

GST Amendments for Sep. 2025 Examination : CA/CMA/CS FINAL

CHAPTER : INTRODUCTION OF IGST

- # Newly Inserted Section : GA of IGST ACT: Power NOT to recover GST "As a result of "General Practice"
- (Same Section also inserted in CGST ACT as section 11A in the chapter "Demand and Recovery"
- So the provision will be discussed in the chapter of Demand and Recovery

Section: 16(4) : (Amendment for Alignment with sec: 54)

The Court may by notification specify

↓
Class of Persons

↓
Class of Goods/Services

↓
Who may make zero rated supply on payment of IGST and

↓
Supplied as zero rated then the Supplier may pay IGST and

claim Refund of TAX so paid

claim Refund of TAX so paid

AS per section 54 of CGST ACT.

AS per section: 54 of CGST ACT.

↙
Newly Add.

↙
Newly Added.

SECTION: 16(S) OF IGT ACT:

- In case of zero Rated Supply of Goods
- # NO Refund of unutilised ITC (or) Output ITC shall be allowed
- # which is subjected to EXPORT duty.

Maximum Amount of fee deposit:

	OLD Limit	NEW Limit
# FIRST APPEAL TO AA	Rs 50 Cr	Rs 40 Cr
# SECOND APPEAL TO AT	Rs 100 Cr	Rs 40 Cr

INTRODUCTION of new section: 74A

Section: 73 & 74 :

Talks about Issuance of show cause notice and Demand order. But now these sections valid for FY: 23-24.

Section: 74A :

ON or AFTER FY: 24-25 section 74A will TALK ABOUT Issuance of show cause notice and demand order Instead of SECTION: 73 & 74.

So Corresponding effect has been given in various provision like where reference of section 73, 74 given - now that shall be "section: 73, 74, / 74A

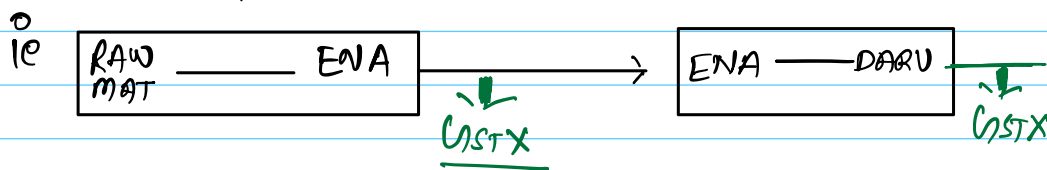
"Goods/ services - Chargeability"

Charging section: Section 9 of CIST ACT / SEC: 5 of IGT ACT

* GST is levied on Supply of All Goods and services

EXCEPT:

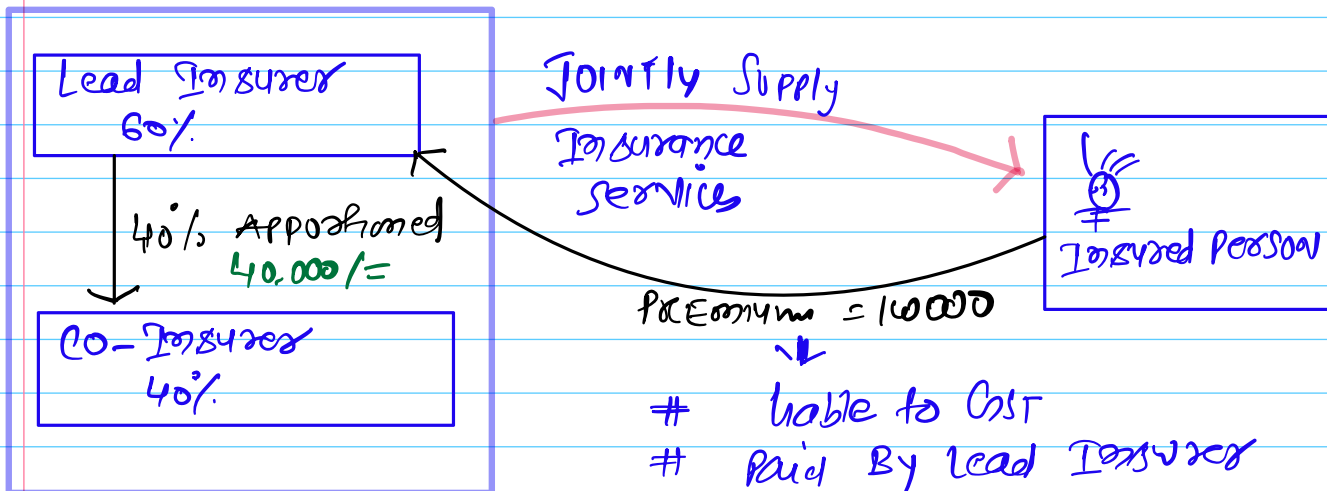
- PETRO products
- Alcoholic liquor for human consumption
- PURE Alcohol i.e. Denatured ENA (Extra neutral Alcohol or Rectified Spirit which is used in manufacturing of Alcoholic liquor for human consumption



CHAPTER 8 Supply:

Schedule: III : NEGATIVE list of Supply :

Apportionment

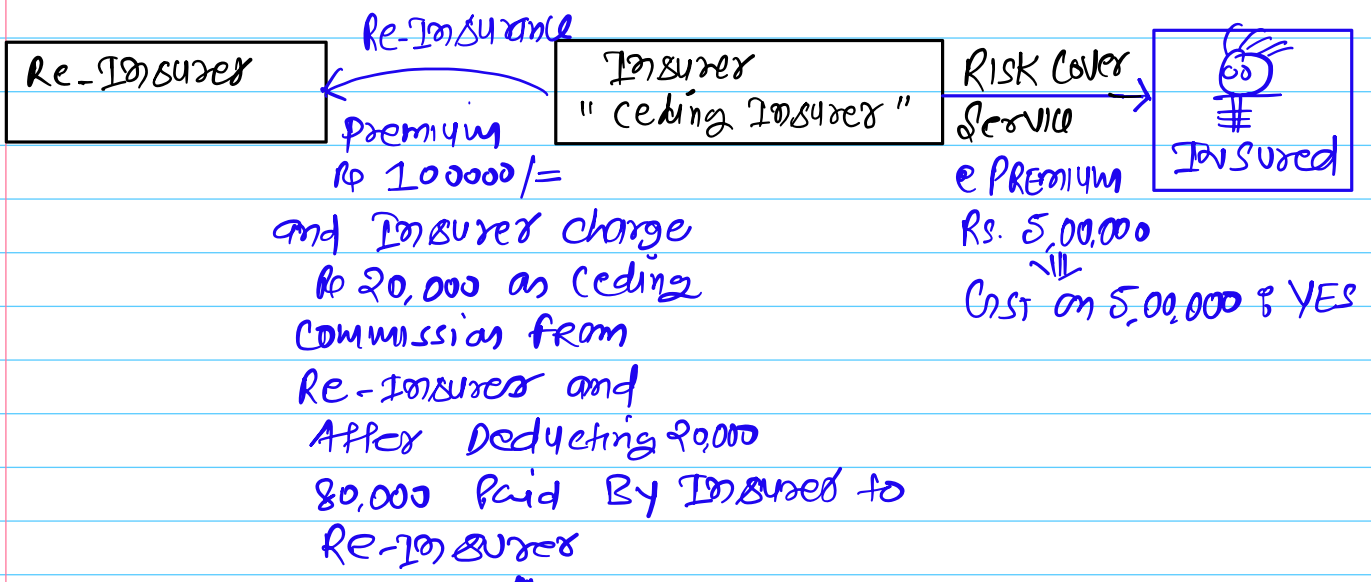


* ABOVE Apportionment shall not be

TREATED AS A SUPPLY @ SCH: III
ie NO GST on 40,000/-

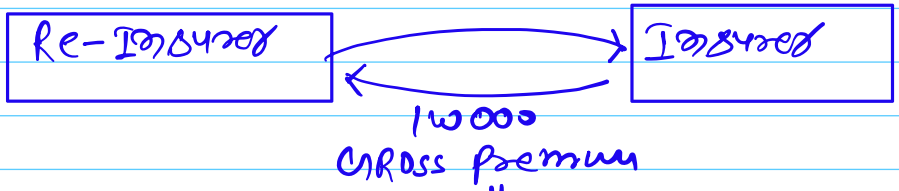
- # liable to GST
- # Paid By Lead Insurer
- # on R 10000
ie 10000 X 18% = 18000/-

Re-Insurer :



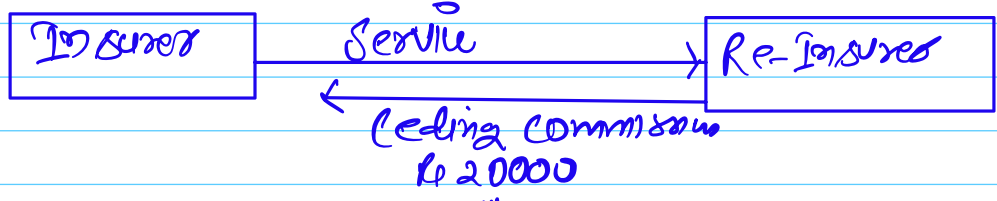
Here 2 Transactions :

(1) Re-Insurer to Insurer : for ₹10000/-



↓
Liable to GST By Re-Insurer

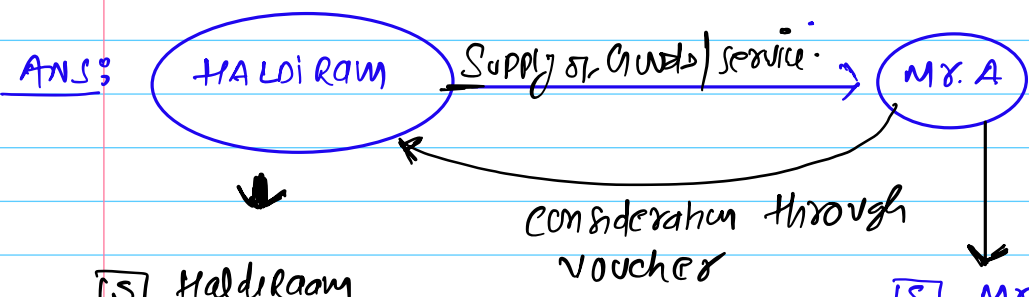
(2)



↓
NOT a SUPPLY : NO GST

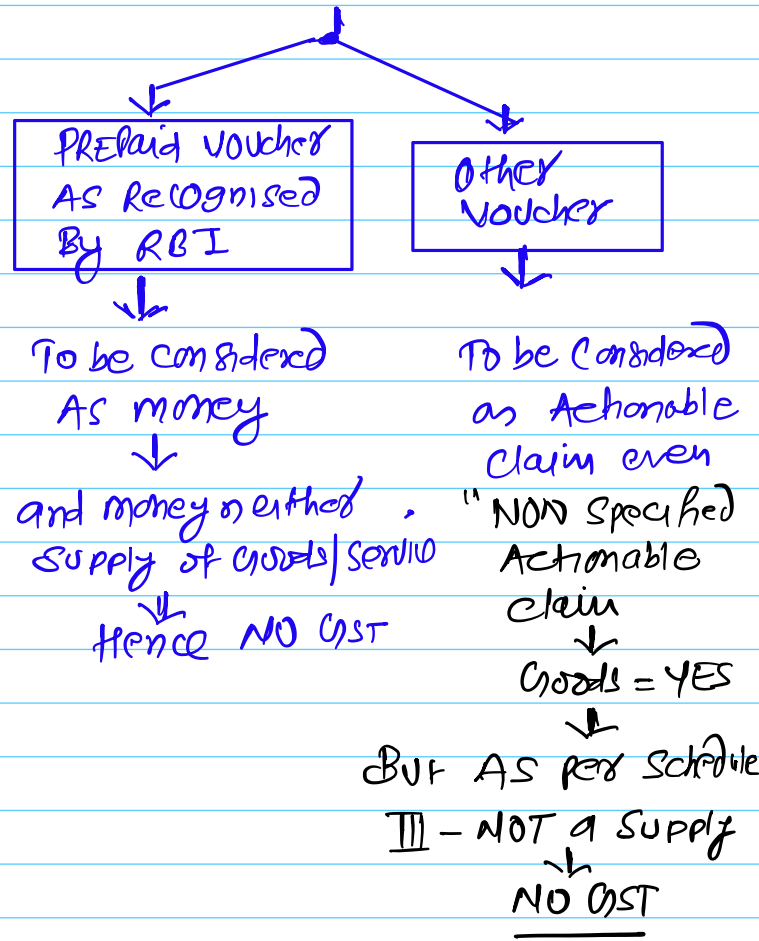
Transaction in Voucher

Q:1 Transaction in Voucher is supply of goods/service?



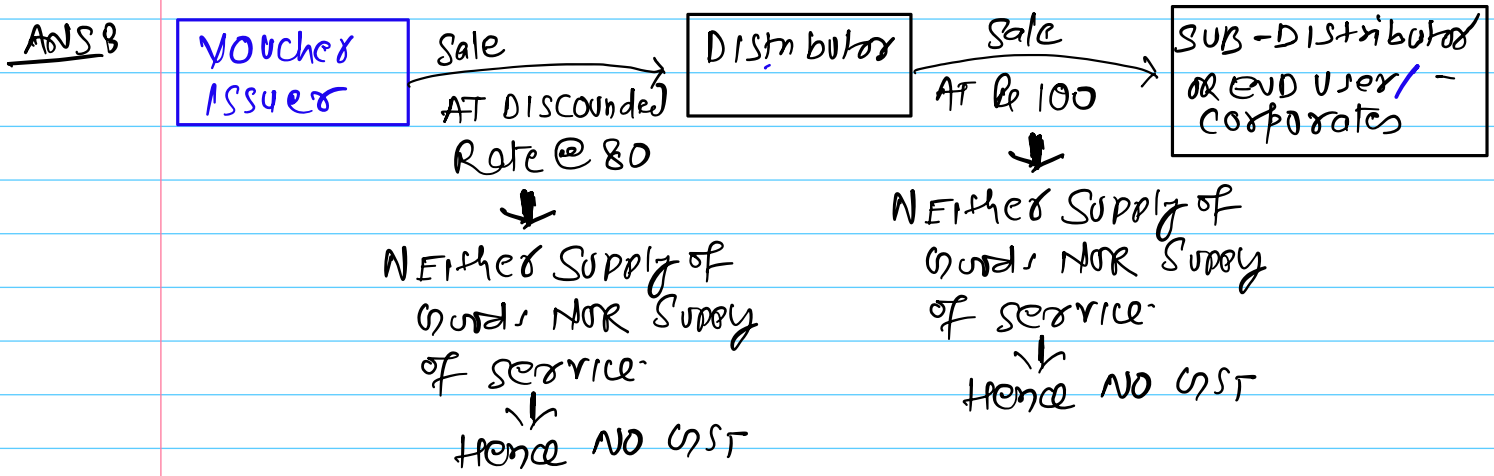
[S] Haldiraam
 [R] Mr. A
 ↓
 Goods/Service
 eg Namkeen/food etc
 ↓
 ✓ Supply ← (A)
 (B)
 (C)
 ↓
 GST on Foods/Namkeen
 etc & YES ✓

[S] Mr. A
 [R] Haldiraam
 ↓
 Whether voucher is
 supply of goods/service??

