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# ICAI-GST

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# President's Communication



**Dear Professional Colleagues,**

Greetings!

The Goods and Services Tax (GST) being an ever-discussed matter among the countrymen, continuously undergoes change for the ease of the citizens. GST rates has not only standardized across the country but also significantly boosted tax revenues. The GST collection in July 2024 experienced a significant rise, showcasing a robust growth of 10.3% to over ₹1.82 trillion. This is the third-highest monthly collection recorded since the roll out of GST regime. The steady rise in GST revenue reflects the growing tax base and improved compliance, contributing to India's overall economic stability and growth.

Since its implementation, the Goods and Services Tax (GST) has driven transformative changes across multiple sectors in India. For MSMEs, it has eased compliance, raised thresholds, and unlocked new financial opportunities. Consumers have enjoyed lower average tax rates and decreased costs on essential goods. The logistics sector has benefited from improved efficiency, shorter transport times, and substantial investments. Together, these reforms have helped create a more transparent, efficient, and economically dynamic India.

On July 23<sup>rd</sup> this month, the Hon'ble Finance Minister of India, Smt. Nirmala Sitharaman presented the Union Budget 2024-25 consecutively for the seventh time laying out the new Government's fiscal plan for India. The GST proposals in the Finance (No. 2) Bill, 2024 essentially gave effect to the recommendations made in the 53<sup>rd</sup> GST Council Meeting. Keeping with its objective of reducing litigation, the Government has proposed to waive interest and penalties on demands raised in non-fraud cases for financial years 2017-18 to 2019-20, provided full tax is paid by taxpayers till the notified date i.e. 31.3.2025 which was recommended in 53<sup>rd</sup> GST Council meeting. Additionally, input tax credit pertaining to financial years 2017-18 to 2020-21 availed beyond the prescribed time limit is proposed to be regularised if the same has been availed up to 30<sup>th</sup> November, 2021. Last month, **Circular No. 207/01/2024-GST was issued, raising the monetary thresholds for the Department to file appeals.** These measures reflect the Government's commitment to reducing litigation and disputes.

The Institute of Chartered Accountants of India is proud to announce the launch of **ICAI CA GPT (Beta Version)**, a revolutionary tool in the realm of Machine Learning, launched during the CA Day Celebration. This innovative platform provides our members with access to **18 specialized GPTs, including GST & Indirect Tax GPT**, each designed to address the unique needs, empowering us with the latest in technology.

As we celebrate these achievements and look towards the future, let us continue to uphold our values and work diligently towards a developed and prosperous India. Together, we can realize the vision of "Viksit Bharat."

**CA. Ranjeet Kumar Agarwal**

President

The Institute of Chartered Accountants of India

# PHOTOGRAPHS



**Certificate Course on GST at Kolkata**



**Five-day Introductory Training in GST Audit at NACIN Palasamudram**



**Training Programme organized by Commercial Taxes Department, Andhra Pradesh at Vijayawada.**



**Training Programme organized by Commercial Taxes Department, Andhra Pradesh at Tirupati.**



**Training Programme organized by Commercial Taxes Department, Andhra Pradesh at Visakhapatnam.**

# Chairman's Communication



Dear Member,

In the July, we find ourselves midway through the year—a time to reflect on our progress and renew our commitment to the goals we've set. July brings with it the refreshing rains of the monsoon and the promise of growth.

This year July became special in country's fiscal landscape too, as the Union Budget 2024-25 was presented on 23<sup>rd</sup> July, 2024. With general elections for 18<sup>th</sup> Lok Sabha held in the year 2024, two budgets were presented in the Parliament, first the Interim Budget in February 2024 and then the Union Budget in July 2024. The purpose of the interim budget is to maintain the continuity of Government spending and essential services until the new Government can present a comprehensive budget after assuming office.

With regard to GST, the Finance Act, 2024 (Interim Budget 2024-25) amended the CGST Act, 2017 to give effect to the recommendations made in the 52<sup>nd</sup> GST Council Meeting in line with the 50<sup>th</sup> GST Council Meeting relating to input service distribution mechanism. The Finance (No. 2) Bill, 2024 of the Union Budget 2024-25 has proposed some significant amendments in the GST law in line with the recommendations made by the GST Council at its 53<sup>rd</sup> meeting held on 22<sup>nd</sup> June, 2024. Amendments like introduction of new sections 11A, 74A and 128A in the CGST Act, 2017 underscore the Government's ongoing efforts to refine tax policies in response to evolving economic needs and feedback.

The new section 74A provides a common time limit of forty two months for issuing demand notices from the Financial Year 2024-25 onwards, irrespective of whether the charges of fraud, wilful misstatement, or suppression of facts are invoked or not, while keeping a higher penalty, for cases involving fraud, wilful misstatement, or suppression of facts. By standardizing time limits, the aim is to simplify the adjudication process and reduce legal complexities. Further, the extended time limit of 60 days to avail the benefit of nil/reduced penalty, by paying the tax demanded along with interest, may also provide significant relief to taxpayers. Section 11A will empower to regularize non-levy or short levy of tax due to any general practice prevalent in trade. This provision acknowledges the practical difficulties and trade practices that might have led to non-compliance and provides a legal framework to address such issues. Another new section 128A extends an amnesty for interest and penalties on demands raised under Section 73 for FY 2017-18 to FY 2019-20.

This month the Committee has organised Capacity Building Programme on GST for Audit Officers of Commercial Taxes Departments, Tamil Nadu. The Committee has also extended faculty support for Introductory Training in GST Audit for Group A Officers of Audit Commissionerates at NACIN, Palasamudram; Two-Day Workshop on Audit & Assessment under GST held at NACIN, Kolkata and Training to the Audit Officers for the Commercial Taxes Department, Government of Andhra Pradesh.

Thank you for being an essential part of our journey. Stay connected with us for more updates. Let's continue to work towards a brighter and more prosperous future for all.

**CA. Sushil Kumar Goyal**

Chairman

GST & Indirect Taxes Committee

The Institute of Chartered Accountants of India

# GST UPDATES

## 1. Amendments in Central Goods & Services Tax Rules, 2017

Notification No. 12/2024 – CT dt. 10.07.2024 has been issued to make amendments in Central Goods & Services Taxes Rules, 2017 as under:

### (a) Amendment in rule 8(4A) – Application for registration

A second proviso shall be inserted in rule 8 after sub-rule (4A) which lays down that every registration application filed by a person, who has not opted for authentication of Aadhar number, shall be followed by taking photograph of the applicant along with verification of the original copy of the documents uploaded with the application in Form GST REG-01 at any of the notified Facilitation Centers to complete the application process.

*(To be effective from a date to be notified)*

### (b) Amendment in rule 21 – Registration to be cancelled in certain cases

A new clause (ga) has been inserted after clause (g) to provide that registration can be cancelled where a person violates 3<sup>rd</sup> or 4<sup>th</sup> proviso to rule 23(1).

Thus, registration will be cancelled again if a person fails to file all the returns due for the period from the date of the order of cancellation of registration till the date of the order of revocation of cancellation of registration within 30 days from the date of revocation order. Similarly, registration will be cancelled again with retrospective effect, if the registered person fails to furnish all returns relating to period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration within 30 days from the date of revocation order.

*(Effective from 10.07.2024)*

### (c) Amendments in rule 28 - Value of supply of goods or services or both between distinct or related persons, other than through an agent

Sub-rule (2) of rule 28 determines value of supply in case of corporate guarantee. The said sub-rule has been amended to provide that the value of supply of services by a supplier to a recipient who is a related person located in India, by way of providing corporate guarantee to any banking company or financial institution on behalf of the said recipient, shall be deemed to be one per cent of the amount of such guarantee offered per annum, or the actual consideration, whichever is higher.

Further, a proviso has been inserted after sub-rule (2) to lay down where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the value of said supply of services.

