



# Thinking Beyond

Monthly Newsletter

**A knowledge sharing initiative**

**July 2024**



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## Parallel Proceedings under GST Law

India has adopted the dual GST Model, considering its unique federal nature, tax is levied concurrently by the center as well as the states on a common base, i.e supply of goods or services, or both.



CA Akbar Basha



Adv. Sonal Sinha

Considering India's GST framework result in duplication of proceedings, by central and state Tax authorities, leading to parallel proceedings. Which would result in an unnecessary burden and cause adversity to the taxpayer. The issue of parallel actions by center and state has momentous consequences on trade, judiciary has viewed parallel proceedings very strictly.

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## Ownership and bearing of cost - whether relevant for availing ITC under GST?

Remember this phrase ‘Input tax credit (ITC) is as good as tax paid’? This has been held by many Courts in the past and is now a settled principle.

Also, taxpayers today have understood that steps need to be taken to safeguard this ITC, since it is

equivalent to cash balance, because in case there are no sufficient evidence available to prove eligibility of ITC, it would require outflow of money to the exchequer along with interest and penalty.

Today there are many conditions that need to be satisfied to be eligible for ITC under GST. Over the period, the conditions have only been increasing to claim ITC.

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CA Shilpi Jain

## Bonuses, Online Money Gaming, and GST: DGGI's Increasing Curiosity

As we switched from the nineteenth century to the twentieth century, everything in our homes and around us has gone digital which interalia includes our money, our wealth, our vacuum



*CA Ashish Chaudhary*



*CA Pooja Jajwani*

cleaners, our dating, our business and so does our gaming! With gaming going digital, the challenges w.r.t. taxability of such online gaming are also now digital. Let's try to understand this with an example,

Mrs. Rakhi logged in on a gaming portal, says Big Boss. Rakhi opened an account on Big Boss's application. Rakhi added an amount of INR 1000 to her money wallet which she would use in playing skill based online money games. Considering Rakhi's generosity, the big boss offered her a wallet balance of INR 1200.

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## Application of the Curious case of Mineral Area Development Authority on GST disputes involving land.

Recently, the Hon'ble Supreme Court, in a nine-judge constitutional bench has held that royalty is not a tax, and the State Government can levy tax on minerals under Entry 50 of List II or on mineral bearing land under Entry 49 of List II of the Constitution of India.



CA Pooja Jajwani

Whilst the above order would see demand notices for payment of tax under reverse charge mechanism on royalties and dead rent paid by the taxpayers to the Government w.r.t mineral rights, the judgement has also set a base for judicial developments w.r.t taxability pertaining to land related activities such as development rights, leasehold rights in land etc. and some other miscellaneous aspects.

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## Legal Updates – June 2024

1. Inability to file GST returns and cancellation thereon –  
What if there is a justifiable reason?
2. Validity of an unsigned order
3. Scrutiny Vs Initiation of Proceedings
4. Overlapping of subject matters on audit by CGST and  
SGST authorities
5. Condonation in delay in GST appeals- Even after statutory  
limit?
6. Fraudulent Availment of ITC and Arrest of the entity's  
officials
7. ITC and Section 16(2)(c)
8. Constitutionality of GST Input Tax Credit Provisions:  
Sections 16(2)(c) and 16(4)
9. Procedural failures and Small-scale operators
10. Inverted Duty Structure and De Novo reassessment of  
HSN

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## HNA Updates – Analysis of Indirect tax proposals in Union Budget 2024-25

- Changes proposed under Goods and Service Tax Circulars to be issued on the areas of ambiguity
- Changes proposed under the Customs Act
- Changes proposed under the Customs Tariff Act
- Changes proposed under Excise

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| Sl. No | Date       | Functionality  | Particulars   |
|--------|------------|--|---|
| 1      | 04.07.2024 | <a href="#">Enhancements to Address-Related Fields in GST Registration Functionalities</a> | <p>1. Update in Validations applicable while entering the address in address-related fields.</p> <p>a. Address is in India:</p> <ul style="list-style-type: none"> <li>The fields PIN Code, State, District, and City/Town/Village are interlinked and <b>must be</b> selected from the autosuggestions.</li> <li>For other fields, the taxpayer can now, except for at the beginning of the entry, add limited special characters such as Hyphen (-), Forward Slash (/), Ampersand (&amp;), Comma (,), Apostrophes ('), Hash(#), Period(.), Small Brackets (), Inverted Commas (""), Colon (:), Semi Colon (;), Underscore ( _ ) and Space. Other Special Characters are not allowed. An example for the same is given in the updates</li> </ul> <p>b. Address is outside India:</p> <ul style="list-style-type: none"> <li>Zip Code, State, District: Taxpayer would be able to enter all values other than special characters ` `}.</li> <li>For other fields: Taxpayer can enter alphanumeric values and the below-given special characters mentioned in point a.</li> <li>Additionally, special characters are not allowed at the beginning of the entry for fields other than <b>zip code, district and State</b>.</li> </ul> <p>2. When hovering over the address icon, taxpayers would be able to view proper instructions as to what character can be used or not.</p> <p>3. The above changes would not impact data already saved in the system, even if it contains special characters that are no longer allowed. However, while filing an amendment application and editing the tab containing address details, the system would validate the address based on the above logic.</p> <p>4. The above changes are applicable to Normal Taxpayers – Regular, SEZ Unit, SEZ Developer, Composition, Input Service Distributer and Casual Taxpayers.</p> <p>5. In addition, the field of locality/sub-locality is <b>not mandatory</b>.</p> |



