



Indirect Tax Update

Summary of recommendation of 47th GST council meeting

Key Highlights:

- ✓ Recommendations relating to GST rates on goods and services
- ✓ Recommendations relating to GST law and procedure
 - Measures for Trade facilitation
 - Measures for streamlining compliances in GST

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Document Date:04/07/2022

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1. Rate rationalization to remove inverted duty structure (Approval of recommendations made by GOM on rate rationalization)

[Not yet notified]

The GST Council in its 47th meeting has recommended for change in rates for various goods and services in order to remove inverted duty structure.

Note: All changes in rates recommended by the GST Council are proposed to be made effective with effect from 18th July 2022.

➤ Change in rate for goods:

S. No.	Description	From	To
GOODS			
1	Printing, writing, or drawing ink	12%	18%
2	Knives with cutting blades, Paper knives, Pencil sharpeners and blades therefor, Spoons, forks, ladles, skimmers, cake-servers, etc	12%	18%
3	Power-driven pumps primarily designed for handling water such as centrifugal pumps, deep tube-well turbine pumps, submersible pumps; Bicycle pumps	12%	18%
4	Machines for cleaning, sorting, or grading, seed, grain pulses; Machinery used in the milling industry or for the working of cereals, etc; Pawan Chakki that is Air Based Atta Chakki; Wet grinder;	5%	18%

5	Machines for cleaning, sorting, or grading eggs, fruit, or other agricultural produce and its parts, Milking machines, and dairy machinery	12%	18%
6	LED Lamps, lights and fixtures, their metal printed circuits board;	12%	18%
7	Drawing and marking out instruments	12%	18%
8	Solar Water Heater and system;	5%	12%
9	Prepared/finished leather/chamois leather/compositionleathers;	5%	12%
10	Refund of accumulated ITC not to be allowed on Edible oils and Coal.		

➤ Change in rate for services:

S. No.	Description	From	To
Services			
11	Services supplied by foreman to chit fund	12%	18%
12	Job work in relation to processing of hides, skins and leather	5%	12%
13	Job work in relation to manufacture of leather goods and footwear	5%	12%
14	Job work in relation to manufacture of clay bricks	5%	12%
15	Works contract for roads, bridges, railways, metro, effluent treatment plant, crematorium etc.	12%	18%
16	Works contract supplied to central and state governments, local authorities for historical monuments, canals, dams, pipelines, plants for water supply, educational institutions, hospitals, etc. & sub-contractors thereof	12%	18%
17	Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof	5%	12%

RJA Comments: -

The above changes in rates of tax are attempted to reduce inverted rate structure i.e. reduce a gap in ITC available with the taxpayers and the output tax liability of the taxpayers so that the funds of the taxpayers do not get stuck in the electronic credit ledger. This change would largely help service providers who are not eligible to claim refund under inverted duty structure and who continue to have Input tax credit in their ledger even after paying off the output tax liability.

2. Other GST rate changes recommended by the GST Council

[Not yet notified]

The GST Council in its 47th meeting has recommended for change in rates for various goods and services.

Note: All changes in rates recommended by the GST Council are proposed to be made effective with effect from 18th July 2022.

S. N.	Description	From	To
Goods			
1	Ostomy Appliances	12%	5%
2	Orthopedic appliance- Splints and other fracture appliances; artificial parts of the body; other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability; intraocular lens	12%	5%
3	Tetra Pak (Aseptic Packaging Paper)	12%	18%
4	Tar (whether from coal, coal gasification plants, producer Gas plants and Coke Oven Plants.	5%/18%	18%
5	IGST on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination	5%	Nil

	Programme		
6	Cut and Polished diamonds	0.25%	1.5%
7	IGST on specified defence items imported by private entities/vendors, when end-user is the Defence forces.	Applicable rate	Nil

S. No.	Description	From	To
Services			
1	Transport of goods and passengers by ropeways.	18%	5% (with ITC of services)
2	Renting of truck/goods carriage where cost of fuel is included	18%	12%

3. Withdrawal of exemptions (Approval of recommendations made by GoM on rate rationalization)

[Not yet notified]

- Withdrawal of exemption on specified food items, grains etc**

Presently, GST is exempted on specified food items, grains etc., if such goods are not branded, or w.r.t. goods for which right on the brand has been forgone.

The GST Council in its 47th meeting has recommended to revise the scope of this exemption.

