

[CTRL + R] Amendments to Goods and Services Tax (Paper 4B)

CA INTER NOV 22 EXAMS

© THARUN RAJ

INDEX OF AMENDMENTS

Segment	Segment Name	Amendment Heading	Type of Amendment	Effective Date
1	Introduction to GST	No Amendments in this segment		
2	Taxable Event under GST – Meaning of Supply	1. Activities between a person other than individual and its members for a consideration, constitutes supply under Sec. 7(1)(aa)	Finance Act, 2021 Notification No. 39/2021	01-01-2022
		2. Supply of goods by an unincorporated association or body to its members is treated as supply of goods is omitted. It may now constitute supply of goods or services	Finance Act, 2021 Notification No. 39/2021	01-01-2022
3	Taxable Event under GST – Composite Supply V. Mixed Supply	No Amendments in this segment		
4	Taxable Event under GST – Liability to pay tax	3. New service added in the list of notified services under Sec. 9(5) of CGST Act, where liability to pay GST on E Commerce Operator	Notification No. 17/2021	18-11-2021
5	Value of Supply	No Amendments in this segment		
6	Invoice & Time of Supply	4. E - Invoice limit has been reduced to ₹20 Crores	Notification No. 01/2022	01-04-2022
		5. Clarification in respect of applicability of Dynamic Quick Response (QR) Code on payment received in forex.	Circular No. 165/21/2021	17-11-2021
7	Input Tax Credit	6. Only matched ITC can be availed	Notification No. 40/2021	01-01-2022
8	Registration	14. Aadhar authentication mandatory for registered persons also	Notification No. 35/2021 and 38/2021	01-01-2022

		15. Threshold limit of ₹40 lakhs is not applicable to a person engaged in supply of fly ash bricks/blocks, building bricks, bricks of fossil, earthen/roofing tiles etc.,	Notification No. 3/2022	01-04-2022
9	Composition Scheme	13. Manufacturers of fly ash bricks/blocks, building bricks, bricks of fossil, earthen/roofing tiles etc., ineligible to opt for composition scheme	Notification No. 04/2022	31-03-2022
10	Exemptions & Charge	7. Exemption w.r.to services provided to Government authority or Government entity in relation to activities entrusted under Article 243G or 243W of constitution withdrawn	Notification No. 7/2021 – CT(R)	30-09-2021
		8. Exemption w.r.to transportation of passengers by stage carriage or contract carriage (or) Metered Cab (or) Auto rickshaw through ECO is withdrawn	Notification No. 7/2021 – CT(R)	30-09-2021
		9. Exemption w.r.to transportation of goods by aircraft or vessel from India to outside India is extended	Notification No. 7/2021 – CT(R)	30-09-2021
		10. Services provided to government in relation to a training programme for which atleast 75% of expenditure borne by government is exempted	Notification No. 7/2021 – CT(R)	30-09-2021
		11. Permit charges collected by government is exempted	Notification No. 7/2021 – CT(R)	30-09-2021
		12. Exemption wr.to leasing of assets by Indian Railways Finance Corporation to Indian Railways is exempted	Notification No. 7/2021 – CT(R)	30-09-2021
11	Payment Process	16. Guidelines for disallowing debit of electronic Credit Ledger under Rule 86A	Department Instruction	02-11-2021
12	Returns under GST	No Amendments in this segment		
13	E Way Bill	No Amendments in this segment		
14	GST Practitioner	No Amendments in this segment		

Summary of Amendments

Goods & Services Tax

Scope of Supply enhanced:

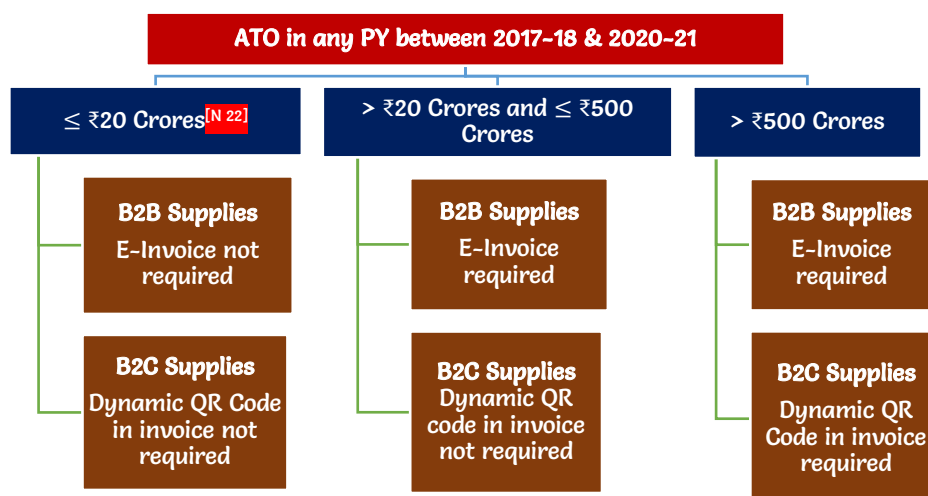
Sec.	Nature of Supply	Consideration	Course or furtherance of business	Point of View	Coverage
7(1)(aa) [W.e.f 1.1.22]	Any activity between person other than individual & its members	✓	✓	Supplier	Goods/Services

*Supply of goods by an unincorporated association or body to its members is treated as supply of goods is omitted. It may now constitute supply of goods or services ^[N22]

Sec. 9(5) – Liability to pay GST on E- Commerce Operator (ECO) in case of notified services:

	Notified Service	Supplier
H	Housekeeping Service (Eg: Urban Clap, Quikr Services)	URP
A	Accommodation Service (Eg: Goibibo, Make my Trip)	URP
T	Transportation of passengers by radio taxi, motor cab, maxi cab & motor cycle any type of motor vehicle (Eg: OLA, UBER, RED BUS, RAPIDO, PORTER) ^[N 22]	RP/URP
E	Eating food from restaurant (Eg: Swiggy, Zomato) ^[N 22] <small><u>Note: Supply of food by a restaurant in a hotel having declared tariff of > ₹7,500 per unit per day or equivalent, not covered under Sec. 9(5)</u></small>	RP/URP

Applicability of E-Invoice to tax payers with ATO > ₹20 crores:



Exception to mentioning dynamic QR Code in Invoice:

- If payment is received before (or) at the time of generating invoice & cross reference of such payment received (In case of cash receipt, the date on which cash is received) is mentioned in invoice.
- LOS = India, LOR = Outside India, POS = India and payment in convertible forex, it is not an export of service and dynamic QR code not required^[N 22]

Only matched ITC can be availed:

Step - 1

ITC Recognised in Books

- Enter inward supply details in recipient books and Recognise ITC - Provisional

Step - 2

Monthly Matching

- Matching of ITC in books with ITC as per GSTR - 2B

Step - 3

Avail ITC in GSTR - 3B^[N 22]

- Enter ITC in GSTR - 3B, which is Eligible ITC as per GSTR - 2B (5% matching withdrawn)
- **Note:** Matching not required in case of GST paid under RCM and can be availed in same month in which it is paid

Step - 4

Annual Reconciliation

- ITC availed in GSTR - 3B should be reconciled with ITC as per GSTR - 2A

Step - 5

Reverse excess availed ITC

- If ITC availed in 3B do not match with 2A, excess ITC shall be added to liability along with interest

Step - 6

Provisional ITC = Final ITC

- If ITC availed in 3B matches with ITC as per 2A, then provisional ITC becomes final ITC

For passionate learners...

