

Indirect Tax

August, 2024

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01

Advance Rulings & Judgements

Authority for Advance Ruling (AAR) of Karnataka held that where retention bonus, joining bonus, work from home allowance and expenses under Tuition Assistance Program (TAP) are in nature of perquisites provided by applicant-employer to its employees, therefore, recovery of joining bonus, retention bonus, work from home allowance and expenses under TAP are not taxable under GST.



Brief Facts

- The Applicant M/s. Fidelity Information Services Private Limited is engaged in the business of providing software development and maintenance services and Information Technology Enabled Services (ITES) including but not limited to back office, call center services, business support services to both domestic as well as overseas customers.
- The Applicant is recovering retention bonus, joining bonus, work from home allowance and expenses under TAP, only when employee wishes to voluntarily exit organization within stipulated time period as mentioned in terms and conditions laid out with respect to each bonus/allowance. The intention behind such bonus/allowance is to incentivize and motivate employee to remain in organization.



Issue Involved

- The Applicant recovers joining bonus and retention bonus on account of employee's inability to serve the organization (or a particular department, in case of retention bonus) for a pre-agreed period. Whether GST would be applicable on such recovery of bonus?
- Whether GST would be applicable on recovery of work from home one-time setup allowance paid to the employees in case where the employees exit before serving the pre-defined period from the payout date?

- Whether GST would be applicable on recovery of amount paid as financial assistance to employees under Tuition Assistance Program (TAP) policy in case where the employee exit before serving the pre-agreed period in the organization?



Decision

- AAR referred to SI No. 5 of Circular No. 172/04/2022-GST dated 6-7-2022 which states that any perquisites provided by employer to its employees in terms of contractual agreement entered into between employer and employee are in lieu of services provided by employee to employer in relation to his employment. It follows therefrom that perquisites provided by the employer to employee in terms of contractual agreement entered into between employer and employee, will not be subjected to GST when same are provided in terms of contract between employer and employee.
- AAR hence concluded that retention bonus, joining bonus, work from home allowance and expenses under TAP are also in nature of perquisites provided by employer to its employees – Therefore, recovery of joining bonus, retention bonus, work from home allowance and expenses under TAP are not taxable under GST.

[Advance Ruling No. KAR ADRG 31/2024, dated 2 July 2024]

Hon'ble High Court of Delhi sets aside the Demand Order issued against the SCN uploaded by GST Authorities under wrong category on GST portal.



Brief Facts

- In the given case, the petitioner was issued a SCN which was uploaded by the GST Authorities in category of “Additional Notices” instead of “Notices” which was not easily accessible to the petitioner.
- Accordingly, it was claimed that the SCN was not received by the petitioner and hence petitioner did not file any response or appeared for the hearing. Therefore, the GST Authorities passed the demand order on an ex-parte basis.



Observations

- Whether the petitioner was denied an opportunity to respond to the SCN due to improper categorization and inaccessibility of the notice, thereby warranting a reconsideration of SCN by GST Authorities?



Decision

- The High Court of Delhi disposed the petition on the grounds that the GST Authorities must adjudicate the impugned SCN while taking into account the petitioner's claim. The GST Authorities were directed to consider the petitioner's response and afford them an opportunity to be heard before making any determination of tax demand.

- The High Court of Delhi accordingly set aside the demand order by directing the GST Authorities to allow the petitioner to present her case in response to SCN.

[Kamla Vohra Vs Sales Tax Officer (W.P. (C) No. 9261 of 2024 and C.M. Appl. No. 37933 of 2024 (Stay) – Delhi HC) dated 10 July 2024]

Madras High Court sets aside the demand order issued by GST Authorities based on excess turnover reflected in E-way Bill portal which was on account of several non-taxable supplies made by the taxpayer as compared to turnover reported in GSTR 3B.



Brief Facts

- The Petitioner was issued an inquiry notice addressing the discrepancies between the value of turnover reported in GST returns in comparison to E-way portal.
- Being dissatisfied by the response filed by the petitioner, GST Authorities issued a notice to show cause with regard to the mismatch between the value of e-way bills generated on the e-way bill portal and returns filed by the petitioner in Form GSTR 3B.



Observations

- The petitioner explained that e-way bills were raised under several categories, including categories where there was no taxable supply and consequently, there would be mismatch between data reflected in e-way bill portal and petitioner's GSTR 3B returns. However, petitioner had not annexed supporting documents to reply, vide subsequent communication all relevant outward and inward delivery challans and outward and inward e-way bill reports were submitted by petitioner.



Decision

- The High Court of Madras set aside the impugned order passed by the GST Authorities on the condition that petitioner accepts and remits the disputed demand of Rs. 3.5 crores within prescribed time limit.
- The High Court of Madras also permitted the petitioner to

submit fresh response to Show Cause Notice along with all relevant documents and directed GST Authorities to provide a reasonable opportunity of being heard and accordingly issue a fresh order based on the fresh submissions made by the petitioner.

[Itares Shoes Private Limited vs Additional Commissioner, O/O of Principle Commissioner of CGST and Central Excise (W.P. No. 16889 of 2024 and W.M.P No. 18576 of 2024) dated 07 July 2024]

Hon'ble High Court of Madras quashes demand order issued by GST Authorities based on the difference in ITC availed on Import of Goods by the taxpayer not reflected in GSTR 2A.



Brief Facts

- The case of the petitioner is that the petitioner had imported timber from overseas customer and had paid IGST at the time of import.
- The Petitioner was issued an inquiry notice addressing the discrepancies between the value of ITC availed on Import of Goods in comparison to GSTR 2A.
- However, the petitioner failed to respond to the inquiry/show cause notice or attend the personal hearing in this regard. Therefore, the GST Authorities passed the demand order on ex-parte basis.



Observations

- Whether the discrepancies of ITC between GST returns and GSTR 2A warrants the imposition of tax demand on petitioner?
- Whether the payment of IGST at the time of imports constitutes a valid ground for the petitioner to claim ITC?



Decision

- The High Court of Madras set aside the impugned order & remitted the matter back to the GST Authorities stating that there is no scope for auto population ITC on IGST in GSTR 2A as the overseas vendors from whom the goods are imported are not liable to take registration under GST laws in India.

[Xavier Timber Vs State Tax Officer [W.P. (MD) No. 14497 of 2024 and W.P. (MD) No. 12735 of 2024 – Allahabad HC, dated 2 July 2024]

02

GST Updates

**CBIC notifies changes
in GST rates on Goods
as per 53rd GST
Council Meeting.**

- CBIC has notified change in rate of goods from 18% to 12% for the following goods:

Description of Goods	HSN Code
Cartons, boxes and cases of, – <ul style="list-style-type: none">• corrugated paper or paper board; or• non-corrugated paper or paper board	4819 10 and 4819 20
Milk cans made of Iron, Steel, or Aluminium	7310, 7323, 7612 and 7615
Solar Cookers	7321 and 8516

- The change in GST rate is effective from 15 July 2024.

