



Edition 20  
From Dec 1,2022 to Dec 31,2022



## The Scoop

Year 2022 has been the year of standing up again from the setback of Covid pandemic that has impacted businesses globally for almost 2 years. Businesses are back in action and normalcy ,

A look at GST revenue collected in 2022 shows a consistent increase. The GST collections for the last 9 months of 2022 have been above ₹1.4 lakh crore. It indicates a steady recovery trend in economy,

### INSIDE THIS ISSUE

GST Updates.....	2 to 4
Income Tax Updates.....	5 ,6
Corporate Affairs.....	7
RBI Updates.....	8.9
Other News Updates.....	10
International News.....	11
Expert Speak.....	12.13

### SPECIAL POINTS OF INTEREST

48th GST Council Meet Updates .....	Page 2
GST RECAP 2022 .....	Page12,13



## GST UPDATES



### The 48th Meeting of the GST Council

The GST Council has, inter-alia, made following recommendations:

#### TAX Rates:

Item description	Before	After
Husk of pulses, along with chilka and concentrates, chuni or churi, and khanda used as cattle feed*	5%	Nil
Ethyl alcohol that is sold to refineries to blend it with the	18%	5%
Sale of Mentha arvensis, similar to Mentha oil	No RCM	Under RCM

1.It was also decided to include supply of Mentha arvensis under reverse charge mechanism as has been done for Mentha Oil.

## GST UPDATES

2. It was decided to clarify that:

- Rab (rab-salawat) is classifiable under CTH 1702 which attracts GST at the rate of 18%.
- Fryums manufactured using the process of extrusion is specifically covered under CTH 19059030 and attract GST at the rate of 18%.
- The higher rate of compensation cess of 22% is applicable to motor vehicle fulfilling all four conditions, namely, it is popularly known as SUV, has engine capacity exceeding 1500 cc, length exceeding 4000 mm and a ground clearance of 170 mm or above
- goods falling in lower rate category of 5% under schedule I of notification No. 1/2017-CTR imported for petroleum operations will attract lower rate of 5% and the rate of 12% shall be applicable only if the general rate is more than 12%

3. **As a relief measure**, the Council decided to regularise the intervening period starting from the date of issuance of Circular (3.08.2022) in respect of GST on 'husk of pulses including chilka and concentrates including chuni/churi, khanda' on "as is basis" on account of genuine doubts.

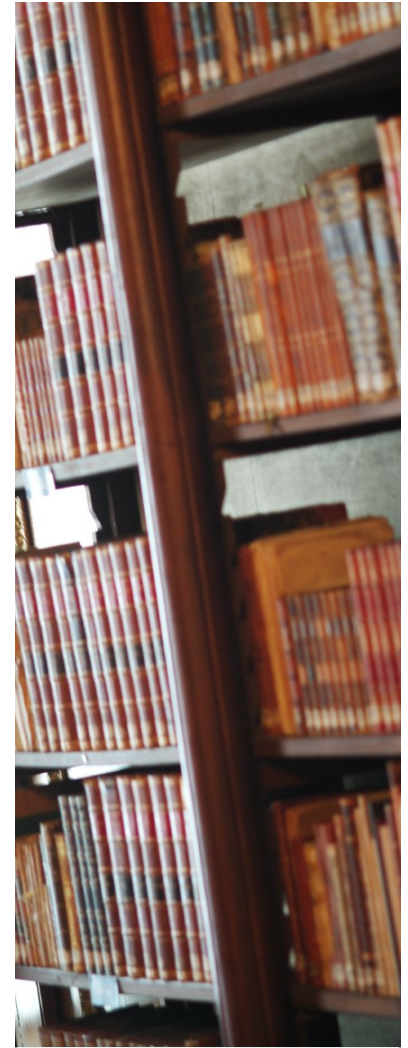
4. **No GST is payable** where the residential dwelling is rented to a registered person if it is rented in his/her personal capacity for use as his/her own residence and on his own account and not on account of his business.