Accordingly, the GST Council has proposed to delete these exemption entries and introduce new exemptions for goods which are supplied in pre-packaged and pre-labelled retail pack per Legal Metrology Act, including pre-packed, prelabelled curd, lassi and butter milk.

RJA Comments: -

Exemption was available on specific food items and grains which are not branded or if the right on the brand has been forgone. The GST Council has recommended for deleting these exemption entries and introduce exemption for supply of pre-packaged and pre-labelled retail pack as defined in terms of Legal Metrology Act (including prepacked labelled curd, lassi and buttermilk).

In this context, it is apposite to note that "pre-packaged commodity" as per the Legal Metrology Act, means a commodity which 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.

Further "label" as per the Legal Metrology Act, means any written, marked, stamped, printed or graphic matter affixed to, or appearing upon any pre-packaged commodity.

In light of the above, it has been pertinent that FMCG industries may need to identify whether their products qualify as pre-packaged and pre-labelled commodities sold in the retail pack as per the provisions of the Legal Metrology Act.

- **Withdrawal of exemption on the following goods**

The GST Council in its 47th meeting has recommended to remove exemption on the following goods from Nil rate of tax to 18/12% tax rates.

S. No.	Description of goods	From	To
GST rate changes			
1	Cheques, lose or in book form	Nil	18%

2	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	Nil	12%
3	Parts of goods of heading 8801	Nil	18%

- In case of the following goods, the exemption in form of a concessional rate of GST is being rationalised**

The GST Council in its 47th meeting has recommended to remove beneficial rate of taxes on the following goods.

S. No.	Description of goods	From	To
GST rate changes			
1.	Petroleum/ Coal bed methane	5%	12%
2.	Scientific and technical instruments supplied to public funded research institutes	5%	Applicable rate
3.	E-waste	5%	18%

- In case of services, following exemptions are being rationalised**

S. No.	Description	RJA Comments
1.	Exemption on transport of passengers by air to and from NE states & Bagdogra is being restricted to economy class.	Exemption was available on transport of passengers by air, embarking from or terminating in an airport located in NE states & Bagdogra for both economy and business class. The GST Council has now recommended to restrict exemption only to economy class. Thus, transportation of passengers by air, embarking from or terminating in an airport located in NE states & Bagdogra in a business class would be taxable.

2.	<p>Exemption on following services is being withdrawn.</p> <ol style="list-style-type: none"> a. Transportation by rail or a vessel of railway equipment and material. b. Storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.) c. Fumigation in a warehouse of agricultural produce. d. Services by RBI, IRDA, SEBI, FSSAI, e. GSTN. f. Renting of residential dwelling to business entities (registered persons). g. Services provided by the cord blood banks by way of preservation of stem cells 	<p>Presently, supply of storage or warehousing services for [1] agriculture produce and [2] certain other specified goods are exempted from GST.</p> <p>The Council has now proposed to remove the exemption from storage or warehousing services for such goods which are taxable under GST.</p> <p>Further, renting of residential dwelling for use as a residence was exempt.</p> <p>In this regard, recently, Karnataka High Court in Taghar Vasudeva Ambrish Vs Appellate Authority for Advance Ruling [W.P. No. 14891 of 2020 (T-RES)] has held that the exemption in this entry is available even if the sub-leasee is leasing the unit to somebody else for use as a residence.</p> <p>Considering the above, the GST Council</p>
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		<p>has proposed to restrict the exemption only to such persons who are unregistered under GST.</p> <p>In light of this change, such suppliers who were providing hostel services on a rented premises would come under the GST net.</p> <p>Additionally, such persons who are renting residential units for their employees may need to consider the eligibility of ITC of GST paid on services of renting of residential premises.</p>
3.	Like CETPs, common bio-medical waste treatment facilities for treatment or disposal of biomedical waste shall be taxed at 12% so as to allow them ITC	
4.	Hotel accommodation priced up to Rs. 1000/day shall be taxed at 12%.	<p>No tax was applicable if value of supply is up to Rs. 1000 per day.</p> <p>The GST Council has recommended the snatching of exemption on supply of accommodation services for hotels having tariff up to Rs. 1000 per day.</p> <p>To sum up the updated tax rate for hotel accommodation would be;</p> <p>Tariff between 0-Rs. 7,500/- 12% Tariff > Rs. 7,500/- 18%</p>

