

# GST Update

Weekly Update  
04.12.2021

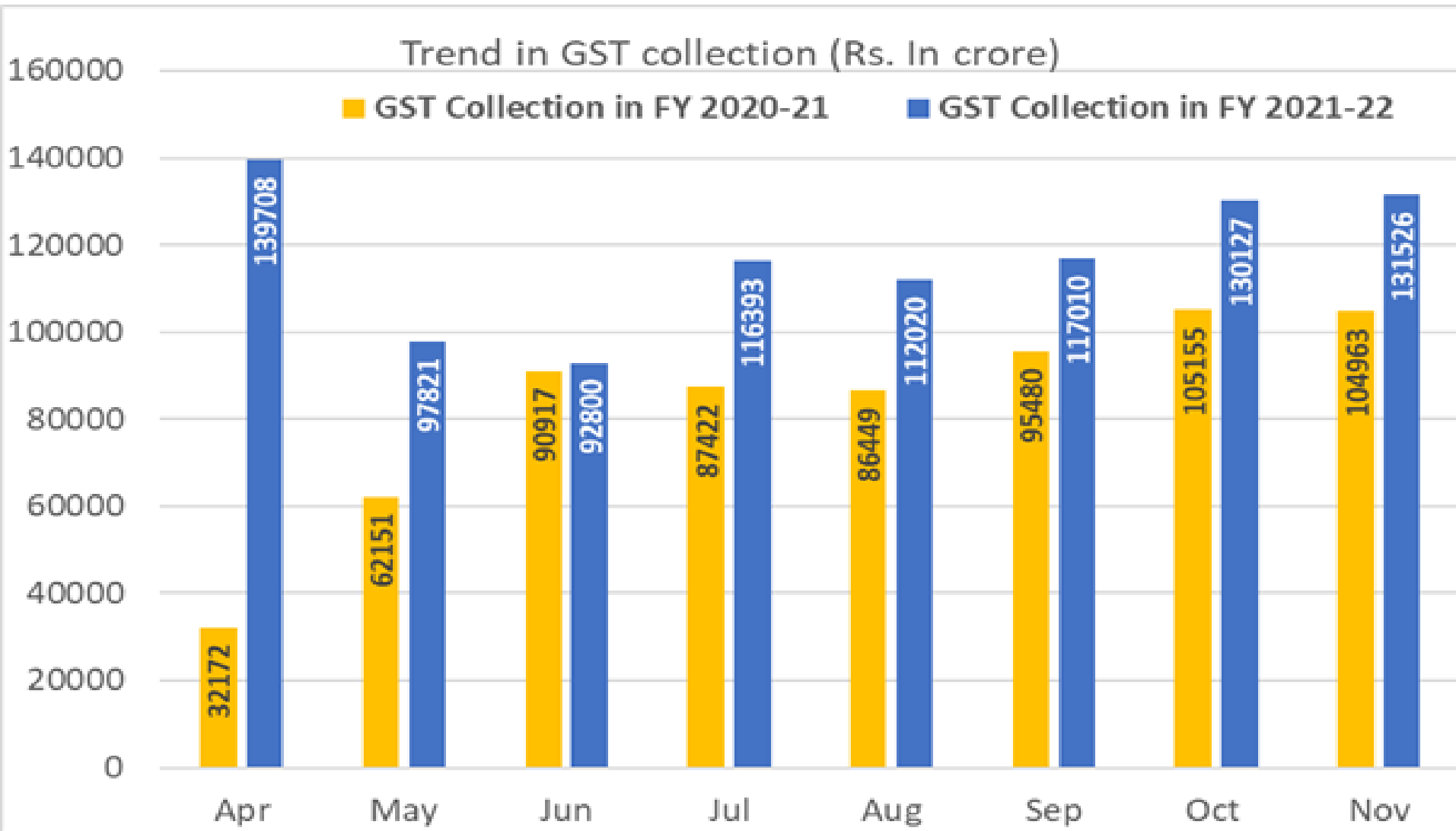
# Background

- This Presentation covers the GST changes / observations/ press releases released by CBEC since the last update on 06.11.2021. It supplements the earlier GST Updates.
- This presentation is based on CGST Act/Rules/ Notifications, except the provisions related solely to SGST provisions. Similar parallel provisions in State Laws may be referred to as required