5. **Incentive paid to banks** by Central Government under the scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable

### Measures for facilitation of trade :

1. **Decriminalization under GST:** The Council has recommended to -

- ◆ raise the minimum threshold of tax amount for launching prosecution under GST from Rs. One Crore to Rs. Two Crores, except for the offence of issuance of invoices without supply of goods or services or both;
- ◆ reduce the compounding amount from the present range of 50% to 150% of tax amount to the range of 25% to 100%;
- ◆ decriminalize certain offences specified under clause (g), (j) and (k) of sub-section (1) of section 132 of CGST Act, 2017, viz.-
  - obstruction or preventing any officer in discharge of his duties;
  - deliberate tempering of material evidence;
  - failure to supply the information.





## GST UPDATES

**2. Refund to unregistered persons:** There is no procedure for claim of refund of tax borne by the unregistered buyers in cases where the contract/ agreement for supply of services, like construction of flat/house and long-term insurance policy, is cancelled and the time period of issuance of credit note by the concerned supplier is over. The Council recommended amendment in CGST Rules, 2017, along with issuance of a circular, to prescribe the procedure for filing application of refund by the unregistered buyers in such cases.

**3. Facilitate e-commerce for micro enterprises:** GST Council in its 47th meeting had granted in-principle approval for allowing unregistered suppliers and composition taxpayers to make intra-state supply of goods through E-Commerce Operators (ECOs), subject to certain conditions. The Council approved the amendments in the GST Act and GST Rules, along with issuance of relevant notifications, to enable the same. Further, considering the time required for development of the requisite functionality on the portal as well as for providing sufficient time for preparedness by the ECOs, Council has recommended that the scheme may be implemented w.e.f. 01.10.2023.

4. Paras 7, 8(a) and 8(b) were inserted in Schedule III of CGST Act, 2017 with effect from 01.02.2019 to keep certain transactions/ activities, such as supplies of goods from a place outside the taxable territory to another place outside the taxable territory, high sea sales and supply of warehoused goods before their home clearance, outside the purview of GST. In order to remove the doubts and ambiguities regarding taxability of such transactions/ activities during the period 01.07.2017 to 31.01.2019, the Council has recommended to make the said paras effective from 01.07.2017. However, no refund of tax paid shall be available in cases where any tax has already been paid in respect of such transactions/ activities during the period 01.07.2017 to 31.01.2019.



## INCOME TAX UPDATES



### Partial relaxation on submission of Form 10F

With a view to mitigate genuine hardship to such taxpayers, it has been decided by the Competent Authority that such category of Non resident taxpayers who are not having PAN and not required to have PAN as per relevant provisions of the Income-tax Act, 1961 read with Income-tax Rules, 1962, are exempted from mandatory electronic filing of Form 10F till 31st March 2023. For the sake of clarity, it is reiterated that such category of taxpayers may make statutory compliance of filing Form 10F till 31st March 2023 in manual form

Read More: [https://www.incometax.gov.in/iec/foportal/sites/default/files/2022-12/Refer%20Notification\\_0.pdf](https://www.incometax.gov.in/iec/foportal/sites/default/files/2022-12/Refer%20Notification_0.pdf)



## INCOME TAX UPDATES

- ◆ All PAN holders, who do not come under the exempt category as per Notification No. 37/2017, dated 11th May, 2017 and have not linked their Aadhaar with PAN yet, are requested to do so immediately. Failure to do so will lead to the unlinked PAN becoming inoperative .
- ◆ Punjab National Bank has been migrated from OLTAS e-Payment of Taxes at Protean (previously NSDL) to e-Pay Tax facility at the e-Filing portal for payment of taxes henceforth. List of banks for tax payments available at e Payment of Taxes

