

**CA Final**  
**Indirect Tax Laws**  
**Paper 5**

**Amendments for MAY 2024**  
**EXAM**



**INDIGOLEARN.COM**




***Prepare for CA EXAMS  
LIKE NEVER BEFORE***

# 1Fin by Indigolearn

#StudentFirst



Experience the world of e-learning



Online classes by faculties  
with AIRs



Comprehensive coverage  
with cool visual effects



MCQ's with personalised  
analytics



Notes and flash cards at one click

Download our APP - 1FIN

9640-11111-0



# Our Rankers

**AIR 5**



**Sarthak Aggarwal**  
CA Inter May-23

**AIR 19**



**Aman Mahajan**  
CA Inter Dec-21

**AIR 33**



**Sundar B**  
CA Inter Dec-21

**AIR 49**



**Ria Gupta**  
CA Inter May-22

# What Our Students have to Say....

## **Aman Mahajan (CA AIR 19)**

I really liked your classes, especially the practical linkages explained with amazing graphics. The full subject test series helped a lot in improving my writing speed and presentation skills.

## **Sundar Sri Renganathan B (AIR 33)**

I took Accounting from IndigoLearn and the classes were really good. They emphasized on conceptual clarity over getting things done quickly, which is really vital to score good marks in practical papers. Other resources like Notes, Quizzes and Forum was beneficial too.

## **Dwarakesh**

Thank you IndigoLearn team for the guidance and support throughout the past few months. I had great conceptual clarity in all the subjects and the revision classes by Suraj Sir were very helpful. Study planner and Free resources were very useful. Thank you Team IndigoLearn.

## **Yug Manoj Kumar Bhattad**

I have cleared my CA Foundation examination with the total of 286. And this was not possible without the efforts and support of IndigoLearn. The way of teaching with utmost conceptual clarity is the best thing at IndigoLearn.

## **Prakash Bhatt**

Superb, one stop solution for All CA and Accountancy students they serve real Education at very very reasonable price

## **Naveen Kumar S**

Good experience, unlimited views helped a lot in last one month preparation. Looking forward for

## **Bhagyasree Chougule**

It was only because of IndigoLearn that my concepts became very clear, and I was able to crack the exam. I wasn't 100% prepared I needed more practice but luckily I got through. I'm definitely choosing IndigoLearn for group 2 preparation. A big thanks!

## **Mohd Thayyab**

Theoretical subjects made easier through story based examples and charts. Concept clarity 100%. Fully exam+practical oriented classes will help not only to retain the concepts during exams but for the longer duration.

## **Lalit Chetan Sanpal**

IndigoLearn has been fantastic and brilliant. Helped me a lot in my preparations. I cleared both the groups in first attempt with your brilliant classes and notes. Thanks to all the faculties, coordinators, forum admins and everyone at IndigoLearn. Really grateful. Will go for CA Finals at IndigoLearn For sure. Thank you so much IndigoLearn.



# #StudentFirst

## Abishek M

I'd like to thank IndigoLearn for all the support they've provided me with. Modules were great. They were time saving and straight to the point. I extensively used the materials provided before exams, they were so helpful. Also I'd appreciate them for providing unlimited views as I kept looking into the maths modules till the end.

## Munnur Nandini Sree

Accounting classes I have taken from IndigoLearn. Now I feel that it's a great choice that I have made (after seeing my result ) because only in Accounting I got exemption. Thank you IndigoLearn.

## Harshita G

Thank u so much IndigoLearn for your guidance. This is only possible because of u people.... For my finals also my journey will continue with IndigoLearn.

## Bharathsha PS

I purchased Economics, IT, FM, EIS and Audit from IndigoLearn. All your classes are superb and anyone can easily crack the CA exams. What makes u special is your classes help us to understand the concepts very well. Special thanks to the FM faculty, I studied only 2 chapters in economics, and still managed to score exemption in the 8th paper.

## Nayi Mihir kumar

This platform is very helpful in all activity like mcq practise, notes, teaching activities, revisions and the forum interaction with all students which I like the most. If anybody want to clear their exams in first attempt then IndigoLearn is the best platform for them. My all regards to IndigoLearn. Thank you so much.

## Rajalaxmi CA Inter

Can't believe I cleared. Sathya Sir, Suraj Sir, Yogita Mam ... thanks to all my faculties. Basically an Eng student with zero accounts knowledge. Thanks IndigoLearn for making me clear in first attempt.

## Priyanka Udeshi

All the faculties have excellent knowledge of the subject and deliver it in very crisp & effective manner. Also, quick response at Forums never let any of my doubts go unresolved no matter how small they were. Thank you once again to all the teachers & staff at IndigoLearn!

## Naveen Kumar T

It been a great journey with indigo learn team. Thanks to all the facilities and forum friends who support me a lot.

