

# CA- INTERMEDIATE

## (Sep 2025)

### GOODS &

### SERVICES TAX

### AMENDMENTS

**By :- CA SANCHIT GROVER**

*(All India 6<sup>th</sup> Rankholder + More than 4.5 years*

*of experience in tax consultancy at Big 4)*



**AVJ ACADEMY CA FOUNDATION  
INTER/FINAL**

**9310824912/9310824712**



# **MOST DETAILED**

# **ANALYSIS OF**

# **AMENDMENTS**

# **GUARANTEED**

All Changes  
explained with  
Background Story &  
Logics (using  
Flowcharts &  
Illustrations)

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**NOTES ON GST AMENDMENTS FOR CA-INTER SEP 2025****Note for my Dear Students – CA Sanchit Grover**

- These notes are useful for Students who have studied GST law relevant for CA Intermediate exams, amended up to 31st October 2024. Since Sep 2025 attempt of CA Intermediate exams shall cover amendments made up to 28<sup>th</sup> February 2025, ***this document shall contain all relevant updates for the period 1st November 2024 to 28th February 2025.***
- This amendment booklet shall be a complete reference for CA Inter students in respect of all amendments during 1st November 2024 to 28th February 2025 that are relevant September 2025 examinations of CA Intermediate
- Separate amendment video has been uploaded on our YouTube channel “CA Knowledge Portal” discussing these amendments in detail. The link to this amendment video has also been sent to virtual classes students. All Students are advised to refer to this video lecture while studying these notes for conceptual clarity
- Although 20 amendments have been covered in this booklet, but all these amendments do not carry equal importance level. Certain amendments that are very important from examination purpose, have been highlighted in the Index section. Students are advised to study those amendments in great detail for Sep 2025 exams.
- The author would like to acknowledge that since these notes are primarily meant for CA Intermediate Students preparing for Sep 2025 examination, we have borrowed certain illustrations and interpretations from latest ICAI Study Material and Statutory Update released by ICAI.
- In case any reader of these notes has any doubt or need any clarification, you can contact me at Instagram ID given below. Students who have been taking our live or virtual classes must already have my whatsapp number for queries purpose.
- While we have tried to ensure that these notes remain error free, any inadvertent error that may have been there in these notes may be brought to the knowledge of the author. Your contribution to make our notes error free shall be highly acknowledged in the future editions.

All the Best my dear Students...!!!

Regards,

CA Sanchit Grover

(Instagram ID:- [Sanchitgrover.372](#))

Summary of all Amendments (for Last Day Revision)

Sr. No.	Summary of the amendment	Relevant Provision	Page No.
<b>Category A:- Amendments relating to 'Concept of Supply under GST &amp; Other related Concepts'</b>			
1.	Supply of <b>un-denatured extra neutral alcohol (ENA)</b> or rectified spirit used for manufacture of alcoholic liquor, for human consumption, shall not be subjected to levy of GST u/s 9(1)	Sec 9(1)	6.
2.	A) In case of <b>co-insurance agreements</b> , <b>apportionment of premium by lead insurer to co-insurer shall, shall not be treated as Supply</b> , if lead insurer has paid GST on the entire amount of premium b) In case of <b>Re-insurance agreements</b> , <b>services by insurer to re-insurer for which commission is deducted from re-insurance premium, shall not be treated as Supply</b> , if re-insurer had paid GST on the gross insurance premium (inclusive of commission)	Entry 9 and 10 of Schedule III	6.
3.	<b>Important for Exam</b> <b>Services by way of renting of any immovable property other than residential dwelling</b> (i.e. commercial buildings or plot of land), shall be under reverse charge if:- ➤ Supplier is an unregistered person ➤ Recipient is any registered person, <b>other than a person who has opted to pay tax under composition levy</b>	NN 13/2017	7.
<b>Category B:- Amendments relating to 'Registration under GST'</b>			
4.	Applicants filing GST REG-01 without opting for AA are required to undergo following additional compliance:- a) Visit any of the GST Facilitation Centers and <b>get his photograph taken</b> b) <b>Verification of Original Copy</b> of the documents uploaded with GST REG-01 GST REG-01 shall be considered as filed on the date when verification in the manner prescribed above is successfully done.	Sec 25 r/w Rule 8 & 9	9.
5.	W.e.f. 1 <sup>st</sup> Nov 2024, Order for Revocation of Cancellation of registration may be passed by PO, <b>subject to such conditions and restrictions</b> , as may be prescribed.	Sec 30	10.
<b>Category C:- Amendments relating to 'Place of Supply under GST'</b>			
6.	In respect of the following three B2C Supply of Services, it is mandatory for Supplier to record name of the State of recipient on the invoice (irrespective of the value of supply) and such State shall be considered as POS u/s 12(2):- (i) supply of any online/ digital services by ECO or through ECO (ii) OIDAR services (iii) online money gaming	CBIC Circular	11.
<b>Category D:- Amendments relating to 'Exemptions and Reverse Charge'</b>			
7.	Sec 11A inserted w.e.f. 1 <sup>st</sup> Nov 2024 to empower the Government to regularize non-levy or short-levy of central tax due to any general practice prevalent in trade	Sec 11A	12.
8.	<b>Important for Exam</b>	NN 13/2017	12.