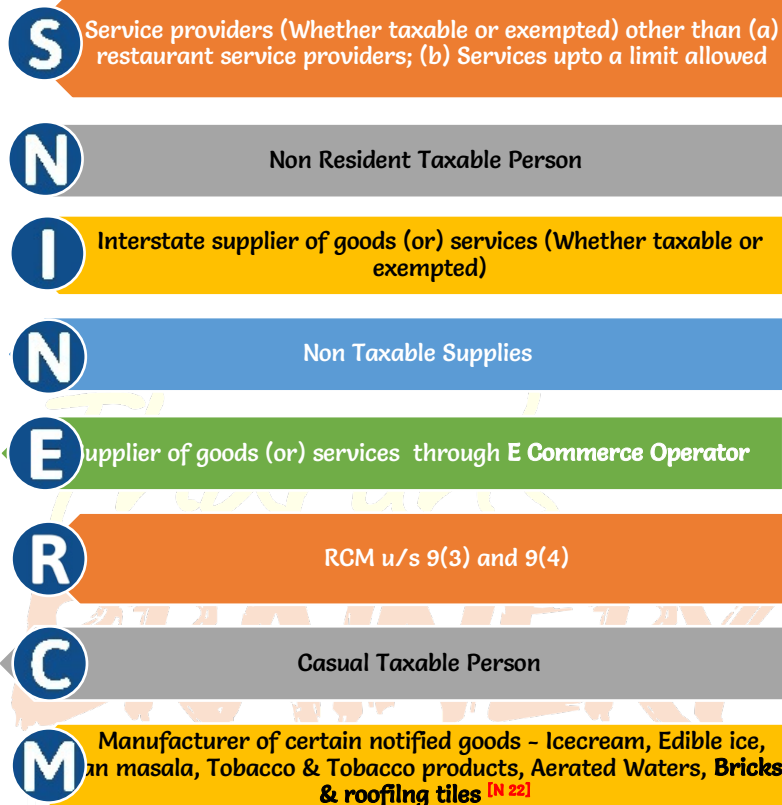
New condition added in Conditions for availment of ITC [Sec. 16]:

1. Only registered person can avail ITC.
2. Inward supplies on which ITC to be availed should be used or intended to be used in the course or furtherance of business.
3. Should be in possession of tax paid document – Tax invoice (or) Debit Note (or) ISD invoice (or) Bill of entry.
4. Should have actually received goods or services.
5. **Supplier should have furnished the details of invoices in GSTR - 1^[N 22]**
6. Supplier should have paid tax w.r.to such supply.
7. Should have filed the returns (i.e. GSTR - 3B).

Amendment in Services provided TO Government:

- Services provided by any person to Government/~~Govt. Authority~~/~~Govt. Entity~~¹, W.r.to functions entrusted under Article 243G or 243H of the constitution – Pure services are Exempted (or) Composite supply of goods or services, where value of goods $\leq 25\%$ of total value is also exempted

Manufacturer of Bricks and roofing tiles cannot opt for composition scheme:



Higher threshold limit of ₹40 lakhs not applicable to supplier of bricks and roofing tiles:

- ➔ The limit of ₹ 40 lakhs is not applicable in the following cases:
- Persons who voluntarily got registered
 - Persons who are compulsorily required to get registered under sec. 24
 - Persons making supply of ice cream, edible ice, Pan Masala, Tobacco and tobacco products, **Bricks & Roofing tiles** [N 22]

Requirement of Aadhar Authentication:

Note: Aadhar Authentication mandatory for registered persons filing application for cancellation of registration [N 22]

Note: Aadhar Authentication mandatory for registered persons, filing application for revocation of cancellation of registration [N 22]

¹W.e.f 1/1/22, exemption not available, if such services are provided to Government authority (or) Government entity (i.e., exemption available only if the services are provided to Government)

Restriction on utilization of amount available in Electronic Credit ledger [Rule 86A]:

GST officer has power to disallow the setoff of provisional credit against GST payable, for a **maximum period of 1 year**, if he is of the opinion that –

- ITC availed against an invoice issued by a supplier, who is not in existence (or) not doing business from the place where supplier has obtained registration.
- ITC availed by a recipient who is not in existence (or) not doing business from the place where recipient has obtained registration.
- ITC availed without receipt of goods
- ITC availed against an invoice, for which supplier has not paid tax to Government.
- Invoice or Debit note against which ITC availed is not in existence.

Note: Upon expiry of 1 year from the date of restriction, the registered person shall be able to debit input tax credit so disallowed, subject to any other action that may be taken against such person. ^[N 22]



DETAILED EXPLANATION & ILLUSTRATIONS OF FEW AMENDMENTS

Segment – 2

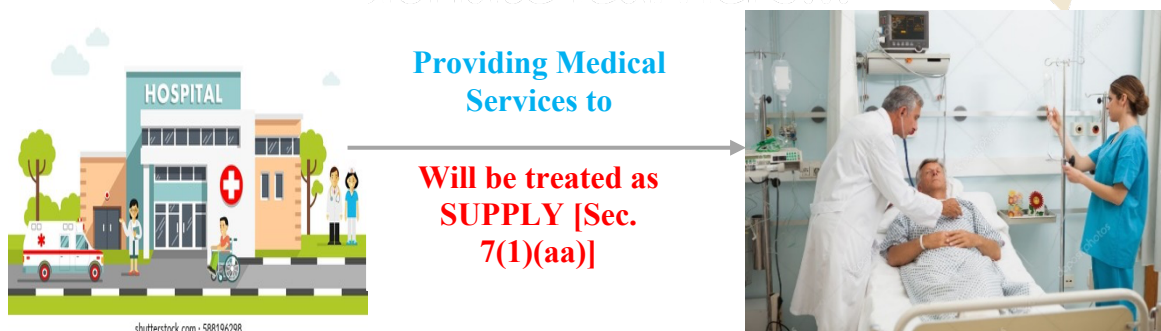
Taxable Event under GST – Meaning of supply

Sec. 7(1)(aa) - Widening the scope of supply so as to include transactions between a person (Other than Individual) and its members [Finance Act, 2021 w.e.f 1/1/22]:

- The amendment will be made effective ~~retrospectively~~ from the date of introduction of the CGST Act i.e. 01.07.2017. This is however made as a prospective amendment w.e.f. 1.1.2022 vide Notification No. 39/2021
- supply of goods or services by any person, other than an individual, to its members or constituents or vice – versa within **the scope of 'supply'**.
- Such transactions shall be liable to GST irrespective of whether it is for cash, deferred payment or other valuable consideration.
- The person, its members and its constituents **shall be deemed to be two separate persons** and such supply shall be deemed to take place from one person to another.