*(Effective from 26.10.2023)*

### (d) Amendments in rule 39 - Procedure for distribution of input tax credit by Input Service Distributor (ISD)

The Finance Act, 2024 has amended the definition of ISD as provided under section 2(61) of the CGST Act, 2017 and substituted section 20 of the said Act which prescribes the provisions for manner of distribution of credit by ISD. The said amendments will come into effect from a date to be notified.

Consequent to the afore-mentioned amendments, rule 39 which lays down the procedure for distribution of input tax credit by ISD has also been amended. The clauses and explanation that formed part of unamended section 20 have been incorporated in the amended rule 39.

A new sub-rule (1A) has been inserted in the rule to provide the manner of distribution of credit in respect of input services, attributable to one or more distinct persons, which are subject to reverse charge under sections 9(3) and 9(4). The sub-rule lays down that the registered person, having the same PAN and State code as an ISD, may issue an invoice/credit note/debit note as per rule 54(1A) to transfer the credit of such common input services to the ISD, which will then distribute the credit in the prescribed manner.

*(To be effective from a date to be notified)*

### (e) Amendments in rule 59 - Form and manner of furnishing details of outward supplies (New Form GSTR-1A)

(i) A proviso has been inserted after sub-rule (1) to lay down that a person may after furnishing the details of outward supplies in Form GSTR-1 for a tax period but before filing of return in Form GSTR-3B, at his own option, amend or furnish additional details of outward supplies in Form GSTR-1A for the said tax period.

In view of the introduction of Form GSTR-1A, various consequential amendments have been made in rules 21(f), 21A(2A)(a), 36(4)(a), 37A, 40(1)(e), 48(3), 60(1), 78, 88C(1), 96, 96A(2), 163(1)(c) to specify that Form GSTR-1 as amended in Form GSTR-1A need to be considered.

*(Effective from 10.07.2024)*

(ii) Sub-rule (4) has been amended to provide that the invoice value threshold for furnishing invoice-wise details of inter-State supplies made to unregistered persons, in Form GSTR-1, has been reduced from ₹ 2.5 lakh to ₹ 1 lakh. Similarly, the upper limit of invoice value for furnishing consolidated details of State wise inter-State supplies made to unregistered persons for each rate of tax, in Form GSTR-1, has been reduced from ₹ 2.5 lakh to ₹ 1 lakh.

*(Effective from 01.08.2024)*

(iii) Sub-rule (4A) has been inserted to provide the same invoice-wise/consolidated reporting requirements for Form GSTR-1A as are applicable for Form GSTR-1. Accordingly, the invoice value threshold for furnishing of invoice-wise and consolidated details of inter-State supplies made to unregistered persons shall be ₹ 1 lakh for Form GSTR-1A as well.

*(Effective from 10.07.2024)*

**(f) Amendment in rule 60 - Form and manner of ascertaining details of inward supplies**

Clause (iia) has been inserted in sub-rule (7) to provide that Form GSTR-2B, for every month, shall consist of, inter alia, additional details or amendments in details of outward supplies furnished in Form GSTR-1A filed between the day immediately after the due date of furnishing of GSTR-1 for the previous tax period to the due date of furnishing of Form GSTR -1 for the current tax period. Thus, supplies declared or amended in Form GSTR-1A shall be made available in the next open Form GSTR-2B.

*(Effective from 10.07.2024)*

**(g) Amendment in rule 62 - Form and manner of submission of statement and return**

A proviso has been inserted after sub-rule (1) of rule 62 to lay down that the return in Form GSTR-4 for a financial year from FY 2024-25 onwards shall be furnished by the registered person till 30<sup>th</sup> June of the following financial year.

*(Effective from 10.07.2024)*

**(h) Amendment in rule 88B – Manner of calculating interest on delayed payment of tax**

A proviso has been inserted after sub-rule (1) in rule 88B which lays down that where any amount has been credited in the electronic cash ledger as per section 49(1) on or before the due date of filing the said return, but is debited from the said ledger for payment of tax while filing the said return after the due date, the said amount shall not be taken into consideration while calculating such interest if the said amount is lying in the said ledger from the

due date till the date of its debit at the time of filing return.

*(Effective from 10.07.2024)*

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

A new sub-rule (1B) has been inserted to provide for refund of additional IGST paid on account of upward revision in price of the goods subsequent to exports and refund of IGST paid at the time of export.

As per the new sub-rule, the refund application for such additional IGST paid may be filed electronically in Form GST RFD-01, subject to the provisions of rule 10B, before the expiry of two years from the relevant date as per clause (a) of Explanation (2) of section 54. In cases where the relevant date had fallen before 10.07.2024 (effective date for this sub-rule), the aforesaid applications shall be filed up to two years from 10.07.2024.

The following documentary evidence shall be required to be given in Annexure 1 in Form GST RFD-01 for claiming refund of such additional IGST:

- i. Statement containing the number and date of export invoices along with copy of such invoices;
- ii. Number and date of shipping bills or bills of export along with copy of such shipping bills or bills of export;
- iii. Number and date of Bank Realisation Certificate (BRC) / Foreign Inward Remittance Certificate (FIRC) along with copy of such BRC/FIRC issued by Authorised Dealer-I Bank;
- iv. Details of refund already sanctioned under rule 96(3);
- v. Number and date of relevant supplementary invoices/debit notes issued subsequent to the upward revision in prices along with copy of such supplementary invoices/debit notes;
- vi. Details of payment of additional amount of IGST along with proof of payment of such tax and interest paid thereon;
- vii. Number and date of FIRC issued by Authorised Dealer-I Bank in respect of additional foreign exchange remittance received in respect of upward revision in price of exports along with copy of such FIRC, along with a certificate issued by a practicing chartered accountant or a cost accountant to the effect that the said additional foreign exchange remittance is on account of such upward revision in price of the goods subsequent to exports;

- viii. Copy of contract or other documents, as applicable, indicating requirement for the revision in price of exported goods and the price revision thereof, in a case where the refund is on account of upward revision in price of such goods subsequent to exports;
- ix. Reconciliation statement, reconciling the value of supplies declared in supplementary invoices, debit notes or credit notes issued along with relevant details of BRC or FIRC issued by Authorised Dealer-I Bank, in a case where the refund is on account of upward revision in price of such goods subsequent to exports.

*(Effective from 10.07.2024)*

**(j) Insertion of new rule 95B - Refund of tax paid on inward supplies of goods received by Canteen Stores Department**

A new rule 95B has been inserted to specify the procedure to be followed by Canteen Stores Department to claim refund of tax paid on inward supplies of goods by creating an overriding effect on the provisions of rule 95.

The newly inserted rule states that Canteen Stores Department which is eligible to claim refund of 50% of CGST paid by it on all inward supplies of goods received by it for the purposes of subsequent supply of such goods to the Unit Run Canteens of the Canteen Stores Department/authorised customers of the Canteen Stores Department as per notification issued under section 55, shall electronically apply for refund in FORM GST RFD-10A once in every quarter. Such application shall be dealt like application filed in FORM GST RFD-01 under rule 89.

The refund of tax paid by the applicant shall be available, if-

- i. the inward supplies of goods were received from a registered person against a tax invoice and details of such supplies have been furnished by the said registered person in FORM GSTR-1 and the said supplier has furnished his return in FORM GSTR-3B for the concerned tax period;
- ii. name and GSTIN of the applicant is mentioned in the tax invoice; and
- iii. goods have been received by Canteen Stores Department for the purpose of subsequent supply to the Unit Run Canteens of the Canteen Stores Department or to the authorised customers of the Canteen Stores Department.

*(Effective from 10.07.2024)*

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

A new proviso has been inserted in sub-rule (1) to lay down that the exporter of goods may file an application electronically in FORM GST RFD-01 for refund of additional IGST paid on account of upward revision in price of goods subsequent to export of such goods, and on which the amount of IGST paid at the time of export of such goods has already been refunded in accordance with provisions of sub-rule (3) of this rule.

