

Analysis of Changes Effective from 01-01-2022

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In the recent days, CBIC has come up with certain changes that are effective from 1st January 2022. These changes involves changes made effective in CGST Rules, 2017, changes made in rate of tax on various goods or services. Apart from these changes, the amendment made in CGST Act, 2017 through Finance Act, 2021 are also effective from 01-01-2022. Some of these changes brings the decent relaxations under GST laws and some of them provides a comprehension how the GST law could be proved to be a draconian law for the taxpayer.

These amendments can be analyzed in four parts;

PART - I	CHANGES MADE THROUGH FINANCE ACT, 2021
PART - II	CHANGES MADE IN CGST RULES, 2017
PART - III	CHANGES MADE IN RATE OF TAX
PART - IV	CHANGES MADE IN SCOPE OF E- COMMERCE OPERATORS SERVICES

Kindly find below the analysis of such amendments effective from 01-01-2022:

PART-I – CHANGES MADE THROUGH FINANCE ACT, 2021

1. Definition of Supply Amended Retrospectively: Transaction between a person (other than an individual) and its members for consideration to be treated as a supply

Insertion of clause (aa) after clause (a) under Section 7(1) of CGST Act, 2017 which is made effective retrospectively from 01-07-2017:

7(1)(aa) - the activities or transactions, by a person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration.

Explanation. - For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another”.

CGA Analysis:

This amendment aims to put a deeming fiction effective from 1st July 2017 within the law providing that the person (other than an individual) and its members should mandatorily be treated as two separate persons. Also, the activities or transactions carried out between such person and the members for consideration should mandatorily be treated as a supply leviable to tax under GST.

There had been an area of dispute regarding the taxability of transactions carried out between the members and the association of persons / partnership firms / joint ventures. This was particularly after the Hon'ble Supreme Court judgment in the case of State of West Bengal & Ors. Versus Calcutta Club Limited [2019 (10) TMI 160 - Supreme Court]. It was held that the club / association and its members are not distinct persons and that there would be no leviability of service tax on any services provided by the club to its persons following the concept of mutuality.

Therefore, it was imperative to amend the CGST Act, 2017 so as to safeguard the levy of GST on supplies by an association or body of persons (whether incorporated or not) to its members. It is proposed that amendment to the CGST Act, 2017 as being proposed may be carried out to prevent litigation on this count.

2. Omission of entry of supply of goods by unincorporated association in light of the new insertion in the definition of supply

Omission of the following Paragraph 7 under Schedule II of CGST Act, 2017 which is made effective retrospectively from 01-07-2017:

~~The following shall be treated as supply of goods, namely:—~~

~~Supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration.~~

CGA Analysis:

Reference the retrospective insertion of Section 7(1)(aa) of the CGST Act 2017 as discussed above, the above entry providing for supply of goods only by any unincorporated association or body of persons loses its significance. This entry gets automatically covered within the main definition as per Section 7(1)(aa) of the CGST Act 2017. Thereby, this entry has been omitted from Schedule II of the CGST Act 2017.

3. Appearance of transaction in GSTR-2A – a Mandatory condition for availment of ITC

Insertion of the following clause (aa) after clause (a) under Section 16(2) of CGST Act, 2017:

16(2)(aa) - *the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37.*

CGA Analysis:

Section 16 of the CGST Act provides for conditions and restrictions subject to which the input tax credit shall be credited to the electronic credit ledger. It would be logical to complete this linkage of outward supplies declared by the supplier with the tax liability, by also limiting the credit availed in Form GSTR 3B to that reflected in GSTR 2A of the recipient.

Further, the department officials were consistently issuing notices to the taxpayers for the differences between the input tax credit availed in GSTR-3B and the input tax credit reflecting in GSTR-2A and was asking for reversal of the input tax credit not covered in GSTR-2A.

However, the taxpayers had challenged such actions of the department on the basis that these actions lacks statutory powers under the GST statute. Through this amendment, it has been expressly provided in the Act itself that the input tax credit must be reflected in GSTR-2A for the

availability of input tax credit by the recipient. This will put to rest all the claims where taxpayers were claiming credit of invoices not reflecting in GSTR-2A basis various judgements. Earlier, the taxpayers could claim 20% over and above Matched ITC. This percentage has been systematically reduced from 10% to 5%. Now it is reduced to zero.