		<p>It would now be apposite to understand whether supply of a service is a service of renting of residential accommodation for use as a residence or a service of hotel accommodation.</p>
5.	Room rent (excluding ICU) exceeding Rs 5000 per day per patient charged by a hospital shall be taxed to the extent of amount charged for the room at 5% without ITC.	<p>If rent is more than Rs. 5,000/- per day per patient then, GST shall be paid at 5% (without ITC) on the entire amount of room rent.</p> <p>It is apposite to note that supply of health care services is bundled with other facilities such as renting of a room in hospital, food, medicines etc.</p> <p>In this background, taking only one component of the whole package and proposing GST on such individual component is against the principle of composite supply.</p> <p>It is also apposite to note that recently, the Hon'ble Supreme Court in Mohit Minerals declared the levy ultra-vires to the Act when the levy was in violation of the principles of the composite supply.</p> <p>This proposal may face the same fate.</p>
6.	Tax exemption on training or Coaching in recreational activities relating to arts or culture, or sports is being	Exemption on training or coaching in Recreational activities was available

	restricted to such services when supplied by an individual	only if such services are provided by an entity registered under section 12AA of the Income-tax Act. The GST Council has recommended to restrict the exemption only if such training or coaching is provided by individuals.
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- **GST on casinos, race course and online gambling**

The GST Council directed that the Group of Ministers on Casino, Race Course and Online Gaming re-examine the issues in its terms of reference based on further inputs from States and submit its report within a short duration.

RJA Comments: -

This is a welcome move by the GST Council to clear out the ambiguity over the transactions prevailing in the casinos, racecourse and online gambling industry. The GST Council has directed the GOM to arrive at the modalities for valuation for levying the tax, final rate of tax, and taxability of certain transactions in a casino taking into account the existing legal provisions and orders of courts.

4. Clarification on GST rate for Goods

[Not yet notified]

- **GST rate on electrical vehicles**

The GST Council in its 47th meeting had recommended that Electrical vehicles whether or not fitted with a battery pack are eligible for the concessional GST rate of 5%.

RJA Comments: -

This comes as a relief to taxpayers as there was an ambiguity regarding the applicable tax rate for a vehicle sold without a battery and sold with a battery and even several cases were noticed wherein the department has initiated proceedings on e-vehicle sold without battery.

- **GST rate on fly ash bricks**

The GST Council in its 47th meeting had recommended that all fly ash bricks would be subjected to same concessional rate irrespective of fly ash content.

RJA Comments: -

It is proposed to be clarified that the condition of 90% of fly ash content w.r.t fly ash bricks applies only to fly ash aggregate and not to fly ash bricks. As a simplification measure, the condition of 90% content is omitted.

- **Other changes in GST rates**

- Stones covered in S.No.123 of Schedule-I (such as Napa stones), even if they are ready to use and polished in minor ways [not mirror polished], attract concessional GST rate of 5%.
- Nicotine Polarilex Gum attracts a GST rate of 18%.
- The GST rate on all forms of mango under CTH 0804, including mango pulp (other than mangoes sliced, dried) attract GST at the 12%. Entry is also being amended to make this amply clear. Raw or fresh mangoes continue to be exempt.
- Sewage treated water is exempted from GST and is not the same as purified water provided in S. No. 99 of notification 2/2017-CT(Rate). The word 'purified' is being omitted to make this amply clear.

5. Clarification on GST rate for services

[Not yet notified]

- **Clarification w.r.t GST rate applicable on supply of ice cream**

With respect to taxability of ice creams sold by ice cream parlours, The GST Council has recommended to issue the following clarification;

“Due to ambiguity in GST rates on supply of ice cream by ice cream parlours, GST charged @ 5% without ITC on the same during the period 1.07.2017 to 5.10.2021 shall be regularized to avoid unnecessary litigation.”

RJA Comments: -

In the 45th GST Council meeting, it was clarified that the ice cream sold by a parlour or any similar outlet would attract GST at the rate of 18%. Prior to this recommendation, some of the suppliers in the industry were charging tax on these supplies at the rate of 5% considering it as restaurant services. By virtue of this recommendation, the GST Council has proposed that no penal action should be taken against such suppliers who were paying GST at 5% on supply of ice cream for the past period i.e. from 01.07.2017 to 05.10.2021.

- **Clarification in relation of entrance/issuance of eligibility/migration certificate**

The GST Council has recommended that application fee charged for entrance or for issuance of eligibility certificate for admission or issuance of migration certificate by universities should be made exempt from GST.

RJA Comments: -

Entry 69 of Notification no. 12 CTR dated 28th July 2017, specifically exempts various services provided by educational institution to its students, faculty and staff.