*(Effective from 10.07.2024)*

**(l) Amendment in rule 96A – Export of goods or services under bond or Letter of Undertaking**

As per rule 96A(1)(b), a registered person exporting services under bond/LUT is required to pay the tax due along with the interest within a period of fifteen days after the expiry of one year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange or in Indian rupees, wherever permitted by the Reserve Bank of India (RBI).

Clause (b) of sub-rule (1) of rule 96A has been substituted to the effect that now such registered person will have time to pay tax within a period of fifteen days after the expiry of one year, or the period as allowed under the Foreign Exchange Management Act, 1999 including any extension of such period as permitted by the RBI, whichever is later, from the date of issue of the invoice for export, or such further period as may be allowed by the Commissioner.

*(Effective from 10.07.2024)*

**(m) Substitution of rule 110 – Appeal to Appellate Tribunal**

Rule 110 which prescribes provisions of appeal to the Appellate Tribunal has been substituted with a new rule. The substituted rule lays down as under:

An appeal to the Appellate Tribunal under sub-section (1) of section 112 shall be filed in Form GST APL-05, along with the relevant documents, electronically and provisional acknowledgement shall be issued to the appellant immediately. Further, a memorandum of cross-objections to the Appellate Tribunal under sub-section (5) of section 112, if any, shall be filed electronically in Form GST APL-06.

The appeal or memorandum of cross-objections may be filed manually only if the Registrar allows the same by issuing a special or general order to that effect, subject to such conditions and restrictions as specified in the said order, and provisional acknowledgement shall be issued to the appellant immediately.



The appeal and memorandum of cross-objections shall be signed in the manner specified in rule 26.

Particulars		Date of filing appeal
Order appealed against uploaded on the common portal	Final acknowledgement, indicating appeal number, shall be issued in Form GST APL-02 on removal of defects, if any.	Date of issue of the provisional acknowledgement shall be considered as the date of filing of appeal under sub-rule (1).
Order appealed against is not uploaded on the common portal	Appellant shall submit/upload a self-certified copy of the said order within a period of seven days from the date of filing of Form GST APL-05 and a final acknowledgement, indicating appeal number, shall be issued in Form GST APL-02 on removal of defects, if any.	Date of issue of the provisional acknowledgment shall be considered as the date of filing of appeal.
	If the said self-certified copy of the order is submitted or uploaded after seven days, a final acknowledgement, indicating appeal number, shall be issued in Form GST APL-02 on removal of defects, if any.	Date of submission or uploading of such self-certified copy shall be considered as the date of filing of appeal.
The appeal shall be treated as filed only when the final acknowledgement, indicating the appeal number, is issued.		

Particulars	Fee
Filing of appeal/restoration of appeal	₹ 1,000 for every ₹ 1,00,000 of tax or Input tax credit involved or Difference in tax or input tax credit involved or Amount of fine, fee or penalty determined in the order appealed against Maximum fee: ₹ 25,000 Minimum fee: ₹ 5,000
Filing of appeal	₹ 5,000 for Order not involving any demand of tax, interest, fine, fee or penalty
Filing of application for rectification of errors referred to section 112(10).	No fee

(Effective from 10.07.2024)

**(n) Substitution of rule 111 – Application to the Appellate Tribunal**

Rule 111 which prescribes provisions of application to the Appellate Tribunal has been substituted with a new rule in the same manner as that of rule 110. The substituted rule provides as under:

An application to the Appellate Tribunal under sub-section (3) of section 112 shall be filed in Form GST APL-07, along with the relevant documents, electronically and provisional acknowledgement shall be issued to the appellant immediately.

Further, a memorandum of cross-objections to the Appellate Tribunal under sub-section (5) of section 112, if any, shall be filed electronically in Form GST APL-06.

The appeal or memorandum of cross-objections may be filed manually only if the Registrar allows the same by issuing a special or general order to that effect, subject to such conditions and restrictions as specified in the said order, and provisional acknowledgement shall be issued to the appellant immediately.

The appeal and memorandum of cross-objections shall be signed in the manner specified in rule 26.

Particulars		Date of filing appeal
Order appealed against uploaded on the common portal	Final acknowledgement, indicating appeal number, shall be issued in Form GST APL-02 on removal of defects, if any.	Date of issue of the provisional acknowledgement shall be considered as the date of filing of appeal under sub-rule (1).
Order appealed against is not uploaded on the common portal	Appellant shall submit/upload a self-certified copy of the said order within a period of seven days from the date of filing of Form GST APL-07 and a final acknowledgement, indicating appeal number, shall be issued in Form GST APL-02 on removal of defects, if any.	Date of issue of the provisional acknowledgment shall be considered as the date of filing of appeal.
	If the said self-certified copy of the order is submitted or uploaded after seven days, a final acknowledgement, indicating appeal number, shall be issued in Form GST APL-02 on removal of defects, if any.	Date of submission or uploading of such self-certified copy shall be considered as the date of filing of appeal.
The appeal shall be treated as filed only when the final acknowledgement, indicating the appeal number, is issued.		

For the purposes of rules 110 and 111, 'Registrar' shall mean a Registrar appointed by the Government for this purpose, and shall include Joint Registrar, Deputy Registrar and Assistant Registrar.

*(Effective from 10.07.2024)*

**(o) Insertion of new rule 113A – Withdrawal of Appeal or Application filed before the Appellate Tribunal**

A new rule 113A has been inserted providing for the withdrawal of appeal or application filed before the Appellate Tribunal. The appellant may, at any time before the issuance of the order under section 113(1), in respect of any appeal filed in Form GST APL-05 or any application filed in Form GST APL-07, file an application for withdrawal of the said appeal/application, by filing an application in Form GST APL-05/07W.

Where final acknowledgment in Form GST APL-02 has been issued, the withdrawal of the said appeal/application would be subject to the approval of the Appellate Tribunal. Such application for withdrawal of the appeal/application, shall be decided by the Appellate Tribunal within fifteen days of filing of such application.

Any fresh appeal/application filed by the appellant pursuant to such withdrawal shall be filed within the time limit specified in sub-sections (1)/(3) of section 112.

*(Effective from 10.07.2024)*

**(p) Amendment in rule 138 – Information to be furnished prior to commencement of movement of goods and generation of e-way bill**

In sub-rule (3), after the third proviso, a proviso shall be inserted to lay down that the unregistered person, who is exempted from obtaining registration under section 24(i)/(ii), and generates e-way bill in respect of inter-State movement of handicraft goods irrespective of value of consignment, shall submit the details electronically, on the common portal, in Form GST ENR-03 either directly or through a Facilitation Centre notified by the Commissioner.

Similarly, the unregistered person who opts to generate e-way bill in Form GST EWB-01 on the common portal shall also submit the details electronically, on the common portal, in Form GST ENR-03.

Once the details so provided are validated, a unique enrolment number will be generated and communicated to the said unregistered person.

*(To be effective from a date to be notified)*

**(q) Amendments in rule 142 – Notice and order for demand of amount payable under the Act**

Rule 142 has been amended to make available Form DRC-04 (acknowledgment for the payment made in Form DRC-03) which was issued by the proper officer, on the common portal electronically.

Sub-rule (2A) has been amended to provide that the proper officer may issue an intimation in Part-C of Form GST DRC-01A, accepting the payment/submissions made by the person if partial payment is made/submission is filed.

A new sub-rule (2B) has been inserted after sub-rule (2A). The new sub-rule lays down that where

an amount of tax, interest, penalty or any other amount payable by a person under sections 52, 73, 74, 76, 122, 123, 124, 125, 127, 129 or 130, has been paid by the person through an intimation in Form GST DRC-03 under sub-rule (2), instead of crediting the said amount in the electronic liability register in Form GST PMT –01 against the debit entry created for the said demand, the said person may file an application in Form GST DRC-03A electronically on the common portal. The amount so paid and intimated through Form GST DRC-03 shall be credited in electronic liability register in Form GST PMT –01 against the debit entry created for the said demand, as if the said payment was made towards the said demand on the date of such intimation made through Form GST DRC-03.

