

Thursday,
August 1, 2024

GST LAW COMMUNIQUE

Volume 3
Issue 4

Latest updates for the month of July 2024

Budget Edition



This edition comes at a crucial time as it follows the presentation of the Union Budget by Honorable Finance Minister Nirmala Sitharaman. The budget has introduced several pivotal changes and proposals in the GST framework, aiming to streamline the tax system and enhance compliance. We delve into the significant amendments proposed in the Union Budget. These changes are poised to impact various sectors, providing clarity and addressing long-standing concerns within the GST regime. This edition covers the critical outcomes of the 53rd GST Council meeting. The Council, in its continuous effort to refine the GST framework, has recommended several changes which have now been implemented. These include new GST rates, exemptions, and procedural modifications designed to simplify tax administration and foster a more business-friendly environment.

Incorporating

- 1] Important Notifications
- 2] Important Circulars/Clarifications
- 3] Important Case laws, AAR, AAAR
- 4] Compliance calendar for the month of July 24



PART A: BUDGET PROPOSAL ON GST

The Finance Bill (No. 2) proposes the following key changes in GST law

1] Un-denatured extra neutral alcohol or rectified spirit used for manufacturing of alcoholic liquor: Section 9 of CGST Act is amended to incorporate un-denatured extra neutral alcohol or rectified spirit used for manufacturing of alcoholic liquor under the non-GST category. A similar amendment is also made in IGST, UTGST and Compensation Cess Act.

2] Powers to not recover GST: Section 11A of the CGST Act is being added to the Central Goods and Services Tax Act. This section empowers the Government to address situations where a common practice regarding the levy of central tax (including non-levy) on goods or services has been identified. If such supplies were or are:

1. Not being subjected to central tax when they should have been, or
2. Being subjected to a higher amount of central tax than appropriate,

The Government, on the recommendation of the Council, can issue a notification in the Official Gazette. This notification can direct that the central tax payable (or excess tax paid) on such supplies shall not be required to be paid. This applies to supplies where central tax was or is not being levied or was or is being short-levied due to the prevailing practice. A similar amendment is also made in IGST, UTGST and Compensation Cess Act.

3] Changes in time of supply of services in the case of RCM: Section 13(3) of the CGST Act is amended. A new clause (c) has been added, which specifies the time of supply in cases where the recipient is required to issue the invoice. Therefore, the revised time of supply shall be earlier of -

- (a) the date of payment or
- (b) the date of invoice or any document in lieu of the invoice of the supplier or
- (c) the date of issue of the invoice by the recipient.

The first proviso to Section 13(3) has also been amended to include the new clause (c). The proviso now states that if it is not possible to determine the time of supply under clauses (a), (b), or (c), the time of supply shall be the date of entry in the books of account of the recipient of the supply.

4] Relaxation in time limit in availment of ITC (Section 16(4)): Sub-Section (5) & (6) to Section 16 of CGST Act are inserted w.e.f. 01st July, 2017 to relax the provisions of Section 16(4) as decided in 53rd GST Council meeting as under-

- Insertion of Sub-Section (5): For invoices or debit notes relating to the financial years 2017-18, 2018-19, 2019-20, and 2020-21, a registered person can claim input tax credit (ITC) in any return filed under Section 39 up to November 30, 2021.

- Insertion of Sub-Section (6): If the registration of a registered person is cancelled under Section 29 and subsequently revoked under Section 30 or by an order of Appellate Authority, Tribunal or court, and the ITC claim was not restricted under Section 16(4) on the date of cancellation:

- The person can claim ITC in a return filed under Section 39 up to November 30 following the relevant financial year or upon furnishing the annual return, whichever is earlier. OR
- The person can claim ITC for the period from the date of cancellation to the date of revocation if the return is filed within thirty days from the revocation order,

whichever is later.

5] Amendment is blocked credit under Section 17(5): Clause (i) of Section 17(5) of CGST Act is substituted. Earlier Section 17(5)(i) was restricting credit of tax paid under Section 74, 129 and 130 of the CGST Act. An amendment is made and Section 129 and 130 are removed and wording "Section 74 in respect of any period upto Financial Year 2023-24" is substituted. Restriction as incorporated earlier w.r.t. Section 129 and 130 is removed. Further, the restriction of tax paid under Section 74 is kept in the blocked list upto the period of FY 2023-24.

6] Revocation of cancellation of registration: Under Section 30 (2) of the CGST Act, the proper officer may order either for revocation of cancellation of registration certificate or reject the application of revocation. A new proviso is inserted to make the revocation of cancellation of registration subject to conditions or restrictions as may be prescribed.

7] Self-Invoice in the case of RCM of supplies received from an unregistered person: Section 31(3)(f) of the CGST Act provides for the issuance of self-invoice by the recipient on the supplies that are subject to payment of tax under Section 9(3) or (4) of the CGST Act in respect of supplies received from the supplier who is not registered. An amendment is proposed to prescribe the time limit for issuance of self-invoice. Further, an explanation is inserted to include a person deducting tax under Section 51 within the meaning of “supplier who is not registered”

8] Return by a person deducting tax under Section 51: Presently a registered person who is deducting tax under Section 51 of the CGST Act is required to file the return within ten days from the end of the month. The amendment proposes to prescribe the form, time, and manner separately. It is also provided that a return is required to be filed even when there is no tax deduction during the month.

9] Changes in refund-related provisions [Section 54]: The second proviso to Section 54 of the CGST Act is which restricts the refund of input tax credit where the supplier avails drawback of Central tax paid or refund of IGST paid on supplies. Such a proviso is proposed to be omitted. Further, Sub-Section (15) is being added to Section 54 to restrict refund of tax on Zero rates supplies where such zero-rated supply is subject to export duty. A similar amendment is also proposed in the IGST and UTGST Act.

10] Attendance of summon by the authorized person [Section 70]: The proper officer have given power to summon any person for an enquiry under Section 70 (1) of the CGST Act. Sub-Section (1A) is proposed to be inserted to make it compulsory for person summoned to attend the summon either in person or through an authorized representative for an enquiry.

11] Applicability of Sections 73 & 74: The SCN: is normally issued under Section 73 or 74 of the CGST Act. An amendment is proposed to restrict the applicability of Sections 73 & 74 up to FY 2023-24 in light of the introduction of the new Section 74A. The expression suppression was defined in Explanation 2 to Section 74 is proposed to be omitted as same is explained under Section 74A.

12] Issuance of SCN FY 2024-25 onwards: A new Section 74A of the CGST Act has been inserted to provide a mechanism of demand and recovery under GST. The provisions of this Section shall be made applicable from the financial year 2024-25. The proposed Section provides a common timeline for the issuance of SCN in all the cases. Following is the gist of Section 74A-

- 1) Issuance of Notice:** The proper officer may serve a notice to the person chargeable with tax where it appears to him that any tax has not been paid/short paid or erroneously refunded, or where input tax credit has been wrongly availed/utilised. **No notice if the amount involved is less than INR 1,000 in a financial year.**
- 2) Time Limit for Issuance of Notice:** Notice must be issued within 42 months from the due date of the annual return or from the date of the erroneous refund.
- 3) Continuing Notice:** The officer may issue a statement for additional periods not covered in the original notice, which will be considered as part of the original notice if the grounds are the same.
- 4) Penalties:**
 - **Penalty for non-fraud cases:** 10% of tax due or INR 10,000, whichever is higher.
 - **Penalty in case of fraud/suppression of facts/willful misstatement:** 100% of tax due.
- 5) Determination and Order:** Proper officer must determine the amount due and issue an order within 12 months of the notice. Extension of up to 6 months is possible with proper authorization.
- 6) Voluntary Payment before Notice:**
 - **Non-fraud cases:** No penalty where tax is paid along with interest before issuance of notice. No penalty if tax is paid along with interest within 60 days from the date of issuance of notice.
 - **Fraud/suppression of fact/ willful misstatement:** Penalty shall be levied in the following manner-

Stage	Penalty to be levied
Before service of notice	15% of the tax amount

After Service of notice	25% of the tax amount if tax is paid along with interest within 60 days
	50% of the tax amount if tax is paid along with interest within 60 days from the communication of the order

7) Short Payment and Subsequent Notice: If the amount paid is insufficient, the proper officer shall serve the notice to the extent of shortfall in tax paid amount.

