

GST amendments

CA / CMA Inter | CS Executive

May / June 2026 exams

Telegram - <https://t.me/taxation0707>

YouTube - <https://www.youtube.com/@CrackTaxWithAmit>

Charge under GST

Amendment #1

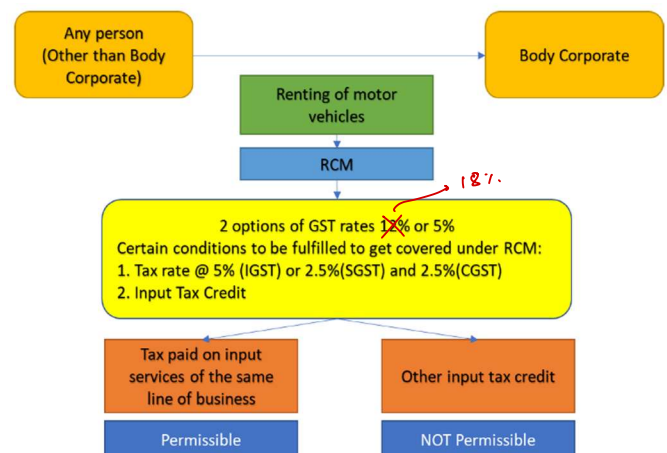
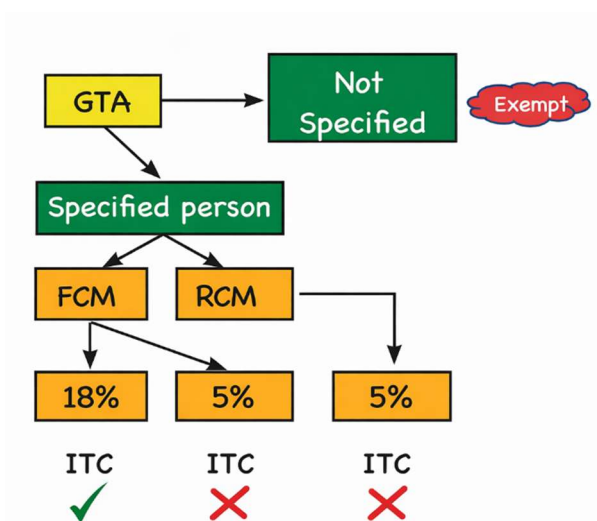
Section 9(5) – Payment of GST by ECOs

New Specified Category

- a. Transportation of passengers
- b. Services of accommodation
- c. Housekeeping service
- d. Restaurant service
- e. Services by way of local delivery except where the person supplying such services through ECO and where the supplier is registered the GST liability lies on such supplier

Amendment #2

New Rate for GTA and Renting of Motor vehicle = 18% (Earlier Rate – 12%)



Exemptions under GST

Amendment #3

Transportation of goods

Services by way of transportation of goods by:

- (a) Road [Except (a) GTA; (b) Courier agency]
- (b) Inland waterways

Explanation - Nothing contained in this entry shall apply to:

- (i) Local delivery services provided by an Electronic Commerce Operator; or
- (ii) Local delivery services provided through an Electronic Commerce Operator

Amendment #4

Definition of GTA

A Goods Transport Agency (GTA) is a person who:

- Transports goods by road and
- Issues a consignment note (by any name).

However, a person will NOT be treated as a GTA if:

- The transport relates to local delivery services, and
- Such local delivery services are provided by or through an ECO

Amendment #5

New Entry - Life / Health Insurance Service

- Life insurance services / Health Insurance Service provided by an insurer to an insured person are exempt, provided the insurance is not a group insurance policy.
- This exemption applies where the insured is an individual or an individual along with his or her family.
- For this purpose, family includes all persons insured as family members under the insurance contract
- Includes Re-insurance



'Group' means group of persons who join together with a commonality of purpose or for engaging in a common economic activity, other than availing insurance, and includes:

Employer - employee groups, where an employer-employee relationship exists between the master / group policyholder and the members of the group in accordance with the applicable laws

Non employer - employee groups, where a clearly evident relationship exists between the master / group policyholder and the members of the group, for services/ activities other than insurance.

