

Significant Notifications and Circulars issued in GST and Customs from 16th July 2023 to 15th Aug 2023

GST

Notifications

1) Extension of due date of Forms GSTR-1, GSTR-3B and GSTR-7 for the State of Manipur

The due date of filing following forms for the month of April, May and June 2023 has been extended to 31st July, 2023 for registered persons, whose principal place of business is in the State of Manipur:

S.	Forms	Extended Due Date
1.	GSTR-1 (Statement of outward supplies)	31 st July, 2023
2.	GSTR-3B (Monthly return & Quarterly return for the quarter ending June 2023)	31 st July, 2023
3.	GSTR-7 (Return by a registered person required to deduct tax at source under section 51)	31 st July, 2023

[Notification No. 18/2023 – CT dated 17.07.2023, Notification No. 19/2023 – CT dated 17.07.2023, Notification No. 20/2023 – CT dated 17.07.2023, Notification No. 21/2023 – CT dated 17.07.2023](#)

2) Extension of due date of filing Forms GSTR-4, GSTR-9 & GSTR-10 of earlier periods at reduced/waived late fees

The date upto which the Forms GSTR-4, GSTR-9 & GSTR-10 of earlier periods can be filed at reduced/waived late fees has been extended from 30.06.2023 to 31.08.2023. Details of reduced late fees are as follows:

Default	Reduced late fee	Condition
Non-filing of Form GSTR-4 (Return for composition supplier) for quarters falling between the period	Rs. 500 [Rs. 250 each for CGST &	

July 2017 to March 2019 or the financial years from 2019-20 to 2021-22, by the due date	SGST] OR Nil, if no GST is payable	Return is filed between the period 01.04.2023 and 31.08.2023
Non-filing of Form GSTR-9 (Annual Return) for financial years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, by the due date	Total late fee restricted to Rs. 20,000 [Rs. 10,000 each for CGST & SGST]	
Non filing of Form GSTR-10 (Final Return) by the due date	Rs. 1,000 [Rs. 500 each for CGST & SGST]	

[Notification No. 22/2023 – CT dated 17.07.2023, Notification No. 25/2023 – CT dated 17.07.2023, Notification No. 26/2023 – CT dated 17.07.2023](#)

3) Extension of time limit for applying for revocation of cancellation of registration

The following registered persons, who have failed to apply for revocation of cancellation of their registration within a period of 30 days or such extended period as prescribed in section 30, have been allowed to apply for the same up to 31st August, 2023, as under:

Registered person	Conditions
Composition taxpayer, whose registration has been cancelled on or before 31.12.2022 due to non-furnishing of return for a financial year beyond three months from the due date of furnishing the said return.	1. Application for revocation of cancellation of registration to be made after furnishing of returns due up to the effective date of cancellation of registration and payment of due tax, interest, penalty and late fee in respect of such returns. 2. No further extension shall be provided for filing application of revocation of cancellation of registration in such cases.
Regular taxpayer filing monthly returns, whose registration has been cancelled due to non-furnishing of return for 6 months.	
Regular taxpayer filing quarterly returns, whose registration has been cancelled on or before 31.12.2022 due to non-furnishing of return for 2 tax periods .	

Here, the person who has failed to apply for revocation of cancellation of registration within the time period specified in section 30 shall include a person whose appeal against the order of cancellation of registration or the order rejecting the application for revocation of cancellation of registration under section 107 of CGST Act has been rejected on the ground of failure to adhere to the time limit specified under section 30(1) of the Act. Hence, such persons can also apply for revocation of cancellation of registration up to 31st August, 2023.

[Notification No. 23/2023 – CT dated 17.07.2023](#)

4) Deemed withdrawal of assessment orders issued under section 62 of the CGST Act (Assessment of non-filers of returns)

The assessment order under section 62(1) of the CGST Act issued on or before 28.02.2023 in respect of the registered person who has failed to furnish a valid return within a period of 30 days of the service of such assessment order shall be deemed to be withdrawn, if such registered person furnishes the said return on or before 31.08.2023 along with interest due under section 50(1) and late fee payable under section 47.

The above benefit shall be available irrespective of whether or not an appeal has been filed against such assessment order under section 107 or whether or not the appeal, if any, filed against the said assessment order been decided.

[Notification No. 24/2023-CT dt. 17.07.2023](#)

5) Amendment in the option to be exercised by the GTAs to pay GST under forward charge

Notification No. 11/2017-CT(R) dt. 28.06.2017 and *Notification No. 13/2017-CT(R) dt. 28.06.2017* have been amended as under:

- Goods Transport Agencies (GTAs) shall not be required to file Annexure V of *Notification No. 11/2017-CT(R) dt. 28.06.2017* for opting to pay GST under forward charge every year. Such option can be exercised by GTAs during the period from 1st January to 31st March of the preceding financial year as against the earlier due date of 15th March of the preceding financial year. Amendments have been made in Annexure V to this effect.
- If a GTA has exercised the option to pay tax under forward charge for a particular financial year, it shall be deemed that the option has been exercised for the next and future financial years also unless the GTA files a declaration in Annexure VI that it wants to revert to the reverse charge mechanism during 1st January to 31st March of the preceding financial year. Annexure VI titled as “*Form for exercising option by a Goods Transport Agency intending to revert under reverse charge mechanism to be filed before the commencement of any financial year to be*

submitted before the jurisdictional GST Authority” has been inserted in Notification No. 11/2017-CT(R) dt. 28.06.2017 for this purpose.

- Consequential changes have been made in Annexure III to *Notification No. 13/2017-CT(R) dt. 28.06.2017*.
- The above amendments have become effective from 27.7.2023.

[*Notification No. 08/2023- CT\(R\) dt. 26.07.2023*](#)

[*Notification No. 06/2023-CT\(R\) dt. 26.07.2023*](#)

6) Amendment in exemption *Notification No. 12/2017-CT(R) dt. 28.06.2023*

Hitherto, satellite launch services were exempted only when the same were provided by ISRO, Antrix Corporation limited and New Space India Limited (NSIL). With effect from 27th July, 2023, the said exemption has now been extended to all entities providing satellite launch services.

[*Notification No. 07/2023- CT\(R\) dt. 26.07.2023*](#)

7) Amendments in *Notification No. 11/2017-CT (R) dt. 28.06.2017*

- Hitherto, services by way of fumigation in a warehouse of agricultural produce were meant to be support services to agriculture, forestry, fishing, animal husbandry which were liable to nil rate of tax. With effect from 27th July, 2023, the said service is no more treated as support services to agriculture, forestry, fishing, animal husbandry.
- In construction services, (S. No. 3) in column (3), in item (ie), following explanation has been inserted, namely:-

“Explanation. –This item refers to sub-items of the item (iv), (v) and (vi), against serial number 3 of the Table as they existed in the notification prior to their omission vide notification No. 03/2022-Central Tax (Rate) dated the 13th July, 2022.”

