



IMP CHANGES IN GST LAW 47TH GST COUNCIL MEETING



EXTENSION OF DUE DATES

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1. Composition Scheme: (Notification No 11 & 12/2022)

Period	Form Type	Original Due Date	Extended Date
April to Jun 2022 (Q1)	CMP-08	18 th July 2022	31 st July 2022
F.Y. 2021-2022	GSTR-04	30 th April 2022	28 th July 2022

2. Extension of time for passing of order under S. 73 (for cases other than fraud or wilful misstatement or suppression of facts): Notification No. 13/2022.

F.Y.	Extended Due Date for GSTR-9	Original Time limit 3 years)	Extension upto	Period not to be counted (due to Covid 19 pandemic)	Final time limit
17-18	07.02.2020	07.02.2023	30.09.23	24 months (March 20 to Feb 22)	30.09.25
18-19	31.12.2020	31.12.2023	-	24 months (March 20 to Feb 22)	31.12.25

3. Exclusion of period of March 2020 to February 2022 for the purpose of computation of time limit for filing of refund claim under Section 54 or 55 of CGST Act



IMPORTANT PROCEDURAL CHANGES

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Notification No. 14/2022.....

- Automatic revocation of suspension of registration on filing of pending GST returns, thereby curtailing the requirement of visiting the GST officer.
- ITC reversal under Rule 42 will not be required in cases of sale of Duty Credit scripts which are exempted from GST.
- Mandatory declaration to be mentioned on the invoice for those persons whose turnover exceeds E-invoice limit (presently 20 Crore) but are not required to raise E-invoice.

For e.g. a government department, local authority, Insurance Co, Financial Institutions, NBFC, SEZ unit, Goods transport agency.

Declaration-

"I/we hereby declare that though our aggregate turnover in any preceeding F.Y 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"



...Notification No. 14/2022...

- New modes of payment such as UPI/ IMPS has been introduced for making deposits in cash ledger
- Change in Rule 89(5) i.e. formula for calculation of refund under inverted duty structure rule. Now, even refund of input services will also be available while filing refund claim under inverted duty structure.

This change is in line with the recommendation of The Hon'ble Apex court in the case of ***union of India v. VKC Footsteps India Pvt Ltd No 4810 of 2021.***

...Notification No. 14/2022

- **Form PMT 03A**

In case wherein refund has been availed by the tax-payer in contravention to section 54(3) or Rule 96 (10), then such refund had to be paid back in cash by the refund claimant.

Now, such amount can be re-credited to ECL balance of tax-payer through FORM PMT-03A,. Application to GST officer to be made along with copy of DRC-03 evidencing payment of tax, interest and penalty by the taxpayer

- **Risky Exporters**

There are increasingly cases, wherein certain exporters are flagged as 'risky dealers' by the central DGRAM system. The IGST refunds were withheld at Customs office due to such classification.

Now, such claims will be transmitted to jurisdictional GST office in Form GST RFD-01 and will be processed as per normal refund rules as per Rule 89



INTEREST --- CALCULATION

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Major change in procedure of calculation of interest. Three type of scenarios are envisaged for calculation of interest as per amended Rule 88B. The summary of the same is as under:

Scenario	Section	Manner of calculation
Late furnishing of GST returns	50 (1)	On amount debited from electronic cash ledger from due date till actual furnishing of return.
In other cases, where output tax is unpaid	50 (1)	Interest shall be levied on entire portion of unpaid tax amount from date when tax was due uptill the actual payment of tax. This is irrespective whether output tax is paid by cash or credit ledger.
In cases where ITC wrongly availed and wrongly utilised	50 (3)	From the date when ITC wrongly availed and utilised till the date of reversal of such credit or payment of such tax. In case wherein ITC is only wrongly availed but not utilized, no interest will be payable

ITC wrongly utilized shall be when balance in ECL falls below amount of ITC wrongly availed i.e. **when ECL balance becomes insufficient to cover point no 3 above. Interest from such date till date of reversal will be applicable.**

Important Clarifications

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Circular No 170/02/2022 dt 06.07.2022- Change in GSTR 3B

1. Furnishing of Inter-state supplies

- Details of inter-state supply to URD person and to composition tax payers are to be mandatorily reported in Table 3.2 of Form GSTR 3B and Table 4A/ 4C/ 7B/ Table 5 or Table 9/10 of GSTR -1.
- Such details are to be furnished place of supply wise i.e. for each state separately.
- Accordingly, taxpayers will be required to update their customer database properly with correct State name and ensure that correct POS is declared in the tax invoice.

