be liable for the demand and recovery of the said ITC, along with penal action, under the provisions of section 74 of the CGST Act, along with applicable interest under provisions of section 50 of the said Act. As per Section 75(13), no other penal provisions of the Act can be imposed

Circular No. 171/04/2022-GST dated July 06, 2022

Clarification on various issues related to fake invoices

Circular clarifies this position in 3 Scenario's

Scenario 3: B' avails input tax credit on the basis of the said tax invoice. B further issues invoice along without underlying supply of goods or services or both to Mr. C and utilizes ITC availed on the basis of the above mentioned invoices issued by 'A', for payment of his tax liability in respect of his said outward supplies. Whether 'B' will be liable for the demand and recovery of the said ITC, along with penal action, under the provisions of section 73 or section 74 or any other provisions of the CGST Act.

Clarification:

No demand and recovery of either input tax credit wrongly/fraudulently availed by 'B' in such case or tax liability in respect of the said outward transaction by 'B' to 'C' is required to be made from 'B' under the provisions of section 73 or section 74 of CGST Act. In such cases, 'B' shall be liable for penal action both under section 122(1)(ii) and section 122(1)(vii) of the CGST Act

Circular No. 171/04/2022-GST dated July 06, 2022

Prosecution and arrest

Circular clarifies provisions of Section 132 of the CGST Act may also be invocable.

“Whoever commits or causes to commit and retain the benefits arising out of following offences:

a.....

b. Issues any invoice or bill without supply of goods or services or both in violation of the provisions of the Act or the rules made thereunder leading to wrongful availment or utilisation of input tax credit or refund of tax

c. avails input tax credit using invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill”

Circular No. 171/04/2022-GST dated July 06, 2022

Prosecution and arrest

Quantum of tax evaded or ITC availed or utilised	Punishable with
Exceeds Rs. 5 Crores	Imprisonment of upto 5 years along with fine
Exceeds Rs. 2 Crores but does not exceed Rs. 5 Crores	Imprisonment of upto 3 years along with fine
Exceeds Rs.1 Crores but does not exceed Rs. 2 Crores	Imprisonment of upto 1 year along with fine
Commits or abets to commit offence	Imprisonment of upto 6 month or fine or both



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