8) Self-assessed Tax: Penalty is payable if self-assessed tax or collected tax is not paid within 30 days of the due date.

Further following explanations are added to the Section

- Proceedings under this section exclude those under Section 132.
- If main proceedings are concluded, associated penalty proceedings against others are also concluded.
- The meaning of the term Suppression is explained.

13] Reference of Section 74A in place of Section 73/74: Amendment in Sections 10, 21, 35,49,50,51,61,62,63,64,65,66,75,104,107,127 of the CGST Act are proposed to incorporate references of Section 74A. Following are the Sections in which amendments are proposed

14] Changes in Section 75: The following changes are made in Section 75-

- If an Appellate Authority, Appellate Tribunal, or the court determines that the penalty under Section 74A(5)(ii) (for fraud, willful misstatement, or suppression of facts) is not applicable due to insufficient evidence, the person will instead be liable to pay the penalty under Section 74A(5)(i) (non-fraudulent cases).
- Adjudication proceedings will be deemed to be concluded if the order is not issued within the timeframes specified in Section 73(10), Section 74(10), or Section 74A(7).

15] Reduction in pre-deposit amount in case of appeal to appellate authority [Section 107 & 112]: Section 107 is proposed to be amended to reduce the maximum pre-deposit amount from 25 crores to 20 crores. Similarly, an additional amount of pre-deposit to be made at the time of appeal to the Appellate Tribunal is reduced to 10% subject to the maximum amount of 20 Crores or 40 crores in case of IGST.

16] Cases of Anti-profiteering to be heard by The Tribunal: Amendment in Section 109(1) is proposed to amend to empower The Tribunal to hear anti-profiteering cases. Such cases shall be heard only by the principal bench. Further, a proviso is added to allow the Government to notify the cases to be heard by the principal bench.

17] Date of filing of Appeal to the Appellate Tribunal [Section 112]: Presently Section 112 (1) provides that an appeal to the appellate tribunal may be made by the aggrieved person within 3 months from the date of communication of order. The amendment is made to incorporate the date of notification by the government as the date for filing of appeal. Therefore, the appeal shall be filed within 3 months of the date of communication of the order or date notified by the Government, whichever is later.

18] Penalty to e-commerce operator: Section 122(1B) provides for penalty to e-commerce operator in certain cases. Amendment is made to in the wordings of “*Any electronic commerce operator who*” as “*Any electronic commerce operator who who is liable to collect tax at source under section 52,*”

19] Waiver of interest or penalty or both relating to demands raised under section 73, for certain tax period: Section 128A is inserted to waive demands relating to interest and penalty pertaining to the period from 1st July, 2017 to 31st March, 2020, or a part thereof. Following is the gist of Section 128A-

- 1) Tax Payment and Conclusion of Proceedings:** If a person pays the full amount of tax as per notices or orders issued under Sections 73(1), 73(3), 73(9), 107(11), or 108(1) for the period from July 1,

2017, to March 31, 2020, by the notified date, no interest or penalties will be applicable, and proceedings will be deemed concluded, subject to prescribed conditions. Provisions are applicable to orders or notices as per the provisions of Sections 74(1), 75(2), and orders by Appellate Authorities, Tribunals, or courts. No Refund for already paid interest and penalty.

- 2) Additional Tax Payment in Case of Appeals:** If additional tax is determined by an Appellate Authority, Tribunal, or court, the person must pay it within three months for the proceedings to be deemed concluded.
- 3) Non applicability of Section:** The section does not apply to erroneous refunds or cases where the person has not withdrawn pending appeals or writ petitions before Appellate Authorities, Tribunals, or courts by the notified date.
- 4) No appeals can be filed under Sections 107(1) or 112(1) against orders referred to in Sub-section 1(b) or 1(c) if the tax amount has been paid and proceedings are deemed concluded under this section.**

20] Sunset clause for Antiprofitteering cases [Section 171]: The government, upon the recommendation of the Council, may notify a date after which the authority will not accept any requests to examine whether input tax credits or tax rate reductions have led to a corresponding reduction in the prices of goods or services supplied by a registered person.

21] Certain Activities are to be held as neither a supply of goods nor a supply of services: Schedule III is being amended to incorporate the following entries-

- Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements subject to condition.
- Services by the insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from the reinsurance premium paid by the insurer to the reinsurer subject to condition.

22] No refund of tax paid or input tax credit reversed: No refunds will be issued for any tax paid or input tax credit reversed that would not have been paid or reversed if Section 114 had been in effect at the relevant times.

PART B: IMPLEMENTATION OF 53 RD GST COUNCIL MEETING DECISIONS

A] Important Notifications (Rate)

I] Changes in the rate of tax on goods: On recommendations of GST council rates in respect of following goods have been changed-

- 1) Rate of tax on Solar Cookers:** The GST rate for solar cookers, whether they use a single or dual energy source (solar energy and grid electricity), has been reduced to 12% (previously higher). This applies to items classified under HS codes 7321 and 8516.
- 2) Rate of tax on Milk Cans:** The GST rate for milk cans made of iron, steel, or aluminum has been set at 12%. This is applicable to items classified under HS codes 7310, 7323, 7612, or 7615.
- 3) Cartons, Boxes, and Cases:** The GST rate for cartons, boxes, and cases made of corrugated or non-corrugated paper or paperboard has been reduced to 6%.
- 4) Parts of Poultry-Keeping Machinery:** The GST rate for parts of poultry-keeping machinery is now set at 12%, classified under tariff item 8436 91 00.
- 5) Pre-Packaged and Labeled Agricultural Produce:** The definition of "pre-packaged and labeled" has been amended to exclude agricultural produce supplied in packages exceeding 25 kilograms or 25 liters.

[Notification No. 02/2024-Central Tax (Rate)/ Integrated Tax (Rate)/ Union territory Tax (Rate) dt. 12th July, 2024]

[Notification No. 03/2024-Central Tax (Rate)/ Integrated Tax (Rate)/ Union territory Tax (Rate) dt. 12th July, 2024]

II] Changes in the rate of services: On recommendations of the GST council rates in respect of following services have been changed-

1) Exemptions for Railway Services:

- Platform Tickets, Retiring Rooms, and Cloak Room Services provided by Indian Railways are now exempt from GST.
- Battery-Operated Car Services used within railway stations for mobility are also exempt from GST.
- Transactions between different zones or divisions under the Ministry of Railways are exempt from GST, applicable retrospectively from 20th October 2023.
- GST is exempted for services provided by SPVs to Indian Railways for using infrastructure built and owned by SPVs during the concession period
- Maintenance services supplied by Indian Railways to SPVs are also exempt, applicable retrospectively from 1st July 2017.
- Accommodation services with a value up to ₹20,000 per person per month, provided for a continuous period of at least 90 days, are exempt from GST.

[Notification No. 04/2024-Central Tax (Rate)/ Integrated Tax (Rate)/Union territory Tax (Rate) dt. 12th July, 2024]

B] Important Notifications

1] Verification of application of registration: A verification shall be done at the Felicitation Center notified by the commissioner by taking a photograph of an individual or individuals as the case may be along with verification of the original documents uploaded on the portal along with the application for registration. The application shall be deemed to be completed only after successful verification.