| Sl. No | Date       | Functionality  | Particulars  |
|--------|------------|--|--|
| 2      | 09.04.2024 | <a href="#">Increment in size of documents uploaded in Principal Place of Business and Additional Place of Business for New Registration and Amendment</a> | <p>Taxpayers can now upload the following documents up to a maximum size of 500 kb in JPEG/PDF types in the Principal Place of Business tab and Additional Places of Business tab as mentioned below:-</p> <ol style="list-style-type: none"> <li>1. Municipal Khata Copy</li> <li>2. Electricity Bill</li> <li>3. Consent Letter</li> <li>4. Property Tax Receipt</li> </ol> <p>The earlier limit was 100 KB</p>  |
| 3      | 14.07.2024 | <a href="#">Refund of additional IGST paid on account of upward revision in prices of goods subsequent to exports</a>                                      | <ol style="list-style-type: none"> <li>1. GST Council has approved that application of refund of additional IGST paid on account of upward revision in prices of goods subsequent to exports may also be processed by the Tax Administration. GSTN is in the process of development of a separate category of refund application in FORM GST RFD-01, for filing an application of refund of additional IGST paid on account of upward revision in prices of goods subsequent to exports.</li> <li>2. However, till the time such separate category for claiming refund of additional amount of IGST paid is developed on the common portal, such exporter(s) may claim refund of the additional IGST by filing an application of refund in FORM GST RFD-01 under the category “<b>Any other</b>” with remarks “Refund of additional IGST paid on account of increase in price subsequent to export of goods” and uploading of Statement 9A &amp; 9B (As in NN 12/2024-CT) along with the relevant documents as specified in the Circular 226/20/2024-GST dated. 11.07.2024.</li> <li>3. The Refund application filed under this category will be processed by the officer based on the documentary proof submitted by the refund applicant. The list of documents that are required to be accompanied with the refund claim are also mentioned in the said Circular.</li> <li>4. if any Issue is faced by the taxpayers in filing refund application, it may be reported on <a href="#">Grievance redressal portal</a>.</li> </ol> |

| Sl. No | Date       | Functionality  | Particulars   |
|--------|------------|--|---|
| 4      | 16.07.2024 | <a href="#">Integrated Services from NIC-IRP e-invoice-1 and e-invoice-2 Portals</a> | <p>NIC released the integrated services from the <a href="#">e-invoice-1</a> and <a href="#">e-invoice-2</a> portals on 18th July 2024 on sandbox portals and will be releasing the same on 1st Aug 2024 on the production portals. These portals run in parallel and now allow for seamless inter-operations.</p> <p><b><u>The highlights of the portal:</u></b></p> <p>i. Both the portals (NIC-IRP 1 &amp; 2) provide the web and API modes for e-invoice-related services.</p> <p>ii. The same login credentials can be used to operate both portals.</p> <p>iii. In the case of API, the same token can be used for the services of e-invoices and e-waybills on both portals.</p> <p>iv. The taxpayers can use the e-invoice-2 portal during technical glitches in the e-invoice main portal or any other exigencies.</p> <p>v. The Criss-Cross printing, downloading, and cancelling operations can be carried out on these portals. That is, printing, downloading and cancelling of e-invoices of portal 1 can be done at portal 2 and vice versa.</p> <p>vi. In case e-invoice-1 is non-operational because of technical reasons, then the e-invoice-2 portal can be used for all the services of the e-invoices.</p> <p>vii. The <a href="#">sandbox portal</a> can be visited for API URLs and other details.</p> <p>viii. Taxpayers are advised to test all the APIs in the sandbox environment before rolling on the production environment.</p> <p>ix. In addition to NIC-IRP, four other e-invoice portals are operated for the convenience of the taxpayer. The users can avail of similar e-invoicing services on IRP-3/IRP-4/IRP-5 and IRP-6 portals also.</p> |

| Sl. No | Date        | Functionality  | Particulars  |
|--------|-------------|--|--|
| 5      | 22.07. 2024 | <a href="#"><u>Refund of tax paid on Inward supply of goods by Canteen Store Department (FORM GST RFD 10A)</u></a> | <p>1. In reference to <a href="#"><u>Circular No. 227/21/2024-GST</u></a> for online processing of refund applications filed by Canteen Stores Department (CSD), GSTN has developed an online functionality to enable CSDs to file an application for refund in FORM GST RFD-10A in GST common portal.</p> <p>2. The prerequisites &amp; relevant date for filing refund applications under this category are mentioned in <b>Para 4, 5 &amp; 6</b> of the said Circular. The applicants are advised to refer to the same for details in this regard.</p> <p>3. The process to be followed for filing refund application under the said category:</p> <p>a. Login into the GST portal. <b>Click on Services -&gt; Refund -&gt; Application for Refund.</b></p> <p>b. Select "<b>Refund of tax paid on Inward supply of goods by Canteen Store Department(CSD)</b>".</p> <p>c. Select the period for which the refund is to be applied, by selecting <b>From &amp; To Period</b> and then clicking on "<b>Create Refund</b>" application.</p> <p>d. The refund applications on the GST portal are to be filed sequentially with respect to tax periods.</p> <p>If there is no refund to be claimed for a particular period, CSD needs to file a NIL refund claim for that period.</p> <p>Once a refund is filed or a Nil refund claim is filed for a particular period, the system will not allow filing for the same period again.</p> <p>Similarly, it will not allow the taxpayer to file for any previous periods.</p> <p><b>Example:</b> A CSD wants to file two refunds for the periods Jan 2024 to March 2024 and July 2024 to September 2024. In the GST system, the CSD <b>has to file the first refund by selecting the period Jan 2024 to March 2024</b>. When the CSD tries to file the second refund claim for the period July 2024 to September 2024, the GST portal will prompt the user to file refund for the period</p> |