4. Interest on net tax liability made applicable retrospectively

Substituted the proviso to Sub-section (1) to Section 50 of CGST Act, 2017 as mentioned below:

Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.

CGA Analysis:

Interest due to late furnishing of GSTR-3B was made applicable on the net tax liability i.e. on the amount paid from the electronic cash ledger only through the Finance Act 2020. However, this provision was given a prospective effect with effect from 1st September 2020. Now this relaxation has been given a retrospective effect from 1st July 2017 i.e. from the advent of GST.

Now, since the relevant amendment has been made in the GST Act itself, it has given the relief to the taxpayer and all the related controversies have been put to rest.

5. Detention and Seizure or confiscation to be a separate proceeding from the Demand / Recovery provisions

Amendment to the explanation 1 in Clause (ii) to Section 74 of CGST Act, 2017 as mentioned below:

Provision before Amendment

Explanation 1. — For the purposes of section 73 and this section, —

(i) the expression all proceedings in respect of the said notice shall not include proceedings under section 132;

*(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under section 73 or section 74, the proceedings against all the persons liable to pay penalty under **sections 122, 125, 129 and 130** are deemed to be concluded.*

Amended Provision

Explanation 1 - For the purposes of section 73 and this section,

(i) the expression all proceedings in respect of the said notice shall not include proceedings under section 132;

*(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under section 73 or section 74, the proceedings against all the persons liable to pay penalty under **sections 122 and 125** are deemed to be concluded.*

CGA Analysis:

With effect from 01-01-2022, the proceedings of the detention, seizure and confiscation of goods and conveyances in transit are made separate from the demand and recovery proceedings under Section 73 and 74 of the CGST Act 2017.

8. Direct recovery without SCN upon furnishing of details in GSTR-1 without tax payment in GSTR-3B

Insertion of the following explanation to Sub-section 12 of Section 75 of CGST Act, 2017:

Explanation: For the purposes of this sub-section, the expression "self-assessed tax" shall include the tax payable in respect of details of outward supplies furnished under section 37, but not included in the return furnished under section 39.

CGA Analysis:

It has been observed that for several GSTINs, the GSTR-1 details are considerably larger than the details furnished under GSTR-3B. Furthermore, a lot of cases have been noticed where GSTR 1 has been filed without filing the corresponding GSTR-3B.

Till now, Section 75(12) provides that where any self-assessed tax remains unpaid, the same can be directly recovered without any issuance of show cause notice. Self-assessment provides for taxes declared in GSTR-3B as per Section 39. Thereby, only taxes declared in GSTR-3B but remaining unpaid through it (practical impossibility) could form the scope of this section 75(12).

Now, it has been provided that if a supplier only uploads details of outward supplies in GSTR-1 without including such supplies in GSTR-3B, then the Government can directly opt for recovery of taxes under Section 79 without issuance of any show cause notice u/s 73 or 74.

9. Provisional Attachment is now valid from initiation of proceedings

Substituted Sub-Section 1 of Section 83 of CGST Act, 2017 as mentioned below:

Provision before amendment

83(1) - Where during the pendency of any proceedings under section 62 or section 63 or section 64 or section 67 or section 73 or section 74, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue, it is necessary so to do, he may, by order in writing attach provisionally any property, including bank account, belonging to the taxable person in such manner as may be prescribed.

Amended Provision

83(1): Where, after the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue it is necessary so to do, he may, by order in writing, attach provisionally, any property, including bank account, belonging to the taxable person or any person specified in sub-section (1A) of section 122, in such manner as may be prescribed.

CGA Analysis:

Earlier only upon **pendency** of certain proceedings of assessment, inspection, search and seizure and demand / recovery, the power of provisional attachment of property could be exercised.

Now, Section 83 has been modified to allow provisional attachment of property wherever any proceedings of assessment, inspection, search and seizure and demand / recovery have been **initiated**. Such provisional attachment will remain valid from such initiation of proceedings till the expiry of one year from the date of order.