[Notification No. 02/2024 - Central Tax (Rate) and Notification No. 02/2024 - Integrated Tax (Rate) dated 12 July 2024]



CBIC notifies the Supply of Farm Produce in Packages over 25 kgs/litres not considered as Supply.

- CBIC notifies that supply of agricultural farm produce in package(s) of commodities containing quantity of more than 25 kilogram or 25 litre shall not be considered as a supply made within the scope of expression 'pre-packaged and labelled' and therefore, no GST would be applicable on the same.
- This notification is effective from 15 July 2024.

[Notification No. 03/2024 - Central Tax (Rate) and Notification No. 03/2024 - Integrated Tax (Rate) dated 12 July 2024]

CBIC exempts GST on Railway and Accommodation Services.

- CBIC exempts GST on various services provided by Indian Railways, Special Purpose Vehicle (SPV) and Accommodation services as per below:
 - a. Services provided by Ministry of Railways (Indian Railways) to Individuals by way of
 - Sale of Platform Tickets
 - Facility of retiring/waiting rooms
 - Cloak room services
 - Battery Operated Car services
 - b. Intra Railway Department services
 - c. Services provided by SPV to Railways
 - Use of Infrastructure
 - Maintenance Services



d. Supply of Long-Term Accommodation services with a value of supply of up to Rs. 20,000/- per person per month for minimum continuous period of 90 days

- This notification is effective from 15 July 2024.

[Notification No. 04/2024 - Central Tax (Rate) and Notification No. 04/2024 - Integrated Tax (Rate) dated 12 July 2024]

Amendment in Central Goods and Services Tax (CGST) Rules, 2017

Application for registration (Rule -8 New proviso Added) w.e.f. Notified date:

For individuals who have not opted for Aadhaar authentication, additional steps are required to complete their application process. These are as under:

- If the applicant is an individual, their photograph must be taken. If the applicant is not an individual, photographs of the notified individuals related to the applicant must be taken.
- The original documents uploaded with the GST registration application in FORM GST REG-01 must be verified in person.
- Such verification must be done at a Facilitation Center notified by the Commissioner.
- The application is considered complete only after these steps are successfully completed. Certain persons or entities, as notified, are exempt from this requirement.



Registration to be cancelled in certain cases (Rule 21) – Additional Criteria inserted w.e.f. 10.07.2024:

- Amendment in Clause (f) - At present this clause pertained to specific conditions related to the filing of FORM GSTR-1, which is a return for outward supplies. Now, this amendment implies that not only the original FORM GSTR-1 but also any subsequent amendments made in FORM GSTR-1A (which allows for rectifications) are relevant for the conditions specified in clause (f).
- New Clause (ga) - This addition means that if a taxpayer violates the specified provisions in the third or fourth proviso of sub-rule (1) of rule 23, it can lead to the cancellation of their registration.

Suspension of registration (Rule 21A) – w.e.f. 10.07.2024:

This amendment ensures that both the original GSTR-1 and any amendments made in GSTR-1A are considered for the conditions specified in Rule 21A.

Value of supply of goods or services or both between distinct or related persons, other than through an agent (Rule 28) w.e.f. 26.10.2023:

- Amendment in Clause (2) i.e. valuation of supply of services by a supplier to a recipient who is a related person, by way of providing corporate guarantee to any banking company or financial institution on behalf of the said recipient.
- Now, the changes specify that the related person must be located in India and clarify that the guarantee amount is on a per annum basis.
- Further, a new proviso has been inserted, which provides that if the recipient can claim full input tax credit, the invoice value will be accepted as the value of the supplied services. In other words, full ITC eligibility means invoice value is accepted as supply value.

Documentary requirements and conditions for claiming input tax credit (Rule 36) Reversal of input tax credit in the case of non-payment of tax by the supplier and re-availment thereof (Rule 37A) Manner of claiming credit in special circumstances (Rule 40) Manner of issuing invoice (Rule 48) Matching of details furnished by the e-Commerce operator with the details furnished by the supplier (Rule 78) w.e.f. 10.07.2024:

The words “FORM GSTR-1” amended as “FORM GSTR-1 and FORM GSTR-1A if any”. This ensures that any amendments made in GSTR-1A are also considered along with the original GSTR-1 in these GST provisions.

Procedure for distribution of input tax credit by Input Service Distributor (Rule 39) w.e.f. Notified date:

Introduces a mechanism for transferring credit of common input services to the ISD through invoices or credit/debit notes, ensuring proper credit distribution. Adjustments to clause references in Sub-rules (2) and (3) to align with the new structure. Provides clear definitions for the relevant period, recipient of credit, and turnover to ensure proper implementation and understanding of the rule.

a. Substitution of Sub-rule (1):

- The Input Service Distributor (ISD) must distribute the input tax credit (ITC) for a month in the same month and furnish the details in FORM GSTR-6 as per Chapter VIII of the rules.
- The amount of credit distributed must not exceed the available credit for distribution.
- ITC for services attributable to a specific recipient must be distributed only to that recipient.
- For services attributable to multiple recipients, ITC must be distributed pro-rata based on each recipient’s turnover in the relevant period relative to the aggregate turnover in a State or turnover in a Union territory of all recipients, to the aggregate of the turnover of all such recipients to whom such input service is attributable and which are operational in the current year, during the said relevant period.

- For services attributable to all recipients, ITC must be distributed pro-rata based on each recipient's turnover in the relevant period relative to the aggregate turnover of all recipients which are operational in the current year, during the said relevant period.
- ISD must separately distribute eligible and ineligible ITC as per Section 17(5) or otherwise.
- ITC on central, state, union territory, and integrated tax must be distributed separately.
- ITC on integrated tax must be distributed as integrated tax to all recipients.
- For recipients in the same state/UT as the ISD, distribute as central and state/UT tax. For recipients in different states/UTs, distribute as integrated tax, with the amount equal to the sum of central and state/UT tax ITC qualifying for distribution.
- ISD must issue an invoice for ITC distribution as per Rule 54(1), clearly indicating it's for ITC distribution.
- ISD must issue a credit note for reducing ITC already distributed, as per Rule 54(1).
- Additional ITC from a debit note to ISD must be distributed according to the conditions in clauses (a) to (j) and using the formula in clause (f), distributed in the month the debit note is included in FORM GSTR-6.
- ITC reduction from a credit note must be apportioned in the same ratio as the original ITC distribution. Reduce from the ITC distribution in the month the credit note is included in FORM GSTR-6. Add to the output tax liability of the recipient if the apportioned amount is negative due to the ITC under distribution being less than the amount to be adjusted.

b. Insertion of New Sub-rule (1A) For the distribution of credit in respect of input services attributable to one or more distinct persons subject to tax under Section 9(3) or 9(4): A registered person with the same PAN and State code as the Input Service Distributor (ISD) may issue an invoice or a credit/debit note per Rule 54(1A). This is to transfer the credit of common input services to the ISD. The ISD will then distribute this credit as per the provisions in Sub-rule (1).

These amendments aim to improve the clarity and efficiency of credit distribution by the ISD, ring proper attribution of input services and facilitating accurate credit transfer within entities under the same PAN.

