

E-Invoicing limit to be reduced from Rs. 50 Crores to Rs. 20 Crores w.e.f. 1st April 2022

[Notification No. 01/2022 – Central Tax dated 24th February 2022.](#)

Through this Notification, E-Invoice under GST is made mandatory for Registered Persons (RPs) having aggregate turnover above Rs. 20 crores in any of the previous years from 2017-18 till 2021-22 w.e.f. 1st April 2022. The existing limit of Rs. 50 crores has been reduced to Rs. 20 Crores.

A RP (other than a government department, a local authority, a Special Economic Zone unit, etc.) having aggregate turnover exceeding Rs. 20 crores in any preceding financial year (FY) from 2017-18 onwards, shall mandatorily prepare invoices and other prescribed documents, in terms of Rule 48(4) of the CGST Rules, 2017 in respect of supply of goods or services or both to a RPs or for Exports.

Empowering Additional Commissioner or Joint Commissioner of Central Tax for passing an order or decision in respect of notices issued by the officers of Directorate General of Goods and Services Tax Intelligence

[Notification No.02/2022-Central Tax, Dated 11th March 2022.](#)

This Notification is issued to empower Additional Commissioners of Central Tax/ Joint Commissioners of Central Tax of some of the specified Central Tax Commissionerates, with all India Jurisdiction for the purpose of adjudication of the show cause notices issued by the officers of the Directorate General of Goods and Services Tax Intelligence (DGGSTI).

The Central Tax officers of DGGSTI shall exercise the powers only to issue show cause notices (SCN).

Clarifications are also issued on the above vide [Circular No. 169/01/2022-GST Dated 12th March 2022](#)

Increase in Rate of Tax of bricks, etc. from 2.5 % to 6 %

[Notification No. 01/2022 – Central Tax \(Rate\) dated 31st March 2022.](#)

CBIC vide this notification further amended Notification No. 01/2017 to change rate of tax from 2.5% (Central) to 6% (Central) w.e.f. 01-04-2022 of followings items (Total tax rate 12% i.e., 6% Central+6% State)-

- Fly ash bricks or fly ash aggregate with 90% or more fly ash content; Fly ash blocks;
- Bricks of fossil meals or similar siliceous earths;
- Building bricks;
- Earthen or roofing tiles

Special Composition Scheme for bricks, etc.

[Notification No. 02/2022 – Central Tax \(Rate\) Dated 31st March 2022.](#)

[Notification No. 03/2022 – Central Tax dated 31st March 2022.](#)

[Notification No. 04/2022 – Central Tax dated 31st March 2022.](#)

CBIC vide Notification No. 03/2022, further amended Notification No. 10/2019 to implement special composition scheme for Brick Kilns w.e.f 1st April 2022. The same is applicable to the following -

- Fly ash bricks or fly ash aggregate with 90% or more fly ash content; Fly ash blocks
- Bricks of fossil meals or similar siliceous earths
- Building bricks
- Earthen or roofing tiles.

The rate of tax will be @ 3% Central + 3 % State (i.e., total 6%) subject to following conditions-

- Credit of input tax charged on goods or service used exclusively in supplying such goods is not taken; and
- Credit of input tax charged on goods or service used partly for supplying such goods and partly for effecting other supplies eligible for input tax credit (ITC) is reversed as if supply of such goods is an exempt supply.

Scrutiny of GST returns for 2017-18 and 2018-19 to Commence- SOP Issued by CBIC

[Instructions No. 02/2022 dated 22nd March 2022](#)

GST was implemented from 1st July 2017 and the GST annual returns and GST Audit Reports were filed for the years 2017-18 & 2018-19. There were endless issues which everybody faced while filing the returns and submitting the data on GST portal. The department is going to start the scrutiny of the returns filed by the RPs.

Specific Standard Operating Procedure (SOP) has been issued by the Board in order to ensure uniformity in selection/ identification of returns for scrutiny, methodology of scrutiny of such returns and other related procedures. The assessee must evaluate the methodologies of scrutiny and do some exercise at their end before the department comes knocking their doors and follow the methodology.

There will be 5 step scrutiny process-

1. Selection of GSTIN

Selection of returns furnished by a RP for scrutiny will be based on robust risk parameters.

2. Scrutiny/Review of returns and data

Scrutiny of the returns and related particulars furnished by the RP to verify the correctness of the return. Information available with the proper officer in various returns and statements furnished by the RP and the data/details made available through various sources like Director General of Analytics and Risk management (DGARM), Advanced Analytics in Indirect Taxation (ADVAIT), GSTN, E-Way Bill Portal, etc. may be relied upon for this purpose

The officer shall conduct scrutiny of returns pertaining to minimum of 3 GSTINs per month. Scrutiny of returns of one GSTIN shall mean scrutiny of all returns pertaining to a financial year for which the said GSTIN has been identified for scrutiny.

There should be minimal interface between the proper officer and the RP's scrutiny of returns.

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3. Intimation of discrepancies to assessee

On completion of scrutiny, the RP will be informed the discrepancies noticed, if any, along with quantification of the amount of tax, interest and any other amount payable in relation to such discrepancy and seeking his explanation thereto.

The officer has to issue notice in form GST ASMT-10 mentioning about the discrepancies noticed and seek clarifications. While issuing such notice, the Proper Officer may, as far as possible, quantify the amount of tax, interest and any other amount payable in relation to such discrepancies.