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|  |  | <p>April 2024 – June 2024. If there is no refund claim for the period April 2024 – June 2024, then NIL refund claim has to be filed for the said period. Post that, the GST portal will allow the CSD to file a refund for the period July 2024 to September 2024.</p> <p>e. In the GST portal, the Select Period is available <b>from July 2017</b>. If a taxpayer has already filed manual refund claims for the earlier periods or no refund claim is required to be filed for the earlier periods, they are advised to file NIL refund claim for such earlier periods.</p> <p><b>Example:</b> A CSD wants to file a refund claim (RFD 10A) for the period April – June 2024 in GST system and all their earlier CSD refund claims are filed manually till the period March 2024. The said CSD has to file NIL refund claims in the GST system for the period from June 2017 – March 2024 in the GST portal though manual refund claims are filed for the said period. This will enable the taxpayer to file a CSD refund claim for the period April – June 2024.</p> <p>Note: Once a NIL refund claim is filed in the GST system for a period, the CSD cannot claim a refund for the same period again in the GST system.</p> <p>f. The <b>details of invoices</b> for which the refund is to be claimed <b>shall be uploaded</b> in the Statement. After successful validation of the statement, <b>click on the ‘Proceed’ button</b>.</p> <p>g. The total tax paid on the Inward supply of goods will be <b>auto-populated</b>. Enter the value of <b>IGST, CGST and SGST</b> in the <b>"Total Refund applied for"</b> table.</p> <p>h. While filing a refund application, the applicant has to Select the "Bank Account Number" in which the refund is to be disbursed.</p> <p>i. Before submitting the refund application, the applicant can <b>Save &amp; Preview</b> the refund application. If any correction/addition or rectification is to be done in the refund application, it can be done only before submission. Once the application is submitted using the Submit button, the system will not allow any change in the refund application.</p> <p>4. if any Issue is faced by the taxpayers in filing refund applications, the same may be reported on the <a href="#">Grievance redressal portal</a></p> |
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| <b>Sl. No</b> | <b>Date</b> | <b>Functionality</b>                      | <b>Particulars</b>   |
|---------------|-------------|---|--|
| 6             | 26.07.2024  | <a href="#">Advisory for FORM GSTR-1A</a> | <p>1. The Government, vide notification No. <b>12/2024 – CT</b>, has introduced FORM GSTR-1A which is an optional Form/ facility.</p> <p>This has been provided to the taxpayers to <b>add or amend particulars of a supply of the current tax period, which was missed out or was wrongly reported in FORM GSTR-1 of the said tax period, before filing of the GSTR-3B return of the said tax period.</b></p> <p>2. FORM GSTR-1A will be available to all taxpayers from August 2024, through which details furnished in FORM GSTR-01 for the month of July 24 can be amended. The salient features of FORM GSTR-1A are -</p> <ol style="list-style-type: none"> <li>1. FORM GSTR-1A is an <b>optional</b> facility. This can be filed only once for a particular tax period.</li> <li>2. The corresponding effect of the changes made through FORM GSTR-1A on the liability of the taxpayer shall be reflected in FORM GSTR-3B for the same tax period.</li> <li>3. <b>At the recipient’s end, the ITC for the 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.</b></li> <li>4. For the taxpayers filing FORM GSTR-1 on a monthly basis: <ol style="list-style-type: none"> <li>a. FORM GSTR-1A will be available on 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> </ol> </li> </ol> <p>It is pertinent to re-iterate that the taxpayer can’t file FORM GSTR-1 for a month until he files FORM GSTR-3B for the previous month.</p> <ol style="list-style-type: none"> <li>b. From the liability perspective, the net impact of particulars declared or amended through FORM GSTR-1A, along</li> </ol> |

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|  |  | <p>with the particulars declared in FORM GSTR-1, shall be auto-populated in FORM GSTR-3B for the same tax period as that of FORM GSTR-1.</p> <p>5. For the QRMP taxpayers, who file FORM GSTR-1 on a Quarterly basis:</p> <p>a. FORM GSTR-1A shall be available quarterly after the 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 GSTR-3B of the same tax period.</p> <p>b. The supplies reported in the FORM GSTR-1 of the current tax period (including those declared in IFF, for the first month, M1 and second months, and M2 of a quarter, if any) can be amended through corresponding Quarterly GSTR-1A.</p> <p>c. From the liability perspective, the net impact of the particulars declared in GSTR 1A (Quarterly), along with particulars furnished in FORM GSTR-1 (Quarterly) (or through IFF of Month M1 and M2, if filed), shall be auto-populated in FORM GSTR-3B (Quarterly) of the same tax period.</p> <p>d. It is reiterated that 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.</p> <p>6. In case where change is required to be made in the GSTIN of a recipient for a supply reported in FORM GSTR-1 of a tax period, the same can be rectified through FORM GSTR-1 for the subsequent tax period only.</p> |
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| Sl. No | Date       | Functionality   | Particulars  |
|--------|------------|---|--|
| 7      | 28.07.2024 | <a href="#"><u>Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Uttarakhand</u></a> | <p>This is to inform taxpayers about recent developments concerning the application process for GST registration. It is advised to keep the following key points in mind during the registration process.</p> <ol style="list-style-type: none"> <li>1. <b>Rule 8 of the CGST Rules, 2017</b> has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application.</li> <li>2. The above-said functionality has been developed by GSTN. It has been rolled out in Uttarakhand on 28th July 2024.</li> <li>3. The said functionality also provides for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail.             <ol style="list-style-type: none"> <li>(a) A Link for OTP-based Aadhaar Authentication</li> </ol> <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> <li>(b) A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail).</li> </ol> </li> <li>4. If the applicant receives the link for OTP-based Aadhaar Authentication as mentioned in point 3(a), she/he can proceed with the application as per the existing process.</li> <li>5. However, if the applicant receives the link as mentioned in point 3(b), she/he will be required to book the appointment to visit the designated GSK, using the link provided in the e-mail. Once the applicant gets the confirmation of appointment through e-mail (the appointment confirmation e-mail), she/he will be able to visit the designated GSK as per the chosen schedule.</li> <li>6. At the time of the visit of GSK, the applicant is required to carry the following details:</li> </ol> |