- **PIB Press release dated 1<sup>st</sup> December 2021.**
- The gross GST revenue collected in November 2021 is ₹ **1,31,526 crore** of which CGST is ₹ **23,978 crore**, SGST is ₹ **31,127 crore**, IGST is ₹ **66,815 crore** (including ₹ 32,165 crore collected on import of goods) and Cess is ₹ **9,606 crore** (including ₹ 653 crore collected on import of goods).
- The government has settled ₹ 27,273 crore to CGST and ₹ 22,655 crore to SGST from IGST as regular settlement. The total revenue of Centre and the States after regular settlements in the month of November 2021 is ₹ 51251 crore for CGST and ₹ 53,782 crore for the SGST. Centre has also released ₹ 17,000 crore to States/UTs towards GST compensation.
- The revenues for November 2021 are 25% higher than the GST revenues in the same month last year.

- During the month, revenues from import of goods was 43% higher and the revenues from domestic transaction (including import of services) are 20% higher than revenues from these sources during the same month last year.
- The recent trend of high GST revenues has been a result of various policy and administrative measures taken to improve compliance. Enforcement agencies have detected large tax evasion cases, mainly cases relating to fake invoices, with the help of various IT tools developed by GSTN that use the return, invoice and e-way bill data to find suspicious taxpayers.
- Initiatives like, enhancement of system capacity, nudging non-filers after last date of filing of returns, auto-population of returns, blocking of e-way bills and passing of input tax credit for non-filers has led to consistent improvement in the filing of returns over last **few months**.

# Trends in GST Revenue



# GST rate changes

- **Notification No. 14/2021 (Rate) – Central Tax dated 18<sup>th</sup> November 2021 (w.e.f 1<sup>st</sup> January 2022)**
- Amends Notification No. 01/2017(Rate) dated 28<sup>th</sup> June 2017
- Correction of inverted rate structure in textiles and footwear
- GST rate harmonised across the textile chain (Tow, Fibre, fabric, articles) and footwear
- Uniform rate structure across the textile value chain at 12%,
- Footwear (Any Value)- 12%

# GST rate changes

- **Notification No. 15/2021 (Rate) – Central Tax dated 18<sup>th</sup> November 2021**
- Amends Notn No.11/2017- Central Tax (Rate), dated the 28th June 2017; Effective w.e.f 1<sup>st</sup> January 2022
- Composite supply of works contract to Govt. Entity or Govt. Authority will be taxable -
  - @18 percent
- Job Work by way of Dyeing and Printing of Textile and Textile Products will be taxable -
  - @12 percent

# GST rate changes

- **Notification No. 16/2021 (Rate) – Central Tax dated 18<sup>th</sup> November 2021**
- Amends Notn No.12/2017- Central Tax (Rate), dated 28<sup>th</sup> June 2017; Effective w.e.f 1<sup>st</sup> January 2022
- Exemption removed for following services-
- Pure services and composite supply of goods and services where goods constitute not more than 25 percent value, provided to a Govt. Entity or Govt. Authority
- Non-AC contract Carriage or State Carriage or metered Cabs or Auto/e-rickshaws if supplied through e-commerce operators



# Payment of GST by E-commerce operator under section 9(5) of CGST Act

- **Notification No. 17/2021 (Rate) – Central Tax dated 18<sup>th</sup> November 2021**
- Amends Notn No.17/2017- Central Tax (Rate), dated 28<sup>th</sup> June 2017; Effective w.e.f 1<sup>st</sup> January 2022
- Tax shall be paid by e-commerce operator under section 9(5) of CGST Act for supply of –
  - services by way of transportation of passengers by omnibus or any other motor vehicle
  - restaurant service other than the services supplied by restaurant eating joints etc. located at specified premises. Online food delivery apps now liable to pay GST.

