



**CA. Palkesh Asawa**

# Recent Notifications & Finance Act Changes in GST

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Tax Practitioners  
Association, Indore

# Recent Notifications / Amnesty Schemes

# Amnesty Scheme for GSTR-4

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- Total amount of late fees for
  - ▶ Any quarter from July 2017 to March 2019
  - ▶ And any financial year from FY 2019-20 to FY 2021-22
- Shall be ₹250+₹250 = ₹500
- And shall be Nil (₹0), if the tax as per return is Nil
- If filed between 01 Apr 2023 to 30 June 2023

# Revocation of cancellation – an opportunity

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- Registration cancelled under Section 29(2)(b) or (c)
- Cancellation was done on or before 31-Dec-2022
- And who have failed to apply for revocation
  - ▶ They may apply for revocation up to 30-June-2023
  - ▶ After filing all returns and paying all tax + interest/penalty/fee
  - ▶ No further extension allowed beyond this date
- Shall include persons whose appeal against the cancellation or revocation rejection order has been rejected

# Best Judgment Assessment Order

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- If return is filed before 30-June-2023 along with interest
- Then the assessment order shall be deemed to have been withdrawn and no further action would be needed
  
- This is *irrespective of whether any appeal has been filed, or whether or not, the said appeal has been decided.*

# Late fees for annual returns (GSTR-9)

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- For any financial year (FY 2017-18 to FY 2021-22):
  - ▶ Maximum late fees would be ₹10,000+₹10,000 = ₹20,000
- If filed between 01-Apr-2023 to 30-June-2023
- From **FY 2022-23** onwards, late fee structure shall be:
  - ▶ Aggregate Turnover up to ₹5 Crs:
    - ▶ Late fee ₹ 25 + ₹ 25 = ₹ 50 per day (up to: 0.02% + 0.02% of turnover in state)
  - ▶ Aggregate Turnover above ₹5 Crs but below ₹20 Crs
    - ▶ Late fee ₹50 + ₹ 50 = ₹ 100 per day (up to: 0.02% + 0.02% of turnover in state)
  - ▶ Aggregate Turnover above ₹20 Crs
    - ▶ Late fee ₹100 + ₹ 100 = ₹ 200 per day (up to: 0.25% + 0.25% of turnover in state)

## Late fees for final return (GSTR-10)

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- If final return is not filed within due date
- But it is filed between 01 Apr 2023 to 30 June 2023
  
- Then, late fee shall be ₹500 + ₹500 = ₹1000

# Extension of time limits for order u/s 73

Year	Particulars	Previous time limit	Revised time limit
FY 2017-18	Issue of <b>SCN</b>	05 / 07 Nov 2022 (Then 30 July 2023)	<b>30 Sep 2023</b>
	Issue of <b>order</b>	05 / 07 Feb 2023 (Then 30 Sep 2023)	<b>31 Dec 2023</b>
FY 2018-19	Issue of <b>SCN</b>	30 Sep 2023	<b>31 Dec 2023</b>
	Issue of <b>order</b>	31 Dec 2023	<b>31 Mar 2024</b>
FY 2019-20	Issue of <b>SCN</b>	31 Dec 2023	<b>31 Mar 2024</b>
	Issue of <b>order</b>	31 Mar 2024	<b>30 Jun 2024</b>



# Extension of time limits for order u/s 74

Year	Particulars	Previous time limit	Revised time limit	Time Limit U/S 74 (no change)
FY 2017-18	SCN	05 / 07 Nov 2022 (30 July 2023)	30 Sep 2023	<b>05 / 07 Nov 2024</b>
	Order	05 / 07 Feb 2023 (30 Sep 2023)	31 Dec 2023	<b>05 / 07 Feb 2025</b>
FY 2018-19	SCN	30 Sep 2023	31 Dec 2023	<b>30 Sep 2025</b>
	Order	31 Dec 2023	31 Mar 2024	<b>31 Dec 2025</b>
FY 2019-20	SCN	31 Dec 2023	31 Mar 2024	<b>31 Dec 2025</b>
	Order	31 Mar 2024	30 Jun 2024	<b>31 Mar 2026</b>

# Changes in GST made through Finance Act

# Supplying goods through an ECO

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- If any person supplied goods through an ECO, then he was not eligible for composition scheme.
- Now, such persons are also eligible for composition scheme. However, they still cannot supply services through the ECO. Exemption removed only for goods.

# Proportionate ITC reversal on some supplies

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## **Section 17**

*(3) The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.*

*Explanation.-For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule*

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*Explanation.-For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except –*

*(i) the value of activities or transactions specified in paragraph 5 of the said Schedule; and*

*(ii) the value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule.”;*

# Proportionate ITC reversal on some supplies

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## Schedule III

8. (a) Supply of warehoused goods to any person before clearance for home consumption;

(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.]