[*Notification No. 06/2023-CT\(R\) dt. 26.07.2023*](#)

8) Rate changes with respect to goods

With effect from 27.7.2023, GST rate on following goods has been reduced to 5% (CGST + SGST):

- Un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion (from 18%)
- Fish soluble paste (from 18%)

- Linz-Donawitz (LD) Slag (from 18%)
- Imitation zari thread or yarn known by any name in trade parlance (from 12%)

[Notification No. 09/2023-CT\(R\) dt. 26.07.2023](#)

9) Amendment in Notification No. 26/2018- CT(R) dt. 31.12.2018 to give effect to the implementation of Foreign Trade Policy, 2023

Notification No. 26/2018- CT(R) dt. 31.12.2018 which seeks to exempt central tax on supply of gold, silver and platinum by nominated agencies to registered persons, has been amended to substitute the reference of Foreign Trade Policy, 2015-2020 with the recently implemented Foreign Trade Policy, 2023 and make other necessary consequential amendments.

[Notification No.10/2023-CT\(R\) dt.26.07.2023](#)

10) Applicability of *ad-valorem* rate as against retail sale price for the levy of Compensation Cess on certain products

The earlier *ad-valorem* rate as was applicable on 31st March, 2023 has been notified where it is not legally required to declare retail sale price for the levy of Compensation Cess on pan masala and certain tobacco products.

It has been clarified that the words “declared retail sale price”, with respect to the above goods, shall mean the retail sale price of such goods which are required to be declared in compliance with the provisions of the Legal Metrology Act, 2009 or the rules made there under or under any other law for the time being in force.

[Notification No. 3/2023-Compensation Cess \(Rate\) dt. 26.07.2023](#)

11) Amendment in entry 52B relating to motor vehicles of compensation cess notification-Notification No. 1 /2017 – Compensation Cess (Rate) dt. 28.06.2017

Entry no. 52B of Notification No. 1 /2017 – Compensation Cess (Rate) dt. 28.06.2017 has been substituted to include all utility vehicles, by whatever name called including Sports Utility Vehicles (SUV), Multi Utility Vehicles (MUV), Multi-purpose vehicles (MPV) or Cross-Over Utility Vehicles (XUV) which satisfy the following parameters:

- Length: exceeding 4000 mm
- Engine Capacity: exceeding 1500cc
- Ground clearance: 170mm and above

Here, ground clearance shall mean ground clearance in unladen condition.

[Notification No. 3/2023-Compensation Cess \(Rate\) dt. 26.07.2023](#)

12) Amendments made in the CGST Act, 2017 & IGST Act, 2017 vide the Finance Acts, notified

A. The amendments made vide Finance Act, 2023 in the following sections of the CGST Act, 2017 will become effective from **1st October, 2023:**

- Section 10 (Composition Levy)
- Section 16 (Eligibility and conditions for taking input tax credit)
- Section 17 (Apportionment of credit and blocked credits)
- Section 23 (Person not liable for registration)
- Section 30 (Revocation of cancellation of registration)
- Section 37 (Furnishing details of outward supplies)
- Section 39 (Furnishing of returns)
- Section 44 (Annual return)
- Section 52 (Collection of tax at source)
- Section 54 (Refund of tax)
- Section 56 (Interest on delayed refunds)
- Section 62 (Assessment of non-filers of returns)
- Section 122 (Penalty for certain offences)
- Section 132 (Punishment for certain offences)
- Section 138 (Compounding of offences)
- Section 158A (Consent based sharing of information furnished by taxable person)
- Retrospective exemption to certain activities and transactions in Schedule III to the CGST Act, 2017

B. The amendments made vide Finance Act, 2023 in the following sections of the CGST Act, 2017 have become effective from **1st August, 2023:**

- Section 109 (Constitution of Appellate Tribunal and Benches thereof)
- Section 110 (President and Members of Appellate Tribunal, their qualification, appointment, conditions of service, etc.)
- Section 114 (Financial and administrative powers of President)
- Section 117 (Appeal to High Court)
- Section 118 (Appeal to Supreme Court)
- Section 119 (Sums due to be paid notwithstanding appeal, etc.)

C. The amendments made vide Finance Act, 2023 in the following sections of the IGST Act, 2017 will become effective from **1st October, 2023:**

- Section 2(16) (Definition of Non-taxable online recipient)
- Section 2(17) (Online information and database access or retrieval services)
- Section 12 (Place of supply of services where location of supplier and recipient is in India)
- Section 13 (Place of supply of services where location of supplier or recipient is outside India)

D. The amendment made vide the **Finance Act, 2021** in section 16 of the IGST Act, 2017 relating to zero rated supply will become effective from **1st October, 2023**.

[Notification No. 28/2023 CT dt. 31.07.2023](#) and [Notification No. 27/2023- CT dt. 31.07.2023](#)

13) Procedure for filing an appeal against the order passed pursuant to the directions of the Hon'ble Supreme Court in the case of Union of India v/s Filco Trade Centre Pvt. Ltd., SLP(C) No.32709-32710/2018.

An appeal against the order passed by the proper officer under section 73 or 74 of the said Act in accordance with *Circular No. 182/14/2022-GST, dated 10th November, 2022* pursuant to the directions of the Hon'ble Supreme Court in the case of *Union of India v/s Filco Trade Centre Pvt. Ltd., SLP(C) No.32709-32710/2018* shall be made as follows:

- An appeal shall be presented manually in duplicate before the Appellate Authority in Annexure-1 as specified in the notification within the time specified under section 107(1) and 107(2) of the CGST Act, 2017 from the date of issuance of notification or the date of said order, whichever is later.
- An appellant is not required to deposit any amount as a precondition for filing an appeal.
- The appeal needs to be accompanied by relevant documents duly signed by the person specified in Rule 26(2) of the CGST Rules, 2017 including a self-certified copy of the order.
- If the appeal fulfils all the requirements, an acknowledgement, indicating the appeal number, shall be issued manually in FORM GST APL-02 by the Appellate Authority or an officer authorised by him in this behalf. An appeal shall be treated as filed only when the aforesaid acknowledgement is issued.
- The Appellate Authority shall, along with its order, issue a summary of the order in the Form appended to this notification as Annexure-2.

[Notification No. 29/2023 CT dt. 31.07.2023](#)

14) Special procedure to be followed by a registered person engaged in manufacturing of pan masala and tobacco products

A special procedure has been prescribed for furnishing of specified details for registered persons engaged in the manufacture of pan masala and certain other tobacco products.

[Notification No. 30/2023 CT dt. 31.07.2023](#)

15) Applicability of biometric based Aadhaar authentication extended to Puducherry

Notification No. 27/2022-CT dt. 26.12.2022 lays down that that the provisions of rule 8(4A) of CGST Rules, 2017 shall not apply in all the States and Union territories except the State of Gujarat thereby, implying that biometric based Aadhaar authentication and taking of photograph for completion of registration application shall be applicable only in Gujarat. The applicability of this notification has now been extended to Puducherry.

[Notification No. 31/2023-CT dt. 31.07.2023](#)

16) Exemption from filing of Annual Return

Registered persons with aggregate turnover up to Rs. 2 crores in the financial year 2022-23 have been exempted from filing of annual return in Form GSTR-9 for the said financial year.