The ambit of the educational institutions also covers colleges providing qualifications recognised under any law in force. However, the issue that arose was whether the ambit of the exemption entry covered universities also. In light of this confusion, the GST Council has proposed exemption for services provided to the universities as well.

- **PLC charged by supplier is taxable as a supply of leasing services**

The supplier of leasing services often charges preferential location charges for providing a plot which has geographical advantages. In this regard, there was a confusion as to what is the GST implications on PLC charges received by the supplier of leasing services. In this context, the GST Council has now clarified that Allowing choice of location of a plot is part of supply of long-term lease of plot of land. Therefore, location charge or preferential location charges (PLC) are part of consideration charged for long term lease of land and shall get the same treatment under GST.

RJA Comments: -

The clarification is provided for PLC charges charged in context of leasing services. However, it is apposite to note that this clarification may impact PLC charges charged w.r.t. real estate businesses as well.

- **Sale of land after levelling, laying down of drainage lines etc. is sale of land and does not attract GST.**

The GST Council has proposed to clarify that sale of developed plots will not attract GST in instances such sale of land after levelling, laying down of drainage lines etc.

RJA Comments: -

Builders or developers are selling plots after development of common infrastructure such as electricity line, water line, drainage line and land levelling etc., There was an ambiguity in the industry regarding the taxability of sale of developed plots by the developers whether it is to be treated as sale of land under Schedule III or supply of services under Schedule II. In light of this ambiguity, the GST Council has proposed to clarify that the sale of developed plot is a sale of land and hence, not eligible to GST.

- **Other clarifications**

- Ginned or baled fibre is covered in entry 24B of notification No. 12/2017- Central Tax (Rate) dated 28.06.2017 in the category of raw vegetable fibres. The exemption under this entry is being rationalized.
- Services associated with transit cargo both to and from Nepal and Bhutan are covered by exemption under entry 9B of notification No. 12/2017-CT(R) dated 28.06.2017.
- Activity of selling of space for advertisement in souvenirs published in the form of books is eligible for concessional GST at 5%.
- Renting of vehicle with operator for transportation of goods on time basis is classifiable under Heading 9966 and shall attract GST @18%.
- Renting of vehicle where cost of fuel is included in the consideration charged shall attract GST @12%
- Services provided by the guest anchors to TV channels in lieu of honorarium attract GST.
- Additional fee collected in the form of higher toll charges from vehicles not having Fastag is essentially payment of toll for allowing access to roads or bridges to such vehicles and shall be given the same tax treatment as given to toll charges.
- Services in form of Assisted Reproductive Technology (ART)/ In vitro fertilization (IVF) are covered under the definition of health care services for the purpose of exemption under GST.
- Renting of motor vehicles for transport of passengers to a body corporate for a period (time) is taxable in the hands of body corporate under RCM.
- As per exemption notification, transportation of passengers by public transport, other than predominantly for tourism purpose, in a vessel between places located in India, is exempt from GST. However, the expression “public transport” was not defined.

Now, the GST Council has recommended to define “public transport” to mean that “such transport should be open to public for point-to-point transport (e.g., such transport in Andaman and Nicobar Islands)”

6. Measures for trade facilitation

[Not yet notified]

• Relaxation w.r.t Ecommerce Operators

i. Waiver from mandatory registration for the supplier supplying goods through e-commerce operator.

Earlier, the supplier who is supplying goods through e-commerce operator was liable to take mandatory registration under Section 24(ix).

Now in the 47th GST Council meeting, it has been proposed that a supplier supplying goods through e-commerce operator is not required to take mandatory registration under Section 24(ix), subject to the following conditions: -

- The ATO of the supplier supplying through ECO **does not** exceed the threshold limit specified u/s 22(1) i.e., Rs. 20 lakhs or 40 lakhs in case of supply of services or goods respectively.
- The supplier supplying through ECO is **not** making any **interstate supply**.

RJA Comments: -

The GST Council has recommended the above relaxations to ensure that small vendors carrying business through electronic commerce operator are not burdened with the hefty compliances with the law. However, the Government may, in line of the above changes, bring suitable checks and measures from the electronic commerce operator's end.

- ii. Composition taxpayers would be allowed to make intra state supply through e-commerce operators.

The GST Council has recommended that Composition dealers be allowed to make **intra state supplies** through e-commerce operator.