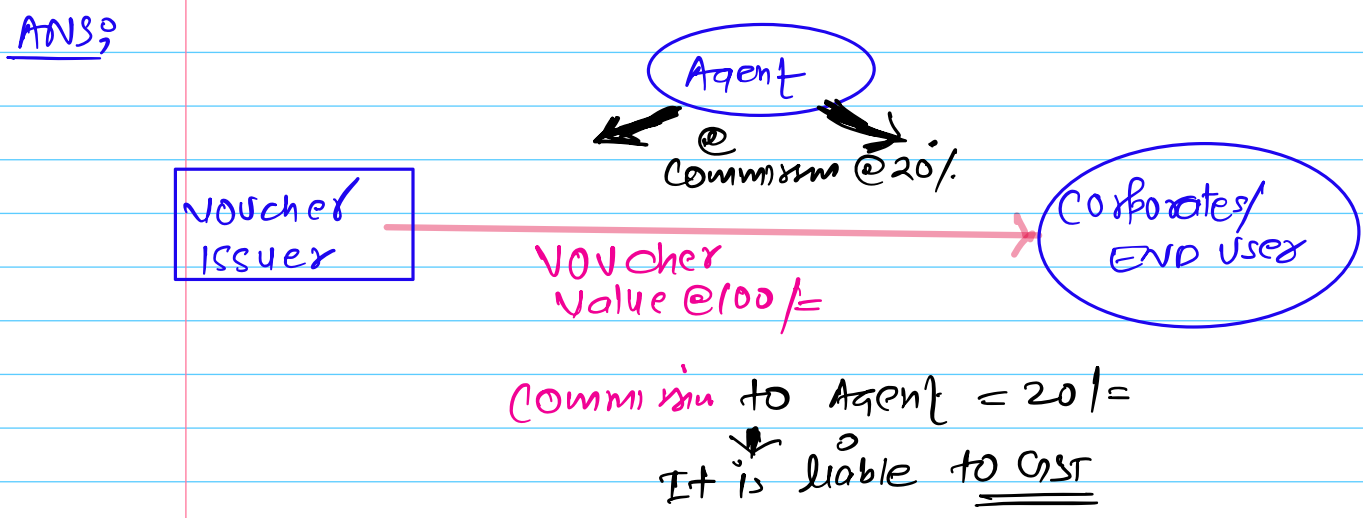


CRUX: Voucher in itself neither supply of goods nor supply of service - hence NO GST

Q82 Transaction in Voucher By Distributor / SUB DISTRIBUTOR -
@ P to P BASIS - WHAT will the treatment of GST?



Q83 Transaction in Voucher By Distributor / SUB DISTRIBUTOR -
(P) to Agent BASIS WHAT will the treatment of GST?



Q84 WHAT would be the treatment of UN-Redeemed Voucher?
 like Voucher like 6 months & NOT Redeemed & EXPIRED.
ANS: meaning thereby money received by voucher issuer
 and NO supply of underlying goods/service - it was
 NOT preplanned - it can not be considered under negative
 AET hence NO GST on it.

"PLACE OF SUPPLY"

Section 12(2) : RESIDUAL PROVISION FOR PLACE OF SUPPLY FOR SERVICES

BtoB: Supplies

BtoC Supplies

(R) Location will be Available on Invoice is known to (S) ; so POS = Location of (R)

AS per Rule 46 @ Related to Invoice

General Provision

Specific Provision

Value of Service Below 50,000 &
(R) Requests to (S) to mention Address/State Name on Invoice :
THEN Invoice shall contain detail of (R)

POS u/s: 12(2) = (R) ki Location (AS known to (S))

Any value &
Online Services eg Subscription of E-NEWS PAPER, E-MAGAZINES, OTT- PLATFORMS, other Digital Services is APP BASED
THEN Invoice shall contain Address/State Name of (R)
(Other wise Pench u/s: 122)

POS u/s: 12(2) = (R) ki Location (AS known to (S))

: CHAPTER: Exemptions :

EDUCATION SECTOR

"CORPORATE-cum Institute"

SERVICES Provided By :

- # NSDC, NCVET, Awarding Body, Assessment Agency, Training Body
- # TRAINING PARTNER Approved By NSDC & NIIT, MEDHANI SKILL UNIVERSITY SIKKIM, IIB EDUCATION etc

Will be Exempted

Government SECTOR

S

SERVICE of facilities management & House Keeping civil maintenance, Furniture maintenance, Horticulture Agency for the upkeep of office of MCD

MCD

It is not covered under Article 243 (1)w

Hence TAXABLE

Agriculture Sector

Electricity

Main Services

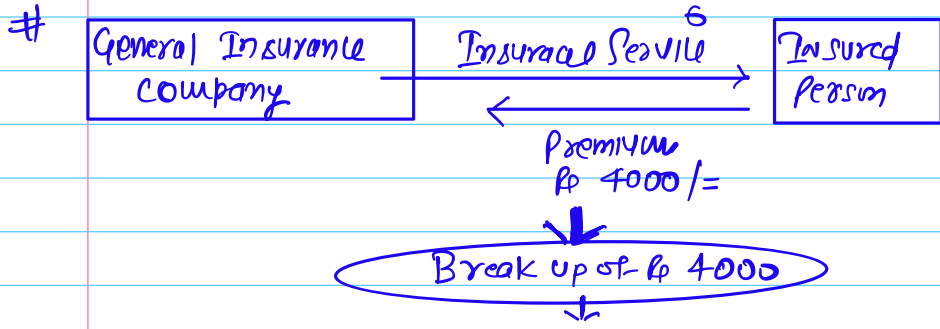
- # Transmission, Distribution of Electricity By Transmission Distribution Utilities: Will be Exempted.

NOTE: If Given By NON Distribution Utilities By way of solar etc
 ↓
 liable to GST ✓

Support Service

- # Releasing Electricity Connection
 - # Meter charges (RENTAL)
 - # Meter / Line shifting CHARGES
 - # TESTING of meter, transformer, capacitor etc
 - # Duplicate Bill charges
 - # etc
- Related to Transmission / Distribution of Electricity
 ↓
 Will be Exempted

INSURANCE SECTOR



Own Damage (OD) = 3000

Third Party Premium = 1000 (out of Rp 1000 450 need to be deposited by insurance

Total Premium

4000

company to MVA F & MVA F will use this fund to compensate victims of Road Accident like death, serious injury)

"Rp 50 is exempted from GST"

BANKING SECTOR

Transaction Value	Transaction Processing charges @ 2% Taken By Acquiring Bank or Payment Aggregator (PA)	GST on Charges
Rp 1500	30/=	30 + GST EXEMPT
Rp 2500	50/=	50 + GST @ 18% 9/= ie Rp 59/=

NOTE # Payment GATEWAY is Tech Infra

- # Whereas Payment Aggregator settle transactions
- # PA uses PG to settle transaction
- # Any charges payable by PA to PG liable to GST.

Example :

Suppose Razor Pay (PA) pay ₹ 10,00,000 for a month to Juspay (PG) for gateway services i.e. Tech support i.e. Backend Technology like API Integration, DATA ENCRYPTION, Real time Authorisation etc then ₹ 10,00,000 liable for GST.

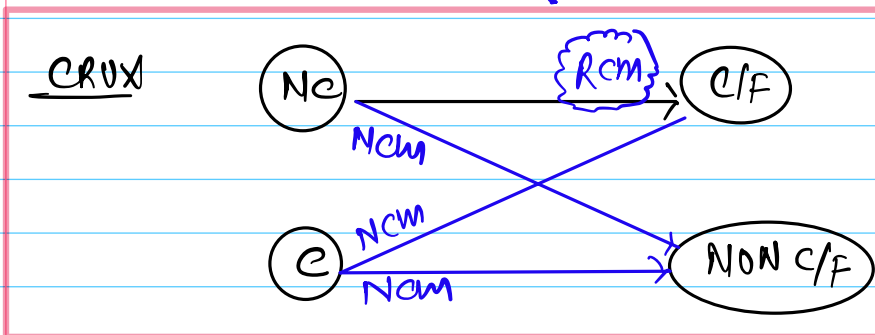
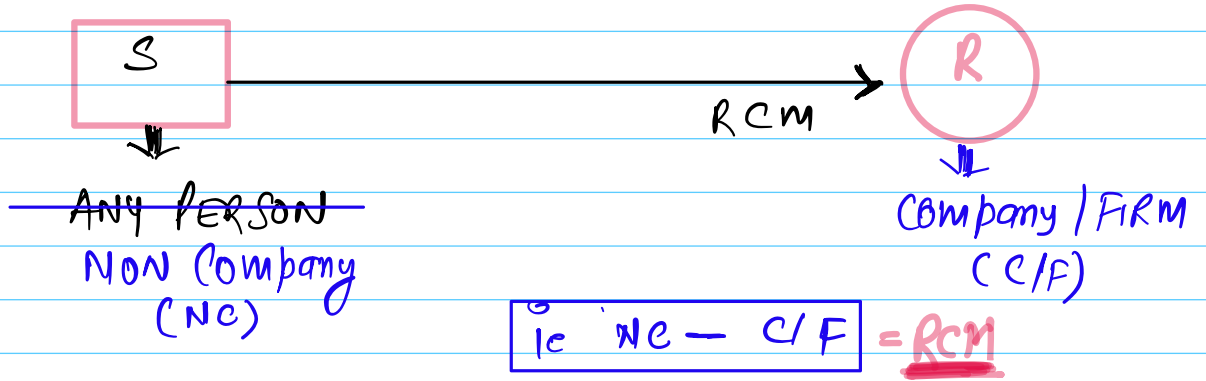
CHAPTER 6 COMPUTATION OF GST :

" Composition scheme "

Reference of Section 71A : Added

CHAPTER : Reverse charge mechanism

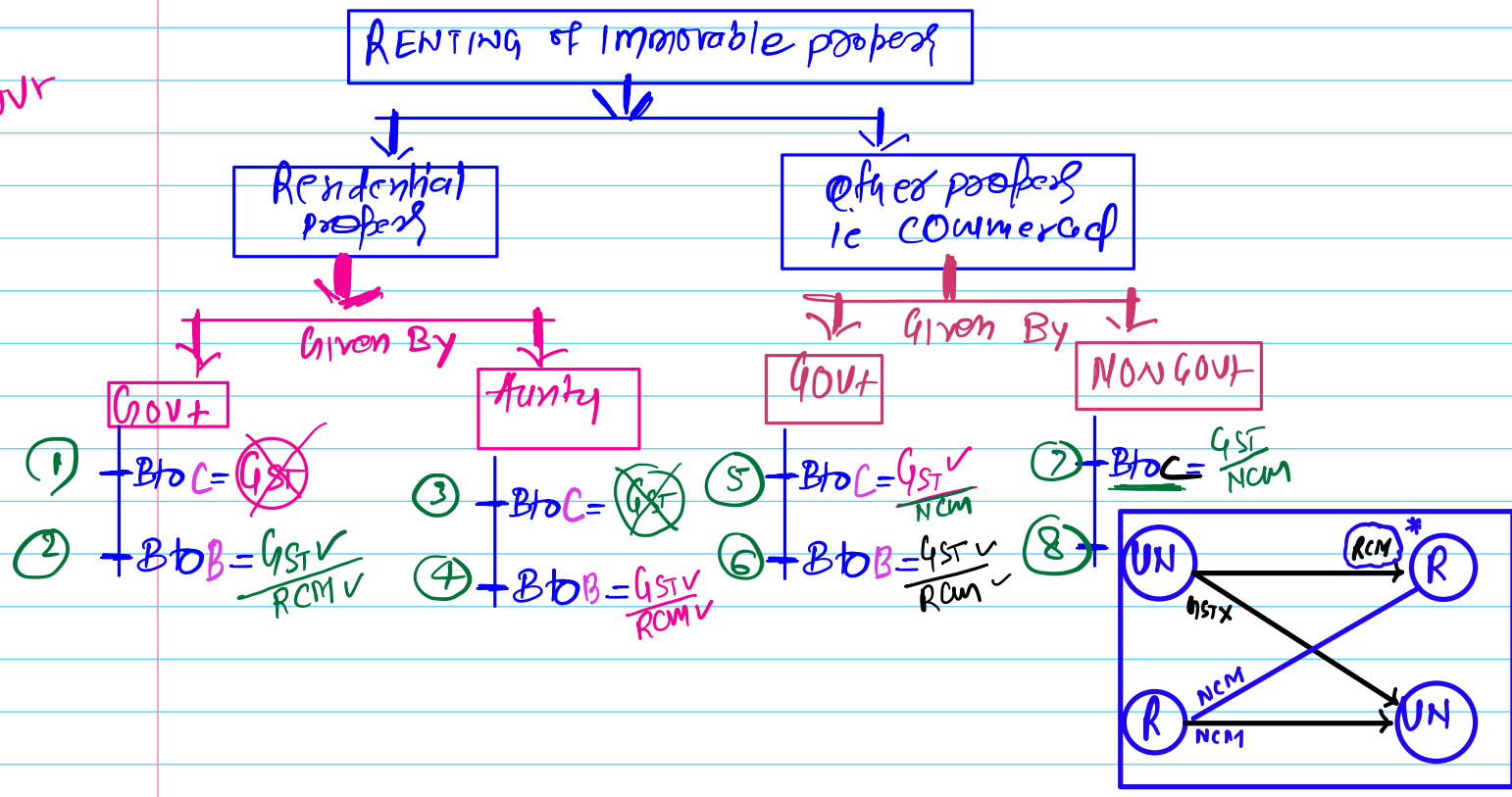
Sponsorship ki service :



#1 SNQ (5) (SA) (SAA) (SAB) : ANALYSIS :

Renting of Immovable proper &
Government service

only
= GOVT

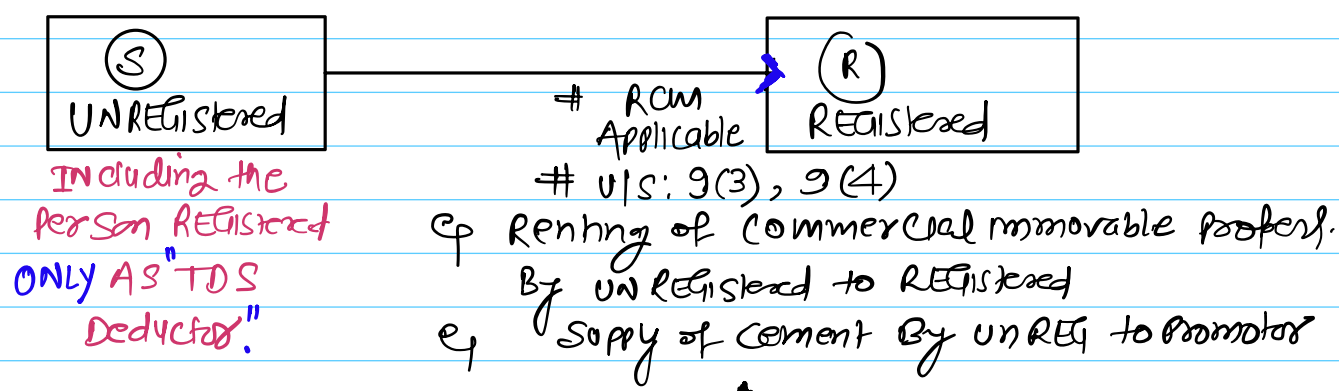


Note : (UN) \xrightarrow{NCM} (R) e composition wala.

