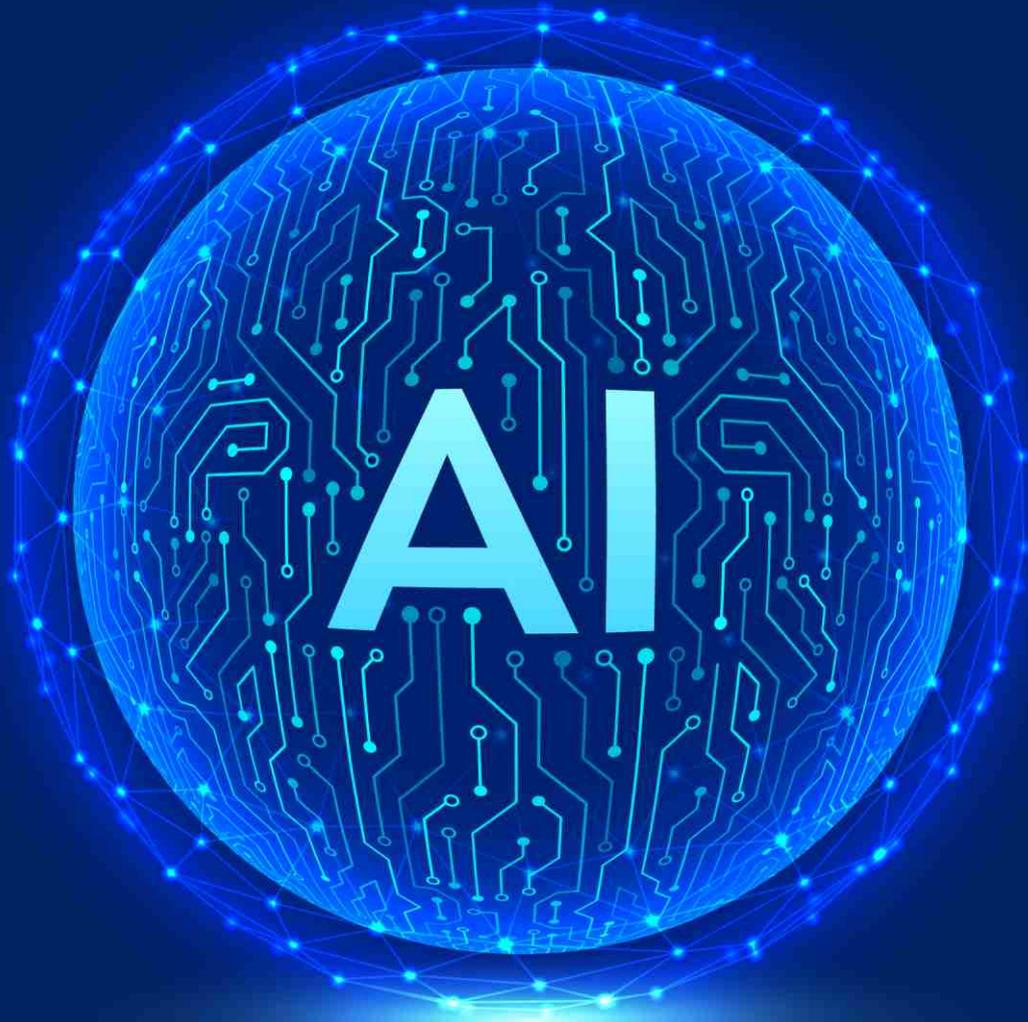


BUDGET INTELLIGENCE YEAR 2024



Reviewed by
SHAH TEELANI & ASSOCIATES
CHARTERED ACCOUNTANTS

BUDGET ANALYSIS

2024-25

BY
SHAH TEELANI & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR PRIVATE CIRCULATION ONLY



AI CHATBOT INDEX

Sr. No.	Particulars	Page No.
(A)	Budget Analysis for Income Tax 2024-25	
	1) Change in Provision Related to Income Tax Rates	1
	2) Provision relating to Business and Profession	2
	3) Provision relating to Capital Gain	3
	4) Provision relating to Income from other source and Gift Taxation	6
	5) Changes in provisions relating to Assessment & Penalty	7
	6) Changes in Provisions related to TDS & TCS	9
	7) Changes in Provisions related to House Property	11
	8) Vivad Se Vishwas Scheme 2024	12
(B)	Budget Analysis for GST 2024-25	14
(C)	Important Current Year Provisions under GST for F.Y. 2023-24	
	1) Provision related to RCM	18
	2) Provision related to Due Dates under GST	24
	3) Provision related to Block Credit	25
	4) Provision related to ITC available in case of Works Contract	27
	5) Provision related to Compulsory Registration irrespective of threshold Limit	27
	6) Provision related to Renting of Residential Dwelling	28
	7) Summery of year wise timelines for issuance of Notice and order u/s 73/74	28
	8) Provision relating to ITC on expenses incurred on IPOs	30
(D)	Landmark Judgements on GST	31

Disclaimer:

This budget 2024-25 hand-out provides general information on budget and does not express our views. This hand out is meant for general guidance and no responsibility for loss arising to any person acting or refraining from acting as a result of any material contained in this handout will be accepted by us. It is recommended that professional advice be taken based on the specific facts and circumstances. This handout does not substitute the need to refer to the original pronouncement. This handout is intended only for the use of our staff personnel, clients and associates and may contain confidential or privileged material. Any review, dissemination or other use of, or taking of any action in reliance upon by other than the intended recipient is prohibited. If you receive this by error, you may return the material.



A) CHANGES IN PROVISIONS RELATED TO INCOME TAX**1. CHANGES IN PROVISION RELATED TO TAX RATES.****➤ Regular Tax Regime**

- ✓ For Individuals and HUF there is no change in tax slab, exemption limit and surcharge if Income is declared in regular Tax Regime.

➤ New Tax Regime

- ✓ Tax Slab rate u/s. 115BAC with effect from AY 25-26 is as follows

Income	Tax Rate New Regime	Income	Old Tax Regime
(Applicable from 01.04.2024)		(Applicable from 01.04.2024)	
Upto 3,00,000	Nil	Upto 2,50,000	Nil
3,00,001 to 7,00,000	5%	2,50,001 to 5,00,000	5%
7,00,001 to 10,00,000	10%	5,00,001 to 10,00,000	20%
10,00,001 to 12,00,000	15%	Above 10,00,000	30%
12,00,001 to 15,00,000	20%		
Above 15,00,001	30%		

- ✓ **Standard Deduction** available to Salary Tax Payer increased from Rs. 50,000 to Rs. 75,000 for person declaring Tax under New Tax Regime.
- ✓ **Increase in Deduction u/s. 80CCD for Non Government Employees :** Deduction of the amount paid by Non Government employer by way of contribution towards pension scheme under section 80CCD increased from 10% to 14% of the gross salary this deduction is available only to assessee paying tax under New Regime.. (Applicable from 1st April, 2025).
- ✓ **Deduction in Family Pension** as per the Section 57(iia) increased from Rs. 15,000 to Rs. 25,000, this deduction is available only to assessee paying tax under New Regime.