2] Registration to be cancelled or suspended in certain cases: Certain amendments are made in Rules 21 & 21A of CGST Rules, 2017 to incorporate the FORM GSTR-1A in the provisions of cancellation of registration and suspension as under-

- Earlier registration was subject to cancellation when the liability declared in GSTR-1 for one or more tax period which is in excess of outward supplies declared in GSTR-3B. With the introduction of GSTR-1A, GSTR-1 after amendment in GSTR-1A would be considered for the comparison with GSTR-3B.
- A new clause (ga) is added to empower cancellation of registration in cases where pending returns till the date of revocation of cancellation of registration are not filed within 30 days from the date order of revocation of cancellation of registration and in cases where registration is cancelled retrospectively and returns are not filed for the period of cancellation till the date of revocation of cancellation within 30 days from the date of order of revocation of cancellation of the certificate.
- Rule 21A(2A)(a) of CGST Rules, 2017 empowers suspension of registration in cases where there is a significant difference in the credit taken in GSTR-3B with details of outward supplies furnished in FORM GSTR-1. The rule is amended to incorporate the amendment made through FORM GSTR-1A.

3] Valuation of Corporate Guarantee: Sub-rule (2) was inserted into Rule 28 of CGST Rules, 2017 to incorporate the valuation mechanism in case of a supply of services to the related person by way of providing a corporate guarantee to any banking company or financial institution. The value of service would be 1% of the guarantee amount or actual consideration whichever is higher. Such sub-rule is now amended to restrict such valuation only in case the related person is located in India at 1% of the

guarantee amount per annum or actual consideration whichever is higher, and the recipient is eligible for the input tax credit.

4] Condition for claiming ITC: Rule 36 (4) provides that a registered person is not entitled to credit unless the invoice is reported in FORM GSTR-1 & auto-populated in GSTR-2B. An amendment is made to incorporate the amended GSTR-1 i.e. GSTR-1A.

5] Reversal of ITC in case of nonpayment by the supplier: Rule 37A provides for the reversal of ITC in respect of invoices that are declared in GSTR-1 but the return is not filed by the supplier under Section 39. An amendment is made to incorporate the amended GSTR-1 i.e. GSTR-1A.

6] Procedure for distribution of ITC by ISD: Rule 39 of CGST Rules, 2017 prescribes the manner of distribution of input tax credit by Input Service Distributor. Rule 39 is substituted, and a new procedure is to distribute the ITC by ISD is notified w.e.f. date to be notified. Following are the important changes in Rule 39.

- The input tax credit available for distribution in a month shall be distributed in the same month in FORM GSTR-6.
- The amount of credit distributed shall not exceed the amount of credit available for distribution.
- The credit shall be distributed to a recipient who availed such credit.
- In case of more than one recipient, credit shall be distributed on pro rata basis on the basis of the turnover in a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all such recipients to whom such services are related and which are operation in current year.
- In case one of the recipients(R1) is supplying exempt supply or is not registered under GST, credit shall be distributed using following formula-

$$C_1 = (t_1 / T) \times C$$

where,

"C" is the amount of credit to be distributed,

"t₁" is the turnover, as referred to in clause (d) and (e), of person R1 during the relevant period, and

"T" is the aggregate of the turnover, during the relevant period, of all recipients to whom the input service is attributable

- Both eligible and in-eligible ITC would be distributed as per the above formula separately.
- CGST, SGST, and IGST shall be distributed separately.
- IGST credit shall be distributed as IGST
- CGST & SGST credit shall be distributed as CGST & SGST if the recipient is located in the same state where ISD registration is located. In other cases, it would be distributed as the IGST which will be some total of CGST & SGST.
- The ISD is required to issue an ISD invoice expressing clearly that such invoice is issued for distribution of ITC.
- Credit notes shall be issued to reduce the distributed credit in the same ratio in which the original credit was distributed. Such an amount shall be reduced from the credit distributed to each recipient. In case the credit distributed to such person is less than the credit to be reversed, then such credit shall be added to the output tax liability of such recipient. The situation where credit is reduced by the supplier by issuing credit notes shall be dealt with in a similar manner. ISD is required to issue credit note in such cases to respective recipients.
- Debit notes shall be issued in case of distribution of additional amount.

- In the case of credit on inward supply on which tax is paid under the reverse charge mechanism, the credit shall be distributed to distinct persons in the same manner as discussed above.
- Turnover of relevant period means-
 - Turnover of the recipient in the preceding financial year to the financial year in which the credit is to be distributed.
 - If the turnover of the preceding financial year is not available, the turnover of all recipients during the last quarter previous to the month during which credit is to be distributed.

7] Claiming credit in special circumstances: Rule 40 allows availment of ITC on inputs held in stock or contained in semi-finished or finished goods held in stock, or on capital goods. Said credit is subject to verification of the details furnished by the supplier in GSTR-1. An amendment is made to incorporate amended GSTR-1 i.e. GSTR-1A.

8] Manner of issuing invoice: Rule 48(3) requires a registered person to report a serial number of invoices issued during the period in FORM GSTR-1. The rule is amended to provide such a facility in amended FORM GSTR-1A.

9] Introduction of FORM GSTR-1A: Presently there is no facility to amend details furnished in GSTR-1 for the tax period before filing GSTR-3B of the said tax period. A registered person can make the amendments in the GSTR-1 of the subsequent months. Now, a facility is given to amend or provide additional details in said GSTR-1 through GSTR-1A before filing GSTR-3B of the said tax period. The addition or amendment of the details of outward supply includes the invoice-wise details of interstate and intra-state supplies made to the registered persons, invoice-wise supplies made to unregistered persons where invoice value is more than 1 lakhs, consolidated details of intra-state supplies and interstate supplies where invoice value is up to 1 lakhs for each tax rate and debit and credit notes issued during the month for the invoices issued in the previous tax period. Following are important features of FORM GSTR-1A

- FORM GSTR-1A is an optional facility that allows taxpayers to add or amend details for the current tax period that were missed or incorrectly reported in FORM GSTR-1.

- There is no late fee for filing FORM GSTR-1A

- FORM GSTR-1A becomes available on the portal after the due date or the actual filing date of FORM GSTR-1, whichever is later, and remains open until FORM GSTR-3B for the same period is filed.

- For quarterly taxpayers, it is available quarterly after the filing or due date of FORM GSTR-1 (Quarterly) until FORM GSTR-3B is filed.

- The details declared in FORM GSTR-1A, along with those in FORM GSTR-1, will be incorporated into FORM GSTR-3B.

- Change in GSTIN No is not possible through GSTR-1A

- Supplies declared in FORM GSTR-1A will be reflected in the next available FORM GSTR-2B. For example, if an invoice is missed in FORM GSTR-1 but added in FORM GSTR-1A, it will appear in the recipient's FORM GSTR-2B for the following month.

10] Acertaing details of Inward Supplies [GSTR-2A/2B]: Rule 60 of the CGST Rule, 2017 provides that outward supplies declared by the supplier in GSTR-1 would be auto-populated in FORM GSTR-2A & 2B. Details added or amended in GSTR-1A would also be part of GSTR-2A & 2B. In the case of GSTR-2B, the addition or amendments in GSTR-1A would reflect in the GSTR-2B of the next tax period.

11] Change in the due date of filing the return in FORM GSTR-4: The composition dealer needs to file the return in FORM GSTR-4 for every financial year by 30th April every year. The due date for filing FORM GSTR-4 is now changed to 30th June every year from the financial year 2024-25.

12] Matching of details furnished by e-commerce operator: Rule 78 of CGST Rules provides for the matching of details declared in FORM GSTR-8 by the e-commerce operator with the details declared by the supplier in GSTR-1. The amendment is made to incorporate the effect of GSTR-1A i.e. GSTR-1 as amended in GSTR-1A.

13] Manner of calculating interest on delayed payment of tax: Rule 88B prescribes a manner of calculating interest on delayed payment of tax. Presently a registered person is required to pay an interest component on the amount debited from the electronic cash ledger after the due date of filing of return for the period of delay in filing the said return beyond the due date of filing the return under Section 50 at 18% p.a. An amendment is made in Rule 88B inserting proviso after sub-rule (1) to not levy interest on the cash component credited in the electronic cash ledger on or before the due date of filing of return but debited after the due date of filing of the return.