## **SUPPLY:**

### ❖ **Schedule III: Entry 6 amended.**

Entry 6 has been amended to “Actionable claims other than specified actionable claims”

Although actionable claims are goods but supply of only specified actionable claims viz. betting, **casinos**, gambling, **horse racing**, lottery or **online money gaming**: GST shall be levied



### ❖ **Clarification on taxability of supply of food and beverages at cinema halls**

Even in case of supply of food and beverages at cinema halls, it is regarded as restaurant service and GST would be levied accordingly.

If food & beverages at cinema halls are supplied independently: taxable as restaurant service but if sale of cinema ticket and supply of food & beverage are clubbed & satisfying the test of composite supply, then rate of principal supply i.e., exhibition of cinema will apply.



### ❖ **Clarification on taxability of shares held in a subsidiary company by holding company**

The activity of holding of shares of subsidiary co. by the holding co. per se cannot be treated as a supply of services by a holding co. to the said subsidiary co. and cannot be taxed.

### ❖ **Section 16 of IGST act: Zero rated supply – amended**

For ZRS of goods under LUT, in case of non-realisation of sale proceeds, RP shall be liable to deposit the ITC refund with interest within 30 days after the expiry of time limit as per FEMA.

Also, government empowered to notify Class of persons who may make ZRS or class of goods or services which may be exported on payment of IGST and claim refund thereof.

## **CHARGE OF GST:**

### ❖ **Section 9(3): Supply of goods taxable under reverse charge.**

Goods added under RCM:

- Bidi leaves, by Agriculturist to a registered person
- Cashew nuts, not shelled or peeled by Agriculturist to a registered person
- Essential Oils, by any unregistered person to registered person
- Raw cotton, by Agriculturist to a registered person
- Supply of lottery, by State Government, Union Territory or any Local Authority to Lottery distributor or selling agent
- Used vehicles, seized and confiscated goods, old and used goods, waste and scrap by CG (excluding Ministry of Railways), SG, Union Territory or Local Authority to a Registered person
- Tobacco leaves, by Agriculturist to a registered person
- Priority Sector Lending Certificate, by a registered person to a registered person
- Silk yarn by any person who manufactures silk yarn from raw silk or silk worm cocoons for supply of silk yarn to a registered person

### ❖ **Section 9(3): Amendment in RCM related services**

Now all services supplied by the Ministry of Railways (Indian Railways) shall be liable for Forward charge mechanism

### ❖ **Section 5(1): Proviso amended**

Import of specified actionable claim of online money gaming will be taxed under IGST as import of goods without applicability of customs duty

### ❖ **Section 5(3): Reverse charge under IGST on notified goods & services – Entry no. 10 - Omitted.**

Now the transportation of goods by a vessel from a place outside India up to the customs station of clearance in India shall not be liable to RCM

### ❖ **Clarification on Taxability of services supplied by director of a company in his personal capacity such as renting of immovable property to the company/body corporate.**

Only those services supplied by director in the capacity of director shall be taxable under RCM & other services supplied in his private/personal capacity are not taxable under RCM

### ❖ **Notification No. 17/2017-CT(R): Notified categories of services supplied through ECO - amended**

In general, service by way of transportation of passengers supplied through ECO then in such case ECO is liable to pay GST as it is covered under Section 9(5).

In case of passenger transportation services by omnibus, ECO is liable to pay GST only then the person supplying such services through ECO is other than company.



❖ **Section 10(2)(d) & 10(2A)(c) amended:**

Now supplier of goods through ECO (who is required to collect tax at source under section 52), is eligible to opt for composition scheme. (Only intrastate supply can be done).

Special procedure notified for ECO w.r.t. Composition supplier supplying goods through them

- i. ECO shall not allow any interstate supply.
- ii. ECO shall collect TCS and pay to government.
- iii. Furnish the details of such supplies of goods in GSTR 8

**EXEMPTIONS:**

❖ **Entry No. 3B: Services provided to a Governmental Authority – New Entry**

Services provided to a Governmental Authority by way of - water supply, public health, sanitation conservancy, solid waste management; and slum improvement and upgradation shall be exempt.

❖ **Services received by RBI from outside India in relation to management of foreign exchange reserves – Exemption has been removed**

❖ **Entry No. 6: Services by Government – Along with Department of Posts, Ministry of Railways i.e., Indian Railways has also been covered**

❖ **Entry No. 19C: Satellite launch services – Entry Amended**

Now Satellite launch services provided by any person shall be exempt.

**TIME OF SUPPLY:**

❖ **Notification No. 66/2017-Central Tax dated 15.11.2017, amended to exclude specified actionable claims**

In case of specified actionable claims, the tax shall be paid at the time of receipt of payment for such supplies by the suppliers i.e. on advances also

**PLACE OF SUPPLY:**

❖ **Section 10(CA): New Clause Inserted for sale made over the counter (OTC) in one State and transported to another State by the buyer**

Where the address of the unregistered person (URP) is recorded in the invoice: POS is location as per address, or else POS is location of the supplier. Simply mentioning the State of unregistered person instead of complete address would be sufficient.