	Reverse charge is applicable in case of Sponsorship Services only when <b>Service provider is any person other than Body Corporate</b> and Services Recipient is Body Corporate or Partnership Firm (effective w.e.f. 16 <sup>th</sup> Jan 2025)		
9.	DDA shall not be treated as Local authority for the purpose of GST law and hence services provided by DDA to Business Entities won't be covered under reverse charge	CBIC Circular	13.
10.	In respect of exemption of ancillary Services related to electricity transmission and distribution, the words "electricity transmission and distribution utility" have been replaced by " <b>electricity transmission or distribution utility</b> " (effective w.e.f. 16 <sup>th</sup> Jan 2025)	NN 12/2017	13.
11.	Services by Training Partner approved by the National Council for Vocational Education and Training shall be exempt (effective w.e.f. 16 <sup>th</sup> Jan 2025)	NN 12/2017	13.
12.	Insurance Services provided by <b>Motor Vehicle Accident Fund (MVAf)</b> against contributions made by insurers out of the premiums collected for <b>third party insurance of motor vehicles</b> , shall be exempt (effective w.e.f. 16 <sup>th</sup> Jan 2025)	NN 12/2017	14.
13.	Facility Management Services provided for upkeep of office of MCD shall be taxable and not covered under exemption ( <i>since they are not related to constitutional functions</i> )	CBIC Circular	15.
<b>Category E:- Amendments relating to Time of Supply</b>			
14.	<b>Important for Exam</b> In case of Reverse Charge Supplies <b>where Supplier is unregistered</b> , TOS shall be earlier of the following dates:- (effective w.e.f. 16 <sup>th</sup> Jan 2025) ➤ Date on which payment is recorded in the books of account of recipient of services ➤ Date on which the payment is debited from the bank account of the recipient of services ➤ <b>Date of issue of invoice by the recipient</b> ( <i>instead of 60 days from date of Invoice applicable where Supplier is registered</i> )	Sec 13(3) amended by FA 2024	15.
<b>Category F:- Amendments relating to Input Tax Credit</b>			
15.	<b>Important for Exam</b> ▪ In case of <b>Ex-works Contract</b> , registered recipient of goods is eligible to avail ITC for such goods at the time of such handing over of the goods by the supplier to the transporter, at his factory gate, for their onward transmission to the said recipient ▪ If afterwards, goods are diverted for non-business purposes or are lost, stolen, destroyed, written off etc., then ITC shall be denied to the recipient	CBIC Circular	16.
16.	Sec 17(5) has been amended so as to restrict the non-availability of ITC in respect of tax paid u/s 74 of CGST Act only for demands upto FY 2023-24. It also removes reference to Sec 129 and Sec 130 in the said sub-section.	Sec 17(5)	16.
<b>Category G:- Amendments relating to Documentation under GST</b>			
17.	<b>Important for Exam</b> 1) Requirement of Self-invoice by registered recipient in case of reverse charge supplies, even if Supplier is registered but solely for purposes of TDS deduction u/s 51  2) Registered recipient required to issue Self-invoice within a period of 30 days from the date of receipt of Goods or Services (that are subjected to reverse charge)	Sec 31(3)(f)	17.
<b>Category H:- Amendments relating to E-waybill under GST</b>			

18.	Following persons are required to generate Unique enrolment number by furnishing the prescribed details on the common portal:- 1) An unregistered person making inter-State transport of handicraft goods exempted from obtaining compulsory registration 2) An unregistered person opting to generate e-way bill	Rule 138	18.
<b>Category H:- Amendments relating to Returns under GST</b>			
19.	Deductor is required to file Nil GSTR-7 even for those months, where no deduction has been made u/s 51	Sec 39	19.
20.	<ul style="list-style-type: none"> <li>➤ New Section 74A has been introduced for recovery of short payment or non-payment of tax (whether due to error or fraud) from FY 2024-25 onwards.</li> <li>➤ While not part of the CA Inter syllabus, it has led to consequential amendments in various sections like 10, 17, 49, 50, 51, and Rule 88D to align recovery, ITC, and interest provisions with the new unified process.</li> </ul>	Multiple Sections	19.



# GST AMENDMENTS DISCUSSED IN DETAIL

## GST Amendments for CA Inter (September 2025)

### Category A: - Amendments relating to “Concept of Supply” + related topics

**Amendment No. 1:- No Levy of GST in respect of Un-denatured extra neutral alcohol** – Schedule 9(1) of CGST Act amended by Finance Act 2024 w.e.f. 1<sup>st</sup> November 2024

<b>Background Knowledge</b>	Sec 9(1) provides for levy of GST on Supply of Goods or services or both <i>except on the supply of alcoholic liquor for human consumption</i> . This is in line with Article 366 of Constitution that has kept alcohol outside the purview of GST. Hence, Alcoholic liquor for human consumption is still being subjected to taxes of Old regime (State excise duty and VAT/CST) and under GST law, it is treated as Non-taxable Supply (i.e. Supply on which there is no levy of GST)
<b>What is the Issue</b>	Extra Neutral Alcohol (ENA) is a key input for the alcoholic beverages industry. Its taxability has been a disputed issue between the Centre and State. While the Centre believed supply of ENA falls within the ambit of GST (i.e. it is not excluded from levy in Sec 9), many States believed that they hold the exclusive authority to levy VAT on ENA
<b>Amendment by FA 2024</b>	With effect from 1 <sup>st</sup> Nov 2024, Sec 9(1) of CGST Act has been amended as under:- <i>Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption [and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption], on the value determined under section 15 and at such rates, not exceeding twenty per cent, as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person</i>

**Exam Notes for Students:-**

- 1) It is now clear that there shall be no levy of GST on supply of ENA (this means that States can continue to levy excise/VAT on it)
- 2) Under GST law, Supply of ENA shall be treated as Non-taxable Supply, just like supply of alcoholic liquor for human consumption.

**Amendment No. 2:- Certain Services related Co-insurance premium and Re-insurance commission, excluded from definition of Supply** – Sec 7(2)(a) read with Schedule III

<b>Background Knowledge</b>	Sec 7(2)(a) provides that all those activities which are mentioned in Schedule III, shall neither be treated as Supply of goods nor Supply of Services. Since they are excluded from ambit of the term “Supply”, there is no levy of GST on such activities
<b>New Entries inserted</b>	Apart from the 8 entries already in Schedule III, 2 new entries has been inserted in Schedule III with effect from 1 <sup>st</sup> November 2024- <b>Entry 9)</b> Activity of apportionment of <b>co-insurance premium</b> by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the