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|   |            |  | <p>(a) a copy (hard/soft) of the appointment confirmation e-mail</p> <p>(b) the details of jurisdiction as mentioned in the intimation e-mail</p> <p>(c) Aadhaar Card and PAN Card (Original Copies)</p> <p>(d) the original documents that were uploaded with the application, as communicated by the intimation e-mail.</p> <p>7. The biometric authentication and document verification will be done at the GSK, for all the required individuals as per the GST application Form REG-01.</p> <p>8. The applicant is required to choose an appointment for the biometric verification during the maximum permissible period for the application as indicated in the intimation e-mail. In such cases, ARNs will be generated once the Biometric-based Aadhaar Authentication process and document verification are completed.</p> <p>9. The biometric authentication and document verification will be done at the GSK, for all the required individuals as per the GST application Form REG-01.</p> <p>10. The operation days and hours of GSKs will be as per the guidelines provided by the administration in your respective state.</p> |
| 8 | 28.07.2024 | <a href="#">Gross and Net GST revenue collections for the month of June 2024</a> | <p>An advisory to show the gross and net GST revenue collections for the month of June 2024.</p> <p><a href="#">Click here</a> to view the collections</p>   |



GST

Circular-Central Tax

| Notification No. and Date of issue          | Subject   |
|---|---|
| <p>223/17/2024-GST<br/>Dated 26/06/2024</p> | <p>Amendment in circular no. 1/1//2017 in respect of Proper officer for provisions relating to Registration and Composition levy under the Central Goods and Services Tax Act, 2017 or the rules made thereunder.<br/><b><u>HNA Comments:</u></b><br/>Amendment is made to Circular No. 1/1/2017-CT dated 26.06.2017, which initially assigned the functions of proper officers under the CGST Act to various Central Tax officers. Given the transition of GST back-office operations from ACES-GST to GSTN BO, it is necessary to amend the designation of proper officers for various functions related to the Registration and Composition levy. <a href="#">Read more.</a></p>     |
| <p>224/18/2024-GST<br/>Dated 11/07/2024</p> | <p>Guidelines for recovery of outstanding dues, in cases wherein first appeal has been disposed of, till Appellate Tribunal comes into operation<br/><b><u>HNA Comments:</u></b><br/>The circular outlines procedures for recovering outstanding dues after the disposal of the first appeal, pending the establishment of the Appellate Tribunal. It clarifies that taxpayers can halt recovery actions by depositing the required pre-appeal amount through their Electronic Liability Register. This stay remains effective until the appeal is resolved. Taxpayers must also commit to filing a formal appeal once the Tribunal becomes operational. <a href="#">Read more.</a></p> |
| <p>225/19/2024-GST<br/>Dated 11/07/2024</p> | <p>Clarification on various issues pertaining to taxability and valuation of supply of services of providing corporate guarantee between related persons.<br/><b><u>HNA Comments:</u></b><br/>The circular provides crucial clarifications on the taxability and valuation of services related to corporate guarantees between related persons. The clarification includes valuation, ITC eligibility, and GST applicability on takeover of existing loans under corporate guarantee. <a href="#">Read more.</a></p>  |
| <p>226/20/2024-GST<br/>Dated 11/07/2024</p> | <p>Mechanism for refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to export.<br/><b><u>HNA Comments:</u></b><br/>The circular outlines a refund process for exporters where there is a revision of price changes on goods subsequent to exports. Exporters must submit refund claims electronically using Form GST RFD-01. Until the GST portal has a specific category for these claims, exporters should select "Any other" and clearly explain the reason for the refund.</p>  |

GST

Circular-Central Tax

| Notification No. and Date of issue          | Subject  |
|---|--|
| <p>227/21/2024-GST<br/>Dated 11/07/2024</p> | <p>Processing of refund applications filed by Canteen Stores Department (CSD)<br/><b><u>HNA Comments:</u></b><br/>This circular introduces a transparent revised procedure for processing refund applications filed by the Canteen Store Department (CSD) under the GST regime. The new functionality enables CSD to apply for a refund by filing an application electronically in Form GST RFD-10A. <a href="#">Read more.</a></p>  |
| <p>228/22/2024-GST<br/>Dated 15/07/2024</p> | <p>Clarifications regarding applicability of GST on certain services -reg.<br/><b><u>HNA Comments:</u></b><br/>The circular details exemptions for a range of services, including those provided by the Ministry of Railways, transactions with its special purpose vehicles, digital payment incentives, RERA-related collections, reinsurance, and certain accommodation services. <a href="#">Read more.</a></p>  |
| <p>229/24/2024-GST<br/>Dated 15/07/2024</p> | <p>Clarification regarding GST rates &amp; classification (goods) based on the recommendations of the GST Council in its 53rd meeting held on 22nd June, 2024, at New Delhi –reg<br/><b><u>HNA Comments:</u></b><br/>The circular provides clear guidelines on the GST classification and applicable rates for specific goods. This includes information on solar cookers, fire water sprinklers, poultry equipment components, pre-packaged agricultural products, and transactions involving government agencies. <a href="#">Read more.</a></p> |