Form and manner of furnishing details of outward supplies (Rule 59) w.e.f. 10.07.2024:

- B2CL Interstate Invoice wise reporting will be required for Invoice value More than 1 lac (previously it was 2.5 lac per invoice). This is effective from 1 August 2024.
- Insertion of a Proviso to rule 59(1) of the CGST Rules to introduce Form GSTR-1A stating that after furnishing the details of outward supplies in Form GSTR-1 for a tax period but before the filing of return in Form GSTR-3B for the said tax period, a registered person may at their own option, amend or furnish additional details of outward supplies in Form GSTR-1A for the said tax period.
- Instructions for filing Form GSTR-1A have clarified that –
 - It is an additional facility provided to add any particulars the of current tax period missed out in reporting in Form GSTR-1 of the current tax period or amend any particulars already declared in Form GSTR-1 of the current tax period [including those declared in invoice furnishing facility (IFF), for the first and second months of a quarter, if any, for quarterly taxpayers].
 - The particulars declared in Form GSTR-1A along with the particulars declared in Form GSTR-1 will be made available in Form GSTR-3B.
 - The form is an optional form without the levy of late fees.
 - Amendment of a document which is related to a change in the recipient's GST Identification Number (GSTIN) will not be allowed.
 - In addition to the Form GSTR-2B already generated, Form GSTR-2B will also consist of all the supplies declared by the respective suppliers in Form GSTR-1A. However, supplies declared or amended in Form GSTR-1A will be made available in the next open Form GSTR-2B.
 - Importantly, the amendment of a document which is related to change in the recipient's GSTIN is not allowed.

🛡️ **Form and manner of submission of quarterly return by the composition supplier (Rule 62) w.e.f. 10.07.2024 – Time Extension for FORM GSTR-4**

Registered persons must furnish FORM GSTR-4 for a financial year by 30th June of the following year starting from FY 2024-25.

🛡️ **Manner of calculating interest on delayed payment of tax (Rule 88B) w.e.f. 10.07.2024:**

Proviso is inserted in rule 88B(1) of the CGST Rules to provide that the amount credited in the electronic cash ledger (ECL) on or before the due date of filing return but debited from ECL after the due date will not be considered for calculating the 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 the return.

🛡️ **Manner of dealing with difference in liability reported in statement of outward supplies and that reported in return (Rule 88C) w.e.f. 10.07.2024:**

Inclusion of Amendments in FORM GSTR-1A – The amendment clarifies that any additional details or amendments made in FORM GSTR-1A should be considered, similar to those in FORM GSTR-1, when addressing sub-rule (1) of Rule 88C.

🛡️ **Application for refund of tax, interest, penalty, fees or any other amount (Rule 89) w.e.f. 10.07.2024:**

- **New Provisions for Refund Claims (Sub-rule 1B):** Allows Exporters to claim refund of additional Integrated Goods and Service Tax (IGST) paid on account of the upward revision in the price of goods subsequent to exports, and on which the refund of IGST paid at the time of their export has already been sanctioned as per rule 96 of the CGST Rules. An application should be filed via Form GST RFD-01 before the expiry of two years from relevant date as per Explanation (2)(a) of section 54 of the CGST Act.
- Where such a time limit has already lapsed, the refund application is to be filed before the expiry of two years from 10 July 2024.

- **Additional Documentation Requirements (Sub-rule 2):** a. Requires a detailed statement containing specific invoice, shipping bill, Bank Realisation Certificate details, and supplementary invoices or debit notes. b. Mandates proof of payment of additional integrated tax and related interest. c. Requires a certificate from a practicing chartered accountant or cost accountant confirming additional foreign exchange remittance due to price revisions. d. Requires a reconciliation statement to reconcile values declared in supplementary invoices and related remittance certificates.

 **Refund of tax paid on inward supplies of goods received by Canteen Stores Department (Newly inserted Rule 95B) w.e.f. 10.07.2024:**

According to this rule, the Canteen Stores Department (CSD) is eligible for a refund of 50% of the central tax paid on inward supplies of goods used for subsequent supply to Unit Run Canteens or authorised customers. The CSD must apply for the refund quarterly using FORM GST RFD-10A, submitted electronically through the common portal. Refund applications in FORM GST RFD-10A will be processed similarly to those filed in FORM GST RFD-01, following the provisions of rule 89.

Conditions for Refund Eligibility:

- Proper documentation and tax invoice from registered suppliers.
- Inclusion of the CSD's name and GSTIN on the tax invoices.
- Receipt of goods by the CSD for the specified purpose of subsequent supply.
- Also, a new FORM GST RFD-10A has been introduced in relation to this rule.

Refund of integrated tax paid on goods exported out of India (Rule 96) w.e.f. 10.07.2024:

Amendment provides the exporter of goods may file an application electronically in FORM GST RFD-01 through the common portal for refund of additional integrated tax paid on account of upward revision in price of goods subsequent to export of such goods, and on which the amount of integrated tax paid at the time of export of such goods has already been refunded in accordance with provisions of sub-rule (3) of this rule, and such application shall be dealt with in accordance with the provisions of rule 89

Refund of integrated tax paid on export of goods or services under bond or Letter of Undertaking (Rule 96A) w.e.f. 10.07.2024:

Amendment provides that additional 15 days to be allowed after expiry of one year including all extensions permitted by the Reserve Bank of India, whichever is later, from the date of issue of the invoice for export, if the payment of such services not received by the exporter in convertible foreign exchange or in Indian rupees.

Information to be furnished prior to commencement of movement of goods and generation of e-way bill (Rule 138) w.e.f. Notified date:

- Fourth proviso is inserted in rule 138(3) of the CGST Rules to provide that an unregistered person who is required to generate e-way bill in Form GST EWB-01 as per the fourth proviso to rule 138(1) of the CGST Rules or opted to generate e-way bill, will submit the details in Form GST ENR- 03.
- After the validation of such details, a unique enrolment number will be generated and communicated to the unregistered person.

 **New functionality of Form GST DRC-03A to adjust amount already paid through Form GST DRC03 (Rule 142) w.e.f. 10.07.2024:**

- If payments are made through Form GST DRC-03 towards a demand inadvertently, an application can be made in Form GST DRC-03A. The amount so paid will be adjusted as if the said payment was made towards the said demand on the date of such intimation through Form GST DRC-03.
- The amount so paid can be adjusted towards the pre-deposit required under sections 107 and 112 of the CGST Act. The remaining amount of confirmed demand will be stayed.
- If the taxpayer does not file an appeal within the timelines prescribed in sections 107 and 112 of the CGST Act, read with the Removal of Difficulty Order, the remaining amount of the demand will be recovered as per the provisions of the law.
- The application in Form GST DRC-03A cannot be made in cases where proceedings have already been concluded by issuance of an order in Form GST DRC-05 as per the rule 142(3) of CGST Rules.
- Until Form GST DRC-03A is available on the common portal, taxpayers can intimate the proper officer in cases of inadvertent payment of pre-deposit through Form GST DRC-03 to avoid recovery actions.
- Once Form GST DRC-03A is available, taxpayers must file it on the portal to adjust payments against pre- deposit requirements.
- However, where the taxpayer fails to file an application in Form GST DRC-03A on the common portal, the proper officer may proceed to recover the amount payable as per the provisions of sections 78 and 79 of the CGST Act.