14] Manner of dealing with the difference in GSTR-1 & GSTR-3B: The manner of dealing with the difference in liability declared in FORM GSTR-1 vis a vis liability paid in FORM GSTR-3B is defined in Rule 88C of CGST Rules. The rule is amended to incorporate the additions or amendments made in GSTR-1 in GSTR-1A. Therefore, the comparison will be made with GSTR-1 or GSTR-1 as amended in GSTR-1A with GSTR-3B.

15] Refund of IGST paid on an upward revision of prices in case of export: A provision for refund of integrated tax paid on the upward revision of prices in the case of export of goods was not there previously. Sub-Section (1B) is inserted in Rule 89 to incorporate the provision of refund of tax paid on account of upward revision of prices on account of export of goods. A refund claim can be filed within 2 years from the relevant date. The limitation period of 2 years for claiming a refund of tax paid for the period before the introduction of this sub-rule will start from the date on which this sub-rule comes into force. A corresponding change is also made in Rule 96 to incorporate the provision of a refund on IGST paid on export of goods on account of upward revision.

16] Refund of tax on inward supplies of goods by CSD: Rule 95B is inserted in CGST Rules to allow the Canteen Stores Department under the Ministry of Defense to claim a refund of tax to the extent of 50% of applicable tax paid by it on all inward supplies which are further supplied to the Unit Run Canteens of the Canteen Stores Department or the authorised customers of the Canteen Stores Department. A refund claim shall be made quarterly under Section 55 in FORM GST RFD-10A. The refund is available subject to fulfillment of the following conditions-

- 1) Supply is received on tax invoice and details of such supply are furnished by the supplier in GSTR-1 and GSTR-3B for the said period is furnished by the supplier.
- 2) Name & GSTIN No of the applicant is mentioned in the tax invoice; and
- 3) Goods received by the CSD are used by them for the subsequent supply to units run by the CSD or the authorized customers of CSD

17] Refund of IGST on goods or services exported out of India: Rule 96 provides for the refund of IGST paid on the export of goods out of India. Such a refund is subject to the filing of GSTR-3B and matching of details filled in the shipping bill with details of export filed in FORM GSTR-1. An amendment is made to incorporate an addition or amendment made in FORM GSTR-1A.

18] Payment of tax along with interest on non-realisation of payment on account of export of services: Rule 96A(1)(b) provides for the payment of IGST along with the interest if payment of services exported is not received within one year or such extended period as allowed by the commissioner from the date of issue of invoice. Amendment is made in clause (b) to allow the period allowed under the FEMA Act, 1999. Therefore, payment of tax and interest is required to be done by the supplier if payment against such supply is not received after 15 days from the expiry of one year or the period allowed in FEMA

including the extension allowed by RBI whichever is later from the date of invoice, or such further period as may be allowed by the Commissioner.

19] Appeal to Appellate Tribunal: Rule 110 of the CGST Act provides for the procedure for filing of an appeal. The present rule is substituted. Following are the key changes in the revised Rule 110

- Appeals to the Appellate Tribunal must now be filed electronically using FORM GST APL-05. Manual filing is permitted only if the Registrar issues a special or general order allowing it, and under specified conditions.
- The memorandum of cross-objections must be filed electronically in FORM GST APL-06. Manual filing is allowed only by the Registrar's special or general order.
- The rule clarifies that where the order appealed against is uploaded on the common portal, a final acknowledgment will be issued upon removal of any defects, and the date of provisional acknowledgment will be considered the filing date.
- If the order is not uploaded on the portal, a self-certified copy must be submitted or uploaded within seven days. The filing date is considered the date of the provisional acknowledgment if submitted within this period. If submitted later, the filing date is the date of submission or upload of the self-certified copy.
- The fee structure for filing or restoring appeals remains one thousand rupees for every one lakh rupees of tax or input tax credit involved, capped at twenty-five thousand rupees, with a new minimum fee of five thousand rupees.
- Appeals against orders not involving any demand will have a flat fee of five thousand rupees.
- There is no fee for applications made for rectification of errors under sub-section (10) of section 112.

20] Appeal to Appellate Tribunal by the Department: Rule 111 provides for the appeal to the Appellate Tribunal by the Department. Rule 111 is substituted and incorporated following key changes-

- Applications to the Appellate Tribunal must be filed electronically using FORM GST APL-07, with a provisional acknowledgement issued immediately. Manual filing is allowed only if the Registrar issues a special or general order permitting it, subject to specified conditions.
- The memorandum of cross-objections must be filed electronically in FORM GST APL-06. Manual filing is permitted only by the Registrar's special or general order.
- If the order appealed against is uploaded on the common portal, a final acknowledgement will be issued upon removal of any defects, with the provisional acknowledgement date considered the filing date.
- If the order is not uploaded, a self-certified copy must be submitted or uploaded within seven days. The date of provisional acknowledgement will be the filing date if submitted within this period. If submitted later, the date of submission or upload of the self-certified copy will be the filing date.
- The appeal and the memorandum of cross-objections must be signed as specified in rule 26.
- The rule clarifies that the appeal is considered filed only when the final acknowledgement indicating the appeal number is issued.
- The term "Registrar" includes the Registrar, Joint Registrar, Deputy Registrar, and Assistant Registrar appointed by the Government.

21] Withdrawal of Appeal or Application filed before the Appellate Tribunal: Rule 113A is inserted to incorporate the provisions of withdrawal of appeal or application filed before the Appellate Tribunal. FORM GST APL-05 (withdrawal of appeal) or FORM GST APL-07 (withdrawal of an application) are designated for the withdrawal application. In case an acknowledgement of filing of an appeal is received in FORM APL-02, the withdrawal of an appeal is subject to the approval of the Appellate Tribunal. The Appellate Tribunal shall decide on the withdrawal application within fifteen days of its filing. Any fresh

appeal or application following such withdrawal must be filed within the time limits specified in Section 112(1) or Section 112(3), as applicable.

22] E-way bill in case of a supplier of handicraft goods or an unregistered person who wants to generate an E-way: In case of interstate movement of handicraft goods and where a person is exempted from registration under Section 24(i) & (ii), e-way bill is required to be prepared by said person irrespective of the value of goods. An unregistered person is also allowed to prepare an E-way bill for the movement of goods. Such persons shall get the credentials for generating e-way bill by enrolling to the portal in FORM GST ENR-03 either directly or through a Facilitation Centre notified by the Commissioner.

24] Payment of tax before service of notice: Under Rule 142(2) of CGST Rules, a person can make the payment of tax in before service of notice or statement and required to inform to proper officer in FORM DRC-03. The proper officer then issues an acknowledgment, accepting the payment made by the appellant in FORM GST DRC-04. Amendment is made to allow system to issue acknowledgment in FORM DRC-04 which was earlier issued by the proper officer.

25] Acceptance of submission or payment made against FORM DRC-01A: Presently there is no facility to accept the submission or payment made against FORM DRC-01A. Now, the proper officer can issue intimation in Part-C of FORM GST DRC-01A, accepting the payment or the submissions or both.

26] Adjustment of payment made in FORM DRC-03 against the liability in Electronic Credit Ledger:- Rule (2B) is inserted under Rule 142 of CGST Rules allowing a registered person to offset the DRC-03 against the liability raised in electronic liability ledger. If a person pays any tax, interest, penalty, or other amounts under Sections 52, 73, 74, 76, 122, 123, 124, 125, 127, 129 or 130, using FORM GST DRC-03, he has the option to file an application electronically via FORM GST DRC-03A on the common portal. This application ensures that the amount paid and intimated through FORM GST DRC-03 is credited in the Electronic Liability Register (FORM GST PMT-01) against the relevant debit entry, treating the payment as if it was made on the date of intimation. However, if an order in FORM GST DRC-05 has been issued, concluding the proceedings related to that payment, the application in FORM GST DRC-03A cannot be filed for that payment.

27] Consent based sharing of information furnished in GSTR-1A: Rule 163 allows Government to share certain information furnished on the GST portal with other agencies. Presently the Government is sharing information furnished in REG-1, GSTR-3B and GSTR-1. Along with that the Government is now allowed to share information furnished in FORM GSTR-1A.

