



# GST UPDATES

## Important GST clarification and updates for the month of July

1. Furnishing of information regarding inter-State supplies made to unregistered persons, composition taxable persons and UIN holders (Circular No.170/02/2022-GST; dated July 6, 2022):

The department has noted that number of registered persons are not reporting the correct details of inter-State supplies made to unregistered persons, to registered person paying tax under section 10 of the CGST Act (composition taxable persons) and to UIN holders, as required to be declared in Table 3.2 of FORM GSTR-3B.

Consequently, the department has recommended to fill Table 3.2 as well, failure to furnish may otherwise attract penalty upto INR 50,000 under the general clause of Section 125.

2. Furnishing of information regarding ITC availed, reversal thereof and ineligible ITC in Table 4 of GSTR-3B (Circular No.170/02/2022-GST; dated July 6, 2022):

The registered person is required to identify ineligible ITC as well as the reversal of ITC to arrive at the Net ITC available, which is to be credited to the ECL (Electronic Credit Ledger). Below is a summary of clarifications given for reporting various categories of Input:

Table No. under GSTR3B	Input type
4A	Auto-populated from statement in FORM GSTR-2B
4 (B) (1)	Reversal of ITC on account of: <ol style="list-style-type: none"><li>1. Rule 38 (reversal of credit by a banking company or a financial institution)</li><li>2. Rule 42 (reversal on input and input services on account of supply of exempted goods or services),</li><li>3. Rule 43 (reversal on capital goods on account of supply of exempted goods or services) of the CGST Rules and;</li><li>4. Ineligible ITC under section 17(5) of the CGST Act. <b>No further details of such ineligible ITC will be required to be provided in Table 4(D)(1)</b></li></ol>
4 (B) (2)	<ol style="list-style-type: none"><li>1. Reversal of ITC, which are not permanent in nature and can be reclaimed in future subject to fulfilment of specific conditions, like:<ul style="list-style-type: none"><li>• Rule 37 of CGST Rules (non-payment of consideration to supplier within 180 days)</li><li>• Section 16(2)(b) i.e. Goods in possession and section 16(2)(c) i.e. tax payment to the Govt</li></ul></li><li>2. Reversal of any ITC availed in Table 4(A) in previous tax periods because of some inadvertent mistake.</li></ol>
4(A)(5) & 4(D)(1)	Credit reclaimed on account of fulfillment of condition as mentioned in above Row. Table 4(D)(1) shall be renamed as "ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period".
4(D)(2)	ITC not available, on account of limitation of time period as delineated in sub-section (4) of section 16 of the CGST Act i.e. thirtieth day of November following the end of financial year or where the recipient of an intra-State supply is located in a different State / UT than that of place of supply.  Such details are available in Table 4 of FORM GSTR-2B

<p><i>The reversal of ITC of ineligible credit under section 17(5) or any other provisions of the CGST Act and rules thereunder is required to be made under Table 4(B) and not under Table 4(D) of FORM GSTR-3B.</i></p>
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**3. Declaration to be made as per Rule 46 while issuing Invoice to recipient (Notification No. 14/2022 -Central Tax; dated July 5, 2022):**

Following declaration is to be made by the supplier where although he is required to generate E-Invoice as per Rule 48 (4), but E-invoicing is not applicable on a particular Invoice like Invoicing to B2C recipient, Exempt Supplies:

*//We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule.*

**4. The facility to make GST liability payment via following 2 payment methods has been enabled on GST portal (Notification No. 14/2022 -Central Tax; dated July 5, 2022):**

- a. Unified Payment Interface (UPI) from any bank; and
- b. Immediate Payment Services (IMPS) from any bank

**5. Transfer of Cash in Electronic Cash Ledger within the same PAN now allowed via FORM GST PMT-09 (Notification No. 14/2022 -Central Tax; dated July 5, 2022):**

Now, the registered taxpayer can now transfer the amount lying in his Electronic Cash Ledger to a distinct person i.e. the other registration taken on same PAN by while filing FORM GST PMT-09.

**6. Manner of calculating interest on delayed payment of tax (Rule 88B - Notification No. 14/2022 -Central Tax; dated July 5, 2022):**

- a. the interest on tax payable in respect of such supplies shall be calculated on the portion of tax which is paid by debiting the electronic cash ledger, for the period of delay in filing the said return beyond the due date,
- b. In case of ITC wrongly availed - the interest shall be calculated on the amount of input tax credit wrongly availed and utilized, for the period starting from the date of utilization of such wrongly availed input tax credit till the date of reversal of such credit or payment of tax in respect of such amount.

*for more clarification and understanding on the GST updates/queries  
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