Example:

A Prem Nurshing Home, a Partnership Firm is providing services related to medication to Mr. Jeevan Jain one of the Partner of this firm, will be treated as SUPPLY as per clause (aa) of sub-section (1) of section 7.



Comment on above Amendment:

Taxability on supply of service or goods by any association of person such as club or society has been a contentious issue both, in pre and post era of GST. As per the principles of 'doctrine of mutuality', any supply made to self and consideration thereof would not qualify as consideration.

A view has been taken by the taxpayers in the past that the clubs or societies operate on the concept of mutuality and therefore one cannot be said to be supplying goods or service to its own self. On the same issue, recently Hon'ble Supreme Court in the case of State of West Bengal & Ors. vs. Calcutta Club Limited and Chief Commissioner of Central

Excise and Service & Ors. v Ranchi Club Limited [2019-TIOL-449-SC-ST-LB], it was held that the services rendered by an unincorporated clubs to its members are exempted from service tax.

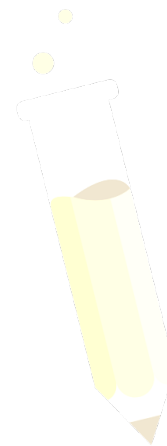
In order to negate the effect of Supreme Court decision and avoid similar litigation in the GST regime with respect to taxability of any activities or transactions by clubs / societies to its members or constituents, the government has brought the said amendment in the provisions of Section 7 of the CGST Act.

Sec. 7(1A) read with schedule II– Supply of goods by an unincorporated association or body to its members is treated as supply of goods is omitted [Finance Act, 2021 w.e.f 1/1/22]:

Consequent to above amendment i.e. Sec. 7(1)(aa), Para 7 of Schedule II to the CGST Act, which provides for supply of goods from unincorporated associations or body of persons to a member thereof to be treated as supply of goods, has also been omitted with retrospective effect.

Therefore, once an activity between unincorporated association or body and its members, constitutes supply under Sec. 7(1)(aa), the same shall be classified either as Supply of goods or Supply of services as per the principles laid down in Sec. 7(1A) read with Schedule II of CGST Act.

Tharun's
BRAINERY
For passionate learners...



Segment – 4

Taxable Event under GST – Liability to pay tax

Tax on supply of passenger transportation services by motorcab, maxicab, motor cycle, omnibus or any other motor vehicle and supply of restaurant service at other than specified premises, through ECO, payable by ECO – Notification No. 17/2021 CT(R) dated 18.11.2021, Notification No. 17/2021 IT(R) dated 18.11.2021 read with Circular No. 167/23/2021 GST dated 17.12.2021

Notification No. 17/2017 CT (R) dated 28.06.2017 as amended has notified specific categories of services the tax on supplies of which shall be paid by the electronic commerce operator (ECO) **if such services are supplied through ECO.**

Hitherto, following services were so notified:

- (i) services by way of transportation of passengers by a radio-taxi, motorcab, maxicab and motor cycle;
- (ii) services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through electronic commerce operator is liable for registration under section 22(1) of the CGST Act.
- (iii) services by way of house-keeping, such as plumbing, carpentering etc, except where the person supplying such service through electronic commerce operator is liable for registration under sub-section 22(1) of the CGST Act.

With effect from 01.01.2022, entry (i) above has been amended to include services by way of transportation of passengers by an omnibus or any other motor vehicle also.

The term 'omnibus' shall have the same meaning as assigned to it under the Motor Vehicle Act, 1988.

Further, **with effect from 01.01.2022**, supply of restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises has also been notified under the category of services, the tax on which is payable by the ECO **if such services are supplied through ECO.**

In other words, the tax on supplies of restaurant service supplied through ECO shall be paid by the ECO.

Sec. 9(5) – Liability to pay GST on E Commerce Operator (ECO) in case of notified services:

Supply of restaurant service other than services supplied by restaurant, eating joints etc. located at specified premises.

I. Specified premises:

Premises providing hotel accommodation service having declared tariff of any unit of accommodation above Rs. 7500 per unit per day or equivalent.

II. Restaurant Services:

Supply, by way of or as part of any service of goods, being food or any other article for human consumption or any drink, provided by a restaurant, eating joint includes mess, canteen whether for consumption on or way from the premises where such food or any other article for human consumption or drink is supplied.

Example for Restaurant services:

Hotel Taj Coromandel is providing hotel accommodation service. It has various rooms having declared tariff of Rs. 4,000/-, Rs. 5,000/-, Rs. 7,000/-, Rs. 10,000 per unit per day.

A restaurant in Hotel Taj Coromandel is supplying restaurant services through Swiggy. Whether Hotel Taj Coromandel is termed as "Specified Premises" under GST?

Answer is yes. As the definition reads as hotel accommodation service having declared tariff of any unit of accommodation above Rs. 7,500/- per unit per day and Hotel Taj Coromandel has a room which has a declared tariff of above Rs. 7,500/- per unit per day, Hotel Taj Coromandel is termed as specified premises.

Whether Swiggy is liable to pay GST on restaurant service supplied by a restaurant in Hotel Taj Coromandel?

The Answer is no.

As Section 9(5)(iv) reads as "Supply of restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises". As we saw earlier, Hotel Taj Coromandel comes under the definition of specified premises and the restaurant supplying the restaurant service is located at the specified premises, Swiggy is not liable to pay GST. Whereas the restaurant is liable to pay on supply of restaurant service through Swiggy.

GST on Service Supplied by Restaurant through E-Commerce Operators - Circular 167/23/2021 GST

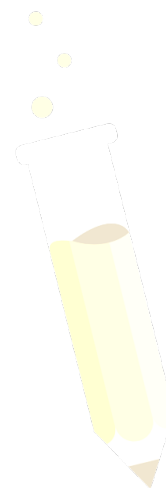
Certain representations have been received requesting for clarification regarding modalities of compliance to the GST laws in respect of supply of restaurant service through e-commerce operators (ECO). Clarifications are as follows:

Sl No	Issue	Clarification
1.	Would ECOs have to still collect TCS in compliance with section 52 of the CGST Act, 2017?	As 'restaurant service' has been notified under section 9(5) of the CGST Act, 2017, the ECO shall be liable to pay GST on restaurant services provided, with effect from the 1 st January, 2022, through ECO. Accordingly, the ECOs will no longer be required to collect TCS and file GSTR 8 in respect of restaurant services on which it pays tax in terms of section 9(5). On other goods or services supplied through ECO, which are not notified u/s 9(5), ECOs will continue to pay TCS in terms of section 52 of CGST Act, 2017 in the same manner at present.
2.	Would ECOs have to mandatorily take a separate registration w.r.t supply of restaurant service [notified under 9(5)] through them even though they are registered to pay GST on services on their own account?	As ECOs are already registered in accordance with rule 8(in Form GST-REG 01) of the CGST Rules, 2017 (as a supplier of their own goods or services), there would be no mandatory requirement of taking separate registration by ECOs for payment of tax on restaurant service under section 9(5) of the CGST Act, 2017.
3.	Would the ECOs be liable to pay tax on supply of restaurant service made by unregistered business entities?	Yes. ECOs will be liable to pay GST on any restaurant service supplied through them including by an unregistered person.
4.	What would be the aggregate turnover of person supplying 'restaurant service' through ECOs?	It is clarified that the aggregate turnover of person supplying restaurant service through ECOs shall be computed as defined in section 2(6) of the CGST Act, 2017 and shall include the aggregate value of supplies made by the restaurant through ECOs. Accordingly, for threshold consideration or any other purpose in the Act, the person providing restaurant service through ECO shall account such services in his aggregate turnover.
5.	Can the supplies of restaurant service made through ECOs be recorded as inward supply of ECOs (liable to reverse charge) in GSTR 3B?	No. ECOs are not the recipient of restaurant service supplied through them. Since these are not input services to ECO, these are not to be reported as inward supply (liable to reverse charge).