- **Notification No.37/2021 – Central Tax 1<sup>st</sup> December 2021**
- Tenure of the National Anti-Profiteering Authority has been extended to five years; Rule 137 of CGST Rules 2017 amended w.e.f 30<sup>th</sup> November 2021
- A new cause of payment has been added in Form DRC-03 for payment of tax ascertained through Form GST DRC-01A
  - “Intimation of tax ascertained through FORM GST DRC-01A” inserted in heading as well as column 3 of Form DRC-03

- **Circular No. 165/22/2021-GST dated November 17, 2021**
- Applicability of Dynamic QR Code for suppliers supplying to recipients outside India
- In some cases where, though the service recipient is located outside India and place of supply of the service is in India as per IGST Act 2017, the payment is received by the service provider located in India not in foreign exchange, but through other modes approved by RBI.
- In such cases, the supplier will not be fulfilling the condition specified in S. No. 4 of the Circular No. 156/12/2021 dated 21st June 2021, and accordingly, will be required to have dynamic QR code on the invoice.
- To clarify the issue, S.No 4 of above circular substituted

# Applicability of Dynamic QR Code (Contd)

- No, Dynamic QR code is not required in such cases. To clarify the issue, S.No 4 of S. No. 4 of the Circular No. 156/12/2021 dated 21st June 2021, substituted as under:

<p>4. " In cases, where receiver of services is located outside India, and payment is being received by the supplier of services ,through RBI approved modes of payment, but as per provisions of the IGST Act 2017, the place of supply of such services is in India, then such supply of services is not considered as export of services as per the IGST Act 2017; whether in such cases, the Dynamic QR Code is required on the invoice issued, for such supply of services, to such recipient located outside India?</p>	<p>No. Wherever 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 IGST Act 2017, and the payment is received by the supplier, in convertible foreign exchange or in Indian Rupees wherever permitted by the RBI, 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."</p>
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- **Circular No. 166/22/2021-GST dated November 17, 2021**
- Whether the provisions of subsection (1) of section 54 of the CGST Act regarding time period, within which an application for refund can be filed, would be applicable in cases of refund of excess balance in electronic cash ledger?
  - *No*
- Whether certification/ declaration under Rule 89(2)(l) or 89(2)(m) of CGST Rules, 2017 is required to be furnished along with the application for refund of excess balance in electronic cash ledger?
  - *No. Unjust enrichment clause is not applicable in such cases.*

# Clarifications on refund issues (Contd)

- Whether refund of TDS/TCS deposited in electronic cash ledger under the provisions of section 51 /52 of the CGST Act can be refunded as excess balance in cash ledger?
- *It is not mandatory for the registered person to utilise the TDS/TCS amount credited to his electronic cash ledger only for the purpose for discharging tax liability.*
- *The registered person is at full liberty to discharge his tax liability in respect of the supplies made by him during a tax period, either through debit in electronic credit ledger or electronic cash ledger, as per his choice and availability of balance in the said ledgers. Any unutilized amount in electronic cash ledger, after discharge of tax dues and other dues payable, can be refunded to the registered person as excess balance in electronic cash ledger in accordance with the proviso to section 54(1), read with section 49(6) of CGST Act*

# Clarifications on refund issues (Contd)

- Whether relevant date for the refund of tax paid on supplies regarded as deemed export by recipient is to be determined as per clause (b) of Explanation (2) under section 54 of CGST Act and if so, whether the date of return filed by the supplier or date of return filed by the recipient will be relevant for the purpose of determining relevant date for such refunds?
- *Clause (b) of Explanation (2) under Section 54 of CGST Act reads as under:*
- *“(b) in the case of supply of goods regarded as deemed exports where a refund of tax paid is available in respect of the goods, the date on which the return relating to such deemed exports is furnished;”*



# Clarifications on refund issues (Contd)

- *On perusal of the above, it is clear that clause (b) of Explanation (2) under section 54 of the CGST Act is applicable for determining relevant date in respect of refund of amount of tax paid on the supply of goods regarded as deemed exports, irrespective of the fact whether the refund claim is filed by the supplier or by the recipient.*
- *Further, as the tax on the supply of goods, regarded as deemed export, would be paid by the supplier in his return, therefore, the relevant date for purpose of filing of refund claim for refund of tax paid on such supplies would be the date of filing of return, related to such supplies, by the supplier.*