[Notification No. 32/2023-CT dt. 31.07.2023](#)

17) Consent based sharing of information by the common portal through ‘Account Aggregator’

Section 158A of the CGST Act, 2017 articulates consent-based sharing of information that a taxable person has furnished, by the common portal with such other systems as may be notified by the Government. The Central Government on the recommendations of the Council has notified ‘Account Aggregator’ as the system with which information may be shared by the common portal based on consent under section 158A.

For the purpose of this notification, ‘Account Aggregator’ means a non-banking financial company which undertakes the business of an Account Aggregator in accordance with the policy directions issued by the RBI under section 45JA of the RBI Act, 1934 and defined as such in the Non-Banking Financial Company – Account Aggregator (Reserve Bank) Directions, 2016.

This notification shall be applicable w.e.f. 01.10.2023.

[Notification No. 33/2023-CT dt. 31.07.2023](#)

18) Requirement of mandatory registration waived for persons supplying goods through an ECO, subject to certain conditions

Exercising the power under section 23(2) of the CGST Act, 2017, the Central Government has specified the persons making supply of goods through an electronic commerce operator (ECO) who is required to collect tax at source under section 52 of the CGST Act, 2017 and having an aggregate turnover in the preceding and current financial year not exceeding the amount of aggregate turnover above which a supplier is liable to be registered in the State/Union territory, as the category of persons exempted from obtaining registration, subject to the following conditions:

- a) such persons shall not make any inter-state supply of goods;
- b) such person shall not make supply of goods through ECO in more than one State or Union Territory;
- c) such persons shall be required to have PAN under Income Tax Act, 1947 and will have to declare the same on the portal along with the address of the place of business and the State or Union territory in which he seeks to make such supply, which shall be subject to validation on the common portal;
- d) on successful validation of the details furnished, such person will be granted an enrolment number on the portal. Such persons shall not be granted more than one enrolment number in a State or Union Territory;
- e) no supplies shall be made by the persons through ECO unless he has obtained the enrolment number.
- f) Where such persons are subsequently granted registration under section 25 of the CGST Act, the enrolment number shall cease to be valid from the effective date of registration.

This notification shall be applicable with effect from **1st October, 2023**.

[Notification No. 34/2023- CT dt. 31.07.2023](#)

19) Appointment of common adjudicating authority in respect of show cause notices of M/s BSH Household Appliances Manufacturing Pvt Ltd.

In exercise of powers conferred under section 5 of the CGST Act, 2017 and section 3 of the IGST Act, 2017, the Board has appointed a common adjudicating authority in respect of show cause notices of M/s BSH Household Appliances Manufacturing Pvt Ltd. for its offices in Mumbai, Chennai and Karnataka.

[Notification No. 35/2023- CT dt. 31.07.2023](#)

20) Government notifies goods or services which may be exported on payment of IGST, and the refund can be claimed of the tax so paid

Pursuant to amendment made by the Finance Act, 2021 in 16(4) of the IGST Act, 2017 becoming effective from October 1, 2023, all the goods or services (other than following goods) have been notified, which may be exported on payment of integrated tax and on which the supplier of such goods may claim the refund of tax so paid:

S. No.	Description of Goods
1.	Pan-Masala
2.	Certain specified tobacco products
3.	Following essential oils other than those of citrus fruit namely: (a) Of peppermint (<i>Mentha piperita</i>); (b) Of other mints: Spearmint oil (<i>ex-mentha spicata</i>), Water mint-oil (<i>ex-mentha aquatic</i>), Horsemint oil (<i>ex-mentha sylvestries</i>), Bergament oil (<i>ex-mentha citrate</i>), <i>Mentha arvensis</i>

[Notification No. 01/2023- IT dt. 31.07.2023](#)

21) Special procedure to be followed by an electronic commerce operators required to collect tax at source under section 52 in respect of supplies of goods made through it by Composition taxpayers

With effect from 01.10.2023, following procedure shall be followed by an electronic commerce operator who is required to collect tax at source under section 52 in respect of supply of goods made through it by a composition taxpayer-

- It shall not allow any inter-State supply of goods made through it by the said persons;
- It shall collect tax at source under section 52(1) in respect of supply of goods made through it by the said persons and pay to the Government as per provisions of 52(3);
- It shall furnish the details of supplies of goods made through it by the said persons in Form GSTR-8 electronically on the common portal.

[Notification No.- 36/2023-CT dt. 04.08.2023](#)

22) Special procedure to be followed by an electronic commerce operators required to collect tax at source under section 52 in respect of supplies of goods made through it by specific unregistered persons

With effect from 01.10.2023, following procedure shall be followed by an electronic commerce operator who is required to collect tax at source under section 52 in respect of supply of goods made through it by a person who is exempted from taking registration under section 23(2) vide Notification No. 34/2023- Central Tax, dated the 31st July, 2023 i.e., persons making supplies of goods through an electronic commerce

operator who is required to collect tax at source under section 52 and having an aggregate turnover in the preceding financial year and in the current financial year below the threshold limit prescribed under section 22(1) of the CGST Act subject to certain other conditions:

- a) It shall allow the supply of goods through it by the said person only if enrolment number has been allotted on the common portal to the said person in accordance with the *Notification No.- 34/2023- CT dt. 31.07.2023*.
- b) It shall not allow any inter-State supply of goods made through it by the said person.
- c) It shall not collect tax at source under section 52(1) in respect of supply of goods made through it by the said person; and
- d) It shall furnish the details of supplies of goods made through it by the said person in the statement in FORM GSTR-8 electronically on the common portal.
- e) Where multiple electronic commerce operators are involved in a single supply of goods through electronic commerce operator platform, “the electronic commerce operator” shall mean the electronic commerce operator who finally releases the payment to the said person for the said supply made by the said person through him.

[Notification No.- 37/2023-CT dt. 04.08.2023](#)

23) The following amendments have been made in the CGST Rules, 2017 vide [Notification No. 38/2023 – CT dt. 04.08.2023](#) as under:

a) Amendment in rule 9 (Verification of the application and approval)

The requirement of the presence of registered person at the time of physical verification of place of business for the purpose of verification of the registration application and granting of registration, has been done away with.

b) Substitution of rule 25 (Physical verification of business premises in certain cases)

Rule 25 has been substituted with a new rule to align the same with rule 9. Thus, the requirement of presence of registered person at the time of physical verification of premises has been removed from rule 25.

