

# CA | CMA | CS Final

# IDT

## Amendments Applicable for May / Nov 25 Exam

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Part 2

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# PAYMENT OF TAX

Sec 50(1) read with Rule 88B :- Manner of calculating interest on delayed payment of tax

Proviso to Rule 88B (1)

Newly Inserted by N/No. 12/2024

- ↻ Where any amount has been credited in Electronic Cash Ledger as per sec 49(1) on or before the due date of filing the said return,
- ↻ but is debited from the said ledger for payment of tax while filing the said return after the due date,
- ↻ the said amount shall not be taken into consideration while calculating such interest if the said amount is lying in the said ledger from the due date till the date of its debit at the time of filing return.

**Que :-** XYZ Pvt. Ltd. had ₹ 20,000 credited to their E-cash ledger by the due date for the month of January i.e. 20th Feb.20XX. Return for Jan is filed on 10th of march where net output tax liability payable to E-Cash ledger is ₹ 15,000. However, they did not debit this amount to pay their tax until 10th of March. Determine the amount of interest if any u/s 50(1). Would your answer differ if, amount credited to E-cash ledger ₹ 10,000 before due date?

**HINT:** i) XYZ Pvt. Ltd. **will not incur any interest for the ₹ 20,000** that remained in their E-cash ledger until debited after the due date.

ii) Interest is payable @ 18% on short payment amount of ₹ 5,000 a below:-

interest =  $5,000 \times 18\% \times \frac{18}{365} = ₹ 44$  (assume Feb is not a leap year)

## TDS-TCS

### Sec 51 - TDS

#### Deductors of Tax at Source:- As per Sec 51 (1)

- |   |  |
|---|--|
| a | a department or establishment of the CG or SG  |
| b | local authority  |
| c | Governmental agencies  |
| d | such persons or category of persons as may be notified by the Govt. on the recommendations of the Council. |

#### Notified Person u/s 51(1)(d) [ N/N 50/2018 ]

- |   |  |
|---|--|
| 1 | an authority or a board or any other body, -<br>(i) set up by an Act of Parliament or a State Legislature or<br>(ii) established by any Government,<br>with 51% or more participation by way of equity or control, to carry out any function |
| 2 | Society established by the CG or the SG or LA under the Societies Registration Act, 1860   |
| 3 | Public sector undertakings (PSUs)  |
| 4 | <b>Any RP Receiving supplies of metal scrap from other RP</b>  |

Inserted by  
N/N 25/2024

## Cases where TDS is not deductible:-

### Tax is not liable to be deducted at source in the following cases:-

- (i) When goods and/or services are supplied from a PSU to another PSU, whether or not a distinct person [N/N 61/2018]
- (ii) When supply of goods and/or services takes place between one person to another person specified in clauses (a), (b), (c) and (d) of section 51(1) of the CGST Act [N/ N. 73/2018 ]

**except any RP receiving supplies of Metal scrap from other RP's. Inserted by N/No. 25/2024**

## Tax collected at source (TCS) by ECO [Section 52]

<b>Old Notified rate</b>	<b>Notified rate for TCS, CGST = 0.5%, SGST = 0.5%, IGST = 1%</b> of the net value of intra-State/inter state taxable supplies
<b>New notified rate</b>	<b>Notified rate for TCS CGST = 0.25%, SGST = 0.25%, IGST = 0.5%</b> <b>Substituted by N/No. 15/2024</b> of the net value of intra-State/inter state taxable supplies



## TAX INVOICE, DEBIT NOTE & CREDIT NOTE

### Particulars of a tax invoice [Sections 31(1) & (2) read with rule 46]

**Proviso (inserted):** Provided that **in cases involving**

- **supply of online money gaming or**
- **in cases** where any taxable service is supplied by or through an ECO or
- by a supplier of OIDAR services

to a recipient who is un-registered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the **name of the state of the recipient and the same shall be deemed to be the address on record of the recipient.**



## E-Way Bill

**Rule 138 (3): Cases for Mandatory Generation of E-Way Bill, irrespective of consignment value:** **Newly Inserted by N/No. 12/2024**

<b>Process to generate e-way bill by an URP (Proviso 4)</b>	<ul style="list-style-type: none"><li>➤ An URP opting to generate e-way bill shall <b>submit details electronically</b> on common portal in prescribed form (Form GST ENR- 03) directly/through a notified Facilitation Centre.</li><li>➤ Upon validation of furnished details, a <b>unique enrolment number</b> shall be generated &amp; communicated.</li></ul>
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# REGISTRATION

## Sec 23(2) : Notified Persons Not Liable For Registration

**Persons making only reverse charge supplies (N/N 5/2017)**

Persons engaged only in making supplies of taxable goods &/or services, total tax on which is liable to be paid on reverse charge basis by recipient u/s 9(3) are exempted from obtaining registration

**Proviso (Inserted by 24/2024):-** However, such exemption is not applicable to a person engaged in supply of metal scrap to a registered person.

## Applicability of biometric based aadhaar authentication extended to all over India

<b>Old Provision</b>	By virtue of N/No. 27/2022, the provisions of rule 8(4A) of the CGST Rules, 2017 relating to biometric based Aadhaar authentication had been made applicable only to the <b>States of Gujarat, Andhra Pradesh, and Puducherry.</b>
<b>Amended</b>	However, now with rescinding of Notification No. 27/2022, the same have been made <b>applicable to all the States and Union territories</b> for the purpose of completion of registration application.

## Rule 8(4A):- Aadhaar Authentication(AA)( biometric authentication)

**Newly Inserted by N/No. 12/2024**

### Proviso 2:- Additional Verification Steps if AA is **not opted** & its completion

- ⇒ If a person [**other than** a person notified u/s 25(6D)] **has not opted** for authentication of Aadhaar number, every application made under sub-rule (4)(validation of part -B of REG-01) by him shall be followed by **taking photograph**
  - of the applicant where the applicant is an individual or
  - of such individuals in relation to the applicant as notified u/s 25(6C) where the applicant is not an individual,**along with the verification of original copy** of documents uploaded with the application in FORM GST REG-01 at one of the Facilitation Centers notified by Commissioner for this.
- ⇒ The application shall be deemed to be complete only after successful verification of this process.

## Sec 29 read with Rule 21 :- Cancellation of registration by PO on his own motion only:-

**Additional 2 clauses has been added where PO may cancel the Registration of a person**

**Inserted by N/No. 12/2024**

<b>fails to file return after revocation order</b>	<ul style="list-style-type: none"> <li>⇒ failed to file returns due between the order of cancellation and revocation of registration <b>within 30 days</b> of the revocation order.</li> <li>⇒ If the cancellation was retrospective, failed to file all returns from the date of order of cancellation date to the revocation order <b>within 30 days.</b></li> </ul>
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# RETURNS