GST

Notifications-Central Tax (Rate)

| Notification No. and Date of issue | Subject  |
|------------------------------------|--|
| 02/2024-Central Tax (Rate)         | <p>Seeks to amend notification No. 1/2017- Central Tax (Rate)</p> <p><b><u>HNA Comments:</u></b><br/>Seeks to amend Notification No. 1/2018-CT(R) dated 28/06/2017 to change the rate of tax to be charged for certain goods such as corrugated boxes, Milk cans, and Solar cookers vide Notification no. 2/2024-CT(R) dated 12/07/2024. <a href="#">Read more.</a></p>  |
| 03/2024-Central Tax (Rate)         | <p>Seeks to amend notification No. 2/2017- Central Tax (Rate).</p> <p><b><u>HNA Comments:</u></b><br/>Notification No. 3/2024-CT(R) dated 12/07/2024 specifies that the supply of agricultural produce packaged in quantities exceeding 25 kilograms or 25 litres will not be considered a 'pre-packed and labelled' supply under the provisions of clause (ii) of Notification No. 2/2017-CT(R) dated 28/06/2017. <a href="#">Read more.</a></p>  |
| 04/2024-Central Tax (Rate)         | <p>Seeks to amend Notification No 12/2017- Central Tax (Rate) dated 28.06.2017.</p> <p><b><u>HNA Comments:</u></b><br/>Seeks to insert certain entries related to services provided by/to Ministry of Railway and service by way of supply of accommodation having a value of supply less than or equal to 20000 per person per month for a continuous period of a minimum of 3 months in Notification no.12/2017-CT(R) vide Notification no. 04/2024-CT(R) dated 12/07/2024. <a href="#">Read more.</a></p> |

| GST                                |   |
|------------------------------------|---|
| Notifications-Central Tax          |   |
| Notification No. and Date of issue | Subject   |
| 12/2024-Central Tax                | <p>Seeks to amend notification No. 1/2017- Central Tax (Rate)</p> <p><b><u>HNA Comments:</u></b><br/>Seeks to amend the CGST Rules, introducing changes like Aadhaar verification for GST registration, revised ISD rules, new GST return forms, simplified refund procedures, and electronic filing for appeals vide notification no.12/2024-CT dated 10/07/2024.<a href="#">Read more.</a></p>  |
| 13/2024-Central Tax                | <p>Seeks to rescind Notification no. 27/2022-Central Tax dated 26.12.2022.</p> <p><b><u>HNA Comment:</u></b><br/>Seeks to rescind Notification no. 27/2022-CT dated 26/12/2022 which says non-applicability of Aadhar authentication as per the rule 8(4A) of CGST Act for states except Gujarat vide notification no. 13/2024-CT dated 10/07/2024. <a href="#">Read more.</a></p>  |
| 14/2024-Central Tax                | <p>Seeks to exempt the registered person whose aggregate turnover in FY 2023-24 is up to Rs. two crores, from filing annual return for the said financial year..</p> <p><b><u>HNA Comments:</u></b><br/>Notification no. 14/2024-CT dated 10/07/2024: CBIC on the recommendation of the council exempts registered persons having aggregate turnover up to 2 crores in FY 2023-24 are exempted from filing annual returns for the said period. <a href="#">Read more.</a></p> |
| 15/2024-Central Tax                | <p>Seeks to amend Notification No. 52/2018-Central Tax, dated 20.09.2018.</p> <p><b><u>HNA Comments:</u></b><br/>Seeks to amend Notification no. 52/2018-CT dated 20th Sept 2018 to change the rate of TCS to be collected by e-commerce operator from 0.5% to 0.25% vide Notification no. 15/2024-CT dated 10/07/2024.<a href="#">Read more.</a></p>   |

| GST                                 |   |
|-------------------------------------|---|
| Circular-Central Tax                |   |
| Notification No. and Date of issue  | Subject   |
| 217/11/2024-GST<br>Dated 26/06/2024 | <p>Entitlement of ITC by the insurance companies on the expenses incurred for repair of motor vehicles in case of reimbursement mode of insurance claim settlement.</p> <p><b><u>Comments:</u></b><br/>CBIC clarified that insurance companies could avail ITC on repair expenses incurred in reimbursement mode of claim settlement, provided invoices are correctly issued and the conditions under GST laws are satisfied. <a href="#">Read more.</a></p>  |
| 218/12/2024-GST<br>Dated 26/06/2024 | <p>Clarification regarding taxability of the transaction of providing loan by an overseas affiliate to its Indian affiliate or by a person to a related person.</p> <p><b><u>Comments:</u></b><br/>The CBIC’s clarification aims to provide clarity on the GST treatment of loan transactions involving related parties, ensuring that GST is levied appropriately on taxable supplies while exempting purely financial components such as interest or discount .<a href="#">Read more.</a></p>   |
| 219/13/2024-GST<br>Dated 26/06/2024 | <p>Clarification on availability of input tax credit on ducts and manholes used in network of optical fiber cables (OFCs) in terms of section 17(5) of the CGST Act, 2017</p> <p><b><u>HNA Comments:</u></b><br/>Clarification has provided on availability of ITC on ducts and manholes used in network of optical fiber cables (OFCs) that, In view of the Explanation in section 17 of the CGST Act, They are covered under the definition of “plant and machinery” as used directly in the supply of telecommunication services. Therefore, ducts and manholes in OFCs networks are eligible for ITC, as they are neither part of immovable property construction nor fall under specifically excluded categories. <a href="#">Read more.</a></p> |