# Basics of turnover and supply

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Transaction	Is it part of 'turnover' for Audit?	Is it 'exempt supply' u/s 17	Is it to be reported in Table 5F?
Sale of land	No	Yes	Yes
Building after CC	No	Yes	Yes
Alcoholic Liquor	Yes	Yes	Yes
Sale of securities	No	Yes	Yes
FD Interest (personal)	No	No	??
FD Interest (business)	Yes	Yes	Yes
Salary income	No	No	??
Petrol & Diesel	Yes	Yes	Yes



# ITC of CSR Activities is now blocked

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- ITC for goods or services procured to meet CSR obligation shall not be available to companies [Section 17(5)(fa)]
- But what is the effective date?
- Does it mean ITC can be claimed for the previous period?

## Amendment in Section 23(2)

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- Overriding clause – this section overrides 22(1) and 24
- Conditions and restrictions may also be put
- In order to become eligible for non-registration

# Manner of revocation to be prescribed

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- Earlier time limit was  $30+30+30 = 90$  days
- SOP was prescribed by Circular 148/04/2021 dt. 18-05-21
  
- Now, the manner and procedure and time limit shall be separately prescribed

# No returns can be furnished beyond 3 years

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- Section 37: GSTR-1
  - Section 39: GSTR-3B
  - Section 44: GSTR-9
  - Section 52: TCS return (not TDS return)
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- Provided that Government may notify a class of persons who may file the return beyond 3 years subject to conditions as may be prescribed

# Interest on delayed refunds

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- Interest is payable if refund is not received within 60 days from the date of application
- Now, enabling provision is introduced allowing the Govt. to establish the mechanism and procedure for interest computation in case of delayed refunds

# Returns filed after best judgment assessment

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- Time available increased from 30 days to 60 days
- Further 60 days time is available for filing along with added late fee of Rs. 100 + Rs. 100

# Penalty on ECOs

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- Any e-commerce operator who allows:
  - ▶ Any supply by unregistered persons
  - ▶ Allows interstate supply by a person not eligible for it
  - ▶ Fails to furnish correct details for TCS
- Shall be liable to penalty, equal to higher of:
  - ▶ ₹ 10,000/-
  - ▶ Tax involved if such supply was made by a regular taxpayer

# Decriminalisation of certain offenses

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- Imprisonment (tax 5/2/1) / fine not applicable for:
  - ▶ Obstructs / prevents any officer in discharge of his duties
  - ▶ Tamper with or destroys any material evidence or documents
  - ▶ Fails to provide information or supplies false information
- The monetary limit of 1 Cr to 2 Cr is not applicable any more except the offence of issuing fake invoices



# Compounding of certain offenses

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- Restriction of repeat offences other than those specified in Section 132(1) for amount above Rs. 1 Cr is removed
- No compounding in case of issuing fake invoices
- Minimum amount of compounding is 25% of tax

# Consent based sharing of information

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- Information that can be shared with other systems:
  - ▶ Registration details, GSTR-3B, Annual Return
  - ▶ GSTR-1 details, E-way bill details
  - ▶ Such other details as may be prescribed
- Consent to be taken from:
  - ▶ The supplier (for all the clauses above)
  - ▶ The recipient (for second clause above / or if his identity given)

# Retrospective exemption for some supplies

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- Following supplies in Schedule III shall be deemed to have been included from 1 July 2017 itself:
  - ▶ High sea sales
  - ▶ Supply of warehoused goods before home consumption
  - ▶ Supply of goods by way of endorsement of documents of title before home consumption
- This was introduced w.e.f. 01-Feb-2019, but now it has been made applicable from 01-Jul-2017 (but no refund)

# Amendments in IGST Act

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- Definition of NRTP has been widened – any person unregistered and receiving any OIDAR services
  - ▶ If registered for TDS purposes, it will be treated as URD only
- OIDAR services – “essentially automated & minimum intervention” omitted now. Hence, the term has been widened.

# Amendments in IGST Act

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- POS for international couriers outside India – omitted (section 12 cases – both recipient & supplier in India)
- POS in case of any courier shall be location of recipient (regardless of destination), even in section 13 cases

# Changes in compensation cess

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Goods	Previous Rate	New Rate
Pan Masala	130%, ad valorem	51% of RSP
Tobacco and manufactured tobacco substitutes, including tobacco products.	4170/- per 2000 sticks Or 290%, ad valorem	Same limit but maximum 100% of RSP

- Maximum price at which the products are sold or MRP
- For changes / multiple prices, higher shall be taken
- For area wise exemptions, respective prices shall be taken

# Constitution of the Appellate Tribunal

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- GSTAT will be constituted to file appeal against AA / RA
- Principal Bench – New Delhi
  - ▶ President, Judicial Member, Technical (State), Technical (Centre)
- State Benches – as notified on request of State
  - ▶ Two judicial members, one Technical (State), Technical (Centre)
- POS cases shall be heard in the Principal Bench only
- If amount is less than ₹50 lakhs, single member bench

# Constitution of the Appellate Tribunal

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- President: SC Judge / Chief Justice of High Court
- Judicial Member:
  - ▶ High Court Judge
  - ▶ District Judge for at least 10 years
- Technical Member (Centre):
  - ▶ IRS Group A level officers with 25 years of service
- Technical Member (State):
  - ▶ Not below the rank of Additional Commissioner + 25 years



# Advance License Notification

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Any Questions?

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Thank you!

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