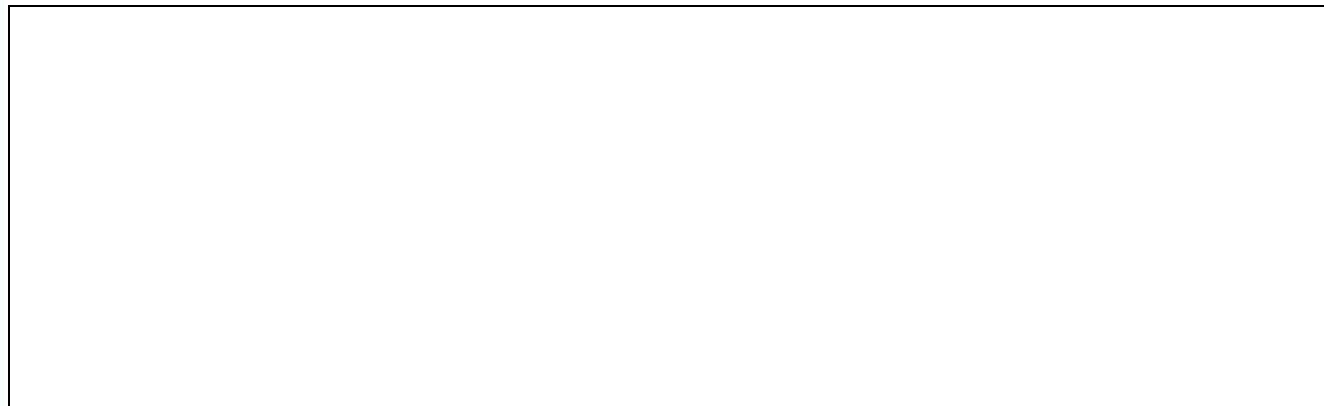
insured in co-insurance agreements, subject to the condition that the lead insurer pays the CGST, SGST, UTGST and IGST on the entire amount of premium paid by the insured

**Entry 10) Services by insurer to the reinsurer 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 CGST, SGST, UTGST and IGST is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission

### Understanding the difference in meaning of Re-insurance & Co-insurance

Reinsurance and coinsurance both involve sharing insurance risk, but they do so in different ways.

<b>Reinsurance Contracts</b>	Reinsurance is insurance for insurance companies. When an insurance company feels a risk is too large to bear alone, it shifts a part of that risk to another insurer called the reinsurer. In such case, Insurance Company pays a part of premium to Re-insurance Company and at the same time, Re-insurance company pays ceding commission to Main Insurance Company
<b>Co-insurance Contracts</b>	In co-insurance, multiple insurance companies directly share the same risk from the beginning. Each covers a portion of the total risk but one of the Insurance Company is called the "Lead Insurance Company" which is responsible for communicating with Customer (Insured). Here, premium is paid by Customer (insured) to Lead Insurance Company which keeps its portion and then distributes the remaining premium to other Co-insurance Companies



**Amendment No. 3:- Reduction in scope of Reverse Charge in case of Services by way of renting of any immovable property other than residential dwelling – NN 13/2017 read with Sec 9(3) of CGST Act**

<b>Background Knowledge</b>	<p>With effect from 10<sup>th</sup> Oct 2024, A new Reverse charge entry was inserted which provided that Services by way of renting of any immovable property other than residential dwelling (i.e. commercial buildings or plot of land), shall be under reverse charge if:-</p> <ul style="list-style-type: none"> <li>➤ Supplier is an unregistered person</li> <li>➤ Recipient is any registered person</li> </ul>
<b>What is the amendment</b>	<p>With effect from 16<sup>th</sup> Jan 2025, this entry has been further updated to provide that reverse charge shall be applicable if:-</p> <ul style="list-style-type: none"> <li>➤ Supplier is an unregistered person</li> <li>➤ Recipient is any registered person, <b><u>other than a person who has opted to pay tax under composition levy</u></b></li> </ul> <p><b>Sanchit Sir Comments:-</b> Hence, after this amendment, if SP is unregistered an SR is composition dealer, no tax shall be payable at all</p>

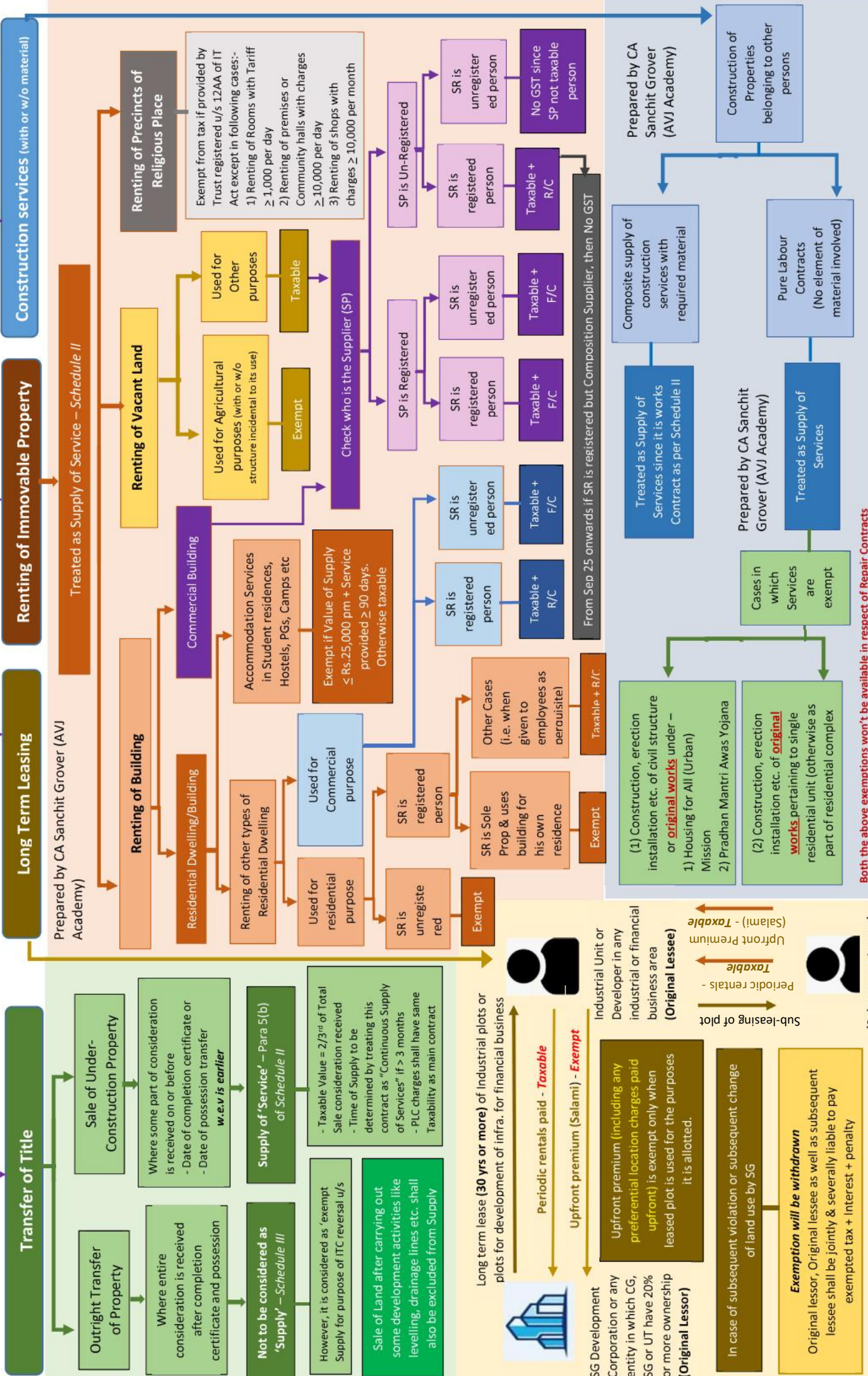
**Illustration for understanding:- Case of Commercial Property**