Thus, in place of specified sections, entire Chapters have been prescribed to enlarge the scope of proceedings under which provisional attachment of property can be made. Thus, while earlier the provisions listed were more of those undertaken to check tax evasions (inspection, search, seizure, adjudication of SCN), the amended provision provides for such coercive measure in case of regular proceedings in case of regular taxpayers like scrutiny of returns, assessment of non filers, access to business premises etc. Thus, this may find misapplication in certain cases also.

Also, the provisions of provisional attachment of the property have been extended to include those persons who are the beneficiaries or at whose instance the fake invoicing transactions are carried out as provided under Section 122(1A) of the CGST Act 2017.

10. Filing of appeal against detention order upon payment of 25% penalty

Insertion of the following proviso to sub-section 6 of Section 107 of CGST Act, 2017:

107(6): Provided that no appeal shall be filed against an order under sub-section (3) of section 129, unless a sum equal to twenty-five percent of the penalty has been paid by the appellant.

CGA Analysis:

With effect from this amendment, no appeal shall be filed against an order made under Sec 129(3), unless a sum equal to 25% of penalty has been paid by the appellant. Before this amendment, a person can file an appeal against a detention order passed u/s 129(3) of the CGST Act 2017 only upon payment of 10% of the tax in dispute.

11. Amendments made in Section 129 of CGST Act

- **Payment of only increased penalty for release of goods on account of Detention and Seizure**

Substituted Section 129(1)(a) & (b) and 129(4) of the CGST Act, 2017 as mentioned below:

Provision before amendment

129(1)(a) - on payment of the applicable tax and penalty equal to one hundred per cent of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to two percent of the value of

goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty;

129(1)(b) - on payment of the applicable tax and penalty equal to the fifty percent of the value of the goods reduced by the tax amount paid thereon and, in case of exempted goods, on payment of an amount equal to five percent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such tax and penalty;

129(4) - No tax, interest or penalty shall be determined under sub-section (3) without giving the person concerned an opportunity of being heard.

Amended Provision

129(1)(a) - on payment of penalty equal to two hundred percent of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to two percent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such penalty;

129(1)(b) - on payment of penalty equal to fifty percent of the value of the goods or two hundred percent of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount equal to five percent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such penalty

129(4) - No penalty shall be determined under sub-section (3) without giving the person concerned an opportunity of being heard.

Upon detention and seizure of goods and conveyance u/s 129, one had to pay the tax along with 100% penalty to get the goods released. After this amendment, the 200% penalty needs to be paid to secure release of goods. Earlier one could have paid tax through available ITC balance and penalty in cash. Now post the amendment, all payment needs to be made through debiting electronic cash ledger only.

However, the penalty amount under this provision has been modified for non-exempted goods as follows:

Condition	Earlier	Amended
Where owner comes forward for payment of penalty	Tax Payable along with 100% of the tax as penalty	200% of the tax payable as penalty
Where owner does not come forward for penalty payment	Tax Payable along with 50% of the value of goods as penalty less tax paid	Higher of: a) 50% of the value of goods b) 200% of the tax payable

- **Time limit provided for issuance of notice and order u/s 129**

Substituted Section 129(3) of the CGST Act, 2017 as mentioned below:

Provision before amendment

129(3) - *The proper officer detaining or seizing goods or conveyances shall issue a notice specifying the tax and penalty payable and thereafter, pass an order for payment of tax and penalty under clause (a) or clause (b) or clause (c).*

Amended Provision

129(3) - *The proper officer detaining or seizing goods or conveyance shall issue a notice within seven days of such detention or seizure, specifying the penalty payable, and thereafter, pass an order within a period of seven days from the date of service of such notice, for payment of penalty under clause (a) or clause (b) of sub-section (1).*

The law now prescribes a time limit for issuance of notice and passing the order of detention or seizure. The time limit for issuance of notice has been provided as 7 days of such detention or seizure and that of order is 7 days from the date of such notice.

