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# NOTIFICATIONS ISSUED ON 31<sup>st</sup> JULY

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On 31st July the Central Board of Indirect Taxes and Customs (CBIC) notified the various notifications in context with the recommendation made by the GST Council Meetings.

Following are the notifications issued:

**Commencement date of the provisions of section 123 of the Finance Act, 2021- Notification 27/2023-Central Tax**

The provisions of section 123 of the Finance Act, 2021 will come into force on October 1, 2023. The amendments aim to facilitate zero-rated supplies and streamline the process of claiming refunds, providing clarity and benefits to registered persons involved in such transactions.

The major changes are:

- ▶ If the Export proceeds are not realized within the time permitted by RBI (usually one year), then within 30 days from the expiration of such permitted time, shall repay the Input Tax Credit refund claimed with interest.
- ▶ Further, the option to pay output tax (IGST) on the Export and claim refund is now not available for certain persons or for certain goods and services to be notified by the Government. That is,

**Commencement date of the provisions of sections 137 to 162 (except sections 149 to 154) of the Finance Act, 2023 - Notification No. 28/2023-Central Tax**

Sl. No	Sl. No of Finance Act	Act	Section	Pre - Amendment	Post - Amendment
1	137	CGST	10	Supplier of Goods who is registered with E-Commerce operator are not eligible for Composition Scheme	Now there also can opt for composition scheme.
2	138	CGST	16	Payment not made within 180 days to the Supplier - the ITC was to be added to the Output Tax Liability	Now, ITC to be reversed. No mathematical impact.
3	139	CGST	17	1. Warehoused Goods is NOT treated as part of Exempted Supply. 2. CSR - clarity missing on ITC eligibility.	1. Now it will be treated as part of exempted supply and hence liable to ITC Reversal 2. CSR Expenditure is now blocked ITC. It could be argued that before Oct-2023, the ITC is eligible.
4	140	CGST	23	No clarity on whether the person who is exempted by Government from taking registration under Section 23 will still be eligible for such exemption if he is required to take compulsory registration under Section 24.  That is, whether 23 Exemption is superior or Section 24 is superior.	It is now clarified RETROSPECTIVELY from July 2017 that the exemption granted under Section 23 Notification will prevail over Section 24 also.  Exemption Notification under Section 23 is final.
5	141	CGST	30	Revocation of cancellation should be done within 30 days and such period can be extended to 60 days by Additional / Joint Commissioner and further to 90 days by Commissioner.	This provision is now removed and revocation time limit and procedures will be newly notified.
6	142 to 145	CGST	30	No Outer Time limit to file GSTR-1 and other returns, GSTR-9, ECO Return.	Returns cannot be filed after THREE YEARS from the due date.

Sl. No	Sl. No of Finance Act	Act	Section	Pre - Amendment	Post - Amendment
7	146	CGST	54	Provisional Credit concept and refund of such amount was not allowed	Now there also can opt for composition scheme.
8	147	CGST	56	Delay in grant of refund - Interest methodology not prescribed	Now power to prescribe to calculate interest now provided in the Section
9	148	CGST	62	Non-filers - The Officer can pass a best judgement order. If within 30 days, the tax payers comes forward to file the return, the Best Judgement Order is deemed to be withdrawn.	The 30 days time-limit is now extended to 60 days.  The above time limit can be extended by another 60 days (Total 120 days) by paying Late fee of Rs.200 per day
10	155	CGST	122	No penalty prescribed on E-com operator for permitting certain transactions.	A penalty of Rs.10,000 or tax whichever is higher is now prescribed.
11	156	CGST	132	obstruction of officer, tampers with evidence, failure to provide information or supplies false information was punishable	These offences are now decriminalised.
12	157	CGST	138	Min Penalty - 50% of Tax Max Penalty - 150% of Tax	Min Penalty - 25% of Tax Max Penalty - 100% of Tax
13	158	CGST	158A	No such Section	New Section to share certain information with consent
14	159	CGST	Sch III	High Seas Sales and Warehoused Sale was considered not a supply from Feb 2019	Now it is deemed to be not a supply from July 2017
15	160	IGST	2	Online Services was defined by automated services and has minimal human intervention	Now Online Services can also be non-automated services or with human intervention
16	161	IGST	12(8)	Place of Supply for transportation of goods when the destination of goods is outside india - is Outside India	This provision is now removed. Accordingly, for B2B Customers (Exporters), the Place of Supply shall be Location of the Customer.
17	162	IGST	13(9)	Place of Supply of Transportation of Goods where the Supplier or Recipient is outside India was destination of the goods  Thus, if an Indian Exporters avail services of Foreign Shipper to export the goods to outside India, the POS was Outside India and not taxable.	This sub-section has been now removed and hence the POS shall now be Place of the Service Recipient as per General Rule.  It brings Foreign Shipper and Indian Shipper providing services to Indian Exporters on par and now POS will be Place of Customer (i.e, the Indian Exporter) and the Indian Exporter now be liable to pay the tax under RCM.