Procedures regarding amounts payable in respect of notice or order under the CGST Act (Rule 142) w.e.f. 10.07.2024:

- Substitution made under sub-rule (2) of rule 142 of the CGST Rules to provide that the proper officer will issue an acknowledgement electronically on the common portal in Form GST-04 accepting that payment has been made by the said person in Form GST DRC-03.
- Sub-rule (2B) of the CGST Rules has been inserted to provide that where the amount of tax, interest and penalty or any other amount is payable by a person under sections 52, 73,74, 76, 77, 122, 123,124, 125,127,129 and 130 of the CGST Act has been paid through intimation in Form DRC-03, the said payments made via Form GST DRC-03 can be credited to the electronic liability register unless an order in Form GST DRC-05 has concluded the proceedings.

[Notification No. 12/2024 - Central Tax dated 10 July 2024]

CBIC revokes Notification No. 27/2022 – Central Tax dated 26 December 2022.

- Notification No. 27/2022 – Central Tax provided that the provisions of sub-rule 4A of the CGST Rules, 2017, would only be enforced in the State of Gujarat. The sub-rule 4A of the CGST Rules, 2017, provides that the application for registration shall be deemed to be complete only after the biometric-based Aadhaar authentication and taking photograph of the applicant in case of an individual or of such individuals in relation to the applicant as notified where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in **FORM GST REG-01** at one of the notified Facilitation Centres.
- Effective from 10 July 2024, CBIC has revoked the above Notification No. 27/2022-Central tax, and hence the provisions relating to biometric-based Aadhaar authentication as prescribed under sub-rule (4A) would no longer apply to the state of Gujarat.

[Notification No. 13/2024 - Central Tax dated 10 July 2024]



CBIC exempts small taxpayers from filing of Annual Return in Form GSTR 9.

- CBIC has exempted the registered person whose aggregate turnover in the financial year (FY) 2023-24 is up to 2 crores from filing an annual return in Form GSTR-9 for FY 2023-24.

[Notification No. 14/2024 - Central Tax dated 10 July 2024]

CBIC reduces TCS rates for supplies being made through electronic commerce operator (ECOs).

- CBIC has reduced the rate of TCS for supplies made through ECO from present 1% [CGST + State GST (SGST) or IGST or Union Territory GST (UTGST)] to 0.5% (CGST + SGST or IGST or UTGST).

[Notification No. 15/2024 - Central Tax and Notification No. 01/2024 – Integrated Tax dated 10 July 2024]



Proper officer Provisions amended for GST Registration & Composition Levy

- Due to the shifting of the GST back-office operations of Central Board of Indirect Tax & Customs from ACES-GST to GSTN BO, accordingly the functions of proper officer as per CGST Rules.

[Circular No. 223/17/2024 - GST dated 10 July 2024]

Clarification for recovery of outstanding dues, in cases wherein first appeal has been disposed of, till Appellate Tribunal comes into operation.

- Due to the non-operational status of the GST Appellate Tribunal, taxpayers cannot currently file appeals under section 112 of the CGST Act against appellate authority orders and therefore are not able to make the pre-deposit under section 112(8) of the CGST Act.
- Revenue authorities are adopting the view that, in such cases, no stay is granted, and are resorting to recovery proceedings.
- It is clarified that where the taxpayer decides to file an appeal against the order of the appellate authority and follow the below path on GST portal to make the payment of the pre deposit:
 - Navigating to Services >> Ledgers>> Payment towards demand, from dashboard.
 - Navigated to Electronic Liability Register (ELL) Part-II.
 - Select the order against which payment is intended to be made and make the payment.

- The said amount deposited by the taxpayer will be adjusted against the amount of pre-deposit required at the time of filing appeal before the Appellate Tribunal.
- The taxpayer would need to file an undertaking or declaration with the jurisdictional proper officer that she or he will file an appeal against the order of the appellate authority before the Appellate Tribunal, as and when it comes into operation within the timelines provided under section 112 of the CGST Act.
- Consequently, recovery of the remaining amount of confirmed demand as per the order of the appellate authority will stand as per provisions of section 112(9) of the CGST Act.
- If the taxpayer does not make the payment of the pre-deposit or does not provide the undertaking or declaration, then it will be presumed that the taxpayer is not willing to file an appeal. Similarly, when the GST Appellate Tribunal comes into operation, if the taxpayer does not file an appeal within the timelines specified in section 112 of the CGST Act read with the CGST (Ninth Removal of Difficulties) Order, 2019 dated 3 December 2019 (Removal of Difficulty Order), the remaining amount of the demand will be recovered as per the provisions of the law.
- In some cases, taxpayers have already paid amounts that were intended to have been paid towards a demand, through FORM GST DRC-03, In such cases, the said person can file an application in FORM GST DRC 03A, electronically on the common portal, and the amount so paid and intimated through the FORM GST DRC 03 shall be adjusted as if the said payment was made towards the said demand on the date of such intimation through FORM GST DRC 03.

[Circular No. 224/18/2024 - GST dated 11 July 2024]

Clarification on various issues pertaining to taxability and valuation of supply of services of providing corporate guarantee between related persons.

- The valuation of the corporate guarantee service has to be done based on the amount guaranteed, not on the actual loan disbursed. ITC will be available irrespective of the loan disbursement status.
- When multiple entities provide a guarantee, the valuation thereof is based on the actual consideration or 1% of the guaranteed amount, whichever is higher. Each co-guarantor's GST liability is proportionate to their share of the guarantee.
- In terms of the amended rule 28(2) of the CGST Rules, GST is to be computed based on 1% of the guarantee offered per annum or the actual consideration, whichever is higher.
 - **Guarantees extending over multiple years (at the time of issue itself):** GST is payable upfront on the valuation arrived at, by multiplying 1% of guaranteed amount to the number of years it extends to or the actual consideration, whichever is higher.
 - **Guarantees are renewed annually:** GST is payable annually at 1% of the guaranteed offer per annum or the actual consideration, whichever is higher.
 - **Guarantees issued for periods shorter than a year:** GST is calculated proportionately for the part of the year.
- The provisions of sub-rule (2) of Rule 28 do not apply to the export of corporate guarantee services between related persons, as clarified by the recent amendments.

[Circular No. 225/19/2024 - GST dated 11 July 2024]

Clarification on Mechanism for refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to exports.