- **Delinking of Section 67(6) from Section 129 of CGST Act**

Omitted Section 129(2) of the CGST Act, 2017 as mentioned below:

Omitted Provision

129(2) - *The provisions of sub-section (6) of section 67 shall, mutatis mutandis, apply for detention and seizure of goods and conveyances.*

With effect from 01-01-2022, the provisions of Section 67(6) for release of goods on provisional basis upon execution of bond and security as per the specified manner and quantum has been delinked with Section 129 of CGST Act.

- **Sell or dispose of goods upon non-payment of penalty for detention**

Omitted Section 129(6) of the CGST Act, 2017 as mentioned:

Provision before amendment

129(6) - Where the person transporting any goods or the owner of the goods fails to pay the amount of tax and penalty as provided in sub-section (1) within [fourteen days] of such detention or seizure, further proceedings shall be initiated in accordance with the provisions of section 130:

Provided that where the detained or seized goods are perishable or hazardous in nature or are likely to depreciate in value with passage of time, the said period of [fourteen days] may be reduced by the proper officer.

Amended Provision

129(6) - Where the person transporting any goods or the owner of such goods fails to pay the amount of penalty under sub-section (1) within fifteen days from the date of receipt of the copy of the order passed under sub-section (3), the goods or conveyance so detained or seized shall be liable to be sold or disposed of otherwise, in such manner and within such time as may be prescribed, to recover the penalty payable under sub-section (3):

Provided that the conveyance shall be released on payment by the transporter of penalty under sub-section (3) or one lakh rupees, whichever is less:

Provided further that where the detained or seized goods are perishable or hazardous in nature or are likely to depreciate in value with passage of time, the said period of fifteen days may be reduced by the proper officer.

Earlier non-payment of tax and penalty within 14 days of detention and seizure u/s 129 led to introduction of confiscation proceedings u/s 130.

However, with effect from this amendment, now upon non-payment of penalty within 15 days (or less for perishable/hazardous goods) of receipt of order copy of detention, the detained goods or conveyance can directly sold or disposed of in the prescribed time and manner. Further, the transporter has been given an option to get his conveyance released upon payment of applicable penalty or Rs. 1 lakh whichever is less.

12. Delinking of Detention and Confiscation proceedings

Amended Section 130 of the CGST Act, 2017 as mentioned below:

Amended Provision

130(1) - *Where any person –*

- i. supplies or receives any goods in contravention of any of the provisions of this Act or the rules made thereunder with intent to evade payment of tax; or*
- ii. does not account for any goods on which he is liable to pay tax under this Act; or*
- iii. supplies any goods liable to tax under this Act without having applied for registration; or*
- iv. contravenes any of the provisions of this Act or the rules made thereunder with intent to evade payment of tax; or*
- v. uses any conveyance as a means of transport for carriage of goods in contravention of the provisions of this Act or the rules made thereunder unless the owner of the conveyance proves that it was so used without the knowledge or connivance of the owner himself, his agent, if any, and the person in charge of the conveyance, then, all such goods or conveyances shall be liable to confiscation and the person shall be liable to penalty under section 122.*

Second proviso to Section 130(2) - Provided further that the aggregate of such fine and penalty leviable shall not be less than the **penalty equal to hundred percent of the tax payable on such goods.**

~~130(3) - Where any fine in lieu of confiscation of goods or conveyance is imposed under sub-section (2), the owner of such goods or conveyance or the person referred to in sub-section (1), shall, in addition, be liable to any tax, penalty and charges payable in respect of such goods or conveyance.~~

CGA Analysis:

With effect from this amendment, firstly, the confiscation provision no longer overrides any other provision of the Act.

Also, the minimum aggregate fine and penalty for confiscation was provided to be the penalty for detention under Section 129. This has now been modified to provide the amount to be equivalent to 100% of the tax payable on such goods.

Also, the requirement to pay fine in addition to the tax, penalty and charges payable in respect of the goods has been omitted.