Other Govt Service

MOST of the service : Supply X or EXEMPT.
PVT (R) : always GSTV, always NCM
otherwise eg Spectrum - BtoB = RCM

CHAPTER 8 INVOICE & TIME OF SUPPLY :

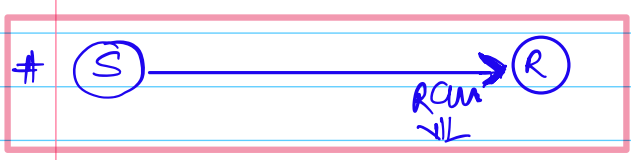


IN SUCH CASE RESPONSIBILITY TO ISSUE INVOICE rest WITH RECIPIENT WHICH IS CALLED SELF INVOICING

new # TIME LIMIT TO ISSUE INVOICE : WITHIN 30 DAYS OF RECEIPTS OF GOODS/SERVICES.

CORRESPONDING EFFECT ON TDS UNDER RCM CASES:

TDS @ RCM FOR SERVICES



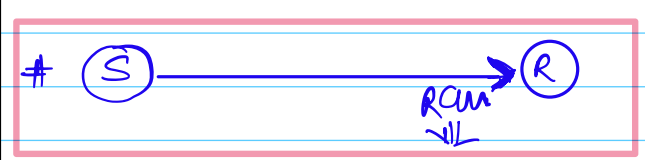
WHERE INVOICE ISSUED BY (S)

TDS = PAYMENT DATE OR 6th DAY FROM INVOICE DATE (WHICHEVER IS EARLIER)

WHERE INVOICE ISSUED BY (R)

TDS = PAYMENT DATE OR INVOICE DATE (WHICHEVER IS EARLIER)

TDS @ RCM FOR GOODS



TDS = PAYMENT DATE OR 31st DAY FROM INVOICE DATE OR GOODS RECD. DATE (WHICHEVER IS EARLIEST)

NO CHANGE IN IT

"CHAPTER 6 INPUT TAX CREDIT"

AS per section 16 for claiming ITC "Supply" must be received by recipient

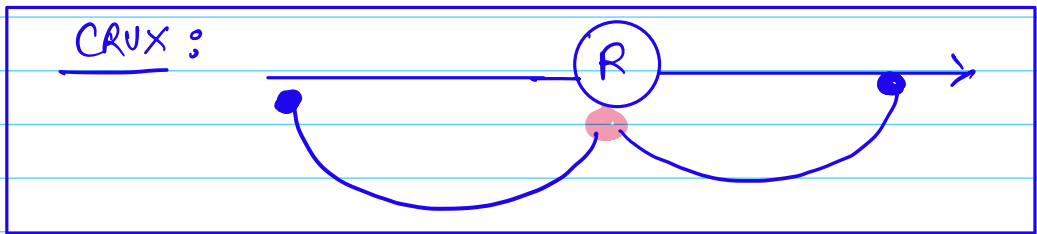
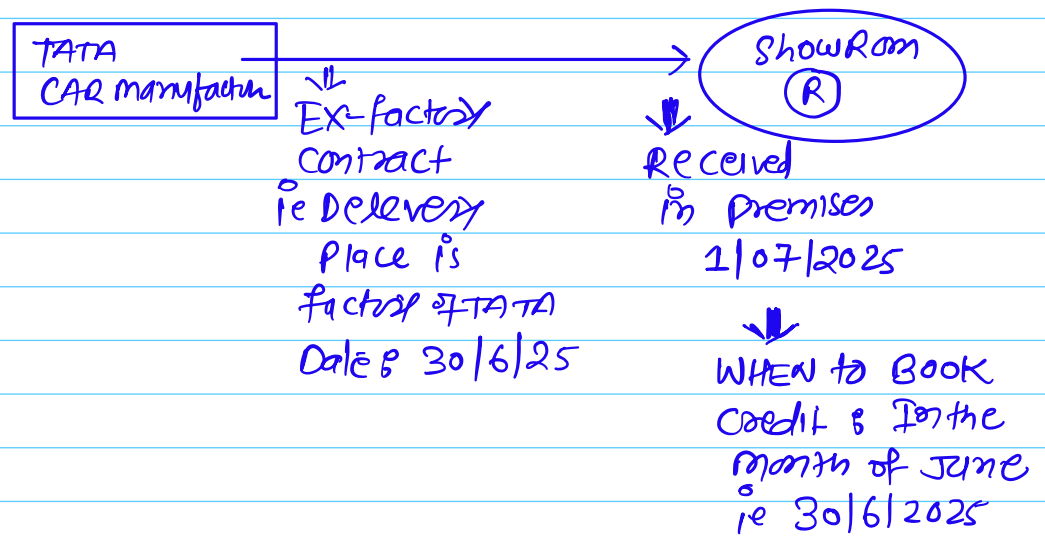
Now what is the meaning of "received by recipient"

ANS: (i) In case of Home Delivery:
When received in the premises of recipient.

(ii) IN CASE OF Bill to ship to model:
When received by III party on behalf of (R)

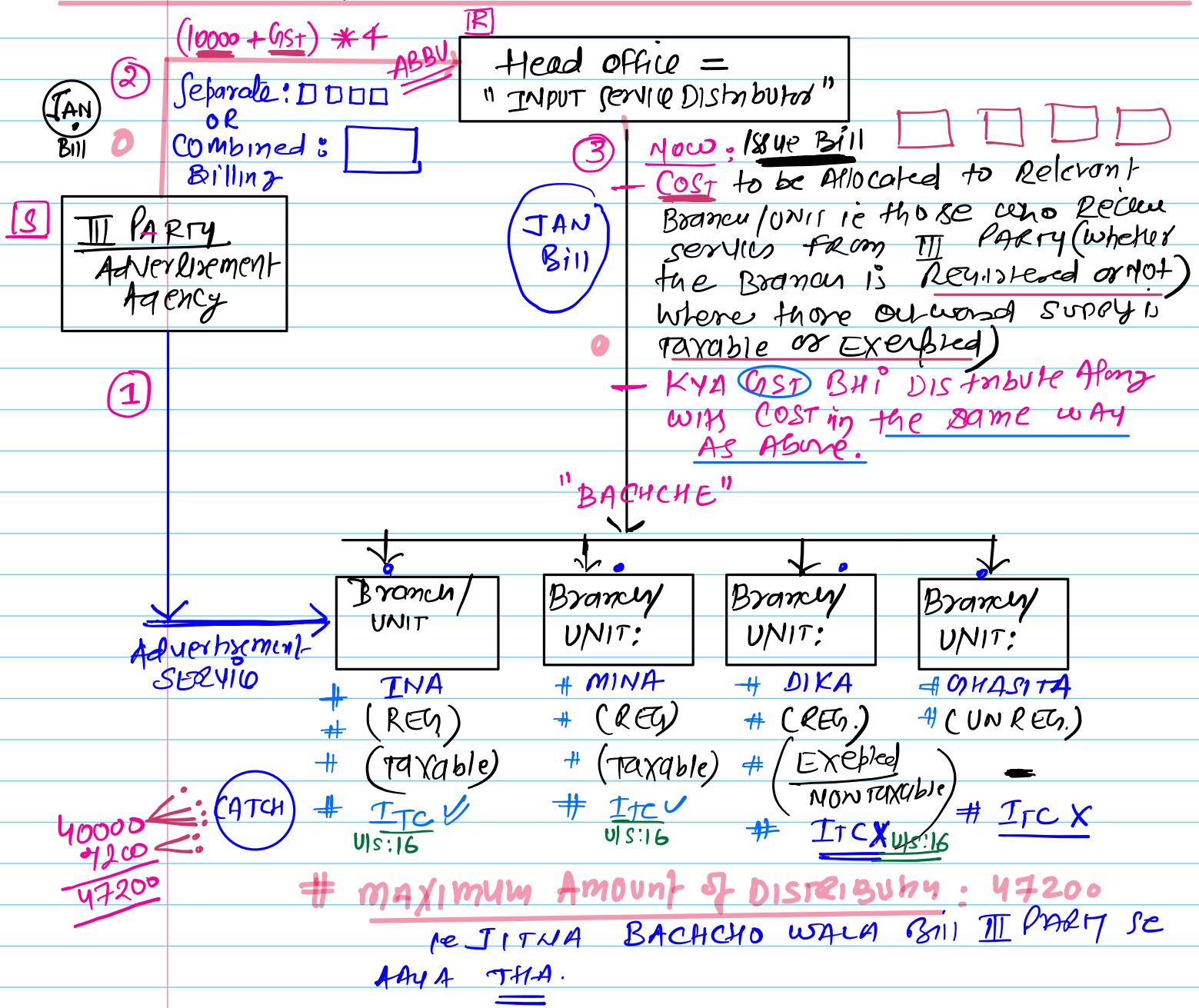
(iii) IN CASE OF EX-factory Delivery:
When hand over to (R)

ie

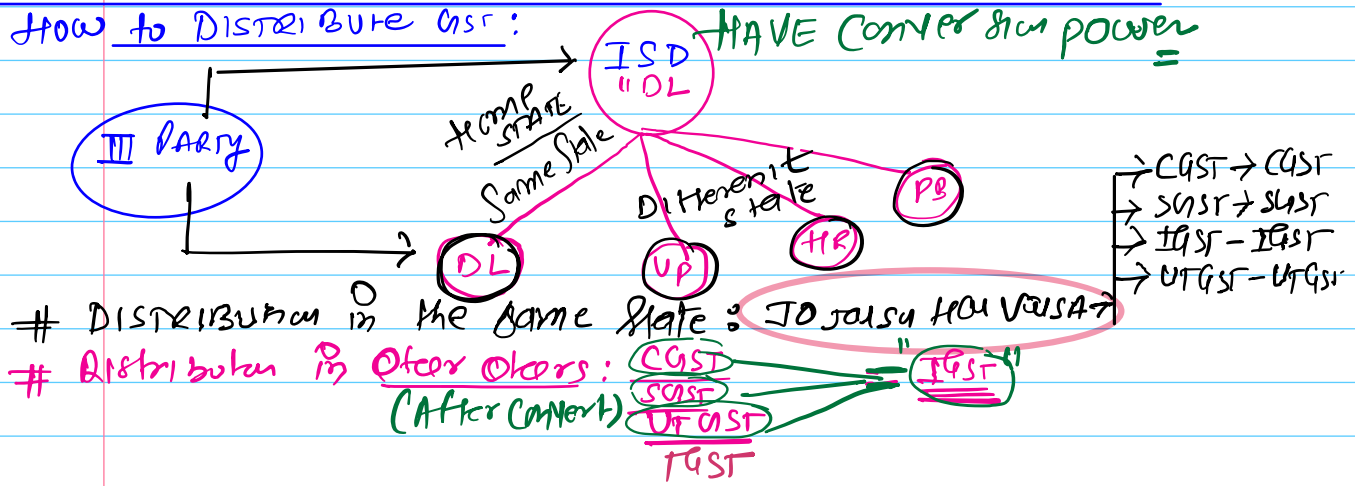


Concept of Input Service Distributor : Sec: 20+21+Rule 89

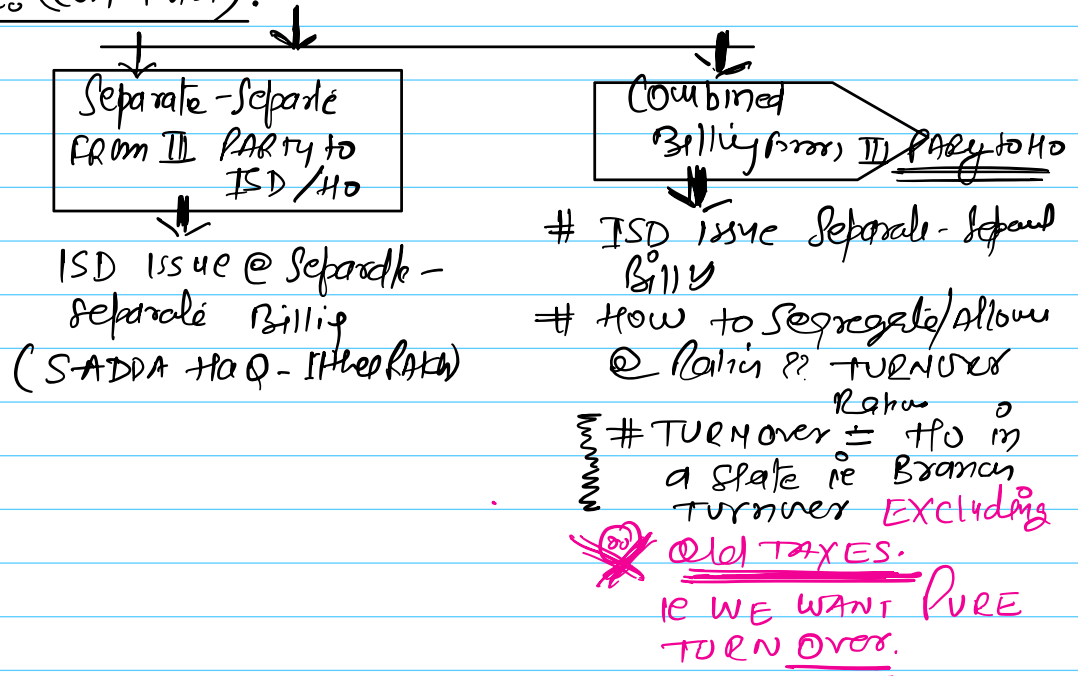
NOTE: Here we are talking about distribution of ITC of "INPUT SERVICE ONLY". ~~INPUT CAPITAL GOODS~~ in the same month" i.e. Month ka month



How to Distribute GST:

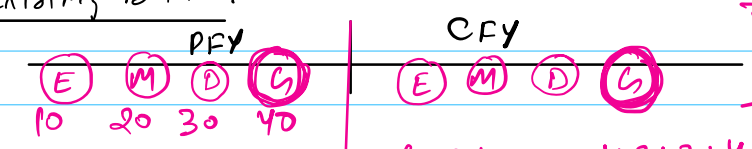


Distributio (Cost + GST):



BANK → TO SALES (PREPARE) TO TAX

Existing Behav:



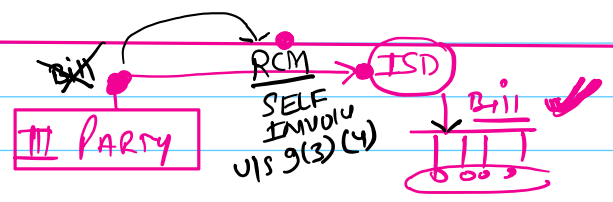
T/o Rahm: 1:2:3:4
 # Service Taken By (E) (M) (G) @ T/o Rahm: 1:2:4
 # (M) CLOSED in CFY ie only (E) (D) (G) operational
 # PFY = (E) (M) (D) and CFY: (G) Add on: Service taken by AM (4) = T/o Rahm ie PFY KA Rahm: NOT POSSIBLE. then use T/o Rahm of preceding Quarter [000]

OH HO: T/o (I) of PFY (II) of Preceding Quarter

Later on? Debit/Credit Note: → TREAT in the same way of Invoice

Wrongly EXCESS Distribute to UNIT MINA: 4.5 : 4.5 : 4.5 : 4.5 = 18
 4.5 : 4.5 : 4.5 = 18
 # Recony from "MINA" # SCN - D/O

(I) = Invoice By ISD
 (M) = KYA ISD ki CASH liability Banegi = (No)
 (R) = Return file: v/s: 24 Mandep REG.
 (A) = Return file: GSTR: #6 By 13th
 (B) = Record = YES



CHAPTER : REGISTRATION :

Where the Applicant " who has not opt for Aadhaar Authentication
Then Deftt shall Require —

① PHOTOGRAPH :

- (a) IN CASE OF REGISTRATION AS INDIVIDUAL THEN PHOTOGRAPH OF THAT INDIVIDUAL.
- (b) IN CASE OF REGISTRATION AS OTHER THAN INDIVIDUAL IE A COMPANY ETC THEN PHOTOGRAPH OF AUTHORIZED PERSON SAY AUTHORIZED SIGNATORY.

