

Weekly Publication of



**Cotton
Association
of India**

COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

2022-23 • No. 19 • 9th August, 2022 Published every Tuesday

Cotton Exchange Building, 2nd Floor, Cotton Green, Mumbai - 400 033
Telephone: 8657442944/45/46/47/48 Email: cai@caionline.in
www.caionline.in

Amendment Under GST Act, Law and Return Filing

Shri. Ronak Sandip Jain is a Partner in Jain Advocates, Ahmedabad. He is a practicing advocate of indirect taxes upto the appellate level in Gujarat as well as other states of India. He has been on various committees of the Gujarat sales tax bar association: Member of Law Committee (2015-2016), Member of Website Committee (2015-2016) and Member of EDP

EXPERT'S Column



Shri. Ronak Jain
Partner, Jain Advocates

representation and Website Committee (2016-2017 and 2019-2020).

He is an accredited GST trainer from the National Academy of Customs, Excise & Narcotics, Faridabad. He has delivered lectures on GST at various trade forums, professional associations and also at departmental outreach programmes. He has also participated in various GST discussions in the print and electronic media.

Detailed checklist for preparing the data for the Form GSTR-3B from your accounting software in view of latest amendments made in the rules by GST Council

Form GSTR-3B [See rule 61(5)]		
Year	(WRITE YEAR HERE)	GSTR 3B DETAILED FORMAT WITH EXPLANATION
Month	(WRITE MONTH HERE)	
1. GSTIN	(WRITE GSTIN HERE)	
2. Legal name of the registered person	Auto Populated	

3.1 Details of Outward supplies and inward supplies liable to reverse charge (other than those covered in 3.1.1)						
Nature of Supplies	Total taxable value	IGST	CGST	SGST	CESS	REMARKS
1	2	3	4	5	6	
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)	0.00	0.00	0.00	0.00	0.00	Value of taxable supplies means Value of invoice + Value of debit notes -Value of credit notes +Value of advances received for which invoices have not been issued in the same month - Value of advances adjusted against invoices details of advances as well as adjustment of advances against invoices
(b) Outward taxable supplies (zero rated)	0.00	0.00	0.00	0.00	0.00	Zero Rated supplies means (i).Exports (ii) Supplies made to SEZ units or Developers which includes both with & without payment
(c) Other outward supplies (nil rated, exempted)	0.00	0.00	0.00	0.00	0.00	EXEMPTED from GST or Nil Rated supplies for which the GST rate is NIL i.e. Salt, Fresh milk, Food Products by packed goods (excluding pre-packed or Pre-Labelled in terms of Legal Metrology Act).
(d) Inward supplies (liable to reverse charge)	0.00	0.00	0.00	0.00	0.00	Details of purchases made by un-registered dealers on which RCM is applicable
(e) Non-GST outward supplies	0.00	0.00	0.00	0.00	0.00	Details of any supplies made such kept wholly out of GST i.e. Alcohol and Petroleum Products etc.

3.1.1 Details of supplies notified under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 and corresponding provisions in Integrated Goods and Services Tax/Union Territory Goods and Services Tax/State Goods and Services Tax Acts.

Nature of Supplies	Total taxable value	IGST	CGST	SGST	CESS	REMARKS
1	2	3	4	5	6	NEWLY INSERTED COLUMN FOR THE E-COMMERCE OPERATOR
(i) Taxable supplies on which electronic commerce operator pays tax under sub-section (5) of section 9 [to be furnished by the electronic commerce operator]	0.00	0.00	0.00	0.00	0.00	Electronic Commerce Operator (ECO) shall furnish the details of such taxable supplies on which tax is to be paid the under Sub-section (5) of Section 9 of CGST Act,2017
(ii) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax under sub-section (5) of section 9 [to be furnished by the registered person making supplies through electronic commerce operator].	0.00	0.00	0.00	0.00	0.00	Taxable person will be liable to pay GST on supplies made through it on behalf of the E-commerce operator