13. Empowerment of Commissioner to call for information

Substituted Section 151 of the CGST Act, 2017 as mentioned below:

Provision before amendment

151(1) - *The Commissioner may, if he considers that it is necessary so to do, by notification, direct that statistics may be collected relating to any matter dealt with by or in connection with this Act.*

151(2) - *Upon such notification being issued, the Commissioner, or any person authorised by him in this behalf, may call upon the concerned persons to furnish such information or returns, in such form and manner as may be prescribed, relating to any matter in respect of which statistics is to be collected.*

Amended Provision

151 - *The Commissioner or an officer authorised by him may, by an order, direct any person to furnish information relating to any matter dealt with in connection with this Act, within such time, in such form, and in such manner, as may be specified therein.*

CGA Analysis:

With effect from this amendment Jurisdictional Commissioner is empowered to call for information from any person relating to any matter dealt with in connection with the Act. This amendment enlarges the scope of power provided to Jurisdictional Commissioner.

14. Providing of opportunity of being heard before using the called for information in any proceedings

Amendment in Section 152 of the CGST Act, 2017 as mentioned below:

152(1) - *No information ~~of any individual return or part thereof~~ with respect to any matter given for the purposes of section 150 or section 151 shall, without the previous consent in writing of the concerned person or his authorized representative, be published in such manner so as to enable such particulars to be identified*

as referring to a particular person and no such information shall be used for the purpose of any proceedings under this Act ***without giving an opportunity of being heard to the person concerned.***

~~152(2) Except for the purposes of prosecution under this Act or any other Act for the time being in force, no person who is not engaged in the collection of statistics under this Act or compilation or computerization thereof for the purposes of this Act, shall be permitted to see or have access to any information or any individual return referred to in section 151.~~

CGA Analysis:

With effect from this amendment, no information obtained under sections 150 and 151 shall be used for the purposes of any proceedings under the Act without giving an opportunity of being heard to the person concerned.

15. Power under Section 151 to call for information transferred from the Board to the Jurisdictional Commissioner

Amendment in Section 168(2) of the CGST Act, 2017 as mentioned below:

168(2) - *The Commissioner specified in clause (91) of section 2, sub-section (3) of section 5, clause (b) of sub-section (9) of section 25, sub-sections (3) and (4) of section 35, sub-section (1) of section 37, sub-section (2) of section 38, sub-section (6) of section 39, ~~sub-section (1) of section 44~~, sub-sections (4) and (5) of section 52, sub-section (1) of section 143, except the second proviso thereof], ~~sub-section (1) of section 151~~, clause (l) of sub-section (3) of section 158 and section 167 shall mean a Commissioner or Joint Secretary posted in the Board and such Commissioner or Joint Secretary shall exercise the powers specified in the said sections with the approval of the Board.*

CGA Analysis:

Section 168(2) of the CGST Act 2017 provides for the powers which can only be exercised by the Commissioner or Joint Secretary posted in the Board. This has been amended to enable the jurisdictional Commissioner (and not the Board) to exercise powers under section 151 to call for information.

16. Amendment made to Section 16 of IGST Act

- **Supply to SEZ for authorized operations only to be treated as a zero rated supply**

Amendment in 16(1)(b) of the IGST Act, 2017, as mentioned below:

Provision before amendment

16(1)(b) - supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit

Amended Provision

*16(1)(b) - supply of goods or services or both **for authorised operations** to a Special Economic Zone developer or a Special Economic Zone unit*

Earlier, all supplies made to SEZ unit were covered under the definition of Zero Rated Supply. However, Rule 89(1) of the CGST Rules, 2017 provided that refund would be allowed to be claimed by a supplier only when such supplies have been admitted for authorized operations. The department in its circular use to take reference of this rule to conclude that a supply to SEZ would be zero rated only when it is admitted for authorized operations. This conclusion however did not have any statutory backing. Thus, the aforesaid amendment was carried out to include only supply on account of authorized operations as zero rated supplies.

- **Time limit for realization of Foreign Exchange in case of Exports**

Amendment in Section 16(3) of the IGST Act, 2017, as mentioned below:

Provision before amendment

16(3) - A registered person making zero rated supply shall be eligible to claim refund under either of the following options, namely:—

(a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit; or

(b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder.

Amended Provision

16(3) - A registered person making zero rated supply shall be eligible to claim refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder, subject to such conditions, safeguards and procedure as may be prescribed:

Provided that the registered person making zero rated supply of goods shall, in case of non-realisation of sale proceeds, be liable to deposit the refund so received under this sub-section along with the applicable interest under section 50 of the Central Goods and Services Tax Act within thirty days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 for receipt of foreign exchange remittances, in such manner as may be prescribed.