2. CHANGES IN PROVISIONS RELATED TO BUSINESS AND PROFESSIONALS.**➤ Changes in Provisions of Partnership Firm**

- ✓ Taxability of Remuneration to Working Partners of the Firm has been amended, Existing and New Limit are as mentioned below.

Existing Threshold Limit for Remuneration	
On the First Rs. 3,00,000 of Book Profit or Incase of Loss	Rs. 1,50,000 or 90% of the Book Profit, which ever is more
On the balance of Book Profit	60% of the Book Profit.

New Threshold Limit for Remuneration (Applicable from AY 25-26)	
On the First Rs. 6,00,000 of Book Profit or Incase of Loss	Rs. 3,00,000 or 90% of the Book Profit, which ever is more
On the balance of Book Profit	60% of the Book Profit.

- ✓ **New Provision of TDS u/s. 194T on Payment to Partners:** inserted wherein the any amount paid to Partners in the name of Salary, Remuneration, Interest, Commission, Bonus by partnership firm shall be chargeble to TDS at the rate of 10%. (Applicable from 01st April, 2025)
 - Tds shall be deducted if amount exceeds Rs. 20,000 per partner in relevant financial year.
- ✓ Any Expenditure Incurred Outside India to settle the proceedings initiated in relation to contravention by the law of relevant Country will be allowed as Expenses for computing the Profit or gain of Business or Profession. (Applicable from 1st April, 2025)
- ✓ Special provision of tax at the rate of 7.5% shall be applicable only to Non resident Shipping company as per the provision of Section 44B and not the company operating Cruise Line.



New Section 44BBC inserted wherein Non Resident Cruise Line shipping company will be taxed at the special rate of 20% of the amount received as carriage of passengers under the head of Profit and Gains of Business or Profession. (Applicable from 1st April, 2025)

- Sun Set Closed is inserted where in Lease Rental Received by Foreign Shipping Company from Section 44BBC is exempted u/s. 10(15B) provided recipient and section 44BBC company are subsidiary of same Holding Company upto AY 2030-31.
- ✓ Corporate Tax rate on Foreign Companies reduced from 40% to 35% with effect from 01st April, 2025. TDS rate u/s. 195 also changed from 40% to 35% for the foreign companies. There was no Change in the tax rate of Domestic Company, firms and LLP's.

3. CHANGES IN PROVISIONS RELATED TO CAPITAL GAINS.

- ✓ Capital Gain provision are Rationalized in the Current Budget, following changes are proposed w.e.f. 23rd July, 2024.
- **Long Term Capital Gain**
 - ✓ For Computing Long Term Capital Gain, holding period of the Listed Securities, Unit of Equity Oriented Funds and Zero Coupon Bonds shall be 12 Months.
 - ✓ For Capital assets such as Property, Land, Unlisted Security, Gold, etc the holding period shall be 24 Months.
- **Short Term Capital Gain**
 - ✓ For Computing Short Term Capital Gain, holding period of the Listed Securities, Unit of Equity Oriented Funds and Zero Coupon Bonds shall be Less than 12 Months.
 - ✓ For Capital assets such as Property, Land, Unlisted Security, Gold, etc the holding period shall be less than 24 Months.

- **Capital Gain other Than Listed Securities and Equity Funds (Property, Land, Building, Gold, etc)**
 - ✓ Long Term Capital Gain on Capital Assets will be Taxed at flat rate of 12.5%.
 - ✓ Indexation benefits available in case of Long Term Capital Assets will not be available for any assets sold after from 23rd July, 2024.
- **Capital Gain for the Listed Securities and Equity Funds.**
 - ✓ While computing tax on LTTCG on listed shares or equity oriented mutual funds exemption limit increased from Rs. 1,00,000 to Rs. 1,25,000.
 - ✓ LTTCG arising on Capital assets to be taxed @ 12.5% instead of 10% and 20%. Further, benefits of Indexation for the cost of acquisition shall not be provided.
 - ✓ Indexation Benefit available in case of transfer of Long Term Capital Assets is withdrawn.
 - ✓ STTCG arise on sales of Shares on which STT is paid u/s. 111A is proposed to increase from 15% to 20%.
 - ✓ STTCG on other capital assets will continue to be taxed at Applicable rates.
 - ✓ Capital Gain on Unlisted Debentures and Unlisted Bonds shall be deemed to be STTCG as per section 50AA irrespective of the period of Holding.
 - ✓ Buy Back of Shares will be taxed as Deemed Dividend in the hands of Share Holders and shall be taxable as Income From Other Source in the hands of Share Holder. Company shall deduct Tds u/s.194@ 10%and for Company it shall be treated as Capital Loss which would be set off against other Capital Gains.
 - ✓ Equity shares at the time of Offer For Sale in IPO are unlisted on the date of transfer, since the listing happens a few days after the transfer. In such cases, litigation is arising that the computation of FMV on acquiring the shares is not covered by Explanation to Sec. 55(2)(ac) and hence is indeterminable and not chargeable to Capital Gains Tax.



- Accordingly, new clause (AA) is proposed to be inserted to clause (a)(iii) under Explanation to Sec. 55(2)(ac) to provide for computation of fair market value of unlisted equity shares which are listed subsequent to the date of transfer after 31-01-2018 and where such shares are transferred under an offer for sale to the public as a part of an IPO.

✓ Changes in the STCG and LTCG for various Capital Assets is as below:-

Capital Assets	Earlier STCG	Now STCG	Holding Period	Holding Changed?	Earlier LTCG	Now LTCG
Stocks	15%	20%	12 Months	No	10%	12.5%
Equity Mutual Fund	15%	20%	12 Months	No	10%	12.5%
Debt and not Equity mutual fund	Slab Rate	Slab Rate	NA	Yes, earlier same for LTCG and STCG	Slab Rate	Slab Rate
Bonds (Listed)	Slab Rate	20%	12 Months	No	10%	12.5%
REITs/InvITs	15%	20%	12 Months	Yes earlier 36	10%	12.5%
Equity FoFs*	Slab Rate	20%	NA	Yes, earlier same for LTCG and STCG	Slab Rate	12.5%
Gold/Silver ETF	Slab Rate	20%	12 Months	Yes, earlier same for LTCG and STCG	Slab Rate	12.5%
Overseas FoFs	Slab Rate	Slab Rate	24 Months	Yes, earlier same for LTCG and STCG	Slab Rate	12.5%
Gold Funds	Slab Rate	Slab Rate	12 Months	Yes, earlier same for LTCG and STCG	Slab Rate	12.5%



➤ All Unlisted Assets

Capital Assets	Earlier STCG	Now STCG	Holding Period	Holding Changed?	Earlier LTCG	Now LTCG
Real Estate (Physical)	Slab rate	Slab rate	24 months	No	20% **	12.5%
Bonds (Unlisted)	Slab rate	Slab rate	24 months	Yes, earlier same for LTCG and STCG	Slab rate	Slab rate
Physical Gold	Slab rate	Slab rate	24 months	Yes, earlier 36	20% **	12.5%
Stocks	Slab rate	Slab rate	24 months	No	20% **	12.5%
Foreign equity/ debt	Slab rate	Slab rate	24 months	No	20% **	12.5%

Other than those investing 90% in equity ETFs

**With indexation

Those investing in funds with at least 65% equity.

