



ICAI-GST

45th Edition

NEWSLETTER
June 2024

A Newsletter from The Institute of Chartered Accountants of India on GST

GST ₹



ICAI-Set up by an Act of Parliament

THE COUNCIL

- CA. Ranjeet Kumar Agarwal
President
- CA. Charanjot Singh Nanda
Vice President
- CA. Sushil Kumar Goyal
Chairman, GST & Indirect Taxes Committee
- CA. Rajendra Kumar P
Vice Chairman, GST & Indirect Taxes Committee
- CA. (Dr.) Rajkumar Satyanarayan Adukia
CA. Piyush Sohanrajji Chhajed
CA. Chandrashekhar Vasant Chitale
CA. Vishal Doshi
CA. Durgesh Kabra
CA. Dheeraj Kumar Khandelwal
CA. Purushottamlal Hukamichand Khandelwal
CA. Mangesh Pandurang Kinare
CA. Priti Paras Savla
CA. Umesh Sharma
CA. Aniket Sunil Talati
CA. Dayaniwas Sharma
CA. Muppala Sridhar
CA. Prasanna Kumar D
CA. Cotha S Srinivas
CA. Sripriya K
CA. (Dr.) Debashis Mitra
CA. (Dr.) Rohit Ruwatia Agarwal
CA. Abhay Chhajed
CA. (Dr.) Anuj Goyal
CA. Gyan Chandra Misra
CA. Prakash Sharma
CA. (Ms.) Kemisha Soni
CA. Sanjay Kumar Agarwal
CA. (Dr.) Raj Chawla
CA. Hans Raj Chugh
CA. Pramod Jain
CA. (Dr.) Sanjeev Kumar Singhal
Shri Sanjay Kumar
Shri Ritvik Ranjanam Pandey
Shri Manoj Pandey
Shri Deepak Kapoor
Shri Rakesh Jain
Dr. P. C. Jain
Shri Vijay Kumar Jhalani, Advocate
Shri Chandra Wadhwa

CONTENTS

- President's Communication 3
- Photographs 4
- Chairman's Communication 5
- Saga of GST on Corporate Guarantee 6
- GST Updates 9
- Compliance Schedule 17
- Announcement 18
- GST Quiz 19



Disclaimer : The views and opinions expressed or implied in the ICAI-GST Newsletter are those of the authors and do not necessarily reflect those of ICAI. Material in the publication may not be reproduced, whether in part or in whole, without the consent of ICAI.

President's Communication



Dear Professional Colleagues,

Greetings!

As ICAI marks 75 years of trust and adopts the vision 'DRISHTI', it sets its sights on the future with the Vision Document 2049. This vision document focuses on the growth of students and members, the improvement of regulatory and reporting frameworks, and the integration of new technologies, in alignment with the vision of a Viksit Bharat by 2047.

On 1st July, 2024, GST celebrated its meritorious journey of 7 years of its implementation in India. GST has demonstrated remarkable progress in terms of revenue growth. **In the FY 2023-24, the GST collection has been to ₹ 20.18 lakh crores, with an impressive average monthly collection of ₹ 1.68 lakh crores.** These achievements reflect effective implementation and increasing adherence to GST law, making a noteworthy contribution to India's economic growth and stability.

The GST Council has been meeting regularly to discuss and make recommendations on issues faced by taxpayers. **On 22nd June, 2024, the GST Council held its 53rd meeting where in several decisions were taken to bring clarity and certainty in GST laws as also to ease the compliance burden of taxpayers.** An effective step has been taken to reduce the litigation by lowering the monetary limits for departmental appeal before the Goods and Service Tax Appellate Tribunal, High Courts and Supreme Court.

ICAI, being a partner in Nation Building, has been diligently supporting the Government by providing technical inputs on different aspects of GST. **On 27th June, 2024, the ICAI submitted its Pre-Budget Memorandum, 2024 on Customs to the Government. One of the suggestions in the Memorandum is to include Free Trade Warehousing Zone (FTWZ) in the definition of warehouse under the Customs Act, 1962 to avoid levy of IGST on transfers while the goods are stored within a FTWZ.**

Further, ICAI works towards its objective of supporting the Government's capacity building initiatives through GST Trainings for Commercial Tax / State Tax Departments of various States. The ICAI also provides faculty for training programmes organised at NACINs.

With this, I extend my best wishes to all the dedicated professionals, responsible taxpayers, and all other stakeholders of the Goods and Services Tax (GST) ecosystem.

CA. Ranjeet Kumar Agarwal

President

The Institute of Chartered Accountants of India

PHOTOGRAPHS



Certificate Course on GST at Solapur



CA. Rajendra Kumar P, Vice-Chairman, GST & IDTC, at Two-Day Service Specific Workshop organised for Mangaluru Division, Commercial Taxes Department, Karnataka



Faculty support extended to Training programme organised at NACIN, Mumbai



National Conference on GST organised by GST & Indirect Taxes Committee and hosted by Pune Branch of WIRC of ICAI.



CA. Rajendra Kumar P, Vice-Chairman, GST & IDTC and CA. Dayaniwas Sharma, Central Council Member, ICAI at Certificate Course on GST at Hyderabad

Chairman's Communication



Dear Member,

In June 2024, the results of the general elections in India, the world's largest democracy, were announced, confirming that the incumbent Government secured a mandate for a third consecutive term. The first GST Council meeting post elections (53rd GST Council meeting) was held on June 22, 2024 which has recommended number of amendments and changes. While some of the recommendations have been given effect by way of issuance of circulars and some by notifications, recommendations proposing some changes in the sections will be effected by amending the Act, probably through the Finance (No. 2) Bill, 2024 scheduled to be presented soon.

It has been clarified that the place of supply of goods made to an unregistered person where the billing address and delivery address are different, will be the address of delivery of goods as recorded in the invoice. This clarification will provide much needed clarity in the e-commerce industry as in this sector most of the transactions are of similar nature. Further, it has also been clarified that in case of reverse charge supplies received from unregistered suppliers, the relevant financial year in which the invoice has been issued by the recipient shall be considered for the purpose of time limit for availing input tax credit under section 16(4) under CGST Act, 2017. This will reduce disputes with respect to availability of credit qua tax paid under RCM on goods and services received from unregistered supplier.

Various industry-specific issues have been clarified, including input tax credit on ducts and manholes used in optical fibre cable networks, place of supply for custodial services provided by banks to Foreign Portfolio Investors, time of supply for Hybrid Annuity Model Projects, and time of supply of spectrum allotment to telecom companies. These clarifications will ensure uniform implementation of GST laws across the industry.

As a GST professional, keeping yourself up-to-date with the continuously changing GST law is vital. Clarifications issued can significantly impact your clients' operations, making it imperative for you to remain informed about the latest changes. By staying updated, you can provide accurate advice, ensure compliance, and help your clients avoid any potential penalties.

Further, working towards its objective of supporting the Government's capacity building initiatives, the Committee extended faculty support for a Five-Day GST Refresher Training for officials of Department of State Tax, Goa organised this month under the aegis of the MoU between the ICAI and the Department of State Tax, Goa. Faculty support was also extended for training programme organised at NACIN, Mumbai. A Two-Day Service Specific Workshop was organised by the Committee for Mangaluru Division, Commercial Taxes Department, Karnataka.

"Develop a love for learning. It's the key to endless growth." Embrace this philosophy to excel in your professional journey and make a lasting impact.