6.	Would ECOs be liable to reverse proportional input tax credit on his input goods and services for the reason that input tax credit is not admissible on 'restaurant service'?	ECOs provide their own services as an electronic platform and an intermediary for which it would acquire inputs/input service on which ECOs avail input tax credit (ITC). The ECO charges commission/fee etc. for the services it provides. The ITC is utilised by ECO for payment of GST on services provided by ECO on its own account (say, to a restaurant). The situation in this regard remains unchanged even after ECO is made liable to pay tax on restaurant service. ECO would be eligible to ITC as before. Accordingly, it is clarified that ECO shall not be required to reverse ITC on account of restaurant services on which it pays GST in terms of section 9(5) of the Act. It may also be noted that on restaurant service, ECO shall pay the entire GST liability in cash (No ITC could be utilised for payment of GST on restaurant service supplied through ECO)
7.	Can ECO utilize its Input Tax Credit to pay tax w.r.t 'restaurant service' supplied through the ECO?	No. As stated above, the liability of payment of tax by ECO as per section 9(5) shall be discharged in cash.
8.	Would supply of goods or services other than 'restaurant service' through ECOs be taxed at 5% without ITC?	ECO is required to pay GST on services notified under section 9(5), besides the services/other supplies made on his own account. On any supply that is not notified under section 9(5), that is supplied by a person through ECO, the liability to pay GST continues on such supplier and ECO shall continue to pay TCS on such supplies. Thus, present dispensation continues for ECO, on supplies other than restaurant services. On such supplies (other than restaurant services made through ECO) GST will continue to be billed, collected and deposited in the same manner as is being done at present. ECO will deposit TCS on such supplies.
9.	Would 'restaurant service' and goods or services other than restaurant service sold by a restaurant to a customer under the same order be billed differently? Who shall be liable for raising invoices in such cases?	Considering that liability to pay GST on supplies other than 'restaurant service' through the ECO, and other compliances under the Act, including issuance of invoice to customer, continues to lie with the respective suppliers (and ECOs being liable only to collect tax at source (TCS) on such supplies), it is advisable that ECO raises separate bill on restaurant service in such cases where ECO provides other supplies to a customer under the same order.
10.	Who will issue invoice in respect of restaurant service supplied through ECO - whether by the restaurant or by the ECO?	The invoice in respect of restaurant service supplied through ECO under section 9(5) will be issued by ECO.

11.	Clarification may be issued as regard reporting of restaurant services, value and tax liability etc in the GST return.	<p>A number of other services are already notified under section 9(5). In respect of such services, ECO operators are presently paying GST by furnishing details in GSTR 3B. The ECO may, on services notified under section 9 (5) of the CGST Act,2017, including on restaurant service provided through ECO, may continue to pay GST by furnishing the details in GSTR 3B, reporting them as outward taxable supplies for the time being. Besides, ECO may also, for the time being, furnish the details of such supplies of restaurant services under section 9(5) in Table 7A(1) or Table 4A of GSTR-1, as the case maybe, for accounting purpose.</p> <p>Registered persons supplying restaurant services through ECOs under section 9(5) will report such supplies of restaurant services made through ECOs in Table 8 of GSTR-1 and Table 3.1 (c) of GSTR-3B, for the time being.</p>
-----	--	--

Tharun's
BRAINERY
 For passionate learners...



Segment – 6

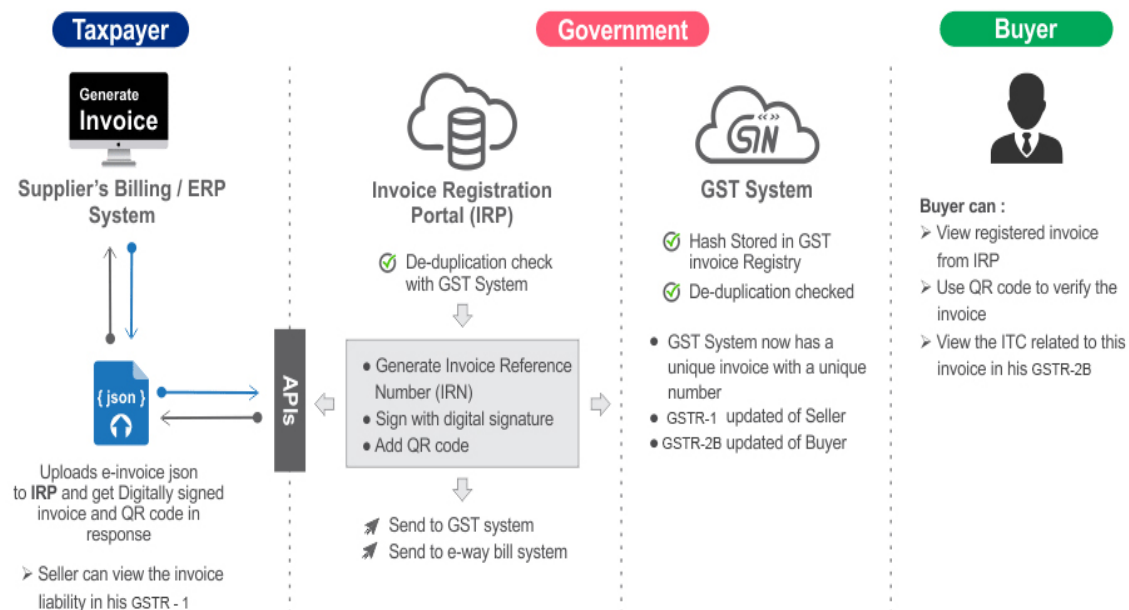
Invoice & Time of Supply

E-invoicing mandatory for all registered businesses with aggregate turnover in any preceding financial year from 2017-18 onwards greater than ₹ 20 crore - Notification No. 01/2022 CT dated 24.02.2022

All registered businesses with an aggregate turnover (based on PAN) in any preceding financial year from 2017-18 onwards greater than ₹ 500 crore were required to mandatorily issue e-invoices for all B2B invoices with effect from 1st October, 2020. Since then, the threshold limit for issuing the e-invoices has been progressively reduced.