Rule 96B provides for recovery of refund in case of non-realization of sale proceeds in case of export of goods. Till now, there was no empowering provision for this rule under the Act. Now, the Act itself provides that the registered person making zero rated supplies in case of non-realization of sale proceeds within the specified time is liable to deposit the refund received along with interest. The time limit provided is 30 days after the expiry of time limit prescribed under the FEMA Act 1999 for receipt of foreign exchange remittances.

• **Export with payment of tax to be allowed to notified persons or notified goods /services only**

Inserted sub-section (4) to Section 16 of the IGST Act, 2017, as mentioned below:

16(4) - The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify—

- a. a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid;*
- b. a class of goods or services which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid*

With effect from this amendment, now, the taxpayers cannot opt for zero rated supplies on payment of integrated tax. Instead, zero rated supplies without payment of integrated tax is the default mechanism.

Only notified class of person can claim refund of IGST paid on zero rated supplies. In addition, supplier of notified goods or services can claim refund of IGST paid on zero rated supplies.

PART-II – CHANGES MADE IN CGST RULES, 2017

1. Linking of PAN with the Bank Account and Aadhaar Number

Amendment to Rule 10A of CGST Rules to provide that a registered person shall furnish information with respect to details of bank account which is in name of the registered person and obtained on Permanent Account Number of the registered person within forty five days from the date of grant of registration or the date on which the return required under section 39 is due to be furnished, whichever is earlier.

In case of a proprietorship concern, the Permanent Account Number of the proprietor shall also be linked with the Aadhaar number of the proprietor.

2. Mandatory Aadhaar Authentication for certain purposes

A registered person shall be mandatorily required to undergo Aadhaar Authentication for the following purposes:

- For filing of application for revocation of cancellation of registration;
- For filing of refund application in FORM RFD-01 under rule 89;
- For refund under rule 96 of the integrated tax paid on goods exported out of India.

Further, if Aadhaar number has not been assigned to the person required to undergo authentication of the Aadhaar number, such person shall furnish her/his Aadhaar Enrolment ID slip along with following identification documents provided such person shall undergo the authentication of Aadhaar number within a period of thirty days of the allotment of the Aadhaar number:

- Bank passbook with photograph;

- Voter identity card issued by the Election Commission of India;
- Passport
- Driving License

3. Consequential amendment in Rule 23 for mandatory Aadhaar Authentication for applying for revocation of cancellation of registration

A registered person may submit an application for revocation of cancellation of registration if the said person has undergone with the Aadhaar Authentication.

4. Consequential amendment in Rule 89 and Rule 96 for mandatory Aadhaar Authentication for application of refund

- A registered person may submit an application for refund of any tax, interest, penalty, fees or any other amount paid by him if the said person has undergone with the Aadhaar Authentication.
- A registered person may submit an application for refund of integrated tax paid on goods or services exported out of India if the said person has undergone with the Aadhaar Authentication.

PART-III – CHANGES MADE IN RATE OF TAX

1. Change in rate of tax on Job Work of Textile products

HSN	Description	Old Rate	New Rate
9988	Job Work by way of Dyeing and Printing of Textile and Textile Products for registered principal (i.e. Dyeing and Printing, Digital Printing, Foil Printing, Yarn Dyeing, etc)	5%	12%

2. Change in rate of tax on Textile and Footwear products

HSN	Description	Old Rate	New Rate
5007	Woven fabrics of silk or of silk waste	5%	12%
5111	Woven fabrics of carded wool or of carded fine animal hair.	5%	12%
5112	Woven fabrics of combed wool or of combed fine animal hair.	5%	12%
5113	Woven fabrics of coarse animal hair or of horsehair.	5%	12%
5208	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not more than 200g/m ² .	5%	12%
5209	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing more than 200g/m ²	5%	12%
5210	Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing not more than 200g/m ² .	5%	12%
5211	Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200g/m ² .	5%	12%
5212	Other woven fabrics of cotton	5%	12%
5309	Woven fabrics of flax.	5%	12%
5310	Woven fabrics of jute or of other textile bast fibres of heading 5303.	5%	12%
5311	Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn	5%	12%
5401	Sewing thread of manmade filaments, whether or not put	12%	12%