## Rule 59:- Form and manner of furnishing details of outward supplies:-

<b>1</b>	<b>Who is required to furnish GSTR-1A &amp; when it should be furnished?</b>		Newly Inserted by N/No. 12/2024
	<p>           ➤ The said RP may , <b>amend or furnish additional details of outward supplies</b> of goods or services or both in <b>GSTR-1A</b> for the said tax period electronically at his own option through the GSTportal,            ➤ It shall be furnish after furnishing GSTR-1 for a tax period but before filing of return in GSTR-3B for the said tax period.         </p>		
	<b>Key features of Form GSTR-1A</b>		
	<ul style="list-style-type: none"> <li>➤ GSTR -1A is an optional facility</li> <li>➤ In can be filed only once for a tax period after filing GSTR-1 but before submitting GSTR3B for a tax period.</li> <li>➤ It allows to amend the records filed in the Form GSTR-1 of current tax period only.</li> <li>➤ The corresponding effect of the changes made through Form GSTR-1A on the liability of the taxpayer shall be reflected in the Form GSTR-3B for the same tax period.</li> <li>➤ The tax on supplies declared or amended by the suppliers through Form GSTR-1A will be available to the recipient in Form GSTR-2B generated for the next tax period for ITC.</li> </ul>		
	<b>For the Monthly taxpayers, who files FORM GSTR-1 on Monthly basis</b>		
	<ul style="list-style-type: none"> <li>➤ There is no due date for filing of GSTR-1A for the taxpayer filing Form GSTR-1 on monthly basis</li> <li>➤ Form GSTR-1A will be available at the portal every month from the due date of filing of Form GSTR-1 or the actual date of filing of Form GSTR-1, whichever is later, and will be available till the actual filing of corresponding Form GSTR-3B of the same tax period.</li> </ul>		
	<b>For the QRMP taxpayers, who files FORM GSTR-1 on Quarterly basis</b>		
	<ul style="list-style-type: none"> <li>➤ Form GSTR-1A shall be available quarterly after actual filing of Form GSTR-1 (Quarterly) or the due date of filing of Form GSTR -1 (Quarterly), whichever is later, and will be available till the actual filing of Form 6STR-3B of the same tax period.</li> <li>➤ The supplies reported in Form GSTR-1 of the current tax period (including those declared in IFF, for the first month, M1 and second month, M2 of a quarter, if any)can be amended through corresponding quarterly GSTR-1A.</li> <li>➤ There will be no separate amendment facility available for records furnished through IFF for the months M1 and M2, during the month M1 and M2.</li> </ul>		
<b>4A</b>	<b>Details in GSTR-1 / GSTR- 1A:-</b>		
	<b>Invoice wise details of ALL</b>	1) Inter-State & Intra-State supplies made to registered persons 2) Inter-State supplies made to URP with invoice value > <del>₹2,50,000</del> <b>₹1 lakh</b>	
	<b>Consolidated details of ALL</b>	1) Intra-State supplies made to URP for each rate of tax 2) Inter-State supplies made to unregistered persons with invoice value upto <del>2.5 Lakh</del> <b>₹1 lakh</b> for each rate of tax separately for each State	
	<b>Debit &amp; Credit notes</b>	1) Issued during the month for invoices issued previously	

## GSTR-4 i.e. Return for composition supplier:-

Rule 62 (1)	(a)	Due date of filing GSTR- 4 for a financial year	By 30th day of the month of June following the end of such financial year <span style="background-color: red; color: white; padding: 2px;">Newly Inserted by N/No. 12/2024</span>
		Due date of filing GST CMP-08 for a quarter	By 18th day of the month succeeding such quarter

### Sec 44 read with Rule 80:- Annual Return

Exemption from filing	Commissioner exempts the registered person whose aggregate turnover in F.Y. 2023-24 is up to ₹2 Cr from filing annual return for the said F.Y. <span style="background-color: red; color: white; padding: 2px;">Newly Inserted by N/No. 14/2024</span>
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## DEMANDS AND RECOVERY

### Rule 142: Notice and order for demand of amounts payable under the Act: [Substituted by N/No. 12/2024]

<b>Payment Notification process</b> [Rule 142(2)]	If a person pays tax and interest u/s 73 (5) or tax, interest, and penalty u/s 74(5) before receiving a notice or statement, they must: <ul style="list-style-type: none"> <li>➤ <b>Inform the Proper Officer:</b> Submit payment details in FORM GST DRC-03.</li> <li>➤ <b>Receive Acknowledgment:</b> An acknowledgment will be provided in FORM GST DRC-04 through the common portal.</li> </ul>
<b>Partial payment &amp; submissions</b> [Rule 142(2A)]	<ul style="list-style-type: none"> <li>➤ If a person makes a partial payment or wishes to contest the proposed liability, they can <b>submit their response</b> in Part B of FORM GST DRC-01A.</li> <li>➤ The PO will then <b>issue an acknowledgment</b> in Part C of FORM GST DRC-01A, confirming acceptance of the payment or submissions.</li> </ul>
<b>Payment process</b> [Rule 142(2B)]	<ul style="list-style-type: none"> <li>➤ If a person pays tax, interest, penalty, or other amounts under various sections via DRC-03, they <b>can apply electronically using DRC-03A</b> instead of crediting the amount in the e-liability register (PMT-01).</li> <li>➤ The paid amount will be credited in PMT-01 as if it was made on the date of the DRC-03 intimation.</li> <li>➤ If <b>an order</b> has been issued in DRC-05 concluding the proceedings, the person <b>cannot file DRC-03A</b> for that payment.</li> </ul>



# REFUNDS

## Refund incase of deemed export & merchant exporter:- Omitted

Rule	Title	Omitted
89(4A)	Deemed Export - Refund	Omitted by N/N. 20/2024
89(4B)	Merchant Exporter - Refund	Omitted by N/N. 20/2024

Clarification regarding regularization of refund of IGST availed in contravention of Rule 96(10), in cases where exporters had imported certain inputs without payment of IGST and compensation cess-Circular no. 233/27/2024 also omitted

## Rule 89(4): Refund of Un-utilized ITC in case of Zero rated supply

<b>Meaning</b>	<p><b>Export of goods &amp;/or Services or Supply to SEZ developer/Unit are qualifies as ZRS.</b></p> <p>However, refund of unutilized ITC shall not be allowed if:- <b>(IMP)</b></p> <ul style="list-style-type: none"> <li>goods exported out of India are <b>subjected to export duty</b> (i.e. on which some export duty has to be paid at the time of export) or</li> <li>supplier of goods &amp;/or services <b>avails of drawback</b> in respect of CGST or claims refund of the IGST paid on such supplies.</li> </ul>								
<b>Amount of refund</b>	<p>In case of ZRS of goods or services without payment of tax under bond/ letter of undertaking as per section 16(3) of IGST Act, 2017, refund of input tax credit (ITC) shall be granted as per the following formula:-</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <math display="block">\text{Refund Amount} = \left\{ \frac{(\text{Turnover of zero-rated supply of goods} + \text{Turnover of zero-rated supply of services})}{\text{Adjusted Total Turnover}} \right\} \times \text{Net ITC}</math> </div> <p>"Refund amount" means the maximum refund that is admissible</p>								
<p><b>Net ITC</b></p> <p><b>Omitted by N/No. 20/2024</b></p>	<p>means ITC availed on inputs and input services during the relevant period <b>other than</b> <del>the ITC availed for which refund is claimed under rule 89(4A) or 89(4B) or both.</del></p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Note:</b> In 'Net ITC', only the ITC of I &amp; IS are covered &amp; not for CG. Hence any CG is used in ZRS is <b>not eligible</b> for refund of ITC. RP can continue the ITC of CG &amp; balance if any then it will be C/F</p> </div> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th>Particulars</th> <th>Amt.</th> </tr> </thead> <tbody> <tr> <td>Total ITC of (I + IS) in relevant period</td> <td>XXX</td> </tr> <tr> <td><del>Less : ITC of inputs for which refund is claimed under rule 89(4A) &amp; 89(4B)</del></td> <td><del>XXX</del></td> </tr> <tr> <td><b>Net ITC</b></td> <td><b>XXX</b></td> </tr> </tbody> </table>	Particulars	Amt.	Total ITC of (I + IS) in relevant period	XXX	<del>Less : ITC of inputs for which refund is claimed under rule 89(4A) &amp; 89(4B)</del>	<del>XXX</del>	<b>Net ITC</b>	<b>XXX</b>
Particulars	Amt.								
Total ITC of (I + IS) in relevant period	XXX								
<del>Less : ITC of inputs for which refund is claimed under rule 89(4A) &amp; 89(4B)</del>	<del>XXX</del>								
<b>Net ITC</b>	<b>XXX</b>								