Further, the rule empowers the proper officer to get the physical verification of business premises done in all the circumstances as provided in proviso to rule 9 where physical verification is required to be done before grant of registration. The proper officer shall upload the verification report along with the other documents, including photographs, in FORM GST REG-30 on the common portal at least five working days prior to the completion of the time period specified in the said proviso. Where the physical verification of premises is done after the grant of registration, FORM GST REG-30 shall be uploaded within a period of fifteen working days following the date of such verification.

c) Amendment in rule 10A (Furnishing of Bank Account Details)

The time period for furnishing of bank account details after the certificate of registration in FORM GST REG-06 has been made available on the common portal and a GSTIN has been assigned to the applicant, has been amended as below:

Old provision	Amended provision
45 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	30 days from the date of grant of registration OR The date of furnishing the details of outward supplies under section 37 in FORM GSTR-1 or using invoice furnishing facility (IFF) Whichever is earlier

d) Amendment in rule 21A (Suspension of registration)

Sub-rule (2A) of rule 21 has been amended to provide that registration of a person shall be suspended if he contravenes the provisions of rule 10A i.e., he fails to furnish the bank account details within the time period prescribed in rule 10A. However, if provisions of rule 10A are complied with, the suspension of registration shall be deemed to be revoked provided the registration has not already been cancelled by the proper officer under rule 22.

e) Amendment in rule 23 (Revocation of cancellation of registration)

With effect from 01.10.2023, the time period of filing an application for revocation of cancellation of registration shall be increased from 30 days to 90 days from the date of the service of the order of cancellation of registration. Further, on sufficient cause being shown and for reasons to be recorded in writing, such period can be extended by the Commissioner, or an officer authorised by him in this behalf, not below the rank of Additional Commissioner or Joint Commissioner, as the case may be, for a further period not exceeding 180 days.

f) Amendment in rule 43 (Manner of determination of input tax credit (ITC) in respect of capital goods and reversal thereof in certain cases)

- (i) Explanation 1 after sub-rule (5) of rule 43 has been amended to omit clause (c) therefrom. Accordingly, the aggregate value of exempt supplies shall not exclude 'the value of supply of services by way of transportation of goods by a vessel from the customs station of clearance in India to a place outside India' for the purpose of reversal of ITC.
- (ii) With effect from 01.10.2023, a new explanation 3 shall be inserted to prescribe that the value of supply of goods from Duty Free Shops at arrival

terminal in international airports to the incoming passengers shall be included in the value of exempt supplies for the purpose of reversal of ITC.

g) Amendment in rule 46 (Tax invoice)

The requirement of putting name and address of the recipient along with the PIN code on the tax invoice, when a taxable service is supplied by or through an electronic commerce operator or by a supplier of online information and database access or retrieval services to an un-registered recipient, irrespective of the value of such supply, has been removed. Hence, in such cases, now only putting name of the state of the recipient shall be sufficient and shall be considered as the address on record of the recipient.

h) Insertion of rule 88D (Manner of dealing with difference in ITC available in auto-generated statement containing the details of ITC and that availed in return)

A new rule 88D has been inserted to provide that where the amount of ITC availed by a registered person in FORM GSTR-3B exceeds the ITC available to such person in accordance with FORM GSTR-2B, by such amount and such percentage, as may be prescribed, the said registered person shall be intimated of such difference in Part A of FORM GST DRC-01C on the common portal as well as on his e-mail address, and will be directed to –

(i) pay an amount equal to the excess ITC availed in the said FORM GSTR-3B, along with interest payable under section 50, through FORM GST DRC-03, or

(ii) explain the reasons for the aforesaid difference in ITC on the common portal within a period of 7 days.

Upon receipt of such intimation, the registered person will have an option to pay, fully or partially, the excess ITC along with interest under section 50 through FORM DRC-03 and furnish the details in Part B of FORM GST DRC-01C, or furnish a reply, incorporating reasons for not paying the excess ITC in Part B of FORM GST DRC-01C.

If the amount specified in the intimation is not paid within the specified period and no explanation or reason is provided or where the explanation or reason provided is not found to be acceptable by the proper officer, the said amount shall be liable to be demanded in accordance with the provisions of section 73 or section 74, as the case may be.

i) Amendment in rule 59 (Form and manner of furnishing details of outward supplies)

Rule 59(6) has been amended to provide that a registered person, to whom an intimation has been issued under rule 88D in respect of a tax period(s), shall not be allowed to furnish the details of outward supplies in FORM GSTR-1 or using IFF for a subsequent tax period, unless he has either paid the excess ITC as specified in the said intimation or has furnished a reply explaining the reasons in respect of the excess ITC that still remains to be paid, as required under rule 88D(2).

Further, a registered person shall also not be allowed to furnish the details of outward supplies in FORM GSTR-1 or using IFF, if he has not furnished the bank account details as per the provisions of rule 10A.

j) Amendment in rule 64 (Form and manner of submission of return by persons providing online information and data base access or retrieval services)

With effect from 01.10.2023, every registered person providing online information and data base access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the IGST Act, 2017 or to a registered person shall file return in FORM GSTR-5A. Consequential amendments have been made in FORM GSTR-5A to give effect to this amendment.

k) Amendment in rule 67 (Form and manner of submission of statement of supplies through an e-commerce operator)

Rule 67(2) has been amended to provide that the details of tax collected at source under section 52(1) furnished by the operator under sub-rule (1) shall be made available electronically to each of the registered suppliers.

The above amendment shall become applicable with effect from 01.10.2023.

l) Amendment in rule 89 (Application for refund of tax, interest, penalty, fees or any other amount)

(i) Third proviso to sub-rule (1) has been amended to provide that refund of any amount, after adjusting the tax payable by the applicant out of the advance tax deposited by him under section 27 at the time of registration, can be claimed, only after the last return required to be furnished by him has been so furnished.

(ii) Clause (k) of sub-rule (2) has been amended to provide that the statement showing the details of the amount of claim on account of excess payment of tax submitted along with refund application as documentary evidence, shall also contain details of interest, if any, or any other amount paid.

m) Amendment in rule 94 (Order sanctioning interest on delayed refunds)

With effect from 01.10.2023, rule 94 shall be amended to provide that the following periods shall not be included in the period of delay for the purpose of calculating interest on delayed refunds:

- (a) any period of time beyond fifteen days of receipt of notice in FORM GST RFD-08 under sub-rule (3) of rule 92, that the applicant takes to
 - (i) furnish a reply in FORM GST RFD-09, or
 - (ii) submit additional documents or reply

and

- (b) any period of time taken either by the applicant for furnishing the correct details of the bank account to which the refund is to be credited or for validating the details of the bank account so furnished, where the amount of refund sanctioned could not be credited to the bank account furnished by the applicant.

n) Amendment in rule 96 (Refund of integrated tax paid on goods or services exported out of India)

As per rule 96(2), the details of the relevant export invoices in respect of export of goods contained in FORM GSTR-1 shall be transmitted electronically by the common portal to the system designated by the Customs and the said system shall electronically transmit to the common portal, a confirmation that the goods covered by the said invoices have been exported out of India.

First proviso to sub-rule (2) lays down that where the date for furnishing the details of outward supplies in FORM GSTR-1 for a tax period has been extended, the supplier shall furnish the information relating to exports as specified in Table 6A of FORM GSTR-1 after the return in FORM GSTR-3B has been furnished and the same shall be transmitted electronically by the common portal to the system designated by the Customs. Second proviso to sub-rule (2) lays down that the information in Table 6A furnished under the first proviso shall be auto-drafted in FORM GSTR-1 for the said tax period.

Both the said provisos to sub-rule (2) have now been omitted.

o) Amendment in rule 108 (Appeal to the Appellate Authority) and rule 109 (Application to the Appellate Authority)

Rules 108 and 109 have been amended to provide that an appeal or application to the Appellate Authority shall be filed electronically. However, an appeal to the Appellate Authority may be filed manually in FORM GST APL-01/ APL-03, along with the relevant documents, only if -

- (i) the Commissioner has so notified, or

- (ii) the same cannot be filed electronically due to non-availability of the decision or order to be appealed against on the common portal.