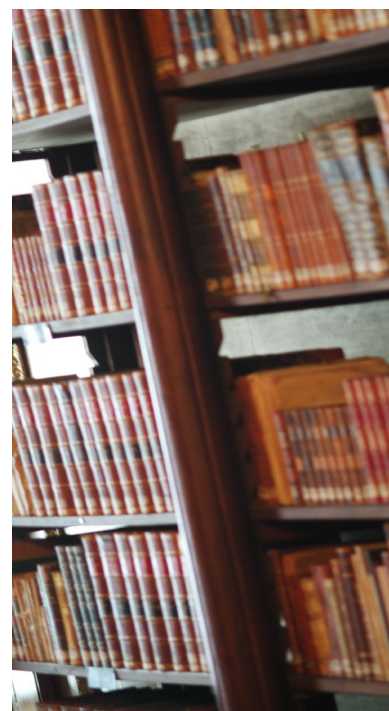
Banks available at e-Filing Portal	Banks available at Protean (previously NSDL) Portal
Axis Bank	Bank of Baroda
Bank of India	Bank of Maharashtra
Bank of Maharashtra	IDBI Bank
Canara Bank	Jammu & Kashmir Bank
Central Bank of India	Punjab and Sind Bank
Federal Bank	State Bank of India
ICICI Bank	UCO Bank
Indian Bank	Union Bank of India
Indian Overseas Bank	
Karur Vysya Bank	
Kotak Mahindra Bank	
Punjab National Bank	

Read More: <https://www.incometax.gov.in/iec/foportal/sites/default/files/2022-12/List%20of%20bank>

**Gross Direct Tax collections for the Financial Year (FY) 2022-23** register a growth of 25.90% Net Direct Tax collections for the FY 2022-23 have grown at over 19.81% Advance Tax collections for the FY 2022-23 stand at Rs. 5,21,302 crore as on 17.12.2022 which shows a growth of 12.83% Refunds aggregating to Rs. 2,27,896 crore have been issued in the current fiscal .

Read More: <https://incometaxindia.gov.in/Lists/Press%20Releases/Attachments/1123/Press-Release-Gross-DTC-for-the-FY-2022-23-register-a-growth-of-25.9-dated-18-12-2022.pdf>

## CORPORATE AFFAIRS UPDATES



**Second set of Company Forms covering 56 forms in two different lots on MCA21 V3 portal.** 10 out of 56 forms will be launched on 09th January 2023 at 12:00 AM and the remaining 46 forms on 23rd January 2023. Following forms will be rolled-out on 09th January 2023: SPICe+ PART A, SPICe+ PART B, RUN, AGILE PRO-S, INC-33, INC-34, INC-13, INC-31, INC-9 and URC-1.

To facilitate implementation of these forms in V3 MCA21 portal, stakeholders are advised to note the following points: (1) Company e-Filings on V2 portal will be disabled from 07th January 2023 12:00 AM to 08th January 2023 11:59 pm for 10 forms which are planned for roll-out on 09th January 2023. (2) Company e-Filings on V2 portal will be disabled from 07th January 2023 12:00 AM to 22nd January 2023 11:59 pm for 46 forms which are planned for roll-out on 23rd January 2023. (3) All stakeholders are advised to ensure that there are no SRNs in pending payment and Resubmission status. (4) Offline payments for the above 56 forms in V2 using Pay later option would be stopped from 28th December 2022 12:00 AM. You are requested to make payments for these forms in V2 through online mode

Read More: <https://www.mca.gov.in/content/mca/global/en/>



## Reserve Ratios

CRR: 4.50%

SLR: 18.00%

## Exchange Rate (As on Nov 28, 2022)

INR / 1 USD : 82.8346

INR / 1 GBP : 99.7213

INR / 1 EUR : 88.0040

INR / 100 JPY : 62.0000

## RBI UPDATES



### Monetary Policy Statement, 2022-23 Resolution of the Monetary Policy Committee (MPC)

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) made changes:

- ◆ Increase the policy repo rate under the liquidity adjustment facility (LAF) by 35 basis points to 6.25 per cent with immediate effect.

Consequently, the standing deposit facility (SDF) rate stands adjusted to 6.00 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 6.50 per cent.