In case where an order in Form GST DRC-05 has been issued in terms of sub-rule (3) concluding the proceedings, in respect of the payment of an amount in Form GST DRC-03, an application in Form GST DRC-03A cannot be filed by the said person in respect of the said payment.

*(Effective from 10.07.2024)*

**(r) Amendments in Forms**

Amendments have also been made in various forms to incorporate the amendments made in the rules as also to give some relaxations. The significant amendments are given hereunder:

- i. With effect from 01.08.2024, Form GSTR-1 has been amended to incorporate the amendments made in threshold limit for invoice level reporting required for inter-State supplies made to unregistered person.
- ii. With effect from a date to be notified, a new Form GST ERN-03 shall be inserted for unregistered persons who are required to generate an E-way bill as per the fourth proviso of rule 138(3).
- iii. New Form GSTR-1A has been inserted for furnishing details of amended or additional outward supplies after filing Form GSTR-1 but before filing the return in Form GSTR-3B. Consequential amendments have been made in Forms GSTR- 2A, 2B, 4A, 6A and 8, GST RFD-01.
- iv. With effect from a date to be notified, Form GSTR-3B shall be amended to provide for the adjustment of negative liability of previous tax period.
- v. Form GSTR-2B has been substituted with a new form.

- vi. With effect from a date to be notified, Form GSTR-7 shall be amended to provide for invoice-level details (No., Date & Value) in Table 3 & 4.
- vii. With effect from a date to be notified, Form GSTR-8 shall be amended to provide for the detail of the place of supply in Tables 3 & 4.
- viii. Form GSTR-9 has been amended to include therein separate reporting of supplies made through ECO under section 9(5) of CGST Act and tax payable thereon. Certain relaxations have been provided for filing of Forms GSTR-9 and 9C for the FY 2023-24.
- ix. A new form GST RFD-10A has been inserted to provide for the refund of tax paid on inward supplies of goods received by the Canteen Stores Department.
- x. New form GST APL-05/07 W has been inserted for the withdrawal of an appeal/ application filed before the Appellate Tribunal.
- xi. GST DRC-01 A has been substituted with a new form to incorporate the amendments made in rule 142(1A), (2A) of the CGST Rules, 2017.
- xii. A new form GST DRC-03A has been inserted for the application for adjustment of the amount paid through FORM GST DRC-03 against the order of demand.
- xiii. Form GST DRC-04 has been substituted with a new system generated Form for the acknowledgement of payment made through DRC-03 voluntarily.

**2. Applicability of biometric based Aadhaar authentication extended to all over India**

*Notification No. 13/2024-CT dt. 10.07.2024* has rescinded *Notification No. 27/2022-CT dt. 26.12.2022*. By virtue of *Notification No. 27/2022-CT dt. 26.12.2022*, the provisions of rule 8(4A) of the CGST Rules, 2017 relating to biometric based Aadhaar authentication had been made applicable only to the States of Gujarat, Andhra Pradesh, and Puducherry. However, now with rescinding of *Notification No. 27/2022-CT dt. 26.12.2022*, the same have been made applicable to all the States and Union territories for the purpose of completion of registration application.

**3. Exemption from filing of Annual Return**

Registered persons with aggregate turnover up to ₹ 2 crores in the financial year 2023-24 have been exempted from filing of annual return in Form GSTR-9 for the said financial year.

*Notification No. 14/2024 – CT dt. 10.07.2024*

**4. Reduction of rate of tax to be collected at source by electronic commerce operator**

*Notification No. 15/2024 - CT dt. 10.07.2024* has been issued to reduce the rate of TCS under CGST from 0.5% to 0.25%. Every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of 0.25% of the net value of intra-State taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator. Similarly, *Notification No. 01/2024- UT dt. 10.07.2024* has been issued to reduce the rate of TCS under UTGST from 0.5% to 0.25%. Therefore, the effective rate of TCS under GST will be 0.5% [0.25% CGST + 0.25% SGST/UTGST].

Parallel *Notification No. 01/2024- IT dt. 10.07.2024* has been issued in IGST reducing the rate of TCS from 1% to 0.5%.

**5. Amendment in Circular No. 1/1/2017 in respect of proper officer for provisions relating to registration and composition levy under the CGST Act, 2017 or the rules made thereunder**

Consequent to the shifting of the GST back-office operations of CBIC from ACES-GST to GSTN BO, the functions of proper officer in relation to section 30 & proviso to sub-section (1) of section 27 of CGST Act, as well as rules 6, 23 and 25 of CGST Rules, 2017 have been assigned to Superintendent of Central Tax instead of Assistant or Deputy Commissioners of Central Tax or Assistant or Deputy Directors of Central Tax.

*Circular No.223/17/2024-GST dt. 10.07.2024*

**6. Guidelines for recovery of outstanding dues, in cases wherein first appeal has been disposed of, till Appellate Tribunal comes into operation.**

Where the taxpayer decides to file an appeal against the order of the appellate authority and wants to make the payment of the amount of pre-deposit to avail the benefit of stay from recovery of the remaining amount of confirmed demand, he can make the payment of an amount equal to the amount of pre-deposit by navigating to *Services >> Ledgers >> Payment* towards demand, from his dashboard. The said amount deposited by the taxpayer will be adjusted against the amount of pre-deposit required to be deposited at the time of filing appeal before the Appellate Tribunal.

The taxpayer also needs to file an undertaking/ declaration with the jurisdictional proper officer that he will file appeal against the said order of the appellate authority before the Appellate Tribunal, as and when it comes into operation, within the timelines mentioned in section 112 read with Central Goods and Services Tax (Ninth Removal of Difficulties) Order, 2019 dt. 03.12.2019.

In case, the taxpayer does not make the said payment or does not provide the undertaking/ declaration, then presuming that taxpayer is not willing to file appeal, recovery proceedings can be initiated as per the provisions of law. Similarly, when the Tribunal comes into operation, if the taxpayer does not file appeal within the above mentioned timelines the remaining amount of demand will be recovered as per the provisions of law.

Where the taxpayer has paid an amount that was intended to have been paid towards a particular demand through FORM GST DRC-03, has submitted an application in FORM GST DRC-03A (new sub-rule (2B) inserted in rule 142 vide *Notification No. 12/2024-CT dt.10.07.2024*) on the common portal, the amount so paid and intimated through the FORM GST DRC-03 will be considered as if the payment was made towards the said demand on the date of such intimation through FORM GST DRC-03.

The amount so paid shall also be liable to be adjusted towards the amount required to be paid as pre-deposit under section 107 and section 112 of the CGST Act, if and when the taxpayer files an appeal against the said demand, before the appellate authority or the Appellate Tribunal, as mentioned above, and the remaining amount of confirmed demand as per the order of the adjudicating authority or the appellate authority, as the case may be, will stand stayed. However, if the taxpayer does not file appeal within the prescribed timelines, the remaining amount of the demand will be recovered as per the provisions of law.

Till the time, the functionality of filing an application in Form GST DRC-03A is made available on the common portal, in respect of cases where an amount of pre-deposit has been inadvertently paid through FORM GST DRC-03 instead of making the said payment through Electronic Liability Ledger-II against the demand created in the said ledger, the concerned taxpayer may intimate the proper officer about the same, and on such intimation, the proper officer may not insist on recovery for the remaining amount payable by the concerned taxpayer, till the time the said functionality of FORM GST DRC-03A is made available on the portal.

If the taxpayer fails to file an application in FORM GST DRC-03A on the common portal after the functionality thereof has been made available, the proper officer may proceed to recover the amount payable as per provisions of section 78 and section 79 of CGST Act.