3.2 Out of supplies made in 3.1 (a) and 3.1.1(i) above, details of inter-state supplies made				
	Place of Supply	Total taxable value	Amount IGST	REMARKS
1	2	3	4	Table 3.2 is One part of the Table 3
Supplies made to Unregistered Persons				Supplies made to unregistered persons which includes Value of invoice + Value of debit notes - Value of credit notes
Supplies made to Composition Taxable Persons				Supplies made to compositions persons which includes Value of invoice + Value of debit notes - Value of credit notes
Supplies made to UIN holders				Supplies made to UIN persons which includes Value of invoice + Value of debit notes -Value of credit notes

4. Eligible ITC					
Details	IGST	CGST	SGST	CESS	REMARKS
1	2	3	4	5	
A. ITC Available (whether in full or part)					TAKE ALL ITC AS SHOWN IN THE GSTR 2B
(1) Import of goods	0.00	0.00	0.00	0.00	Tax credit of IGST paid on import of goods
(2) Import of services	0.00	0.00	0.00	0.00	Tax credit of IGST paid on import of services
(3) Inward supplies liable to reverse charge (other than 1 & 2)	0.00	0.00	0.00	0.00	GST paid on inward supplies, which are liable for a reverse charge as, sponsorship services, and purchase from the unregistered dealer (URD) etc. other than import of goods or services.
(4) Inward supplies from ISD	0.00	0.00	0.00	0.00	GST paid on inward supplies from the ISD
(5) All other ITC	0.00	0.00	0.00	0.00	GST paid on anything else from the above mention details on which ITC is allow for the business. (The Rule 17(5) talks about the ineligible ITC)
B. ITC Reversed					Reversal of GST credit
(1) As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17	0.00	0.00	0.00	0.00	Report ITC:- those absolute in Nature ans are not reclaimable: 1. Rule 38 - Reversal by Bank or Financial institutions 2. Rule 42 - reversal on input nad input services on account of supply of exempted goods or services 3. Rule 43 - Reversal on Capital Goods on account of supply of exempted goods or services 4. in eligible u/s 17(5)

(2) Others	0.00	0.00	0.00	0.00	Report ITC: - Reversal not permanent in nature and can be reclaimed: 1. Rule 37- Not Payment of Consideration to Supplier within 180 Days 2. Section 169(2)(b) - Goods Services not received 3. Section 169(2)(c) - the tax charged in respect of such supply has been actually paid to the Government
C. Net ITC available (A-B)	0.00	0.00	0.00	0.00	Net ITC = All ITC taken in table 4(A) - All ITC reversed in table 4(B)

Details	IGST	CGST	SGST	CESS	REMARKS
1	2	3	4	5	
D. Ineligible ITC (Negative list)					Bifurcation on the GST credit reclaim (NEWLY INSERTED)
Others	0.00	0.00	0.00	0.00	1. Report ITC u/s 16(4) - When ITC not reported within 6 months from end of FY or Filing of Annual Return whichever is earlier. 2. Recipient of an intra-state supply s located in a different state/UT that of place of supply.

5 Values of exempt, nil-rated and non-GST inward supplies

Nature of Supplies	Inter-State supplies	Inter-State supplies	IN THE TABLE 5 NIL RATED / EXEMPTED PURCHASE DATA IS TO BE FILLED
1	2	3	
From a supplier under composition scheme, Exempt, Nil rated supply	0.00	0.00	Inward supplies from composition dealer, exempted items, NIL rated items includes both within the state & outside the state.
Non GST supply	0.00	0.00	Non GST Supplies such as alcoholic liquor for human consumption and five specified petroleum product such as petrol, diesel, crude petrol, aviation turbine fuel and natural gas

Mandatory mentioning of HSN Code in GSTR 1 as specified below:

Sr. No.	Aggregate Turnover	Digits of HSN Code
1.	Less than or equal to Rs. 5 Crore	4
2.	More than Rs. 5 Crore	6
3.	In case of Export of Goods/Service	8

Fake Invoicing - Concept

Fake Invoicing', 'Hawala Invoice', or 'Paper trade' refers to the situation where a registered person issues invoices for the supply of goods or rendering of services or both without actually supplying such goods or services.