The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

Read More:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=54818](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54818)



## RBI UPDATES

### Reserve Bank of India imposes Monetary Penalty on Mynd Solutions Private Limited

The Reserve Bank of India (RBI) has imposed a monetary penalty of ₹13,90,000 (Rupees Thirteen Lakh and Ninety Thousand only) on Mynd Solutions Private Limited (the entity) for not complying with the Guidelines on Trade Receivables Discounting System (TReDS) updated as on July 02, 2018. The penalty has been imposed in exercise of powers vested in RBI under Section 30 of the Payment and Settlement Systems Act, 2007 (PSS Act). This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the entity with its customers.

Read More : [https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=54952](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54952)

### Bandhan receives Rs 801-cr binding bid for sale of stressed assets

Bandhan Bank said it has received a Rs 801-crore binding bid from an ARC on the security receipt consideration basis for group loan and small business and agri loan (SBAL) written-off portfolio with outstanding of Rs 8,897 crore.

Read More: <https://www.financialexpress.com/industry/banking-finance/bandhan-receives-rs-801-cr-binding-bid-for-sale-of-stressed-assets/2922621/>





## RBI UPDATES

RBI releases Financial Stability Report during this month. The major pointers are :

- i. The global economy is facing formidable headwinds with recessionary risks looming large. The interplay of multiple shocks has resulted in tightened financial conditions and heightened volatility in financial markets.
- ii. The Indian economy is confronting strong global headwinds. Yet, sound macroeconomic fundamentals and healthy financial and non-financial sector balance sheets are providing strength and resilience and engendering financial system stability.
- iii. Buoyant demand for bank credit and early signs of a revival in investment cycle are benefiting from improved asset quality, return to profitability and strong capital and liquidity buffers of scheduled commercial banks (SCBs).
- iv. The gross non-performing asset (GNPA) ratio of scheduled commercial banks (SCBs) fell to a seven-year low of 5.0 per cent and net non-performing assets (NNPA) have dropped to ten-year low of 1.3 per cent in September 2022.
- v. Macro stress tests for credit risk reveal that SCBs would be able to comply with the minimum capital requirements even under severe stress scenarios. The system-level capital to risk weighted assets ratio (CRAR) in September 2023, under baseline, medium and severe stress scenarios, is projected at 14.9 per cent, 14.0 per cent and 13.1 per cent, respectively.
- vi. Stress tests for open-ended debt mutual funds showed no breach in limits pertaining to interest rate, credit and liquidity risks. Consolidated solvency ratio of both life and non-life insurance companies also remained above the prescribed minimum level.

Read More:

[https://www.rbi.org.in/ScriptsBS\\_PressReleaseDisplay.aspx?prid=54955](https://www.rbi.org.in/ScriptsBS_PressReleaseDisplay.aspx?prid=54955)



## OTHER NEWS UPDATES

- ◆ **Aviation industry Rs 11,658 cr loss in 2021-22:** According to the Civil Aviation Ministry, the details of losses incurred by the industry are: FY 2019-20 Rs 4,770 crore; FY 2020-21 Rs 12,479 crore; and FY 2021-22 Rs 11,658 crore.
- ◆ **Bikaji Share Price:** Shares of Bikaji Foods International Limited, NSE: BIKAJI, were locked in the 5 per cent upper circuit for the fifth straight session. The counter opened at Rs 446.80, up 5 per cent from previous close of Rs 425.55. The stock has gained more than 25 per cent in the past trading five sessions. Bikaji Foods shares made their market debut in November and have gained about 36 per cent since listing.
- ◆ **Adani purchase of NDTV founders' stake:** Founders Prannoy Roy and Radhika Roy sold 27.26 per cent of their equity in NDTV to Adani-controlled RRPR Holding Pvt. at Rs 342.65 (\$4.1426) per share, according to an exchange filing ,
- ◆ **Jio launches 5G in Bhopal and Indore:** Reliance Jio has rolled out its 5G services in two cities of Madhya Pradesh- Indore and Bhopal. With this, Jio becomes the first and only operator in Madhya Pradesh to launch 5G services in Indore and Bhopal. Jio users in the city of Indore and Bhopal, will be invited, to the Jio Welcome Offer, to experience unlimited data at up to 1 Gbps+ speeds with no additional cost. By January 2023, Jio will launch its Jio True 5G services in other major cities like Jabalpur, and Gwalior.
- ◆ **Mamaearth parent files for IPO:** Mamaearth's parent firm Honasa Consumer Ltd, co-founded by Shark Tank fame entrepreneur Ghazal Alagh, has filed DRHP for an IPO to raise up to about Rs 3,000 crore for existing selling shareholders and fresh issue. Honasa Consumer is the owner and operator of personal care brands such as Mamaearth, BBlunt and The Derma Co. Honasa's IPO will consist of a fresh issue of shares worth about Rs 400 crore