A provisional acknowledgement shall be issued to the appellant immediately in case of manual filing.

p) Insertion of rule 138F (Information to be furnished in case of intra-State movement of gold, precious stones, etc. and generation of e-way bills thereof)

- (1) Where a Commissioner of State tax or Union territory (UT) tax mandates furnishing of information regarding intra-State movement of following goods in accordance with rule 138F of the State or UTGST Rules, –

- (i) Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal
- (ii) Jewellery, goldsmiths' and silversmiths' wares and other articles [excepting Imitation Jewellery]

and the consignment value of such goods exceeds such amount, not below rupees two lakhs as may be notified by the Commissioner of State/UT tax, in consultation with the jurisdictional Principal Chief Commissioner or Chief Commissioner of Central Tax, or any Commissioner of Central Tax authorised by him, notwithstanding anything contained in Rule 138, every registered person who causes intra-State movement of such goods, -

- (i) in relation to a supply; or
- (ii) for reasons other than supply; or
- (iii) due to inward supply from an un-registered person,

shall, before the commencement of such movement within that State or Union territory, furnish information relating to such goods electronically, as specified in Part A of FORM GST EWB-01, against which a unique number shall be generated:

Where the goods to be transported are supplied through an e-commerce operator or a courier agency, the information in Part A of FORM GST EWB-01 may be furnished by such e-commerce operator or courier agency.

- (2) The information as specified in PART B of FORM GST EWB-01 shall not be required to be furnished in respect of the above movement of goods and after furnishing information in Part-A of FORM GST EWB-01, the e-way bill shall be generated in FORM GST EWB-01, electronically on the common portal.
- (3) The information furnished in Part A of FORM GST EWB-01 shall be made available to the registered supplier on the common portal who may utilize the same for furnishing the details in FORM GSTR-1.

- (4) Where an e-way bill has been generated, but goods are either not transported or are not transported as per the details furnished in the e-waybill, the e-way bill may be cancelled, electronically on the common portal, within twenty-four hours of generation of the e-way bill. However, such e-way bill cannot be cancelled if it has been verified in transit in accordance with the provisions of rule 138B.
- (5) Notwithstanding anything contained in this rule, no e-way bill is required to be generated –
 - (a) where the goods are being transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs, or
 - (b) where the goods are being transported-
 - (i) under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or
 - (ii) under customs supervision or under customs seal.
- (6) The provisions of sub-rule (10), sub-rule (11) and sub-rule (12) of rule 138, rule 138A, rule 138B, rule 138C, rule 138D and rule 138E shall, mutatis mutandis, apply to an e-way bill generated under this rule.

For the purpose of this rule, the consignment value of goods shall be the value, determined in accordance with the provisions of section 15, declared in an invoice, a bill of supply or a delivery challan, as the case may be, issued in respect of the said consignment and also includes the central tax, State tax or Union territory tax charged in the document and shall exclude the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.

q) Insertion of rule 142B (Intimation of certain amounts liable to be recovered under section 79 of the Act)

- (1) Where, in accordance with section 75 read with rule 88C or otherwise, any amount of tax or interest has become recoverable under section 79 and the same has remained unpaid, the proper officer shall intimate, electronically on the common portal, the details of the said amount in FORM GST DRC-01D, directing the person in default to pay the said amount, along with applicable interest, or, as the case may be the amount of interest, within seven days of the date of the said intimation and the said amount shall be posted in Part-II of Electronic Liability Register in FORM GST PMT-01.
- (2) This intimation shall be treated as the notice for recovery.

- (3) Where any amount of tax or interest specified in the intimation remains unpaid on the expiry of the period specified in the said intimation, the proper officer shall proceed to recover the amount that remains unpaid in accordance with the provisions of rule 143 or rule 144 or rule 145 or rule 146 or rule 147 or rule 155 or rule 156 or rule 157 or rule 160.

r) Amendment in rule 162 (Procedure for compounding of offences)

Sub-rule (3) has been amended to provide that the Commissioner, after taking into account the contents of the said application, may, by order in FORM GST CPD-02, on being satisfied that the applicant has made full and true disclosure of facts relating to the case, allow the application indicating the compounding amount and grant him immunity from prosecution or reject such application within ninety days of the receipt of the application. The requirement of co-operation of the applicant in the proceedings before him for the purpose of allowing the application for compounding of offence has now been done away with.

A new sub-rule (3A) has been inserted to prescribe the compounding amount for various offences as under:

S. No.	Offence	Compounding amount if offence is punishable under clause (i) of sub-section (1) of section 132	Compounding amount if offence is punishable under clause (ii) of sub-section (1) of section 132
(1)	(2)	(3)	(4)
1	Offence specified in clause (a) of sub-section (1) of section 132 of the Act	Up to 75% of the amount of tax evaded or the amount of ITC wrongly availed or utilised or the amount of refund wrongly taken, subject to minimum of 50% of such amount of tax evaded or the amount of ITC wrongly availed or utilised or the amount of refund wrongly taken.	Up to 60% of the amount of tax evaded or the amount of ITC wrongly availed or utilised or the amount of refund wrongly taken, subject to minimum of 40% of such amount of tax evaded or the amount of ITC wrongly availed or utilised or the amount of refund wrongly taken.
2	Offence specified in clause (c) of sub-section (1) of section 132 of the Act		
3	Offence specified in clause (d) of sub-section (1) of section 132 of the Act		
4	Offence specified in clause (e) of sub-section (1) of section 132 of the Act		
5	Offence specified in clause (f) of sub-section (1) of section 132 of the Act	Amount equivalent to 25% of tax evaded.	Amount equivalent to 25% of tax evaded.
6	Offence specified in clause (h) of sub-section (1) of section 132 of the Act		
7	Offence specified in clause (i) of sub-section (1) of section 132 of the Act		

8	Attempt to commit the offences or abets the commission of offences mentioned in clause (a), (c) to (f) and clauses (h) and (i) of subsection (1) of section 132 of the Act	Amount equivalent to 25% of such amount of tax evaded or the amount of ITC wrongly availed or utilised or the amount of refund wrongly taken.	Amount equivalent to 25% of such amount of tax evaded or the amount of ITC wrongly availed or utilised or the amount of refund wrongly taken.
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If the offence committed by the person falls under more than one category specified in the Table above, the compounding amount, in such case, shall be the amount determined for the offence for which higher compounding amount has been prescribed.

The above amendments shall become applicable with effect from 01.10.2023.

s) Insertion of rule 163 (Consent based sharing of information)

A new rule 163 has been inserted as under:

(1) Where a registered person opts to share the information furnished in—

- (a) FORM GST REG-01 as amended from time to time;
- (b) return in FORM GSTR-3B for certain tax periods;
- (c) FORM GSTR-1 for certain tax periods, pertaining to invoices, debit notes and credit notes issued by him, as amended from time to time

with the requesting system referred to in section 158A, the requesting system shall obtain the consent of the said registered person for sharing of such information and shall communicate the consent along with the details of the tax periods, where applicable, to the common portal.