*Circular No.224/18/2024-GST dt. 11.07.2024*

**7. Clarification on various issues pertaining to taxability and valuation of supply of services of providing corporate guarantee between related persons**

**(a) Valuation of Corporate guarantees issued prior to 26<sup>th</sup> October 2023:** Valuation of supply

of services of providing corporate guarantee between related persons, in respect of corporate guarantee issued or renewed before 26<sup>th</sup> October 2023, is to be done in accordance with rule 28, as it existed during that time. However, if the corporate guarantee is issued or renewed on or after 26<sup>th</sup> October 2023, then the valuation of the said supply will be required to be done as per rule 28(2) of CGST Rules.

- (b) Corporate guarantee vis a vis disbursement of loan:** Value of supply of the service of providing a corporate guarantee will be calculated based on the amount guaranteed and will not be based on the amount of loan actually disbursed to the recipient of the corporate guarantee. The recipient of the service of providing corporate guarantee shall be eligible to avail the ITC, subject to other conditions specified in the Act and the Rules made thereunder, irrespective of when the loan is actually disbursed to the recipient, and irrespective of the amount of loan actually disbursed.
- (c) Takeover of existing loan:** If the loan issued by the banking company/ financial institution is taken over by another banking company/ financial institution, the said activity of taking over of the loan does not fall under the service of providing corporate guarantee to any banking company or financial institution by a supplier to a recipient. Therefore, in such cases, there will be no impact on GST, unless there is issuance of fresh corporate guarantee or there is a renewal of the existing corporate guarantee.
- (d) Corporate guarantee by multiple related entities:** In cases where corporate guarantee is being provided by multiple related entities, the value of such services of providing corporate guarantee shall be the sum of the actual consideration paid/ payable to co-guarantors, if the said amount of total consideration is higher than 1% of the amount of such guarantee offered. In cases where the sum of the actual consideration is less than one per cent of the amount of such guarantee offered, then GST shall be payable by each co-guarantor proportionately on 1% of the amount guaranteed by them.
- (e) Payment of tax in case of intra-group corporate guarantees – Forward charge vs. Reverse charge:** In cases where domestic corporates issue intra-group guarantees, GST is to be paid under forward charge mechanism, and invoice is to be issued by the supplier of the service of providing corporate guarantee to the related recipient under section 31 read along with the relevant rules. However, in cases where such guarantee is provided by the foreign/ overseas entity for a

related entity located in India, then GST would be payable under reverse charge mechanism, by the recipient of service, i.e., the related entity located in India.

- (f) Frequency of payment of tax on corporate guarantee:** Value of supply of the service of providing corporate guarantee to a banking company or a financial institution on behalf of a related recipient shall be 1% of the amount guaranteed p.a. or the actual consideration, whichever is higher [Retrospective amendment in rule 28(2) of the CGST Rules with effect from 26<sup>th</sup> October 2023, vide *Notification No.12/2024 -CT dt. 10.07.2024*].

**Fixed-term guarantees:** For corporate guarantees issued for a fixed term (e.g., five years, ten years), value of the supply shall be calculated at 1% p.a. of the amount guaranteed multiplied by the number of years the guarantee is offered or the actual consideration, whichever is higher. GST shall be payable on this amount at the time of issuance of the guarantee.

**Proportionate valuation for periods less than a year:** For corporate guarantees provided for a period less than a year (e.g., six months), value shall be determined proportionately, i.e., for six months, the value would be 0.5% ( $6/12 * 1\%$ ) of the amount guaranteed or the actual consideration, whichever is higher.

**One-year guarantee with renewals:** If a corporate guarantee is issued for one year and renewed annually for n numbers of years, GST shall be payable each year based on 1% of the amount guaranteed or the actual consideration, whichever is higher, at the time of each renewal.

- (g)** In cases involving the supply of service of corporate guarantees provided between related persons, where full input tax credit is available to the recipient of services, the value declared in the invoice shall be deemed to be the value of supply of the said service.
- (h) Corporate guarantee between related persons when recipient is outside India:** As per the amendment made in sub-rule (2) of rule 28 of CGST Rules retrospectively w.e.f. 26<sup>th</sup> October 2023 vide *Notification No. 12/2024 -CT dt. 10.07.2024*, the provisions of the said sub-rule will not apply in cases where the recipient of the services of providing corporate guarantee between related persons is located outside India. Accordingly, the provisions of the said sub-rule shall not apply to the export of the services of providing corporate guarantee between related persons.

*Circular No. 225/19/2024-GST dt. 11.07.2024*

## 8. Mechanism for refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to exports

- (a) **Filing of refund claim for additional IGST paid on account of upward revision of prices of export goods, subsequent to export:** An application for refund of additional IGST paid can be filed in FORM GST RFD-01 electronically on the common portal and such application for refunds would be processed by the jurisdictional GST officer of the concerned exporter. CGST Rules have been amended vide *Notification No. 12/2024-CT dt. 10.07.2024* to provide for filing of such refund application in FORM GST RFD-01, which shall be dealt with in accordance with provisions of rule 89 of CGST Rules.

GSTN is in the process of developing a separate category of refund in FORM GST RFD-01, for filing an application of refund of such additional IGST paid. Till the time such separate category for claiming refund of additional amount of IGST paid is developed on the common portal, such exporter(s) may claim refund of the additional IGST paid on account of upward revision in price of goods subsequent to exports, by filing an application of refund in FORM GST RFD-01 under the category "Any other" with remarks "Refund of additional IGST paid on account of increase in price subsequent to export of goods" along with the relevant documents as prescribed in clause (bb) of sub-rule (2) of rule 89. The exporter shall also upload statements 9A & 9B as prescribed in clause (bb) & clause (bc) of sub-rule (2) of rule 89 along with the said refund claim.

- (b) **Minimum Refund Amount:** No such refund shall be paid if the amount claimed is less than one thousand rupees.
- (c) **Time limit for filing refund application:** Sub-rule (1B) inserted in rule 89 vide *Notification No. 12/2024-CT dt. 10.07.2024*, provides that the application for refund of additional IGST paid can be filed before the expiry of two years from the relevant date as per clause (a) of Explanation (2) of section 54 of the CGST Act. However, in cases, where the relevant date as per clause (a) of Explanation (2) of section 54 of the CGST Act was before the date on which sub-rule(1B) of rule 89 of CGST Rules has come into force, such refund application can be filed before the expiry of a period of two years from the date on which the said sub-rule has come into force.
- (d) The proper officer while processing such refund claim shall verify that the exporter has duly reported the details of the export invoice and the

debit note in his statement of outward supplies in FORM GSTR-1 and has duly paid such additional amount of IGST along with applicable interest for which refund is being sought in their FORM GSTR-3B return. The proper officer while ascertaining the eligibility of the refund to the exporter shall verify the revised value declared by the exporter in his FORM GSTR-1/ FORM GSTR-3B and details of foreign exchange remittances received thereof.

- (e) The proper officer shall scrutinize the application with respect to its completeness and eligibility and only if the proper officer is satisfied that the whole or any part of the amount claimed is payable as refund, he shall proceed to issue the refund sanction order in FORM GST RFD-06 and the payment order in FORM GST RFD-05. The proper officer shall also upload a detailed speaking order along with the refund sanction order in FORM GST RFD-06 in terms of *Instruction No. 03/2022-GST dt. 14.06.2022*.
- (f) Further, in cases where there is downward revision in price of goods subsequent to exports, when the export has been made with payment of IGST, the supplier of goods/exporter is required to deposit the refund of the IGST received in proportion to the reduction in price of exported goods, along with applicable interest. The proper officer while granting the refund, shall also verify whether the exporter has deposited the excess refund amount in the cases where there is a downward revision in price of goods subsequent to exports, during the relevant tax period, if any.