## INTERNATIONAL NEWS UPDATES

- ◆ **Oil price cap on Russian oil will benefit emerging markets:** The European Union reached a deal for a USD 60-per-barrel price cap on Russian oil. The Group of Seven nations and Australia joined the European Union in adopting the price cap on Russian oil, aimed at significantly reducing Moscow's income and President Putin's ability to continue to finance the war in Ukraine.
- ◆ **Japan PM Fumio Kishida approves USD 200 billion spending plan to counter inflation:** Japanese Prime Minister Fumio Kishida's government approved a hefty economic package that will include government funding of about 29 trillion yen (USD 200 billion) to soften the burden of costs from rising utility rates and food prices.
- **Russia Ukraine War Effect: IMF dims outlook for 2023 global economy :** The 190-country lending agency forecast that the global economy would eke out growth of just 2.7% next year, down from the 2.9% it had estimated in July. The IMF left unchanged its forecast for international growth this year - a modest 3.2%, a sharp deceleration from last year's 6% expansion.
- **Pound drops to 37-year low against dollar amid fears of recession in Britain :** The pound is at its lowest level against the dollar since 1985. There has been a fall of more than 1 per cent against the dollar to \$1.1351. It was last trading at \$1.1404. This reflects the concerns about the outlook for Britain.
- **European Central Bank makes largest-ever interest rate hike to snuff out record inflation:** The European Central Bank (ECB) made its largest-ever interest rate increase following the US Federal Reserve and other central banks in a global stampede of rapid rate hikes meant to snuff out record inflation that is squeezing consumers and pushing Europe toward recession.
- **Taiwanese investment in India generated employment for 65,000 people, says Taiwan's Foreign Minister Joseph Wu:** Minister of Foreign Affairs for the Republic of China (Taiwan) Joseph Wu said that it has invested around \$2.3 billion in India which has generated employment for 65,000 people. Speaking to WION's Palki Sharma, Wu said that the Taiwan government, since 2016, is looking forward to improving the friendship between the two countries — be it people-to-people relations or trade policies. In the area of healthcare, agriculture, technical and education exchanges with each other, he has seen "tremendous progress".





CA NAVISH NAGPAL  
(B.com, FCA, DISA,  
IFRS)



CA SANJAY KUMAR SINGH  
(B.com, FCA)

## RECAP 2022

### GST in 2022 : a year of changes and updates

Let us look at the major updates in GST Rules and compliance requirements in 2022

#### 1. Additional disclosure of ITC in GSTR 3B (in Jul'22)

One of the major changes in GST compliance in this year was ITC reporting in GSTR 3B. Taxpayers need to now disclose separately ITC reversal of permanent and temporary nature.

#### 2. Introduction of table 3.1.1 (in Jul'22)

In new table 3.1.1 taxpayers will be required to provide details about supplies made through E-Commerce Operators, where such ECO pays tax on a reverse charge basis.

#### 3. E-invoice applicability (in Aug'22)

As of 1st Oct 2022, e-invoicing applicability is for businesses with turnover 10 cr and above.