<p><b>Turnover of zero-rated supply of goods</b></p> <p><b>Omitted by N/No. 20/2024</b></p> <p><b>Omitted by N/No. 20/2024</b></p>	<p>⇒ The value of ZRS of goods made during the relevant period <b>without payment of tax</b> under bond/ LUT or</p> <p>⇒ The value which is <b>1.5 times</b> the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, <b>whichever is less,</b></p> <p><del>other than the turnover of supplies in respect of which refund is claimed u/r 89(4A) or 89(4B) or both.</del></p> <p><b>This can also be explained as below:</b></p> <p>Actual Value (i.e. lower of FOB value in shipping bill or value in invoice) of ZRS of goods in relevant Period exported under bond/ LUT <b>OR</b> 1.5 times like goods domestically supplied</p> <p style="text-align: center;"><b>Whichever is Lower</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Value of ZRSG</td> <td style="text-align: right;">XX</td> </tr> <tr> <td>Less: T/o of supplies for which refund is claimed u/r 89(4A)/(4B)</td> <td style="text-align: right;"><del>(XY)</del></td> </tr> <tr> <td></td> <td style="text-align: right;">XX</td> </tr> </table> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>➤ Rule 89(4A) is for Deemed Exports &amp; Rule 89(4B) is for Penultimate Supply.</li> <li>➤ If Refund is not claimed u/r 89(4A) or 89(4B), then no need to deduct this amount.</li> </ul>	Value of ZRSG	XX	Less: T/o of supplies for which refund is claimed u/r 89(4A)/(4B)	<del>(XY)</del>		XX			
Value of ZRSG	XX									
Less: T/o of supplies for which refund is claimed u/r 89(4A)/(4B)	<del>(XY)</del>									
	XX									
<p><b>Value of goods exported out of India</b></p>	<p><b>shall be the lower of:-</b></p> <p>1) the Free on Board (FOB) value declared in the Shipping Bill or Bill of Export or</p> <p>2) the value declared in tax invoice or bill of supply.</p>									
<p><b>Turnover of zero-rated supply of services</b></p>	<p><b>means the value of zero-rated supply of services made without payment of tax under bond/ LUT &amp; it is calculated as follows:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Payments received during the relevant period</td> <td style="text-align: right;">xx</td> </tr> <tr> <td><b>Add:</b> ZRSS where Advance has been received in prior period, but supply has been completed in relevant period</td> <td style="text-align: right;">xx</td> </tr> <tr> <td><b>Less:</b> Advance received in relevant period for which supply of services has not been completed</td> <td style="text-align: right;">(xx)</td> </tr> <tr> <td><b>Turnover of ZRSS</b></td> <td style="text-align: right;"><b>XX</b></td> </tr> </table>	Payments received during the relevant period	xx	<b>Add:</b> ZRSS where Advance has been received in prior period, but supply has been completed in relevant period	xx	<b>Less:</b> Advance received in relevant period for which supply of services has not been completed	(xx)	<b>Turnover of ZRSS</b>	<b>XX</b>	
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<b>Less:</b> Advance received in relevant period for which supply of services has not been completed	(xx)									
<b>Turnover of ZRSS</b>	<b>XX</b>									
<p><b>Adjusted Total turnover</b></p> <p><b>Omitted by N/No. 20/2024</b></p>	<p><b>SOG: T/o in State includes</b></p> <ul style="list-style-type: none"> <li>⇒ All Taxable Supply</li> <li>⇒ Exempt Supply (Wholly Exempt + Nil + NTS)</li> <li>⇒ Exports with or without bond</li> <li>⇒ Inter State Supply</li> </ul> <p><b>excludes</b> tax under GST &amp; Inward supplies under RCM</p> <p><b>SOS:</b></p> <p>Zero Rated Supply of services <b>(As calculated above)</b></p> <p><b>Add:</b> Non ZRS of Services (Domestic supply + Export without Bond)</p> <p><b>Less:</b></p> <p>1) Exempt Supplies <b>other than Zero rated Supplies*</b></p> <p>2) T/o of supplies for which refund is claimed u/r 89(4A) or (4B) or both</p> <p><b>Adjusted Total T/o</b></p>	<p style="text-align: right;"><b>xx</b></p> <p style="text-align: right;"><b>xx</b></p> <p style="text-align: right;"><b>(xx)</b></p> <p style="text-align: right;"><b>xx</b></p> <p style="text-align: right;"><b>xx</b></p> <p style="text-align: right;"><b>(xx)</b></p> <p style="text-align: right;"><b>xx</b></p>								

**Notes:**

- ⇒ Exempt supplies & T/o of supplied for refund is claimed u/r 89(4A)/89(4B) is **deducted only if** already covered in T/o of ZRS of goods or services.
- ⇒ **Other than ZRS\***: As per **Sec 16** of the IGST Act, if an exempt supply is exported from India, it is **not considered** an exempt supply and falls under ZRS. Therefore, any exempt supply that **qualifies as ZRS** should **not be** deducted.

## Rule 89(5): Refund on account of Inverted Duty Structure (IDS)

**Meaning**

Where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies),

except supplies of goods or services or both

as may be notified by the Govt. on the recommendations of the Council.

**Goods or services notified by the Government**

<b>Construction Sector</b>	<ul style="list-style-type: none"> <li>⇒ If construction services are provided for a complex or building that is <b>intended for sale</b>, the price charged from the recipient <b>includes</b> the value of the land.</li> <li>⇒ However, this <b>rule does not apply</b> if the full payment is received after a completion certificate is issued or after the property is first occupied, <b>whichever is earlier</b>.</li> </ul>
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**Textiles** Woven fabrics of silk/wool/cotton, knitted or crocheted fabrics

**Rail** Rail locomotives powered from an external source of electricity or by electric accumulators.

**Oil** Soya bean oil, olive oil, palm oil, coal, lignite, peat etc.

**Note: Circular No. 18/18/2017:** This restriction on refund of unutilised ITC of GST paid on inputs is **not applicable** to zero rated supplies.

**Amount of refund**

Refund on account of IDS, refund of ITC shall be granted as per the following formula:-

Maximum Refund Amount =

$$\left\{ \frac{\text{Turnover of inverted rated supply of goods \& services}}{\text{Adjusted Total Turnover}} \times \text{Net ITC} \right\} - \left\{ \frac{\text{Tax payable on such inverted rated supply of goods \& service}}{\text{Net ITC}} \times \frac{\text{ITC available on Inputs \& Input service}}{\text{ITC available on Inputs \& Input service}} \right\}$$

**Net ITC**

means ITC availed on **inputs** during the relevant period ~~other than ITC availed for which refund is claimed under rule 89(4A) or 89(4B) or both.~~

Omitted by N/No. 20/2024

**Notes:**

- ⇒ In 'Net ITC', ITC is availed **only on inputs, excluding input services and capital goods**. The law clearly states that tax paid on these cannot be refunded due to an inverted duty structure.
- ⇒ If there are multiple inputs attracting different rates of tax, 'Net ITC' in rule 89(5) covers the ITC availed on **all inputs** in the relevant period, **irrespective** of their rate of tax.

