



## The Institute of Chartered Accountants of India

### GST & Indirect Taxes Committee

## GOODS & SERVICES TAX UPDATE-228

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

[Notification No. 12/2024 – CT dated 10.07.2024](#) has been issued to make amendments in Central Goods & Services Taxes Rules, 2017 as under:

#### (i) 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)*

#### (ii) 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)*

#### (iii) 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)*

**(iv) 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)*

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

(a) 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)*

- (b) 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 Rs. 2.5 lakh to Rs. 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 Rs. 2.5 lakh to Rs. 1 lakh.

*(Effective from 01.08.2024)*

- (c) 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 Rs. 1 lakh for Form GSTR-1A as well.

*(Effective from 10.07.2024)*

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

Clause (ia) 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)*

**(vii) 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)*

**(viii) 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)*

**(ix) 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:

- a) Statement containing the number and date of export invoices along with copy of such invoices
- b) Number and date of shipping bills or bills of export along with copy of such shipping bills or bills of export
- c) 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,
- d) Details of refund already sanctioned under rule 96(3)
- e) 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
- f) Details of payment of additional amount of IGST along with proof of payment of such tax and interest paid thereon
- g) 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

- h) 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
- i) 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)*

**(x) 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-

- (a) 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;
- (b) name and GSTIN of the applicant is mentioned in the tax invoice; and
- (c) 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)*

**(xi) 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)*

**(xii) 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)*

**(xiii) 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	Rs. 1,000 for every Rs. 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: Rs. 25,000 Minimum fee: Rs.5,000
Filing of appeal	Rs. 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)*

**(xiv) 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	Appellant shall submit/upload a self-certified copy of the said order within a period of seven	Date of issue of the provisional acknowledgment shall



common portal	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.	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)*

**(xv) 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)*

**(xvi) 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)*

**(xvii) 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)*

### **(xviii) 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:

- a) 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.
- b) 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).
- c) 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.
- d) 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.
- e) Form GSTR-2B has been substituted with a new form.
- f) 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.
- g) 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.
- h) 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.
- i) 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.
- j) New form GST APL-05/07 W has been inserted for the withdrawal of an appeal/application filed before the Appellate Tribunal.
- k) 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.
- l) 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.

m) 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 Rs. 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%.

***Vice - Chairman  
GST & Indirect Taxes Committee***

***Chairman  
GST & Indirect Taxes Committee***

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