- The circular mandates exporters to file refund claims electronically using Form GST RFD-01. It specifies that until a dedicated category is established on the GST portal, exporters should file under the “Any other” category with specific remarks. Amendments to the CGST Rules now accommodate these claims, ensuring compliance with rule 89.
- Key documents required include copies of shipping bills, original invoices, and relevant contracts or documents supporting the price revisions. Additionally, proof of additional IGST payment and foreign exchange remittances must be provided. The application processing involves verification by both customs and GST officers, ensuring adherence to reporting in FORM GSTR-1 and payment in FORM GSTR-3B.
- The circular also sets a minimum refund threshold of Rs. 1,000/- and defines a timeline for filing claims, aligning with Section 54 of the CGST Act. It emphasizes the role of the proper officer in scrutinizing applications for completeness and eligibility before issuing refund sanction orders.

[Circular No. 226/20/2024 - GST dated 11 July 2024]

Clarification on Canteen Store Department (CSD) Refund

- The CSD, recognized under Notifications No. 06/2017-Central Tax (Rate), No. 06/2017-Integrated Tax (Rate), and No. 06/2017-Union territory Tax (Rate), is entitled to claim a fifty percent refund on applicable central tax, integrated tax, and Union territory tax paid on inward supplies. Previously, refund applications were processed manually as per Circular No. 60/34/2018-GST.
- The new process requires CSD to file Form GST RFD-10A electronically on the common portal. This form must accompany detailed invoices and declarations ensuring compliance with GST provisions. The application is subject to scrutiny by the jurisdictional tax authority to validate the accuracy of claims and compliance with filing requirements.

[Circular No. 227/21/2024 - GST dated 11 July 2024]

Clarification on applicability of GST on Railways, SPV, RERA, Digital Payments, Reinsurance & Accommodation Services

- **GST Exemption for Indian Railways' Outward Supplies:** Based on the Ministry of Railways' request and the 53rd GST Council's recommendations, certain services provided by Indian Railways, such as platform ticket sales, retiring room facilities, cloak room services, and battery-operated car services, are exempt from GST. This exemption also applies to services between different zones/divisions of Indian Railways. The effective date for these exemptions is 15 July 2024, with a retrospective regularization from 20 October 2023 to 14 July 2024.
- **GST Exemption for Transactions between SPVs and Indian Railways:** The circular exempts the supply of services by SPVs to Indian Railways, including the use of infrastructure built and owned by SPVs during the concession period and maintenance services provided by Indian Railways to SPVs. This exemption is regularized for the period from 01 July 2017 to 14 July 2024.
- **GST on Statutory Collections by RERA:** Statutory collections made by the Real Estate Regulatory Authority (RERA) under the Real Estate (Regulation and Development) Act, 2016, are clarified to be exempt from GST. RERA, being a governmental authority, falls under the scope of entry No. 4 of notification No. 12/2017-Central Tax (Rate) dated 28 June 2017.
- **GST on Incentive Amounts in Digital Payment Ecosystem:** The circular clarifies that incentives shared by acquiring banks with other stakeholders in the digital payment ecosystem, under the notified Incentive Scheme for RuPay Debit Cards and low-value BHIM-UPI transactions, are in the nature of a subsidy and are thus not taxable. This clarification extends to the distribution of incentives decided by the National Payments Corporation of India (NPCI).

- **GST Liability on Reinsurance of Specified Insurance Schemes:** Reinsurance services for certain exempt general and life insurance schemes are regularized for the period from 01 July 2017 to 24 January 2018. This regularization aligns with the exemption provided from 25 January 2018 onwards.
- **GST Liability on Reinsurance of Government-Sponsored Insurance Schemes:** Reinsurance services for insurance schemes fully paid by the government are exempt from GST for the period from 01 July 2017 to 26 July 2018. This aligns with the prospective exemption provided from 27 July 2018.
- **Applicability of GST on Retrocession Services:** The term 'reinsurance' as mentioned in notification No. 12/2017- Central Tax (Rate) is clarified to include 'retrocession' services. This clarification follows the definition provided in the IRDAI (Re-insurance) Regulations, 2018.
- **GST on Certain Accommodation Services:** Accommodation services provided at a value less than or equal to twenty thousand rupees per person per month and for a minimum continuous period of ninety days are exempt from GST. This includes hostel accommodations and service apartments/hotels booked for longer periods, effective from July 15, 2024.

[Circular No. 228/22/2024 - GST dated 15 July 2024]

Clarification for GST rates on Solar Cookers, Fire Sprinklers, Poultry Machinery Parts, Pre-packaged Agricultural Produce & Government Supply Agency

- **GST Rate on Solar Cookers:** The circular addresses the classification and applicable GST rate on solar cookers that utilize dual energy sources (solar energy and grid electricity). It clarifies that these cookers fall under heading 8516 and attract a GST rate of 12% as per Sl. No. 201A of Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28 June 2017.
- **GST Rate on Fire Water Sprinklers:** The circular clarifies that fire water sprinklers are included in the existing entry for sprinklers at a 12% GST rate. This is covered under Sl. No. 195B of Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28 June 2017. Additionally, any issues related to this classification for past periods are regularized on an “as is where is” basis.
- **GST Rate on Parts of Poultry-Keeping Machinery:** The circular specifies that parts of poultry-keeping machinery are classifiable under tariff item 8436 91 00 and attract a 12% GST rate according to Sl. No. 199 of Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28 June 2017. To ensure clarity, this entry has been amended via notification No. 2/2024-Central Tax (Rate) dated 12 July 2024 to explicitly include parts of poultry-keeping machinery. Issues for the past period are also regularized on an “as is where is” basis.
- **Scope of ‘Pre-Packaged and Labelled’ for Agricultural Farm Produce:** The circular clarifies the definition of ‘pre-packaged and labelled’ for GST purposes, especially in light of amendments to the Legal Metrology (Packaged Commodities) Rules, 2011. The definition has been amended to exclude agricultural produce packaged in quantities exceeding 25 kg or 25 liters from attracting a 5% GST levy. This change is reflected in notifications No. 2/2024-Central Tax (Rate) and No. 3/2024-Central Tax (Rate) both dated 12 July 2024. Issues for the past period are regularized on an “as is where is” basis.

- **Supplies to or by Government Agencies:** The circular provides clarification on GST rates applicable to supplies of pulses and cereals made to or by government agencies engaged in procurement and distribution under government-approved programs. It regularizes issues from 01 July 2017 to 17 July 2022 on an “as is where is” basis, provided that a certificate from a government officer and reversal of input tax credit (if availed) are submitted within 180 days of this circular’s issuance.

[Circular No. 229/23/2024 - GST dated 15 July 2024]

03

Custom Updates

Notifications

Tariff Notification:

1. Exemption from payment of compensation cess on imports by SEZ units/developers.

The Central Board of Indirect Tax and Customs ('CBIC') has issued a notification to provide exemption from payment of compensation cess leviable in respect of all goods imported by a unit or a developer in the Special Economic Zone ('SEZ') engaged in authorised operations w.e.f 15 July 2024.