CA. Sushil Kumar Goyal

Chairman

GST & Indirect Taxes Committee

The Institute of Chartered Accountants of India

SAGA OF GST ON CORPORATE GUARANTEE

There was a lot of buzz before the 52nd GST council meeting (yes 52nd and not 53rd) with the hope and expectation of relief from taxation on Corporate Guarantee. While the expectations were not completely belied, a reading of the GST Council statement of proceedings followed by the issuance of *Notification No. 52/2023 - CT dt. 26.10.2023* opens up the 'pandoras box'.

What was expected to be good news turned to be a 'doosra' (in cricket terms 'confused delivery'). All this started when the department officers conducting audit and seeking for financials statements of taxpayers and particularly looking for off-Balance Sheet items. And then they found a prominent item there in the nature of Contingent Liability representing Corporate Guarantee provided to bankers for lending to an associate company.

They simply called this a service provided to the company under the garb of 'Credit Guarantee' service under SAC 997113, tagging it erroneously to a valuation rule that is not relevant to the nature of this transaction thus, valued it at an arbitrary 1% of the value of the guarantees provided. We could say it is arbitrary because the assumed value of 1% is applicable only in the context of money changing services as per rule 32 of CGST Rules 2017, and not in the aforementioned context.

However, with this assumption the officers started charging Corporate Guarantee exposure and taxed it at 1% of the guarantee value. After much hue and cry the matter reached the GST Council and they brought clarity on this matter.

What followed was a notification by the Central Board of Indirect Taxes to state that this Corporate Guarantee would be valued at 1% by way of addition of a new valuation rule for this purpose exclusively, which is a newly introduced rate brought in by inserting sub-rule 2 to rule 28 vide *Notification No. 52/2023- CT dt. 26.10.2023* followed by *Circular No. 204/16/2023-GST dated 27.10.2023* which stated that Corporate Guarantees are taxable. However, it has also clarified that personal guarantee given by director to a company is not taxable since value of such supply is zero.

This valuation provision is new and non-existent before

the introduction of this rule. Such transactions cannot be taxed before its introduction, i.e., prior to 26.10.2023.

So, doesn't it mean that this is applicable only for transactions of Corporate Guarantee which is provided from 26.10.2023 (i.e. date of notification introducing the rule) only and all the observations of tax officers in Audits for periods prior to 26.10.2023 are without power and matters have to be dropped? Support is drawn from the Supreme Court in the case of *Martin Lottery Agencies Ltd (2009 20. STT. 203 (SC))* that "If a substantive law is introduced, it will have no retrospective effect."

Also, the Circular itself has clarified that Corporate Guarantee will "henceforth" be determined as per new valuation rule 28(2), thereby making it clear that all Corporate Guarantees issued prior to the date of insertion of the rule cannot be taxed. Will the officer be sparing enough to accept this plea....

Well, the saga doesn't end there. Here comes the 53rd GST council meeting and clarifies the missing parts from the previous chapter of changes.

Resultantly, amendments are made to rule 28(2) vide *Notification No.12/2024 – CT dt. 10.07.2024* to refine the rule and following amendments are made retrospectively with effect from introduction of the rule originally i.e. from 26.10.2023 and imply that –

- a) The valuation rule would be applicable only for a recipient located in India; which means that this rule would not be applicable in case of 'export of such services'.
- b) The valuation would be deemed to be at 1% per annum, which was earlier mentioned as only 1% but there was no clarity if it is one time or per annum, which gets clarified now.

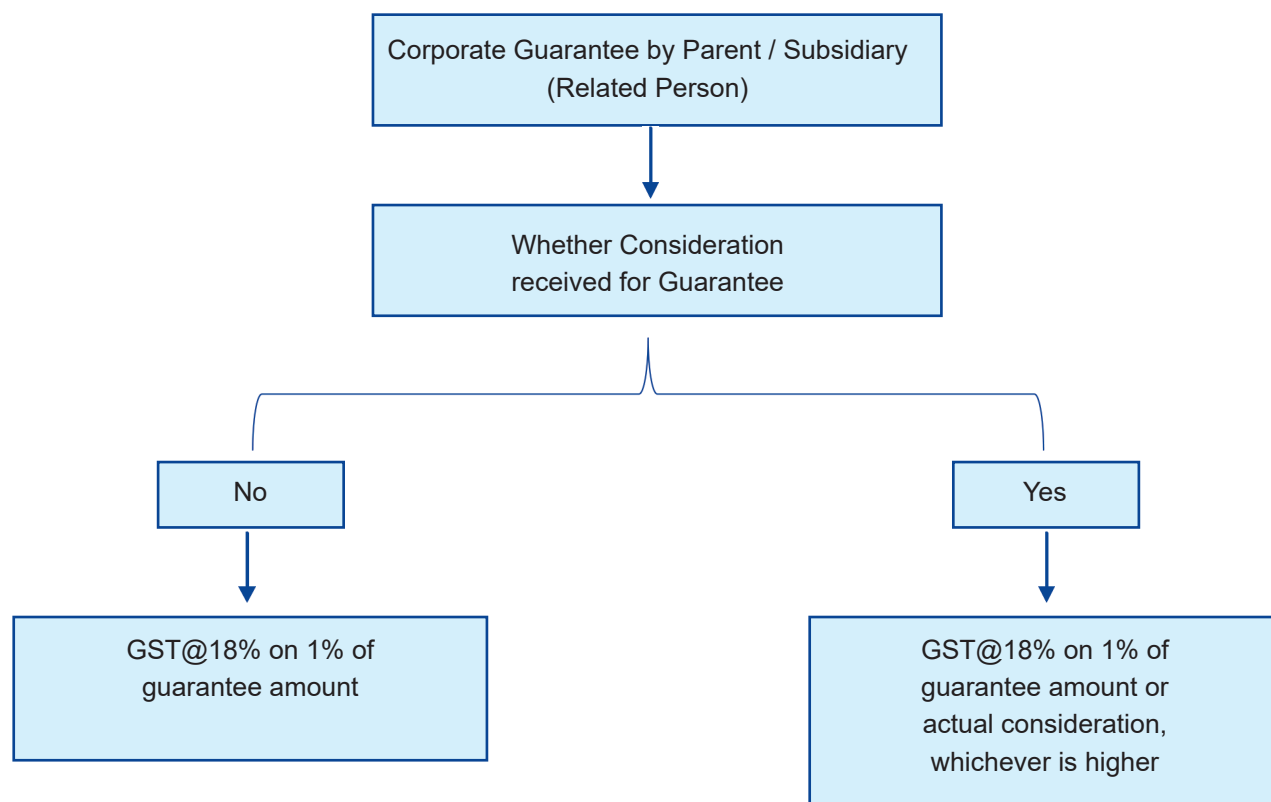
So, what would happen in case of the exclusions mentioned above? In such cases the valuation would be determined based on rule 28(1) which means the value gets determined in the following chronological order - open market value, value of supply of services of like kind and quality or value as determined by the application of rule 30 or rule 31.

The valuation rule would not be applicable where the recipient is eligible for full input tax credit and invoice is raised for the same. In such cases, the valuation would be determined based on the proviso of rule 28(2), which means the value declared in the invoice shall be deemed to be the value of the said supply of services.