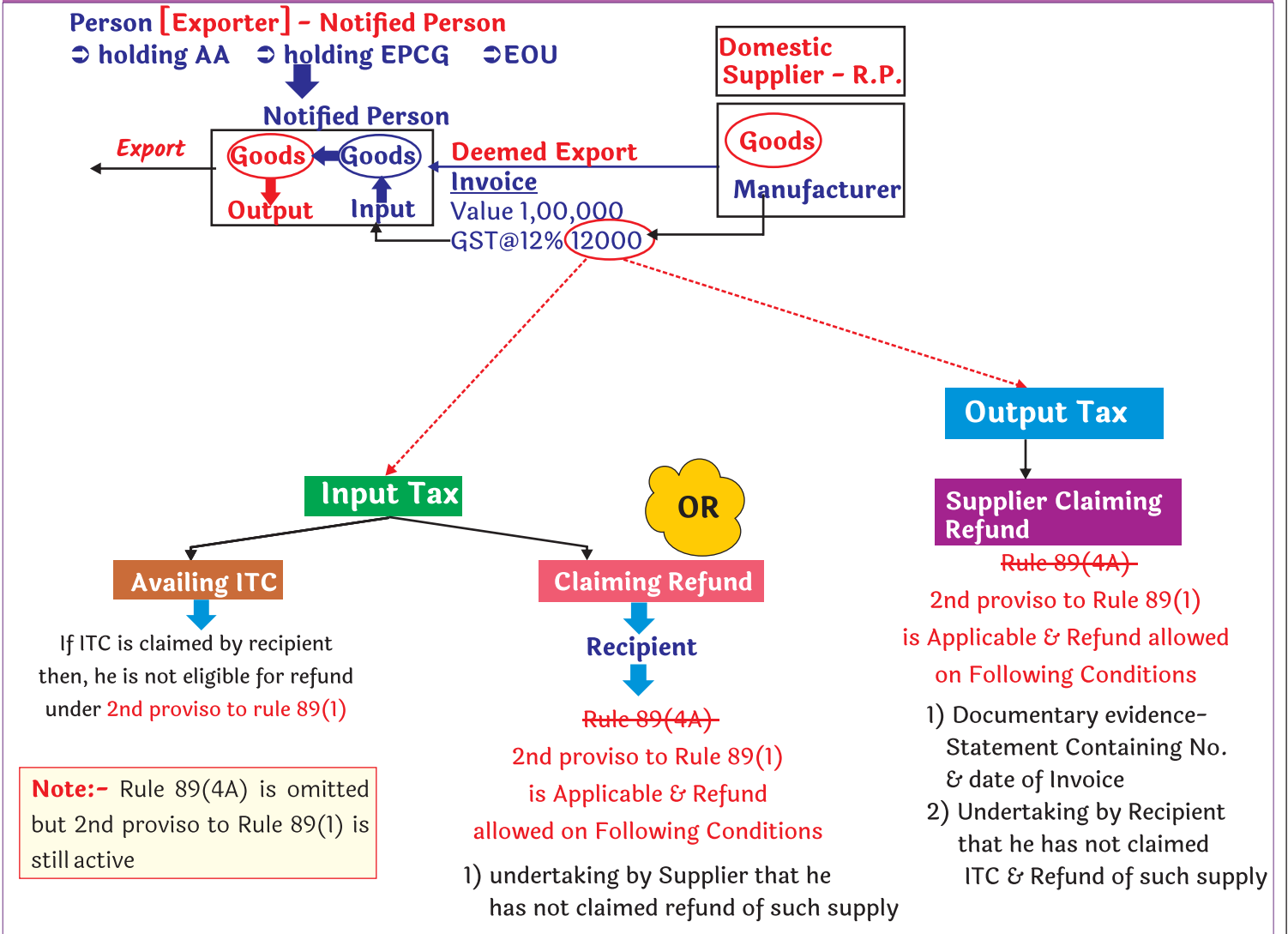
<b>Adjusted Total turnover</b>	<b>SOG:</b> T/o in State <b>includes</b> ⇒ All Taxable Supply ⇒ Exempt Supply (Wholly Exempt + Nil + NTS) ⇒ Exports with or without bond ⇒ Inter State Supply <b>excludes</b> tax under GST & Inward supplies under RCM	<b>xx</b>
	<b>SOS:</b> Zero Rated Supply of services ( <b>As calculated above</b> ) <b>Add:</b> Non ZRS of Services (Domestic supply + Export without Bond)	<b>xx</b>
	<b>Less:</b> 1) Exempt Supplies <b>other than Zero rated Supplies*</b> 2) T/o of supplies for which refund is claimed u/r 89(4A) or (4B) or both	<b>(xx)</b>
	<b>Adjusted Total T/o</b>	<b>xx</b>

Omitted by N/No. 20/2024

**Notes:**

- ⇒ Exempt supplies ~~& T/o of supplied for refund is claimed u/r 89(4A)/89(4B)~~ is deducted **only** if already covered in T/o of ZRS of goods or services.
- ⇒ **Other than ZRS\***: As per **Sec 16** of the IGST Act, if an exempt supply is exported from India, it is **not considered** an exempt supply and falls under ZRS. Therefore, any exempt supply that **qualifies as ZRS** should **not be** deducted.

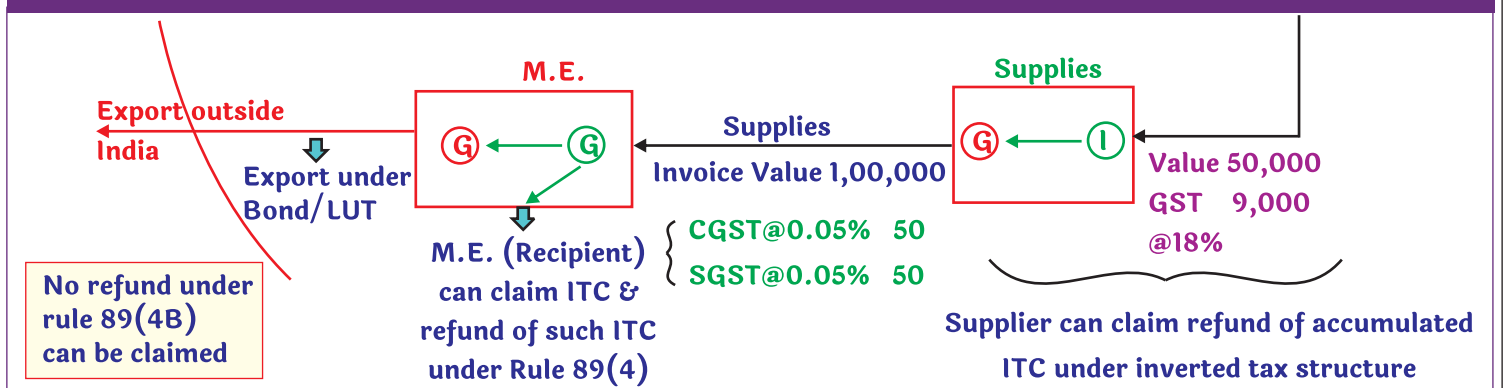
## Deemed Export (Sec 2(39)/Sec 147) & N/N 48/2017 & 50/2017



<b>Sec 2(39) Deemed exports</b>	means such supplies of goods as may be notified u/s 147 of CGST Act, 2017	
<b>Section 147</b>	The Government may, on the recommendations of the Council, notify certain supplies of goods as deemed exports, where: i) The goods supplied do not leave India, ii) Payment for such supplies is received in INR/ Convertible Foreign Exchange, & iii) Such goods are manufacture in India.	
<b>Notified supplies for Deemed Export (N/N 48/2017)</b>	a) Supply of goods by a RP against Advance Authorisation(AA). b) Supply of capital goods by a RP against Export Promotion Capital Goods Authorisation (EPCG). c) Supply of goods by a RP to Export oriented Unit (EOU). d) Supply of gold by a specified bank or PSU against advance Authorisation.	
<b>Important Analysis:-</b>		
<b>2<sup>nd</sup> Proviso to Rule 89(1)</b>	<b>Provided</b> further that in respect of supplies regarded as deemed exports, the application of refund may be filed by a) the recipient of deemed export supplies; or b) the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund	<b>Still Applicable</b>
<b>Rule 89(4A)</b>	Refund in the case of supplies received on which the supplier has availed the benefit of the Government of India, Ministry of Finance, notification No. 48/2017-Central Tax dated the 18th October, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1305 (E) dated the 18th October, 2017, refund of input tax credit, availed in respect of other inputs or input services used in making zero-rated supply of goods or services or both, shall be granted.	<b>Omitted by N/N 20/2024</b>
<b>Procedure:-</b>		
<b>Eligibility of Refund</b>	In respect of supplies regarded as deemed exports, either recipient or supplier are allowed to file the refund application.	
<b>Application for Refund</b>	The application shall be filed by <b>RFD - 01</b>	
<b>In case refund is sought by the supplier of deemed export supplies</b>	As per Rule 89(2) of CGST Rules, the following evidences notified by Central Government are to be produced by supplier of deemed export supplies for claiming refund:- ➔ <b>Acknowledgment</b> by the jurisdictional tax officer of Advance Authorization (AA) holder or Export Promotion Capital Goods (EPCG) Authorization holder that the	