RJA Comments: -

The composition dealers are not allowed to make interstate supplies u/s 10(2)(c) of the CGST act, 2017 and composition dealers are not allowed to make supplies through e-commerce u/s 10(2)(d) of the CGST act, 2017. However, the GST Council has now proposed to allow a composition tax payer to make supply of goods through E-commerce operators.

- **Change in formula used for calculation of refund of accumulated and unutilized ITC on account of Inverted Duty Structure.**

Change in formula for calculation of refund under Rule 89(5) to take into account utilization of ITC on account of inputs and input services for payment of output tax on inverted rated supplies in the same ratio in which ITC has been availed on inputs and input services during the said tax period.

RJA Comments: -

The existing formula for calculation of refund of unutilized ITC under the Inverted duty structure does not consider deduction of output tax liability on account of inputs. Hence The GST Council has recommended to change the formula that will result in consideration of output tax liability only to the extent of inputs for computation of refund. This change has been done over the remarks of the Hon'ble Apex Court pronounced in case of Union of India Vs VKC Footsteps India Pvt. Ltd. in Civil Appeal No. 4810 of 2021.

- **Amendment in CGST Rules for handling of pending IGST refund claims.**

In case if the exporter is identified as a risky exporter or where there is violation of provisions of Customs Act, the refund in respect of export of good is withheld/suspended.

In light of the above, an amendment has now been proposed in Rule 96 of the CGST Rules to provide for transmission of such IGST refund claims to the jurisdictional GST Officer by way of an automated system generated FORM GST RFD-01 for further processing. This would result in expeditious disposal of such IGST refund claims, after due verification by GST officers, thus benefiting such exporters.

RJA Comments: -

It benefits the taxpayers whose refunds were pending/withheld/suspended on account of being tagged as a Risky Exporter are intended to be processed expeditiously.

- **Re-credit of amount in electronic credit ledger**

The GST Council has recommended a procedure for re-credit of amount in electronic credit ledger in cases where the taxpayer has paid back erroneous refund sanctioned in contravention of rule 96(10) of the CGST Rules. For this purpose, a new FORM GST PMT-03A would be introduced.

RJA Comments: -

Earlier there was no system to re-claim ITC of refund paid back to the Government. Now, the Government has introduced Form GST PMT-03A for this purpose.

- **Other procedural changes**

- The GST Council has recommended an amendment to be made at the earliest to Sec-50(3) to provide for levy of interest on “Ineligible ITC availed and utilized”.

- To extend the waiver of late fee under section 47 for delay in filing FORM GSTR-4 for FY 2021-22 by approximately four more weeks, i.e. till 28.07.2022 (The existing waiver is for the period from 01.05.2022 till 30.06.2022)
- To extend the due date of filing of FORM GST CMP-08 for the 1st quarter of FY 2022-23 from 18.07.2022 to 31.07.2022.
- GSTN has also been asked to expeditiously resolve the issue of negative balance in Electronic Cash Ledger being faced by some of the composition taxpayers.
- It has been proposed to continue the exemption provided earlier in relation to the IGST on the import of goods under AA/EPCG/EOU Scheme which has been formulated to facilitate/encourage exports. It has been further proposed the e- wallet scheme not be pursued further.
- Taxpayers need not file annual return in FORM GSTR-9/9A for FY 2021-22 if their aggregate annual turnover is up to Rs. 2 crores.
- The GST Council has recommended to insert an Explanation 1 after rule 43 of CGST Rules to be amended to provide that there is no requirement of reversal of input tax credit for exempted supply of Duty Credit Scrips by the exporters.
- UPI & IMPS to be provided as an additional mode for payment of Goods and Services Tax to taxpayers under Rule 87(3) of CGST Rules.
- In respect of refunds pertaining to supplies to SEZ Developer/Unit, an Explanation to be inserted in sub-rule (1) of rule 89 of CGST Rules to clarify that “specified officer” under the said sub-rule shall mean the “specified officer” or “authorized officer”, as defined under SEZ Rules, 2006.
- The GST Council has recommended for amendment in CGST Rules to provide for refund of unutilized Input Tax Credit on account of Export of Electricity. This would facilitate the exporters of electricity in claiming refund of utilized ITC on zero rated supplies.

- Supplies from Duty Free Shops (DFS) at international terminal to outgoing international passengers to be treated as exports by DFS and consequential refund benefit to be available to them on such supplies.