*Circular No. 226/20/2024-GST dt. 11.07.2024*

## 9. Processing of refund applications filed by Canteen Stores Department (CSD)

CSDs are entitled to claim a refund of 50% of the applicable central tax, integrated tax and Union territory tax paid on all inward supplies of goods received by the CSD for the purposes of subsequent supply of such goods to their Unit Run Canteens or to their authorized customers. Vide *Circular No. 60/34/2018-GST dt. 04.09.2018*, the manner and procedure for filing and processing of such refund claims was specified so as to ensure that the CSD shall apply for refund by filing an application manually to the jurisdictional tax office till the time the online utility for filing such refund claim is made available on the common portal.

In order to enable such CSD to file application for refund electronically, a new functionality has been made available on the common portal which allows CSD to apply for refund by filing an application electronically on the common portal. Further, CGST Rules have been amended and a new rule 95B and FORM GST RFD-10A has been inserted therein vide

*Notification No.12/2024-CT dt. 10.07.2024.*

CBIC has now laid down the down the revised procedure for electronic submission and processing of refund application by CSD, in accordance with section 55 of CGST Act, in supersession of *Circular No. 60/34/2018-GST dt. 04.09.2018.*

**Filing of refund application:** The CSD shall file an application for refund in FORM GST RFD-10A electronically on the common portal and the same shall be processed electronically. The refund to be granted to the CSD shall be based on the invoices of the inward supplies of goods.

**Filing of refund claim by CSD:** As per rule 95B of the CGST Rules, the CSD is required to apply for a refund once every quarter. The CSD can also opt to file a refund application for multiple quarters, clubbing multiple financial years, as per their preference. The said refund application form shall be accompanied with the following documents:

- (a) An undertaking stating that the goods on which refund is being claimed have been received by the CSD for the purposes of subsequent supply of such goods to its Unit Run Canteens or to its authorized customers; and
- (b) A declaration stating that no refund has been claimed earlier against the invoices on which the refund is being claimed.

**Relevant date for filing of refund:** The CSD can file the refund of fifty percent of the tax paid on such inward supplies before the expiry of two years from the last day of the quarter in which such supply was received.

**Processing and sanction of the refund claim:** The proper officer shall process the refund claim filed by the CSD similarly to the claims filed in FORM GST RFD-01 under rule 89 of the CGST Rules. The officer will validate the GSTIN details of the CSD on the common portal to ensure that all returns in FORM GSTR-1 and FORM GSTR-3B, due before the date of the refund application, have been filed. The proper officer may scrutinize the details contained in FORM RFD-10A, FORM GSTR-3B and FORM GSTR- 2B, for processing the said refund claim. The proper officer shall also verify whether the details of the invoices for which refund has been claimed by the CSD, have been furnished by the concerned supplier in his details of outward supply in FORM GSTR-1 and the said supplier has furnished his return in FORM GSTR-3B for the concerned tax period.

The proper officer shall ensure that the amount of refund sanctioned is not more than 50% of the central tax, state tax, Union territory tax, and integrated tax paid on the supplies received by the CSD. The invoices uploaded by the CSD while filing will be validated

on the portal with FORM GSTR 2B of the applicant and only the validated invoices will be allowed in the application. The invoices for which refund has already been availed by the CSD will be flagged in the system and will not be allowed for the refund. The Table in Sl. No. 7 of FORM GST- RFD 10A will be auto-populated on the portal based on the 50% of the amount of respective tax as per the Col 8, 9 and 10 of the Table in Sl. No. 6 of FORM GST- RFD 10A. The Table in Sl. No. 7 of FORM GST- RFD 10A shall be kept editable downwards, i.e., the CSD will be able to make a downward revision in the auto-populated amount in the said Table and cannot enhance the auto-populated amount in the said Table.

The proper officer shall also verify whether the ITC in respect of such inward supplies of goods received for the purposes of subsequent supply of such goods to its Unit Run Canteens or to its authorized customers has been reversed by the CSD as clarified in *Circular no. 170/02/2022-GST dt. 06.07.2022.*

**Refund order:** The proper officer shall scrutinize the application with respect to completeness and eligibility of the refund claim to his satisfaction and issue the order in FORM GST RFD-06 accordingly. The proper officer shall also upload a detailed speaking order along with the said order in FORM GST RFD-06.

The provisions of the *Circular No. 60/34/2018-GST dt. 04.09.2018* shall continue to apply for all refund applications filed manually before the relevant amendments in CGST Rules and before the said functionality being made available on the common portal.

*Circular No. 227/21/2024-GST dt. 11.07.2024*

## 10. Amendments in Notification No. 1/2017-CT (R) dt. 28.06.2017 – CGST rate schedule for goods

CGST rate for following goods has been reduced from 9% to 6% (Effective GST rate reduced from 18% to 12%)

- a) Cartons, boxes and cases of corrugated paper or paper board or non-corrugated paper or paper board
- b) Milk cans made of iron, steel, or aluminium
- c) Solar cookers

CGST rate on parts of “poultry incubators and brooders” shall also be covered under the rate bracket of 6% (Effective GST rate of 12%).

*[Effective from 15.07.2024]*

*Notification No. 02/2024-CT(R) dt. 12.07.2024*

Parallel amendments have been made in IGST *Notification No.1/2017 IT (R) dt. 28.06.2017* vide *Notification No. 2/2024 IT (R) dt. 12.7.2024* & UTGST

Notification No. 1/2017-UTT(R) dt. 28.06.2017 vide Notification No.2/2024 UTT (R) dt. 12.7.2024.

### 11. Amendment in Notification No. 1/2017-CT (R) dt. 28.06.2017 and Notification No. 2/2017-CT (R) dt. 28.06.2017.

Following proviso has been inserted in clause (ii) of explanation after Schedule VII of Notification No. 1/2017-CT (R) dt. 28.06.2017 and in clause (ii) of explanation after the Schedule of Notification No. 2/2017-CT (R) dt. 28.06.2017

“Notwithstanding anything contained in the Legal Metrology Act,2009 (1 of 2010) and the rules made there under, as amended from time to time, the supply of agricultural farm produce in package(s) of commodities containing quantity of more than 25 kilogram or 25 litre shall not be considered as a supply made within the scope of expression ‘pre-packaged and labelled”.

[Effective from 15.07.2024]

Notification No. 02/2024-CT(R) dt. 12.07.2024, Notification No. 03/2024-CT(R) dt. 12.07.2024

Parallel amendments have been made in IGST Notification Nos. 1/2017 IT (R) & 2/2017 IT (R) both dt. 28.06.2017 vide Notification Nos. 2/2024 IT (R) & 3/2024 IT (R) both dt. 12.7.2024 respectively. Similarly, parallel amendments have been made in UTGST Notification Nos. 1/2017 UTT (R) & 2/2017 UTT (R) both dt. 28.06.2017 vide Notification Nos. 2/2024 UTT(R) & 3/2024 UTT(R) both dt. 12.7.2024 respectively.

### 12. Amendment in Notification No. 12/2017-CT (R) dt. 28.06.2017– Exemption to services

In pursuance of the recommendations made in 53<sup>rd</sup> GST Council Meeting, following services have been exempted from levy of GST:

#### a) Exemption related to services of Railways

Following services related to Indian Railways have been exempted:

- (i) Services provided by Ministry of Railways (Indian Railways) to individuals by way of
  - Sale of platform tickets.
  - Facility of renting rooms/ waiting rooms
  - Cloak room services
  - Battery operated car services
- (ii) Services provided by one zone/ division under Ministry of Railways (Indian railways) to another zone(s) / division(s) under Ministry of Railways (Indian Railways).
- (iii) Services provided by Special Purpose Vehicles (SPVs) to Ministry of Railways (Indian Railways) by way of allowing Ministry

of Railways (Indian Railways) to use the infrastructure built and owned by them during the concession period against consideration and services of maintenance supplied by Ministry of Railways (Indian Railways) to SPVs in relation to the said infrastructure built and owned by the SPVs during the concession period against consideration.