	up for retail sale		
5402	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex.	12%/18 %	12%
5403	Artificial filament yarn (other than sewing thread), not put up for retail sale, including artificial monofilament of less than 67 decitex.	12%/18 %	12%
5404	Synthetic monofilament of 67 decitex or more and of which no cross-sectional dimension exceeds 1 mm; strip and the like (for example, artificial straw) of synthetic textile materials of an apparent width not exceeding 5 mm.	12%/18 %	12%
5405	Artificial monofilament of 67 decitex or more and of which no cross-sectional dimension exceeds 1 mm; strip and the like (for example, artificial straw) of artificial textile materials of an apparent width not exceeding 5 mm.	12%/18 %	12%
5406	Man-made filament yarn (other than sewing thread), put up for retail sale.	12%/18 %	12%
5407	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404.	5%	12%
5408	Woven fabrics of artificial filament yarn, including woven fabrics obtained from materials of heading 5405	5%	12%
5501	Synthetic filament tow	18%	12%
5502	Artificial filament tow	18%	12%

5503	Synthetic staple fibres, not carded, combed or otherwise processed for spinning.	18%	12%
5504	Artificial staple fibres, not carded, combed or otherwise processed for spinning	18%	12%
5505	Waste (including noils, yarn waste and garnetted stock) of man-made fibres	18%	12%
5506	Synthetic staple fibres, carded, combed or otherwise processed for spinning.	18%	12%
5507	Artificial staple fibres, carded, combed or otherwise processed for spinning	18%	12%
5508	Sewing thread of man-made staple fibres, whether or not put up for retail sale	12%	12%
5509	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale	12%	12%
5510	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale	12%	12%
5511	Yarn (other than sewing thread) of man-made staple fibres, put up for retail sale	12%	12%
5512	Woven fabrics of synthetic staple fibres, containing 85% or more by weight of synthetic staple Fibres.	5%	12%
5513	Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170 g/m ² .	5%	12%
5514	Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170 g/m ²	5%	12%
5515	Other woven fabrics of synthetic staple fibres	5%	12%

5516	Woven fabrics of artificial staple fibres	5%	12%
5601	Wadding of textile materials and articles thereof; such as Absorbent cotton wool [except cigarette filter rods]	12%	12%
5602	Felt, whether or not impregnated, coated, covered or laminated	12%	12%
5603	Nonwovens, whether or not impregnated, coated, covered or laminated	12%	12%
5604	Rubber thread and cord, textile covered; textile yarn, and strip and the like of heading 5404 or 5405, impregnated, coated, covered or sheathed with rubber or plastics	12%	12%
5605	Metallised yarn, whether or not gimped, being textile yarn, or strip or the like of heading 5404 or 5405, combined with metal in the form of thread, strip or powder or covered with metal	12%	12%
5606	Gimped yarn, and strip and the like of heading 5404 or 5405, gimped (other than those of heading 5605 and gimped horsehair yarn); chenille yarn (including flock chenille yarn); loop wale-yarn	12%	12%
5607	Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics [other than jute twine, coir cordage or ropes]	12%	12%
5608	Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials	5%	12%
5801	Woven pile fabrics and chenille fabrics, other than	5%	12%

	fabrics of heading 5802 or 5806		
5806	Narrow woven fabrics, other than goods of heading 5807; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolduc)	5%	12%
5807	Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered	12%	12%
5808	Saree fall	5%	12%
5808	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles (other than saree fall)	12%	12%
5809	Woven fabrics of metal thread and woven fabrics of metallised yarn of heading 5605, of a kind used in apparel, as furnishing fabrics or for similar purposes, not elsewhere specified or included.	12%	12%
5809, 5810	Embroidery or zari articles, that is to say, - imi, zari, kasab, salma, dabka, chumki, gota, sitara, naqsi, kora, glass beads, badla, gizai	5%	12%
5810	Embroidery in the piece, in strips or in motifs	12%	12%
5911	Textile products and articles, for technical uses, specified in Note 7 to Chapter 59; such as Textile fabrics, felt and felt-lined woven fabrics, coated, covered or laminated with rubber, leather or other material, of a kind used for card clothing, and similar fabrics of a kind used for other technical purposes, including narrow fabrics made of velvet impregnated with rubber, for covering weaving spindles (weaving	12%	12%