Following the notification comes a *Circular No. 225/19/ 2024-GST dt. 11.07.2024* which adds the following –

1. The Circular states that Corporate Guarantee is taxable even before the introduction of rule 28(2), using provisions of rule 28(1) for determining the value.
2. Corporate Guarantee is a service provided on the issuance of the guarantee and full value of Corporate Guarantee is taxable irrespective of whether full loan is disbursed or not.
3. Credit of GST on Corporate Guarantee is available to the recipient registered person regardless of the date and amount of loan disbursement.
4. GST on Corporate Guarantee is applicable on issuance, re-issuance or renewal of Corporate Guarantee. However, taking over of loan by another banker does not fall under the service of providing Corporate Guarantee.
5. GST on Corporate Guarantee applies even when a foreign entity provides a Corporate Guarantee to a related party in India, with the Indian Entity paying GST under RCM.
6. Given that amended rule 28(2) applies only to recipients located in India, the Circular clarifies that for recipients located outside India (Export of Services), the valuation mechanism prescribed therein does not apply.

From the above circulars we can state that the Corporate Guarantee would be taxed as follows:



Concerns:

In spite of the spat of introduction of a new rule and tweaking of the rule and two circulars, the following aspects are still open for challenge -

- 1. Actual Provider of Service:** In the case of Corporate Guarantee, who is the actual provider of service? In all the cases it is assumed that the holding company who is providing a guarantee is a service provider, but is it actually a service provider? The holding company is only ensuring continuity of its associate enterprise/subsidiary company by providing guarantee as a surety to the finance needed by the associate. The transaction of providing guarantee to a lender is flowing from the surety and not from the borrower, but the loan is received by a borrower.

The act of agreeing to provide guarantee by a holding company is to hold its equity value to be sustained and not for any consideration, therefore can any Corporate Guarantee be really said to be for any presumed consideration in the absence of actual flow of consideration?

- 2. Taxability Question:** Introduction of a valuation rule doesn't confirm that the question of taxability is settled, the route map to reach to valuation rules starts from the levy of taxability, which is missing in section 7 of the CGST Act.

How could a valuation rule derive power for a transaction which is not a service at the first instance? While one may closely look at the valuation power given under section 15 of the CGST Act, the valuation mechanism has to be adopted only if the transaction satisfies the test of supply under section 7. All said, where does one find that there is any supply at all.

- 3. Annual Taxation Basis:** Another aspect to consider is a one time activity of giving a guarantee is being taxed every year, on what basis? The updated Rule states that "...shall be deemed to be 1% of the amount of such guarantee offered per annum" in the contrary if the placement of the term 'per annum' would have been after 1% then the sentence would read as - shall be deemed to be 1% per annum of the amount of such guarantee offered that would have made some clearer indication that the intention is to levy at 1% of the corporate guarantee issued.

But with the present rule as it is, one can take the following view that the value per year is a product of

$$\frac{1\% \text{ of the Corporate Guarantee issued}}{\text{Duration of the Guarantee}}$$

but the same is sure to hit the courts of the country to have more clarity.

- 4. Time of Supply:** To tax any transaction the determination of time of supply is crucial, in the instant case, the time of supply provisions is missing for a transaction of related party as per section 13(2)(c) since the time of supply is based on passing an entry in books of accounts. When such an entry is not passed in the books, then the time of supply fails and thereby making the absence of the statutory provision of time of supply. When the time of supply fails, doesn't the levy fail too?

Mindful to note at this juncture would be that a petition is pending before the Hon'ble Delhi Court in the case of *Sterlite Power Transmission (2024) 84 GSTL 42 (Delhi)* wherein it is challenged on levy of GST on Corporate Guarantees, calling such guarantees a "contingent contract which is not enforceable till the guarantee is enforced", is pending.

It is also critical to note that the case of Corporate Guarantee in case of Service Tax is decided in the case of *Commissioner of CGT and Central Excise Vs Edelweiss Financial Services Ltd(2023) 5 Centax 58 (S.C.) / Civil Appeal 001769 of 2023* and noteworthy that the Apex court concluded that Corporate Guarantee without consideration is not taxable.

Conclusion:

These clarifications have tried to address longstanding uncertainties and confirm the Government's intent to continue taxing these financial instruments without rollback, but the challenges still continue.

By CA. Deepak Kothari



GST UPDATES

1. Fixation of monetary limits for filing appeals or applications by the Department before GSTAT, High Courts and Supreme Court

- (a) Following monetary limits have been fixed for filing appeal or application or Special Leave Petition, as the case may be, by the Central Tax officers before Goods and Service Tax Appellate Tribunal (GSTAT), High Court and Supreme Court:

Appellate Forum	Monetary Limit
GSTAT	₹ 20 Lakh
High Court	₹ 1 Crore
Supreme Court	₹ 2 Crore

- (b) Principles to be considered while determining whether a case falls within the above monetary limits or not:

S. No.	Dispute relates to demand of -	Amount to be considered for applying the monetary limit
1.	Tax (with or without penalty and/or interest)	Only the aggregate amount of tax in dispute (including CGST, SGST/UTGST, IGST and Compensation Cess)
2.	Only interest	Amount of interest
3.	Only penalty	Amount of penalty
4.	Only late fee	Amount of late fee
5.	Interest, penalty and/or late fee (without involving any disputed tax amount)	Aggregate amount of interest, penalty and late fee
6.	Erroneous refund	Amount of refund in dispute (including CGST, SGST/UTGST, IGST and Compensation Cess)

- Monetary limit shall be applied on the disputed amount of tax/ interest/ penalty/ late fee, as the case may be, in respect of which appeal, or application is contemplated to be filed in a case.
- In a composite order which disposes more than one appeal/demand notice, the monetary limits shall be applicable on the total amount of tax/interest/ penalty/ late fee, as the case may be, and not on the amount involved in individual appeal or demand notice.

- (c) Following cases to be taken on merits irrespective of the monetary limits:

- Where any provision of the CGST Act or SGST/UTGST Act or IGST Act or GST (Compensation to States) Act has been held to be ultra vires to the Constitution of India
- Where any rules or regulations under CGST Act or SGST/UTGST Act or IGST Act or GST (Compensation to States) Act has been held to be ultra vires to the Parent Act
- Where any order, notification, instruction, or circular issued by the Government or the Board has been held to be ultra vires of CGST Act or SGST/UTGST Act or IGST Act or GST (Compensation to States) Act or the Rules made thereunder
- Where the matter is related to –
 - a. Valuation of goods or services; or
 - b. Classification of goods or services; or
 - c. Refunds; or
 - d. Place of Supply; or
 - e. Any other issue,
 which is recurring in nature and/or involves interpretation of the provisions of the Act /the rules/notification/circular/order/instruction etc.
- Where strictures/adverse comments have been passed and/or cost has been imposed against the Government/Department or their officers.
- Any other case or class of cases, where in the opinion of the Board, it is necessary to contest in the interest of justice or revenue.

- (d) Appeal should not be filed merely because the disputed tax amount involved in a case exceeds the monetary limits fixed above. Filing of appeal in such cases is to be decided on the merits of the case.

- (e) Where appeal is not filed in pursuance of these instructions, such cases shall not have any precedent value.

- (f) Non-filing of appeal based on the above monetary limits, shall not preclude the tax officer from filing appeal or application in any other case involving the same or similar issues in which the tax in dispute exceeds the monetary limit or case involving the questions of law.

- (g) Where appeal is not filed solely on the basis of the above monetary limits, there will be no presumption that the Department has acquiesced in the decision on the disputed issues in the case of same taxpayers or in case of any other taxpayers.

Circular No. 207/1/2024-GST dated 26.06.2024

2. Clarifications on various issues pertaining to special procedure for the manufacturers of the specified commodities as per Notification No. 04/2024 -Central Tax dt. 05.1.2024

Notification No. 04/2024 -Central Tax dt. 05.01.2024 prescribes a special procedure to be followed by the registered persons engaged in manufacturing of goods like Pan-masala, Tobacco, etc.