Who Is SP	Who is SR	Nature of renting	GST Implications
Mr. X (registered)	Mr. H (registered + Regular dealer)	Renting of Shop for Mr. H's business	<b>GST payable under forward charge</b> (since Supplier is registered, reverse charge won't apply)
Mr. X (un-registered)	Mr. I (registered + regular dealer)	Renting of Shop for Mr. I's business	<b>GST payable under reverse charge</b> (since Supplier is un-registered, as per new entry inserted w.e.f. 10 <sup>th</sup> Oct 2024, reverse charge would apply and Mr. I would be liable to pay GST)
Mr. X (registered)	Mr. J (unregistered)	Renting of Shop for Mr. J's business	<b>GST payable under forward charge</b> (shop is a commercial building, hence no exemption. Further, since Supplier is registered, reverse charge won't apply)
Mr. X (un-registered)	Mr. K (un-registered)	Renting of Shop for Mr. K's business	<b>GST covered under forward charge only</b> , but since Mr. X is not a taxable person, he shall not be liable to pay GST under Sec 9



# Summary of Taxability in case of Immovable property

Covered in definition of 'Service'



Mr. X (un-registered)	Mr. L (registered + Composition dealer)	Renting of Shop for Mr. L's business	<b>GST covered under forward charge due to amendment w.e.f 16<sup>th</sup> Jan 2025</b> , but since Mr. X is not a taxable person, he shall not be liable to pay GST under Sec 9
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**Updated Chart****Category C:- Amendments relating to Chapter 'Registration under GST'****Amendment No. 4:- Additional Compliance in cases where Aadhar Authentication (AA) is not opted while filing GST REG-01 – Section 25 read with Rule 8 & 9**

<b>What is the existing provision</b>	In case of persons applying for GST registration in GST REG-01 (other than those mentioned in Sec 25(6D)), any person who did not opt for aadhar authentication, GST registration shall be granted only after physical verification of the place of business. In such case, GST REG-01 shall be deemed to have been filed on the Date when Part B of application was filed. Further, PO has 30 days from date of filing GST REG-01 to either issue GST REG-06 or issue show cause notice in GST REG-03 ( <i>otherwise concept of deemed registration would get triggered</i> )
<b>What are the amendments</b>	With effect from 11 <sup>th</sup> Feb 2025, Applicant still has the option to choose 'No' for aadhar authentication after filing Part-B. However, in such cases, following additional compliance is required:- <ul style="list-style-type: none"> <li>a) Applicant has to visit any of the GST Facilitation Centers and <b>get his photograph taken</b> (in case applicant is not individual, then photograph of Karta, Managing Partner or other authorized representative)</li> <li>b) Original Copy of the documents uploaded with Application in Form GST REG-01 shall be verified at the GST Facilitation Centre</li> </ul> <p><i><b>In such case, GST REG-01 shall be considered as filed on the date when verification in the manner prescribed above is successfully done.</b></i></p> <p>Further, the requirement of <b>physical verification</b> by proper Officer (PO) shall remain as it is</p>



\*\*\* This amendment was brought on 10<sup>th</sup> July 2024 but made effective from 11<sup>th</sup> Feb 2025, so although it was discussed in our May 25 Amendment Notes also, but as per ICAI Guidelines, it is applicable w.e.f Sep 2025 attempt. That is why this amendment has been repeated here.

**Exam Note for Students:-**

There can be 2 cases for persons [not covered by Sec 25(6D)]

Case 1) He opts for AA but fails to undergo authentication in the manner prescribed

Case 2) He does not opt for authentication of Aadhar number

In both cases, physical verification by PO is mandatory but requirement of Photograph and Original Documentation verification has been brought only for Case 2)

**Summary of above Aadhar authentication (AA) procedure in Tabular Form**

	Whether AA opted while filing GST REG-01	Whether AA was completed within 15 days from filing Part-B	What will be considered as 'Date of Submission of GST REG-01'	Within how many days 'Deemed registration' provisions will apply
Mr. A (not a citizen of India)	AA not applicable in his case	N/A	Date on which Part-B is filled	7 working days
Mr. B (Indian Citizen)	No	N/A	Date on which Verification of Original Documents and taking photograph is completed	30 working days
Mr. C (Indian Citizen)	Yes	No	15 <sup>th</sup> day from submission of Part-B	30 working days
Mr. D (Indian Citizen)	Yes	Yes [assuming not selected by Common portal under Rule 8(4A)]	Date of completion of AA	7 working days

**Amendment No. 5:- Revocation of Cancellation of registration by PO shall be subject to such conditions as may be prescribed – Section 30**

<b>What is the existing provision</b>	Where the registration of a person is cancelled suo-moto by the proper officer, Sec 30 provides a window to such person to apply for revocation of cancellation order, so that his registration may be restored. Such revocation application is filed in GST REG-21 within 90 days from the date of service of Cancellation Order (REG-19)
<b>What are the amendments</b>	With effect from 1 <sup>st</sup> November 2024, it has been provided in Sec 30 that Revocation of Cancellation of registration shall be <b>subject to such conditions and restrictions</b> , as may be prescribed