[Notification No. 27/2024-Customs dated 12 July 2024]

2. Notification issued to implement a uniform GST rate on Aircrafts and Aircraft Engine Parts

The CBIC has amended Notification No. 50/2017-Customs dated 30 June 2017 to prescribe the effective rate of Customs Duty w.e.f. 15 July 2024 as under:

- A uniform rate of 5% IGST to be levied on the import of components or parts as specified in designated manuals when imported into India for servicing, repair, maintenance, or overhauling subject to certain conditions and restrictions.
- Importing equipment or buoys for the Research Moored Array for African Asian Australian Monsoon Analysis and Prediction ('RAMA') programme will be exempt from IGST payments provided certain conditions and restrictions are met. The said exemption will be valid until 31 July 2026.

[Notification No. 28/2024 – Customs dated 12 July 2024]

3. Amendment in duty-free import limit for commercial samples

The CBIC has amended the Notification No. 154/94-Customs dated 13 July 1994 to enhance the duty-free import limit for 'Commercial Samples' from Rs. 1 lakh to Rs. 3 lakhs effective from 24 July 2024 provided the total number of samples does not exceed 50 units in numbers within the last twelve months.

[Notification No. 29/2024- Customs, dated 23 July 2024]

4. Amendment in existing Custom duties on goods such as Artemia cysts, shea Nuts, Crude fish oil etc.

The Central Government has issued Notification No. 30/2024 Customs dated 23 July 2024 to introduce several amendments to the existing Basic Customs Duty ('BCD') on various goods as under:

- New tariff items have been introduced including live SPF Vannamei shrimp, real down filling material from ducks or geese, and insect meal for research purposes.

- Adjustments in duty rates have been made for specific items such as crude fish oil for aquatic feed and fish feed.
- The notification is effective from 24 July 2024; however, some changes are set to take effect from 1 October 2024.

The amendments aim to streamline customs duties and support specific industries by adjusting the import tariffs.

[Notification No. 30/2024- Customs, dated 23 July 2024]

5.

Amendment in Notification No. 22/2022-Customs dated 30 April 2022 to revise rates under India-UAE Comprehensive Economic Partnership Agreement ('CEPA')

The CBIC has amended Notification No. 22/2022-Customs dated 30 April 2022 in order to revise the in-quota Customs Tariff rate and in-quota Agriculture Infrastructure and Development Cess ('AIDC') rate for Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form other than 'Monetary' to 4% and 1% respectively w.e.f. 24 July 2024.

[Notification No. 31/2024-Customs dated 23 July 2024]

6.

Amendment in Notification No.11/2021-Customs dated 1 February 2021 to revise rates in AIDC applicable on certain precious items

The CBIC has amended Notification No. 11/2021-Customs dated 1 February 2021 in order to reduce the AIDC rates applicable for following items w.e.f. 24 July 2024 :

Commodity	AIDC Rate	
	From	To
Gold Bars	5.00%	1.00%
Gold Dore	4.35%	0.35%
Platinum	5.40%	1.40%
Silver Bar	5.00%	1.00%
Silver Dore	4.35%	0.35%
Spent catalyst or ash containing precious metals	4.35%	0.35%
Gold or silver findings	5.00%	1.00%
Coins of precious metals	5.00%	1.00%

[Notification No. 32/2024 – Customs dated 23 July 2024]

7. Amendment in Notification No. 57/2000-Customs dated the 8 May 2000 providing concessional rate for gold, silver and platinum imported under specified schemes

The CBIC has issued a new notification for reduction in relevant customs duty on gold and silver imported as replenishment under the Scheme for 'Export through Exhibitions/Export Promotion Tours/Export of Branded Jewellery from 9.35% to 4.35% respectively.

[Notification No. 33/2024 – Customs dated 23 July 2024]

8. Notification issued to amend various customs tariff notifications

The Central Government issued Notification No. 34/2024-Customs on 23 July 2024 amending various tariff notifications captured as below:

Sr. No.	Notification Number and Date	Key Amendment
1	Notification No. 25/1999-Customs, dated the 28 February 1999	<ul style="list-style-type: none">• Nothing contained in the said notification shall apply after 31 March 2029.• Exemption in respect of 'tinned cooper interconnect; toughened glass with low iron content and transmittivity of min. 90% and above;' shall be omitted after 30 September 2024.• New entries have been introduced for Fine barrier or Met gold replenishers, Fortron Resin (Polysulphones), Oxygen Free Copper, Golden eye nickel makeup solutions etc. imported for manufacturing of 'Connectors' and 'Resistors'.

Sr. No.	Notification Number and Date	Key Amendment
2	Notification No. 25/2002-Customs, dated the 1 March, 2002	<ul style="list-style-type: none"> Nothing contained in the said notification shall apply after 31 March 2029.
3	Notification No. 57/2017- Customs, dated the 30 June, 2017	<ul style="list-style-type: none"> New entries have been introduced in the said notification to prescribe standard rate of customs duty at the rate of 15% on imported Printed Circuit Board Assembly ('PCBA') and chargers/adapters as well as cellular mobile phones. Further, several entries have been substituted as well

[Notification No. 34/2024 – Customs dated 23 July 2024]

9. Amendment in Notification No. 08/2020- Customs dated 2 February 2020 to revise Health Cess on certain items

The CBIC has amended Notification No. 08/2020-Customs dated 2 February to provide exemption from whole of the Health Cess leviable on goods on which exemption is claimed and allowed under Notification No. 52/2003-Customs, dated the 31 March 2003 effective from 24 July 2024.

[Notification No. 35/2024- Customs, dated 23 July 2024]

10.

Notification issued to provide exemption/concessional rate of BCD and Social Welfare Surcharge ('SWS') in respect of critical minerals

The CBIC has issued a notification to exempt certain specified goods imported into India from customs duty under the First Schedule to the extent that the duty exceeds the amount specified in the notification and to exempt the said goods entirely from the applicable SWS.

[Notification No. 36/2024-25, dated 23 July 2024]

11.

Notification issued to amend Notification No. 27/2011- Customs dated 1 March 2011 pertaining to export duty on several items

The CBIC has amended Notification No. 27/2011-Customs dated 1 March 2011 to provide exemption / concessional rate of export duty on specified items of raw hides, skins and leather effective from 24 July 2024.

[Notification No. 37/2024, dated 23 July 2024]

12.

Amendment in various Customs Tariff Notifications

The CBIC has amended 32 Tariff Notifications to extend their validity to a further period and has also amended Notification No. 153/94-Customs dated 13 July 1994 to extend the time period for re-export of certain foreign origin goods when imported for maintenance, repair and overhaul.

[Notification No. 38/2024, dated 23 July 2024]

13.

Notification issued to amend Notification No. 45/2017- Customs dated 30 June 2017 to extend the time period of re-import.

The CBIC has amended Notification No. 45/2017-Customs dated 30 June 2017 to prescribe exemption from customs duty, IGST and compensation cess on re-importation of the following goods subject to fulfilment of prescribed conditions w.e.f. 24 July 2024:

- Lubricating oil falling within Chapter 27 of the First Schedule to the Customs Tariff Act, 1975, imported in the engines of any aircraft registered in India or of any aircraft of the Indian Air Force; and
- Fuel other than Aviation Turbine Fuel in the tanks of the aircrafts of an Indian Airline or of the Indian Air Force.