Circular No. 208/2/2024-GST dated 26.06.2024 has clarified following issues pertaining to the said special procedure:

S. No.	Issue	Clarification
1.	Non-availability of make, model number and machine number	In Table 6 of FORM GST SRM-I as notified vide <i>Notification No. 04/2024-CT dated 05.01.2024</i> , make and model number are optional. However, for make- the year of purchase of the machine may be declared. Machine No. is mandatory field – If not available, then the manufacturer may assign any numeric number to the said machine and provide the details of the same.
2.	In cases where the electricity consumption rating of the packing machine is not available in the specifications of the said machine or in the documents/record of the same, then how to declare the electricity consumption rating of the said machine in Table 6 of FORM GST SRM-I?	The manufacturer may get such electricity consumption per hour of the said machine calculated through a Chartered Engineer and get the same certified by the said Chartered Engineer in the format prescribed in FORM GST SRM-III, as notified vide <i>Notification No. 04/2024-CT dated 05.01.2024</i> . The copy of such certificate of the Chartered Engineer needs to be uploaded along with FORM GST SRM-I. In cases where there are certificates of Chartered Engineer for more than one machine, then all such certificates may be uploaded in a single PDF file.
3.	Which value has to be reported in Column 8 of Table 9 of FORM GST SRM-II in case of goods having no MRP, for example, goods manufactured for export market?	In cases where there is no MRP of the package, then the sale price of the goods so manufactured shall be entered in Column 8 of Table 9 of FORM GST SRM-II as notified vide <i>Notification No. 04/2024-CT dated 05.01.2024</i> .
4.	What should be the qualification and eligibility of the Chartered Engineer for providing Chartered Engineer certificate under the special procedure notified vide <i>Notification No. 04/2024-CT dated 05.01.2024</i> ?	A Practicing Chartered Engineer having a certificate of practice from the Institute of Engineers India (IEI) is qualified to provide Chartered Engineer certificate.
5.	In cases where multiple machines are required for filling, capping and packing of containers, the serial number of which machine is required to be declared in Table 6 of FORM GST SRM-I?	The detail of that machine is required to be reported in Table 6 of FORM GST SRM-I which is being used for final packing of the packages of the specified goods.
6.	In case of job work or contract manufacturing, which person shall be required to comply with the special procedure as notified vide <i>Notification No. 04/2024-CT dated 05.01.2024</i> ?	All persons involved in manufacturing process including a job worker / contract manufacture shall be responsible for the compliance. However, if the job worker/ contract manufacturer is unregistered, then the liability to comply with the said special procedure will be of the concerned principal manufacturer.
7.	The special procedure as notified vide <i>Notification No. 04/2024-CT dated 05.01.2024</i> is not applicable to the manufacturing units located in Special Economic Zone.	
8.	The said special procedure notified vide <i>Notification No. 04/2024-CT dated 05.01.2024</i> is not applicable in respect of manual seamer/ sealer being used for packing operations.	
9.	The said special procedure is not applicable in respect of manual packing operations such as those in cases of post-harvest packing of tobacco leaves.	

Circular No. 208/2/2024-GST dated 26.06.2024

3. Clarification regarding place of supply of goods to unregistered persons

As per clause (ca) of section 10(1) of the IGST Act, 2017, where the supply of goods is made to a person other than a registered person, the place of supply shall, notwithstanding anything contrary contained in clause (a) or clause (c), be the location as per the address of the said person recorded in the invoice issued in respect of the said supply and the location of the supplier where the address of the said person is not recorded in the invoice.

The said provision has been inserted with effect from 01.10.2023, as a non-obstante provision overriding the provisions under section 10(1)(a) or 10(1)(c) of IGST Act. Further, an explanation has also been added to the said clause to clarify that recording the name of the State of the said person shall be deemed to be the recording of the address of the said person.

Issue: Place of supply of goods (particularly being supplied through e-commerce platform) to unregistered persons where billing address is different from the address of delivery of goods

S. No.	Issue	Clarification
1.	Mr. A (unregistered person) located in X State places an order on an e-commerce platform for supply of a mobile phone, which is to be delivered at an address located in Y State. Mr. A, while placing the order on the e-commerce platform, provides the billing address located in X state. In such a scenario, what would be the place of supply of the said supply of mobile phone, whether the State pertaining to the billing address i.e. State X or the State pertaining to the delivery address i.e. State Y?	It has been clarified that in such cases involving supply of goods to an unregistered person, where the address of delivery of goods recorded on the invoice is different from the billing address of the said unregistered person on the invoice, the place of supply of goods in accordance with the provisions of clause (ca) of sub-section (1) of section 10 of IGST Act, shall be the address of delivery of goods recorded on the invoice i.e. State Y in the present case where the delivery address is located. Also, in such cases involving supply of goods to an unregistered person, where the billing address and delivery address are different, the supplier may record the delivery address as the address of the recipient on the invoice for the purpose of determination of place of supply of the said supply of goods.

Circular No. 209/3/2024- GST dated 26.06.2024

4. Clarification on valuation of supply of import of services by a related person where recipient is eligible to full input tax credit

As per second proviso to rule 28(1) of CGST Rules, in cases involving supply of goods or services or both between the distinct or related persons where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of the said goods or services.

The second proviso to rule 28 (1) of CGST Rules, is applicable in all the cases involving supply of goods or services or both between the distinct persons as well as the related persons, in cases where full ITC is available to the recipient. Accordingly, the clarification issued vide *Circular No. 199/11/2023-GST dated 17.07.2023*, is equally applicable in respect of import of services between related persons.

In case of import of services by a registered person in India from a related person located outside India, the tax is required to be paid by the registered person in India under reverse charge mechanism. In such cases, the registered person in India is required to issue self-invoice under section 31(3)(f) of CGST Act and pay tax on reverse charge basis.

In view of the above, it is clarified that in cases where the foreign affiliate is providing certain services to the related domestic entity, and where full input tax credit is available to the said related domestic entity, the value of such supply of services declared in the invoice by the said related domestic entity may be deemed as open market value in terms of second proviso to rule 28(1) of CGST Rules. Further, in cases where full input tax credit is available to the recipient, if the invoice is not issued by the related domestic entity with respect to any service provided by the foreign affiliate to it, the value of such services may be deemed to be declared as Nil and may be deemed as open market value in terms of second proviso to rule 28(1) of CGST Rules.

Circular No.210/4/2024-GST dated 26.06.2024

5. Clarification on time limit under section 16(4) of the CGST Act for availing ITC in case of supplies received from unregistered suppliers in respect of RCM supplies

It is being clarified that in cases of supplies received from unregistered suppliers, where tax has to be paid by the recipient under reverse charge mechanism (RCM) and where invoice is to be issued by the recipient of the supplies in accordance with section 31(3)(f) of CGST Act, the relevant financial year for calculation of time limit for availing of input tax credit under the provisions of section 16(4) of CGST Act will be the financial year in which the invoice has been issued by the recipient under section 31(3)(f) of CGST Act, subject to payment of tax on the said supply by the recipient and fulfilment of other conditions and restrictions of section 16 and 17 of CGST Act.

In case, the recipient issues the invoice after the time of supply of the said supply and pays tax accordingly, he will be required to pay interest on such delayed payment of tax. Further, in cases of such delayed issuance of invoice by the recipient, he may also be liable to penal action under the provisions of section 122 of CGST Act.