Generally, a fake invoice passes through a chain of fake invoice generators before it lands in the lap of a recipient of goods or services who is actually involved in making outward supply. Though there might be

various reasons for availing fake invoicing one dominant reason could be the availment of the undue ITC to reduce outward tax liability.

Demand and Penalty provisions in respect of Fake Invoicing Transactions

Case	Action	Comment
Mr. A issued tax invoice to Mr. B without any underlying supply. Demand and penalty provisions applicable to Mr. A?	Penalty under section 122(1)(ii) for issuance of fake invoice would be applicable as: ♦ Rs. 10,000 or, ♦ Amount of tax evaded whichever is higher	As there is no supply, no SCN can be issued by the department u/s 73 or 74 of CGST Act.
Mr. B receives a tax invoice from Mr. A without any underlying supply. Mr. B issues a tax invoice against an underlying supply to its customer. Mr. B utilizes the ITC Availed based on the fake invoice. Demand and penalty provisions applicable to Mr. B?	Proceedings would be initiated for recovery of incorrect ITC under Section 74 of CGST Act along with consequential interest and penalty (penalty =100% of demand of incorrect ITC)	No separate penal proceedings under Section 122, as SCN for incorrect ITC and penalty has already been issued by the department.
Mr. B receives a tax invoice from Mr. A without any underlying supply. Mr. B issues tax invoice without any underlying supply to Mr. C. Demand and penalty provisions applicable to Mr. B?	Penalty under section 122(1)(ii) & (vii) for both i.e. for issuing invoices without any actual supply of goods or services and also for taking/ utilizing input tax credit without actual receipt of goods and/or services would be applicable as: ♦ Rs. 10,000 or, ♦ Amount equivalent to tax evaded/ ITC availed whichever is higher	As there is no supply, no SCN can be issued by the department u/s 73 or 74 of CGST Act.

Quantum of tax Evaded or input Tax Credit (ITC) availed or Utilized	Punishable with
Exceeds beyond Rs.5 Cr.	Imprisonment for a term which may extend to 5 years and with fine.
Exceeds Rs.2 Cr but does not exceed Rs.5 Cr.	Imprisonment for a term which may extend to 3 years and with fine.
Exceeds Rs.1 Cr but does not Rs.5 Cr.	Imprisonment for a term which may extended to 3 years and with fine.
Commit or raise the commission of any of the offenses mentioned above.	Imprisonment up to 6 months or with fine or with both.

Interest to be levied on ITC availed and utilized

❖ Retrospective effect from 01.07.2017 to provide that interest @18% p.a. shall be levied on *ITC wrongly availed and utilized*.

❖ In other words, Interest shall not be levied merely on availment of wrong ITC. Interest shall be levied only if such wrongly availed ITC is utilized for discharging output GST liability.

❖ Rule 88B of CGST Rules for laying down following mechanism for calculating interest under various provisions of GST law:

Scenario	Amount on which interest is payable	Interest to be calculated at 18% p.a.	
		From period	To period
Supplies made during a tax period are declared in return of the said tax period and the said return is furnished after the prescribed due date. [Except when such returns is furnished after initiation of proceedings u/s 73 or 74 of CGST Act]	Tax paid by debiting electronic cash ledger	Due date of filing the return	Date of filing the return

In all other cases	Total amount of tax paid [Whether by debiting electronic credit ledger or electric cash ledger]	Date on which such tax was due to be paid	Date of payment of such tax
Interest on ITC wrongly availed and utilized	ITC wrongly availed and utilized [no interest payable on unutilized portion of ITC which was wrongly / erroneously availed]	Date of utilization of ITC	Date of reversal of such ITC / date of payment of such ITC

Declaration to be furnished on the TAX INVOICE issued by a registered person where he is not required to issue 'E-INVOICE' even though his aggregate turnover exceeds the notified limit

"I/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."

GST applicability on renting services of residential dwelling w.e.f. 18.07.2022:

The dynamics of renting residential property under GST has changed from 18th July 2022. Renting an immovable property is considered a supply of service and it attracts GST @ 18% (SAC Code - 9963/9972).