### Category C:- Amendments relating to Chapter 'Place of Supply under GST'

#### Amendment No. 6:- Clarification regarding POS of B2C Online Services - CBIC Circular

Background Provisions related to POS	Sec 12(2) provides that if the supply of service does not fall in any of the specific cases provided under section 12, then POS shall be determined as under:-						
	<p><b>Case A) In case Recipient is registered (B2B supplies)</b></p> <p><b>Case B) In case Recipient is un-registered (B2C supplies)</b></p>	<p>POS is the <b>location of Service Recipient</b></p> <p>a) If the address of such recipient is available in the records of supplier, POS = Location of Recipient b) If not, POS = Location of Supplier</p>					
Background Provisions related to Invoicing	As per Sec 31 read with Rule 46, in case of B2C supplies:-						
	<table border="1"> <thead> <tr> <th>Value of Supply covered by invoice</th> <th>Particulars to be mentioned on the invoice</th> </tr> </thead> <tbody> <tr> <td>₹ 50,000 or more</td> <td>Name and address of the recipient and the address of delivery, along with the name of State and its code</td> </tr> <tr> <td>less than ₹ 50,000</td> <td>Particulars about recipient not mandatory (However, unregistered recipient may still request the aforesaid details to be recorded in the tax invoice)</td> </tr> </tbody> </table> <p><b>Exception to the above</b></p> <p>In the following 3 cases, irrespective of the value of supply, tax invoice issued by registered supplier to unregistered recipient shall contain name of the State of the recipient (and the same shall be deemed to be address on record of the recipient),</p> <ul style="list-style-type: none"> <li>• <b>Taxable Services</b> supplied by or through ECO to unregistered recipient</li> <li>• OIDAR services provided by registered supplier to unregistered recipient.</li> <li>• Supply of online money gaming (Specified actionable claim)</li> </ul>	Value of Supply covered by invoice	Particulars to be mentioned on the invoice	₹ 50,000 or more	Name and address of the recipient and the address of delivery, along with the name of State and its code	less than ₹ 50,000	Particulars about recipient not mandatory (However, unregistered recipient may still request the aforesaid details to be recorded in the tax invoice)
Value of Supply covered by invoice	Particulars to be mentioned on the invoice						
₹ 50,000 or more	Name and address of the recipient and the address of delivery, along with the name of State and its code						
less than ₹ 50,000	Particulars about recipient not mandatory (However, unregistered recipient may still request the aforesaid details to be recorded in the tax invoice)						

#### Clarifications by CBIC Circular related to above

In respect of following cases of supplies to unregistered recipients (B2C Supplies), the suppliers are **mandatorily** required to record the name of the State of the recipient on the tax invoice, irrespective of the value of supply of such services, and **to declare place of supply of the said services as the location of the recipient** (based on the name of State of the recipient) in their details of outward supplies in FORM GSTR-1/1A:-

- supply of any such online/ digital services, *(whether supplied by ECO itself through its own platform or supplied by Supplier through any Marketplace ECO)*
- OIDAR services
- and online money gaming

*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*

**Category D:- Amendments relating to Chapter 'Exemptions & Reverse Charge'**

**Amendment No. 7:- Power to give exemption in cases when GST not paid or Short Paid due to General Practice** – Sec 11A inserted by Finance Act 2024 w.e.f. 1st Nov 2024

<b>When is this section applicable</b>	If the Government is satisfied that in respect of any goods or services, there is or was a general practice in trade due which :- ✓ GST is or was not being levied (although such supplies were taxable) ✓ GST is or was being levied at lower rate (as compared to the GST rate actually applicable)
<b>What can Gov do</b>	In such cases, the Government may, on the recommendation of the Council, by notification in the Official Gazette, give exemption for whole of GST (or part amount of GST in case lower tax rate was being applied)

**Amendment No. 8:- Change in the Scope of Reverse Charge applicable on Sponsorship Services** - Section 9(3) read with NN 13/2017

<b>Existing provisions</b>	In respect of Sponsorship Services, Reverse charge is applicable (i.e. Service recipient shall be liable to pay GST) if the Service Recipient is any body corporate or partnership firm. However, there is no condition on Status of Service Provider (i.e. SP may be any person)
<b>What is the amendment</b>	With effect from 16 <sup>th</sup> Jan 2025, Reverse charge is applicable in case of Sponsorship Services only if both the following conditions are satisfied:- 1) <b>Services provider is any person other than a Body Corporate</b> 2) Service Recipient is any body corporate or partnership firm located in taxable territory

Updated Chart

**Amendment No. 9:- Clarification whether DDA can be treated as local authority under GST law – CBIC Circular**

<b>Background Knowledge</b>	Services supplied by CG, SG or Local Authority (other than Postal Department, Indian Railways, Renting of Immovable Property, Transportation etc.) to by Business entity (having ATO exceeding the applicable threshold limit) are covered under reverse charge
<b>Issue</b>	Whether DDA (Delhi Development Authority) can be treated as Local Authority under GST law
<b>CBIC Clarification</b>	Local authority means an authority which is similar to the elected self-governing body such as Municipal Committee and which is entrusted with the control and management of municipal or local fund can be termed as local authority.  Thus, it has been clarified that <b>DDA cannot be treated as local authority</b> under GST law as DDA does not meet the requirement of local authority as per section 2(69) of the CGST Act, 2017.