All changes are with effective for assets sold after 23rd July 2024.

4. CHANGES IN PROVISIONS RELATED TO INCOME FROM OTHER SOURCES AND GIFT TAXATION.

- ✓ Angel Tax on Share Premium abolished in this budget, this will benefits the Start Up Industry to raise funds through Equity Dilution.
 - Previously government had levied the Tax on the Share Premium received in excess of the Fair Market Value of Shares, such difference was added as the income of the company, this provision is removed from 01st April, 2025.
- ✓ Transfer of Capital Assets by Individuals and HUF will be exempted, any Transfer of Assets as gift by Company or any other Assessee will not be exempted u/s 47(iii).



5. CHANGES IN PROVISIONS REALTED TO ASSESSMENTS, APPEALS AND PENALTY.

- ✓ Person domiciled in India requires Domiciled Certificate for Leaving the Country regarding the Tax Clearance Certificate for the Income Tax Act, Wealth Tax, Gift Tax or Expenditure Act and from 01st October, 2024 Certificate under Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 is also required.
 - ✓ During the course of assessment AO can refer case to Transfer Pricing Officer if any specified Domestic Transaction are identified, previously only International transaction were covered for referring the case to the Transfer Pricing officer. . (Applicable from 1st April, 2025).
 - ✓ Section 113 for the Taxation under Block Assessment, all income disclosed under block period shall be chargeable to tax @ 60%. Pre amendment Undisclosed Income was only levy at higher rate of tax.
- **Reopening of Assessment under section 148, 148A, 149 and 151 shall be substituted with following amendment from 01st September, 2024:-**
- Income Tax return u/s. 148 to be filled within 3 Months from the date of the issuance of notice, further extension cannot be allowed by AO also. Currently Return of Income can be furnished beyond 3 Months time as allowed by the Assessing Officer.
 - Assessing officer shall not issue notice unless there is information which suggest that income chargeable to tax has escaped the assessment.
 - Specified Authority for the purpose of section 148 & 148A shall be Additional Commissioner or Additional Director or the Joint Commissioner or the Joint Director.
 - Notice u/s. 148 issued or the order u/s. 148A(d) has been passed prior to 01st September, 2024 the assessment shall be done as per the provision of Sec. 147, 148, 149 or 151 as they stood prior to amendment of the Finance Act (2) 2024 .



- Budget has widen the Scope of the “Information of Escaped Income” by including the below list
 - i) Any information received based on the risk management strategy formulated by the Board from time to time.
 - ii) Any Audit objection which justifies that assessment has not been made in accordance with the provisions of this Act.
 - iii) Any information received under agreement referred as per section 90 & 90A
 - iv) Any information available to the Assessing officer under section 135A or any action in consequence of the order of Tribunal or Court
 - v) Any information received during survey as per Section 133A after 01st September, 2024.
- **Changes in the provisions of section 149**
 - Show Cause Notice u/s. 148A which has information of the Escaped Income shall be issued within 3 Years from the End of Relevant AY if income chargeable to tax is below Rs. 50 Lacs. For the income chargeable to tax escaped is above Rs. 50 Lacs than time limit shall be 5 Years from the End of Relevant AY.
 - Notice u/s. 148 shall be issued within period of 3 Years and 3 Months from the end of relevant assessment year in income escape is likely to be below Rs. 50 Lacs. For the escape amount of Rs. 50 Lacs time limit for issuance of notice shall be 5 Years and 3 Months from the end of relevant AY.



6. CHANGES IN PROVISION RELATED TO TDS AND TCS.

- ✓ TDS/TCS correction of revised returns can be filed upto six years from the end of relevant Financial Year. Currently there was no time limit for revision of the TDS returns.
- ✓ For declaring assessee as default under TDS and TCS time limit shall be
 - i) Non deduction of TDS by any Tax payer including Non Resident tax payer is reduced to 6 Years from the current time limit of 7 Years.
 - ii) Non Levy and Non Collection of TCS time limit for declaring default is 6 Years from the end of relevant Financial Year or Two Years from the end of Financial year in which correction statement if filed.
- ✓ Tds shall be applicable on the Interest payment exceeding Rs. 10,000 to Floating Rate saving Bonds, 2020 and other securities as specified by the Central Government. (Applicable from 01st October, 2024)
- ✓ TCS of employee to be considered while calculating the Total Tax Liability on the salary payable by employer. (Applicable from 01st October, 2024)
- ✓ Clarification given for the TDS u/s. 194IA for transfer of immovable property shall be applicable where the Total Sale consideration in excess of Rs. 50Lacs is payable by Buyer to various Sellers. Litigation has been raised where limit of Rs. 50 Lacs to be considered for each seller and not for the whole of Property Value.
- ✓ Lower Deduction certificate can be apply for the TDS/TCS on receipts on sale of goods at the rate of 0.10% by any assessee. This will ease the working capital as earlied TDS/TCS was 1% and no exemption for lower deduction available to any kind of industry. (Applicable from 01st October, 2024)
- ✓ Budget has proposed to cover certain luxury goods as may be specified in future for applicability of TCS u/s. 206C(1F) for purchase value exceeding Rs. 10Lacs per transaction. Currently only Sale of Motor Vehicles are covered for the same. (Applicable from 01st January, 2025)
- ✓ Interest rate on delay in payment of TCS collected to the credit of the Government increased from 1% to 1.5%.



- ✓ Income on which withholding tax is paid outside India shall be considered as "Income Received".

Sr No	Section	TDS Rate		With effect from
		Present	Proposed	
To Resident				
1	Section 194 D Payment of insurance commission (in case of person other than company)	5%	2%	01.04.2025
2	Section 194DA - Payment in respect of life insurance policy	5%	2%	01.10.2024
3	Section 194G - Commission etc. on sale of lottery tickets	5%	2%	01.10.2024
4	Section 194H - Payment of commission or brokerage	5%	2%	01.10.2024
5	Section 194-IB - Payment of rent by certain individuals or HUF (for residential purpose)	5%	2%	01.10.2024
6	Section 194M - Payment of certain sums by certain individuals or Hindu undivided family	5%	2%	01.10.2024
7	Section 194O - Payment of certain sums by e-commerce operator to e-commerce Participant	1%	0.1%	01.10.2024
8	To contractors/ professionals by individuals or HUF in excess of INR 50 Lakhs	5%	2%	01.10.2024
9	Section 194F relating to payments on account of repurchase of units by Mutual Fund or Unit Trust of India	Proposed to be omitted		01.10.2024
10	To partner in respect of salary, remuneration, commission, bonus or interest exceeding INR 20,000 by firm	-	10%	01.04.2025
11	Payment of buy back proceeds	-	10%	01.10.2024
To Non-Residents				
1	Payment in respect of Long Term Capital Gains to Offshore fund	10%	12.5%	23.07.2024
2	Payment in respect of Long Term Capital Gains from transfer of Bonds or GDR purchased in Foreign Currency	10%	12.5%	23.07.2024



➤ **Amendment regarding TDS applicability**

Description	Amendment	Effective Date
TDS on Floating Rate Savings (Taxable) Bonds (FRSB) 2020	<p>Provided that nothing in this clause shall apply to the interest exceeding 10,000 Rs. payable during the financial year on:</p> <p style="padding-left: 40px;">8% Savings (Taxable) Bonds, 2003 7.75% Savings (Taxable) Bonds, 2018 Floating Rate Savings Bonds, 2020 (Taxable) Any other security of the Central Government or State Government as specified by the Central Government in the Official Gazette</p>	01.10.24

7. CHANGES IN PROVISIONS RELATED TO HOUSE PROPERTY.

- ✓ Income from letting out of a Residential House or any part of house by the owner shall be chargeable under the head Income From house property and not business income. (Applicable from 1st April, 2025).