	beams); Bolting cloth, whether or Not made up; Felt for cotton textile industries, woven; Woven textiles felt, whether or not impregnated or coated, of a kind commonly used in other machines, Cotton fabrics and articles used in machinery and plant, Jute fabrics and articles used in machinery or plant, Textile fabrics of metalised yarn of a kind commonly used in paper making or other machinery, Straining cloth of a kind used in oil presses or the like, including that of human hair, Paper maker's felt, woven, Gaskets, washers, polishing discs and other machinery parts of textile articles		
6001	Pile fabrics, including —long pile fabrics and terry fabrics, knitted or crocheted	5%	12%
6002	Knitted or crocheted fabrics of a width not exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 6001	5%	12%
6003	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 6001 or 6002	5%	12%
6004	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 6001	5%	12%
6005	Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 6001 to 6004.	5%	12%
6006	Other knitted or crocheted fabrics	5%	12%
61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value not exceeding Rs. 1000	5%	12%

	per piece		
61	Articles of apparel and clothing accessories, knitted or crocheted.	12%	12%
62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value not exceeding Rs. 1000 per piece	5%	12%
62	Articles of apparel and clothing accessories, not knitted or crocheted.	12%	12%
6301	Blankets and travelling rugs exceeding Rs. 1000 per piece	12%	12%
6301	Blankets and travelling rugs.	5%	12%
6302	Bed linen, table linen, toilet linen and kitchen linen exceeding Rs. 1000 per piece	12%	12%
6302	Bed linen, table linen, toilet linen and kitchen linen not exceeding Rs. 1000 per piece	5%	12%
6303	Curtains (including drapes) and interior blinds; curtain or bed valances exceeding Rs. 1000 per piece	12%	12%
6303	Curtains (including drapes) and interior blinds; curtain or bed valances not exceeding Rs. 1000 per piece	5%	12%
6304	Other furnishing articles, excluding those of heading 9404 exceeding Rs. 1000 per piece	12%	12%
6304	Other furnishing articles, excluding those of heading 9404 not exceeding Rs. 1000 per piece	5%	12%
6305	Sacks and bags, of a kind used for the packing of goods exceeding Rs. 1000 per piece	12%	12%
6305	Sacks and bags, of a kind used for the packing of goods not exceeding Rs. 1000 per piece	5%	12%

6306	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods exceeding Rs. 1000 per piece	12%	12%
6306	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods not exceeding Rs. 1000 per piece	5%	12%
6307	Other made up articles, including dress patterns exceeding Rs. 1000 per piece	12%	12%
6307	Other made up articles, including dress patterns not exceeding Rs. 1000 per piece	5%	12%
6308	Sets, consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale exceeding Rs. 1000 per piece	12%	12%
6308	Sets, consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale not exceeding Rs. 1000 per piece	5%	12%
6309	Worn clothing and other worn articles; rags	5%	12%
6310	Used or new rags, scrap, twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials exceeding Rs. 1000 per piece	12%	12%
6310	Used or new rags, scrap, twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials not exceeding Rs.	5%	12%

	1000 per piece		
64	Footwear of Sale Value of not exceeding Rs. 1000/- per pair	5%	12%

**PART-IV – CHANGES MADE IN SCOPE OF E-COMMERCE
OPERATORS SERVICES**

1. Enhancement of the scope of e-commerce services under Section 9(5) of CGST Act

Vide Notification 17/2021-Central Tax (Rate) dated 18.11.2021 as amended vide Notification 17/2017-Central Tax (Rate) dated 28.06.2017, on the following services tax shall be paid by the electronic commerce operator:

- Services by way of transportation of passengers by motor cycle, omnibus or any other motor vehicle;
- Services of supply of restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises.

DISCLAIMER:

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