Circular No. 211/5/2024-GST dated 26.06.2024

6. Mechanism for providing evidence of compliance of conditions of section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers

Presently, there is no system functionality/ facility available on the common portal to enable the supplier or the tax officer to verify the compliance of the said condition of proportionate reversal of input tax credit by the recipient.

In view of the above, till the time a functionality/ facility is made available on the common portal to enable the suppliers as well as the tax officers to verify whether the input tax credit attributable to such discounts offered through tax credit notes has been reversed by the recipient or not, the supplier may procure a certificate from the recipient of supply, issued by the Chartered Accountant (CA) or the Cost Accountant (CMA), certifying that the recipient has made the required proportionate reversal of input tax credit at his end in respect of such credit note issued by the supplier.

The said CA/CMA certificate shall contain UDIN and may include the following details:

- (a) details of the credit notes,
- (b) the details of the relevant invoice number against which the said credit note has been issued

- (c) the amount of ITC reversal in respect of each of the said credit notes along with the details of the FORM GST DRC-03/return/ any other relevant document through which such reversal of ITC has been made by the recipient.

In cases, where the amount of tax (CGST+SGST+IGST and including compensation cess, if any) involved in the discount given by the supplier to a recipient through tax credit notes in a Financial Year is not exceeding ₹ 5,00,000, then instead of CA/CMA certificate, the said supplier may procure an undertaking/ certificate from the said recipient that the said input tax credit attributable to such discount has been reversed by him.

The supplier shall produce such certificates/ undertakings before the tax officers, if required, during any proceedings such as scrutiny, audit, investigations, etc. including past period proceedings.

Circular No. 212/6/2024 GST dated 26.06.2024

7. Clarification on the taxability of ESOP/ESPP/RSU provided by a company to its employees through its overseas holding company

Companies provide option of allotment of securities/shares to their employees as a means of incentivization and the same is commonly referred to as an Employee Stock Purchase Plan (ESPP) or Employee Stock Option Plan (ESOP) or Restricted Stock Unit (RSU). Such specific terminology usage depends on the agreed-upon compensation terms between the employer and the employee. Regardless of the terminology used, the fundamental essence of the transaction remains the same i.e. the allocation of securities or shares from the employer to employee as part of compensation package with the aim of motivating enhanced performance.

It is clarified that no supply of service appears to be taking place between the foreign holding company and the domestic subsidiary company where the foreign holding company issues ESOP/ESPP/RSU to the employees of domestic subsidiary company, and the domestic subsidiary company reimburses the cost of such securities/shares to the foreign holding company on cost-to-cost basis. However, in cases where an additional amount over and above the cost of securities/shares is charged by the foreign holding company from the domestic subsidiary company, by whatever name called GST would be leviable on such additional amount charged as consideration for the supply of services of facilitating/ arranging the transaction in securities/ shares by the foreign holding

company to the domestic subsidiary company. The GST shall be payable by the domestic subsidiary company on reverse charge basis in such a case on the said import of services.

Circular No.-213/07/2024-GST dated 26.06.2024

8. Clarification on the requirement of reversal of input tax credit in respect of the portion of the premium for life insurance policies which is not included in taxable value

Issue: Whether the amount of insurance premium, which is not included in the taxable value as per rule 32(4) of CGST Rules applicable for life insurance business, shall be treated as pertaining to a non-taxable supply/ exempt supply for the purpose of reversal of input tax credit as per section 17(1) of CGST Act read with rule 42 & 43 of CGST Rules?

Clarification: It is clarified that the amount of the premium for taxable life insurance policies, which is not included in the taxable value as determined under rule 32(4) of the CGST Rules, cannot be considered as pertaining to a non-taxable or exempt supply and therefore, there is no requirement of reversal of input tax credit as per provisions of rule 42 or rule 43 of CGST Rules, read with sub-section (1) and sub-section (2) of section 17 of CGST Act, in respect of the said amount.

Circular No.-214/8/2024-GST dated 26.06.2024

9. Clarification on taxability of salvage/ wreck value earmarked in the claim assessment of the damage caused to the motor vehicle

Q. Whether the insurance company is liable to pay GST on the salvage/ wreckage value earmarked in the claim assessment of the damage caused to the motor vehicle?

Insurance companies provide service of insuring the vehicle/ automobile for any damages and in return, charge consideration in the form of premium charged from the owner of the vehicle. It is also noted that in respect of insurance services being provided by the insurance companies, it is the responsibility of the insurance company to get the damaged vehicle repaired or to compensate the insured person against the damage caused to the vehicle, to the extent covered under the terms of the insurance. Any deduction made by the insurance company from the final claim amount paid to the insured is in the form of deductibles which is pre-decided and mutually agreed by the insured and the insurer while signing the insurance contract.

(a) In cases where due to the conditions mentioned in the contract itself, general insurance companies are deducting the value of salvage as deductibles

from the claim amount, the salvage remains the property of insured and insurance companies are not liable to discharge GST liability on the same.

(b) In cases, where the insurance claim is settled on full claim amount, without deduction of value of salvage/ wreckage (as per the terms of the contract), the salvage becomes the property of the insurance company, and the insurance company will be obligated to discharge GST on supply of salvage to the salvage buyer.

Circular No.-215/9/2024-GST dated 26.06.2024

10. Clarification in respect of GST liability and input tax credit (ITC) availability in cases involving warranty/ extended warranty, in furtherance to Circular No. 195/07/2023-GST dated 17.07.2023

1) Clarification regarding GST liability as well as liability to reverse input tax credit in respect of cases where goods as such or the parts are replaced under warranty:

In cases where warranty is provided by the manufacturer/ suppliers to the customers in respect of any goods, and if any defect is detected in the said goods during the warranty period, the manufacturer may be required to replace either one or more parts or the goods as such, depending upon the extent of damage/ defect noticed in the said goods. However, Table in Para 2 of the said circular only clarifies in respect of the situations involving replacement of part/ parts and does not specifically refer to the situation involving replacement of goods as such. It is clarified that the clarification provided in Para 2 of the *Circular No. 195/07/2023-GST dated 17.07.2023* is also applicable in case where the goods as such are replaced under warranty.

Accordingly, wherever, 'any part,' 'parts' and 'part(s)' has been mentioned in Para 2 of *Circular No.195/07/2023-GST dated 17.07.2023*, the same may be read as 'goods or its parts, as the case may be'.

2) Clarification in respect of cases where the distributor replaces the parts/ goods to the customer as part of warranty out of his own stock on behalf of the manufacturer and subsequently gets replenishment of the said parts/ goods from the manufacturer

In such a situation, the manufacturer provides the said goods or the parts, as the case may be, to the distributor through a delivery challan, without separately charging any consideration at the time of such replenishment. Here, no GST is payable

on such replenishment of goods or the parts, as the case may be. Further, no reversal of ITC is required to be made by the manufacturer in respect of the goods or the parts, as the case may be, so replenished to the distributor.

3) Nature of supply of extended warranty, at the time of original supply of goods, as a separate supply from supply of goods, if the supply of extended warranty is made by a person different from the supplier of the goods

If a customer enters into an agreement of extended warranty with the supplier of the goods at the time of original supply, then the consideration for such extended warranty becomes part of the value of the composite supply, the principal supply being the supply of goods, and GST would be payable accordingly. However, if the supply of extended warranty is made by a person different from the supplier of the goods, then supply of extended warranty will be treated as a separate supply from the original supply of goods and will be taxable as supply of services.