Applicability of GST on residential property up to 17th July 2022

- ❖ GST was not applicable if the residential property was rented out to any person (whether a registered or unregistered person under GST) up to 17th July 2022.
- ❖ Liability to pay GST did not arise as it was specifically exempted.

Applicability of GST on residential property w.e.f. 18th July 2022

- ❖ GST will be applicable if the residential property is rented out to a registered person under GST w.e.f. 18th July 2022 (i.e GST applicable if your Tenant is registered under GST).
- ❖ Liability to pay GST @ 18% under the reverse-charge mechanism will arise on the recipient(Tenant).

(GST will NOT be applicable/exempted if the residential property is rented out to an unregistered person under GST w.e.f. 18th July 2022)

Impact On Landlord Of Residential Property [If The Tenant Is Registered Under Gst]

If the supplier (landlord/lessor) is registered under GST, then it will be shown as outward supplies liable to be taxed under the reverse charge mechanism. Liability to pay GST is on the recipient (tenant/lessee) hence no additional GST liability on Landlord. As per section 17(2), there arises no question of availing of the input tax credit as the outward supply is liable to be taxed under RCM.

Impact On Tenant Of Residential Property [If The Tenant Is Registered Under GST]

When a tenant is registered under GST and takes a residential property on rent from any person (registered or unregistered person) GST will be applicable under RCM. Liability to pay GST @ 18% will be of the recipient (Tenant/lessee) of service. The recipient will also be able to claim the ITC (Input Tax Credit) of the GST paid under reverse charge as the payment of rent will be a business expenditure and the same is not included in the list of blocked ITC u/s 17(5).

Impact On Landlord If He Is Not Registered Under GST

Liability to pay GST is on the recipient (Tenant) hence no additional GST liability or any compliance under GST.

Scenario 1: When a Company, LLP, Firm, AOP, BOI, etc. takes a residential dwelling for the purpose of residence on rent for employees it will be considered as an item of business expenditure. GST will be paid under RCM and the ITC of the GST paid under reverse charge can be claimed.

Scenario 2: When a Composition Dealer who is registered under GST takes a residential dwelling for the purpose of residence on rent then it will be considered as an item of business expenditure. GST will be paid under RCM but the ITC of the GST paid under reverse charge cannot be claimed as per section 10(4) by a composition dealer.

Scenario 3: When an Individual who is registered under GST as a Proprietorship Firm takes a residential dwelling for the purpose of residence on rent for himself/herself/family then it will be considered as an item of personal expenditure and not the business expenditure of a proprietorship concern. GST will be paid under RCM but the ITC of the GST paid under reverse charge cannot be claimed as it is blocked per section 17(1).

It is advisable for Individuals to NOT take residential property on rent in the name of the business (Proprietorship Firm) to avoid GST liability.

Scenario 4: When a residential dwelling is taken by a registered person on rent for commercial purpose it will be treated at par with the commercial unit. If the landlord is unregistered then GST shall not be levied and paid by either the landlord or the tenant. If the landlord is registered GST will be charged on forward charge basis and the recipient can take the ITC of the same.

Update on Cotton Acreage (As on 28.07.2022)

(Area in Lakh Ha)

Sr. No.	State	Normal Area (DES)*	Normal Area as on Date (2017-2021)	Area Covered (SDA)					
				2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Andhra Pradesh	6.00	3.278	3.760	3.120	4.235	2.300	3.230	3.506
2	Telangana	19.26	18.165	18.023	20.053	21.707	15.877	16.390	16.800
3	Gujarat	25.18	22.826	24.495	21.772	22.164	22.504	21.843	25.846
4	Haryana	6.81	6.844	6.505	6.880	7.370	6.760	6.650	6.560
5	Karnataka	6.82	3.868	6.591	5.068	4.688	2.673	3.060	3.850
6	Madhya Pradesh	6.11	5.835	5.860	5.980	6.225	6.000	5.240	5.730
7	Maharashtra	42.81	39.039	41.213	38.123	41.188	40.631	36.783	38.470
8	Odisha	1.56	1.544	1.984	1.804	1.656	1.520	1.310	1.431
9	Punjab	2.69	2.876	2.480	2.541	3.000	3.000	2.840	3.000
10	Rajasthan	6.50	5.808	6.452	5.967	6.737	6.360	4.961	5.017
11	Tamil Nadu	1.48	0.034	0.031	0.012	0.050	0.036	0.037	0.034
12	Others	0.35	0.263	0.260	0.371	0.216	0.271	0.172	0.286
All India		125.57	110.380	117.654	111.691	119.236	107.932	102.516	110.530