With effect from 01.04.2022, such limit has been further reduced to ₹ 20 crore. Thus, e-invoicing has been made mandatory for all registered businesses with an aggregate turnover in any preceding financial year from 2017-18 onwards greater than ₹ 20 crore.

- The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in FORM GST INV-01 by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification



- Obtaining IRN, QR Code and digital signature for a normal invoice is known as E-Invoice.
- IRP - Electronic portals for e-invoice** - IRP (Invoice Registration Portal) is the website for uploading/reporting of invoices. Ten portals starting from www.einvoice1.gst.gov.in to www.einvoice10.gst.gov.in have been notified for preparation of e-invoice. These websites are managed by GSTN.
- If invoice is not prepared in aforesaid manner, it will be invalid. Recipient cannot avail ITC if E - Invoice not issued by a registered person, to whom E-Invoice is applicable.

- The invoice is not required for B2C transaction (i.e., Supplies to unregistered person). However, Dynamic QR Code is required, if ATO during any previous year > ₹500 Crores.
- **Where e-invoice required** - E-invoice is required for
 - a) tax invoice [B2B, B2B on RCM]
 - b) Revised tax invoice, Credit Note and Debit note
 - c) Consolidated tax invoice by insurer, banking company or Financial Institution
 - d) Export Invoice.

Illustrations:

1. X Ltd. Making outward supplies taxable under RCM u/s 9(3) & X Ltd. Is registered for the CY: 2021-22 & ATO during 2020-21 is ₹80 crores. X Ltd. Also makes supplies on which they need to pay GST under FCM. Whether E-Invoice required?
ATO of X Ltd. between FY: 2017-18 to FY: 2020-21 in any one year > ₹50 Crores, therefore E-invoice is applicable for them for the FY: 2021-22.
E-invoice is required w.r.to outward supplies covered under FCM as well as RCM.
2. If X Ltd. Is engaged only in outward supplies covered under RCM and are exempted from registration. But Y Ltd. Who receives the services is registered and they are liable to pay GST on their inward supplies under RCM. ATO of Y Ltd. For the FY: 2020-21 is ₹90 crores. Whether Y Ltd. Is required to issue invoice w.r.to inward supplies which are taxable under RCM?
Even though recipient is required to generate invoice u/s 31(3)(f) and such recipient's ATO during any FY > ₹50 crores, such invoice is not necessary to be E-invoice and a simple tax invoice is sufficient in that case. (If is an inward supply and not an outward supply)

Clarification in respect of applicability of Dynamic Quick Response (QR) code

All **B2C invoices** issued by a registered person whose **aggregate turnover** in any preceding financial year from 2017-18 onwards **exceeds ₹ 500 crores** are **mandatorily required to have a Dynamic QR code** from December 1, 2020 vide Notification No. 14/2020 CT dated 21.03.2020.

In this regard, **Circular no. 156/12/2021 GST dated 21.06.2021** and **Circular No. 165/21/2021 GST dated 17.11.2021** have clarified that:

1. Dynamic QR Code is required to be provided on an invoice, issued to a person, who has obtained a UIN. Any person, who has obtained a Unique Identity Number (UIN), is not a "registered person" as per the definition of registered person provided in section 2(94). Therefore, any invoice, issued to such person having a UIN, shall be considered as invoice issued for a B2C supply and shall be required to comply with the requirement of Dynamic QR Code.
2. In cases, where an invoice is issued to a recipient located outside India, for supply of services, for which the place of supply is in India, as per the provisions of the IGST Act, and the payment is received by the supplier, in convertible FOREX or in Indian Rupees wherever permitted by the RBI (such supply of services is not considered as export of services as per the IGST Act), such invoice may be issued without having a Dynamic QR Code, as such dynamic QR code cannot be used by the recipient located outside India for making payment to the supplier.

Segment – 7

Input Tax Credit

ITC can be availed only by the recipients only if the suppliers have uploaded the relevant invoices/debit notes in their GSTR-1/ IFF and communicated the same to the recipients in GSTR 2B [Section 16(2) amended and rule 36(4)] - Notification No. 40/2021 CT dated 29.12.2021

With effect from 01.01.2022, a new clause (aa) has been added to section 16(2) by the Finance Act, 2021 to stipulate following new condition for availment of ITC that input tax credit in respect of any supply of goods or services or both is available to a registered person only if **the details of the invoice/debit note in respect of said supply has been furnished by the supplier in the statement of outward supplies (GSTR-1) and such details have been communicated to the recipient of such invoice/debit note in the manner specified under section 37.**

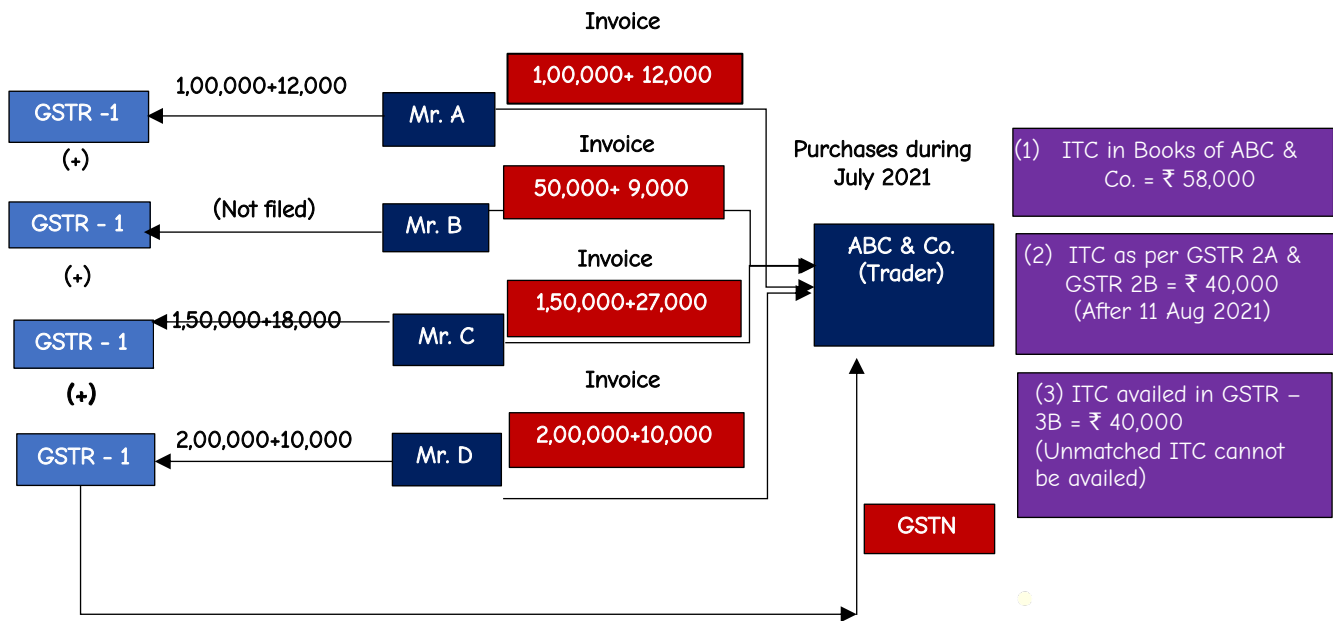
Consequently, rule 36(4) has been substituted to give effect to aforesaid amendment. Substituted rule 36(4) reads as follows:

No input tax credit shall be availed by a registered person in respect of invoices or debit notes the details of which are required to be furnished under section 37(1) unless,-

- (a) the details of such invoices or debit notes have been furnished by the supplier in the statement of outward supplies in Form GSTR-1 or using the invoice furnishing facility (IFF); and
- (b) the details of such invoices or debit notes have been communicated to the registered person in Form GSTR-2B under rule 60(7).