**Amendment No. 10:- New Exemption Entry related to Electricity Transmission – Section 11 read with NN 12/2017**

Old Provision	New Provision (w.e.f. 16 <sup>th</sup> Jan 2025)
Following services which are incidental or ancillary to the supply of transmission and distribution of electricity provided by <b>electricity transmission and distribution utility</b> to their customer, shall also be exempt- <ul style="list-style-type: none"> <li>▪ Providing metering equipment on rent</li> <li>▪ Testing for meters/transformers/capacitors etc</li> <li>▪ Releasing electricity connections</li> <li>▪ shifting of meters/service lines,</li> <li>▪ issuing duplicate bills</li> </ul>	Following services which are incidental or ancillary to the supply of transmission <b>or</b> distribution of electricity provided by <b>electricity transmission or distribution utility</b> to their customer, shall also be exempt- <ul style="list-style-type: none"> <li>▪ Providing metering equipment on rent</li> <li>▪ Testing for meters/transformers/capacitors etc</li> <li>▪ Releasing electricity connections</li> <li>▪ shifting of meters/service lines,</li> <li>▪ issuing duplicate bills</li> </ul>

**Amendment No. 11:- Change in the Scope of Exemption entry related to Skill Development – Section 11 read with NN 12/2017**

Old Provision	New Provision
Any services provided by:- <ol style="list-style-type: none"> <li>a) the <b>National Skill Development Corporation (NSDC)</b> set up by the Government of India</li> <li>b) the National Council for Vocational Education and Training (<b>Specified Council</b>)</li> <li>c) an Awarding Body recognized by Specified Council</li> <li>d) an Assessment Agency recognized by Specified Council</li> <li>e) a Training Body accredited with an Awarding Body that is recognized by Specified Council</li> </ol> in relation to <ol style="list-style-type: none"> <li>i) the <b>National Skill Development Programme</b> or any other scheme implemented by the NSDC or</li> <li>(ii) a <b>vocational skill development course under</b> the National Skill Certification and Monetary Reward Scheme; or</li> </ol>	Any services provided by:- <ol style="list-style-type: none"> <li>a) the <b>National Skill Development Corporation (NSDC)</b> set up by the Government of India</li> <li>b) the National Council for Vocational Education and Training (<b>Specified Council</b>)</li> <li>c) an Awarding Body recognized by Specified Council</li> <li>d) an Assessment Agency recognized by Specified Council</li> <li>e) a Training Body accredited with an Awarding Body that is recognized by Specified Council</li> <li><b>f) a training partner approved by Specified Council</b></li> </ol> in relation to

(iii) any <b>National Skill Qualification Framework</b> aligned qualification or skill in respect of which the Specified Council has approved a qualification package.	i) the <b>National Skill Development Programme</b> or any other scheme implemented by the NSDC or (ii) a <b>vocational skill development course</b> under the National Skill Certification and Monetary Reward Scheme; or (iii) any <b>National Skill Qualification Framework</b> aligned qualification or skill in respect of which the Specified Council has approved a qualification package.
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**Amendment No. 12:- New Exemption Entry related to Motor Vehicle Accident Fund – Section 11 read with NN 12/2017**

<b>Existing Exemption entries related to Insurance Sector</b>	1) Certain Life Insurance Services by specified funds have been exempted (like life insurance under NPS, or insurance to members of armed forces, or Central police forces or Coastal Guards etc) 2) General Insurance Services provided under certain specified schemes of the Government are also exempt (like PM Fasal Bima Yojana etc.) 3) Any Life Insurance or General Insurance Services where total premium is paid by CG, SG or UT, shall also be exempt <b>Note:-</b> <b>Except for the above-mentioned exemptions, Life Insurance as well as General Insurance Services are fully taxable.</b>
<b>New Exemption Entry</b>	With effect from 16 <sup>th</sup> Jan 2025, following new exemption entry has been inserted:- <i>“Services of insurance provided by the <b>Motor Vehicle Accident Fund (MVAF)</b>, constituted under section 164B of the Motor Vehicles Act, 1988, against contributions made by insurers out of the premiums collected for <b>third party insurance of motor vehicles.</b>”</i>

**Understanding How this system of Insurance works in Practical Life**

- **Purpose:-** The Motor Vehicle Accident Fund (MVAF) is a government-mandated fund created to provide compensation and cashless treatment to victims of road accidents, especially in hit-and-run cases.
- **How Premium is collected:-** When a person buys third-party motor insurance (*let's say for premium of Rs. 1,000*), the insurer collects the premium and a fixed portion of it is contributed to this fund (*Out of Rs. 1,000, a sum of Rs. 150 is paid by Insurance Company to this fund*).
- **How Fund is Used:-** This contribution is then used by the government to pay for emergency medical care and financial compensation to accident victims without delay or legal formalities.

**Illustration of How this amendment would impact Policyholders and Insurance Companies**

Particulars	Prior to GST Exemption	After GST exemption
Total Third Party Insurance premium paid by Policyholder to Insurance Company (X Ltd.)	Rs. 1,000	Rs. 1,000
Premium Component paid by X Ltd. to MVAF	Rs. 150	Rs. 150
Premium Component retained by X Ltd.	Rs. 850	Rs. 850
GST Charged by X Ltd.	18% on entire Rs. 1,000 = Rs. 180	18% only on Rs. 850 = Rs. 153
Total Premium burden for Policyholder	Rs. 1,180	Rs. 1,153

**Amendment No. 13:- Clarification related to Facility Management Services provided to MCD – CBIC Circular**

<b>Background Knowledge</b>	<p><b><u>Exemption for Services received for performing Constitutional Functions</u></b></p> <p><b>1) Pure Service Contracts</b> Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Government (CG+SG+UT), local authority by way of any activity:</p> <ul style="list-style-type: none"> <li>✓ in relation to <b>any function entrusted to a Panchayat</b> under article 243G of the Constitution or</li> <li>✓ in relation to <b>any function entrusted to a Municipality</b> under article 243W of the Constitution</li> </ul> <p><b>2) Composite Supplies (with material component less than 25%)</b> <b>Composite supply</b> of goods and services in which the <i>value of supply of goods constitutes not more than 25% of the value of the said composite supply</i> provided to the Government (CG+SG+UT), local authority by way of any activity</p> <ul style="list-style-type: none"> <li>✓ in relation to <b>any function entrusted to a Panchayat</b> under article 243G of the Constitution or</li> <li>✓ in relation to <b>any function entrusted to a Municipality</b> under article 243W of the Constitution</li> </ul>
<b>What was the Issue before CBIC</b>	Municipal Corporation of Delhi (MCD) is receiving the services such as housekeeping, civil maintenance, furniture maintenance and horticulture, from facility management agency, for the upkeep of their office. The issue which arose for consideration was whether such services received by them are exempt from GST under any of the above 2 entries or not
<b>CBIC Clarification</b>	The services of facility management such as housekeeping, civil maintenance, furniture maintenance and horticulture agency for the upkeep of office of MCD are not supplied in relation to performing any functions entrusted to a Municipality under Article 243W of the Constitution of India. Hence, they shall not be exempt and GST shall be applicable