4) Nature of supply of extended warranty, made after original supply of goods

In case where a consumer enters into an agreement of extended warranty at any time after the original supply, then the same shall be treated as a supply of services distinct from the original supply of goods and the supplier of the said extended warranty shall be liable to discharge GST liability applicable on such supply of services.

Circular No. 216/10/2024-GST dated 26.06.2024

11. Entitlement of ITC by the insurance companies on the expenses incurred for repair of motor vehicles in case of reimbursement mode of insurance claim settlement

The insurance companies, which are engaged in providing general insurance services in respect of insurance of motor vehicles, insure the cost of repairs/ damages of motor vehicles incurred by the policyholders and settle the claims in two modes i.e.,

- Cashless, or
- Reimbursement.

Under both modes of settlement, the insurance company accounts for repair liability (as assessed by the Surveyor/ Loss Assessor) as claim cost and is liable to make payment of approved repair charges to the garage. In both the cases, the invoices are generally issued by the garages in the name of insurance companies. While in case of Cashless Mode, the insurance companies directly make the payment of

approved repair charge to the Network Garage, in case of Reimbursement mode, the payment is first made by the Insured to the Non-Network Garage, which is subsequently reimbursed by the insurance company to the Insured, to the extent of approved repair/ claim cost.

Q. Whether ITC is available to insurance companies in respect of repair expenses reimbursed by the insurance company in case of reimbursement mode of claim settlement?

Clarification: Irrespective of the fact that the payment of the repair services to the garage is first made by the insured, which is then reimbursed by the insurance company to the insured to the extent of the approved claim cost, the liability to pay for the repair service for the approved claim cost lies with the insurance company, and thus, the insurance company is covered in the definition of “recipient” in respect of the said supply of services of vehicle repair provided by the garage under section 2(93) of CGST Act, to the extent of approved repair liability. Moreover, availment of credit in respect of input tax paid on motor vehicle repair services received by the insurance company for outward supply of insurance services for such motor vehicles is not barred under section 17(5) of CGST Act.

Accordingly, it is clarified that ITC is available to Insurance Companies in respect of motor vehicle repair expenses incurred by them in case of reimbursement mode of claim settlement.

Q. The extent of ITC available to insurer in cases where the invoice raised by the garage also includes an amount in excess of the approved claim cost, the insurance company only reimburses the approved claim cost to the garage after considering the standard deductions. The remaining amount is to be paid by the insured to the garage.

Clarification: In cases where the garage issues two separate invoices in respect of the repair services, one to the insurance company in respect of approved claim cost and second to the customer for the amount of repair service in excess of the approved claim cost, ITC may be available to the insurance company on the said invoice issued to the insurance company subject to reimbursement of said amount by insurance company to the customer.

However, if the invoice for full amount for repair services is issued to the insurance company while the insurance company makes reimbursement to the insured only for the approved claim cost, then, the input tax credit may be available to the insurance

company only to the extent of reimbursement of the approved claim cost to the insured, and not on the full invoice value.

Q Whether ITC is available to the insurer where the invoice for the repair of the vehicle is not in name of the insurance company?

Clarification: Here, condition of clause (a) and (aa) of section 16(2) of CGST Act is not satisfied and accordingly, input tax credit will not be available to the insurance company in respect of such an invoice.

Circular No. 217/11/2024-GST dated 26.06.2024

12. Clarification regarding taxability of the transaction of providing loan by an overseas affiliate to its Indian affiliate or by a person in India to a related person

S. No.	Issue	Clarification
1.	Whether the activity of providing loans by an overseas affiliate to its Indian affiliate or by a person to a related person, where there is no consideration in the nature of processing fee/ administrative charges/ loan granting charges etc., and the consideration is represented only by way of interest or discount, will be treated as a taxable supply of service under GST or not?	In cases, where no consideration is charged by the person from the related person, or by an overseas affiliate from its Indian party, for extending loan or credit, other than by way of interest or discount, it cannot be said that any supply of service is being provided between the said related persons in the form of processing/ facilitating/ administering the loan, by deeming the same as supply of services as per clause (c) of sub-section (1) of section 7 of the CGST Act, read with S. No. 2 and S. No. 4 of Schedule I of CGST Act. Accordingly, there is no question of levy of GST on the same by resorting to open market value for valuation of the same as per rule 28 of Central Goods and Services Tax Rules, 2017. However, in cases of loans provided between related parties, wherever any fee in the nature of processing fee/ administrative charges/ service fee/ loan granting charges etc. is charged, over and above the amount charged by way of interest or discount, the same may be considered to be the consideration for the supply of services of processing/ facilitating/ administering of the loan, which will be liable to GST as supply of services by the lender to the related person availing the loan.

Circular No.218/12/2024 - GST dt. 26.06.2024

13. Clarification on availability of input tax credit on ducts and manholes used in network of optical fibre cables (OFCs) in terms of section 17(5) of the CGST Act, 2017

Ducts and manholes are basic components for the optical fiber cable (OFC) network used in providing telecommunication services. The OFC network is generally laid with the use of PVC ducts/sheaths in which OFCs are housed and service/connectivity manholes, which serve as nodes of the network and are necessary for not only laying of optical fiber cable but also their upkeep and maintenance. In view of the Explanation in section 17 of the CGST Act, it appears that ducts and manholes are covered under the definition of “plant and machinery” as they are used as part of the OFC network for making outward supply of transmission of telecommunication signals from one point to another. Moreover, ducts and manholes used in network of OFCs have not been specifically excluded from the definition of “plant and machinery” in the Explanation to section 17 of CGST Act, as they are neither in nature of land, building or civil structures nor are in nature of telecommunication towers or pipelines laid outside the factory premises.

Accordingly, it is clarified that availment of input tax credit is not restricted in respect of such ducts and manhole used in network of optical fiber cables (OFCs), either under clause (c) or under clause (d) of section 17(5) of CGST Act.

Circular No. 219/13/2024- GST dt. 26.06.2024

14. Clarification on place of supply applicable for custodial services provided by banks to Foreign Portfolio Investors

As per clause (a) of sub-section (8) of section 13 of IGST Act, place of supply of services supplied by banking company or a financial institution or a non-banking company to account holders shall be the location of the supplier of services.

Provisions of Rule 9(a) of the Service Tax Place of Provision of Supply Rules, 2012 were identical to that of section 13(8)(a) of the IGST Act. As per clarification given in Education Guide under Service Tax Regime, the custodial services

are not considered to be covered under the services provided by bank to account holders but have been considered to be covered under the services which are not provided to account holder. The clarification given in the Education Guide under Service Tax Regime is equally applicable under GST Regime.

Accordingly, it is clarified that the custodial services provided by banks or financial institutions to FPIs are not to be treated as services provided to 'account holder' and therefore, the said services are not covered under section 13(8)(a) of the IGST Act. Therefore, the place of supply of such services is to be determined under the default provision i.e., section 13(2) of the IGST Act.

Circular No. 220/14/2024- GST dt. 26.06.2024

15. Time of supply in respect of supply of services of construction of road and maintenance thereof of National Highway Projects of National Highways Authority of India (NHAI) in Hybrid Annuity Mode (HAM) model

A HAM contract is a single contract for construction as well as operation and maintenance of the highway. The payment terms are so staggered that the concessionaire is held accountable for the repair and maintenance of the highway as well. The contract needs to be looked at holistically based on the services to be performed by the concessionaire and cannot be artificially split into two separate contracts for construction and operation and maintenance, based on the payment terms. The concessionaire is bound contractually to complete not only the construction of the highway but also to operate and maintain the same.