28] Changes in FORM GSTR-1: Table 5 of FORM GSTR-1 is amended. The threshold for reporting details of interstate supplies to un-registered person(B2CL) in GSTR-1 is reduced to Rs. 1 lakh from 2.5 lakhs. Similar amendment is also made in Table 6 & 7 off GSTR-5.

29] Provision for negative liability: There was no option for reporting negative liability of previous tax period in FORM GSTR-3B. FORM GSTR-3B is amended to incorporate provision of carry forward of negative liability GSTR-3B in subsequent period.

30] Changes in FORM GSTR-7: In case of tax deducted at source, deductor of TDS is required to file GSTR-7. Deductor supposed to report GSTIN wise details of TDS deducted in said return in Table 3 of GSTR-7. Amendment is made to report invoice wise information in Table 3 in place of GSTIN wise information.

31] Changes in FORM GSTR-8: E-commerce operator are required to furnish details of supplies made through them and TDS deducted is required to be furnish in GSTR-8. FORM GSTR-8 is amended to incorporate the information on the place of supply in Table 3 and 4 of GSTR-8.

32] Changes in FORM GSTR-9: Following changes are made in FORM GSTR-9.

- **Supplies on which tax is paid by e-commerce operators:** A separate row is inserted in Table 4 for reporting of supplies (net of amendments) on which e-commerce operators are required to pay tax as per section 9(5). E-commerce operators are supposed to report the information in this table.

Similarly, a separate row is inserted in Table 5 for reporting supplies (net of amendments) on which e-commerce operators are required to pay tax as per section 9(5). The supplier is supposed to report the information in this table.

- **Non-GST Supplies to be reported separately:** Non-GST supply is required to be shown separately. A registered person has the option to report exempted and nil-rated supply under the row exempted supply.
- **Particulars of Demand and Refund:** Table 15 pertaining to details of demand of demand and refund are made optional for FY 2023-24.
- **Details of supplies from composition taxpayers, deemed supply under section 143 and goods sent on an approval basis:** Table 16 requires a registered person to provide information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on an approval basis. For FY 2023-24, the information in said table is made optional.
- **HSN-wise inward supply:** A registered person is required to provide HSN-wise inward supply in Table 18 of GSTR-9. For FY 2023-24 said table is made optional.

33] Changes in FORM GSTR-9C: Following tables of FORM GSTR-9 are made optional for FY 2023-24.

- Unbilled revenue in Table 5B & 5O
- Unbilled advances in Table 5C & 5-I
- Deemed Supply in Table 5D
- Credit notes issued after the financial accounts but reflected in GSTR-9 Table 5E
- Trade discount given in the books of accounts in Table 5F
- Credit notes issued in financial accounts but not in GST in Table 5J
- Supplies by SEZ units to DTA units in Table 5K
- Turnover for the composition period in Table 5L
- Adjustment under Section 15 in Table 5M
- Adjustment due to foreign exchange fluctuations in Table 5N
- Expenses-wise details of ITC availed in Table 14

[Notification No. 12/2024-Central Tax dt. 10th July, 2024.]

34] Aadhar based authentication: Sub-rule (4A) of Rule 8 provides for aadhar based authentication. However, rule 4B allows the Government to notify the states where the application of Rule 4A is exempted. Accordingly, vide Notification 27/2022-Central Tax provisions of Rule 8(4A) made inapplicable to all the states except Gujrat. Said Notification is now rescinded vide Notification No. 13/2024-Central Tax dt. 10th July, 2024.

[Notification No. 13/2024-Central Tax dt. 10th July, 2024.]

35] Exemption from filing Annual Return: The registered person whose aggregate turnover is up to 2 crores for the financial year 2023-24 is up to 2 crores are exempted from filing of annual return for FY 2023-24.

[Notification No. 14/2024-Central Tax dt. 10th July, 2024.]

36] TCS rate in case of supply through E-commerce operator: Every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of half per cent vide Notification No. 52/2018 Central Tax dt 28th September, 2018. Said rate of half per cent is reduced to 0.25 per cent

[Notification No. 15/2024-Central Tax dt. 10th July, 2024.]

C] Important Circulars

1] Guidelines for recovery of outstanding dues, in cases wherein first appeal has been disposed of, till Appellate Tribunal comes into operation: A circular is issued to address the recovery of outstanding dues in cases where the first appellate authority has confirmed a demand, and taxpayers are unable to appeal to the GST Appellate Tribunal due to its non-constitution. The circular clarifies that taxpayers can make pre-deposits against demands by navigating through the GST portal to the Electronic Liability Register (ELL) Part-II, and these pre-deposits will be adjusted against the amount required for filing an appeal once the Tribunal is operational. It also provides that, upon making the pre-deposit and providing an undertaking to file an appeal when the Tribunal becomes operational, the recovery of the remaining confirmed demand will be stayed. However, if the taxpayer fails to make the pre-deposit or provide the undertaking, recovery proceedings may be initiated. Furthermore, the circular explains that payments made inadvertently through FORM GST DRC-03 can be adjusted against demands if an application in FORM GST DRC-03A is submitted, ensuring that such payments are considered towards the intended demand from the date of intimation. Until the functionality for FORM GST DRC-03A is available on the portal, taxpayers can inform proper officers about inadvertent pre-deposits, and officers are advised not to insist on recovery until the portal functionality is available. The circular also requests field formations to issue trade notices to publicize its contents and report any difficulties in implementation to the Board.

[Circular No 224/19/2024-GST dt 11th July 2024]

2] Clarification on various issues pertaining to taxability and valuation of supply of services of providing corporate guarantee between related persons: CBIC has clarified the taxability and valuation of corporate guarantees provided between related persons. The circular follows recommendations from the GST Council, which led to the insertion and subsequent amendment of sub-rule (2) in Rule 28 of the CGST Rules, 2017. The circular addresses several key issues as under-

- Corporate guarantees issued before 26th October 2023 remain taxable, and their valuation should follow the pre-existing Rule 28 provisions. The valuation of such guarantees is based on the guaranteed amount rather than the loan disbursed, allowing for full Input Tax Credit (ITC) irrespective of loan disbursement.
- Loan takeovers do not trigger GST unless a new or renewed guarantee is issued.
- In cases of co-guarantors, GST is payable proportionately to their share of the guarantee.
- Domestic intra-group guarantees incur GST under the forward charge mechanism, while foreign guarantees for Indian entities are subject to reverse charge.
- The valuation for guarantees is set at 1% per annum of the guaranteed amount or actual consideration, with proportional adjustments for periods less than a year.
- The proviso in sub-rule (2) aligns with sub-rule (1), deeming invoice value as the supply value if full ITC is available.
- Rule 28(2) does not apply to export services of corporate guarantees.

[Circular No 225/19/2024-GST dt 11th July 2024]

3] Mechanism for refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to export: A procedure to claim refunds of additional Integrated Tax (IGST) paid due to upward price revisions of goods in case of export. The current automated system processes IGST refunds but does not accommodate additional IGST paid due to such price revisions.

Exporters can now file refund applications electronically using FORM GST RFD-01 on the common portal under the "Any other" category, with specific documentation including shipping bills, original and revised invoices, payment proofs, and foreign exchange remittance evidence. The GST officer will verify the refund claims, ensuring the additional IGST and applicable interest have been paid and the details properly reported. The circular also notes that in cases of downward price revisions, exporters must repay the excess refunded IGST.

[Circular No 226/20/2024-GST dt 11th July 2024]

4] Clarifications regarding the applicability of GST on certain services: CBIC has clarified the various issues pertaining to Indian railways, the applicability of GST on statutory collection made by the RERA according to the RERA Act, 2016, GST on incentive received on the digital payment ecosystem, GST on reimbursement of general and life insurance scheme, GST liability on the reinsurance schemes where premium is paid by the government, GST on retrocession services and GST liability on accommodation services. Following are the important clarifications-

- **GST Exemption for Indian Railways:** Services such as platform tickets, retiring rooms, and battery-operated car services are exempt from GST, effective from 15th July 2024, with retrospective regularization from 20th October 2023 to 14th July 2024.