② Verification of original Documents :

The Document which were uploaded with Registration Application shall be verified in ORIGINAL.

NOTE : REGISTRATION APPLICATION shall be deemed to be completed after above verification.

Rule : 16A :

- # Where a person NOT liable for Registration
- # BUT Required to make payment under the ACT & Director of a company sometimes liable to pay penalty
- # Then A Temp. Identification number shall be granted. (To make payment of dues)

SECTION ; 30

- # Revocation & Cancellation
- # shall be subjected to conditions/RESTRICTIONS
- # AS may be prescribed.

: CHAPTER 8 Manner of Payment :

TDS Return :

- # Form : GSTR-07
- # Due date : 10th of NEXT month.
- # Whether ITC Return also required to be filed : YES
Suppose in the month of June NO TDS is deducted
Still GSTR-07 required to be filed on 10th July.

" CHAPTER 9 E-WAY Bill "

- # AN UNREGISTERED person want to generate E-way Bill
 - # Because of (a) AS Required By Law like Inter state supply of handicraft goods.
(b) Voluntarily.
- ↓
- # Then Such person need to furnish details on portal in ENR-03 Along with Required doc.
- ↓
- # Validation of form.
- ↓
- # THEN "UEN" (UNIQUE enrollment number shall be communicated to the person.

: CHAPTER 6 Refund :

SECTION: 54

No Refund if Goods Subject
to EXPORT DUTY

For this provision

OLD wordings

PROVISO to SECTION: 54(3);

provided that: -

- # NO Refund of ITC shall be ALLOWED
- # IN CASE where Goods EXPORTED outside India
- # WHICH are Subject to EXPORT DUTY

Amended wordings

Insertion of SECTION: 54(15):
NOTWITHSTANDING contained in
this section -

- # NO Refund of ITC/OUTPUT
ITC shall be ALLOWED
- # IN CASE of ZERO RATED
Supplies of Goods
- # WHICH are Subject to EXPORT DUTY

ie SCOPE WIDEN

CHAPTER 8 Audit and Inspection

Section: 70 : Power to Summon to those whose Attendance is necessary to Give Evidence and produce Documents

Newly Inserted : SECTION 70(CA) :

- # All persons so summoned
- # Shall be bound to attend
- # In person or through authorised representative as officer may direct
- # and the appearing person shall -
 - State the truth or
 - make statement
 - produce documents and
 - others as may be required.

CHAPTER 8 Demand and Recovery

"INTRODUCTION OF SECTION: 74A"

Section: 73 & 74 :

TALKS ABOUT ISSUANCE OF SHOW CAUSE NOTICE AND DEMAND ORDER ; BUT NOW THESE SECTIONS VALID FOR FY: 23-24.

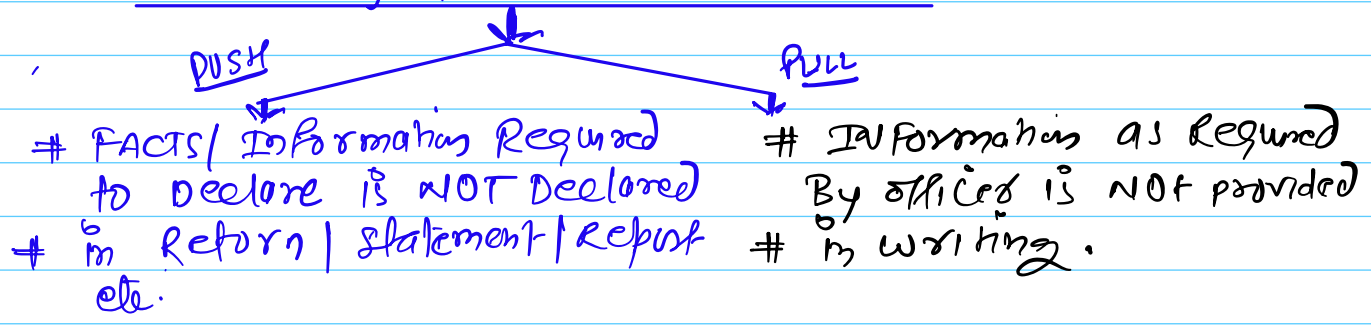
SECTION: 74A :

ON OR AFTER FY: 24-25 SECTION 74A WILL TALK ABOUT ISSUANCE OF SHOW CAUSE NOTICE AND DEMAND ORDER INSTEAD OF SECTION: 73 & 74.

SO CORRESPONDING EFFECT HAS BEEN GIVEN IN VARIOUS PROVISION LIKE WHERE REFERENCE OF SECTION 73, 74 GIVEN - NOW THAT SHALL BE "SECTION: 73, 74, / 74A"

Explanation: (2) - to Section 74 is OMITTED

MEANING OF WORD "SUPPRESSION"



Differences in Section: 73 & 74 vs 74A

BASIS	Section: 73 & 74	Section: 74A
(1) Applicability	Upto FY: 23-24	FY: 24-25 and onwards
(2) Bonafide/mala fide	Section: 73: For Bonafide Section: 74: for MALA fide	Section: 74A: Common for Bonafide & MALA fide
(3) SCN time limit $\frac{33}{54} / 2 = 43.5$	<u>U/S: 73</u> : 2 years and 9 months from DID of ANNUAL Return <u>U/S: 74</u> : 4 years and 6 months from DID of Annual Return	<u>U/S: 74A</u> : 3 years & 6 months from due date of ANNUAL Return (i.e. 42 MONTHS)
(4) Demand orders.	<u>U/S: 73</u> : 3 year from DID of ANNUAL Return <u>U/S: 74</u> : 5 years from DID of Annual Return	<u>U/S: 74A</u> 12 MONTHS from the date of <u>SCN</u> ⊕ Extension = 6 MONTHS i.e. Total D/O Period = 12 + 6 = 18 months <u>5 years</u>
(5) OFFER: 2 Time limit in Bonafide & MALA fide	Within 30 DAYS of <u>SCN</u>	Within <u>60</u> days of <u>SCN</u> .
(6) OFFER NO: 3 Time limit @ MALA fide	Within 30 DAYS of Demand order	Within <u>60</u> DAYS of Demand order
(7) REST of the PROVISIONS	Same	Same
(8)	NO Such provision	Amount is 999/- then NO SCN - NO D/O

CRUX: Practically change in Time limits of: SCN | Demand order | offer No: 28 | 999

(42) (12+6) 3

(60)

Sec: 73 - AATMA
Sec: 74 - AATMA (+) → Sec: 74A

SECTION: 75

① Corresponding effect of SECTION 74A

② SECTION 75(2A) Newly Added:

where AA / AT / COURT concludes that—

- # Penalty in respect of Fraud (100% OF TAX) is NOT sustainable
- # Because "fraud charge" is NOT established
- # then penalty payable will be (10% TAX or 10000) higher i.e. AS APPLICABLE in bonafide case.

SECTION: 11A

Section 11A: Power not to recover GST not levied or short-levied as a result of general practice

Notwithstanding anything contained in this Act, if the Government is satisfied that—

(a) A practice was, or is, generally prevalent regarding levy of central tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to,—

- (i) CGST, in cases where according to the said practice, CGST was not, or is not being, levied, or
- (ii) a higher amount of CGST than what was, or is being, levied, in accordance with the said practice,

the Government may, by notification in the Official Gazette, direct that

- the whole of the CGST payable on such supplies, or, as the case may be, the CGST in excess of that payable on such supplies, but for the said practice,
- shall not be required to be paid in respect of the supplies on which the CGST was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice.

CHAPTER 6 PENALTIES

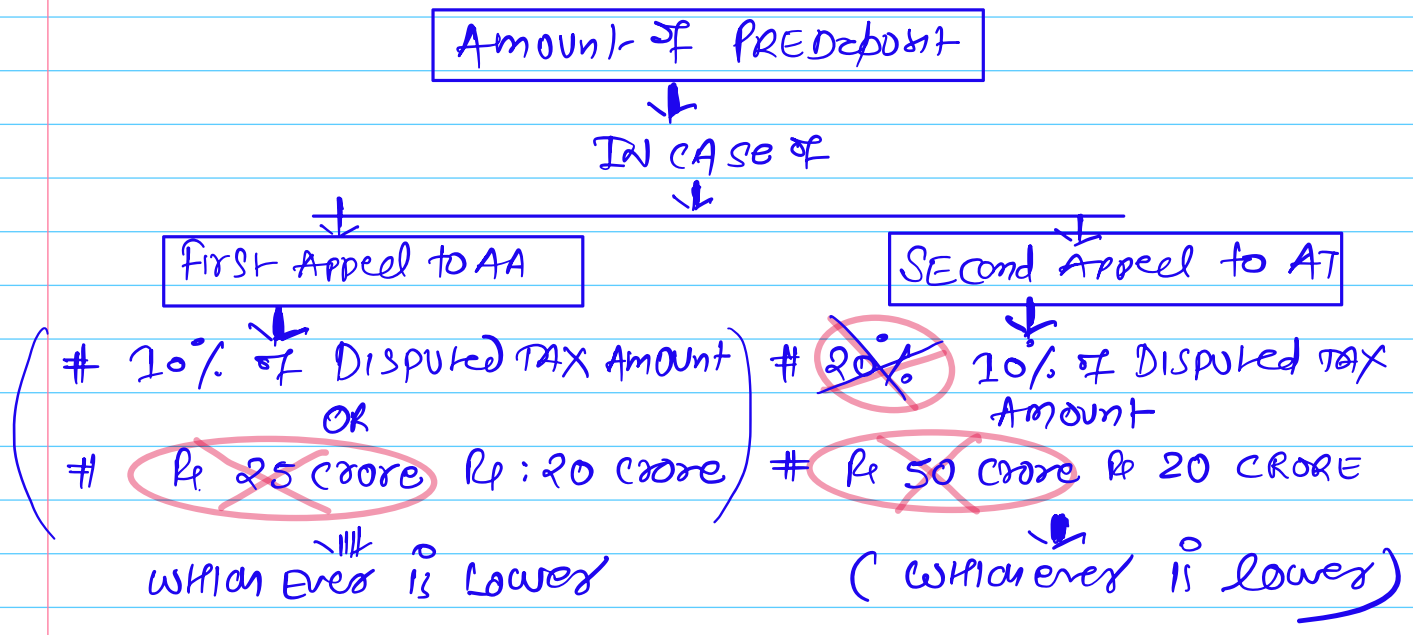
Section: 122

→ newly added

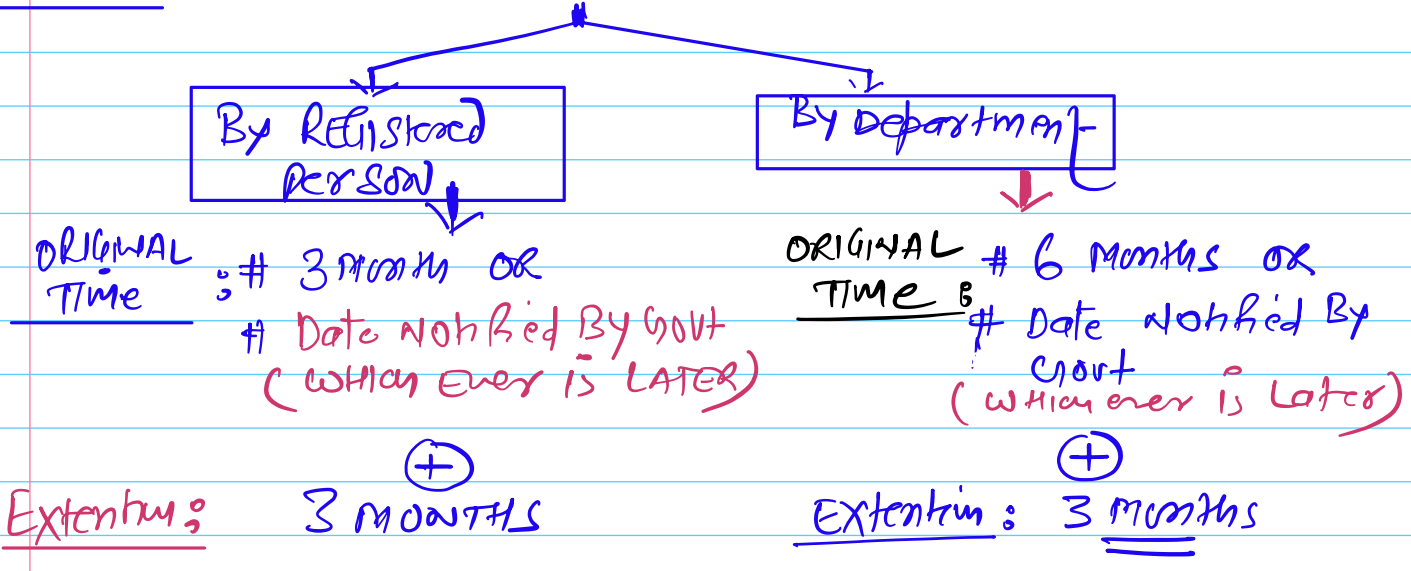
<p>Section: 122(1B) PENALTY ON ECO Related to "UNREGISTERED Vendor" of AMAZON</p>	<p># ANY E-com operator WHO IS REQUIRED TO COLLECT TCS u/s: 52" allows ANY "UNREG." Vendor of Goods without ENR No. # Allow <u>Inter-state</u> Sale of Goods of such Person # Fails to Forming Details u/s: 52 (TCS way)</p>	<p>100% TAX OR ₹ 10000 (Whichever is Higher)</p>
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Section: 128A @ Rule: 164: NOT Relevant

CHAPTER 8 Appeal



Section: 112 B Time limit of Filing Appeal



"CUSTOM LAWS"

CUSTOM (I G E R D) Rules, 2022 :

Rule 2 : Definition of Quarter: Inserted:

- # Any 3 consecutive calendar months
- # END on the last DAY of MARCH, JUNE, September, Dec.
- (ie Align with Definition as Given under CST Law)

Rule 6 Filing of Statement

- Old : Monthly statement By 10th of NEXT month
- new : Quarterly statement By 10th of following Quarter

Rule 7 F

<p>Rule 7: Procedure for allowing imported goods for job work</p>	<p>(1) Maintain Records: The importer shall maintain a record of the goods sent for job work during the <u>Quarter month</u> and mention the same in the monthly statement.</p> <p>(2) Send Goods with E way Bill: The importer shall send the goods to the premises of the job worker under an invoice or wherever applicable, through an electronic-way bill.</p> <p>(3) Maximum Period of Job Work: The maximum period for which the goods can be sent to the job worker shall be <u>1 Year</u> six months from the date of invoice or electronic way bill.</p>
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Rule: 8

(1) Maintain Records: The importer shall maintain a record of the goods sent for unit transfer during the month and mention the same in the Quarterly statement.