- Tax Information Portal launched for enhanced view of all Indirect Tax Acts, Rules, Regulations and Forms-
- <https://taxinformation.cbic.gov.in/>
- CBIC launched a revamped tax information portal, through which all indirect tax legislations, rules, regulations and forms will be available for ease of reference of taxpayers.
- The content on this portal is being continuously updated and expanded in a phased-manner. Eventually, information under all categories in Customs, GST, Central Excise and erstwhile Service Tax will be available. In case, any user comes across any anomaly or error in content, it is requested to please notify CBIC on [feedback.taxinfo@icegate.gov.in](mailto:feedback.taxinfo@icegate.gov.in)

## Information

- > Acts
- > Rules
- > Regulations
- > Forms

Enter Keyword | All Taxes | All Contents | All | 

Latest Updates (Notifications and Circulars)



# GST Portal Updates

( [www.gst.gov.in](http://www.gst.gov.in) )

- **Withdrawal of application for cancellation of registration in FORM REG-16 by taxpayers**
- A functionality has been introduced for taxpayers to withdraw their application for cancellation of registration, filed in Form REG-16, provided no action has been initiated by the tax officer against their application.
- **Providing effective date of Suspension in Taxpayer Profile**
- The effective date of suspension of a taxpayer is also displayed on the Portal when his/her profile is accessed using “Search Taxpayer” functionality

# Refund, Registration, Return, Payment- New functionality

- **Enabling EVC for all taxpayers**
- Earlier all taxpayers registered as Companies were mandatorily required to use DSC for all online processes on the GST Portal.
- Now, the facility of using EVC, in addition to DSC, has been extended to such taxpayers.
- **Change in the undertaking to be submitted by taxpayer for issuance of Form PMT 03 by tax officer**
- To enable Tax Officers to issue PMT03, an undertaking has to be filed by the taxpayers. The text in the undertaking form to be submitted by the taxpayer has been altered to include both credit and cash ledgers for enabling re-credit of inadmissible ITC to respective ledgers

# Appeals - New Functionality

- **Removal of validation for all minor head except Tax/Cess in Form GSTAPL 01 for Refund Module**
- To allow the applicant to file Appeal for interest on delayed grant of refund, the earlier validation on value of the Interest and Penalty amounts to not exceed the claimed amount/amount in the original order, has been removed from the Appeal form APL-01

- **Updating description in Ledgers for MOV-11, rectified MOV-09/MOV-11**
- In case an order/ rectification order is issued in Form GST MOV09/11, the description in the liability ledger has now been updated to indicate the Demand Type.
- **Rectification of Order (DRC-08) functionality in Enforcement Module (for MOV-09/11 orders)**
- For cases where the Tax Officer rectifies the demand order (Form GST DRC- 07) or issues Rectification/ Withdrawal order (Form GST DRC-08) in transit cases, following functionality has been enabled for the Tax-payers:
- Orders in Forms MOV-09/11 have been provided with a hyperlink "Request for rectification", by clicking which, the details of relevant order will get auto populated and the taxpayer will be able to choose the reason for rectification and also enter explanatory text against each selected reason, upload attachments, if needed, verify and submit the same.



- **Filing of Application in Form GST DRC-20 by Taxpayer for Payment of recovery amount in instalments or seeking extension of time**
- In view of Notification No. 03/2019- CT (Rate), dated 29.03.2019, which, inter alia, provides for the registered person to file an application in FORM GST DRC- 20, seeking extension of time for the payment of taxes or any amount due or for allowing payment of such taxes or amount in instalments in accordance with the provisions of section 80.
- The above notification also empowers the Commissioner to issue an order in FORM GST DRC- 21, allowing the taxable person further time to make payment and/or to pay the amount in monthly instalments, not exceeding twenty-four, as he may deem fit.
- The taxpayers will now be able to file an application seeking extension of time for payment or request for allowing payment in instalments provided the demand is not less than Rs 25,000.





**THANK YOU**