In HAM contract, the payment is spread over the contract period in installments and payment for each installment is to be made after specified periods, or on completion of an event, as specified in the contract. The same appears to be covered under the 'Continuous supply of services' as defined under section 2(33) of the CGST Act.

As per section 13(2) of CGST Act, read with section 31(5) of CGST Act, time of supply of services under HAM contract, including construction and O&M portion, should be the date of issuance of such invoice, or date of receipt of payment, whichever is earlier, if the invoice is issued on or before the specified date or the date of completion of the event specified in the contract, as applicable. However, in cases, where the invoice is not issued on or before the specified date or the date of completion of the event specified in the contract, as per section 13(2)(b), time of supply

should be the date of provision of the service, or date of receipt of payment, whichever is earlier. In case of continuous supply of services, the date of provision of service may be deemed as the due date of payment as per the contract, as the invoice is required to be issued on or before the due date of payment as per the provisions of section 31(5) of CGST Act.

In the light of above, it is clarified that the tax liability on the concessionaire under the HAM contract, including on the construction portion, would arise at the time of issuance of invoice, or receipt of payments, whichever is earlier, if the invoice is issued on or before the specified date or the date of completion of the event specified in the contract, as applicable. If invoices are not issued on or before the specified date or the date of completion of the event specified in the contract, tax liability would arise on the date of provision of the said service (i.e., the due date of payment as per the contract), or the date of receipt of the payment, whichever is earlier.

It is also clarified that as the installments/annuity payable by NHAI to the concessionaire also includes some interest component, the amount of such interest shall also be includible in the taxable value for the purpose of payment of tax on the said annuity/installment in view of the provisions of section 15(2)(d) of the CGST Act.

Circular No. 221/15/2024- GST dt. 26.06.2024

16. Clarification on time of supply of services of spectrum usage and other similar services under GST

Under the spectrum allocation model followed by DoT, bidders (the telecom operator) bids for securing the right to use spectrum offered by the Government. In these cases, service provider is the Government of India (through DoT) and service recipient is the bidder/telecom operator. As per *Notification No. 13/2017- CT (R) dt. 28.06.2017*, GST liability is to be discharged on the supply of spectrum allocation services by the recipient of services (the telecom operator) on reverse charge basis.

In respect of the supply of spectrum allocation services, if the telecom operator chooses the option to make payment in installments, the payment has to be spread over the contract period in installments and payment for each installment is to be made after specified periods, as specified in the Frequency Assignment Letter of DoT, which is in the nature of contract. The same is a 'continuous supply of services' as defined under section 2(33) of the CGST Act, since the supply of services (spectrum usage) is agreed to be provided

by the supplier (DoT) to the recipient (telecom operator) continuously for a period which is exceeding three months with periodic payment obligations.

Further, as per section 31(5)(a) of CGST Act, in cases of continuous supply of services, where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before such due date of payment. In the instant case, the date of payment to be made by the telecom operator to DoT is clearly ascertainable from the Notice Inviting Applications read with the Frequency Assignment Letter. Accordingly, tax invoice will be required to be issued in respect of the said supply of services, on or before such due date of payment as per the option exercised by the telecom operator.

In the light of above, it is clarified that in case where full upfront payment is made by the telecom operator, GST would be payable when the payment of the said

upfront amount is made or is due, whichever is earlier, whereas in case where deferred payment is made by the telecom operator in specified installments, GST would be payable as and when the payments are due or made, whichever is earlier.

It is also clarified that the similar treatment regarding the time of supply as discussed in the above paras, may apply in other cases also where any natural resources are being allocated by the Government to the successful bidder/ purchaser for right to use the said natural resource over a period of time, constituting continuous supply of services as per the definition under section 2(33) of the CGST Act, with the option of payments for the said services either through an upfront payment or in deferred periodic installments over the period of time.

Circular No.-222/16/2024-GST dated 26.06.2024

COMPLIANCE SCHEDULE

Compliances for the month of July, 2024

Forms	Compliance Particulars	Due Dates
GSTR 7	Return to be furnished by the registered persons who are required to deduct tax at source.	10.08.2024
GSTR 8	Return to be furnished by the registered electronic commerce operators who are required to collect tax at source on the net value of taxable supplies made through it.	10.08.2024
GSTR 1	Statement of outward supplies by the taxpayers having an aggregate turnover of more than ₹ 5 crore or the taxpayers who have opted for monthly return filing.	11.08.2024
IFF	Statement of outward supplies by the taxpayers having an aggregate turnover upto ₹ 5 crore and who have opted for the QRMP scheme.	13.08.2024
GSTR 5	Return to be furnished by the non-resident taxable persons containing details of outward supplies and inward supplies.	13.08.2024
GSTR 6	Return to be furnished by every Input Service Distributor (ISD) containing details of the input tax credit received and its distribution.	13.08.2024
GSTR 3B	Return to be furnished by all the taxpayers other than who have opted for QRMP scheme comprising consolidated summary of outward and inward supplies.	20.08.2024
GSTR 5A	Return to be furnished by Online Information and Database Access or Retrieval (OIDAR) services provider for providing services from a place outside India to non-taxable online recipient (as defined in Integrated Goods and Services Tax Act, 2017) and to registered persons in India and details of supplies of online money gaming by a person outside India to a person in India.	20.08.2024
PMT-06	Payment of GST for a taxpayer with aggregate turnover up to ₹ 5 crores during the previous year and who has opted for quarterly filing of return under QRMP scheme.	25.08.2024



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

Certificate Course on GST



An exhaustive 10 days course for building capacities of members in GST and equipping them to take up new opportunities in the field of GST

Time : 10.00 am to 5.00 pm

Fees : **Rs. 9,000 /- plus GST**

Content of the Course					
Introduction to GST & Constitutional Provisions related thereto	Supply and Levy of GST	Classification	Nature of supply	Time of supply	Place of supply
Valuation	Reverse charge mechanism	Import & Export under GST	Registration	Input Tax Credit	Finalization of accounts from GST perspective
Exemptions under GST	Maintenance of books of accounts and records	Returns & Payment of tax	E-Way Bills & E-Invoicing	Assessment	Audit by tax authorities
Refunds	Annual Return & Reconciliation	Inspection, Search & Seizure	Demand & Recovery	Offences & Penalties	Appeals & Revisions
Advance Rulings	Handling notices/demands and appeals	Case Studies	Recent judicial pronouncements	Ethical Practice	Professional opportunities

Hard copy of Background Material on GST will be provided as course material.