#### b) Exemption related to Accommodation services

A new entry 12A has been inserted to exempt accommodation services having value of supply less than or equal to ₹ 20,000 per person per month provided that the accommodation service is supplied for a minimum continuous period of 90 days. Simultaneously, entry 12 pertaining to accommodation services has been amended to clarify that accommodation services for students in student residences and accommodation services provided by hostels, camps, paying guest accommodations and the like, shall not be exempted.

[Effective from 15.07.2024]

Notification No. 04/2024-CT(R) dt. 12.07.2024

Parallel amendments have been made in IGST Exemption Notification No. 9/2017-IT(R) dt. 28.06.2017 vide Notification No.4/2024 IT (R) dt. 12.7.2024 & UTGST Exemption Notification No. 12/2017 UTT(R) dt. 28.06.2017 vide Notification No.4/2024 UTT (R) dt.12.7.2024.

### 13. Clarifications regarding applicability of GST on various services

#### (a) GST exemption on the outward supplies made by Ministry of Railways (Indian Railways)

As recommended by the 53<sup>rd</sup> GST Council, GST on the services provided by Ministry of Railways (Indian Railways) to general public viz., sale of platform tickets, facility of retiring rooms, cloak room services and battery-operated car services and supply of services made between various zones/ divisions under Ministry of Railways (Indian Railways) is hereby regularized on ‘as is where is’ basis from 20.10.2023 to 14.07.2024. Such services have been exempted with effect from 15.07.2024 vide Notification No. 04/2024-CT(R) dt. 12.07.2024.

#### (b) GST exemption on the transactions between Special Purpose Vehicles (SPVs) and Ministry of Railways (Indian Railways)

As recommended by the 53<sup>rd</sup> GST Council, GST on the supply of services by SPVs to Ministry of Railways (Indian Railways) by way of allowing it to use infrastructure built and owned by them during the concession period against consideration and maintenance services supplied by Ministry of



Railways (Indian Railways) to SPVs in relation to such use of infrastructure built and owned by SPVs during the concession period against consideration is hereby regularized for the period from 01.07.2017 to 14.07.2024 on 'as is where is' basis. Such services have been exempted with effect from 15.07.2024 vide *Notification No. 4/2024-CT(R) dt. 12.07.2024*.

**(c) Applicability of GST on the statutory collections made by the Real Estate Regulatory Authority (RERA) in accordance with the Real Estate (Regulation and Development) Act, 2016.**

RERA is a 'governmental authority' as per the definition in the exemption *Notification No. 12/2017-CT(R) dt. 28.06.2017* and is covered under the scope of entry at Sl. No. 4 of the said notification.

It has been clarified now that statutory collections made by RERA shall be covered under Sl. No. 4 of *Notification No. 12/2017-CT(R) dt. 28.06.2017*.

**(d) Applicability of GST on the incentive amount shared by acquiring banks with other stakeholders in the digital payment ecosystem**

Incentives paid by MeitY to acquiring banks under the incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions was examined in the 48<sup>th</sup> GST Council meeting and it was clarified through *Circular No. 190/02/2023-GST dt. 13.01.2023* that such incentives are in the nature of subsidy and thus, not taxable.

As recommended by the 53<sup>rd</sup> GST Council, it has now been clarified that further sharing of the incentive amount by the acquiring bank with other stakeholders, up to the point where the incentive is distributed in the proportion and manner as decided by NPCI in consultation with the participating banks under the notified Incentive Scheme is in the nature of a subsidy and is thus, not taxable.

**(e) GST liability on the reinsurance of specified general and life insurance schemes**

Certain specified general insurance and life insurance schemes are exempt from GST under Sl. Nos. 35 and 36 of *Notification No. 12/2017-CT(R) dt. 28.06.2017*. Vide entry at Sl. No. 36A of the said notification, reinsurance of the aforesaid exempted insurance schemes has also been exempted w.e.f. 25.01.2018.

As recommended by the 53<sup>rd</sup> GST Council, GST liability on the services by way of reinsurance of the specified insurance schemes is regularized for the period from 01.07.2017 to 24.01.2018 on 'as is where is' basis.

**(f) GST liability on the reinsurance of insurance schemes for which total premium is paid by the Government**

Services provided to the Central Government,

State Government, or Union Territory under any insurance scheme for which total premium is paid by the Central Government, State Government, or Union Territory are exempt from GST under Sl. No. 40 of *Notification No. 12/2017-CT(R) dt. 28.06.2017*. Vide entry at Sl. No. 36A of the said notification, re-insurance of the aforesaid insurance schemes has been prospectively exempted w.e.f. 27.07.2018.

As recommended by the 53<sup>rd</sup> GST Council, GST liability on such reinsurance of Government sponsored insurance schemes for the past period, i.e. from 01.07.2017 to 26.07.2018, has been regularized on 'as is where is' basis.

**(g) Applicability of GST on retrocession services**

As per the IRDAI (Re-insurance) Regulations, 2018, 'Retrocession' means a re-insurance transaction where by a part of assumed reinsured risk is further ceded to another Indian insurer or a CBR (Cross Border Re-insurer). It has been clarified that the term 're-insurance' as mentioned in Sl. No. 36A of *Notification No. 12/2017-CT(R) dt. 28.06.2017* includes 'retrocession' services.

**(h) GST liability on certain accommodation services**

As recommended by the GST Council, GST liability on the supply of accommodation services is regularized on 'as is where is' basis for the period from 01.07.2017 to 14.07.2024 where value of supply of the accommodation service is less than or equal to ₹ 20,000 per person per month and the said accommodation service was supplied for a minimum continuous period of 90 days. Such service has been exempted with effect from 15.07.2024 vide *Notification No. 4/2024-CT(R) dt. 12.07.2024*.

*Circular No. 228/22/2024-GST dt. 15.07.2024*

**14. Clarification regarding GST rates & classification of goods**

**(a) Solar Cookers with Dual Energy Source:** It has been clarified that solar cookers using both solar energy and grid electricity are appropriately classifiable under heading 8516 and already attract a GST rate of 12% vide Sl. No. 201A of Schedule II *Notification No. 1/2017-CT(R) dt. 28.06.2017*.

**(b) Fire Water Sprinklers:** All types of sprinklers, including fire water sprinklers attract GST rate of 12% under Sl. No. 195B of Schedule II of *Notification No. 1/2017-CT(R) dt. 28.06.2017*. The issues for the past periods have been regularized on an "as is where is" basis.

**(c) Parts of Poultry-Keeping Machinery:** 'Parts' of poultry-keeping machinery are also classified under tariff item 8436 91 00 and attract a GST rate of 12% as per Sl. No. 199 of Schedule II of

*Notification No. 1/2017-CT(R) dt. 28.06.2017.* This entry has been amended to explicitly include ‘parts’ of poultry-keeping machinery through *Notification No. 2/2024-CT(R) dt. 12.07.2024*.

Further, past issues have been regularized on an “as is where is” basis.

**(d) Scope of pre-Packaged and Labelled Agricultural Produce:**

The definition of ‘pre-packaged and labelled’ in *Notification No. 1/2017-CT(R)* and *Notification No. 2/2017-CT(R)*, both dt. the 28.06.2017, has been amended vide *Notification No. 2/2024-CT(R) dt. 12.07.2024* and *Notification No. 3/2024-CT(R) dt. 12.07.2024*, respectively, to exclude the supply of agricultural farm produce in package(s) of commodities containing quantity of more than 25 kilogram or 25 litre from the scope of ‘pre-packaged and labelled’. Consequently, supply of agricultural farm produce in package (s) containing quantity of more than 25 kilogram or 25 litre will not attract GST levy of 5%.

Issues for past periods are regularized on an “as is where is” basis.