Customs- Tariff

Notifications

| Notification No. and Date of issue | Subject   |
|------------------------------------|---|
| 27/2024-Customs Dated- 12-07-2024  | <p>Seeks to provide exemption from Compensation Cess leviable on imports by SEZ unit or developer for authorised operations.</p> <p><b>Summary:</b><br/>The CBIC issued this notification to provide a full exemption from Goods and Services Tax (GST) Compensation Cess on all imports made by Special Economic Zone (SEZ) units and developers for authorized operations. This move aims to simplify business operations within SEZs and aligns with the government's broader economic objectives. <a href="#">Read more.</a></p>  |
| 28/2024-Customs Dated- 12-07-2024  | <p>Seeks to amend notification No. 50/2017-Customs to give effect to the recommendation of the 53rd GST Council meeting.</p> <p><b>Summary:</b><br/>The CBIC issued this notification to insert certain entries related to components and part of aircraft and equipment's in notification no. 50/2017-Customs dated 30<sup>th</sup> June, 2017. <a href="#">Read more.</a></p>   |
| 29/2024-Customs Dated-23-07-2024   | <p>Seeks to amend notification No. 154/94-Customs dated the 13th July, 1994 which provides for duty free import of commercial sample</p> <p><b>Summary: -</b><br/>This update comes through Notification No. 29/2024-Customs, which amends the existing Notification No. 154/94-Customs from 1994. The amendment, authorized by the Customs Act of 1962, specifically targets the value limit for duty-free import of commercial samples. Previously set at Rs. 1,00,000, the new limit has been raised to Rs. 3,00,000. This signifies a threefold increase, potentially benefiting businesses that import samples for promotional or demonstration purposes. <a href="#">Read more.</a></p> |
| 30/2024-Customs Dated-23-07-2024   | <p>Seeks to further amend notification No. 50/2017-Customs dated the 30th June, 2017, so as to notify BCD related changes</p> <p><b>Summary:</b><br/>The Indian Ministry of Finance has updated customs duties through Notification No. 30/2024-Customs, issued on July 23, 2024. This notification modifies the Basic Customs Duty (BCD) rates outlined in the previous Notification No. 50/2017-Customs. Notably, new customs duties have been introduced for items such as live SPF Vannamei shrimp brood stock, Artemia, and Shea Nuts, with rates varying from zero to fifteen per cent. <a href="#">Read more.</a></p>  |

| Customs- Tariff                     |   |
|-------------------------------------|---|
| Notifications                       |   |
| Notification No. and Date of issue  | Subject   |
| 31/2024-Customs<br>Dated-23-07-2024 | <p>Seeks to amend notification No. 22/2022-Customs dated 30th April, 2022 to revise rates under India-UAE CEPA.</p> <p><b>Summary:</b><br/>The customs notification dated April 30, 2022 (No. 22/2022-Customs) is being modified to adjust rates under the India-UAE Comprehensive Economic Partnership Agreement (CEPA). Specifically, entry number 12 in Table III is updated with new values in columns 5 and 6, now set at 4 and 1 respectively. These changes will take effect from July 24, 2024.</p> <p><a href="#">Read more.</a></p>                           |
| 32/2024-Customs<br>Dated-23-07-2024 | <p>Seeks to amend notification No. 11/2021-Customs dated 1st February, 2021 so as to revise AIDC applicable on certain items.</p> <p><b>Summary:</b><br/>The Indian government has updated the Agriculture Infrastructure and Development Cess (AIDC) rates applicable to certain goods. Through Notification No. 32/2024-Customs, issued on July 23, 2024, the Ministry of Finance has revised the AIDC rates specified in Notification No. 11/2021-Customs. These changes, effective immediately, affect items listed as 15A to 15G and range from 0.35% to 1.4%.</p> |
| 33/2024-Customs<br>Dated-23-07-2024 | <p>Seeks to amend notification No. 57/2000-Customs dated 8th May 2000, which provides concessional rate for gold, silver and platinum imported under specified schemes.</p> <p><b>Summary:</b><br/>The government has lowered the import duty on gold, silver, and platinum under specific schemes. This change reduces the concessional rate from 9.35% to 4.35% for all items listed under Sl. No. 1 in the relevant notification. The new duty rate will take effect from July 24, 2024. <a href="#">Read more.</a></p>  |
| 34/2024-Customs<br>Dated-23-07-2024 | <p>Seeks to amend notification related to electronics including Nos.25/1999-Customs, 25/2002-Customs and 57/2017- Customs.</p> <p><b>Summary:</b><br/>The CBIC further makes an amendment in notification no. 25/1999-Customs, notification no. 25/2002-Customs, notification no. 57/2017- Customs. <a href="#">Read more.</a></p>  |