- **Certain circulars to remove ambiguity and legal disputes**

- a. Clarification on issue of claiming refund under inverted duty structure where the supplier is supplying goods under some concessional notification.
- b. Clarification on various issues relating to applicability of demand and penalty provisions under the CGST Act in respect of transactions involving fake invoices.
- c. Clarification on mandatory furnishing of correct and proper information of inter- State supplies and amount of ineligible/blocked Input Tax Credit and reversal thereof in return in FORM GSTR-3B.
- d. Clarification in respect of certain GST related issues:
 - i. Clarification on the issues pertaining to refund claimed by the recipients of supplies regarded as deemed export;
 - ii. Clarification on various issues relating to interpretation of section 17(5) of the CGST Act;
 - iii. Clarification on the issue of perquisites provided by employer to the employees as per contractual agreement;
 - iv. Clarification on utilization of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities.

RJA Comments: -

The GST Council has recommended for issuance of circulars on various issues in GST for clearing of ambiguity and legal disputes, benefiting taxpayers at large.

7. Clarifications on Other miscellaneous changes

- **Clarification of services provided by department of post**

All taxable service of Department of Posts would be subject to forward charge. Hitherto certain taxable services of Department of post were taxed on reverse charge basis.

RJA Comments: -

The GST Council has recommended to include all taxable services provided by department of post under forward charge. Earlier few taxable services (other than speed post, express parcel post, life insurance, and agency services provided to a person other than Central Government, State Government or Union territory or local authority) are liable to be discharged under reverse charge mechanism. Henceforth no postal services shall be liable to be discharged under reverse charge mechanism.

- **Clarification on opting of RCM/FCM by GTA**

Goods transport agency (GTA) is being given option to pay GST at 5% or 12% under forward charge; option to be exercised at the beginning of Financial Year. RCM option to continue.

RJA Comments: -

Taxpayers were under an opinion that once the option to pay tax under forward charge has been exercised then the option for reverse charge cannot be availed. The GST Council has now recommended that such option shall be exercised at the beginning of each financial year. The methodology for reversals under Rule 43 would also be clarified for a GTA shifting to RCM/FCM year on year basis.

- **Clarification on tour operator services**

Service provided by Indian Tour operator to a foreign resident for a tour partially in India and partially outside India is to be subject to tax proportionate to the tour conducted in India for such foreign tourist subject to conditions that this concession does not exceed half of tour duration.

8. Measures for Streamlining compliances in GST

[Not yet notified]

- **Automatic revocation of suspension or registration**

The GST Council recommended amendments in rule 21A of CGST Rules, 2017. The GST Council has recommended automatic revocation of suspension of registration upon filing of GST returns.

RJA Comments: -

The GST Council has recommended that if registration was cancelled on account of non-filing of returns, the suspended registration shall be automatically revoked upon the filing of all such pending returns. It is a welcome move by the department and will provide much needed relief to the genuine taxpayers.

- **Extension of time limit for issuing demand order for F.Y 2017-18**

Limitation under section 73 for FY 2017-18 for issuance of order in respect of demands linked with due date of annual return, to be extended till 30th September, 2023.

RJA Comments: -

As per Section 73 of CGST Act, demand order for the tax not paid or short paid or input tax credit wrongly availed or utilized can be issued up to 3 years from the due date of annual return for the relevant F.Y. If this recommendation gets notified, department may issue notices w.r.t F.Y. 2017-18 till 30.06.2023 and demand order for the same till 30.09.2023. This was recommended to increase the time limit for issuance of notices and demands by the department for the FY17-18.

- **Extension of time limit for refund cases**

Time period from 01.03.2020 to 28.02.2022 to be excluded from calculation of the limitation period for filing refund claim by an applicant under section 54 and 55 of CGST Act, as well as for issuance of demand/ order (by proper officer) in respect of erroneous refunds under section 73 of CGST Act.

RJA Comments: -

As the Time period from 01.03.2020 to 28.02.2022 was excluded for calculating time limit for application of refund the GST Council has even excluded the mentioned period for issuance of demand/order in respect of erroneous refunds.

- **Other measures:**

- Proposal for comprehensive changes in FORM GSTR-3B to be placed in the public domain for seeking inputs/suggestions of the stakeholders.
- The GST Council has decided to constitute a Group of Ministers to address various concerns raised by the States in relation to the constitution of GST Appellate Tribunal and make recommendations for appropriate amendments in CGST Act.
- The GST Council approved ad-hoc apportionment of IGST to the extent of Rs. 27,000 crores and release of 50% of this amount, i.e., Rs. 13,500 crores to the States.

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