* Directorate of Economics & Statistics, Ministry of Agriculture and Farmers Welfare, Krishi Bhavan, New Delhi
Source : Directorate of Cotton Development, Nagpur

UPCOUNTRY SPOT RATES (Rs./Qtl)													
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [By law 66 (A) (a) (4)]								Spot Rate (Upcountry) 2021-22 Crop August 2022					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	1st	2nd	3rd	4th	5th	6th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	17153 (61000)	17153 (61000)	17013 (60500)	17013 (60500)	17153 (61000)	17294 (61500)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	17350 (61700)	17350 (61700)	17209 (61200)	17209 (61200)	17350 (61700)	17491 (62200)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	15607 (55500)	15888 (56500)	16028 (57000)	16028 (57000)	16310 (58000)	16450 (58500)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	4.5%	21	16872 (60000)	16956 (60300)	16956 (60300)	16956 (60300)	17238 (61300)	17519 (62300)
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	18840 (67000)	18925 (67300)	18925 (67300)	18925 (67300)	19065 (67800)	19206 (68300)
6	P/H/R (U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	23396 (83200)	23396 (83200)	23536 (83700)	23818 (84700)	24099 (85700)	24380 (86700)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	19543 (69500)	19543 (69500)	19543 (69500)	19684 (70000)	19825 (70500)	19965 (71000)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	23621 (84000)	23621 (84000)	23761 (84500)	24043 (85500)	24324 (86500)	24605 (87500)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	19825 (70500)	19825 (70500)	19825 (70500)	19965 (71000)	20106 (71500)	20246 (72000)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	21512 (76500)	21512 (76500)	21512 (76500)	21652 (77000)	21793 (77500)	21934 (78000)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	24661 (87700)	24661 (87700)	24802 (88200)	25083 (89200)	25364 (90200)	25645 (91200)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	24605 (87500)	24746 (88000)	24746 (88000)	25027 (89000)	25308 (90000)	25589 (91000)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	24661 (87700)	24802 (88200)	24802 (88200)	25083 (89200)	25364 (90200)	25645 (91200)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	24605 (87500)	24746 (88000)	24746 (88000)	24886 (88500)	25167 (89500)	25308 (90000)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	24183 (86000)	24183 (86000)	24183 (86000)	24183 (86000)	24464 (87000)	24746 (88000)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	25449 (90500)	25589 (91000)	25589 (91000)	25870 (92000)	26152 (93000)	26433 (94000)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	25505 (90700)	25645 (91200)	25645 (91200)	25927 (92200)	26208 (93200)	26489 (94200)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	25589 (91000)	25730 (91500)	25730 (91500)	25870 (92000)	26011 (92500)	26152 (93000)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	26011 (92500)	26152 (93000)	26152 (93000)	26433 (94000)	26714 (95000)	26995 (96000)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	26152 (93000)	26292 (93500)	26292 (93500)	26573 (94500)	26855 (95500)	27136 (96500)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	26573 (94500)	26714 (95000)	26714 (95000)	26995 (96000)	27276 (97000)	27558 (98000)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	26714 (95000)	26855 (95500)	26855 (95500)	27136 (96500)	27417 (97500)	27698 (98500)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	26855 (95500)	26855 (95500)	26855 (95500)	26855 (95500)	26714 (95000)	26292 (93500)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	27698 (98500)	27698 (98500)	27698 (98500)	27698 (98500)	27417 (97500)	26995 (96000)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	27698 (98500)	27698 (98500)	27558 (98000)	27558 (98000)	27417 (97500)	26995 (96000)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	28542 (101500)	28542 (101500)	28401 (101000)	28401 (101000)	28120 (100000)	27698 (98500)

(Note: Figures in bracket indicate prices in Rs./Candy)