| Customs- Tariff                     |  |
|-------------------------------------|--|
| Notifications                       |  |
| Notification No. and Date of issue  | Subject  |
| 36/2024-Customs<br>Dated-23-07-2024 | <p>Seeks to provide exemption/concessional rate of BCD and SWS to critical minerals.</p> <p><b>Summary:</b><br/>The Indian government has announced significant tax concessions for critical minerals. Through Notification No. 36/2024-Customs, issued on July 23, 2024, import duties and the Social Welfare Surcharge on minerals such as natural graphite, cobalt, and lithium have been reduced or eliminated. These changes aim to boost the domestic mining and processing of these vital materials . <a href="#">Read more.</a></p>  |
| 37-2024-Customs<br>Dated-23-07-2024 | <p>Seeks to amend notification no. 27/2011-Customs dated 1st March, 2011 in order to amend the export duty on specified items of raw hides, skins and leather.</p> <p><b>Summary:</b><br/>The Indian government has implemented new export duties on raw hides, skins, and leather products. Issued on July 3rd, 2024, Notification No. 37/2024-Customs amends Notification No. 27/2011-Customs, revising the duty structure. These changes take effect on July 24th, 2024, and introduce tiered rates. <a href="#">Read more.</a></p>   |
| 38-2024-Customs<br>Dated-23-07-2024 | <p>Seeks to amend 32 notifications in order to extend their validity to a further period and amend notification No. 153/94-Customs to extend the time period for re-export of certain foreign origin goods when imported for maintenance, repair and overhaul.</p> <p><b>Summary:</b><br/>Notification No. 38/2024-Customs, dated July 23, 2024, specifically extends the time period for re-exporting foreign goods brought into the country for maintenance, repair, or overhaul. Additionally, it adjusts deadlines in other existing customs notifications to ensure their continued relevance. <a href="#">Read more.</a></p> |
| 39-2024-Customs<br>Dated-23-07-2024 | <p>Seeks to amend notification No. 45/2017-Customs dated 30th June, 2017 in order to extend the time period of re-import.</p> <p><b>Summary:</b><br/>The government has increased the timeframe for re-importing aircraft fuels and lubricants from three to five years. This change is outlined in Notification No. 39/2024-Customs, issued on July 23, 2024, which amends previous regulations. Additionally, the notification introduces duty-free re-import provisions for lubricating oils and non-aviation turbine fuels stored in aircraft tanks, under specific conditions. <a href="#">Read more.</a></p>                 |



| Customs- Tariff                     |  |
|-------------------------------------|--|
| Notifications                       |  |
| Notification No. and Date of issue  | Subject  |
| 40/2024-Customs<br>Dated-29-07-2024 | <p>Seeks to amend Notification No. 22/2022-Customs, dated 30.04.2022 (UAE CEPA).</p> <p><b>Summary:</b><br/>The Indian government has adjusted customs duties on specific goods under the Comprehensive Economic Partnership Agreement (CEPA) with the United Arab Emirates. The changes, outlined in Notification No. 40/2024-Customs issued on July 29, 2024, modify the previous duty rates listed in Table II of the agreement. <a href="#">Read more.</a></p>   |
| 41/2024-Customs<br>Dated-31-07-2024 | <p>Seeks to amend notification No. 50/2017- Customs, dated 30.06.2017, in order to prescribe conditional BCD rate of 10% on Laboratory Chemicals [excluding undenatured ethyl alcohol of any alcoholic strength], falling under HS 9802 00 00, for specified use.</p> <p><b>Summary:</b><br/>A new 10% customs duty (Basic Customs Duty or BCD) has been introduced for laboratory chemicals (excluding undenatured ethyl alcohol). This applies to chemicals classified under HS code 9802 00 00 and used specifically for laboratory or research and development purposes. The duty is conditional upon the importer providing an undertaking to not sell or trade the chemicals after import.</p> |

Customs- Instructions & Guidelines

Instructions

| Instruction No. and Date of issue | Subject  |
|-----------------------------------|--|
| 17/2024-Customs Dated-05-07-2024  | <p>Authorised Officers under Section 25 read with Section 47 (5) of Food Safety Standards (FSS) Act, 2006 and Regulation 13 (1) of FSS (Import) Regulation, 2017 -reg.</p> <p><b>Summary:</b><br/>The government has updated the list of officials responsible for food safety and expanded the number of places where imported food can enter India. Four new locations have been added to the existing 155 entry points. These new locations are in Tamil Nadu, Goa, and Bihar <a href="#">Read more.</a></p>  |
| 18/2024-Customs Dated-10-07-2024  | <p>Applicability of SCOMET policy on Irregular aluminium Powder -Clarification by DGFT -reg.</p> <p><b>Summary:</b><br/>The government has updated export rules for aluminium powder. Round or oval-shaped aluminium powder is now considered a controlled item and must be tested by a government or approved lab before it can be exported. Additionally, aluminium powder that reacts easily also needs a special export permit. The government can inspect the product or ask for proof of its manufacturing process. <a href="#">Read more.</a></p> |
| 19-2024-Customs Dated-22-07-2024  | <p>Provisional attachment of bank account(s) - Section 110 (5) of Customs Act, 1962 -reg.</p> <p><b>Summary:</b><br/>The directive mandates a written order, authorized by a senior customs official, to justify any bank account attachment aimed at safeguarding revenue or thwarting smuggling activities. This order must be formally delivered to both the bank and account holder and clearly outline the officer's rationale. <a href="#">Read more.</a></p>  |