Rule 9

(1) Maintain Records: The importer shall maintain a record of the goods supplied to the end use recipient during the month and mention the same in the **Quarterly** ~~monthly~~ statement.

Rule 10

(1) Un-utilised / Defective Goods: The importer who has availed the benefit of a notification shall use the goods imported in accordance with the conditions mentioned in the concerned notification within the period and with respect to unutilised or defective goods, so imported, the importer shall have an option to either re-export or clear the same for home consumption, within the said period, namely –

- (i) Within the period specified in the notification;
- (ii) Within **1 year** ~~6 months~~ from the date of import, where the time period is not specified in the notification:

Q Corresponding amendment of Quarterly ~~Monthly~~ Statement.

CHAPTER 8 WAREHOUSING**Section 65: Manufacture and other operations in relation to goods in a warehouse****GENERAL PROVISION**

(1) With the permission of the Principal Commissioner of Customs or Commissioner of Customs and subject to such conditions as may be prescribed, the owner of any warehoused goods may carry on any manufacturing process or other operations in the warehouse in relation to such goods.

Provided that The Central Government may,

- if satisfied that it is necessary in the public interest so to do,
- by notification in the Official Gazette,
- specify the manufacturing processes and other operations
- in relation to a class of goods
- that shall not be permitted in a warehouse.

Notified Goods: Goods imported for solar power generation projects which supply electricity.

Explanation: The restriction is applicable only when electricity is resulting from the manufacturing processes and other operations in relation to the warehoused goods under **section 65** of Customs Act 1962.

**FOREIGN
TRADE POLICY**

What have Changed?

The Foreign Trade Policy (FTP) 2023 was updated by adding two new clauses:
Para 1.07A – Consultation with Stakeholders
Para 1.07B – Handling of Feedback

1. Consultation with Stakeholders (Para 1.07A)

- The Central Government may (not compulsory) ask for views or suggestions from:
- Exporters, importers, industry experts, etc.
- This may happen when making or changing the Foreign Trade Policy.
- A 30-day time period may be given to share feedback.
- But, the Government can also make changes directly without asking anyone.

2. Feedback Handling (Para 1.07B)

- If feedback is not accepted, the Government may give reasons (if it feels it is appropriate).
- However, it is not legally required to explain why views were not accepted.

3. When Government Can Refuse to Share Reasons:

The Government will not explain rejection of views if:

1. It could harm relations with other countries.
2. It affects national, food, or economic security.
3. It goes against important government policies or international commitments.
4. It is focused on private or special interests instead of public interest.
5. It involves confidential or secret information.

4. Important Point:

- No one has a legal right to demand:
- That their suggestions must be accepted.
- Or to know why their suggestions were not accepted.

[Notification No. 47/2024-2025]

AMENDMENTS

CA/CMA/CS Final: For Sep. 2025 Exam

Amendment from 01/11/24 to Up to 28/02/2025

GST: Chapter wise Amendments

Introduction										
Constitution										
Definitions										
Introduction to GST	<p>Insertion of new section 6A: Power not to recover GST “As a result of General Practice: Section 6A of IGST Act is Similar to section 11A of CGST Act.</p> <p style="text-align: right;">[Given in Demand and Recovery Chapter]</p> <p>Amendment of section 16: [Alignment with section 54 of CGST Act]</p> <p>Section 16(4): The Government may subject to such conditions, safeguard and procedure, by Notification specify-</p> <p>(i) A class of persons who may make Zero rated supply on payment of IGST and claim refund of the tax so paid “in accordance with the provisions of section 54 of the CGST Act or the rules made thereunder”</p> <p>(ii) A class of Goods or services which may be exported on payment of IGST and the supplier of such goods or service may claim the refund of tax so paid on zero rated supply of which, the supplier may pay integrated tax and claim the refund of tax so paid, in accordance with the provisions of section 54 of the CGST Act or the rules made thereunder”</p> <p><u>Newly Added subsection:</u></p> <p>Section 16(5) Notwithstanding anything contained in sub-sections (3) and (4),</p> <ul style="list-style-type: none"> ■ no refund of unutilised ITC on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed ■ where such zero rated supply of goods are subjected to export duty.”. <p>Section 20: Make the Amount Double</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 40%; padding: 5px;">Maximum Pre Deposit for filing appeal [interstate/ IGST]</th> <th style="width: 30%; padding: 5px;">OLD Limit</th> <th style="width: 30%; padding: 5px;">Amended Limit</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">First Appeal to AA</td> <td style="padding: 5px;">50 Crore</td> <td style="padding: 5px;">40 crore</td> </tr> <tr> <td style="padding: 5px;">Second Appeal to AT</td> <td style="padding: 5px;">100 Crore</td> <td style="padding: 5px;">40 Crore</td> </tr> </tbody> </table>	Maximum Pre Deposit for filing appeal [interstate/ IGST]	OLD Limit	Amended Limit	First Appeal to AA	50 Crore	40 crore	Second Appeal to AT	100 Crore	40 Crore
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<p>Goods and services</p> <p>Supply</p>	<p>Section 9(1): words added</p> <p>GST shall levied on all goods and services except 5 petroleum products, alcoholic liquor for human consumption <u>and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption.</u></p> <p>Schedule III: Negative List of supply [2 points Newly added]</p> <p>a) Activity of apportionment of co-insurance premium</p> <ul style="list-style-type: none"> ■ 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 co-insurance agreements, ■ subject to the condition that the lead insurer pays the GST <u>on the entire amount</u> of premium paid by the insured. <p>b) Services by insurer to the reinsurer</p> <ul style="list-style-type: none"> ■ for which ceding commission or the reinsurance commission is deducted ■ from reinsurance premium paid by the insurer to the reinsurer, ■ subject to the condition that the GST is paid by the reinsurer <u>on the gross reinsurance</u> premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission. <p><u>Circular No. 243/37/2024: Clarification on various issues pertaining to GST treatment of vouchers</u></p> <p>Issue 1 -Whether “transactions in vouchers” falls under the category of supply of goods and/or services?</p> <p>“Voucher” may be in nature of payment instrument which creates an obligation on the supplier to accept it as a consideration or part consideration for the supply of goods and/or services. The issuance of payment instruments, including pre-paid instruments, in India is regulated by Reserve Bank of India (RBI).</p> <p>The pre-paid instruments can be issued as cards, wallets and in any such form/ instrument which can be used to access the PPI and to use the amount therein. Further, as per section 2(75) of CGST Act, “money” includes an instrument recognized by the Reserve Bank of India hence it is covered under the definition of money and money can not be considered as supply of goods or services, hence no GST.</p> <p>In cases, where voucher is not covered as a pre-paid instrument recognized by RBI and hence, cannot be treated as money, the voucher will be in nature of an obligation on the supplier to receive it as consideration or part consideration and assure the beneficiary/voucher holder to claim certain goods and/or services as specified on the voucher or in the related documents. In such cases, the voucher can be considered as an "actionable claim" and moreover under non specified actionable claim which is neither supply of goods nor supply of services in terms of schedule III, hence no GST.</p> <p>Issue 2 -What would be the GST treatment of transactions in vouchers by distributors/sub-distributors/agents etc.?</p> <p>There are primarily two models for distribution of vouchers through distributors/sub distributors/ agents, etc.</p> <ol style="list-style-type: none"> (i) Where vouchers are distributed through the distributors/sub-distributors/dealers on Principal-to-Principal (P2P) basis. (ii) Where vouchers are distributed using agents/distributors/sub-distributors on commission/fee
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	<p>basis.</p> <p>Where vouchers are distributed through the distributors/sub-distributors/dealers on Principal-to-Principal (P2P) basis: In such cases, the distributor/dealer purchases voucher from the voucher issuer typically at a discounted rate and subsequently sells the same to the sub-distributors, corporates or end customers and generate revenue through a trading margin, which is a difference between the acquisition cost and the selling price of the vouchers by the said distributor/dealer. In such cases, distributors/ dealers (including sub-distributors) own the vouchers and operate autonomously with full control over the process from purchase to the final sale of the vouchers to the end user.</p> <p>As the transaction in vouchers is neither supply of goods nor supply of services, therefore, pure trading of vouchers in this case would not constitute either supply of goods or supply of services. Accordingly, such trading of vouchers would not be leviable to GST.</p> <p>Where vouchers are distributed using distributors/sub-distributors/agents on commission/ fee basis:</p> <p>In such cases, GST would be payable by such distributor/sub-distributor/agent, acting as an agent of the voucher issuer, on the commission/fee or any other amount by whatever name called, for such purpose, as a supply of services to the voucher issuer.</p> <p>Issue 3 -What would be GST treatment of additional services such as advertisement, cobranding, marketing & promotion, customization services, technology support services, customer support services etc.</p> <p>In such a case, the said service fee/service charge/affiliate charge or other amount for supply of such additional services to the voucher issuer as per the terms of contract/agreement, would be liable to GST at the applicable rate in the hands of the said service provider.</p> <p>Issue 4 -What would be the GST treatment of unredeemed vouchers (breakage).</p> <p>Sometimes, vouchers remain unused/ unredeemed at the end of their expiry period. In such cases, the businesses generally make book adjustments and account the said amount on account of unredeemed vouchers in their statement of income. The value of such unredeemed vouchers accounted for in the statement of income is called breakage. There are ambiguities and doubts in respect of GST treatment of such breakage. Also, doubts are raised whether the amount attributed to the unredeemed voucher (breakage) can be considered as “monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person”.</p> <p>As per section 9(1) of the CGST Act, GST is leviable only on the supply of goods and/or services. In the case of breakage, there is no redemption of voucher and there is no supply of underlying goods and/or services.</p> <p>There is no supply of goods and/or services on account of such unredeemed vouchers (breakage). the amount retained for unredeemed vouchers by the voucher issuer cannot be construed as consideration for any supply. Accordingly, such amount attributable to unredeemed vouchers (breakage) would not be taxable as per the provisions of section 9(1) of CGST Act.</p>
Place of supply	<p>Circular No. 242/36/2024: Clarification on place of supply of Online Services [OIDAR] supplied by the suppliers of services to unregistered recipients</p> <p>Issue: References have been received from field formations regarding non-compliance of provisions of mandatory recording of correct place of supply on the invoices by the suppliers in respect of online services provided by them, either themselves or through electronic commerce operators, to unregistered recipients due to wrong interpretation of provisions of section 12(2)(b) of IGST Act read with Rule 46.</p> <p>It has also been mentioned that though in such cases of taxable online supplies of services to unregistered recipients, registered suppliers are required to mention State name of the</p>

	<p>recipient on the invoice, irrespective of the value of such supply, and declare place of supply of such services as the State of the recipient as per the provisions of section 12(2)(b)(i) of IGST Act but many suppliers are not recording the State name of the unregistered recipient on the invoice and are declaring place of supply of such services as the location of the supplier.</p> <p>This is resulting in wrong declaration of place of supply, resulting in flow of revenue in respect of the said supply to the wrong State. Request has been made to clarify the issue so as to ensure correct declaration of place of supply by the suppliers of such services to unregistered recipients.</p> <p>Some of the examples of such services are subscription of e-newspapers and e-magazines, online subscription of entertainment services (e.g. OTT platforms), online telecom services, digital services through mobile applications etc.</p> <p>Answer: A conjoint reading of Section 12(2)(b) of the IGST Act, Section 31(2) and proviso to Rule 46(f) -- leads to a conclusion that in respect of supply of services made to unregistered persons,</p> <ul style="list-style-type: none"> ■ irrespective of the value of the said supply, the supplier is required to mandatorily record the name of the State of the unregistered recipient on the tax invoice, in cases involving supply of online money gaming or supply of taxable services by or through an electronic commerce operator or supply of online information and database access or retrieval (OIDAR) services. ■ Recording of the name of State of the unregistered recipient on the tax invoice in respect of such supply of services shall be deemed as the address on record of the recipient for the purpose of determination of place of supply of the said services under section 12(2)(b) of IGST Act. ■ Accordingly, in such cases, the place of supply of such services shall be considered as the location of the recipient of the services as per provisions of section 12(2)(b)(i) of IGST Act. ■ It is also mentioned that if the supplier fails to issue invoice in accordance with the said provisions by not recording correct mandatory particulars, including recording of name of State of unregistered recipient in respect of such supplies, he may be liable to penal action under the provisions of section 122(3)(e) of CGST Act. <p>It is also observed that all services supplied to unregistered recipients over digital or electronic network, either by the supplier using his own digital or electronic facility/platform or through any other electronic or digital platform owned and operated by an independent electronic commerce operator, will be covered under proviso to rule 46(f) of CGST Rules.</p>						
TAXABLE PERSON							
Exemptions Section:11 E/N: 12/2017	<p>Correction:</p> <table border="1" data-bbox="267 1680 1586 1955"> <tr> <td data-bbox="267 1680 592 1955"> <p>Agriculture</p> </td> <td data-bbox="592 1680 909 1955"> <p>[Newly added] Electricity related services like--</p> <ul style="list-style-type: none"> - Renting of metering equipment. - Testing for meters, Transformers, </td> <td data-bbox="909 1680 1226 1955"> <p>by electric transmission and OR distribution utility to their consumers</p> </td> <td data-bbox="1226 1680 1586 1955"> <p>Will be exempted.</p> </td> </tr> </table>			<p>Agriculture</p>	<p>[Newly added] Electricity related services like--</p> <ul style="list-style-type: none"> - Renting of metering equipment. - Testing for meters, Transformers, 	<p>by electric transmission and OR distribution utility to their consumers</p>	<p>Will be exempted.</p>
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	capacitor etc. - Shifting of meter/ service lines. - Issuing duplicate bill etc.		
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General Insurance: [Newly added:]

Services of insurance provided by

- the Motor Vehicle Accident Fund,
- (constituted under section 164B of the Motor Vehicles Act, 1988),
- against contributions made by insurers
- out of the premiums collected for third party insurance of motor vehicles
- Will be exempted.

Addition

[Substitute] Any service in relation to national skill development programme or any other scheme implemented by NSDC [National Skill Development Corporation] or Vocational Skill Development Course or any other skill qualifying course	By NSDC, NCVT, Awarding Body Recognized by NCVET, A Training body accredited by NCVET. [National Council for Vocational Education and Training], a training partner approved by the National Skill Development Corporation,"	will be exempted.
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Circular No. 245/02/2025

Question. Applicability of GST on penal charges being levied by the Regulated Entities (REs) in view of RBI instructions dated 18.08.2023 directing such Regulated Entities (REs) to levy penal charges in place of penal interest.

Regulated Entities (REs) such as banks and non-banking financial companies (NBFCs) have been instructed, vide RBI instructions dated 18.08.2023, to discontinue the use of penal interest for non-compliance with loan terms.