Except for goods exported to Bhutan, the re-importation period for goods not exported under DEEC/Advance Authorization/DFIA/Export Promotion Capital Goods Scheme ('EPCG')/Duty Entitlement Passbook Scheme ('DEPB') or any other Scheme of Chapter 4 of the Foreign Trade Policy has been extended to 5 years. This period may be further extended by up to 2 years by the Principal Commissioner or Commissioner of Customs for sufficient cause.

[Notification No. 39/2024, dated 23 July 2024]

14. **Amendment under India- UAE Comprehensive Economic Partnership Agreement (CEPA).**

The CBIC has amended Notification No. 22/2022-Customs dated 30 April 2022 in order to revise the BCD rates and AIDC rates in respect of Silver (including silver plated with gold or platinum) alongwith Platinum Unwrought or in semi-manufactured form or in powder form (other than Rhodium) w.e.f. 24 July 2024.

[Notification No. 40/2024-Customs dated 29 July 2024]

15. **Notification issued to amend Notification No. 50/2017- Customs dated 30th June 2017**

The Central Government has amended Notification No. 50/2017-Customs dated 30th June 2017 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 on fulfilment of newly inserted condition prescribed in regard to the same.

The Central Government has amended Notification No. 50/2017-Customs dated 30 June 2017 to set a conditional BCD rate of 10% on laboratory chemicals (excluding undenatured ethyl alcohol of any alcoholic strength) under HS 9802 00 00 for specified use upon meeting a newly introduced condition.

[Notification No. 41/2024-Customs dated 31 July 2024]

Non-Tariff Notifications:

1. Extension of Remission of Duties and Taxes on Export Products ('RoDTEP') support to exports by unit in SEZ

The CBIC has amended Notification No. 24/2023- Customs (N.T.), dated the 1 April 2023 to extend the benefit of RoDTEP Scheme to the units situated in SEZ. Additionally, a proviso has also been inserted in the new notification stipulating that for goods manufactured or exported by SEZ units the shipping bill or bill of export must be presented on or after 1 July 2024.

[Notification No. 50/2024- Customs (N.T), dated 19 July 2024]

2. Amendment in Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995.

The CBIC has amended Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 to insert a new provision for New Shipper Review effective from 24 July 2024.

| The amendment permits the review of countervailing duty rates for new exporters or producers who did not export the product during the original investigation period allowing them to establish individual countervailing duty rates.

[Notification No. 51/2024- Customs (N.T.), dated 26 July 2024]



3. Revision of Tariff value for Edible Oils, Brass Scrap, Areca Nut, Gold and Silver

| The Central Government has revised the tariff values for edible oils, brass, areca nut, gold and silver effective from 1 August 2024.

[Notification No. 53/2024- Customs (N.T.), dated 31 July 2024]

Countervailing Duty:

1. Notification issued to enforce countervailing duty ('CVD') on import of goods from China PR

The Central Government has decided to impose CVD on imports of new/unused pneumatic radial tyres originated in or exported from China PR at the rate of 17.57% of CIF value for a period of 5 years.

The decision follows a review that confirmed continued subsidization by Chinese producers and potential harm to the domestic industry if the duty were removed.

[Notification No. 03/2024-Customs (CVD), dated 19 July 2024]

Circulars:

1. Amendment in Circular No. 29/2020 - Customs dated 22 June 2020

The CBIC has issued a circular to allow transshipment of Bangladesh export cargo by road from Land Customs Station Petrapole to Air Cargo Complex, Kempegowda International Airport, Bengaluru w.e.f. 15 July 2024.

[Circular No. 09/2024-Customs, dated 09 July 2024]



Instructions:

1.

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,

CBIC has issued an Instruction No. 17/2024-Customs dated 5 July 2024 for appointment of authorized 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. The updated list has been attached in Annexure-A of the document.

[Instruction No. 17/2024-Customs, dated 5 July 2024]

2.

Instruction issued on provisional attachment of Bank accounts under Customs Act, 1962

CBIC has released Instruction No. 19/2024-Customs dated 22 July 2024, concerning the provisional attachment of bank accounts for up to six months under Section 110(5) of the Customs Act, 1962. The instruction also highlights the requirement for a written order from a proper officer which must be approved by a Principal Commissioner of Customs or Commissioner of Customs to safeguard revenue interests and prevent smuggling.

[Instruction No. 19/2024-Customs, dated 22 July 2024]

04

Foreign Trade Policy

Notifications

Amendment in Policy condition of Sl. No. 55 and 57, Chapter 10 Schedule-2, ITC (HS) Export Policy, 2018

The Directorate General of Foreign Trade ('DGFT') has amended Notification No. 52/2023 dated 12 December 2023 to the extent of export of rice (basmati and non-basmati) to EU member states and other European Countries namely United Kingdom, Iceland, Liechtenstein, Norway and Switzerland only will require Certificate of Inspection from EIC/EIAs.

Export to remaining European countries will not require Certificate of Inspection by Export Inspection Council/ Export Inspection Agency for export from the date of the new notification for a period of six months.

[Notification No. 19/2024-25, dated 05 July 2024]

Amendment in import policy condition for items under ITC (HS) code 07019000 of Chapter 07 of ITC (HS), 2022, Schedule-I (Import Policy)

The DGFT has amended import policy condition wherein import of potatoes under ITC (HS) code 07019000 is allowed from Bhutan without any Import License up to 30 June 2027.

[Notification No. 20/2024-25, dated 05 July 2024]

Export of Non-Basmati white rice to Namibia through National Co-operative Exports Limited ('NCEL')

The DGFT has permitted export of Non-Basmati White Rice under ITC(HS) code 10063090 to Namibia through NCEL.

[Notification No. 21/2024-25, dated 29 July 2024]

Public Notice

Amendment in Para 4.49(b) of the Handbook of Procedures, 2023

The DGFT *via* Public Notice No. 14/2024-25 dated 16 July 2024 has amended Para 4.49(b) of Handbook of Procedures, 2023, to reduce the composition fee to 1% (instead of 3%) of shortfall in FOB value in India currency for ease of doing business and reducing compliances.