Customs- Tariff

Circulars

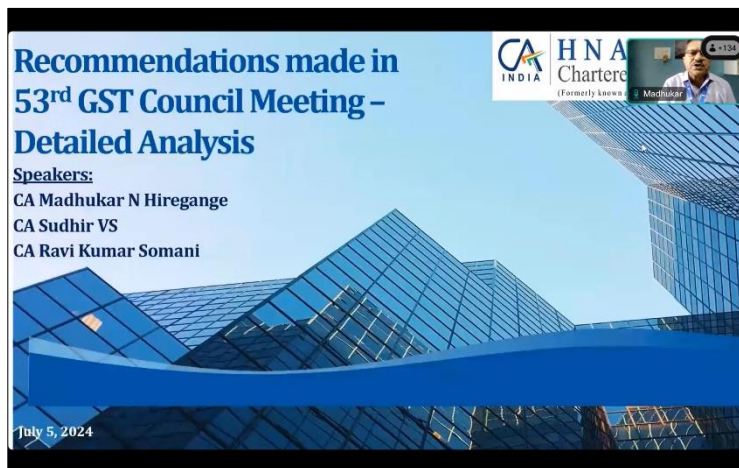
| Circular No. and Date of issue       | Subject  |
|--------------------------------------|--|
| 09/2024-Customs Dated-<br>09-07-2024 | <p>Amendment in Circular No. 29/2020-Customs dated 22.06.2020 for allowing transshipment of Bangladesh export cargo to third countries through Air Cargo Complex, Kempegowda International Airport, Bengaluru-reg.</p> <p><b>Summary:</b><br/>The amendment allows Bangladeshi goods to be transferred (transhipped) from planes to other planes at Bengaluru airport for shipment to foreign destinations (third countries). This new route, added to existing options in Kolkata and Delhi, is expected to speed up cargo handling and transport. <a href="#">Read more.</a></p> |

HNA National webinar organised on “Discussion on Recommendations made in 53<sup>rd</sup> GST Council Meeting” on 05<sup>th</sup> July, 2024.

Speakers: CA Madhukar N Hiregange

CA Sudhir V S

CA Ravi Kumar Somani



### Other Clarifications

- ❑ Goods subjected to export duty not eligible for refund under automated route also - whether exports made with/ without payment of GST - Restriction also applies to supplies made to SEZ
- ❑ Amount paid through DRC-03 to be considered towards pre-deposit for filing of appeal
- ❑ Clarification on mechanism for providing evidence for reversal of ITC by recipient where supplier claims adjustment on issuance of credit note - Impact of Raj HC judgment in case of HUL
  - ✓ Whether mechanism to be built online?
  - ✓ Certificate from the recipient of supply, issued by the CA/ CMA certifying that recipient has made the required proportionate reversal of ITC for ITC > 5 lacs.
  - ✓ Self - certification < 5 lacs
  - ✓ In case where the recipient reverses after some time on a delayed basis and not in the same month. Would it lead to levy of demand of interest by the department.
  - ✓ Whether this also needs to be applied in cases of other credit notes issued u/s 34 for situations that of other than the discounts

### Amnesty - Waiver Of Interest And Penalty

- 1 Section 128A inserted to for conditional waiver of interest and penalty for demands raised u/s.73.
- 2 if total GST demand as per the SCN/Order must be paid on or before 31.03.2025  
Period covered - FY 2017-18, 2018-19 and 2019-20
- 3 Benefit of waiver not available where GST demand is not paid for all disputes covered in SCN/Order
- 4 No refund of interest and penalty, if already paid by the taxpayer
- 5 Waiver does not cover demands of erroneous refunds

Webinar organised by CYGNET.ONE on “**Decoding Indirect tax Budget – 2024 proposals and its business impact**” on 05<sup>th</sup> July, 2024.

Speakers: **CA Ashish Chaudhary**  
**CA Roopa Nayak**

**Decoding Indirect Tax Budget**  
2024 Proposals and its  
business impact

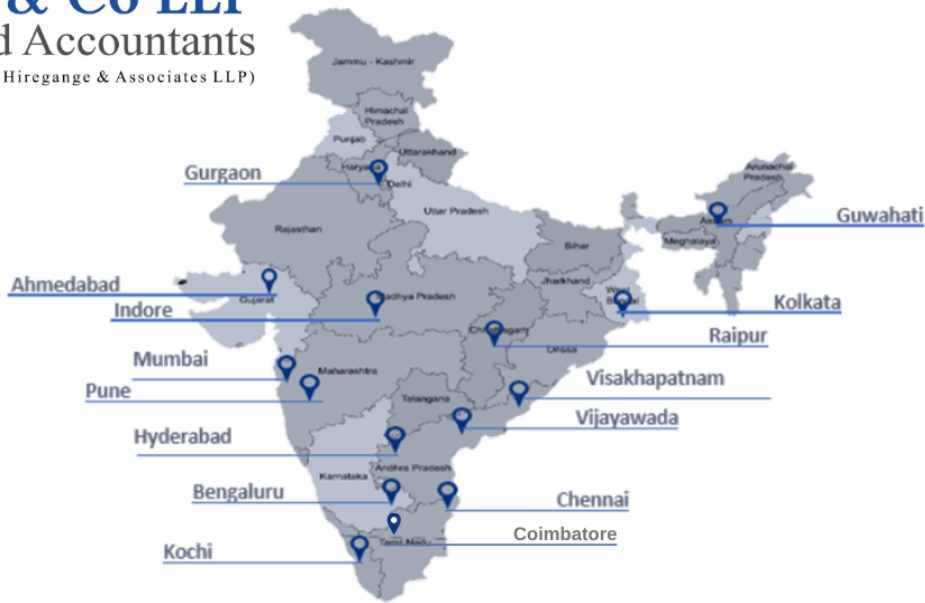
**Wednesday , 24<sup>th</sup> July 2024**  
**4.30 to 6.00 PM IST**

**CYGNET.ONE**

**Niraj Hutheesing**  
Founder & MD,  
Cynet.One

**Ashish Chaudhary**  
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