- **Transactions Between SPVs and Ministry of Railways:** These transactions are now exempt from GST, effective from 15th July 2024, with past liabilities regularized from 1st July 2017 to 14th July 2024.

- **Statutory Collections by RERA:** These collections are exempt under notification No. 12/2017-CT(R) dated 28th June 2017.

- **Incentives in the Digital Payment Ecosystem:** Incentives paid by the Ministry of Electronics and Information Technology (MeitY) to banks for promoting RuPay Debit Cards and low-value BHIM-UPI transactions are considered subsidies and are not taxable.

- **Reinsurance of Specified Insurance Schemes:** Certain general and life insurance schemes reinsured from 1st July 2017 to 24th January 2018 are exempt from GST. This exemption also applies to government-paid insurance schemes until 26th July 2018.

- **Accommodation Services:** Services costing less than or equal to ₹20,000 per person per month, provided for at least 90 continuous days, are exempt from GST from 15th July 2024. Past liabilities for these services are regularized from 1st July 2017 to 14th July 2024.

[Circular No 228/22/2024-GST dt. 15th July, 2024]

5] Clarification regarding GST rates: Clarification is issued in respect of GST rates on certain goods as recommended by the 53rd GST Council meeting. The following are the important clarification-

- **Solar Cookers:** Dual-source solar cookers that use both solar energy and grid electricity are classified under heading 8516 and attract a 12% GST rate.

- **Fire Water Sprinklers:** All types of sprinklers, including fire water sprinklers, are subject to a 12% GST rate.

- **Poultry-Keeping Machinery Parts:** These parts are classified under tariff item 8436 91 00 and also attract a 12% GST rate.

- **Pre-Packaged and Labeled Agricultural Produce:** The scope of "pre-packaged and labeled" for agricultural produce has been clarified and amended in relevant notifications to exclude certain supplies from GST.

- **Supplies to or by Government Agencies:** Clarifications were provided on GST rates for supplies of pulses and cereals made to or by government agencies, with specific conditions for regularization.

[Circular No 229/22/2024-GST dt. 15th July, 2024]

D] Important Instructions

There were no new instructions issued during the month.

E] Important Case Laws

1]Mrityunjay Kumar Vs. Union of India- 2024(86) G.S.T.L.3- Hon. Supreme Court of India -

Input tax credit - Sub-section (4) of Section 16 of CGST Act, 2017 - Constitutional validity - In impugned order, High Court had held that aforesaid provision, disallowing ITC in respect of any invoice or debit note for supply of goods or services or both after 30th day of November, following financial year to which such invoice/debit note pertained, was not violative of Articles 300A, 19(1)(g), 302 and 13 of Constitution of India - It was held that said unambiguous provision was one of conditions making any person entitled to ITC and since it was having uniform application to all registered persons, it was not unconstitutional - On filing SLP by assessee, HELD : Notice was to be issued to respondent-revenue on prayer to interim relief and on SLP also [Section 16 of Central Goods and Services Tax Act, 2017/Bihar Goods and Services Tax Act, 2017.

2]Bina Mukesh Kumar Shah Vs.Asst.Com.(ST),Chennai- 2024(86) G.S.T.L.46- Madras High Court-

Input tax credit - Reversal of - Non-consideration of reply - Assessee received show cause notice calling upon it to show cause as to why liability should not be imposed for wrong availment of ITC - Assessee replied to such show cause notice by asserting that it did not import goods and that no particulars were provided in show cause notice with regard to invoices in respect of which there was mismatch between assessee's GSTR-3B return and GSTR-1 and 2A GSTR returns at end of supplier - However, impugned order did not consider assessee's reply and instead proceeded on the basis that assessee had reversed ITC in GSTR-9 annual return - HELD : As there was no assertion in assessee's reply that ITC was reversed in GSTR-9 return there appeared to be a disconnect between reply and findings recorded in impugned order - Impugned order was to be quashed subject to assessee paying 10 per cent of disputed tax demand - Matter was to be readjudicated after verifying all documents and providing assessee a reasonable opportunity of personal hearing [Section 16 of Central Goods and Services Tax Act, 2017/Tamil Nadu Goods and Services Tax Act, 2017.

3]Sheuli Rubber Estate Vs. Union of India-2024(8) G.S.T.L.55- Tripura High Court-

Input tax credit - Reversal of - Mismatch between GSTR-2A and GSTR-3B - Petitioner-assessee was served with a notice to pay/reverse ineligible ITC along with applicable interest and penalty on account of a mismatch between GSTR-2A and GSTR-3B - Assessee contended that he was a bonafide purchasing dealer who had paid taxes against invoices raised by selling dealer in bonafide belief that tax dues had been deposited by selling dealer and claimed ITC admissible to him - Apparently selling dealer had not deposited tax paid by assessee - HELD : Scheme of GST Act contemplated a pre-adjudication notice for which intimation under Section 74(5) of CGST Act, 2017 was issued upon assessee - Assessee had not enclosed any notice indicating initiation of proceedings by proper officer for wrongful availment of ITC - Assessee could either make necessary deposit or reverse ineligible ITC along with interest and penalty - Adjudicating officer would examine whether objection were tenable on facts in law and issue could be resolved after due notice to selling dealer [Section 16 read with Section 74 of Central Goods and Services Tax Act, 2017/Tripura Goods and Services Tax Act, 2017.

4] Kailash International Vs. Commissioner of DGST - 2024(86) G.S.T.L.63-Delhi High Court-

Demand - Tax or ITC not involving fraud - Non-consideration of assessee's reply - A detailed reply was furnished by assessee to impugned show cause notice giving full disclosures under each of heads - However, impugned order under Section 73 of CGST Act, recorded that reply was incomplete, not duly supported by adequate documents, not clear and unsatisfactory - HELD : Observation in impugned order was not sustainable for reasons that reply dated 23-10-2023 filed by assessee was a detailed reply - Proper Officer had to at least consider reply on merits and then form an opinion - Proper officer merely

held that reply was not satisfactory nor any substantial documents were submitted by assessee, which means Proper Officer had not applied his mind to reply submitted by assessee - Further, if Proper Officer was of view that further details were required, same could have been specifically sought from assessee, which was not done - Therefore, impugned order was to be set aside [Section 73 of Central Goods and Services Tax Act, 2017/Delhi Goods and Services Tax Act, 2017.

5] Subh Sri Agencies Vs. Deputy State Tax Officer, Chennai- 2024(86) G.S.T.L.69- Madras High Court-

GSTR-3B returns - Assessee explained disparity by pointing out that error occurred on account of reflecting amount wrongly towards CGST and SGST instead of IGST - However, in spite of assessee's reply, impugned order was issued confirming tax demand - HELD : Disparity between GSTR-1 and GSTR-3B returns was on account of wrongly specifying higher amounts in GSTR-3B returns as regards output CGST and output SGST, which aspect was not duly taken note of while issuing impugned order - Impugned order was therefore, to be quashed, however, since assessee had approached Court belatedly, case was to be remanded subject to assessee depositing 10 per cent of tax demand [Section 73 of Central Goods and Services Tax Act, 2017/Tamil Nadu Goods and Services Tax Act, 2017.

6]Jupiter Comtex Pvt.Ltd.Vs.Union of India- 2024(86)G.S.T.L.95-Gujrat High Court-

Refund of IGST - Cost, Insurance and Freight (CIF) value - Petitioner-assessee was engaged in business of manufacturing and sale of textile machinery - Goods were imported by petitioner company inside country - Bill of entry for home consumption was filed by assessee - At time of clearance of goods for home consumption, assessee company paid customs duty and tax under Integrated Goods and Services Tax and other duties payable on total value of goods i.e. Cost, Insurance and Freight (CIF) value - Assessee sought a directive to grant a refund of GST, interest and penalty, paid in view of Entry No. 10 of Notification No. 10/2017-I.T. (Rate), dated 28-6-2017 - HELD : Following decision of Apex Court in Mohit Minerals (P.) Ltd. [2022 (61) G.S.T.L. 257 (S.C.), assessee was entitled to refund of IGST on ocean freight paid under protest as said notification was declared ultra vires and unconstitutional [Section 54 of Central Goods and Services Tax Act, 2017/Gujarat Goods and Services Tax Act 2017.