[As per the instructions, instead of penal interest, REs are to levy penal charges for non-compliance with loan terms. The intent of levying penal charges is essentially to inculcate a sense of credit discipline. These instructions are effective from 01.01.2024, and do not apply to credit cards, external commercial borrowings, trade credits and structured obligations which are covered under product specific directions.]

Answer: it is hereby clarified that no GST is payable on the penal charges levied by Regulated Entities, in compliance with RBI directions dated 18.08.2023, for non-compliance with material terms and conditions of loan contract by the borrower.

Question: Whether GST exemption is available to payment aggregators in relation to settlement of an amount, up to 2,000 rupees in a single transaction, transacted through credit card, debit card, charge card or other payment card services?

Answer: it is hereby clarified that GST exemption [Related to INR 2000] is available to RBI regulated Payment Aggregators (PAs) in relation to settlement of an amount, up to 2000 rupees in a single transaction, transacted through credit card, debit card, charge card or

	<p>other payment card services, as PAs fall within the definition of 'acquiring bank'.</p> <p>It is also clarified that this exemption is limited to payment settlement function only, which involves handling of money, and does not cover Payment Gateway (PG) services.</p> <p>Question: MCD is receiving the services such as housekeeping, civil maintenance, furniture maintenance and horticulture, from facility management agency, for the upkeep of their office. MCD has sought clarification as to whether such services received by them are exempt from GST? [These services are not supplied in relation to performing any functions entrusted to a Municipality under Article 243W of The Constitution of India.]</p> <p>Answer: it is hereby clarified that GST is applicable on the services provided by facility management agency to MCD, Delhi HQ for upkeep of its head quarter building at applicable rates as these services are not covered under exemption.</p> <p>Question: Whether Delhi Development Authority (DDA) is a local authority as per section 2(69) of the CGST Act, 2017?</p> <p>Answer: DDA does not meet the requirement of local authority. Thus, it is hereby clarified that DDA cannot be treated as local authority under GST law.</p>							
Valuation/ Computation	<p><u>Amendment of section 10.</u></p> <p>In section 10 of the Central Goods and Services Tax Act, in sub-section (5), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.</p>							
RCM	<p><u>Addition</u></p> <table border="1" data-bbox="272 997 1549 1171"> <tr> <td data-bbox="272 997 698 1171">Services provided by way of sponsorship to any body corporate or partnership firm.</td> <td data-bbox="698 997 1120 1171">Any person [other than a body corporate]</td> <td data-bbox="1120 997 1549 1171">Any body corporate or partnership firm located in the taxable territory.</td> </tr> </table> <p><u>Addition</u></p> <table border="1" data-bbox="272 1234 1549 1409"> <tr> <td data-bbox="272 1234 337 1409">5 A B</td> <td data-bbox="337 1234 747 1409">Service by way of renting of [any immovable property] other than residential dwelling.</td> <td data-bbox="747 1234 1089 1409">Any unregistered person</td> <td data-bbox="1089 1234 1549 1409">Any registered person." other than a person who has opted to pay tax under composition levy"</td> </tr> </table>	Services provided by way of sponsorship to any body corporate or partnership firm.	Any person [other than a body corporate]	Any body corporate or partnership firm located in the taxable territory.	5 A B	Service by way of renting of [any immovable property] other than residential dwelling.	Any unregistered person	Any registered person." other than a person who has opted to pay tax under composition levy"
Services provided by way of sponsorship to any body corporate or partnership firm.	Any person [other than a body corporate]	Any body corporate or partnership firm located in the taxable territory.						
5 A B	Service by way of renting of [any immovable property] other than residential dwelling.	Any unregistered person	Any registered person." other than a person who has opted to pay tax under composition levy"					
Invoice	<p>Section 31(3) - TAX INVOICE, CREDIT AND DEBIT NOTES</p> <p><u>Clause (f): Self Invoicing</u></p> <p>A registered person who is liable to pay tax under section 9(3) or (4) [RCM] shall-</p> <ul style="list-style-type: none"> ● with in 30 days ● from the date of receipt of the said supply of goods or services as per Rule 47A ● issue an invoice in respect of goods or services or both received by him ● from "the supplier who is not registered" <u>Including the supplier who is registered solely for the purpose of deduction of tax under section 51</u> ● on the date of receipt of goods or services or both; <p><u>After clause (s), the second proviso shall be omitted;</u></p> <p><u>Provided further that where an invoice is required to be issued under clause (f) of sub-</u></p>							

	<p>section (3) of section 31, a registered person may issue a consolidated invoice at the end of a month for supplies covered under sub-section (4) of section 9, the aggregate value of such supplies exceeds rupees five thousand in a day from any or all the suppliers:"</p>
<p>Time of supply</p>	<p>Amendment of section 13</p> <p>(3) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earlier of the following dates, namely:—</p> <p>(a) The date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or</p> <p>(b) The date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof <u>by the supplier, in cases where invoice is required to be issued by the supplier; or</u></p> <p><u>(c) The date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:</u></p> <p>Provided that where it is not possible to determine the time of supply under clause (a) or clause (b) <u>or clause (c)</u>, the time of supply shall be the date of entry in the books of account of the recipient of supply:</p>
<p>Input tax credit</p>	<p>Circular No. 241/35/2024: Clarification on availability of input tax credit as per section 16(2)(b) of the CGST Act, 2017 [Supply must be received] in respect of goods which have been delivered by the supplier at his place of business under Ex-Works Contract</p> <p>Issue: It has been stated that in automobile sector, the contract between the automobile dealers and the Original Equipment Manufacturers (OEMs) is generally an Ex-Works (EXW) contract, and as per the terms of the contract, the property in goods (i.e. vehicles) passes to the dealer at the factory gate of the OEM, when the goods are handed over to the transporter at the instance of the dealer, and the delivery on the part of the OEM is complete at his factory gate.</p> <p>The transport may be arranged by the OEM on behalf of the dealer and where insurance is arranged, it may also be done on behalf of the dealer. Any claim in case of loss has to be lodged by the dealer.</p> <p>The dealer also duly accounts for the invoice in his books of accounts on such delivery of the vehicles at the factory gate of the OEM. The dealer avails ITC on the date the vehicles are billed to him and handed over to the transporter by the OEM at his factory gate.</p> <p>However, some field formations are taking a view that ITC can be availed by the dealer only after the vehicles are physically received by him at his business premises and show cause notices have been issued to a number of dealers, demanding tax for wrongful availment of ITC for contravention of provisions of section 16(2)(b) of the CGST Act, 2017.</p> <p>Clarification: In such cases, the said goods can be construed to have been “received” by the said recipient at the time of handing over the said goods to the recipient or to the transporter, as the case may be, as per provisions of section 16(2)(b) of the CGST Act, 2017.</p> <p>It is also mentioned that as per provisions of section 16(1) of the CGST Act, a registered person is entitled to input tax credit only in respect of supply of goods or services or both, which is used or intended to be used in the course or furtherance of business.</p> <p>Therefore, the input tax credit may be available to the registered person on such receipt of goods by the said registered person from the supplier at his (supplier’s) factory gate or</p>

business premises, subject to fulfilment of other conditions of [section 16](#) and [section 17](#) of [CGST Act](#), including the condition that the said goods are used or intended to be used in the course or furtherance of business by the said registered person.

It is also to be noted that if the goods are found to have been diverted for non-business purposes at any stage, either before physically receiving the said goods at his business premises or subsequently, the registered person shall not be entitled to input tax credit on such goods in terms of [section 16\(1\)](#) of [CGST Act](#).

Further, if at any time after “receiving” the goods, such goods are lost, stolen, destroyed, written off or disposed of by way of gift or free samples, the registered person would not be entitled to the input tax credit in respect of such goods as per provisions of [section 17\(5\)](#) of [CGST Act](#).

Amendment of section 17.

In section 17 of the Central Goods and Services Tax Act, in sub-section (5), in clause (i), for the words and figures “sections 74, 129 and 130”, the words and figures “[section 74 in respect of any period up to FY 2023-24](#)” shall be substituted.

Circular No. 240/34/2024: Clarification in respect of input tax credit availed by electronic commerce operators where services specified under Section 9(5) of Central Goods and Services Tax Act, 2017 are supplied through their platform

Question. Whether ECO, required to pay tax under [section 9\(5\)](#), is liable to reverse proportionate ITC on his inputs and input services to the extent of supplies made under [section 9\(5\)](#) of the [CGST Act](#).

Answer: In view of this, it is clarified that Electronic Commerce Operator, who is liable to pay tax under [section 9\(5\)](#) of the [CGST Act](#) in respect of specified services, is **NOT required to reverse** the ITC on his inputs and input services proportionately under [section 17\(1\)](#) or [section 17\(2\)](#) to the extent of supplies made under [section 9\(5\)](#) of the [CGST Act](#).

It is further clarified that ECO will be required to pay the full tax liability on account of supplies under [section 9\(5\)](#) of the [CGST Act](#) only through electronic cash ledger. The credit availed by him in relation to the inputs and input services used to facilitate such supplies cannot be used for discharge of such tax liability under [section 9\(5\)](#) of the [CGST Act](#). However, such credit can be utilized by him for discharge of tax liability in respect of supply of services on his own account.

Rule 2(61): Definition of ISD:

Input Service Distributor” means

- **an office** of the supplier of goods or services or both
- which **receives tax invoices** towards the receipt of input services,
- including invoices in respect of services liable to tax under section 9(3)(4) [**RCM**]
- for or on behalf of distinct persons referred to in section 25 [**Deemed Distinct**] and
- **liable to distribute the ITC** in respect of such invoices
- in the manner provided in [section 20](#).

Section 20: Manner of distribution of credit by Input Service Distributor

Mandatory Registration as ISD

(1) Any office of the supplier of goods or services or both

- which receives tax invoices towards the receipt of input services,

- including invoices in respect of services liable to tax under section 9(3)(4),
- for or on behalf of distinct persons referred to in section 25,
- shall be required to be registered as Input Service Distributor
- under section 24 and
- shall distribute the input tax credit in respect of such invoices.

(2) The Input Service Distributor

- shall distribute the credit of CGST or IGST charged on invoices received by him,
- including the credit of CGST or IGST in respect of services subject to levy of tax under section 9(3)(4)
- paid by a distinct person registered in the same State as the said Input Service Distributor,
- in such manner, within such time and subject to such restrictions and conditions as may be prescribed.

(3) The credit of CGST - shall be distributed as CGST or IGST and

- IGST as IGST or CGST,
- by way of issue of a document containing the amount of ITC,
- in such manner as may be prescribed.

Amendment of section 21.

In section 21 of the Central Goods and Services Tax Act, after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

Rule: 39: Procedure for distribution of input tax credit by Input Service Distributor

(1) An Input Service Distributor shall distribute ITC in the manner and subject to the following conditions, namely: —

Distribution in the same month	(a) The ITC available for distribution in a month shall be distributed in the same month and the details thereof shall be furnished in FORM GSTR-6
Maximum Distribution equal to credit	(b) The amount of the credit distributed shall not exceed the amount of credit available for distribution.
Jiska hai ussi ko milega	(c) The credit of tax paid on input services attributable to a recipient of credit shall be distributed only to that recipient;
Combined credit of more than one distributed on Proportionate basis	(d) The credit of tax paid on input services attributable to more than one recipient of credit shall be distributed amongst such recipients to whom the input service is attributable and such distribution shall be pro rata 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 input service is attributable and which are operational in the current year, during the said relevant period;
Combined credit of all	(e) The credit of tax paid on input services attributable to all recipients of credit shall be distributed amongst such recipients and such distribution

distributed on Proportionate basis	shall be pro rata 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 recipients and which are operational in the current year, during the said relevant period;
How to make proportionate	<p>(f) The input tax credit that is required to be distributed in accordance with the provisions of clause (d) and (e) to one of the recipients "R₁", whether registered or not, from amongst the total of all the recipients to whom input tax credit is attributable, including the recipients who are engaged in making exempt supply, or are otherwise not registered for any reason, shall be the amount, "C₁", to be calculated by applying the following formula -</p> $C_1 = (t_1 / T) \times C$ <p>where,</p> <p>"C" is the amount of credit to be distributed,</p> <p>"t₁" is the turnover, as referred to in clause (d) and (e), of person R₁ during the relevant period, and</p> <p>"T" is the aggregate of the turnover, during the relevant period, of all recipients to whom the input service is attributable in accordance with the provisions of clause (d) and (e);</p>
Seaparately distribute ineligible credit	(g) The Input Service Distributor shall, in accordance with the provisions of clause (d) and (e), separately distribute the amount of ineligible input tax credit (ineligible under section 17(5) or otherwise) and the amount of eligible input tax credit;
Distribution in bifurcated form	(h) The input tax credit on account of CGST, SGST, UTGST and IGST shall be distributed separately in accordance with the provisions of clause (d) and (e).
Distribute IGST as IGST	(i) The input tax credit on account of IGST shall be distributed as input tax credit of IGST to every recipient;
Same state=Same form, Different state distribute as IGST	<p>(j) The input tax credit on account of CGST and SGST or UTGST shall—</p> <p>(i) In respect of a recipient located in the same State or Union territory in which the ISD is located, be distributed as input tax credit of CGST and SGST or UTGST respectively;</p> <p>(ii) In respect of a recipient located in a State or Union territory other than that of the ISD, be distributed as IGST and the amount to be so distributed shall be equal to the aggregate of the amount of input tax credit of CGST and SGST or UTGST that qualifies for distribution to such recipient as referred to in clause (d) and (e);</p>
On Invoice: clearly state it is only for Distribution of credit	(k) The Input Service Distributor shall issue an ISD invoice, as provided in Rule 54(1), clearly indicating in such invoice that it is issued only for distribution of input tax credit.

Credit Note	<p>(l) The ISD shall issue an ISD credit note, for reduction of credit in case the input tax credit already distributed gets reduced for any reason.</p> <p>(n) Any input tax credit required to be reduced on account of issuance of a credit note to the Input Service Distributor by the supplier shall be apportioned to each recipient in the same ratio in which the input tax credit contained in the original invoice was distributed in terms of clause (f), and the amount so apportioned shall be-</p> <p>(i) Reduced from the amount to be distributed in the month in which the credit note is included in the return in FORM GSTR-6; or</p> <p>(ii) added to the output tax liability of the recipient where the amount so apportioned is in the negative by virtue of the amount of credit under distribution being less than the amount to be adjusted.</p>
Debit note [be treated as invoice]	<p>(m) Any additional amount of input tax credit on account of issuance of a debit note to an Input Service Distributor by the supplier shall be distributed in the manner and subject to the conditions specified in clauses (a) to (j) and the amount attributable to any recipient shall be calculated in the manner provided in clause (f) and such credit shall be distributed in the month in which the debit note is included in the return in FORM GSTR-6;</p>

(1A) For the distribution of credit in respect of input services, **attributable to one or more distinct persons, subject to levy of tax under section 9(3)(4),**

- a registered person, **having the same PAN and State code** as an ISD
- may issue an **invoice or a credit or debit note** as per the provisions of Rule 54(1A)
- to transfer the credit of such common input services to the ISD, and
- such credit shall be distributed by the said ISD in the manner as Given in sub-rule (1).