	<p>said deemed export supplies have been received by the said AA/ EPCG Authorization holder or</p> <ul style="list-style-type: none"> <li>➤ <b>A copy of tax invoice</b> for such supplies duly signed by recipient EOU.</li> <li>➤ An <b>undertaking by recipient</b> that no ITC has been availed of by him on such supplies.</li> <li>➤ An undertaking by recipient that he shall not claim the refund in respect of such supplies and the supplier may claim the <b>refund</b>.</li> </ul>
<p><b>In case refund of ITC is sought by the recipient of deemed export supplies</b></p>	<p>An <b>undertaking by the supplier</b> of deemed export that he shall not claim the refund in respect of such supplies is also required to be furnished manually.</p>
	<p><b>Circular no. 172/04/2022: Refund claimed by the recipients of supplies regarded as deemed export.</b></p> <ul style="list-style-type: none"> <li>➤ The Input Tax Credit (ITC) of tax paid on deemed export supplies, claimable as a refund by recipients, is not categorized as ITC under CGST Act, 2017.</li> <li>➤ This ITC availed by recipients of deemed export supplies is not subject to the provisions of sec 17.</li> <li>➤ This implies that entire amount paid by the recipient will be available as ITC for claiming refund irrespective of the fact whether it is blocked in terms of sec 17(5)</li> </ul>
	<p><b>Example:- XYZ Ltd. received deemed export supplies valued at ₹ 2,00,000, on which it paid a GST of ₹ 36,000 at an 18% rate. Some of the components included in the supply are outdoor Catering services that falls u/s 17(5).</b></p> <p><b>HINT:</b> It is <b>clarified</b> that XYZ Ltd. <b>can claim the entire ITC</b> amount paid on Deemed exports, even if certain inputs are <b>blocked</b>.</p>
<p><b>Time limit &amp; relevant date for claiming refund</b></p>	<p>Make an application <b>before the expiry of 2 years</b> from the 'Relevant Date' i.e. the date on which the return relating to such deemed exports is furnished by supplier.</p> <p><b>Note:</b> For deemed exports, since the supplier pays the tax in their return, <b>the relevant date for filing a refund claim is the date when the supplier files that return.</b> This applies whether the refund claim is made by the supplier or the recipient.</p>

## Supply to Merchant Exporter (ME)



Where the person claiming refund of unutilised ITC on account of zero-rated supplies without payment of tax has received supplies on which the supplier has availed the benefit of supply of goods to merchant exporters at the concessional rate of 0.1% (CGST=0.05% & SGST =0.05% OR IGST =0.1%)

OR

We can say that, supply of taxable goods by a registered supplier to registered recipient (Merchant exporter(ME) ) for export i.e. CG has exempted the GST in excess of 0.1% (CGST=0.05% & SGST =0.05% OR IGST =0.1%), subject to specified conditions to be fulfilled as follows:-

<b>Tax invoice</b>	The registered supplier shall supply goods to the registered recipient (ME) on a tax invoice.
<b>Export within 90 days of invoice</b>	The registered recipient shall <b>export the said goods within 90 days</b> from the date of issue of tax invoice by the registered supplier. <b>Note: Full tax rate is applicable, if goods not exported within 90 days from tax invoice:-</b> The registered supplier shall not be eligible to pay tax at concessional rate, if the registered recipient fails to export the said goods <b>within 90 days</b> from the date of issue of tax invoice.
<b>GSTIN of supplier and tax invoice number in export documents</b>	The registered recipient shall indicate the GSTIN of registered supplier and tax invoice number issued by supplier in the shipping bill or bill of export.
<b>Recipient must be registered with EPC</b>	The registered recipient shall be registered with an Export Promotion Council or a Commodity Board recognized by the Department of Commerce.
<b>Copy of purchase order to be given to Jurisdictional tax Officer of Supplier</b>	The registered recipient shall place an order on registered supplier for <b>procuring goods at concessional rate</b> and a copy of the same shall be provided to the jurisdictional tax officer of the registered supplier.
<b>Proof of export to be given to supplier and his Jurisdictional Officer</b>	When goods have been exported, registered recipient shall provide copy of shipping bill of export containing details of GSTIN and tax invoice of registered supplier along with proof of export general manifest or export report having been filed to such supplier as well as jurisdictional tax officer of such supplier.

**Important Note:** It may be noted that the exporter of such goods can export the goods only under LUT / bond and cannot export on payment of IGST.

**Rule 89(4B) Omitted**

availed the benefit of notification No. 78/2017-Customs, dated the 13th October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1272(E), dated the 13th October, 2017 or notification No. 79/2017-Customs, dated the 13th October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1299 (E), dated the 13th October, 2017,

the refund of input tax credit, availed in respect of inputs received under the said notifications for export of goods and the input tax credit availed in respect of other inputs or input services to the extent used in making such export of goods, shall be granted.

**Omitted by N/N 20/2024**

## Rule 95B read with Circular no. 227/21/2024: Refund of tax paid on inward supplies of goods received by Canteen Stores Department (CSD) & its Procedure:

<p><b>Introduction</b></p>	<ul style="list-style-type: none"> <li>➔ A CSD under the Ministry of Defence can claim a refund of 50% of CGST paid on inward supplies of goods. This refund is for goods meant for Unit Run Canteens or authorized customers.</li> <li>➔ Applications for this refund must be submitted electronically in <b>GST RFD-10A</b> once every quarter.</li> <li>➔ The refund will be granted if:             <ul style="list-style-type: none"> <li>a) The goods were received from a registered supplier with a valid tax invoice, and the supplier has filed their GSTR-1 and GSTR-3B returns.</li> <li>b) The CSD's name and GSTIN are on the tax invoice.</li> <li>c) The goods are for subsequent supply to the Canteens or authorized customers</li> </ul> </li> </ul>
<p><b>Procedure</b></p>	<ul style="list-style-type: none"> <li>➔ The CSD can now electronically file for a 50% GST refund on goods bought for resale in Unit Run Canteens (URCs) or to authorized customers.</li> <li>➔ CSD must use FORM GST RFD-10A on the common portal to submit refund applications quarterly. They can combine claims from multiple quarters and years.</li> <li>➔ When applying, CSD must <b>include</b>:             <ul style="list-style-type: none"> <li>1. An undertaking that the goods were received for resale.</li> <li>2. A declaration that no previous refund has been claimed for those invoices.</li> </ul> </li> <li>➔ Claims can be filed <b>within two years</b> from the end of the quarter when the goods were received.</li> <li>➔ The PO will check that all necessary returns (GSTR-1 &amp; GSTR-3B) have been filed and that the invoices match the supplier's records.</li> <li>➔ Refunds are capped at 50% of the CGST, SGST, UTGST, and IGST paid, and the amount in RFD-10A will automatically show this limit. The processing officer will also confirm that CSD has reversed the input tax credit as required.</li> <li>➔ After reviewing the claim, the officer will issue an order (RFD-06) and provide an explanation.</li> <li>➔ Refund applications submitted manually before the new system will still be processed according to earlier guidelines.</li> </ul>

## Rule 96: Refund on account of Export of goods or Services with payment of tax i.e Export with IGST Payment without bond

<p>Refund of Additional IGST on account of Upward Revision of Price subsequent to Exports: Rule 89(1B)</p>	<p><b>Procedure: Exporters of goods may file an application RFD-01:</b></p> <ul style="list-style-type: none"> <li>➔ to get a refund of additional IGST paid for upward revision of price</li> <li>➔ if already received a refund for the IGST paid at the time of export.</li> </ul> <p>This application will be processed according to rule 89.</p> <p><b>Time limit:</b></p> <ul style="list-style-type: none"> <li>➔ File the application electronically using <b>FORM GST RFD-01</b> within 2 years from the relevant date subjected to Rule 10B.</li> <li>➔ If the relevant date is <b>before this rule was introduced</b>, application can be filed within 2 years from the rule's effective date.</li> <li>➔ The relevant date shall be determined as under</li> </ul>
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Newly Inserted by N/No. 12/2024

(i) Sea or Air	Date on which the ship or aircraft in which such goods are loaded, leaves India.
(ii) Land	Date on which such goods pass the frontier.
(iii) Post	Date of dispatch of goods by the concerned Post Office to a place outside India.