[Public Notice No. 14/2024-25, dated 16 July 2024]

Amendment in Chapter 5 of Handbook of Procedures, 2023 related to EPCG Scheme to reduce 'Compliance Burden' and enhance 'Ease of doing business'

The DGFT has amended the following Provisions in Chapter 5 of Handbook of Procedures, 2023 related to EPCG Scheme:

Sr. No.	Relevant Para	Amendment
1.	5.04(a)	<ul style="list-style-type: none"> Time period for submission of Installation Certificate has been extended from 6 months to 3 years from the date of completion of import; RA may allow extension for submission of the said certificate upto valid Export Obligation ('EO') period; and The composition fee for late submission of the said certificate has been increased to Rs. 10,000 per year.
2.	5.04(b)	Provision for submission of installation certificate in respect of import of spares has been deleted.
3.	5.13(c)	Composition fee in case of extension of block wise EO period has been amended based on duty saved value of EPCG authorisation issued.
4.	5.13(e) New Provision	The amended sub-para c shall also be applicable for authorisation issued under FTP 2015-2020

Sr. No.	Relevant Para	Amendment								
5.	5.16(b)	<p>Composition fee in case of extension of EO period beyond 6 years has been amended as under:</p> <table border="1" data-bbox="1233 398 2198 745"> <thead> <tr> <th data-bbox="1233 398 1717 555">Duty saved value of EPCG authorisation issued</th> <th data-bbox="1717 398 2198 555">Composition fee to be levied for each year (in INR)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1233 555 1717 617">Upto to INR 2 Crores</td> <td data-bbox="1717 555 2198 617">20,000</td> </tr> <tr> <td data-bbox="1233 617 1717 680">INR 2 Crores to 10 Crore</td> <td data-bbox="1717 617 2198 680">30,000</td> </tr> <tr> <td data-bbox="1233 680 1717 745">Above INR 10 Crores</td> <td data-bbox="1717 680 2198 745">60,000</td> </tr> </tbody> </table>	Duty saved value of EPCG authorisation issued	Composition fee to be levied for each year (in INR)	Upto to INR 2 Crores	20,000	INR 2 Crores to 10 Crore	30,000	Above INR 10 Crores	60,000
Duty saved value of EPCG authorisation issued	Composition fee to be levied for each year (in INR)									
Upto to INR 2 Crores	20,000									
INR 2 Crores to 10 Crore	30,000									
Above INR 10 Crores	60,000									
6.	5.16(e) New Provision	<p>For implementation of all PRC decisions involving levy of composition fee while allowing extension in block-wise/EO period and/or regularisation of exports already made, the composition fee shall be as under:</p> <table border="1" data-bbox="1233 1009 2198 1356"> <thead> <tr> <th data-bbox="1233 1009 1717 1166">Duty saved value of EPCG authorisation issued</th> <th data-bbox="1717 1009 2198 1166">Composition fee to be levied for each year (in INR)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1233 1166 1717 1229">Upto to INR 2 Crores</td> <td data-bbox="1717 1166 2198 1229">30,000</td> </tr> <tr> <td data-bbox="1233 1229 1717 1291">INR 2 Crores to 10 Crore</td> <td data-bbox="1717 1229 2198 1291">60,000</td> </tr> <tr> <td data-bbox="1233 1291 1717 1356">Above INR 10 Crores</td> <td data-bbox="1717 1291 2198 1356">1,00,000</td> </tr> </tbody> </table>	Duty saved value of EPCG authorisation issued	Composition fee to be levied for each year (in INR)	Upto to INR 2 Crores	30,000	INR 2 Crores to 10 Crore	60,000	Above INR 10 Crores	1,00,000
Duty saved value of EPCG authorisation issued	Composition fee to be levied for each year (in INR)									
Upto to INR 2 Crores	30,000									
INR 2 Crores to 10 Crore	60,000									
Above INR 10 Crores	1,00,000									

[Public Notice No. 15/2024-25, dated 25 July 2024-25]

Further abeyance of Public Notice No. 05/2024 dated 27 May 2024 until 31 August 2024.

DGFT has extended the abeyance of Public Notice No. 05/2024 dated 27 May 2024 until 31 August 2024 in order to amend permissible wastages and Standard Input Output Norms (SIONs) for gold, platinum and silver content in export items.

Earlier, the notice was first put on hold until 31 July 2024, but now the DGFT decided to extend this abeyance for one more month for further examination. During this period, the previous wastage norms under para 4.59 of the Handbook of Procedures 2023 and SION's M1 to M7 shall be in effect.

[Public Notice No. 16/2024-25, dated 29 July 2024]

Trade Notice

Clarification to the Trade Notice No. 07/2024-2025 - reg.

The DGFT has issued Trade Notice No. 08/2024-2025 on 10 July 2024, providing clarity on the Interest Equalisation Scheme (IES) for Pre and Post Shipment Rupee Export Credit which was extended for two months.

The key points addressed in the notice are:

- Interest Equalisation capped at Rs. 1.66 Cr per IEC for the period from 1 July 2024 to 31 August 2024.
- The scheme applies exclusively to MSME Manufacturer Exporters eligible for a 3% IES benefit, excluding MSME Merchant Exporters eligible for 2%.
- No requirement to generate revised UINs for the extended period if already generated for FY 2024-2025.

[Trade Notice No. 08/2024-25, dated 10 July 2024]

Verification of Authenticity of licences, Authorisations, Scrips, Certificates, Instruments etc. issued by DGFT using the UDIN-reg.

DGFT has issued Trade Notice No. 9/2024-2025 dated 23 July 2024 regarding the verification of authenticity of Licences, Authorisations, Scrips, Certificates, Instruments etc. issued by DGFT using the Unique Document Identification Number ('UDIN').

[Trade Notice No. 09/2024-25, dated 17 July 2024]

Launch of Steel Import Monitoring System (SIMS)

DGFT has issued a Trade Notice No. 10/2024-25 dated 25 July 2024 regarding the launch of Steel Import Monitoring System ('SIMS') 2.0. With the introduction of New SIMS 2.0, the old version SIMS 1.0 is discontinued with immediate effect.

[Trade Notice No. 10/2024-25, dated 25 July 2024]

05

Compliance Calendar

S. No.	Compliance Category	Compliance Description	Frequency	Due Date	Due Date falling in August 2024
1	Form GSTR-1 (Details of outward supplies)	Registered person having aggregate turnover more than INR 5 crores and registered person having aggregate turnover up to INR 5 crores who have not opted for Quarterly Returns Monthly Payment ('QRMP') Scheme	Monthly	11 th day of succeeding month	For Tax Period July 2024- 11 th August 2024
2	Form GSTR-3B (Monthly return)	Registered person having aggregate turnover more than INR 5 crores and registered person having aggregate turnover up to INR 5 crores who have not opted for Quarterly Returns Monthly Payment ('QRMP') Scheme	Monthly	20 th day of succeeding month	For Tax Period July 2024- 20 th August 2024
3	QRMP Scheme Invoice furnishing facility ('IFF')	Optional facility to furnish the details of outward supplies under QRMP Scheme	Monthly	1 st day to 13 th day of succeeding month	For Tax Period July 2024 – 1 st to 13 th August 2024

	Form GST PMT-06 (Monthly payment of tax)	Payment of tax in each of the first two months of the quarter under QRMP Scheme	Monthly	25 th of succeeding month	For Tax Period July 2024 – 25 th August 2024
4	Form GSTR-6 (Return for Input Service distributor)	Return for input service distributor	Monthly	13 th of succeeding month	For Tax Period July 2024- 13 th August 2024
5	Form GSTR-7 (Return for Tax Deducted at Source)	Return filed by individuals who deduct tax at source.	Monthly	10 th of the succeeding month	For Tax Period July 2024- 10 th August 2024
6	Form GSTR-8 (Statement of Tax collection at source)	Return to be filed by e-commerce operators who are required to collect tax at source under GST.	Monthly	10 th of the succeeding month	For Tax Period July 2024- 10 th August 2024

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