VIVAD SE VISHWAS SCHEME, 2024

- ✓ Government has bought back the Version 2.0 of the Vivad se vishwas scheme, 2024. Previously same scheme was announced in the year 2020 and it has helped in reducing the Litigation and huge reduction of the Cases pending at various Appellate Levels.
- ✓ This scheme is applicable to the Assessee who case in pending before in appeal or the Appellate Authority i.e. the appeal pending with CIT(A), ITAT, Dispute Resolution Panel, High court or Supreme Court as on the date of **22nd July, 2024**.
- ✓ Amount of Tax payable under VSVS Scheme shall be as mentioned below,

Sr. No.	Tax Arrear (Demand)	Amount Payable under VSVS as before 31 st December 2024	Amount Payable 01 st January, 2025 but before last Date
1	Appeal pending related to Additon of Income, levy of Penalty and Interest at any appellate level AFTER 31 st January, 2020 but before 22 nd July, 2024	Basic Disputed Tax	Basic Disputed Tax + 10% Interest
2	Appeal pending related to Additon of Income, levy of Penalty and Interest at any appellate level BEFORE 31 st January, 2020 at the same appellate forum.	Basic Disputed Tax + 10% Interest	Basic Disputed Tax + 20% Interest
3	Appeal pending related to Interest or Penalty at any Appellate Level after 31 st January, 2020 but before 22 nd July, 2024.	25% of Penalty or Interest (Basic amount)	30% of Penalty or Interest (Basic amount)
4	Appeal pending related to Interest or Penalty at any Appellate Level before 31 st January, 2020 at the same appellate forum.	30% of Penalty or Interest (Basic amount)	35% of Penalty or Interest (Basic amount)
5	Appeal filed by Department against the assessee	50% of the Calculated Amount	50% of the Calculated Amount
6	Appeal got in Favour of the Asseessee by the Order of Appellate Authority.	50% of the Calculated Amount	50% of the Calculated Amount



- ✓ Process of filing the Declaration under the VSVS Scheme
 - Assessee shall file the Declaration as prescribed by the Authority where in the tax authority will provide the Tax Arrear without considering the Interest and Penalty levied on the Demand.
 - Authority will issue the Tax Demand Payable Certificate within 15 Days of receipt of Declaration under the VSVS scheme.
 - On receipt of the Demand, authority will issue the Order that Assessee has paid the amount.
 - Matter or Income on which the order is passed, department cannot reopen the proceeding under any other law of the Income Tax Act.
 - Interest and Penalty are not payable on the Disputed Tax demand which is paid under the VSVS Scheme.
 - VSVS scheme not apply for the tax arrear in respect to the Addition made under
 - i) Assessment pursuant to Search u/s. 132 or 132A of the Income Tax Act.
 - ii) Prosecution has already been initiated on or before the date of filing the declaration.
 - iii) Undisclosed Income sourced located outside India or
 - iv) Assessment made based on the Information received under DTAA.
 - v) Person against whom Notice Under FEMA and Prevention of Smuggling Act, 1974 is initiated.
- ✓ Last Date for make application under VSVS scheme is yet to notify by the government.



B) CHANGE IN PROVISIONS OF GOODS AND SERVICE TAX

- ✓ GST shall also not be levied on un-denatured extra natural alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption.
- ✓ New Section 11A inserted wherein GST Officer shall not exercise power to recover the Short Levy or Non Levy of GST due to the prevailing general practice in the Business.
- ✓ For Discharge of Liability under RCM it is prescribed that Issuance of Self Invoice in case of Unregistered Person is mandatory.
- ✓ New section 16(5) inserted for availment of Input Tax Credit of an invoice or debit note for the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed upto the 30th day of November, 2021.
- ✓ Where registration of registered person is cancelled u/s 29 and subsequently the cancellation of registration is revoked then said person shall be entitled to take the ITC in respect of such invoice or debit note, availment of credit shall be later of the following event
 - Filed up to 30th November following financial year
 - For the period from the date of cancellation of registration till the date of revocation of cancellation of registration, where such return is filed within 30 days from the date of order of revocation of cancellation of registration.
(Section 16 is being amended)
- ✓ As per the Current Provision Department has right to Block the Credit under section 74, 129 and 130. It is now Proposed to restrict the Block ITC provisions only in relation to the Demand raised u/s. 74 upto F.Y. 2023-24. ITC cannot be blocked for tax demand raised u/s. 129 and 130.
- ✓ Every person required to deduct tax at source under section 51 shall electronically furnish a return every calendar month whether or not any deduction have been made during the said month.
- ✓ Refund of Unutilised ITC is restricted for the Goods that are liable for Export Duty.



- ✓ Authorised Representative can also appear before the Authority on behalf of the person whom summoned is issued.
- ✓ New section 74A is inserted – Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to financial year 2024-25 onward.
- ✓ Maximum amount of pre deposit for filing appeal is reduced from 25 crore to 20 crore.
- ✓ Pre deposit for filing of appeal before appellate tribunal is reduced to 10% from 20%. And also Maximum amount of pre deposit for filing appeal is reduced from 25 crore to 20 crore.

➤ **CHANGES IN PROVISION TO GST ASSESSMENT**

- ✓ The determination of tax not paid, short paid, ITC wrongly availed or utilized ('Tax Demand') and tax erroneously refunded ('Refund Demand') is currently governed by different provisions based on whether the cases involve fraud, willful misstatement, or suppression of facts ('fraud cases') or not ('non-fraud cases').
- ✓ A new provision, Section 74A, is proposed to streamline the determination of these demands for both types of cases. The existing provisions will apply to demands for the period up to FY 2023-24, while the new provisions will be applicable for demands from FY 2024-25 onward.
- ✓ The key changes proposed under the new provisions are as follows:
 - i) **Notice Issuance**
 - **For Tax Demand**, the notice must be issued within 42 months from the due date of furnishing the annual return for the financial year to which the demand relates.
 - **For Refund Demand**, the notice must be issued within 42 months from the date of the erroneous refund.



ii). Threshold for Issuance of Notice

- No notice will be issued if the Tax or Refund Demand for a financial year is less than INR 1,000.

iii). Issuance of Statement for Additional Periods

- If a notice has already been issued for one period, a statement can be issued for another period if the grounds for both periods are the same. This statement will be considered as a notice.

iv). Penalty Provisions

- Penalty in case of Tax or Refund of Demand shall be as under:-
 - Non Fraud Case** – Penalty at the rate of 10% of the Tax Due or Rs. 10,000, whichever is higher
 - Fraud Case** – Penalty at the rate of 100% of Tax Evaded.
- If an Appellate Authority, Tribunal, or Court finds that the charges of fraud, willful misstatement, or suppression of facts are not sustainable, the penalty applicable in non-fraud cases will be imposed.
- Relief in penalty is available if the taxpayer pays the tax along with applicable interest. The specifics of this relief are as follows:

Time of Payment	Non Fraud Case	Fraud Case
Before Service of Notice	No Penalty	15% Penalty
Within 60 Days from the Issue of Notice	No Penalty	25% Penalty
Within 60 Days of Communication of order	10% of the Tax Due or Rs. 10,000 whichever is Higher	50% Penalty

v). Order Issuance Timeline

- The officer must issue the order within 12 months from the date of the notice. This period can be extended by up to 6 months by the Commissioner or an authorized officer, provided the reason for the delay is recorded in writing.