### CBIC Clarifications

#### Cir.no. 226/20/2024: Mechanism for refund of additional IGST paid on account of upward revision in price of goods subsequent to exports

<b>Issue</b>	<ul style="list-style-type: none"> <li>➔ Price of Export goods may rise after exports, requiring the exporter to pay extra IGST with interest.</li> <li>➔ IGST refunds for exported goods are processed automatically by Customs u/r 96.</li> <li>➔ There exists no mechanism to claim a refund for the additional IGST paid.</li> </ul>
<b>Filing of refund claim</b>	<ul style="list-style-type: none"> <li>➔ Exporters can file for a refund of additional IGST paid using form <b>RFD-01</b>.</li> <li>➔ This application will be processed by the GST officer in their jurisdiction.</li> <li>➔ CGST Rules have been amended (N/n. 12/2024) to allow this refund process u/r 89.</li> </ul>
<b>Apply for refund</b>	<ul style="list-style-type: none"> <li>➔ Until a specific category for refunding additional IGST is available on the portal, exporters can claim refunds by: <ul style="list-style-type: none"> <li>➤ Filing an application in FORM GST <b>RFD-01</b>.</li> <li>➤ Selecting the category “<b>Any other.</b>”</li> <li>➤ Adding remarks: ‘Refund of additional IGST paid due to price increase after export.’</li> <li>➤ <b>Including</b> relevant documents as per rule 89(2)(bb).</li> </ul> </li> <li>➔ GSTN will provide jurisdictional GST officers with details of shipping bills, IGST amounts, and refunds sanctioned by Customs to assist in processing these claims.</li> <li>➔ No refund shall be paid if amount claimed is less than ₹1,000</li> </ul>
<b>Documents with refund claim to establish that refund is due to exporter</b>	<ol style="list-style-type: none"> <li>1) Copy of the shipping bill or bill of exports.</li> <li>2) Copy of original invoices.</li> <li>3) Copy of contract or relevant documents showing the need for a price revision after export.</li> <li>4) Copy of original invoices and any relevant debit notes or supplementary invoices.</li> <li>5) Proof of payment for additional IGST and interest, along with details from GSTR-1/3B where these were declared.</li> <li>6) Proof of receipt of additional foreign exchange (FIRC) from an Authorized Dealer-I bank, plus a certificate from a practicing CA or CMA confirming the remittance is due to the price increase.</li> <li>7) Statement 9A &amp; 9B of RFD-01.</li> </ol>
<b>Documents needed to claim refund for additional IGST paid on exports Rule 89(2)(bb)</b>	<ol style="list-style-type: none"> <li>1. Number and date, plus copies of Export Invoices &amp; Shipping Bills / Bill of export.</li> <li>2. Number and date of Bank Realization or foreign inward remittance certificates, plus copies.</li> <li>3. Information on any refunds already granted u/r 96.</li> <li>4. Number and date of any relevant invoices or debit notes, plus copies.</li> <li>5. Details and proof of the additional IGST payment and any interest.</li> <li>6. Number and date of the foreign inward remittance certificate for the additional payment, plus a certificate from a CA or CMA confirming the remittance is due to the price increase.</li> <li>7. Copies of contracts or documents that support the price revision.</li> </ol>

<b>Reconciliation Rule 89(2) (bc)</b>	<ol style="list-style-type: none"> <li>1. Reconciliation statement that compares the value of supplies in supplementary invoices, debit notes, or credit notes &amp; includes details from the Bank Realisation Certificate or foreign inward remittance certificate from Authorised Dealer-I Bank.</li> <li>2. This is required if the refund is due to a price increase on exported goods.</li> </ol>
<b>Verification by PO</b>	<p>While processing the refund, the <b>PO will:</b></p> <ol style="list-style-type: none"> <li>1. Verify that Exporter has reported the export invoice &amp; debit note in GSTR-1 &amp; Check that the additional IGST and interest have been <b>paid in GSTR-3B</b>.</li> <li>2. Confirm the <b>revised value</b> declared by the exporter in GSTR-1/GSTR-3B.</li> <li>3. <b>Verify</b> the details of foreign exchange remittances received.</li> </ol>
<b>Issue of orders granting refund</b>	<ul style="list-style-type: none"> <li>⇒ PO will <b>review</b> the refund application for completeness and eligibility &amp; issue a refund <b>sanction order</b> (RFD-06) &amp; <b>payment order</b> (RFD-05) if <b>satisfied</b> that any part of the claimed amount is payable.</li> <li>⇒ PO Upload a detailed speaking order &amp; refund sanction order (RFD-06).</li> </ul>
<b>Downward revision in price of goods</b>	<p>If there is a downward price revision for goods exported on which IGST is paid:</p> <ul style="list-style-type: none"> <li>⇒ The exporter must <b>return the excess</b> IGST received, proportionate to the price reduction, along with interest.</li> <li>⇒ The PO will <b>verify</b> that the exporter has deposited this excess refund for the relevant tax period.</li> </ul>

## Rule 96A: Export of Goods or Services without payment of IGST for claiming Refund of ITC under ZRS

**Time-limit:** To export goods/services without paying IGST, the supplier must **submit** a bond/ LUT to the Jurisdictional Commissioner before exporting.

This bond **ensures** they will pay any taxes due, along with interest (18% per year), if required later.

Situations	Liability of Tax / Interest
<b>SOG: If the goods are not exported out of India</b>	Within <b>15 days</b> after the expiry of 3 months or such further period as may be allowed by the commissioner
<b>SOS: If the payment of services is not received in convertible foreign exchange or Indian rupees, if permitted by the RBI</b>	<ul style="list-style-type: none"> <li>⇒ <b>within 15 days after the expiry of 1 year, or</b></li> <li>⇒ <b>the period as allowed under the FEMA, 1999 including any extension of such period as permitted by the RBI, whichever is later,</b></li> <li><b>from the date of issue of the invoice for export, or such further period as may be allowed by the Commissioner,</b></li> </ul>

Substituted by  
N/No. 12/2024



# OFFENCES, PENALTIES & PROSECUTION

**Sec 122 A:- Penalty for failure to register certain machines used in manufacture of goods as per special procedure** newly Inserted by F.A. 2024

Legal Provision	Quantum of penalty
Overriding the act, if a manufacture of goods for which any special procedure relating to registration of machines has been notified u/s 148 acts in contravention of the same.	he shall be liable to pay a penalty of 1 lakh (penalty of each under CGST & SGST/UTGST) or 2 lakh (under IGST) for every machine not so registered.
<p><b>Important Points:-</b></p> <ul style="list-style-type: none"> <li>⇒ This penalty is in addition to any penalty under demand &amp; recovery &amp; any other penalty leviable under GST law.</li> <li>⇒ Further, every machine not so registered shall be liable for seizure and confiscation</li> <li>⇒ Machine shall not be confiscated if-               <ul style="list-style-type: none"> <li>(a) the penalty so imposed is paid &amp;</li> <li>(b) the registration of such machine is made as per special procedure within 3 days of the receipt of communication of the order of penalty.</li> </ul> </li> </ul>	



# APPEALS AND REVISION

**Section 109:- Constitution of Appellate Tribunal (AT) & Benches thereof**

<b>GST Appellate Tribunal</b>	<p>On recommendations of Council, Government shall notify an Appellate Tribunal (AT) known as the GST Appellate Tribunal</p> <ul style="list-style-type: none"> <li>⇒ for hearing appeals against the orders passed by               <ul style="list-style-type: none"> <li>➢ Appellate Authority (AA) or</li> <li>➢ Revisional Authority (RA), or</li> </ul> </li> <li>⇒ <b>for conducting an examination or adjudicating the cases referred to in sec 171(2) [Anti-Profiteering Measure], if so notified under the said section.</b></li> </ul>
<b>Appeals against orders passed by AA/RA</b>	<ul style="list-style-type: none"> <li>⇒ Principal Bench &amp; State Bench shall hear appeals against orders passed by AA or RA.</li> <li>⇒ However, If any one issue involved relates to <b>place of supply</b>, it shall be heard only by <b>Principal Bench</b> (Proviso 1).</li> <li>⇒ <b>The matters referred to in sec 171(2) shall be examined or adjudicated only by the Principal Bench (Proviso 2).</b></li> <li>⇒ Govt. may, on recommendations of Council, notify other cases or class of cases which shall be heard only by the <b>Principal Bench (Proviso 3).</b></li> </ul>
<b>Distribution/transfer of cases among Benches</b>	<p>The President <b>Subject to 'Appeals against orders passed by AA/RA' discussed above, the President</b> shall, from time to time, by a general or special order, distribute the business of AT among Benches and may transfer cases from one Bench to another.</p>