#### 4. Mandatory HSN reporting in GSTR 1 (in Aug'22)

Reporting of HSN on invoices as per invoicing rules and in GSTR 1 in Table 12 has been linked to the turnover of company. To make reporting and downstream analytics consistent, reporting of HSN in GSTR 1 has been made mandatory. From 1st Nov 2022, taxpayers with up to Rs 5 crore turnover would be required to report 4-digit HSN codes in their GSTR-1.

Aggregate Turnover	HSN Code Requirement on Tax Invoice
Up to 5 cr	4 digits
Beyond 5 cr	6 digits

#### 5. Streamlining the GST Returns filing process (in Sep'22)

With the objective of making filing easier for businesses and plugging GST revenue gaps, the returns are linked. Sales and tax liabilities as reported in GSTR 1 gets auto populated in GSTR 3B.

GSTR 3B for a month can be filed only if GSTR 1 for the month has been filed. GSTR 1 for any month can be filed only if GSTR 1 of its previous month has been filed.

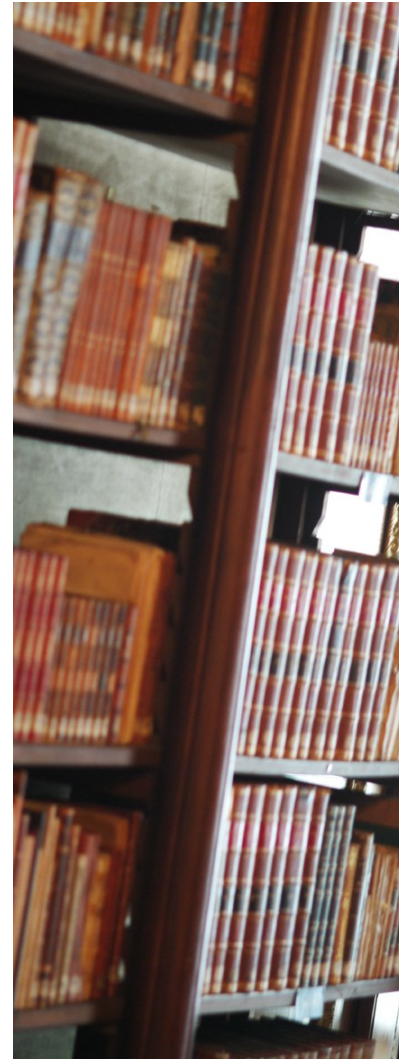
## 5. Reporting supplies through e-commerce operators

The e-commerce operator needs to obtain separate registration and file GSTR 8. Businesses supplying via e-com operator need to be registered and disclose the transactions under e-com separately. New section in GSTR 1 and GSTR 3B have been this year for reporting the same.

**Conclusion :** The average GST collection for the last 9 months of 2022 ₹1,47,576 crore. Definitely, the changes in GST forms & certain rules have raised GST collections & hence help Indian economy to remain consistent against inflation

Auto-population of tax forms has enhanced the accuracy of the data in statutory returns, removing clerical errors and fraudsters from claiming ineligible tax credits.

Mandatory e-invoicing for businesses with Rs 10 Cr & above turnover raised the number of taxpayers.





## EXPERT PANEL



CA Naveesh Nagpal

Ph: 9582289938

LinkedIn: <https://www.linkedin.com/in/naveesh-nagpal-a02b6539/>



CA Sanjay Singh

Ph: 9711205178

LinkedIn: <https://www.linkedin.com/in/sanjay-singh-12aa3122/>



CA Honey Agarwal

Ph: 9958013860

LinkedIn: <https://www.linkedin.com/in/honey-agarwal-51259a52/>

### BIBLIOGRAPHY.....

[www.financialexpress.com](http://www.financialexpress.com)

[incometaxindia.gov.in](http://incometaxindia.gov.in)

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

[www.rbi.org.in](http://www.rbi.org.in)

### Disclaimer

The views expressed are solely of the author and the content of this document is solely for information purpose and not to be constructed as a professional advice.

In cases where the reader has any legal issues, he/she must in all cases seek independent legal advice.