- If the order is not passed within the total allowed period of 18 months (including the extension), the proceedings will be deemed to be concluded.

- ✓ Additionally, references to Section 73 and 74 in the CGST Act will now also include a reference to the new Section 74A.

➤ **Proposed Changes in Provisions relating to Appellate Tribunal**

- ✓ GST Council has announced the Setup of the Various Tribunal in the Country. Time Limit to file an appeal before the appellate tribunal applicable from 01st August, 2024 is proposed as below:

Appellant	Present time limit	Proposed Time Limit
Appeal filed by Registered Person	3 Months from the date of communication of Order	3 Months from the date of communication of Order, OR Date as may be Notified by Government, Whichever is Later.
Appeal Filed by Department	6 Months from the date of Order	6 Months from the date of order OR Date as may be notified by the Government, which ever is Later.

- ✓ It is not proposed that Commissioner will have an additional period of 3 Months to file an appeal against the order passed by the Appellate Authority or Revisional Authority subject to the Condition that the Appellate Tribunal is satisfied that there was sufficient cause for not presenting the appeal within the prescribed period.

C) IMPORTANT CURRENT YEAR PROVISIONS UNDER GST FOR F.Y. 2023-24**1. Provisions relating to RCM under GST**

✓ Reverse Charge on specified Goods:

Sr.	HSN Code of Goods	Description	Supplier	Receiver	Notification Number
1	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person	Notification 4/2017-Central Tax (Rate)
2	14049010	Bidi wrapper leaves (tendu)	Agriculturist	Any registered person	Notification 4/2017-Central Tax (Rate)
3	2401	Tobacco Leaves	Agriculturist	Any registered person	Notification 4/2017-Central Tax (Rate)
4	5004 to 5006	Silk Yarn	Any person who manufactures silk yarn from raw silk or silk worm cocoons for supply of silk yarn	Any registered person	Notification 4/2017-Central Tax (Rate)
4A	5201	Raw Cotton	Agriculturist	Any registered person	Notification 43/2017-Central Tax (Rate)
5		Supply of lottery	State Government, Union Territory or any local authority	Lottery Distributor of Selling Agent	Notification 4/2017-Central Tax (Rate)
6	Any Chapter	Used vehicles, seized and confiscation goods, old and used goods, waste and scrap	Central Government, State Government, Union territory or a local authority	Any registered person	Notification 36/2017-Central Tax (Rate)
7	Any Chapter	Priority Sector Lending Certificate	Any registered person	Any registered person	Notification 11/2018 - Central Tax (Rate)



✓ Reverse Charge on specified Services:

Sr.	Description	Supplier	Receiver	Notification Number
1	GTA Services – Transportation of Goods by Road	GTA	i) Any Factory ii) Any Society iii) Any Co- operative Society iv) Any Registered Person under GST v) Any body corporate, vi) Any partnership firm vii) Any casual taxable person	Notification 13/2017- Central Tax (Rate)
2	Legal Services	An individual advocate including a senior advocate or firm of advocates	Any business entity located in the taxable territory	Notification 13/2017- Central Tax (Rate)
3	Arbitral Tribunal Services	Arbitral Tribunal	Any business entity located in the taxable territory	Notification 13/2017- Central Tax (Rate)
4	Sponsorship Services	Any person	Any body corporate or partnership firm	Notification 13/2017- Central Tax (Rate)
5	Services by Govt to Business Entity excluding : i) Renting of immovable property ii) Services by Dept of Post iii) Services in relation to aircraft or vessel inside or outside precincts of a port or an airport iv) Transportation of goods or passengers	Central Government, State Government, Union territory or local authority	Any business entity located in the taxable territory	Notification 13/2017- Central Tax (Rate)



5A	Services supplied by the Central Government, State Government, Union territory or local authority by way of renting of immovable property to a person registered under the Central Goods and Services Tax Act, 2017	Central Government, State Government, Union territory or local authority	Any Registered Person	Notification 13/2017-Central Tax (Rate)
5AA	Service by the way of renting of residential dwelling to a registered person	Any Person	Any registered person under CGST Act 2017	Notification No 5/2022 – CT (Rate) dated 13.7.2022
5B	Service supplied by any person by way of transfer of development right or Floor space Index (FSI) including additional FSI for a construction of project by a promoter.	Any person	Promoter	
5C	Long term lease of land (30year or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price development charges or by any other name) and/or periodic rent for construction of project by promoter	Any person	Promoter	
6	Services supplied by a director of a company or a body corporate to the said company or the body corporate	Director of a company or body corporate	Company or body corporate located in the taxable territory	Notification 13/2017-Central Tax (Rate)
7	Services supplied by an insurance agent to any person carrying on insurance business	Insurance Agent	Any person carrying on insurance business	Notification 13/2017-Central Tax (Rate)
8	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company.	Recovery Agent	A banking company or a financial institution or a non-banking financial	Notification 13/2017-Central Tax (Rate)



			company, located in the taxable territory.	
9	Supply of services by an author, music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright	Author or music composer, photographer, artist, or the like	Publisher, music company, producer or the like, located in the taxable territory.	Notification 13/2017-Central Tax (Rate)
9A	Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of subsection (1) of section 13 of the Copyright Act, 1957 relating to original literary works to a publisher.	Author	Publisher	Notification No 22/2019 dated 30.09.2019
10	Supply of services by the members of Overseeing Committee to Reserve Bank of India	Members of Overseeing Committee constituted by the Reserve Bank of India	Reserve Bank of India	Notification 13/2017-Central Tax (Rate)
11	Services supplied by individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm to bank or non-banking financial company (NBFCs)	Individual Direct Selling Agents (DSAs) other than a body corporate, partnership or limited liability partnership firm	A banking company or a non-banking financial company, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
12	Services provided by business facilitator (BF) to a banking company	Business Facilitator	A banking company, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
13	Services provided by an agent of business correspondent (BC) to business correspondent	Business Correspondent	A business correspondent, located in the taxable territory	Notification 13/2017-Central Tax (Rate)



14	Security services (services provided by way of supply of security personnel) provided to a registered person with certain exceptions	Any person other than a body corporate	A registered person, located in the taxable territory	Notification 13/2017-Central Tax (Rate)
15	Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, provided to a body corporate.	Any person, other than a body corporate who supplies the service to a body corporate and does not issue an invoice charging central tax at the rate of 6% to the service recipient.	Any body corporate located in the taxable territory".	Notification 29/2019-Central Tax (Rate) dated 13.12.2019
16	Services of lending securities of Securities under Lending scheme, 1997 (Scheme). Securities and Exchange Board of India (SEBI), as amended.	Lender	Borrower	Notification 22/2019-Central Tax (Rate) dated 30.09.2019