Time of Supply

Amendment #6

Vouchers exchangeable for goods / services - Deleted



Value of Supply

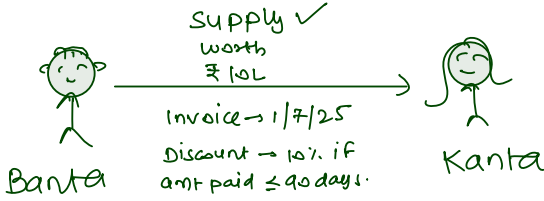
Amendment #7

Post Sale Discounts / Secondary Discounts

Issue 1

When a supplier gives a post-sale/secondary discount by issuing a financial or commercial credit note (not a GST credit note):

- The supplier cannot reduce GST liability, because the original taxable value remains unchanged.
- Since the GST charged on the original invoice does not change, the recipient is entitled to full Input Tax Credit (ITC).
- Therefore, the recipient is NOT required to reverse any ITC. even though he pays a reduced amount to the supplier after discount.

 <p>Supply ✓ worth ₹10L Invoice → 1/7/25 Discount → 10% if amt paid ≤ 90 days.</p> <p>Banta → Kanta</p>	
Credit Note under GST	Financial Credit Note.
<ul style="list-style-type: none">• Banta to pay GST on full ₹10L i.e. ₹1L (10%)• If payment is made ≤ 90 days, Kanta is eligible for discount. Kanta pays on 5th day.• Kanta pays ₹9L & GST of ₹90K (10%)• Banta has paid ₹1L & thus he will issue a credit note ✓• In future tax payments, he will reduce tax liability proportionately.• Kanta to Reverse ITC of ₹10K	<ul style="list-style-type: none">• Condition for giving a discount is not agreed in the contract.• This is not a GST credit note• Qs → can Banta take a deduction of such credit note from taxes? NO.• Is recipient reqd to reverse ITC? NO Because full GST was charged & paid by the recipient i.e. Kanta.



Issue 2

- A post-sale discount given by a manufacturer to a dealer is normally just a price reduction, not a payment for any service or supply by the dealer.
- Where the manufacturer and dealer transact independently on a principal-to-principal basis, the dealer buys goods, becomes their owner, and then sells them to the end customer.
- In such cases, the discount is not consideration for any supply by the dealer to the manufacturer and does not form part of taxable value.
- However, if the manufacturer has a separate agreement with the end customer to sell goods at a reduced price and uses the dealer merely as a channel, the discount given to the dealer acts as an inducement for the dealer's supply to the end customer.
- In that situation, the discount forms part of the consideration for the dealer's supply to the end customer and is taxable.

Case I	Case II
<ul style="list-style-type: none"> • Mnfg $\xrightarrow{\text{₹9L}}$ Dealer $\xrightarrow{\text{₹10L}}$ customer. • Both transactions are treated separately ✓ • Dealer & Mnfg relation is P2P \rightarrow here, Dealer can sell these goods at any cost or it is possible that dealer does not sell the goods at all. • will it be considered as Mnfg has given any incentive to the Dealer in the form of Discount? No since it is P2P supply. • \therefore Reduce discount from value of supply. 	<ul style="list-style-type: none"> • Mnfg $\xrightarrow[\text{Goods @ ₹9L}]{\text{Agreement}}$ End Customer • Mnfg $\xrightarrow[\text{₹1L}]{\text{Pays}}$ Dealer $\xrightarrow{\text{₹9L}}$ End Cust \downarrow compensating for the discount \downarrow in the form of discount \downarrow will GST be applicable on this discount? Yes \therefore It will form part of the consideration ✓
<div style="border: 1px solid red; padding: 5px;"> <p style="text-align: center;">Summary</p> <p>1] Mnfg supplied independently to Dealer 9L \rightarrow No GST on discount</p> <p>2] If there is an Agt of Mnfg & End cust \rightarrow Discount given by Mnfg is like a compensation for selling @ reduced price. 10L \rightarrow GST on discount.</p> </div>	



Issue 3

Dealers may use post-sale discounts to carry out general promotional efforts to increase sales.

Such activities benefit the dealer's own sales of goods that the dealer already owns.

The discount is only a price reduction, not a payment for any service provided by the dealer to the manufacturer.

Therefore, such post-sale discounts are not consideration for services and do not attract GST.

GST applies only if the dealer is contractually required to perform specific promotional or marketing services for the manufacturer for a separately identifiable consideration.

Returns under GST

Amendment #8

Applicability of Annual Return – GSTR-9

Annual return is not required to be furnished if an aggregate turnover is up to 2 crore in any FY from FY 2024-25 onwards

GST Rates

0%, 5%, ~~12%~~, 18%, ~~28%~~, 40%

