



## Changes in GST effective from Jan 1, 2022

This circular contains all the relevant amendments in GST laws made which are effective from January 1, 2022.

### A. Extension of due date

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Due date for filing GST Annual Return Form GSTR-9 and GSTR-9C for FY 2020-21 has been extended to February 28, 2022 for the FY 2020-21.

### B. Additional condition for availment of ITC

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ITC claims will be available only when reflected in GSTR 2A/2B w.e.f. January 01, 2022. The CBIC has notified that w.e.f. 1st January 2022, Input Tax Credit (ITC) claims shall be available only when details of invoice/debit note have been furnished by the supplier in his GSTR-1 (outward supplies) and such details have been communicated to the recipient of such invoice/debit note. In essence, w.e.f. 01.01.2022, ITC of GST to be availed by the purchasers shall be restricted to the amount reflected in their GSTR-2B.

### C. Condition to file GSTR-1

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Taxpayers shall not be allowed to file their GSTR-1 in case their GSTR-3B was not filed for the preceding month. For example, if a taxpayer has not filed GSTR-3B for the month of December, 2021, then he/she cannot file GSTR-1 for the month of January, 2022.

### D. Self-Assessed Tax when mismatch of turnover between GSTR-1 and 3B

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- Recovery of self-assessed tax shall be done directly on the basis of turnover declared in GSTR-1, without issuance of SCN.

- For example: Turnover as per GSTR-1 Rs.4,50,000/-  
Turnover as per GSTR-3B Rs.4,00,000/-

In this case GST Department will assess the tax on the basis of turnover declared in GSTR-1 and raise demand on Rs. 50,000 as self-assessment tax, without issuing a SCN.

### E. Aadhar Authentication

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Aadhar authentication has been made mandatory w.e.f. 1st January 2022 for the following:

- Refund application;
- Revocation of application for cancellation of GST registration.

## F. Condition for filing of Appeal and Enhancement of Penalty for E-way bill

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- Under section 129 of CGST Act, in case of detention, seizure and release of goods and vehicles in transit, levy of penalty of 200% of the tax amount has been notified.
- Earlier, it was 100% tax and 100% penalty. With this amendment only penalty will be payable which would be equal to 200% of tax.
- In case of exempted goods penalty will be 2% of the value of goods or Rs. 25,000, whichever is less.
- In case the assessee wants to file an appeal against such penalty order, 25% of penalty amount has to be pre-deposited instead of earlier 10%.
- Further, the goods/vehicles seized shall be liable to be sold, if penalty not paid within 15 days from receipt of order.

## G. Supply of “Restaurant Service” through E-commerce Operators

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E-commerce Operators will be liable to pay GST on ‘restaurant services’ provided through the e-commerce platforms, w.e.f. 1st January 2022. Swiggy, Zomato etc. shall be responsible to pay GST on restaurant services provided through their website/app.

## H. Changes in GST rates

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There has been a revision of the following GST rates:

Particulars	New GST Rate	Old GST Rate
Footwear (Sale Value not exceeding Rs. 1,000/- per pair)	12%	5%
Textile Sector	No Change (Deferred)	5%
Works Contract (Govt. Related)	18%	12%

## I. GST on supply by a club/association to its members

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GST @18% will be leviable on supply made by club/association to its members with retrospective effect from 1st July, 2017.

## J. New Harmonized System Nomenclature

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- New Harmonized System (HS) nomenclature i.e., HS 2022, has come into force from 1st January 2022, with 351 amendments at the six-digit level, covering a wide range of goods.
- As India is a party to the HS convention, required changes were brought in GST rates (Goods Rate) notifications as well through Notification No. 18/2021-Central Tax (Rate) dated December 28, 2021.

## K. Provisional attachment

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- Officer's power under GST to provisionally attach property/ bank account w.e.f. January 01, 2022 has been widened.
- Provisional attachment shall remain valid for the entire period starting from the initiation of any proceeding under Chapter XII (assessment), Chapter XIV (inspection, search, seizure and arrest) or Chapter XV (Demands and Recovery) till the expiry of a period of one year from the date of order made thereunder.
- Further, the Commissioner is empowered to provisionally attach, property belonging to any persons who retain the benefits arising out of an offence or at whose instance the offence is committed.

## L. Scope of power to call for information widened

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GST department can now collect any data from any person related to GST, without any notification.

*Note: This is for guidance and information purpose only. No contents in this document shall be construed as an advisory. Comments on individual and case specific analysis/applicability will require detailed analysis of applicable factual matrix.*