✓ RCM on service supply through E Commerce Operator

Sr No	Type of Service	Status of service	Status of Recipient	Description of service	Tax payable by (Provider)	Tax payable by (Recipient)	Effective from
1	Transportation of passengers by a radio-taxi, motor cab, maxi cab and motorcycle	Taxi Driver or rent a cab operator	Any Person	Service provided by an agent of business correspondent to business correspondent	Nil	18% by E Commerce operators	From 1.7.17
2	Providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes	Unregistered Hotel, Inn, Clubs etc	Any Person	Service by way of providing accommodation in hotel, inns, guest house, clubs, campsite or other commercial places meant for residential or lodging purposes	Nil	18% by E Commerce operators	From 1.7.17
3	Restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises	All types of restaurants (Excl. hotels having room above 7500)	Any Person	Restaurant Services	Nil	5% by E Commerce operators	From 1.1.22
4	Services by way of house-keeping, such as plumbing, carpentering etc	House keeping, Cleaning, Plumbing Etc	Any Person	Service by the way providing House Keeping service, Cleaning, Plumbing Etc	Nil	18% by E Commerce operators	From 22.8.17
5	Transport of passengers, by any type of motor vehicles*	Transport of passenger by motor vehicles	Any person	Service by the way providing Transport of passenger by any type of motor vehicles	Nil	18% by E Commerce operators	From 1.1.22



2. GST Returns Due Dates

Form	Type of return	Taxpayer	Frequency	Due Date
GSTR 1	Outward Supply	Regular	Monthly	11 th of next Month
		QRMP	Quarterly	13 th of next month from end of quarter
GSTR 3B	Return	Regular	Monthly	20 th of next Month
		QRMP	Quarterly	22 nd /24 th of next month from end of quarter
GSTR 4	Annual Return	Composition tax payer	Annual	30 th April of next FY
GSTR 5	Return	Non-resident tax payer	Monthly	20 th of next Month
GSTR 5A	Return	OIDAR	Monthly	20 th of next Month
GSTR 6	Return	Input service distributor	Monthly	13 th of next Month
GSTR 7	Return	Person liable to deduct TDS	Monthly	20 th of next Month
GSTR 8	Return	E-Commerce operator	Monthly	10 th of next Month
GSTR 9	Annual Return	Regular	Annual	31 st December of next FY
GSTR 9C	Reconciliation statement	Regular	Annual	31 st December of next FY
GSTR 10	Final Return	Registered person apply for cancelation	Once	3 month from date of cancellation or cancellation order w.e.l
GSTR 11	Details of taxable supply of goods and services	Special agencies having UIN	--	At the time of siling of application for refund
CMP 08	Quarterly return	Composition tax payer	Quarterly	18 th of next month



3. Block Credit under GST

Sr No	Type of ITC	Condition for eligibility	Credit Eligibility
1	Motor vehicle for transportation of person having seating capacity more than 13 person & related service	Any purpose	Yes
2	Motor vehicle for transportation of person having seating capacity up to 13 person & related service	a. used for further supply of motor vehicle	Yes
		b. used for provide passenger transportation service	Yes
		c. used for training on driving	Yes
		d. other than above	No
3	Motor vehicle for transportation of goods & related service	Used for transportation of goods	Yes
4	Vessels, Aircraft & Related service	a. used for further supply of vessels/ aircraft	Yes
		b. used for provide passenger transportation service	Yes
		c. used for training on navigating/flying	Yes
		d. other than above	No
5	Related Service as per point 2(d) and 4(e) above	Received by manufacture of such vehicle	Yes
		Received by supplier of general insurance service of such vehicle	Yes
6	Leasing, renting or hiring of motor vehicle, vessels/ aircraft as per point 2(d) and 4(e) above	a. for making an outward taxable supply of similar line of business or as an element of a taxable composite or mixed supply	Yes
		b. taxpayer engage in other line of business	No
7	Food and beverages, Outdoor catering, beauty treatment, Health services, cosmetic and	a. for making an outward taxable supply of similar line of	Yes



	plastic surgery, Life insurance and health insurance	business or as an element of a taxable composite or mixed supply	
		b. taxpayer engage in other line of business	No
8	Membership of club, health and fitness centre		No
9	Travel benefits extended to employee	a. On Vacation	No
		b. For business trip	Yes
10	ITC point no 7(b), 8, 9(a) as above	If it is obligatory for employer to provide to its employees	Yes
11	Works contract service (WCS) for construction of immovable service	a. used for further supply of WCS	Yes
		b. used for construction P&M (weather capitalised or not)	Yes
		c. other than above if capitalised in books of account	No
12	Goods or services for construction of immovable property on his own account (including used in the course or furtherance of business)	a. used for construction P&M (weather capitalised or not)	Yes
		b. other than above if capitalised in books of account	No
13	Goods or services or both received by NRTP	a. Goods Imported	Yes
		b. Other goods and services	No
14	Goods or services or both on which tax has been paid u/s 10	--	No
15	Goods or services or both used for personal consumption	--	No
16	Goods lost, Stolen, destroyed, written off or disposed of by way of gift or free sample	--	No
17	Any tax paid u/s 74,129,130	--	No



4. ITC availability in case of Works contract services

Sr No	Types of inward supply	Types of property	Use of the property for	Type of expenditure	Credit eligibility
1	Work Contract	Immovable property	Own use	Capital	No
				Revenue	Yes
			Further supply of works contract service	Capital	Yes
				Revenue	Yes
		Further supply of other service (eg. renting)	Capital	No	
			Revenue	Yes	
	Plant & Machinery	Any Business use	Capital or Revenue	Yes	
2	Goods or Services	Immovable property	Own use	Capital	No
				Revenue	Yes
			Further supply of works contract service	Capital	No
				Revenue	Yes
		Plant & Machinery	Any Business use	Capital or Revenue	Yes

5. Compulsory Registration irrespective of threshold Limit (Section 24)

Sr No	Particular
1	Interstate taxable supply of Goods*
2	Supply by casual taxable person
3	Person requires to pay tax under RCM
4	E commerce operator specified u/s 9(5)
5	Non resident Taxable Persons making taxable supply
6	Person who is require to deduct tax (TDS)
7	Person who makes taxable supply on behalf of another taxable person
8	Input Service Distributor (ISD)
9	Person who supplies of goods and/or services (other than supplies specified u/s 9(5)) through such e commerce operator who is require to collect tax at source u/s 52
10	Every e commerce operator (who is require to collect TCS u/s 52)
11	Person supplying OIDAR Service from a place outside India to a person in India
12	Such other person or class of persons as may be notified by central Govt. or a State Govt.
13	Every person supplying online money gaming from a place outside India to a person in India.#

*Except person making interstate taxable supply of handicraft goods as per Notification No. 07/2017 - IGST #w.e.f. 01.10.2013