(2) If the amount of input tax credit distributed by an ISD

- **is reduced later** on for any other reason for any of the recipients,
- including that it was **distributed to a wrong recipient** by the ISD,
- the process specified in [clause (n)] of sub-rule (1) shall apply, *mutatis mutandis*, for reduction of credit.

(3) Subject to sub-rule (2), the ISD shall,

- on the basis of the ISD credit note ,
- issue an ISD invoice to the recipient
- entitled to such credit and include the ISD credit note and
- the ISD invoice in the return in **FORM GSTR-6** for the month in which such credit note and invoice was issued.

Explanation: For the purpose of this rule--

(i) The term “relevant period” shall be—

- (a) If the recipients of credit have turnover in their States or Union territories in the financial year preceding the year during which credit is to be distributed, **the said financial year;** or
- (b) If some or all recipients of the credit do not have any turnover in their States or Union

	<p>territories in the financial year preceding the year during which the credit is to be distributed, the last quarter for which details of such turnover of all the recipients are available, previous to the month during which credit is to be distributed;</p> <p>(ii) The expression “recipient of credit” means the supplier of goods or services or both having the same Permanent Account Number as that of the Input Service Distributor.</p> <p>(iii) The term “turnover”, in relation to any registered person engaged in the supply of taxable goods as well as goods not taxable under this Act, means</p> <ul style="list-style-type: none"> ■ the value of turnover, ■ reduced by the amount of ■ any duty or tax levied under entries 84 and 92A of List I of the Seventh Schedule to the Constitution and entries 51 and 54 of List II of the said Schedule. [i.e. old taxes exclude]
Registration	<p>Note: Every Registration application by a person, who has not opted for authentication of Aadhaar number,</p> <ul style="list-style-type: none"> ■ shall be followed by taking photograph of the applicant [<i>where the applicant is an individual or of such individuals in relation to the applicant as notified where the applicant is not an individual</i>] ■ along with the verification of the original copy of the documents uploaded with the application and ■ the application shall be deemed to be complete only after successful verification. <p>Rule 16A Grant of temporary identification number: [Newly Inserted]:</p> <p>Where</p> <ul style="list-style-type: none"> ■ a person is not liable to registration under the Act ■ but is required to make any payment under the provisions of the Act, ■ the proper officer may grant the said person a temporary identification number and ■ issue an order in Part B of FORM GST REG-12. <p>Amendment of section 30</p> <p>In section 30 Newly inserted:</p> <p>Note: Revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.</p>
Manner of payment	<ol style="list-style-type: none"> 1. In Rule 88B, in sub-rule (1), after the word and figures “or section 74”, the words, figures and letter “or section 74A” shall be inserted. 2. In Rule 88D, in sub-rule (3), after the words and figures “or section 74”, the words, figures and letter “or section 74A” shall be inserted. 3. In section 51 of the Central Goods and Services Tax Act, in sub-section (7), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted. <p>Amendment of section 49</p> <p>In section 49 of the Central Goods and Services Tax Act, in sub-section (8), in clause (c), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.</p> <p>Amendment of section 50</p>

	<p>In section 50 of the Central Goods and Services Tax Act, in sub-section (1), in the proviso, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.</p> <p>Amendment of section 51</p> <p>In section 51 of the Central Goods and Services Tax Act, in sub-section (7), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.</p>
TDS /TCS	
Filing of Return	<p>Amendment of section 39.</p> <p>Note: TDS Return: As per section 39, Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:</p> <p>Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month on or before the 10th day of the month succeeding the calendar month, in “FORM GSTR-7.</p>
Records	<p>In section 35 of the CGST Act, in sub-section (6), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.</p>
Refund	<p>Amendment of section 54</p> <p>#In sub-section (3), the second proviso shall be omitted</p> <p>No Refund of ITC shall be allowed in cases where the goods exported out of india are liable to export duty.</p> <p><u>#Newly inserted</u></p> <p>Notwithstanding anything contained in this section,</p> <ul style="list-style-type: none"> ■ No refund of unutilised ITC ■ on account of zero rated supply of goods or ■ of IGST paid on account of zero rated supply of goods ■ shall be allowed ■ where such zero rated supply of goods is subjected to export duty. <p>#In Rule 96B: Reference of section 74A added.</p>
E-way bill	<p>Generation of UEN: [Rule 138]</p> <ul style="list-style-type: none"> ■ An unregistered person required to generate e-way bill in case of handicraft goods [Mandatory EWB] or ■ An unregistered person opting to generate e-way bill ■ shall submit the details electronically on the common portal in FORM GST ENR-03 and, ■ upon validation of the details so furnished, ■ a unique enrolment number shall be generated and communicated to the said person.
Assessment	<p>Amendment of section 61: Reference of section 74A added.</p>

	<p><u>Amendment of section 62:</u> Reference of section 74A added.</p> <p><u>Amendment of section 63:</u> Reference of section 74A added.</p> <p><u>Amendment of section 64:</u> Reference of section 74A added.</p>				
Advance ruling	<p><u>Amendment of section 104:</u> Reference of section 74A added.</p>				
Audit, Inspection	<p><u>Amendment of section 65:</u> Reference of section 74A added.</p> <p><u>Amendment of section 66:</u> Reference of section 74A added.</p> <p><u>Amendment of section 70:</u> In section 70- Newly inserted provision:</p> <p>(1A) All persons summoned under sub-section (1)</p> <ul style="list-style-type: none"> ■ shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and ■ the person so appearing shall state the truth during examination or make statements or produce such documents and other things as may be required. 				
Demand and recovery	<p><u>Amendment of section 73</u></p> <p>Newly inserted:The provisions of this section shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24.</p> <p><u>Amendment of section 74</u></p> <p>Newly inserted:The provisions of this section shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24.</p> <p><u>Explanation 2 shall be omitted:</u> [Suppression means non-declaration of facts..]</p> <p>Insertion of new section 74A</p> <p>Section 74A: Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onward</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Issuance of SCN</td> <td> <p>(1) Where it appears to the proper officer that</p> <ul style="list-style-type: none"> ■ any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, ■ he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, ■ requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder: <p>Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than Rs. 1000.</p> </td> </tr> <tr> <td>Time Limit of SCN @42 Months</td> <td> <p>(2) The proper officer shall issue the notice under sub-section (1)</p> <ul style="list-style-type: none"> ■ within 42 months from the DUE DATE for furnishing of annual return for the financial year to which the tax not paid or short paid or input </td> </tr> </table>	Issuance of SCN	<p>(1) Where it appears to the proper officer that</p> <ul style="list-style-type: none"> ■ any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, ■ he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, ■ requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder: <p>Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than Rs. 1000.</p>	Time Limit of SCN @42 Months	<p>(2) The proper officer shall issue the notice under sub-section (1)</p> <ul style="list-style-type: none"> ■ within 42 months from the DUE DATE for furnishing of annual return for the financial year to which the tax not paid or short paid or input
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	<p>tax credit wrongly availed or utilised relates to or</p> <ul style="list-style-type: none"> ■ within 42 months from the date of erroneous refund.
Supplementary SCN on same Grounds	<p>(3) Where a notice has been issued for any period under sub-section (1),</p> <ul style="list-style-type: none"> ■ the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised ■ for such periods other than those covered under sub-section (1), on the person chargeable with tax. <p>(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1),</p> <ul style="list-style-type: none"> ■ subject to the condition that the grounds relied upon ■ for such tax periods other than those covered under sub-section (1) ■ are the same as are mentioned in the earlier notice.
Penalty amount	<p>(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—</p> <p>Bonafide cases: (i) For any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to 10% of tax due from such person OR Rs. 10,000, whichever is higher;</p> <p>Malafide cases: (ii) For the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.</p>
Demand order	<p>(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.</p>
Order time limit: 12 + 6 Months	<p>(7) The proper officer shall issue the order under sub-section (6) within 12 months from the date of issuance of notice specified in sub-section (2).</p> <p>Extension of 6 months: where the proper officer is not able to issue the order within the specified period, the <i>Commissioner, or an officer authorised by him</i> may, before the expiry of the specified period, extend the said period further by a maximum of 6 months.</p>
Offers to Bonafide	<p>(8) Bonafide cases: The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, may,—</p> <p>(9)</p> <p>(i) before service of notice under sub-section (1),</p>

		<ul style="list-style-type: none"> ● Pay the amount of tax along with interest payable under section 50 of such tax ● on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and ● inform the proper officer in writing of such payment, and ● the proper officer, on receipt of such information shall not serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, ● in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder; <p>(ii) Pay the said tax along with interest payable under section 50 within 60 days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.</p>
Offers to Malafide		<p>(9) Malafide cases: The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—</p> <p>(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to 15% of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable.</p> <p>(ii) Pay the said tax along with interest payable under section 50 and a penalty equivalent to 25% of such tax within 60 days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.</p> <p>(iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to 50% of such tax within 60 days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.</p>
Notice for Balance, if any		<p>(10) Where the proper officer is of the opinion that the amount paid under sub-section (8)(i) or sub-section (9)(i) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.</p>
Penalty if not paid within 30 days of due date		<p>(11) Notwithstanding anything contained in sub-section (8)(i)(ii), penalty under sub-section (5)(i) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of 30 days from the due date of payment of such tax.</p>
For FY 2024-		<p>(12) The provisions of this section shall be applicable for determination</p>

25 and onwards	of tax pertaining to the Financial Year 2024-25 onwards.
Explanations	<p><u>Explanation 1: For the purposes of this section</u></p> <p>(i) “All proceedings in respect of the said notice” shall not include proceedings under section 132.[Criminal Proceedings]</p> <p>(ii) Where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.</p> <p>Explanation 2: “Suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.</p>

Amendment of section 75: Reference of section 74A added.

Newly inserted provision: (2A) Where any Appellate Authority or Appellate Tribunal or court concludes that

- the penalty under section 74A(5)(ii) is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under section 74A(5)(i).

Sub-section (10):

(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified [~~3 years~~] in section 73(10) or in section 74(10) [~~5 years~~] or in section 74A(7).

Insertion of new section 11A:

Section 11A: Power not to recover GST not levied or short-levied as a result of general practice

Notwithstanding anything contained in this Act, if the Government is satisfied that—

(a) A practice was, or is, generally prevalent regarding levy of central tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to,—

- CGST, in cases where according to the said practice, CGST was not, or is not being, levied, or
- a higher amount of CGST than what was, or is being, levied, in accordance with the said practice,

the Government may by notification in the Official Gazette, direct that

- the whole of the CGST payable on such supplies, or, as the case may be, the CGST in excess of that payable on such supplies, but for the said practice,
- shall not be required to be paid in respect of the supplies on which the CGST was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice.

	<p>Amendment in rule 142:</p> <p>#Reference of section 74A added.</p> <p><u>(e) For sub-rule (3), the following sub-rule shall be substituted, namely:—</u></p> <p>(3) Where the person chargeable with tax makes payment of tax and interest under section 73(8) or under section 74A(8)(ii), as the case may be, or tax, interest and penalty under section 74(8) or under section 74A(9)(ii), as the case may be, within the period specified therein, or where the person concerned makes payment of the amount referred to in section 129(1) within 7 days of the notice issued under sub-section (3) of that Section but before the issuance of order under the said sub-section (3), he shall intimate the proper officer of such payment in FORM GST DRC-03 and the proper officer shall issue an intimation in FORM GST DRC-05 concluding the proceedings in respect of the said notice.”;</p>
Penalties	<p>Amendment of section 122</p> <p>In sub-section (1B):</p> <p>Any electronic commerce operator, [who is liable to collect tax at source under section 52, (Newly added words)]--</p> <p>Amendment of section 127</p> <p>#Reference of section 74A added.</p> <p>Insertion of new section 128A</p> <p>Section 128A: Waiver of interest or penalty or both relating to demands raised under section 73, for certain tax periods</p> <p>(1) Notwithstanding anything to the contrary contained in this Act, where any amount of tax is payable by a person chargeable with tax in accordance with,</p> <p>(a) a notice issued under section 73(1) or a statement issued under section 73(3), and where no order under section 73(9) has been issued; or</p> <p>(b) an order passed under section 73(9), and where no order under section 107(11) or section 108 has been passed; or</p> <p>(c) an order passed under section 107(11) or section 108(1), and where no order under section 113(1) has been passed,</p> <p>Pertaining to the period from 1st July, 2017 to 31st March, 2020, or a part thereof, and</p> <ul style="list-style-type: none"> ● The said person pays the full amount of tax payable as per the notice or statement or the order referred to in clause (a), clause (b) or clause (c), as the case may be, on or before the date, as may be notified by the Government. ● No interest under section 50 and penalty under this Act, shall be payable and all the proceedings in respect of the said notice or order or statement, as the case may be, shall be deemed to be concluded, subject to such conditions as may be prescribed: <p>Provided that</p> <ul style="list-style-type: none"> ■ Where a notice has been issued under section 74(1), and an order is passed or required to be passed by the proper officer in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court in accordance with the

provisions of section 75(2),

- the said notice or order shall be considered to be a notice or order, as the case may be, referred to in **clause (a) or clause (b) of this sub-section.**

Provided further that the conclusion of the proceedings under this sub-section,

- in cases where an application is filed under **section 107(3) or under section 112(3) or**
- an appeal is filed by an officer of CGST **under section 117(1) or**
- under section **118(1) or**
- where any proceedings are initiated **under section 108(1),**

against an order referred to in clause (b) or clause (c) or against the directions of the Appellate Authority or the Appellate Tribunal or the court referred to in the first proviso, shall be subject to the condition that the said person pays the additional amount of tax payable, if any, in accordance with the order of the Appellate Authority or the Appellate Tribunal or the court or the Revisional Authority, as the case may be, **within 3 months from the date of the said order:**

Provided also that where such interest and penalty has already been paid, **no refund of the same shall be available.**

(2) Nothing contained in sub-section (1) shall be applicable in respect of **any amount payable by the person on account of erroneous refund.**

(3) Nothing contained in sub-section (1) shall be applicable in respect of cases where an appeal or writ petition filed by the said person is pending before Appellate Authority or Appellate Tribunal or a court, as the case may be, **and has not been withdrawn by the said person on or before the date notified under sub-section (1).**

(4) Notwithstanding anything contained in this Act, **where any amount specified under sub-section (1) has been paid and the proceedings are deemed to be concluded under the said sub-section, no appeal under sub-section (1) of section 107 or sub-section (1) of section 112 shall lie against an order referred to in clause (b) or clause (c) of sub-section (1), as the case may be.**

CBIC-20016/39/2024

Procedure to be followed in department appeal filed against interest and/or penalty only, related to Section 128A of the CGST Act, 2017

1. Kind attention is invited to the [Section 128A](#) of the [CGST Act, 2017](#) read with [Rule 164](#) of the [CGST Rules, 2017](#) which provides waiver of interest or penalty or both, relating to demands under [section 73](#) of the [CGST Act](#) pertaining to Financial Years 2017-18, 2018-19 and 2019-20, subject to certain conditions. Further vide [Circular No. 238/32/2024](#), various doubts related to [section 128A](#) were clarified.