7] TVL Rana Granites Vs.ASST.Comm.(ST),Salem- 2024(86) G.S.T.L.385 -Madras High Court-

Demand - GSTR-3B and GSTR-2A, mismatch - Petitioner was unaware of proceedings culminating in impugned order as notice and impugned order were uploaded in "View Additional Notices and Orders" tab on GST portal and not communicated to petitioner through any other mode - On examining impugned order, it was clear that confirmed tax proposal pertained to mismatch between GSTR-3B returns and auto-populated GSTR-2A - Such tax proposal was confirmed because petitioner did not reply to show cause notice - Held:

Interest of justice warranted that petitioner be provided an opportunity to contest tax demand on merits, albeit by putting petitioner on terms - Therefore, impugned order was to be set aside and matter was to be remanded for reconsideration [Section 74 of Central Goods and Services Tax Act, 2017/Tamil Nadu Goods and Services Tax Act, 2017.

8] C.Ekambaram Vs.Asst.Com. of GST & C.Ex.,Chennai-2024 (86) G.S.T.L.386- Madras High Court-

Adjudication - Show cause notice - Personal hearing - Notice for personal hearing was returned by postal authority with remark "no such person in the address" - Petitioner had shifted from old address to new address - Impugned order was passed at old address - HELD : Opportunity should be provided to petitioner to contest tax demand on merits - Impugned order was to be set aside subject to condition that petitioner remits a sum towards tax demand - Respondent was directed to serve a copy of show cause notice on petitioner, upon receipt of which, petitioner would be permitted to reply - Upon receipt of petitioner's reply, respondent was directed to provide a reasonable opportunity to petitioner, including a personal hearing, and thereafter issue a fresh assessment order [Section 73 of Central Goods and Services Tax Act, 2017/ Tamil Nadu Goods and Services Tax Act, 2017.

9] Sri Amman Agency Vs.Asst.Comm.(S.T.),Nammakkal- 2024(86) G.S.T.L.390-Madas High Court-

Demand of tax - GSTR 3B and GSTR 2A, mismatch - Natural justice - Show cause notice was issued proposing tax on basis of mismatch between ITC claimed in GSTR 3B and auto-populated GSTR 2A - Petitioner contended that show cause notice and order were uploaded on "view additional

notices and order tab of GST portal" and not communicated to assessee through any other mode - No personal hearing was attended by petitioner and that he was deprived of reasonable opportunity - Department contended that personal hearing was offered to petitioner in October 2023 - HELD : Impugned order was to be set aside and matter was to be remanded - Upon receipt of reply from petitioner, fresh assessment order was to be issued [Section 74 of Central Goods and Services Tax Act, 2017/Tamil Nadu Goods and Services Tax Act, 2017.

10] T.V.L.Kwarta Kartik Vs.Asst.Comm.(S.T.),Chennai- 2024(86) G.S.T.L.391- Madras High Court-

Reverse charge mechanism - GSTR 3B error - Demand - Natural justice - Tax proposal pertains entirely to non payment of tax under reverse charge mechanism and arose as a result of petitioner committing an inadvertent error while filling up Form GSTR 3B - Petitioner was unaware of proceedings culminating in impugned order as part-time Accountant engaged by petitioner had not informed petitioner about these proceedings - Petitioner submitted that If provided an opportunity, petitioner would be in a position to establish that it did not make short payment of GST - Held: Impugned order was set aside and reasonable opportunity was to be provided to petitioner [Section 9 read with Section 74 of Central Goods and Services Tax Act, 2017/Tamil Nadu Goods and Services Tax Act, 2017.

11] Delhi MSW Solutions Ltd. Vs.Asst.Comm.of State Tax- 2024(86) G.S.T.L.395-

Adjudication - Show cause notice - Petitioner had filed a detailed reply to SCN dated 24-9-2023 giving detailed disclosures under each of heads with supporting documents and uploaded it online on 1-11-2023 and 7-11-2023 - However, impugned order dated 29-12-2023 did not fully take into consideration reply submitted by petitioner and passed a cryptic order - HELD : Proper Officer had to at least examine complete reply along with documents submitted by petitioner and then form an opinion - He merely held that reply filed by petitioner was partially found non satisfactory which ex-facie showed that Proper Officer had not applied his mind to complete reply submitted by petitioner - Impugned order was to be set aside and matter was to be remitted to Proper Officer to re-adjudicate issues [Section 73 of Central Goods and Services Tax Act, 2017/Delhi Goods and Services Tax Act, 2017.

12] Bagga Link Motors Ltd.Vs.Com.of State Goods & Services Tax, Delhi- 2024(86) G.S.T.L.409-Delhi High Court-

Demand - Tax or ITC not involving fraud etc. - Show cause notice - Violation of natural justice - Opportunity of hearing - SCN was issued to petitioner-assessee proposing demand for which department had given reasons under separate headings - Reply was filed by assessee giving response to each of heading with supporting documents - However, impugned order was passed confirming demand stating that reply was incomplete, not duly supported by adequate documents and unable to clarify issue - HELD : Reply of assessee was a detailed reply with supporting documents - Proper Officer had to at least consider reply on merits and then form an opinion - If Proper Officer was of view that any further details were required, same could have been specifically sought from assessee - However, record did not reflect that any such opportunity was given to assessee to clarify its reply or furnish further documents/details - Impugned order was not sustainable - SCN was to be readjudicated [Section 73 read with Section 75 of Central Goods and Services Tax Act, 2017/Delhi Goods and Services Tax Act, 2017.

13] Raghava Hes-Navayuga (JV) Vs.Additional Commissioner of Central Tax, Hyderabad-2024(86)G.S.T.L.421-Telangana High Court-

Demand - Violation of natural justice - Non-communication of notice of personal hearing - Assessee in instant case impugned an order which referred to intimations of personal hearing sent to assessee on three different dates for personal hearing - However, said notices were not served upon assessee because intimations were sent at a different e-mail id which was not registered e-mail id of assessee - Therefore, assessee could not be served with those intimations which prevented him from availing opportunity of personal hearing awarded by department - Department did not dispute fact that assessee had much in advance brought to notice of department so far as his registered e-mail address was concerned - HELD : Because of technicalities, notices of personal hearing had not been served upon assessee and he had not been provided with a fair opportunity of personal hearing - Impugned order being violative of principles of natural justice was to be set aside.

14] Karumeli Medicals Vs.ASST.Com.,Kollam-2024(86) G.S.T.L.453- Kerala High Court-

Input tax credit - Burden of proof - Eligibility and condition for taking input tax credit - Input tax credit wrongly availed - Burden of proof - Period 2017-18 - On scrutiny of returns filed by petitioner-assessee, certain discrepancies were noticed in respect of availing ITC credit - Petitioner's reply to notice was not accepted and a show cause notice under Section 16(2)(c) of CGST Act, 2017, was issued - Opportunity of personal hearings were granted in which petitioner did not appear, however filed a reply to show cause notice and produced some supporting documents - On verification of documents it was found that petitioner did not produce any credible documents in respect of inward supplies acquired from four suppliers, where GSTIN of taxpayer and seal of supplier were not present in invoices - Accordingly, interest and penalty had been levied along with interest - HELD : Since, input tax credit taken was not supported with cogent and technical evidence and also petitioner-assessee failed to discharge burden under Section 155 of CGST Act, there was no grounds to interfere with assessment order denying input tax credit - Accordingly, writ petition was to be dismissed [Section 16 read with Section 155 of Central Goods and Services Tax Act, 2017/Kerala State Goods and Services Tax Act, 2017 - Rule 142 of Central Goods and Services Tax Rules, 2017/Kerala State Goods and Services Tax Rules, 2017.