6. Renting of Residential Dwelling

Sr No		Use of Residential Dwelling	Taxability
1	Renting of residential dwelling for residential purpose		
	A	Landlord registered & Tenant registered	18% under Reverse Charge
	B	Landlord unregistered & Tenant registered	18% under Reverse Charge
	C	Landlord registered & Tenant unregistered	Exempt
2	Renting of residential dwelling for commercial purpose		
	A	Landlord registered & Tenant registered	18% under Reverse Charge
	B	Landlord registered & Tenant unregistered	18% under Forward Charge
	C	Landlord un-registered & Tenant registered	18% under Reverse Charge

7. Summary of year wise timelines for issuance of Notice and Order U/s 73/74

FY	Original/Extended Due Date of GSTR 9	Section 73		Section 74	
		Notice can be issued Maximum by (at least 3 Month before Order)	Order can be issued Maximum by (3 Years from due date of GSTR 9)	Notice can be issued Maximum by (at least 6 Months before Order)	Order can be issued Maximum by (5 Years from due date of GSTR 9)
2017-18	05.02.2020	30.09.2023	31.12.2023	05.08.2024	05.02.2025
2018-19	31.12.2020	21.01.2024	30.04.2024	30.06.2025	31.12.2025
2019-20	21.03.2021	31.05.2024	31.08.2024	30.09.2025	31.03.2026
2020-21	28.02.2022	30.11.2024	28.02.2025	28.08.2026	28.02.2027
2021-22	31.12.2022	30.09.2025	31.12.2025	30.06.2027	31.12.2027
2022-23	31.12.2023	30.09.2026	31.12.2026	30.06.2028	31.12.2028

- In case tax has been collected but not paid, no time limit u/s 76.
- In case erroneous refund, date of 3/5 years from date of refund order
- When any notice or order stayed by court or tribunal, than such period should be excluded.



✓ **Limitation on issuance of Notice and Order U/s 73/74**

✓ As a general rule, before confirming demand, the concerned GST Authority is required to follow the principle of natural justice, it cannot pass order without any basis & reason and also opportunity of being heard should be provided.

- **Time limit U/s 73 of CGST Act** – U/s 73 the GST authority shall issue notice within period of 2 years and 9 months and order within 3 years from the due dates of furnishing of GST Annual return for the FY to which such tax is not paid, short paid, erroneously refunded, ITC wrongly claims and utilised.

- **Time limit U/s 74 of CGST Act**– U/s 74 the GST authority shall issue notice within period of 4 years and 6 months and order within 5 years from the due dates of furnishing of GST Annual return for the FY to which such tax is not paid, short paid, erroneously refunded, ITC wrongly claims and utilised.

➤ **A synopsis of the quantum of penalty prescribed U/s 74/74**

Sr No	Particulars	Penalty U/s 73	Penalty U/s 74
1	Tax and interest paid before service of Notice	0%	15% of Tax
2	Tax and interest paid within 30 days of issue of notice	0%	15% of Tax
3	Tax and interest paid within 30 days of communication of order.	10% of tax or Rs 10000 whichever is higher	50% of Tax
4	Tax and interest paid after 30 days of communication of order.	10% of tax or Rs 10000 whichever is higher	100% of Tax



8. ITC on Expense incurred for IPO

✓ IPOs can be categorized into below scenarios:

- Fresh Issue of Share:

In fresh issue, a company issues new shares that are offered to the public for the first time. The proceeds from the sale of these shares go directly to the company, and they are typically used for expansion, debt reduction, or other corporate purposes.

- Offer for Sale (OFS):

In OFS, existing shareholders, such as promoters, venture capitalists, or other investors, sell their shares to the public. The company does not receive any proceeds from this type of offering; instead, the selling shareholders benefit from the sale.

- Combine Offer:

This type of issue combines both a fresh issue of shares and an offer for sale. Here, the company issues new shares to raise capital, and existing shareholders also sell some of their shares.

- It can be rightly stated that in cases where there is an expansion of the capital base, the input tax credit (ITC) for the expenses incurred during the IPO should be allowed. Therefore, the availment of ITC under different scenarios of an IPO can be summarized as follows:

Sr No	Scenario	Eligibility of ITC
1	Fresh Issue of Share	Eligible: funds received will be used for expansion of business operations. Therefore, expenses related to this can be deemed to be used for furtherance of business
2	Offer for Sale	Not Eligible: since no funds are received, expenses related to it are not considered for Input Tax Credit
3	Combined Offer	Partly Eligible: to the extent of capital raised through fresh issue



D) RECENT LANDMARK JUDGEMENT ON GST

1. Asst. Commissioner of State Tax V/s. Suncraft Energy (Pvt) Ltd.

Citation - (2023) 157 taxmann 352 - SC

Reversal of Input Tax Credit due to non-reflection of Supplier's Invoice on GST Portal for FY 2017-18.

Facts of the Case:

The Revenue had challenged the Judgement of Hon'ble High Court of Calcutta which held that recovery / reversal from buyer cannot be demanded if his supplier has failed to upload invoices on GSTN portal. The High Court held that unless the department has first taken action against the supplier or if it is found that the buyer and supplier both are in connivance with each other so as to defraud the government, no recovery can be initiated against the supplier who has availed Credit on bona fide purchases. The Department had challenged this Judgement by filling SLP before the Hon'ble Supreme Court.

Judgement:

The Hon'ble Supreme Court had dismissed the SLP filed by the Department for the reason of demand being on lower side. It should be noted here that the Hon'ble Supreme Court has not gone into merits of the case.

2. Prahitha Construction Pvt Ltd V/s. Union of India

Citation - (2024) 159 taxmann 437 - Telangana HC

Transfer of development rights of land by land owners to real estate developers by executing a Joint Development Agreement (JDA) is liable to GST

Facts of the case

The petitioners, being company engaged in construction activities had filed an SLP before Telangana HC, praying before the Court to issue Writ of Mandamus, declaring that the transfer of development rights arising out of land, by the land owners to the developers, by way of execution of JDA, should be treated as Sale of Land and hence, should not be treated as taxable in GST.

Judgement:

The Hon'ble Telangana HC dismissed the SLP filed by petitioners, by delivering a detailed judgement. The HC held that there is no automatic transfer of ownership of land to the petitioner and that the petitioner does not get any right on the said property until the completion of the project. The HC also held that considering the provisions of Article 246A of the Constitution of India, and also considering the extra-ordinary powers conferred upon the GST Council, the challenge to the notification issued by the government is devoid of any merits.



Remarks:

The above judgement of Telangana HC has been challenged by the petitioners before the Supreme Court. The Hon'ble SC has admitted the SLP and issued Notice. However, the Hon'ble SC has declined to issue Stay Order on the judgement of Telangana HC. This is one of the most sought after judgements, which will have grave impact on entire real estate industry

3. K M Food Infrastructure Pvt Ltd V/s. Director General, DGGI - Delhi High Court

Citation: - (2024) 159 taxmann 610 (Delhi HC)

Whether Cash found at business premises during Search can be seized by Department?**Facts of the Case:**

A Search was carried out at the business premises of taxpayer. During the course of search, the officers found cash amounting to Rs. 1.91 Crores. The Officers confiscated the cash found at business premises for the reason that the taxpayer could not provide any satisfactory reply for possession of currency. The Department deposited the cash into bank account and converted into fix deposit.