- (2) The registered person shall give his consent for sharing of information only after he has obtained the consent of all the recipients to whom he has issued the invoice, credit notes and debit notes during the said tax period and where he provides his consent, the consent of such recipients shall be deemed to have been obtained.
- (3) The common portal shall communicate the information referred to in sub-rule (1) with the requesting system on receipt from the said system-
 - (a) the consent of the said registered person, and
 - (b) the details of the tax periods or the recipients, as the case may be, in respect of which the information is required.

t) Amendment in Forms

Amendments have been made in the following forms:

- (i) In FORM GSTR-3A, a notice for default in filing annual return has been inserted.
- (ii) FORM GSTR-8 (Changes in view of the amendment to allow unregistered suppliers to sell through ECO – To be effective from 01.10.2023)
- (iii) FORM GSTR-9
- (iv) FORM GSTR-9C
- (v) FORM RFD-01

Circulars

1) Clarification with regard to charging of interest under section 50(3) of the CGST Act, 2017 in cases of wrong availment of IGST credit and reversal thereof

The total input tax credit available in electronic credit ledger, under the heads of IGST, CGST and SGST taken together shall be considered -

- for calculation of interest under rule 88B, and
- for determining as to whether the balance in the electronic credit ledger has fallen below the amount of wrongly availed input tax credit of IGST, and
- for determining to what extent, balance in electronic credit ledger has fallen below the said amount of wrongly availed credit.

Clarification with respect to utilization of Compensation Cess

Credit of compensation cess available in electronic credit ledger shall not be taken into account while considering the balance of electronic credit ledger for the purpose of calculation of interest under sub-rule (3) of rule 88B of CGST Rules in respect of wrongly availed and utilized IGST, CGST or SGST credit.

[*Circular No. 192/04/2023-GST dt. 17.07.2023*](#)

2) Clarification on dealing with difference in Input Tax Credit (ITC) availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for the period 01.04.2019 to 31.12.2021.

Since rule 36(4) came into effect from 09.10.2019, the guidelines provided by *Circular No. 183/15/2022-GST dated 27th December, 2022* shall be applicable, as a whole, for the period 01.04.2019 to 08.10.2019.

Rule 36(4) allowed availment of additional input tax credit by a registered person in respect of invoices or debit notes, the details of which have not been furnished by the suppliers in GSTR-1 to the extent of 20% (09.10.2019 to 31.12.2019), 10% (01.01.2020 to 31.12.2020) and 5% (01.01.2021 to 31.12.2021) of the eligible credit available in respect of invoices or debit notes the details of which have been furnished by the suppliers in FORM GSTR-1 or using IFF. Accordingly, the guidelines provided

by *Circular No. 183/15/2022-GST dated 27.12.2022* shall be applicable for verification of the condition of section 16(2)(c) related to payment of tax charged to the Government subject to the fulfillment of condition as specified in rule 36(4) as applicable during that period.

It has been further clarified that consequent to insertion of clause (aa) to sub-section (2) of section 16 of the CGST Act and amendment of rule 36(4) of the CGST Rules w.e.f. 01.01.2022, ITC shall be allowed for the period 01.01.2022 onwards in respect of any supply only when the same is reported by his suppliers in their FORM GSTR-1 or using IFF and is communicated to the said registered person in FORM GSTR-2B.

Further, it may be noted that proviso to rule 36(4) was inserted vide *Notification No. 30/2020-CT dated 03.04.2020* to provide that the condition of rule 36(4) shall be applicable cumulatively for the period February to August, 2020 and ITC shall be adjusted on cumulative basis for the said months in the return for the tax period of September 2020. Similarly, second proviso to rule 36(4) of CGST Rules was substituted vide *Notification No. 27/2021-CT dated 01.06.2021* to provide that the condition of rule 36(4) shall be applicable cumulatively for the period April to June, 2021 and ITC shall be adjusted on cumulative basis for the said months in the return for the tax period of June 2021. The same may be taken into consideration while determining the amount of ITC eligibility for the said tax periods.

Furthermore, these instructions will apply only to the ongoing proceedings in scrutiny/ audit/ investigation, etc. for the period 01.04.2019 to 31.12.2021 and not to the completed proceedings. However, these instructions will apply to those cases during the period 01.04.2019 to 31.12.2021 where any adjudication or appeal proceedings are still pending.

[*Circular No. 193/05/2023-GST dt. 17.07.2023*](#)

3) Clarification on TCS liability under section 52 of the CGST Act, 2017 in case of multiple E-commerce Operators in one transaction.

Where multiple ECOs are involved in a single transaction of supply of goods or services or both through ECO platform, the compliances under section 52 including collection of TCS will be done as follows:

- a) where the supplier-side ECO himself is not the supplier in the said supply, the compliances under section 52 of the CGST Act, 2017 including collection of TCS is to be done by the supplier-side ECO who releases payment to the supplier for a particular supply made by the supplier through him. In this case, the buyer-side ECO will neither be required to collect TCS nor will be required to make other compliances in accordance with section 52 of CGST Act with respect to that supply.
- b) where the supplier-side ECO is himself the supplier of the said supply, TCS is to be collected by the buyer-side ECO while making payment to the supplier for the supply being made through it.

[Circular 194/06/2023-GST dated 17.07.2023](#)

4) Clarification on availability of ITC in respect of warranty replacement of parts and repair services during warranty period.

Case 1: The original equipment manufacturer offers warranty for the goods supplied by him to the customer and provides replacement of parts and/ or repair services to the customer during the warranty

In cases, where no separate consideration is charged by the manufacturer at the time of replacement/repair services, no GST is to be levied on such replacement of parts and/ or repair service during warranty period. However, GST is levied in case additional consideration is charged for the same.

These supplies cannot be considered as exempt supply as original supply is likely to include the cost of replacement/repair services to be incurred during warranty. Hence, the manufacturer, who provides replacement of parts and/ or repair services to the customer during the warranty period, is not required to reverse the input tax credit in respect of the said replacement parts or on the repair services provided.

Case 2: The distributor provides replacement of parts and/ or repair services to the customer as part of warranty on behalf of the manufacturer without charging any consideration from the customer.

Where no consideration is charged by the distributor from the customer, no GST is payable by the distributor on the said replacement/repair services provided during warranty period. In case additional consideration is charged, GST shall be payable.

The treatment relating to the input tax credit and output liability relating to the replaced products has also been clarified in the Circular.

Case 3: The distributor provides repair service, in addition to replacement of parts or otherwise, to the customer without any consideration, as part of warranty, on behalf of the manufacturer but charges the manufacturer for such repair services

As per section 2(93)(a) of the CGST Act, 2017, it is a supply of service by the distributor and the manufacturer is the recipient of such supply of repair service. Hence, GST shall be payable by the distributor on such supply of service to the manufacturer and the manufacturer would be entitled to claim input tax credit in respect of the said supply.

Case 4: Extended warranty services provided by manufacturers/distributors to the customers which can be availed at the time of original supply or before the expiry standard warranty period

- If the customer enters into an agreement for extended warranty at the time of original supply, then it would be considered as composite supply (principal supply

being supply of goods). GST would be payable on the consideration for such extended warranty along with the principal supply at the rate applicable on the principal supply.