**Manual appeal against the order for TRAN-1/TRAN-2 Notification No. 29/2023 – Central Tax Following are the notifications issued:**

**Manual appeal against the order for TRAN-1/TRAN-2 Notification No. 29/2023 – Central Tax**  
**Following are the notifications issued:**

The special procedure for GST appeals for Transition Credit issues, as notified by the Ministry of Finance, provides registered persons or officers with clear guidelines to file appeals against specific orders. It ensures compliance with Circular No. 182/14/2022-GST and follows the directions of the Hon'ble Supreme Court in the Union of India v/s Filco Trade Centre Pvt. Ltd. case. Taxpayers and officers should adhere to this procedure when filing appeals to ensure a smooth and effective resolution of disputes.

The Appeals have to be filed manually and no pre-deposit is required and special appeal form.

**Special procedure to be followed by the manufacturers of tobacco, pan masala & other similar items**  
**Notification No. 30/2023 – Central Tax**

Registered manufacturers are required to furnish the details of packing machines, including make, model number, date of purchase, address of installation, packing capacity, and electricity consumption, in FORM SRM-I. Existing registered manufacturers must submit these details within 30 days of notification, while new registrations need to provide them within fifteen days of grant of the registration. . Additionally, manufacturers should keep daily records of inputs, waste generation, electricity and generator meter readings, and production details in specific formats (FORM SRM-IIIA and FORM SRM-IIIB). A special monthly statement (FORM SRM-IV) must be submitted on the common portal by the tenth day of the month succeeding the relevant month.

**Addition of State name in reference to sub-rule 4B of Rule 8 of CGST Rules 2017 Notification No. 31/2023 – Central Tax**

To weed out fake GST Registrations, the Government had notified to permit Bio-Metric verification and Photographing of the taxpayers if the risk assessment is high.

Parallely, new Aadhar based Bio Metric registration are being tried by the State of Gujarat for all taxpayers and not merely for high risk cases.

Now, the UT 'Puducherry' has also opted for the new Aadhar based Bio metric verification.

**Exemption to file GSTR-9 (Annual Return) for FY 2022-23 – Notification No. 32/2023 – Central Tax**

Exemption granted to registered person whose aggregate turnover in the financial year 2022-23 is up to Rs. 2 Crore from filing annual return for the said financial year.

**Account Aggregator – Notification No. 33/2023 – Central Tax**

The notification empowers 'Account Aggregators,' which are non-financial banking companies operating under the policy guidelines of the Reserve Bank of India, to facilitate information sharing on the common portal based on consent. This move is expected to improve data accuracy, compliance, and ease of access for taxpayers and tax authorities. By recognizing 'Account Aggregator' as a reliable platform for data sharing, the Ministry of Finance takes a step towards modernizing and simplifying the GST system. This notification will foster greater transparency, security, and effectiveness in tax administration, benefitting businesses and taxpayers alike. The effective date of 1st October 2023 marks a new era of enhanced information management within the CGST Act.

**Conditions making supplies of goods through an E-Commerce Operator (ECO) without GSTIN – Notification No. 34/2023- Central Tax**

Earlier, if a person supplies goods via E-Commerce Operator, then that person should take compulsory registration even if his Turnover is below the threshold limit.

However, by notification, persons making supplies of goods through ECOs, who have an aggregate turnover within the specified limit, are exempted from GST registration.

To avail this exemption, certain conditions need to be met, such as no inter-state supply of goods, limited operations within one state or union territory, and possession of a Permanent Account Number (PAN) issued under the Income Tax Act, 1961. Such persons must declare their PAN and other details on the common portal for validation and enrolment.