Thus, ITC can now be taken only for those invoices whose details are reflected in GSTR-2B i.e the respective suppliers (vendors) have filed the details of such invoices their GSTR-1. Earlier, ITC, in respect of invoices/debit notes not uploaded by the suppliers in their GSTR-1s/IFF, could be availed upto 5% of the eligible credit available in respect of invoices/debit notes the details of which had been furnished by the suppliers in their GSTR-1s/using IFF.

W.E.F 01/01/2022 ONLY MATCHED ITC CAN BE AVAILED



Mr. B filed GSTR - 1 of July, 2021 on 31/08/2021

ITC reflected in GSTR - 2B during Aug 2021 pertaining to July, 2021 = ₹9,000

ITC availed in GSTR - 3B of Aug 2021 pertaining to July, 2021 = ₹9,000

Mr. C rectified invoice reported in GSTR - 1 of July, 2021 in Dec, 2021

ITC reflected in GSTR - 2B during Dec, 2021 pertaining to July, 2021 = ₹ 27,000 instead of ₹18,000

ITC availed in GSTR - 3B of Dec 2021 pertaining to July 2021 = ₹ 9,000

Segment – 10

Exemptions & Charge

Amendments to existing exemption w.r.to Services provided to Government:

Entry 3 of Notification No. 12/2017: Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority ~~or a Governmental authority or a Government Entity~~ by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution

Entry 3A of Notification No. 12/2017: Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent. of the value of the said composite supply provided to the Central Government, State Government or Union territory or local authority ~~or a Governmental authority or a Government Entity~~ by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution

"Governmental Authority" means an authority or a board or any other body,—

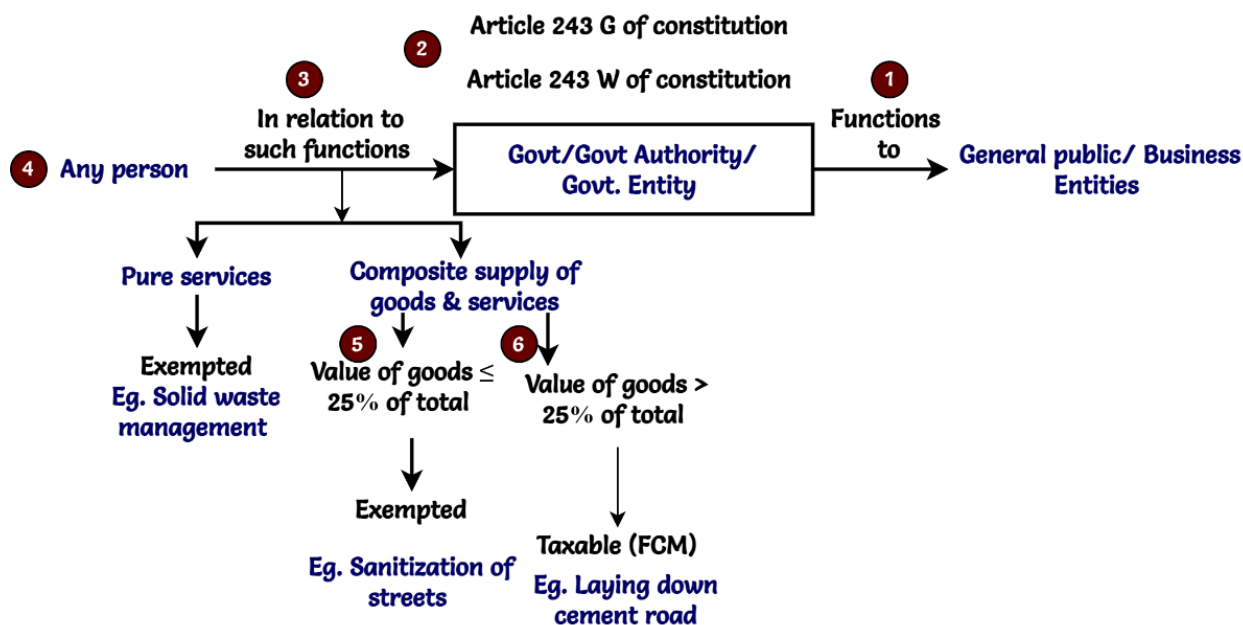
- (i) set up by an Act of Parliament or a State Legislature; or
- (ii) established by any Government,

with 90 per cent or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243W of the Constitution or to a Panchayat under article 243G of the Constitution;

"Government Entity" means an authority or a board or any other body including a society, trust, corporation,

- (i) set up by an Act of Parliament or State Legislature; or
- (ii) established by any Government,

with 90 per cent or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority;



Note: W.e.f 1.1.22, exemption not available, if such services are provided to Government authority (or) Government entity (i.e. exemption available only if the services are provided to Government)

Entry 72 of Notification No. 12/2017: Services provided to the Central Government, State Government, Union territory administration under any training programme for which **75% or more of the** total expenditure is borne by the Central Government, State Government, Union territory administration

For passionate learners...

Amendments to existing exemption w.r.to transportation of passengers (or) goods service:

Entry 15 of Notification No. 12/2017: Transport of passengers, with or without accompanied belongings, by –

(a) air, 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;

(b) non-air conditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire; or

(c) stage carriage other than air-conditioned stage carriage

However, nothing contained in items (b) and (c) above shall apply to services supplied through an electronic commerce operator, and notified under section 9(5) of the CGST, 2017.

Entry 17 of Notification No. 12/2017: Service of transportation of passengers, with or without accompanied belongings, by—

(a) railways in a class other than— (i) first class; or (ii) an air- conditioned coach;

(b) metro, monorail or tramway; (c) inland waterways;

(d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and

(e) metered cabs or auto rickshaws (including e-rickshaws)

However, nothing contained in item (e) above shall apply to services supplied through an electronic commerce operator, and notified under section 9(5) of the CGST, 2017.

Entry 19A of Notification No. 12/2017: Services by way of transportation of goods by an aircraft from customs station of clearance in India to a place outside India

This exemption is applicable upto **30.09.2022**.

Entry 19B of Notification No. 12/2017: Services by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India

This exemption is applicable upto **30.09.2022**.