- If the customer enters into an agreement for extended warranty at any time after the original supply, then it would be considered as separate contract. GST would be payable by the service provider whether it be manufacturer or distributor or any third party depending on the nature of the contract.

[Circular 195/07/2023-GST dated 17.07.2023](#)

5) Clarification on taxability of shares held in a subsidiary company by the holding company

Securities are considered as neither goods nor services as per section 2(52) and 2(102) of the CGST Act, 2017. Further, no service is being provided by holding company to the subsidiary, merely by holding the shares of the subsidiary company unless there is a separate supply of services in accordance with section 7 of the CGST Act. Hence, the activity of holding of shares of subsidiary company by the holding company per se cannot be treated as a supply of services and cannot be taxed under GST

[Circular 196/08/2023-GST dated 17.07.2023](#)

6) Clarification on certain refund-related issues

A) Refund of accumulated Input Tax Credit under section 54(3) on the basis of that available in Form GSTR-2B

The Central Board of Indirect Taxes and Customs vide **[Circular No. 197/09/2023-GST dated 17th July, 2023](#)** has issued the following clarifications on following refund related issues:

- a) Availability of refund of the accumulated input tax credit under section 54(3) of the CGST Act for a tax period shall be restricted to input tax credit as per those invoices, the details of which are reflected in FORM GSTR-2B of the applicant for the said tax period or for any of the previous tax periods and on which the input tax credit is available to the applicant. Accordingly, para 36 of *Circular No. 125/44/2019-GST dated 18.11.2019*, which was earlier modified vide Para 5 of *Circular No. 135/05/2020-GST dated 31.03.2020*, stands modified to this extent. Consequently, *Circular No.139/09/2020-GST dated 10.06.2020*, which provides for restriction on refund of accumulated input tax credit on those invoices, the details of which are uploaded by the supplier in FORM GSTR-1 and are reflected in the FORM GSTR-2A of the applicant, also stands modified accordingly.
- b) It has been further clarified that as section 16(2)(aa) has been inserted and rule 36(4) has been amended from 01.01.2022, the restriction regarding the admissibility of refund on the basis of GSTR-2B for the said tax period or for any

of the previous tax period shall be applicable for refunds claim for the tax period from January, 2022 onwards. Where the refund claims relating to the tax period from January, 2022 onwards has been disposed by the proper officer before the issuance of the circular, in accordance with the extant guidelines in force, the same shall not be reopened because of this clarification.

B) Modification of the undertaking in Form RFD-01 inserted vide *Circular No. 125/44/2019- GST dt. 18.11.2019*

- a) In view of the non-implementation of Forms GSTR-2 and GSTR-3 and omission of section 42 (matching, reversal and reclaim of input tax credit) of CGST Act w.e.f. 1st October, 2022, its reference in the undertaking in FORM GST RFD-01 in which the taxpayer undertakes to pay back to the Government the amount of refund along with interest in case it is found subsequently that the requirements of clause (c) of section 16(2) read with section 42(2) of the CGST/SGST Act have not been complied with in respect of the amount refunded, as well as para 7 of *Circular No. 197/09/2023- GST dt. 18.11.2019* has been deleted.
- b) Consequential amended has been made in Annexure-A to the *Circular No. 125/44/2019-GST dt.18.11.2019*.

C) Manner of calculation of Adjusted Total Turnover under sub-rule (4) of rule 89 of CGST Rules consequent to Explanation inserted in sub-rule (4) of rule 89 vide *Notification No. 14/2022- CT dated 05.07.2022*

It has been clarified that the value of zero rated/ export supply of goods exported out of India, calculated as per amended definition of “Turnover of zero-rated supply of goods”, needs to be taken into consideration while calculating “turnover in a state or a union territory”, and accordingly, in “adjusted total turnover” for the purpose of sub-rule (4) of rule 89.

D) Clarification in respect of admissibility of refund where an exporter applies for refund subsequent to compliance of the provisions of sub-rule (1) of rule 96A

It has been clarified that as long as goods are actually exported or as the case may be, payment is realized in case of export of services, even if it is beyond the time frames as prescribed in sub-rule (1) of rule 96A, the benefit of zero-rated supplies cannot be denied to the concerned exporters. Hence, in such cases, the said exporters would be entitled to refund of unutilized input tax credit in terms of section 54(3), if otherwise admissible.

In addition to that, in such case, the exporter shall be entitled to claim refund of the integrated tax so paid earlier on account of goods not being exported, or as the case be, the payment not being realized for export of services, within the time frame prescribed in clause (a) or (b), as the case may be, of sub-rule (1) of rule 96A. It is further

clarified that no refund of the interest paid in compliance of sub-rule (1) of rule 96A shall be admissible.

It may further be noted that the refund application in the said scenario may be made under the category “Excess payment of tax”. However, till the time the refund application cannot be filed under the category “Excess payment of tax” due to non-availability of the facility on the portal, the applicant may file the refund application under the category “Any Other”.

[Circular 197/09/2023-GST dated 17.07.2023](#)

- 7) Clarification with respect to applicability of e-invoice where supply is made by a registered person who is required to generate e-invoice, to Government Departments or establishments/ Government agencies/ local authorities/ PSUs registered solely for the purpose of deduction of tax at source under section 51 of the CGST Act, 2017.**

The Government Departments or establishments/Government agencies/ local authorities/ PSUs, registered solely for the purpose of deduction of tax at source as per provisions of section 51 of the CGST Act, are liable for compulsory registration in accordance with section 24(vi) of the CGST Act, 2017. Hence, they are treated as registered persons as per section 2(94) of the said Act.

Therefore, the registered person, whose turnover exceeds the prescribed threshold for generation of e-invoicing, is required to issue e-invoices for the supplies made to such Government Departments or establishments/ Government agencies/ local authorities/ PSUs, etc. under rule 48(4) of CGST Rules.

[Circular 198/10/2023-GST dt. 17.07.2023](#)

- 8) Clarification on the taxability of services provided by an office of an organisation in one State to the office of that organisation in another State, both being distinct persons**

- a) It has been clarified that HO has an option to distribute ITC in respect of common input services procured from a third party by following ISD mechanism or by issuing tax invoice under section 31 of CGST Act to the concerned BOs and the BOs can then avail ITC on such common ITC subject to the provisions of section 16 and 17 of CGST Act.

However, the distribution of ITC in respect a common input services procured from a third party can be made by the HO to a BO through ISD mechanism only if

–

- it gets itself registered mandatorily as an ISD in accordance with section 24(viii) of the CGST Act, and
- the said input services are attributable to the said BO or have actually been provided to the said BO, and

- b) Whether the cost of all components including salary cost of HO employees involved in providing the said services has to be included in the computation of value of services provided by HO to BOs when full input tax credit is available to the BOs?**

In respect of internally generated services provided by the HO to BOs, the value declared in the invoice by HO shall be deemed to be the open market value of such services, in terms of second proviso to rule 28 of CGST Rules, irrespective of the fact whether cost of any particular component of such services, like employee cost etc., has been included or not in the value of the services in the invoice.