4. Acceptance by assessee and closure

Where the RP accepts the discrepancy and pays the tax, interest and any other amount arising from such discrepancy or where the explanation furnished by the RP is found acceptable, the proceedings will be concluded after informing the RP.

The reply from the assessee has to be filed in form GST ASMT-11. After that the proceedings can be closed with issue of GST Form ASMT-12

5. Non-Acceptance, Issue of SCN etc.

Where no satisfactory explanation is furnished by the RP or where the RP after accepting the discrepancy, fails to pay the tax, interest and any other amount arising from such discrepancy then the department will initiate appropriate action including those under section 65 or section 66 or section 67, or determination of tax and other dues under section 73 or section 74 of the CGST Act.

Some of the parameters for Scrutiny of GST returns for 2017-18 and 2018-19 :

- Mapping of taxable supplies in GSTR 3B with GSTR 1.
 - Mapping of tax payment on advances as shown in Table 11B of Form GSTR-1.
 - Matching of tax payment and ITC availment on inward supplies (liable for reverse charge).
 - Where the reverse charge mechanism (RCM) supplies declared in table 3.1(d) of FORM
- GSTR-3B are less than the inward supplies attracting reverse charge as per details available in FORM GSTR-2A, it may indicate short payment of tax liability on account of RCM supplies.
 - In respect of inward supplies liable to reverse charge, tax/cess is to be paid in cash. Besides such RCM payments in cash, there may also be other payments in cash by the RP. In any case, tax liability off-set in cash should not be less than the liability arising on account of reverse charge as per table 3.1(d) of FORM GSTR-3B.
 - ITC availed in respect of "Inward supplies from input service distributor (ISD)" in Table 4(A)(4) of FORM GSTR-3B may be verified with Table 7 (along with the net effect of amendments thereof in Table 8) of FORM GSTR-2A.
 - The details of TDS and TCS under GST are furnished by the corresponding deductors and operators in their FORM GSTR-7 and FORM GSTR-8 respectively and communicated to the RP in table 9 of FORM GSTR-2A. Besides such supplies, the RP may have other supplies also. However, the taxable value declared on account of "Outward taxable supplies (other than zero rated, nil rated and exempted)" in Table 3.1(a) of FORM GSTR-3B cannot be less than the net amount liable for TCS and TDS credit as per Column 6 of Table 9 of FORM GSTR-2A. A discrepancy on the aforementioned count may indicate short payment of tax.
 - E-way bills capture a part of supplies made by the RP. However, in table 3.1 of FORM GSTR-3B, RP is required to declare details of all outward supplies. Accordingly, liability declared in Table 3.1 (a) and (b) of FORM GSTR-3B should not be less than tax liability as declared in the e-way bills.
 - Claim of ITC in respect of supplies from taxpayers whose registrations have been cancelled retrospectively.
 - Ineligible ITC availed in respect of invoices/debit notes issued by the suppliers who have not filed their GSTR-3B returns for the relevant tax period. FORM GSTR-2A of the

RP contains the details of "GSTR-3B filing status" of the supplier in respect of each invoice / debit note received by the RP. Where the said status is "No", it indicates the supplier has furnished invoice details in his FORM GSTR-1 but has not furnished the return in FORM GSTR-3B for the corresponding tax period. The availment of ITC in respect of such invoices / debit notes may be checked.

- Sub-section (4) of section 16 of CGST Act provides for availment of ITC only till the due date of furnishing of FORM GSTR-3B for the month of September following the end of FY to which such ITC pertains or furnishing of relevant Annual Return, whichever is earlier. Accordingly, if any return in FORM GSTR-3B is furnished after such time by the RP under scrutiny, any ITC availed therein is inadmissible. It may also be noted that vide proviso to sub-section (4) of section 16, for FY 2017-18, availment of ITC was allowed beyond the due date of furnishing of return for the month of September 2018 till the due date of furnishing of the return in FORM GSTR-3B for the month of March 2019.
- ITC availed in respect of "Import of goods" in Table 4(A)(1) of FORM GSTR-3B may be verified with corresponding details in Table 10 and Table 11 of FORM GSTR-2A.

Guidelines for Recovery of Tax and interest when Self Assessment Tax and interest is short paid through GSTR-3B as against outward supply shown in GSTR-1

[Instruction No. 1/2022-GST dated 7th January 2022](#)

Through this instruction, to prevent the hardship, proper guidelines are provided for recovery of tax and interest when self assessment tax is short paid through GSTR-3B as against outward supply shown in GSTR-1. When above situation arises, proper officer may send a communication to the RP to pay the amount short paid or not paid, or to explain the reasons for such short payment or non-payment of self-assessed tax, within a

reasonable time, as prescribed in the communication. If, the concerned person is able to justify the differences between GSTR-1 and GSTR-3B or is able to explain the reasons of such short-payment or non-payment of tax, to the satisfaction of the proper officer, or pays the amount such short paid or not paid, then there may not be any requirement to initiate proceedings for recovery under section 79.

However, if the said RP either fails to reply to the proper officer or fails to make the payment of such amount short paid or not paid, within the time prescribed in the communication or such further period as may be permitted by the proper officer, then the proceedings for recovery of the said amount as per provisions of section 79 may be initiated by the proper officer.

KEY TAKE AWAY

- E-invoicing limit to be reduced from Rs. 50 Crores to Rs. 20 Crores w.e.f. 1st April 2022.
- Composition Scheme for Bricks, etc.
- SOP for scrutiny of Returns filed by the Registered Person.



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