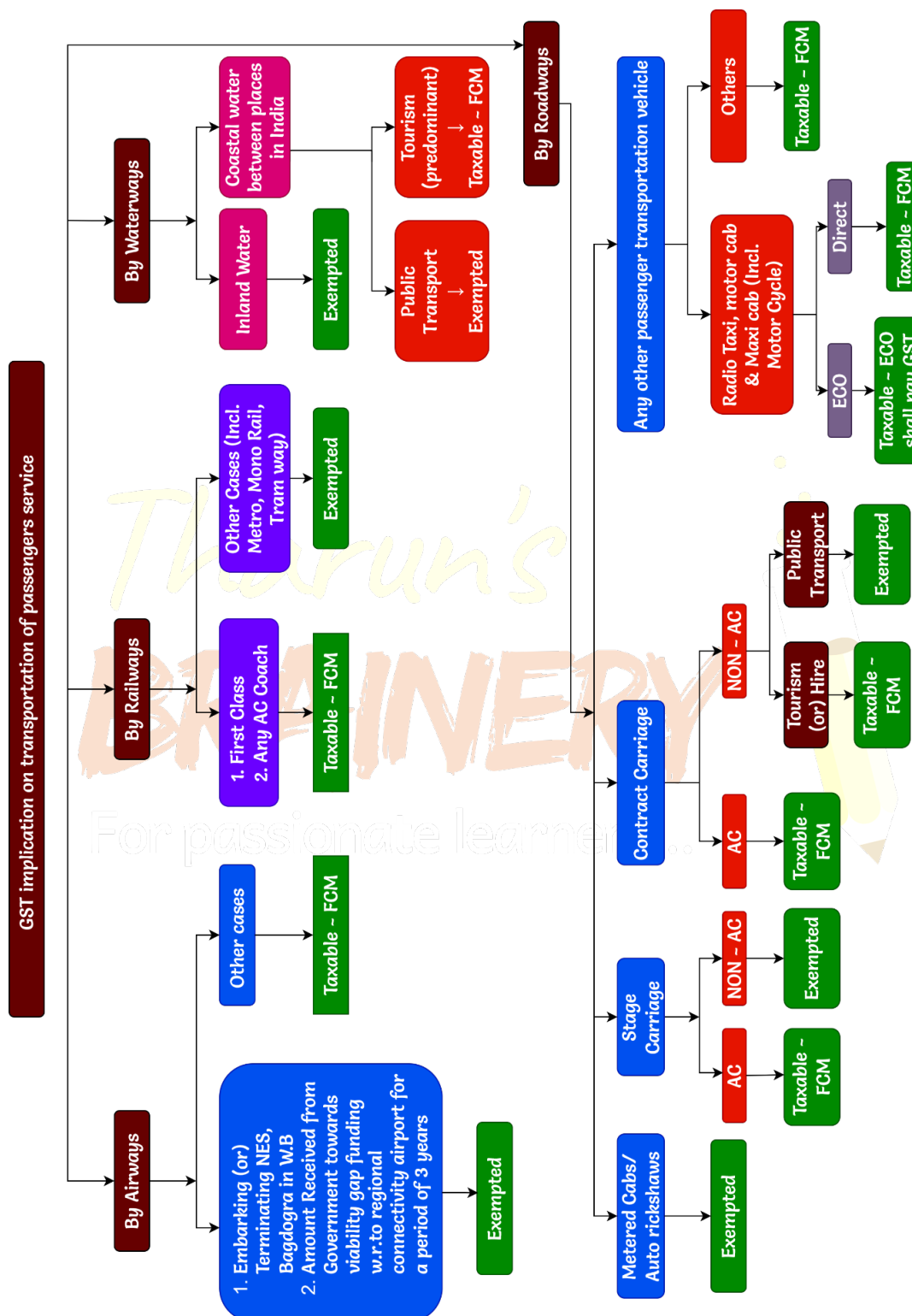
New exemptions introduced

Entry No. 61A of Notification No. 12/2017: Services by way of granting National Permit to a goods carriage to operate through-out India/ contiguous States

Withdrawal of existing exemption

Entry No. 43: Services of leasing of assets (rolling stock assets including wagons coaches, locos) by the Indian Railways Finance Corporation to Indian Railways

Transportation of passengers by metered cab (or) auto rickshaw (or) Contract carriage (or) Stage Carriage, through ECO is TAXABLE



Note: W.e.f 1.1.22, exemption not available if passengers are transported by metered cabs (or) Auto Rickshaws (or) Stage carriage (or) contract carriage, through an E COMMERCE OPERATOR (ECO)^[IN 22]

Segment – 8

Registration

Aadhaar authentication mandatory for registered person [New rule 10B] – Notification No. 35/2021 dated 24.09.2021 & Notification No. 38/2021 CT dated 21.12.2021 [Effective from 01.01.2022]

Lately Aadhaar authentication has been made mandatory for the new registrants as well as for the existing registrants. Section 25(6A) stipulates that every registered person shall undergo authentication, or furnish proof of possession of Aadhaar number, in the prescribed manner, form and time.

Rule 10B prescribes the manner in which aadhaar authentication needs to be done by a registered person.

The registered person, who has been issued a certificate of registration under GST, shall undergo authentication of the Aadhaar number of:-

- Proprietor, in the case of proprietorship firm,
- Any partner, in the case of a partnership firm,
- Karta, in the case of a Hindu undivided family,
- Managing director or any whole-time director, in the case of a company,
- Any of the Members of the Managing Committee of an Association of persons or body of individuals or a Society, or of the Trustee in the Board of Trustees, in the case of a Trust; and of the Authorized Signatory,

in order to be eligible for the following purposes:

1. for filing of application for revocation or cancellation of registration
 2. for filing of refund application in Form RFD-01
 3. for refund of the IGST paid on goods exported out of India
- Consequential amendments by virtue of insertion of rule 10B have been made in rule 23(1) (revocation or cancellation of registration), in rule 89(1) (application for refund of tax, interest, penalty, fees or any other amount), and in rule 96(1) (refund of integrated tax paid on goods or services exported out of India).
 - First proviso to section 25(6A) provides that if an Aadhaar number is not assigned to an existing registered person, such person shall be offered alternate and viable means of identification in the prescribed manner. Such manner has been prescribed by rule 10B as follows:
 - If Aadhaar number has not been assigned to the person required to undergo authentication of the Aadhaar number, such person shall furnish the following identification documents, namely: –
 - (a) her/his Aadhaar Enrolment ID slip; and
 - (b) (i) Bank passbook with photograph; or (ii) Voter identity card issued by the Election Commission of India; or (iii) Passport; or (iv) Driving license issued by the Licensing Authority
 - Such person shall undergo the authentication of Aadhaar number within a period of 30 days of the allotment of the Aadhaar number.
 - The afore-said rule 10B shall not be applicable to persons notified under section 25(6D) of the CGST Act i.e. to persons exempt from aadhaar authentication.

Enhanced threshold limit of ₹ 40 lakh for registration available to persons exclusively engaged in making supplies of goods will not be available to suppliers of fly ash bricks/blocks, building bricks, bricks of fossil, earthen/roofing tiles, etc. - Notification No. 03/2022 CT dated 31.03.2022

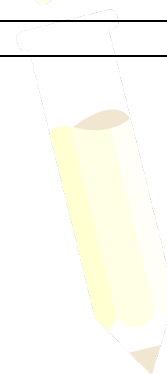
Notification No. 10/2019 CT dated 07.03.2019 exempts any person who is engaged exclusively in supply of goods and whose aggregate turnover in a financial year does not exceed ₹ 40 lakh, from obtaining the registration.