**Category E:- Amendments relating to Chapter 'Time of Supply'**

**Amendment No. 14:- Time of Supply of Services covered under Reverse Charge where Supplier is unregistered – Sec 13(3) inserted w.e.f. 1<sup>st</sup> November 2024**

<b>Background provision</b>	<p>In respect of Services where GST is payable under reverse charge, the time of supply for such service will be the earlier of the following:</p> <ul style="list-style-type: none"> <li>➤ Date on which payment is recorded in the books of account of recipient of services</li> <li>➤ Date on which the payment is debited from the bank account of the recipient of services</li> <li>➤ Date immediately following 60 days since issue of invoice (or any other document in lieu of invoice) by the supplier</li> </ul>
<b>Problem with the above provision</b>	The above provision for TOS remained the same whether Supplier of reverse charge services was registered or unregistered. This created problem because in case the Supplier is unregistered, no tax invoice is issued by the Supplier (infact in such case, Self-invoice is required)

	to be issued by recipient himself). So period of 60 days from date of invoice did not make any sense
<b>What is the amendment</b>	In case Supplier is unregistered and Supply is covered under reverse charge, then as per Sec 31, since invoice is required to be issued by the recipient, Time of supply shall be:- <ul style="list-style-type: none"> <li>➤ Date on which payment is recorded in the books of account of recipient of services</li> <li>➤ Date on which the payment is debited from the bank account of the recipient of services</li> <li>➤ Date of issue of invoice by the recipient</li> </ul>

**Category F:- Amendments relating to Chapter 'Input Tax Credit'**

**Amendment No. 15:- Clarification in respect of ITC on goods which have been delivered under Ex-Works Contract - CBIC Circular**

<b>Background Provision</b>	As per Sec 16(2), one of the conditions for availment of ITC is that goods/services should be actually received by the recipient
<b>What was the Issue before CBIC</b>	In case of <u>Ex-Works contract</u> , title (property) in goods passes to the buyer at the factory gate of the Supplier (i.e. when the goods are handed over to the transporter) and the delivery on the part of Supplier is complete at his factory gate. The transport may be arranged by the Supplier on behalf of the Buyer (Recipient) and where insurance is arranged, it may also be done on behalf of the Buyer (Recipient). In case of Ex-Works contract, the main issue was <b>when will Recipient be eligible to avail ITC</b> <ol style="list-style-type: none"> <li>a) When Goods are physically received by the Recipient at his business premises <b>OR</b></li> <li>b) When Goods are billed to him and handed over to the transporter at factory gate of Supplier ?</li> </ol>
<b>CBIC Clarification</b>	In case of Ex-Works Contract, the registered recipient can be considered to have "received" the said goods at the time of such handing over of the goods by the supplier to the transporter, at his factory gate, for their onward transmission to the said recipient. <b>Hence, recipient can claim ITC on date of such handing over of the goods, to the transporter.</b>

**What if after handing over of the goods to transporter, they are diverted for any other purpose**

- 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 ITC on such goods
- 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 ITC in respect of such goods as per provisions of Sec 17(5)

**Amendment No. 16:- Deletion of ITC restriction entry - Sec 17(5)**

<b>Old Provision</b>	<b>New Provision</b>
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As per Sec 17(5), no ITC shall be allowed in respect of any tax paid in accordance with the provisions of Sec 74, 129 and 130	As per updated provisions of Sec 17(5) effective w.e.f. 1 <sup>st</sup> Nov 2024, no ITC shall be allowed in respect of any tax paid in accordance with the <b>provisions of Sec 74 in respect of any period up to FY 2023-24.</b>
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Sec 74	It deals with recovery of tax not paid or short paid by reason of fraud, wilful misstatement or suppression of facts
Sec 129	It deals with detention, seizure and release of goods in transit which had been removed in contravention of legal provisions
Sec 130	It deals with confiscation of goods in certain circumstances

**Impact of Amendment:-** Sec 17(5) has been amended so as to restrict the non-availability of ITC in respect of tax paid u/s 74 of CGST Act only for demands upto FY 2023-24. It also removes reference to Sec 129 and Sec 130 in the said sub-section

**Reason for bringing this amendment:-** Prior to FY 2023-24, there were 2 sections under which Department proceeded against taxpayers in case of suspected non-payment or short payment of tax – Sec 73 was applicable in Bonafide cases and Sec 74 was applied in Malafide cases (i.e. when non-payment or short-payment is due to fraud, wilful mistatment etc). Finance Act 2024 has provided that w.e.f. FY 2024-25, any case of non-payment or short payment of tax shall be dealt by newly inserted Sec 74A (i.e. Sec 73 and 74 shall now become ineffective). So Sec 74A now covers both types of cases – Bonafide as well as Malafide....!!!

**Sanchit Sir Comments**

- Reference to Sec 129 and 130 should have been deleted long ago *(since these sections only provide for penalty and do not lead to payment of any tax, so there was no logic for restricting ITC of penalty....!!!)*
- Section 17(5) has not specifically restricted tax paid u/s 74A w.e.f. FY 24-25 *(this seems to be an oversight/mistake by Law makers, in my humble opinion....!!!)*

**Category G:- Amendments relating to Chapter 'Documentation under GST'**

**Amendment No. 17:- Time Limit prescribed for issuance of Self Invoice by recipient – Sec 31(3) read with Rule 47A**

<b>What is the existing provision</b>	In case of reverse charge Supplies (of goods or services or both), where the Supplier is unregistered, Sec 31(3)(f) provides that self-invoice needs to be issued by registered recipient of such Supply. This Self-invoice shall become the basis for claiming ITC by Registered Recipient.  However, currently there is no time limit within which such Self-invoice needs to be issued by recipient
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<p><b>What is the Amendment</b></p>	<p><b><u>Amendment No. 1</u></b>                  With effect from 1st Nov 2024, Sec 31(3) read with Rule 47A provides that Such Self-invoice needs to be issued by Recipient <b>within a period of 30 days from the date of receipt</b> of the said reverse charge supply (of goods or services or both)</p> <p><b><u>Amendment No. 2</u></b>                  A new Explanation has been added in Sec 31 that provides as under:-  <i>“For the purposes of clause (f), the expression “Supplier who is not registered” shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.</i></p> <p>This means that w.e.f. 1<sup>st</sup> Nov 2024, in case of reverse charge supplies, <b>even when Supplier is registered but solely for the purpose of TDS deduction u/s 51</b>, requirement of issuance of Self-Invoice by registered recipient would get triggered.</p>
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**Category H:- Amendments relating to Chapter ‘E-Waybill under GST’**