2. In this regard, references have been received from various field formations seeking clarification from the Board as to whether the benefit of [section 128A](#) (supra) be extended to taxpayers **in cases where the tax amount has been paid but the department has gone in Appeal on the basis of wrong arithmetic calculation of interest, or where penalty is either not imposed or imposed less than the prescribed threshold etc.**

3. It is clarified that cases where the tax due has already been paid and the notice or demand orders under [Section 73](#) only pertains to interest and/or penalty involved, the same shall be considered for availing the benefit of [section 128A](#). Hence, it is evident that in

	<p>cases where the taxpayer has paid the full amount of tax and only interest and/or penalty is in dispute by the taxpayer, then he is eligible to avail the benefit of Section 128A of the CGST Act. On the similar pattern, it is felt that just because the department has gone in appeal or is in the process of filing an appeal, a taxpayer who is otherwise eligible for availing the benefit of section 128A, should not be denied the benefits. Further the intention of the said provision is to reduce litigation and a taxpayer should not be denied the benefit of the provision on mere technicalities.</p> <p>4. Based on the above, it is decided that in cases where the tax amount has been fully paid by the taxpayer on demands made under section 73 of the CGST Act and the department is in appeal or under the process of filing an appeal only on account of wrong interest calculation and/or wrong imposition or non-imposition of penalty amount under the provisions of CGST Act or IGST Act and the taxpayer fulfils other conditions of section 128A and the rules made thereunder, the proper officer may proceed towards withdrawing such appeal filed and in case where the order under section 73 is under review stage only, accept the same.</p>															
Appeal	<p>#Reference of section 74A added.</p> <p>Amount of Pre Deposit:</p> <table border="1" data-bbox="272 810 1520 1075"> <thead> <tr> <th>Particulars</th> <th>Amount of Pre-deposit</th> </tr> </thead> <tbody> <tr> <td>First appeal to AA u/s 107</td> <td>#10% of disputed amount as per Demand order OR # Rs 20 crore [25 crore] (Whichever is higher)</td> </tr> <tr> <td>Second Appeal to AT u/s 112</td> <td>#10% [20%] of disputed amount as per Appellate order OR #Rs 20 crore [50 crore] (Whichever is higher)</td> </tr> </tbody> </table> <p><u>Section 112: Time limit of filing Appeal</u></p> <table border="1" data-bbox="272 1140 1568 1404"> <thead> <tr> <th>Appeal filed</th> <th>Original time</th> <th>Extention</th> </tr> </thead> <tbody> <tr> <td>By Person</td> <td>3 Months or Date notified by Govt. [whichever is Later]</td> <td>Further 3 months</td> </tr> <tr> <td>By Department</td> <td>6 Months or Date notified by Govt. [whichever is Later]</td> <td>Further 3 months</td> </tr> </tbody> </table> <p>(a) with effect from the 1st day of August, 2024, in sub-section (1), after the words “from the date on which the order sought to be appealed against is communicated to the person preferring the appeal”, the words “; or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later.” shall be inserted;</p>	Particulars	Amount of Pre-deposit	First appeal to AA u/s 107	#10% of disputed amount as per Demand order OR # Rs 20 crore [25 crore] (Whichever is higher)	Second Appeal to AT u/s 112	#10% [20%] of disputed amount as per Appellate order OR #Rs 20 crore [50 crore] (Whichever is higher)	Appeal filed	Original time	Extention	By Person	3 Months or Date notified by Govt. [whichever is Later]	Further 3 months	By Department	6 Months or Date notified by Govt. [whichever is Later]	Further 3 months
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By Person	3 Months or Date notified by Govt. [whichever is Later]	Further 3 months														
By Department	6 Months or Date notified by Govt. [whichever is Later]	Further 3 months														
Misc	<p>Newly inserted</p> <p>Rule 164: Procedure and conditions for closure of proceedings under section 128A in respect of demands issued under section 73</p> <p>(1) Any person who is eligible for waiver of interest, or penalty, or both in respect of a notice or a statement mentioned in section 128A(1)(a), may file an application electronically in FORM GST SPL-01 on the common portal, providing the details of the said notice or the statement, as the case may be, along with the details of the payments made in FORM GST</p>															

DRC-03 towards the tax demanded.

(2) Any person who is **eligible for waiver of interest, or penalty**, or both, in respect of orders mentioned in section 128A(1)(b)(c), may file an application electronically in FORM GST SPL-02 on the common portal, providing the details of the said order, along with the details of the payments made towards the tax demanded:

Provided that the payment towards such tax demanded shall be made only by crediting the amount in the **electronic liability register** against the debit entry created by the said order:

Provided further that if the payment towards such tax demanded has been made through FORM GST DRC-03, an application in FORM GST DRC-03A, as prescribed in Rule 142(2B), shall be filed by the said person for credit of the said amount in the Electronic Liability Register **against the debit entry created for the said demand**, before filing the application in FORM GST SPL 02.

(3) Where the notice or statement or order mentioned in section 128A(1) **includes demand of tax, partially on account of erroneous refund and partially for other reasons**, an application under sub-rule (1) or sub-rule (2) may be filed only after payment of the **full amount of tax demanded** in the said notice or statement or order, on or before the date notified under the said sub-section.

(4) Where the notice or statement or order mentioned in section 128A(1) includes demand of tax, partially for the period mentioned in the said sub-section and partially for the period other than that mentioned in the said sub-section, an application under sub-rule (1) or sub-rule (2) may be filed **only after payment of the full amount of tax demanded in the said notice or statement or order**, on or before the date notified under the said sub-section.

(5) The amount payable under sub-rule (1) or sub-rule (2) shall be the amount that remains payable, after deducting the amount not payable **in accordance with section 16(5) or (6)**, from the amount payable in terms of the notice or statement or order under section 73, as the case may be.

(6) Any person who wishes to file an application under sub-rule (1) or sub-rule (2), may do so within a period of 3 months from the date notified under section 128A(1)

Provided that where an application in FORM GST SPL-02 is to be filed in cases referred to in the first proviso to section 128A(1), **the time limit for filing the said application shall be six months from the date of communication of the order of the proper officer redetermining such tax under section 73.**

(7) The application under sub-rule (1) or sub-rule (2) **shall be accompanied by documents evidencing withdrawal of appeal or writ petition**, if any, filed before any Appellate Authority, or Tribunal or Court, as the case may be, to establish that the applicant is eligible for the waiver of interest or penalty or both, in terms of section 128A:

Provided that where the applicant has filed an application for withdrawal of an appeal or writ petition filed before the Appellate Authority or Appellate Tribunal or a court, as the case may be, but the order for withdrawal has not been issued by the concerned authority till the date of filing of the application under sub-rule (1) or sub-rule (2), **the applicant shall upload the copy of such application or document filed for withdrawal of the said appeal or writ petition along with the application under sub-rule (1) or sub-rule (2)**, and shall upload the copy of the order for withdrawal of the said appeal or writ petition on the common portal, within one month of the issuance of the said order for withdrawal by the concerned authority.

(8) Where the proper officer is of the view that the application made in FORM GST SPL-01 or FORM GST SPL-02 **is liable to be rejected** as not being eligible for waiver of interest, or penalty, or both, as per section 128A, he shall issue a notice on the common portal to the

- applicant in FORM GST SPL-03 within three months from the date of receipt of the said application and shall also give the applicant an opportunity of being heard.
- (9) On receiving the notice under sub-rule (8), the applicant may file a reply to the said notice on the common portal in FORM GST SPL-04, **within a period of 1 month from the date of receipt of the said notice.**
- (10) If the proper officer is satisfied that the applicant is eligible for waiver of interest and penalty as per section 128A, he shall issue an order in FORM GST SPL-05 on the common portal accepting the said application and concluding the proceedings under section 128A.
- (11) In cases where the order in **FORM GST SPL-05 is issued by the proper officer under sub-rule (10).**—
- (a) in respect of an application filed in FORM GST SPL-01 **pertaining to a notice or statement referred to in clause (a) of sub-section (1) of section 128A**, the summary of order in FORM GST DRC-07 as per Rule 142(5) shall not be required to be issued by the proper officer, in respect of the said notice or statement;
- (b) in respect of an application filed in FORM GST SPL-02 pertaining to **an order referred to in clause (b) or clause (c) of sub-section (1) of section 128A**, the liability created in the part II of Electronic Liability Register, shall be modified accordingly.
- (12) If the proper officer is not satisfied with the reply of the applicant, **the proper officer shall issue an order in FORM GST SPL-07** rejecting the said application.
- (13) (a) In cases where notice in FORM GST SPL-03 has not been issued, the proper officer shall issue the order under sub-rule (10) **within a period of 3 months from the date of receipt of the application** in FORM GST SPL-01 or FORM GST SPL-02, as the case may be.
- (b) In cases where notice in FORM GST SPL-03 has been issued, the proper officer shall issue the order in sub-rule (10) or sub-rule (12) within a period of 3 months from the date of receipt of reply of the applicant in FORM GST SPL-04, or within a period of 4 months from the date of issuance of notice in FORM GST SPL-03 **where no reply is received from the applicant.**
- Explanation:** For the purposes of this sub-rule, in cases referred to in the proviso to sub-rule (7), the time period from the date of filing of the application under sub-rule (1) or sub-rule (2) till the date of submission of the order for withdrawal of the appeal or the writ, as the case may be, **shall not be included while calculating the time period under clause (a) or clause (b) of this sub-rule.**
- (14) **If no order is issued by the proper officer within the time limit specified** in sub-rule (13), then the application in FORM GST SPL-01 or FORM GST SPL-02, as the case may be, shall be deemed to be approved and the proceedings shall be deemed to be concluded.
- (15) (a) In cases where no appeal is filed against the order in FORM GST SPL-07 **within the time period specified in sub-section (1) of section 107(1)**, the original appeal, if any, filed by the applicant against the order mentioned in clause (b) or clause (c) of sub-section (1) of section 128A, and withdrawn for filing the application in FORM GST SPL-02 in accordance with sub-section (3) of section 128A, shall be restored.
- (b) In cases where an appeal is filed against the order in FORM GST SPL-07 for rejection of application for waiver of interest, or penalty, or both, if—
- (i) the appellate authority has held that the proper officer has wrongly rejected the application for waiver of interest, or penalty, or both, in FORM GST SPL-07, the said

appellate authority shall pass an order in FORM GST SPL-06 on the common portal accepting the said application and concluding the proceedings under section 128A; or

(ii) the appellate authority has held that the proper officer has rightly rejected the application for waiver of interest, or penalty, or both, in FORM GST SPL-07, the original appeal, if any, filed by the applicant against the order mentioned in clause (b) or clause (c) of subsection (1) of section 128A, and withdrawn for filing the application in FORM GST SPL-02 in accordance with sub-section (3) of section 128A, shall be restored, subject to condition that the applicant files an undertaking electronically on the portal in FORM GST SPL-08, within a period of three months from the date of issuance of the order by the appellate authority in FORM GST APL-04, that he has neither filed nor intends to file any appeal against the said order of the Appellate Authority.

(16) In cases where the taxpayer is required to pay an additional amount of tax liability as per the second proviso to sub-section (1) of section 128A, and such additional payment is not made within the time limit specified in the said proviso, the waiver of interest, or penalty, or both, under the said section as per the order issued in FORM GST SPL-05 or FORM GST SPL-06, if any, shall become void.

(17) In cases where the taxpayer is required to pay any amount of interest, or penalty, or both, in respect of any demand pertaining to erroneous refund or on account of demand pertaining to the period other than the period mentioned in sub-section (1) of section 128A, and the details of such amount have been mentioned in FORM GST SPL-05 or FORM GST SPL-06, the applicant shall pay the said amount of interest, or penalty, or both, within a period of 3 months from the date of issuance of the order in FORM GST SPL-05 or FORM GST SPL-06, as the case may be, and where the said amount is not paid within the said time period, the waiver of interest, or penalty, or both, under section 128A as per the order issued in FORM GST SPL-05 or FORM GST SPL-06, shall become void.

Explanation: For the purposes of this rule, the proper officer for issuance of order under this rule,—

(a) In cases where the application for waiver of interest, or penalty, or both is made with respect to a notice or statement mentioned in clause (a) of sub-section (1) of section 128A, shall be the proper officer for issuance of order as per section 73; and

(b) In cases where the application for waiver of interest, or penalty, or both, is made with respect to an order mentioned in clause (b) or clause (c) of sub-section (1) of section 128A, shall be the proper officer referred to in section 79 of the Act.

CUSTOM LAWS and FTP

IMPORT RULES, 2022	<p>Rule 1: Short title and commencement. –</p> <p>(1) These rules may be called the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Amendment Rules, 2025</p> <p>(2) They shall come into force on the 2nd day of February, 2025.</p> <p>In Rule 3 - the following clause shall be inserted, namely:-</p> <p>‘ka. "Quarter” means a period comprising any three consecutive calendar months ending on the last day of March, June, September or December of a calendar year.</p> <p>In Rule 6,</p> <p>For the words “monthly” and “month” the words “quarterly” and “quarter” shall respectively be substituted.</p> <p>In Rule 7</p> <p>(i) in sub-rule (1), for the word “monthly”, the word “quarterly” shall be substituted;</p> <p>(ii) in sub-rule (3), for the words “six months”, the words “1 year” shall be substituted.</p> <p>In Rule 8, in sub-rule (1),</p> <p>For the word “monthly”, the word “quarterly” shall be substituted.</p> <p>In Rule 9, in sub-rule (1),</p> <p>For the word “monthly”, the word “quarterly” shall be substituted.</p> <p>In the principal rules, in Rule 10:</p> <p>(i) in sub-rule (1), in clause (ii), for the words “6 months”, the words “1 year” shall be substituted;</p> <p>(ii) in sub-rule (2), for the word “monthly”, the word “quarterly” shall be substituted;</p> <p>(iii) in sub-rule (3), for the word “monthly”, the word “quarterly” shall be substituted;</p> <p>(iv) in sub-rule (5), for the word “monthly”, the word “quarterly” shall be substituted.</p>
WAREHOUSING	<p>NOTIFICATION NO. 86/2024</p> <p>In exercise of the powers conferred by proviso to Section 65(1) of the Customs Act, 1962</p> <p><u>Notified Goods:</u> Goods imported for solar power generation projects which supply electricity.</p> <p><i>Explanation.-</i> The restriction is applicable only when electricity is resulting from the manufacturing processes and other operations in relation to the warehoused goods under section 65 of Customs Act, 1962.</p>

**FOREIGN
TRADE POLICY****What have Changed?**

The Foreign Trade Policy (FTP) 2023 was updated by adding two new clauses:
Para 1.07A – Consultation with Stakeholders
Para 1.07B – Handling of Feedback

1. Consultation with Stakeholders (Para 1.07A)

- The Central Government may (not compulsory) ask for views or suggestions from:
- Exporters, importers, industry experts, etc.
- This may happen when making or changing the Foreign Trade Policy.
- A 30-day time period may be given to share feedback.
- But, the Government can also make changes directly without asking anyone.

2. Feedback Handling (Para 1.07B)

- If feedback is not accepted, the Government may give reasons (if it feels it is appropriate).
- However, it is not legally required to explain why views were not accepted.

3. When Government Can Refuse to Share Reasons:

The Government will not explain rejection of views if:

1. It could harm relations with other countries.
2. It affects national, food, or economic security.
3. It goes against important government policies or international commitments.
4. It is focused on private or special interests instead of public interest.
5. It involves confidential or secret information.

4. Important Point:

- No one has a legal right to demand:
- That their suggestions must be accepted.
- Or to know why their suggestions were not accepted.

[Notification No. 47/2024-2025]