- c) Value of supply of internally generated services provided by HO to BOs in cases where HO is not issuing tax invoice, but full input tax credit is available to the concerned BO**

In such cases, the value of services may be deemed to be declared as Nil by HO to BO and may be deemed as open market value in terms of second proviso to rule 28 of CGST Rules.

- d) Value of internally generated services where HO is issuing tax invoice to the BOs and full input tax credit is not available to the concerned BO**

In respect of internally generated services provided by the HO to BO but full ITC is not available to the BO, the cost of salary of employees of the HO, involved in providing services to BOs is not mandatorily required to be included while computing the taxable value of supply of services.

[Circular 199/11/2023-GST dt. 17.07.2023](#)

9) Clarification regarding GST rates and classification of certain goods

- a) Applicability of GST on un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion**

[Notification No. 09/2023-CT\(R\) dt. 26.07.2023](#) had clarified that w.e.f. 27.07.2023 un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion shall attract GST rate of 5% (earlier taxable at 18%). Now, the circular has clarified that extruded snack pellets in ready-to-eat form will continue to attract GST rate of 18%.

Further, the applicability of GST rate on the un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion, the issue for past period upto 27.7.2023 has been regularized on “as is” basis.

- b) Regularization of GST rates for the past periods on an ‘as is basis’**

In view of the prevailing genuine doubts regarding the applicability of GST rate on the following items, the issue for the past periods have been regularized on ‘as is basis’:

- Fish Soluble Paste (upto 27.07.2023)
- Desiccated coconut (from 01.07.2023 upto and inclusive of 27.07.2017)
- Biomass briquettes (from 01.07.2017 upto and inclusive of 12.10.2017)
- Plates, cups made from areca leaves (upto 01.10.2019)
- Imitation Zari thread or yarn known by any name in trade parlance (upto 27.07.2023)

c) Supply of raw cotton by agriculturist to cooperatives

It has been clarified that supply of raw cotton, including kala cotton, from agriculturists to cooperatives is a taxable supply and such supply of raw cotton by agriculturist to the cooperatives (being a registered person) attracts 5% GST on reverse charge basis under *Notification no. 43/2017-Central Tax (Rate) dated 14.11.2017*.

Further, in view of prevailing genuine doubts, the issue for the past periods prior to issue of this clarification has been regularized on “as is basis”.

d) GST rate on goods falling under HSN 9021

As per recommendations of the GST council in its 50th Meeting, it is hereby clarified that the GST rate on all the goods falling under heading 9021 (trauma, spine and arthroplasty implants) shall attract GST rate of 5%, thereby doing away with the duality of rates on similar items leading to ambiguity.

Further, in view of the prevailing genuine doubts, the issue for the past periods has been regularized on “as is basis”.

It has also been clarified that no refunds will be granted in cases where GST has already been paid at higher rate of 12%.

[Circular No. 200/12/2023-GST dt. 01.08.2023](#)

10) Clarifications regarding applicability of GST on certain services

a) Clarification regarding services supplied by director of the company in his personal capacity

It has been clarified that services supplied by a director of the company or body corporate to the company or body corporate in his private or personal capacity such as services supplied by way of renting of immovable property shall not be taxable under RCM. Only those services which are supplied by him in the capacity of director of the company or body corporate shall be taxable under RCM in the hands of the company or body corporate under *Notification No. 13/2017-CT(R) dated 28.06.2017*.

b) Clarification on taxability of the supply of foods or beverages in cinema halls

It has been clarified that supply of food or beverages in a cinema hall shall be taxable as ‘restaurant service’ as long as:

- a) the food or beverages are supplied by way of or as part of a service, and
- b) supplied independent of the cinema exhibition service.

It is further clarified that where the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of composite supply, the entire supply will attract GST at the rate applicable to service of exhibition of cinema i.e., the principal supply.

[Circular No. 201/2023-GST dt. 01.08.2023](#)

CUSTOMS

Notification

1. Addition of certain items which are exempted from levy of certain amount of Customs Duty, integrated tax and compensation cess, when re-imported into India

- a) Goods exported under claim for RoDTEP (Remission of Duties and Taxes on exported Goods) and RoSCTL (Rebate of State and Central Tax and Levies) have been added in the list of goods which shall also be exempted from levy of such amount of Customs Duty, integrated tax and compensation cess, which is in excess of the amount of RoDTEP and amount of RoSCTL allowed at the time of export and re-imported into India, subject to the satisfaction of other existing conditions.

Further, following agencies from where duty-free inputs are obtained have been excluded from being nominated agencies:

- Metals and Minerals Trading Corporation Limited (MMTC)
- Handicraft and Handloom Export Corporation of India Ltd. (HHEC)
- Project and Equipment Corporation of India Ltd. (PEC)
- State Trading Corporation of India Ltd.
- Four Star Export House from Gems & Jewellery sector and Five Star Export House from any sector as may be recognised as nominated agencies by Regional Authority in terms of the Foreign Trade Policy

It has been further clarified that the goods sent abroad for repairs other than the goods exported under any drawback claim of customs or excise, refund of integrated tax, under bond or under DFIA, EPCG, RoDTEP or RoSCTL and cut and polished precious and semi-precious stones exported for treatment abroad, are leviable to integrated tax and cess as leviable under the said Customs Tariff Act, besides the customs duty as specified in the said First Schedule and the above exemption, is only from the amount of said tax, cess and duty over and above the amount so calculated.

Consequent to the coming effect of Foreign Trade Policy, 2023 w.e.f. 01.03.2023, Foreign Trade Policy, 2015 - 2020 has been replaced with Foreign Trade Policy, 2023.

- b) Similar amendments have been made in *Notification No. 47/2017-Customs dt. 30.06.2017* which provides for exemption from customs duty and additional duty to re-import of goods exported under duty drawback, rebate of duty or under bond.

- c) Amendments made in *Notification No. 50/2017-Customs dt. 30.06.2017* (Exemption and Effective Rates of Customs Duty and IGST for Specified Goods of Chapters 1 To 98)
- IGST has been exempted on medicines and Food for Special Medical Purposes used for the treatment of rare diseases, when imported for personal use subject to existing conditions.
 - RBL and ICBC Banks have been included in the list of specified banks for which IGST exemption is available on imports of gold, silver or platinum.
 - IGST has been exempted on medicine Dinutuximab (Quarziba), used in the treatment of cancer, when imported for personal use.

The above amendments have become applicable from 27.07.2023.

[*Notification No. 46/2023-Customs dt. 26.07.2023*](#)

2. Deferred Payment of Import Duty (Amendment) Rules, 2023

The Deferred Payment of Import Duty Rules, 2016 have been amended to provide that the Central Government may under exceptional circumstances and for reasons to be recorded in writing, allow payment of import duty to be made on a different due date, if the importer

- paid the duty for a bill of entry within due date in terms of rule 4, and
- paid the differential duty for the same bill of entry along with the interest on account of reassessment within one day (excluding holidays).

[*Notification No. 58/2023-Customs \(N.T.\) dt. 03.08.2023*](#)