**Amendment No. 18:- Requirement of generation of Unique Enrolment Number for purposes of E-waybill- Rule 138(3) of CGST Rules**

<p><b>Background Knowledge</b></p>	<ul style="list-style-type: none"> <li>➤ Generally, E-waybill is required to be generated where consignment value is more than Rs. 50,000. However, in case of Inter-State transport of handicraft goods, requirement of e-waybill shall arise irrespective of consignment value</li> <li>➤ Requirement of E-waybill falls on consignor or consignee who causes the movement of goods. Generally if one of the persons is registered and the other is unregistered, it is assumed that registered person has caused the movement of goods (i.e. registered person is liable to generate E-waybill). However, where unregistered person has caused movement of goods, even unregistered person is required to generate E-waybill</li> </ul>
<p><b>What is the Amendment</b></p>	<p>With effect from 11<sup>th</sup> Feb 2025, Following persons required to generate the e-way bill shall submit the details electronically on the common portal in prescribed form and, upon validation of the details so furnished, <b>a unique enrolment number</b> shall be generated and communicated to the said person:-</p> <ol style="list-style-type: none"> <li>1) An unregistered person making inter-State transport of handicraft goods exempted from obtaining compulsory registration and required to generate e-way bill irrespective of the value of the consignment</li> <li>2) An unregistered person opting to generate e-way bill</li> </ol>

**Category I:- Amendments relating to Chapter ‘Returns under GST’**

**Amendment No. 19:- Concept of Nil GSTR- 7- Sec 39**

<b>What is the purpose</b>	Every registered person required to deduct tax at source under section 51 shall electronically furnish a return in Form GSTR-7 for every calendar month of the deductions made during the month, on/before 10th of the succeeding month
<b>What is the amendment</b>	With effect from 1 <sup>st</sup> Nov 2024, Sec 39 has been amended to provide that filing of GSTR-7 has to be done by Deductor regardless of whether any deductions have been made during that month or not. This means that even if no deduction has been made and there is no data to be reported in GSTR-7, still Nil GSTR-7 has to be mandatorily filed

**Amendment No. 20:- Consequential amendments due to Introduction of Sec 74A**

<b>Background Knowledge</b>	<p>Sections 73 and 74 of the CGST Act governed the recovery of tax that was not paid, short paid, or erroneously refunded.</p> <ul style="list-style-type: none"> <li>➤ <b>Section 73</b> applied to cases not involving fraud, wilful misstatement, or suppression of facts—typically arising from genuine errors or omissions.</li> <li>➤ <b>Section 74</b>, on the other hand, dealt with cases involving fraud or deliberate intent to evade tax through wilful misstatement or suppression of facts</li> </ul> <p>The two sections differed primarily in terms of intention, time limits for issuance of notices and orders, and the quantum of penalty—with Section 74 imposing higher penalties and longer timelines due to the serious nature of the offence.</p>
<b>What is the amendment</b>	<ul style="list-style-type: none"> <li>➤ To simplify tax recovery, <b>Section 74A</b> was introduced in the Finance Act, 2024, and applies from <b>FY 2024–25</b> onward.</li> <li>➤ It <b>replaces Sections 73 and 74</b> with a <b>single process</b> for all cases—whether the short payment was by mistake or due to fraud. This change removes confusion and ensures a <b>uniform timeline and procedure</b> for recovery.</li> </ul>

Although this new section 74A is not relevant for CA Inter exams, but due to introduction of this section, amendment had to be brought in following sections

Chapter Name	Amendment due to Introduction of Sec 74A
<b>Composition Chapter</b>	Sec 10 has been amended to provide that If the proper officer believes that a person has wrongly paid tax under the Composition Scheme despite being ineligible, then tax and penalty shall be determined by applying the <b>provisions of Section 73, 74, or 74A, as applicable.</b>
<b>Input tax Credit</b>	As per updated provisions of Sec 17(5), no ITC shall be allowed in respect of any tax paid in accordance with the <b>provisions of Sec 74 in respect of any period up to FY 2023-24.</b>
<b>TDS</b>	Sec 51 provides that If a person fails to deduct or deposit TDS under GST, then the shortfall will be determined using the process under <b>Section 73, 74, or 74A</b> , and interest will also be payable as per Section 50(1).
<b>Payment of Tax</b>	Sec 49 provides that Every taxable person shall pay tax and other dues in the following order: <ol style="list-style-type: none"> <li>1) Self-assessed tax and dues of past returns;</li> <li>2) Self-assessed tax and dues of the current return period;</li> </ol>

	3) Any other amount payable under the Act, <b>including demands raised under Section 73, 74, or 74A.</b>
<b>Interest u/s 50 read with Rule 88B</b>	<p>If a person files their GSTR-3B return late, but the tax liability was already shown correctly in that return and <b>no proceedings under Section 73, 74, or 74A</b> have started yet, then:</p> <ul style="list-style-type: none"> <li>• Interest will be charged only on the net tax payable in cash (not on ITC portion), and</li> <li>• It will be charged from the day after the due date till the actual date of payment.</li> </ul>
<b>Recovery of Excess ITC in Rule 88D</b>	<p>If the taxpayer does not pay the amount mentioned in the intimation under Rule 88D within the given time, and either gives no explanation or gives an unsatisfactory explanation, then the unpaid amount can be recovered by issuing a demand notice under <b>Section 73, 74, or 74A</b>, as applicable</p>
<b>Accounts &amp; Records</b>	<p>Where a registered person fails to account for goods or services as required under Section 35(1), such goods or services shall be deemed to have been supplied by him, and tax shall be determined in accordance with Section 73, 74, or 74A, as applicable</p>