One of the exceptions to this exemption is that the persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa [2105 00 00], Pan masala [2106 90 20] and all goods of Chapter 24, i.e. Tobacco and manufactured tobacco substitutes.

With effect from 01.04.2022, persons engaged in making supplies of following goods will also not be eligible to avail benefit of said exemption from registration:

Tariff item, sub-heading, heading or Chapter	Description
6815	Fly ash bricks or fly ash aggregate with 90% or more fly ash content; Fly ash blocks
6901 00 10	Bricks of fossil meals or similar siliceous earths
6904 10 00	Building bricks
6905 10 00	Earthen or roofing tiles

BRAINERY
For passionate learners...







Segment – 9





Composition Scheme

Manufacturers of fly ash bricks/blocks, building bricks, bricks of fossil, earthen/roofing tiles, etc. ineligible to opt for composition levy - Notification No. 04/2022 CT dated 31.03.2022

As per section 10(2)(e) read with Notification No. 14/2019 CT dated 07.03.2019, a manufacturer of following goods cannot opt for composition scheme:

Tariff item, sub-heading, heading or Chapter	Description	
2105 00 00	Ice cream and other edible ice, whether or not containing cocoa	
2106 90 20	Pan Masala	
24	All goods i.e. Tobacco and manufactured tobacco substitutes	
2202 1010	Aerated water	

With effect from 01.04.2022, Notification No. 14/2019 CT dated 07.03.2019 has been amended to include following items in the above list:

Tariff item, sub-heading, heading or Chapter	Description	
6815	Fly ash bricks or fly ash aggregate with 90% or more fly ash content; Fly ash blocks	
6901 00 10	Bricks of fossil meals or similar siliceous earths	
6904 10 00	Building bricks	
6905 10 00	Earthen or roofing tiles	

Segment – 11

Payment Process

Guidelines for disallowing debit of electronic credit ledger under rule 86A - CBEC-20/16/05/2021 GST/1552 dated 02/11/2021

CBIC vide has issued guidelines for disallowing debit of an amount from electronic credit ledger under rule 86A. Rule 86A provides that in certain specified circumstances, Commissioner or an officer authorised by him, on the basis of **reasonable belief** that ITC available in the electronic credit ledger has been fraudulently availed or is ineligible, may not allow debit of an amount equivalent to such credit in electronic credit ledger.

On perusal of Rule 86A, it is evident that Commissioner, or an officer authorised by him, not below the rank of Assistant Commissioner, must have "reasons to believe" that ITC available in the electronic credit ledger is either ineligible or has been fraudulently availed by the registered person, before disallowing the debit of amount from electronic credit ledger of the said registered person under rule 86A.

Grounds for disallowing debit of an amount from electronic credit ledger

The reasons for such belief must be based on one or more following grounds:

- ➔ The credit is availed by the registered person on the invoices or debit notes issued by a supplier, who is found to be non-existent or is found not to be conducting any business from the place declared in registration.
- ➔ The credit is availed by the registered person on invoices or debit notes, without actually receiving any goods or services or both.
- ➔ The credit is availed by the registered person on invoices or debit notes, the tax in respect of which has not been paid to the government.
- ➔ The registered person claiming the credit is found to be non-existent or is found not to be conducting any business from the place declared in registration
- ➔ The credit is availed by the registered person without having any invoice or debit note or any other valid document for it

Proper authority for the purpose of rule 86A:

The Commissioner/Principal Commissioner is the proper officer for the purpose of exercising powers under rule 86A. The Commissioner/Principal Commissioner may authorize any officer subordinate to him, not below the rank of Assistant Commissioner to be the proper officer for exercising powers under rule 86A based on the following monetary limits as mentioned below:

Total amount of ineligible or fraudulently availed ITC	Officer to disallow debit of amount from electronic credit ledger under rule 86A
Not exceeding ₹ 1 crore	Deputy Commissioner/Assistant Commissioner
Above ₹ 1 crore but not exceeding ₹ 5 crore	Additional/Joint commissioner
Above ₹ 5 crore	Principal Commissioner/Commissioner

The Additional Director General /Principal Additional Director General of DGGI can also exercise the powers assigned to the Commissioner under rule 86A. The monetary limits for authorization for exercise of powers under rule 86A to the officers of the rank of Assistant Director and above of DGGI by the Additional Director General /Principal Additional Director General may be same as mentioned for equivalent rank of officers in the table above.

CA FINAL | PAPER-8 INDIRECT TAX LAWS

REGULAR BATCH (180 Hours)

- 2 Volumes of Resource Book (Colour)
- Solved Work Book (B/W)
- Summary Book (That's it) Colour

FAST TRACK BATCH (90 Hours)

- Re-Wise Book (Colour)
- Solved Work Book (B/W)

CRASH BATCH (30 Hours)

- Summary Book (That's it) Colour
- Practice Manual (B/W)

F2F & Online Live
Batches during
Jan & Feb, April & May,
October & November

Ideal for Students learning
Subject for First time
and has more than
5 Months before exam

F2F & Online Live
Batches during
March & September

Ideal for Students learning
for First time attended
classes long back & has
3 Months before exam

F2F & Online Live
Batches during
April & October

Ideal for Students who
know the subject and
want to revise
1 Month before exam

📞 9150 938 938 | 7550 155 248



IDENT "WIZARD"
Tharun Raj
VISIT
WWW.THARUNRAJ.COM



- @tharunsbrainery

OPTIONS

- ▶ Face To Face Classes
- ▶ Online Live Classes
- ▶ Google Drive Classes
- ▶ Android



CONGRATULATIONS TO OUR STUDENTS

CA FINAL DEC'21



**AIR
03RD**

NIVEDITHA N

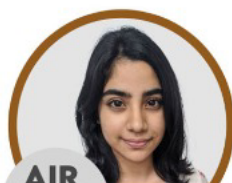
(SECURED 88 MARKS IN IDT)



**AIR
04TH**

SMRITI BALAJI

(SECURED 83 MARKS IN IDT)



**AIR
36TH**

AISHWARYA

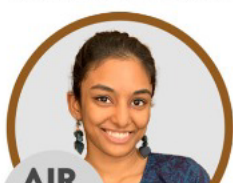
(SECURED 88 MARKS IN IDT)



**AIR
37TH**

SUBIKSHA S

(SECURED 75 MARKS IN IDT)



**AIR
40TH**

**SUDHA
BALASUBRAMANIAN**

(SECURED 86 MARKS IN IDT)



**AIR
46TH**

RANJANA R

(SECURED 75 MARKS IN IDT)

CS PROFESSIONAL DEC'21



**AIR
02ND**

HARI HARAN

(SECURED 82 MARKS IN ATLP)

CMA FINAL DEC'21



**AIR
31ST**

NIRAJ P DAVEY

(SECURED 88 MARKS IN IDTX)