F] GST portal updates

1] Enhancements to Address-Related Fields in GST Registration Functionalities: Enhancements have been made to address fields in GST registration functionalities, including New Registration, Amendment Application, and Geocoding Business Addresses. For Indian addresses, the fields for PIN Code, State, District, and City/Town/Village are now interlinked and must be selected from autosuggestions, while other fields allow alphanumeric values and specific special characters but not at the beginning. For addresses outside India, Zip Code, State, and District can have any values except specific special characters, with similar rules for other fields as Indian addresses. Clear instructions have been added to the address fields, displayed when hovering over field icons, detailing allowed and disallowed characters. Existing data will not be impacted by these changes unless an amendment is filed, in which case the new validation rules will apply. These updates address user issues related to character allowance and field types, such as the common issue of using a hash (#) at the beginning of the Building Number field. The changes apply to Normal Taxpayers, including Regular, SEZ Unit, SEZ Developer, Composition, Input Service Distributor, and Casual Taxpayers. Additionally, the Locality/Sub-locality field is now optional, with warnings displayed if left blank or mismatched with the Pin Code, allowing users to proceed if they choose.

2] Increase in size of documents upload in Principal Place of Business and Additional Place of Business for New Registration and Amendment: GSTN has increased the maximum upload size for documents in the Principal Place of Business and Additional Place of Business sections for New Registration and Amendments. This change addresses grievances from the trade.

Taxpayers can now upload the following documents up to 500 KB:

- Municipal Khata Copy
- Electricity Bill
- Consent Letter
- Property Tax Receipt

Previously, the maximum size was 100 KB. Accepted formats are JPEG/PDF.

3] Refund of additional IGST paid on account of upward revision in prices of goods subsequent to exports: The GST Council has approved the processing of refund applications for additional IGST paid due to upward price revisions after export, as per Notification No. 12/2024-Central Tax dated 10th July 2024. GSTN is developing a new category in FORM GST RFD-01 specifically for these refund applications. Meanwhile, exporters can claim refunds by filing 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." This should be accompanied by Statements 9A & 9B and relevant documents specified in Circular 226/20/2024-GST dated 11th July 2024. The refund applications will be processed based on the documentary proof submitted by the applicant, with required documents detailed in Para 6 of the Circular. Any issues in filing the refund application can be reported on the Grievance Redressal

4] Integrated Services from NIC-IRP e-invoice-1 and e-invoice-2 Portals: GSTN announces that NIC will release integrated services for e-invoice-1 and e-invoice-2 portals on 18th July 2024 on sandbox portals and 1st August 2024 on production portals. These portals will operate in parallel, allowing seamless inter-operations. Key features include web and API modes for e-invoice services on both portals, shared login credentials, and the ability to use the same token for e-invoices and e-waybills on both portals. Taxpayers can use e-invoice-2 during technical issues with the main portal and perform criss-cross operations such as printing, downloading, and cancelling e-invoices between portals. If e-invoice-1 is non-operational, e-invoice-2 can provide all e-invoice services. Users are advised to test APIs in the sandbox environment before moving to production. Additionally, four other e-invoice portals (IRP-3, IRP-4, IRP-5, and IRP-6) are available for similar services. For more details, visit the sandbox portal at einv-apisandbox.nic.in.

5] Refund of tax paid on Inward supply of goods by Canteen Store Department (FORM GST RFD 10A): In reference to Circular No. 227/21/2024-GST issued by CBIC on 11th July 2024, GSTN has developed an online functionality enabling Canteen Stores Department (CSD) to file refund applications in FORM GST RFD-10A on the GST portal. The prerequisites and relevant dates for filing are detailed in Paragraphs 4, 5, and 6 of the Circular, which applicants are advised to review.

The process for filing a refund application involves logging into the GST portal, navigating to Services -> Refund -> Application for Refund, and selecting "Refund of tax paid on Inward supply of goods by Canteen Store Department (CSD)." The application must be filed sequentially for each tax period. If no refund is due for a period, a NIL refund claim must be filed. The system will not allow duplicate or out-of-sequence filings.

6] Advisory for FORM GSTR-1A: The Government, via notification No. 12/2024 - Central Tax dated 10.07.2024, has introduced FORM GSTR-1A, an optional facility for taxpayers to add or amend supply particulars of the current tax period, which were missed or wrongly reported in FORM GSTR-1, before filing the GSTR-3B return for that period. Starting August 2024, taxpayers can use FORM GSTR-1A to amend details reported in FORM GSTR-01 for July 2024. This form can be filed only once per tax period, and changes made will affect the taxpayer's liability in FORM GSTR-3B for the same period. For recipients, the Input Tax Credit (ITC) for amended supplies will be reflected in FORM GSTR-2B for the next tax period.

Monthly filers of FORM GSTR-1 will find FORM GSTR-1A available from the due date or actual filing date of FORM GSTR-1 until the actual filing of FORM GSTR-3B for the same period. The net impact of amendments in FORM GSTR-1A will be auto-populated in FORM GSTR-3B. For Quarterly Return Monthly Payment (QRMP) taxpayers, FORM GSTR-1A will be available quarterly after filing FORM GSTR-1 or its due date until the filing of FORM GSTR-3B for the same period. Amendments through FORM GSTR-1A (Quarterly) will be auto-populated in FORM GSTR-3B (Quarterly). Notably, there will be no separate amendment facility for records furnished through the Invoice Furnishing Facility (IFF) for the first and second months of a quarter (M1 and M2). Changes to the recipient's GSTIN for a supply reported in FORM GSTR-1 can only be rectified in the subsequent tax period's FORM GSTR-1.

7] Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Uttarakhand: Taxpayers should note the following updates regarding the GST registration process. Rule 8 of the CGST Rules, 2017 has been amended to allow identification of applicants via Biometric-based Aadhaar Authentication and photograph, along with verification of the original documents uploaded with the application. This new functionality, developed by GSTN, was implemented in Uttarakhand on 28th July 2024. It includes document verification and appointment booking processes.

After submitting Form GST REG-01, applicants will receive an email with either a link for OTP-based Aadhaar Authentication or a link for booking an appointment for Biometric-based Aadhaar Authentication at a GST Suvidha Kendra (GSK). If the OTP-based authentication link is received, the applicant can proceed with the existing process. If the appointment booking link is received, the applicant must schedule a visit to the designated GSK.

During the GSK visit, the applicant must bring the appointment confirmation email, jurisdiction details, original Aadhaar and PAN cards, and the original documents uploaded with the application. Biometric authentication and document verification will be performed at the GSK for all required individuals as per Form REG-01. Appointments must be booked within the permissible period indicated in the email. ARNs will be generated after successful biometric authentication and document verification. GSKs operate according to state-specific guidelines regarding days and hours.

Compliance Calendar for the month of Augusts 2024

Due Date of Compliance	Compliance
10.08.2024	Monthly GSTR 7 for the month of July 2024 (TDS deductor)
	Monthly GSTR 8 for the month of July 2024 (TCS collector)
11.08.2024	Monthly GSTR 1 for the month of July 2024 (Regular Monthly Taxpayer)
13.08.2024	IFF for taxpayers under the QRMP scheme (July 24)
13.08.2024	GSTR-5 for the month of July 2024 (Non-Resident Taxpayer)
13.08.2024	GSTR-6 for the month of July 2024 (Input Service Distributor)
20.08.2024	Monthly GSTR 3B for the month of July 2024 (Regular Monthly Taxpayer)
	Monthly GSTR 5A for the month of July 2024 (OIDAR service provider)
25.08.2024	PMT-06 Monthly tax payment for July-2024 under QRMP Scheme

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Editorial Team

CMA R.K. Deodhar

CMA Dipak N Joshi

“Harsh”, Plot No 89, Mahatma Nagar, Trimbak Road, Satpur,
Nashik - 422 007 Contact: +91 98220 49980, +91 99221 59279

Email: info@edugst.com



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📍 "Harsh", Plot No 89, Mahatma Nagar,
Trimbak Road, Satpur, Nashik - 422 007.

☎ 9922159279 | 9822049980 ✉ info@edugst.com



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