Judgment:

The Hon'ble Delhi HC held that *the word "things" appearing in Section 67 of the CGST Act, 2017 does not include "money" and therefore, that being so, action on the part of the Officers of the respondents seizing/resuming the cash was illegal and arbitrary.* The Court further held that there is no evidence that the cash so seized was representing the sale proceeds of unaccounted goods, therefore, it could not have been seized under the provisions of CGST Act as the seizure is limited to the goods liable for confiscation. Therefore, there is no reason for the retention of the cash by the respondents. Accordingly, the **Hon'ble Court directed the department to remit the proceeds of fix deposit along with interest to the petitioners forthwith.**

4. Shamhu Saran Agarwal & Company V/s. Additional Commissioner

Citation: - (2024) 160 taxmann 151 (Allahabad HC)

Whether Penalty can be imposed under Section 129 on the basis of under valuation during movement of goods?**Facts of the Case:**

The vehicle of the petitioner was intercepted by the flying squad officer for verification. The officer passed Order imposing penalty, for the reason that goods were under-valued. The petitioner preferred filed Appeal before the Commissioner (Appeals), who also uphold the imposition of penalty. The taxpayer challenged the Order of Commissioner (Appeals), before High Court.

The Hon'ble High Court held that there was no mismatch in the description of the goods with the documents. The only ground for detention of the goods was that the valuation of the goods as per the invoice was not correct. In my view, *this is not a valid ground for detaining the goods as the officer concerned was not competent to carry out such detention.* In the event of under valuation, appropriate notice under Sections 73 or 74 Goods and Service Tax Act, 2017 is required to be issued as per the procedure provided therein. If the Court holds such a detention to be valid, it would be open to the authorities to carry out detention on their whims and fancies. *The detention of the goods in such a scenario is not envisaged under the Act and the officers have not been vested with such a power to detain the goods and thereafter impose penalty under Section 129 of the Act.* Specific provisions have been provided for detection of under valuation and the GST officials have to adhere to the same.

5. Chief Commissioner of CGST V/s. Safari Retreats Pvt Ltd - SC

Citation - (2023) 149 taxmann 319 (SC)

Whether ITC can be availed of materials and services used in construction of shopping malls?

Facts of the Case:

The Revenue had challenged the Judgement of Hon'ble Orissa High Court in case of Safari Retreats Pvt Ltd, wherein the Hon'ble High Court has held that petitioner, engaged in construction of shopping malls for the purpose of letting them out to various tenants and lessees, is entitled to avail Input Tax Credit on inputs used for construction of shopping malls, such as cement, steel, aluminum, wires, plywood, lifts, interior etc.

Judgment: Awaited.

As per the reported news, the arguments from both the sides have been completed and now the Hon'ble SC has reserved its order.

This is one of the most sought after judgements in GST by taxpayer, professionals as well as department, since it will be having huge revenue implications.

6. Care College of Nursing V/s. Kaloji Narayana Rao University of Health Sciences - Telangana HC

Citation - (2023) 156 taxmann 450 (Telangana HC)

Whether affiliation fees collected by the University from colleges are liable to tax?

Facts of the Case:

The petitioners are Colleges, engaged in imparting Education, and are affiliated to a University. The Colleges pay affiliation fees to the University for affiliation. The Revenue raised GST demand from University on income earned on affiliate fees from colleges. The University in turn, demanded GST on affiliation fees from colleges. The Colleges filed writ petition before the High Court, inter-alia, praying to waive GST demand, since the same is covered by education services provided and hence it should not be taxable.

Judgment:

The Hon'ble Telangana HC held that Notification No. 12 of 2017, dated 28-6-2017, cannot be made applicable upon inspection and affiliation fees charged by the University from the educational institutions. *The Court further held that inspection and affiliation fees charged by the University from the*

educational institutions has not been specifically exempted and hence they cannot be covered under the education services and accordingly, are taxable.

7. Laxmi Construction V/s. State Tax Officer – Orissa High Court

Citation: – (2024) 162 taxmann 798 (Orissa HC)

Whether Order uploaded online on the portal, is a valid Service of Order?

Facts of the Case:

Order under Section 74(9) of the CGST Act, 2017 was issued by Revenue directing assessee to make payment. Physical Copy of the order was not served by the revenue, but the said Order was uploaded online on the portal. The assessee challenged the service of Order, alleging that he was not aware of the Order uploaded on portal by Revenue and that it came to his knowledge very recently and hence, it is not a valid service as mentioned in Section 169 of the Act.

Judgment:

The Hon'ble High Court held that since the Order was uploaded online on portal, which is one of the modes of service as mentioned in Section 169(1)(d) of the CGST Act, 2017, the validity of service of notice cannot be called in question, considering the express provisions in the Act.

8. Eicher Motors Ltd V/s. Superintendent of GST & Central Excise – Madras High Court

Citation: – (2024) 158 taxmann 593 (Madras HC)

Whether interest can be recovered even when the tax liability amount was deposited in electronic cash ledger by taxpayer?

Facts of the Case:

The petitioner had accumulated Transitional Credit amounting to Rs. 34 Crores approx. on the date of introduction of GST, i.e. 01.07.2017. Due to portal glitches, entire amount could not be credited in petitioner's electronic credit ledger, even after filling of TRAN 1.

Judgment:

The Hon'ble Madras High Court held that for the payment of tax to the account of Government, the filing of GSTR-3B is immaterial, which means either with or without filing of monthly returns, the tax can be remitted to the Government. The Court further held that *since in the present case, the tax amount has already been credited to the Government within the prescribed time limit, i.e., before due date, the question of payment of interest would not arise.*





Artificial intelligence is not a substitute for human intelligence; it is a tool to amplify human creativity and ingenuity.

SHAH TEELANI & ASSOCIATES

CHARTERED ACCOUNTANTS

Ahmedabad Office

302-304, Shubh House, Bh. Jain Dairy, Swastik Cross Road,
Off. CG Road, Ahmedabad, 380009, Gujarat, India
Call: +91 99782 92929 / 079-4849 2929/28
Email: info@shahteelani.com

Mumbai Office

215, 2nd Floor, Madhani Industrial Estate,
Senapati Bapat Marg, Dadar West,
Mumbai - 400028
Call: +91 9833 081188
Email: viraj.mehta@shahteelani.com

Mumbai Office

10, Shree Krishnalaya CHS, N.S. Mankikar Marg,
Nr Chunabhatti Railway Station, Chunabhatti,
Sion West, Mumbai 400022, Maharashtra, India
Call: +91 72083 95338
Email: jainam.shah@shahteelani.com

Surat Office

401-B, Trident Complex, Athugar St,
Opp Kailash Sweet, Kharwawad, Nanpura,
Surat - 395001, Gujarat, India
Call: +91 88663 76597
Email: aziz.shaikh@shahteelani.com

Jodhpur Office

109, 1st floor, Shiv Sagar Apartment,
near Hotel Shri Ram Excellency, Residency Road,
Jodhpur (Rajasthan) - 342001
Call: +91 99284 93333
Email: ritu.gupta@shahteelani.com