**(e) Supplies of goods made to or by agency engaged by Government**

Prior to 17<sup>th</sup> July 2022, supplies of pulses and cereals put up in unit containers and bearing a registered brand name or a brand name with an actionable claim attracted a GST rate of 5%.The issues for the past period from 01.07.2017 up to 17.07.2022 are hereby regularized on “as is where is” basis for supplies made to or by any agency engaged by Union Government or State Government/Union Territory for procurement and sale of such goods under any programme / scheme duly approved by the Central Government or any State Government intended to distribute such goods at free of cost or at subsidized rate to the eligible beneficiaries like economically weaker sections of the society subject to the following conditions:

i. Certification Requirement:

- The concerned supplier must provide a certificate from an officer not below the rank of Deputy Secretary to the Government of India, State Government or Union Territory.
- This certificate must recommend that supplies have been made to or by an agency engaged by the Union/ State Government/Union Territory for procurement and sale of such goods under any programme/scheme duly approved by the Central/State Government intended to distribute such goods at free of cost or at subsidized rate to the eligible beneficiaries like economically weaker sections of the society under an approved programme or scheme.
- The certificate must be submitted within 180 days from the date of issue of this Circular to the jurisdictional CGST/SGST/ UTGST Commissioner.

ii. Input Tax Credit (ITC) Reversal:

- ITC on such inputs will not be allowed.
- If ITC has been availed, it must be reversed within 180 days from the date of issuance of this Circular if the supplier intends to take the benefit under the proposed regularization.

*Circular No. 229/23/2024-GST dt. 15.07.2024*

**15.Union Government establishes GST Appellate Tribunal from September 1, 2023**

The Ministry of Finance has issued *Notification No. S.O. 3048(5) dt. 31.7.2024* to establish Goods and Services Tax Appellate Tribunal (GSTAT) with effect from September 1, 2023. The Principal Bench of the GSTAT has been constituted at New Delhi and State Benches have been notified as under:

S.No.	State Name	No. of Benches	Location	Sitting/ Circuit
(1)	(2)	(3)	(4)	(5)
1	Andhra Pradesh	1	Vijayawada	Vishakhapatnam
2	Bihar	1	Patna	-
3	Chhattisgarh	1	Raipur	-
4	Delhi	1	Delhi	-
5	Gujarat	2	Ahmedabad	-
6	Dadra and Nagar Haveli and Daman and Diu		Surat	Rajkot
7	Haryana	1	Gurugram	Hissar

S.No.	State Name	No. of Benches	Location	Sitting/ Circuit
8	Himachal Pradesh	1	Shimla	-
9	Jammu and Kashmir	1	Jammu	Srinagar
10	Ladakh			
11	Jharkhand	1	Ranchi	-
12	Karnataka	2	Bengaluru	-
13	Kerala	1	Ernakulum	Thiruvananthapuram
14	Lakshadweep			
15	Madhya Pradesh	1	Bhopal	-
16	Goa	3	Mumbai	Panaji (Circuit)
17	Maharashtra		Pune	Thane
			Nagpur	Chhatrapati Sambhaji nagar
18	Odisha	1	Cuttack	-
19	Punjab	1	Jalandhar	Chandigarh
20	Chandigarh			
21	Rajasthan	2	Jaipur	-
			Jodhpur	-
22	Tamil Nadu	2	Chennai	Puducherry(Circuit)
23	Puducherry		Madurai	Coimbatore
24	Telangana	1	Hyderabad	-
25	Uttar Pradesh	3	Lucknow	
			Varanasi	Prayagraj
			Ghaziabad	Agra
26	Uttarakhand	1	Dehradun	-
27	Andaman and Nicobar Islands	2	Kolkata	-
28	Sikkim			
29	West Bengal			
30	Arunachal Pradesh	1	Guwahati	Aizawl (Circuit) Agartala (Circuit) Kohima (Circuit)
31	Assam			
32	Manipur			
33	Meghalaya			
34	Mizoram			
35	Nagaland			
36	Tripura			

Circuit locations will be operational in such manner as the President may order, based on the number of appeals filed by suppliers in the respective States/ jurisdictions. The additional sitting associated with a bench will be operated by one Judicial Member and one Technical Member.

Notification No. S.O. 3048(5) dt. 31.7.2024 has

replaced the earlier Notifications numbered S.O.1(E) dt. 14.09.2023 and S.O.4073(E) dt. 29.12.2023 which had notified State Benches at various locations and Principal Bench at New Delhi respectively.

Notification No. S.O. 3048(E) dt. 31.7.2024 (Ministry of Finance, Department of Revenue)

# GST QUIZ

- Form GSTR-4 for the FY 2024-25 shall be filed by the registered person on or before-**
  - 13.04.2025
  - 18.04.2025
  - 30.04.2025
  - 30.06.2025
- ABC Ltd., located in England has provided a corporate guarantee to any banking or financial institution on behalf of its subsidiary company named PQR Ltd, located in India. The value of supply of said service provided by way of corporate guarantee shall be determined as per the provisions of**
  - rule 28(1)
  - rule 28(2)
  - rule 27
  - rule 32
- The threshold limit for furnishing invoice wise details in FORM GSTR-1 all inter-State supplies made to unregistered person w.e.f. 01.08.2024 is -**
  - ₹ 1,00,000/-
  - ₹ 1,50,000/-
  - ₹ 2,00,000/-
  - ₹ 2,50,000/-
- Specify the form to be filed by Canteen Stores Department to claim refund of 50% of tax paid by it on all inward supplies of goods received by it for the purposes of subsequent supply of such goods to the Unit Run Canteens of the Canteen Stores Department as per notification issued under section 55.**
  - FORM GST RFD-01
  - FORM GST RFD-02
  - FORM GST RFD-05
  - FORM GST RFD-10A
- Mr. B has entered into a contract on 20.07.2024 to provide accommodation services of ₹ 15,000/- per month to Mr. A, registered under GST for a continuous period of 120 days. The service provided by Mr. B to Mr. A by way of accommodation service is-**
  - taxable under forward charge.
  - taxable under reverse charge.
  - exempt.
  - non-taxable supply.
- The Principal Bench of Goods & Services Tax Appellate Tribunal (GSTAT) shall be constituted at-**
  - Gujarat
  - New Delhi
  - Mumbai
  - Guwahati
- Mr. X wants to claim refund of additional Integrated Tax (IGST) paid of ₹ 800/- on account of upward revision in price of the goods subsequent to exports. Whether he can claim so or not?**
  - Yes, as Mr. X has paid the tax. He is eligible for refund.
  - No, as refund claimed is less than ₹ 1,000/-.
  - Yes, as refund claimed is more than ₹ 500/-
  - Both (a) and (c)
- A corporate guarantee is given by a holding company to a bank on behalf of a loan taken by subsidiary company. Guarantee is issued for one year and will be renewed annually till 5 years. Which of the following statement is correct?**
  - GST shall be payable on 1% of the amount of guarantee offered or the actual consideration, whichever is higher, at the time of issuance in first year as well as every renewal in subsequent years.
  - GST shall be payable only one time at the time of issuance of corporate guarantee.
  - GST shall be payable on 1% of the amount of loan sanctioned at the time of issuance as well as at the time of each renewal.
  - None of the above
- Who shall be liable to pay tax, interest or penalty in case of dissolution of Association of Persons (AOP)?**
  - Only head of AOP
  - All the members of AOP at the time of dissolution are jointly & severally liable
  - Only major members
  - The members of AOP at the time demand is raised.
- PQR & Co. is under investigation for an offence under Chapter XIX. It needs to retain books of accounts/ other records pertaining to such investigation until the expiry of**
  - 72 months from the due date of furnishing of annual return for the year pertaining to such accounts and records.
  - 1 year after the final disposal of such investigation.
  - (a) or (b) whichever is later
  - None of the above

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. Amit Rathore	572011
CA. Rachna	571229
CA. Siddharth Shah	165529
CA. Sunil Rajpurohit	178185

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/RoDsvS585hKQr7fc7>