2. Furnishing of details of ITC reversal/ ineligible ITC

- Total ITC (eligible + ineligible) is to be shown in Table 4A of GSTR 3B
- Following type of reversal is to be shown in **Table 4 (B) (1)** of GSTR 3B:
 - Rule 38 : Reversal by bank or NBFC
 - Rule 42 : Common ITC reversal
 - Rule 43 : ITC reversal on sale of capital goods
 - Ineligible ITC as per S. 17(5)

**...Circular No 170/02/2022 dt 06.07.2022- Change in GSTR
3B**

- Following type of reversal is to be shown in **Table 4 (B) (2)** of GSTR 3B
 - Rule 37 : Non payment to vendor beyond 180 days
 - S. 16(2)(b) : Invoice received but goods/ services not received
 - S. 16(2)(c) : Invoice not uploaded/ paid by the supplier
- Following details are to be shown in **Table 4 (D)** which is only for presentation purpose
 - **Table 4 (D) (1)**
ITC Reclaim on account of Rule 37, S. 16 (2) (b) and S. 16 (2) (c) .
Please note this ITC has to be taken first in Table 4 (A)(5)
 - **Table 4 (D) (2)**
ITC of invoices when their return is filed after due date i.e .S. 16(4)
ITC on account of place of supply mis-match
Please note that such ITC is not to be taken in Table 4 (A) (5)

Circular No 171/03/2022 dt 06.07.22- Clarifications on demand and penalty for Fake Invoicing....

Scenario 1: Outward supply of invoice from A to B without actual supply of goods

- No supply of goods from A to B and hence no demand of output tax on A.
- However, penal action under S. 122 (1) (ii) of CGST Act will be initiated against A.


Scenario 2: Inward supply of invoice by B from A without actual supply of goods

- B has availed ITC in contravention of the provisions of S. 16(2) of CGST Act. Therefore, B will be liable for reversal of ITC with interest .
- No other penalty, except under S. 74 of CGST Act can be invoked on B.

...Circular No 171/03/2022 dt 06.07.22- Clarifications on demand and penalty for Fake Invoicing

Scenario 3 : Supply of invoice from A to B to C without actual delivery of goods in the entire chain.

- No reversal of ITC by B for purchase from A.
- No demand of output tax on sale from B to C.
- However, penal action under S. 122 (1) (ii) will be initiated on B for issuing invoices without actual supply of goods
- Further, penal action under S. 122 (1) (vii) to be taken on B for utilizing ITC without actual receipt of goods



Circular No. 172/04/2022 dt 06.07.2022- Clarifications on various issues

- Clarification on refund claimed by recipients of supplies regarded as Deemed export
- Clarification on proviso to S. 17(5)(b). ITC pertaining to food, beverages, catering, leasing, renting of motor vehicle, membership of club, health, fitness Centre, travel benefits when provided by an employer under an obligation of any law is clarified to be allowed
- Perquisites provided by the employer to the employee in terms of contractual agreement will not be subjected to GST. Examples of this may be canteen facility, bus services, etc provided by employer.
- Electronic credit ledger can be used for payment of output tax whether self-assessed or as a consequence of any proceedings



Circular No. 173/05/2022 dt 06.07.2022- Clarification on refund under inverted duty structure

- The said circular intends to cover cases of wherein input and output goods are the same but are supplied under concessional rate of GST.
- For e.g. goods purchased and sold are the same but output GST rate is lower on account of certain concession granted e.g. goods supplied for petroleum operations, scientific research, etc.
- Since output goods are subjected to lower GST rate and inputs are subjected to normal GST rates, it is clarified that same would get covered under inverted duty refunds.
- However, such concession should not lead to NIL GST or output goods should not be fully exempted.

THANK YOU



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