## Section 112 read with Rule 110 & 111:- Appeals to Appellate Tribunal (AT)

Substituted by N/No. 12/2024

<b>Appeal by aggrieved person</b>	Person aggrieved by order passed by AA/RA may <b>appeal to AT</b> against such order
<b>Time limit for filing appeal</b>	Appeal shall be filed <b>within 3 months (further extendible upto 3 months</b> on sufficient cause) from the date on which the order sought to be appealed against is communicated to person preferring the appeal
<b>Application by Department</b>	<ul style="list-style-type: none"> <li>⇒ Commissioner may <b>call for and examine</b> the record of any order passed by AA/RA to satisfy himself about the legality or propriety of the said order - <ul style="list-style-type: none"> <li>➤ on his own motion, or</li> <li>➤ on request from the SGST/ UTGST Commissioner.</li> </ul> </li> <li>⇒ To determine specified point arising out of the said order, Commissioner may direct any subordinate officer to apply to AT <b>within 6 months</b> from date on which order has been passed.</li> <li>⇒ Such application made by authorised officer shall be dealt with by AT as if it were an appeal made against the order of AA/RA &amp; provisions of GST Act shall apply accordingly.</li> <li>⇒ <b>No pre-deposit</b> is required for departmental appeal.</li> </ul>
<b>Form &amp; manner of filing appeal/ application</b>	<ul style="list-style-type: none"> <li>⇒ Appeal/application shall be filed <b>electronically</b> in FORM GST <b>APL-05/APL-07 respectively</b>, with relevant documents.</li> <li>⇒ <b>Appeal can be filed manually only if Registrar allows the same by issuing a special or general order to that effect, subject to such conditions and restrictions as specified in the said order.</b></li> <li>⇒ Provisional acknowledgement shall be issued to appellant immediately in both cases.</li> <li>⇒ Registrar shall mean a Registrar appointed by Govt. for this section, &amp; shall include Joint Registrar, Deputy Registrar and Assistant Registrar.</li> </ul>
<b>Date for filing appeal/ application &amp; issue of final acknowledgement</b>	<ul style="list-style-type: none"> <li>⇒ If order appealed against is uploaded on common portal, a final acknowledgement, indicating appeal number, shall be issued in APL-02 on removal of defects, if any. Thus, <b>date of issue of provisional acknowledgement shall be date of filing of appeal.</b></li> <li>⇒ If order appealed against is not uploaded on common portal, the appellant shall submit or upload a self-certified copy of it within 7 days from the date of filing of APL-05/APL-07 &amp; a final acknowledgement, indicating appeal number, shall be issued in APL-02 on removal of defects, if any, &amp; <b>date of issue of provisional acknowledgment shall be considered as the date of filing of appeal.</b></li> <li>⇒ If said self-certified copy of order is submitted or uploaded after 7 days, a final acknowledgement, indicating appeal number, shall be issued in APL-02 on removal of defects, if any, &amp; the <b>date of submission or uploading of such self-certified copy shall be considered as the date of filing of appeal.</b></li> <li>⇒ The appeal shall be <b>treated as filed only when final acknowledgement</b>, indicating the appeal number, is issued.</li> </ul>
<b>Fees for filing or restoration of appeal</b>	<ul style="list-style-type: none"> <li>⇒ Fees for filing of appeal or restoration of appeal = <b>₹1,000 for every ₹1,00,000</b> of tax/ITC involved or difference in tax/ITC involved or the amount of fine, fee or penalty determined in order appealed against.</li> <li>⇒ <b>It shall be maximum of ₹25000 &amp; a minimum of ₹5000.</b></li> </ul>

	<ul style="list-style-type: none"> <li>⇒ However, fees for filing of an appeal for an order not involving any demand of tax, interest, fine, fee or penalty shall be ₹5000 (i.e. other matter).</li> <li>⇒ There is <b>no fee</b> for application made before AT for rectification of errors.</li> </ul>
<b>Power of AT to refuse to admit an appeal</b>	AT <b>have power/ discretion to refuse</b> to admit an appeal, but only where tax/ITC involved or difference in tax/ITC involved or fine, fees or penalty determined by such order <b>does not exceed ₹50,000</b> .
<b>Memorandum of cross-objections</b>	<ul style="list-style-type: none"> <li>⇒ <b>Party against whom appeal/application is preferred</b> may file a <b>memorandum of cross-objections</b> electronically in APL-06 against any part of order appealed against <b>within 45 days (further extendible upto 45 days on sufficient cause)</b> of receipt of notice of appeal.</li> <li>⇒ It may be <b>filed manually</b> in APL-06, <b>only if</b> Registrar allows the same by issuing a special or general order to that effect, subject to such conditions &amp; restrictions as specified in said order.</li> <li>⇒ It shall be disposed of by AT like an appeal made within specified time for filing initial appeal.</li> </ul>
<b>Manner of signing</b>	Appeal & memorandum of cross objections shall be signed in manner specified in rule 26.
<b>Mandatory pre-deposit for filing appeal</b>	<b>No appeal can be filed before the AA unless a specified amount of pre deposit is made by the appellant.</b>

## Sec 113A: Withdrawal of Appeal or Application filed before the Appellate Tribunal (AT)

<b>Withdrawal of Appeal or Application</b>	<ul style="list-style-type: none"> <li>⇒ At any time before issuance of order u/s 113, for any appeal filed in APL-05 or application filed in APL-07, <b>appellant may file an application for withdrawal</b> of same in APL-05/07W.</li> <li>⇒ If final acknowledgment in APL-02 has been issued, withdrawal <b>need approval of AT</b> which shall be decided by AT <b>within 15 days</b> of filing of such application.</li> <li>⇒ <b>Any fresh</b> appeal or application filed by appellant pursuant to such withdrawal shall be filed <b>within the respective time limit</b> specified in sec 112.</li> </ul>
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**Newly Inserted by N/No. 12/2024**

## CBIC Clarifications

**Cir. No. 207/1/2024: Reduction of Govt. Litigation – fixing monetary limits for filing appeals or applications by Dept. before GSTAT, High Courts & Supreme Court**

<b>Issue</b>	Circular aims to reduce government litigation by establishing monetary thresholds. Below these limits, departments cannot file appeals/applications with the GSTAT, HC or SC.		
<b>Monetary Limits for Appeals</b>	U/s 20 & 168 of the CGST Act, the CBIC sets monetary limits below which appeal/application or Special Leave Petitions shall not be filed by CGST Officers, except as noted in separate exclusions:		
	<b>Appellate Forum</b>	<b>Monetary Limit (₹)</b>	
	GSTAT	20,00,000	
	High Court	1,00,00,000	
	Supreme Court	2,00,00,000	
<b>Principles for a case while applying above monetary limits for filing appeal</b>	<b>S.No.</b>	<b>Dispute relates to demand of</b>	
	<b>Amount to be considered for applying monetary limit</b>		
	1	Tax with or without penalty and/or interest	Only the agg. amount of tax is dispute (including CGST, SGST/UTGST, IGST & Compensation Cess)
	2	Only interest	Amount of interest
	3	Only penalty	Amount of penalty
	4	Only late fee	Amount of late fee
	5	Interest, Penalty and/or late fee (without involving any disputed tax amount)	Aggregate amount of interest, penalty and late fee
	Erroneous refund	Amount of refund in dispute (including CGST, SGST/UTGST, IGST & Compensation Cess)	
	<b>Note:</b> In composite orders with multiple appeals, the limit is based on the total amount, not individual amounts.		
<b>Exclusions</b>	Monetary limits do not apply in the following cases: <ol style="list-style-type: none"> <li>1. If any GST provision is deemed unconstitutional.</li> <li>2. If GST rules or regulations are found ultra vires the parent Act.</li> <li>3. If government orders or notifications are held ultra vires GST Act or rules.</li> <li>4. If the matter involves recurring issues like valuation, classification, refunds, or interpretations of the Act.</li> <li>5. If adverse comments or costs are imposed against the government or its officers.</li> <li>6. Any other case deemed necessary to contest for justice or revenue by the Board.</li> </ol>		
<b>Filing Appeals on Merits</b>	Even if the disputed tax <b>exceeds</b> the monetary limit, appeals should focus on the merits of the case to reduce unnecessary litigation and provide clarity to taxpayers on their assessments.		

