



GARV & AFFILIATES



Summary of Changes in GST w.e.f. 1st January, 2022

1. **Rule 36(4)** amended to state that ITC only with respect to invoices appearing in GSTR 2B can be taken. Provision for availing 105% of the credit available in GSTR 2B removed. ***Therefore, if returns are not filed timely by the supplier, entire input tax credit gets deferred to the next month.***
2. Due date of annual return and self-attested reconciliation statement (Form GSTR 9 and 9C) is extended up to **28th February 2022**.
3. Increase in Rate of Job work on Textiles and Sale of Garments below Rs 1,000/- has been **deferred** (declared in the 46th GST Council Meeting held on 31.12.2021). **Therefore, Job Work on Textiles and Sale of Garments below Rs. 1,000/- continue to be taxed @ 5% as earlier.**
4. Increase in Rate of Footwear of sale value not exceeding ₹ 1000 per pair. New rate of Tax is 12% which is applicable w.e.f. **1st January 2022**.
5. Earlier, when restaurant supplied food through E – Commerce Operator, restaurant was liable to pay GST on supply of food. But, now w.e.f. 01st January 2022 E – Commerce Operator is liable to pay GST.

6. Time limit to pay penalty for release of goods after its seizure and detention in transit, is reduced from 14 days to 7 days.
7. Penalty under section 129(1) if not paid within 15 days from the date of order under section 129(3) then proper officer can sell the goods or conveyance to recover the penalty. This sale will be done through the process of auction for which prior notice is to be given. If the concerned person pays the amount of penalty together with expenses for safe custody of vehicle with goods before the auction, then goods with conveyance shall be released.
8. The proceedings of recovery of penalty as mentioned in above point will be stayed if appeal is filed by the person.
9. If there is surplus from sale of goods and conveyance then such surplus will be credited to the electronic cash ledger of the person.
10. Changes in Form GST DRC – 11 to substitute the term “goods” for “goods and conveyance”.
11. Changes in Form GST DRC – 12 have been notified to include Section 129(6) as the provision under which goods or conveyance detained, shall be liable to be sold in the event of failure to pay penalty.

12. Format of Form GST DRC – 22 has been prescribed so as to include the details of the person specified u/s 122(1A) along with relevant details of the properties attached.

13. Drafting related changes have been made in Form GST DRC – 23.

14. Table 15(a) of Form GST APL – 01 has been amended to incorporate pre-deposit u/s 129(3) as well as pre-deposit of 10% of disputed cess (the upper cap has been set at 25 crores for CGST, SGST and Cess and Rs 50 crores for IGST)

15. Form GST DRC – 22A has been notified under Rule 159(5) which is an application for filing objection against provisional attachment of property.

FOR MORE
INFORMATION

Write to us at
info@garvca.com

Notification No. 40/2021 – Central Tax dated 29th December 2021

1. Rule 36(4)-

No input tax credit shall be availed by a registered person unless such invoices or debit notes have been furnished by the suppliers in their FORM GSTR-1 or using e-invoicing facility and details of such invoices or debit notes have been communicated to the registered person in **FORM GSTR-2B** w.e.f. 1st January 2022.

2. Rule 80-

Due date for filing GSTR-9 and self-certified reconciliation statement i.e. GSTR-9C for the F.Y 2020-21 has been extended from 31st December 2021 to **28th February 2022**.

3. Rule 95(3)-

In case where Unique Identity Number of the applicant is not mentioned in a tax invoice, the refund of tax paid by the applicant on such invoice shall be available only if the copy of the invoice, duly attested by the authorized representative of the applicant, is submitted along with the refund application in FORM GST RFD-10 w.e.f. 1st April 2021.

4. Insertion of new rule - **Rule 144A Recovery of penalty by sale of goods or conveyance detained or seized in transit**

- In case the penalty u/s 129 is not paid within 15 days of date of receipt of order of detention, proper officer shall proceed for sale or disposal of goods or conveyance so detained.
- The said goods or conveyance shall be sold through a process of auction, including e-auction, for which a notice shall be issued in FORM GST DRC-10.

- Auction process shall be cancelled where the person transporting the said goods or the owner of such goods pays the amount of penalty, including any expenses incurred in safe custody and handling of such goods or conveyance, after the time period of 15 days but before the issuance of notice for auction.
- Atleast 15 days' notice is required to be given for auction.
- Where an appeal has been filed by the person under the provisions of sub-section (1) read with section 107(6), the proceedings for recovery of penalty by sale of goods or conveyance detained or seized in transit under this rule shall be deemed to be stayed.

5. Rule 154 *Disposal of proceeds of sale of goods or conveyance and movable or immovable property-*

- The amounts so realised from the sale of goods or conveyance, movable or immovable property, for the recovery of dues from a defaulter or for recovery of penalty payable u/s 129(3) shall
 - (a) first, be appropriated against the administrative cost of the recovery process;
 - (b) next, be appropriated against the amount to be recovered or to the payment of the penalty payable;
 - (c) next, be appropriated against any other amount due from the defaulter under GST Act;
 - (d) the balance, if any, shall be credited to the electronic cash ledger of the owner of the goods or conveyance in case of registered person or to the bank account in case of unregistered person

- Where it is not possible to pay the balance of sale proceeds, as per clause (d) mentioned above, to the person concerned within a period of six months from the date of sale of such goods or conveyance or such further period as the proper officer may allow, such balance of sale proceeds shall be deposited with the Fund.

6. Rule 159-

- A copy of order of attachment in FORM DRC-22 shall also be sent to the person whose property is being attached under section 83.
- Any objection to the order of provisional attachment of property is to be filed in FORM DRC-22A.

Contact Us

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