Details about the Course:

<https://idtc.icai.org/about-certificate-course.html>

CPE Hours:

30 Structured CPE hours (25 hours after attending the sessions and 5 hours after passing the Assessment Test)

Contact : gst@icai.in/ 0120-3045 954

GST QUIZ

- Whether Corporate Guarantee provided by PQR Ltd. to ABC Bank for another related company – XYZ Ltd. is taxable? If yes, what shall be the value of supply in this transaction?
 - No, Exempt
 - Yes, Open Market Value
 - Yes, higher of 1% of the guarantee offered or actual consideration
 - None of the above
- The place of supply in case of custodial services provided by banks or financial institutions to Foreign Portfolio Investors (FPIs) shall be determined as per the provisions of
 - section 13(2)
 - section 13(4)
 - section 13(6)
 - section 13(8)
- Whether the amount of insurance premium, which is not included in the taxable value as per rule 32(4) applicable for life insurance business, shall be treated as pertaining to a non-taxable supply/exempt supply for the purpose of reversal of input tax credit as per section 17(1) of CGST Act read with rule 42 & 43?
 - No, as it is neither a non-taxable supply nor exempt supply.
 - Yes, as it is an exempt supply.
 - Yes, as it is a non-taxable supply.
 - Either (b) or (c)
- MNO Telecom wants to claim Input Tax Credit (ITC) on ducts and manhole used in network of Optical Fibre Cables (OFCs) for providing telecommunication services. Whether MNO Telecom is eligible to claim ITC on such ducts and manhole?
 - No, as ITC is blocked as per section 17(5) of the CGST Act.
 - Yes, if all the conditions of section 16 are fulfilled.
 - No, as MNO Telecom is not engaged in the outward supply of ducts and manholes.
 - None of the above
- XYZ & Co., not registered under GST has provided security services to ABC Ltd. registered under GST on 28.02.2024. ABC Ltd. forgot to issue invoice in FY 2023-24 and hence, issued an invoice on 28.06.2024 as per section 31(3)(f). The maximum time limit for availing the ITC in respect of said supply is-
 - 30.11.2024
 - 30.09.2025
 - 30.11.2025
 - 31.12.2025
- Mr. A has purchased a car insurance policy from JKL Assurance Co. After an accident, his car is being repaired by XYZ Ltd., the garage. XYZ Ltd. had issued an invoice for Rs. 1,00,000 in the name of the insurance company. However, JKL Assurance Co. approved a claim of only Rs. 60,000. Specify the amount on which JKL Assurance Co. is eligible to claim ITC.
 - Nil
 - ₹ 40,000
 - ₹ 60,000
 - ₹ 1,00,000
- Who can apply for rectification of any error in the order passed for advance ruling which is apparent on the face of record?
 - Applicant
 - Concerned Officer or Jurisdictional Officer
 - Advance Ruling Authority or the Advance Ruling Appellate Authority on its own accord.
 - All of the above
- Which of the following statement is correct with respect of a person paying tax under composition scheme?
 - He can make supply to SEZ.
 - He cannot make supply to SEZ even located in same state.
 - He can make supply to SEZ subject to the approval of Central Government.
 - None of the above
- Appeal to Supreme Court is allowed in case of orders passed by -
 - Principal Bench of Appellate Tribunal and High Court.
 - State Bench and Principal Bench of Appellate Tribunal and High Court.
 - All Benches of Appellate Tribunal if amount involved is more than ₹ 1,000/- crores and High Court.
 - All Benches of Appellate Tribunal, Appellate Authority of Advance Ruling or High Court.
- PQR & Co. has hired the buses for the pick and drop of the employee from home to factory. This facility is not mandatory for PQR Ltd. as per provision of any law. Whether company can get the ITC on such inward supplies?
 - ITC on buses is only available if it is mandate by law.
 - ITC on buses is not eligible.
 - ITC on buses is available as the seating capacity is more than 13 seaters (including driver).
 - ITC is not available as it is not in the course of business.

The names of first five members who were the top scorers in the last Quiz are as under:

Name	Membership No.
CA. Fayazan Imtiyaz Dabhoiwala	170378
CA. Mohinder Kumar Sharma	088681
CA. Sunil Rajpurohit	178185
CA. Kunal Mohanlal Agarwal	188778
CA. Pankaj Santosh Dayma	188777

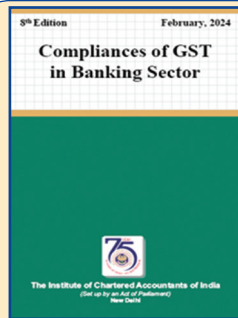
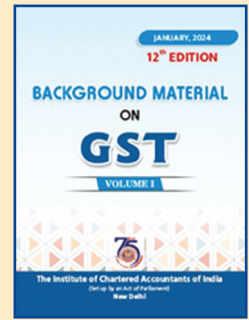
Please provide reply of the above MCQs in the link given below. Top five scorers will be awarded hard copy of the publication 'GST Act(s) and Rule(s)- Bare Law' & their names will be published in the next edition of the Newsletter.

Link to reply: <https://forms.gle/fbxUmoeHsQgWkogo8>

PUBLICATIONS

Background Material on GST –12th Edition (January, 2024)

This is a comprehensive publication covering the entire gamut of GST law. It was first published in 2016 (on the basis of Model GST Law). GST law has been explained in this publication through analysis, charts, tabular presentations, FAQs, MCQs etc. The publication is updated with all the amendments made by various notifications issued up to 1st February, 2024.

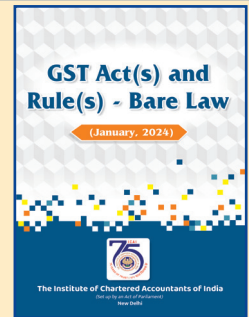


Compliances of GST in Banking Sector – 8th Edition (February, 2024)

This publication focusses on provisions of GST law which are relevant to different activities/ operations of banking sector like income earned by banks, claims of input tax credit, applicability of reverse charge, input service distributor etc. The publication has been updated with the latest provisions to facilitate members in discharging their professional duties.

GST Act(s) and Rule(s) - Bare Law

The publication “GST Act(s) and Rule(s) – Bare Law” is a compilation of seven Act(s) and two sets of Rule(s) pertaining to GST, namely the Constitution (101st Amendment) Act, the Central Goods & Services Tax Act, 2017, the Integrated Goods & Services Tax Act, 2017, the Union Territory Goods & Services Tax Act, 2017, the GST (Compensation to States) Act, 2017, the Central Goods & Services Tax (Amendment) Act, 2023, the Integrated Goods & Services Tax (Amendment) Act, 2023, the Central Goods & Services Tax Rules, 2017 and the Integrated Goods & Services Tax Rules, 2017. The publication is amended for the changes taken place up to 31st December, 2023.



GST & INDIRECT TAXES COMMITTEE OF ICAI

A ONE STOP DESTINATION FOR ALL INDIRECT TAXES

website: www.idtc.icai.org

The website of GST and Indirect Taxes Committee of ICAI viz. www.idtc.icai.org provides the users a well-set platform for sharing and gaining knowledge on GST and easy accessibility to the Committee. The Committee works relentlessly towards keeping the members abreast with the latest changes in all the indirect taxes laws vide various mediums like organising programmes, developing/ updating publications, sending regular updates, etc.

Main features:

- ❖ Regular GST/Indirect Taxes Updates
- ❖ Knowledge Bank of Indirect Taxes/GST-Articles, Legal Updates etc.
- ❖ Publications on GST and others IDT Law including UAE VAT Law etc.- (Available for free download and online ordering)
- ❖ Recordings of Live Webcasts/E-lectures on GST
- ❖ E-learning on GST
- ❖ Upcoming events
- ❖ Details of Certificate Courses, Programme, Seminars etc. on GST/Indirect Taxes
- ❖ Links of related important website

Your suggestions
on the website
are welcome
at gst@icai.in

Secretary

GST & Indirect Taxes Committee

The Institute of Chartered Accountants of India
ICAI Bhawan, A-29, Sector - 62, NOIDA (U.P.) India

Telephone Board - +91 120 3045 900 Ext. 954, Website : <http://www.idtc.icai.org>

The ICAI-GST Newsletter being the property of The Institute of Chartered Accountants of India published from ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi-110002 and Printed from M/s CDC Printers Pvt Ltd, Tangra Industrial Estate- II (Bengal Pottery), 45, Radhanath Chaudhary Road, Kolkata-700015. Compiled by CA Sushil Kr Goyal