<b>No Precedent Value</b>	<ul style="list-style-type: none"> <li>⇒ Sections 120(2), (3), and (4) state that if an appeal is not filed per these instructions, such cases shall <b>not have any precedent value</b>.</li> <li>⇒ Tax officers can <b>still file appeal/application</b> in similar cases where the disputed tax exceeds the monetary limit or involves questions of law.</li> </ul>
<b>No presumption of acceptance if no appeal is filed.</b>	<ul style="list-style-type: none"> <li>⇒ If an appeal isn't filed due to monetary limits, it doesn't imply the Department accepts the decision on disputed issues.</li> <li>⇒ Department representatives must clarify this to the GSTAT or Court, emphasizing that the appeal was not filed solely because the tax in dispute was below the limit, as stated in section 120(4).</li> </ul>

**Circular on guidelines for recovery of outstanding dues, in cases wherein first appeal has been disposed of, till AT comes into operation (Circular no. 224/18/2024)**

<b>Issue</b>	<p>If 1st appellate authority has passed order confirming demand created by adjudicating authority, fully or partially, &amp; appeal against it could not be filed u/s 112 due to non-constitution (non-operation) of AT yet, whether originally created demand that has inadvertently been paid &amp; intimated by taxpayer through DRC 03 under 'voluntary' or 'others' category can be adjusted against pre deposit required to be paid for filing appeal before appellate authority u/s 107 &amp; AT u/s 112?</p>
<b>Facts</b>	<ul style="list-style-type: none"> <li>⇒ As per <b>sec 78, recovery proceedings are to be initiated</b>, if amount payable as per order is <b>not paid</b> by person within 3 months from date of service of the said order.</li> <li>⇒ If he <b>files an appeal as per sec 112(8)</b> (on payment of prescribed pre deposit), <b>recovery proceedings for balance is deemed to be stayed</b> till disposal of appeal as per <b>sec 112(9)</b>.</li> <li>⇒ But taxpayers are <b>not able to file appeal</b> in AT &amp; are not able to make pre deposit.</li> <li>⇒ The tax officers are taking a view that there is <b>no stay against recovery</b>.</li> <li>⇒ In some cases, taxpayers have either paid or are willing to pay the requisite pre deposit as per sec 112(8) either by crediting in their E-Liability Register (ELL) against demand so created, or by depositing the said amount through DRC 03.</li> <li>⇒ But, tax officers <b>are still resorting to recovery proceedings</b> after completion of period stipulated u/s 78.</li> </ul>
<b>Process to adjust amount paid against pre-deposit</b>	<ul style="list-style-type: none"> <li>⇒ It is <b>clarified that</b> if taxpayer decides to file appeal against order of appellate authority &amp; wants to pay pre deposit as per sec 112(8), he can pay such pre deposit by navigating to Services &gt;&gt; Ledgers&gt;&gt; Payment towards demand, from his dashboard &amp; avail the benefit of stay from recovery of remaining amount of confirmed demand.</li> <li>⇒ In ELL Part II, he can select the order, out of outstanding demand orders, against which payment is intended to be made.</li> <li>⇒ The paid amount would be mapped against it &amp; demand will be reduced in ELL.</li> <li>⇒ Deposited amount will be adjusted against pre deposit required at the time of filing appeal before AT.</li> </ul>
<b>Undertaking &amp; payment of pre-deposit &amp; filing appeal within time to stay the recovery</b>	<ul style="list-style-type: none"> <li>⇒ Taxpayer also needs to <b>file an undertaking/ declaration</b> with jurisdictional PO that he will file appeal against said order of appellate authority before AT when it comes into operation within timelines as per sec 112.</li> <li>⇒ <b>On payment of pre-deposit also</b> as above, the recovery of remaining confirmed demand in said order <b>will stand stayed</b> as per sec 112(9).</li> <li>⇒ If full pre-deposit is not paid or undertaking/declaration is not given to PO or appeal is</li> </ul>

	<p>not file, it will be presumed that taxpayer is not willing to file such appeal &amp; <b>recovery proceedings can be initiated as per law.</b></p> <p>⇒ When Tribunal comes into operation, if taxpayer does not file appeal within time, the <b>remaining amount of the demand will be recovered</b> as per law.</p>
<b>Insertion of new sub-rule &amp; form &amp; adjustment of amount paid with demand</b>	<p>⇒ <b>Rule 142(2B) &amp; Form GST DRC 03A has been inserted vide N/no. 12/2024, providing for a mechanism</b> for cases where the person liable to pay tax, interest and penalty u/s 52 or 73 or 74 or 76 or 122 or 123 or 124 or 125 or 127 or 129 or 130 has made payment of these, inadvertently through DRC 03 under Rule 142(2).</p> <p>⇒ Said person can file an application in DRC 03A &amp; the amount so paid &amp; intimated through DRC 03 <b>shall be adjusted/considered</b> as if the said payment was made towards the said demand on the date of such intimation through DRC 03.</p> <p>⇒ The paid amount can also be adjusted against pre-deposit to be paid u/s 107 &amp; 112 if &amp; when appeal is filed before appellate authority or AT.</p> <p>⇒ The remaining confirmed demand as per the order appealed against <b>will stand stayed</b> as per sec 107(6) &amp; sec 112(9).</p> <p>⇒ If taxpayer does <b>not file appeal within time</b> as per sec 107 &amp; 112, the remaining <b>demand will be recovered</b> as per law.</p>
<b>Non-adjustment of liability</b>	<p>Application in DRC 03A for <b>adjustment</b> of demand liability against payment through DRC 03 <b>cannot be made</b> in cases where against payment made through DRC 03, <b>proceedings have already been concluded</b> by issuance of an order in DRC 05 as per Rule 142(3).</p>
<b>Option till DRC 03A is not available</b>	<p>⇒ Currently, functionality to file application in DRC 03A is not available on portal.</p> <p>⇒ Till its availability, if pre deposit has been inadvertently paid through DRC 03 instead of paying it through ELL II against the demand created in said ledger, taxpayer may intimate PO about the same.</p> <p>⇒ On such intimation, PO may not insist on recovery for remaining amount payable.</p>
<b>Application in DRC 03A on its availability</b>	<p>⇒ Once the functionality of <b>DRC 03A</b> is made available on portal, taxpayer may file an application in it at the earliest.</p> <p>⇒ <b>Then, amount paid via DRC 03 may be adjusted against pre deposit</b> u/s 107/112.</p> <p>⇒ If taxpayer <b>fails</b> to file such application, PO may <b>proceed to recover</b> the amount payable as per sec 78 &amp; 79.</p>



# MISCELLANEOUS PROVISIONS

## Sec 171:- Anti-Profitteering Measure

### (B) Constitution of National Anti-Profitteering Authority:-

- **National Anti-profitteering Authority** is constituted by CG on recommendation of council.
- On recommendations of GST Council, CG empowers the **Competition Commission of India** to examine whether ITCs availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

**N/no. 18/2024 w.e.f. 01/10/24-** CG empowers Principal Bench of AT, constituted u/s 109(3), to examine the matter discussed above u/s 171.

<b>Proviso</b>	Govt. may notify the date from which the said Authority shall not accept any request for examination of above. <b>N/no. 19/2024-</b> CG appoints 01/04/25 as the date from which the Authority referred to in sec 171 shall not accept any request for examination of above.
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<b>Explanation</b>	Here, 'request for examination' shall mean the written application filed by an applicant requesting for examination as to whether ITCs availed by any RP or reduction in tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.
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**Newly Inserted  
by F.A. 2024**

### (E) Penalty for Profitteering:-

- After holding required examination, if authority comes to conclusion that registered person has profiteered, he shall be liable to pay **penalty= 10% of amount profiteered**, if profiteered amount is deposited after 30 days of the date of passing of order by Authority.

**Explanation 1 :-** Profiteered means the amount determined on account of **not passing the benefit** to recipient by way of commensurate reduction in the price of the goods or services or both.

**Explanation 2:-** The expression 'Authority' shall include the 'Appellate Tribunal'.

**Newly Inserted  
by F.A. 2024**

### Rule 163

#### Consent based sharing of information:-

- AG to obtain consent of RP:-**
  - If RP opts to share information furnished in REG-01, GSTR-3B or GSTR-1, **as amended in GSTR-1A if any**, with requesting system (AG), AG shall obtain consent of said RP for same.
  - AG shall communicate consent with details of tax periods to common portal.

**Newly Inserted by  
N/No. 12/2024**