❖ **Section 13(9): Service of Transportation of Goods – removed**

~~Section 13(9) states that the place of supply of transportation of goods, other than by way of mail or courier, shall be the place of destination of such goods~~

❖ **Clarification on Place of supply in case of supply of services in respect of advertising sector**

Supply of space on hoarding given by vendor to advertisement co. is grant of rights to use an immovable property, hence Section 12(3) shall apply & POS shall be location where such hoarding/structure is located.

Where the vendor is responsible for display of advertisement, he is providing advertisement services to Advertisement Co. then POS shall be as per section 12(2) of IGST Act.

**VALUE OF SUPPLY**

❖ **Clarification on Taxability and valuation of personal guarantee by Directors and corporate guarantee by related person, for the company.**

No tax is payable on supply of service i.e., of providing personal guarantee by the Director without any consideration, to the bank/ financial institutions for sanctioning of credit facilities since as per RBI guidelines, consideration cannot be paid to Director for providing guarantee.

Value of supply of service of providing corporate guarantee by a person on behalf of another related person, or by the holding company for its subsidiary company shall be: Higher of: 1% of the amount of such guarantee offered, or actual consideration

❖ **Clarification regarding internally generated services - where Head Office is providing certain services to the Branch Offices for which full ITC is available to the concerned Branch Offices**

In respect of internally generated services, Where, full ITC is available to a Branch Office, the value declared on the invoice by Head Office shall be deemed to be the OMV, irrespective of the fact whether cost of any particular component of such services, like employee cost etc., has been included or not in the value of the services.

If Head Office has not issued a tax invoice to the Branch Office, the value of such services may be deemed to be declared as Nil by Head Office to Branch Office, and may be deemed as OMV.

In respect of internally generated services provided by the Head Office to Branch Offices, the cost of salary of employees of the Head Office, involved in providing the said services to the Branch Offices, is not mandatorily required to be included while computing the taxable value of the supply of such services, even in cases where full ITC is not available to the concerned Branch Office

❖ **Section 15(5): Value of notified supplies: shall be as per manner prescribed**

It is the sub-section which aids in the manner of calculating the value of notified supplies as notified under NOTIFICATION No. 49/2023 –Central Tax are:

- ☞ Supply of online money gaming
- ☞ Supply of online gaming other than online money gaming
- ☞ Supply of actionable claims in casinos



❖ **31B. Value of supply in case of online gaming including online money gaming**

Value of supply in case of online gaming including online money gaming shall be: the total amount paid or payable to or deposited with the supplier. Any amount returned or refunded by the supplier to the player, shall not be deductible from the value of supply.



❖ **31C. Value of supply of actionable claims in case of casino**

Value of supply of actionable claims in case of casino shall be the total amount paid or payable by or on behalf of the player for (i) purchase of the tokens, chips, coins or tickets or (ii) participating in any event, including game, scheme, competition or any other activity or process. Any amount returned or refunded by the supplier to the player, shall not be deductible from the value of supply.

**INPUT TAX CREDIT:**

❖ **Section 17(5): Blocked credits: Clause (fa) inserted after clause (f)**

ITC shall be blocked on goods or services or both received by a taxable person used/intended to be used for activities relating to CSR.

❖ **Rule 42 & 43:**

Value of Exempt supply for rule 42 & 43 shall now also include:

Supply of warehoused goods to any person before clearance for home consumption;

Value = value of supply of goods from Duty Free Shops at arrival terminal in international airports to the incoming passengers.

## **REGISTRATION:**

### ❖ **Section: 24 – Compulsory Registration in certain cases – (xia) added.**

Compulsory registration for person supplying online money gaming from a place outside India to a person in India.

### ❖ **Section 24: Person supplying goods through ECO, exempted from mandatory registration subject to fulfilment of some conditions**

Now supplier of goods with aggregate turnover not exceeding registration limit in the preceding FY and in the current FY & supplying through ECO exempted from obtaining compulsory registration subject to fulfilment of following conditions

- i. Shall not make any interstate supply;
- ii. Shall not make supply through ECO in more than one state/UT;
- iii. Obtain PAN under Income tax act;
- iv. Before making supply through ECO declare PAN, address & ST/UT in which person seeks to make supply, on portal;
- v. On validation of PAN, enrolment shall be granted;
- vi. Shall not be granted more than one enrolment number in a state or UT;
- vii. Shall not supply through ECO before enrolment is granted

Also, ECO to follow Special procedure in respect of supplies of goods through them by Un-Registered Person

- i. ECO shall allow supply only if enrolment number has been allotted to them;
- ii. ECO shall not allow any interstate supply of goods;
- iii. ECO shall not collect tax at source u/s 52;
- iv. ECO shall furnish the details of supplies of goods by said person in GSTR 8

### ❖ **Rule 8: Application for registration - Substituted**

Rule 8(1) has been amended to exclude a person supplying online money gaming from a place outside India to a person in India from declaring their PAN and State/UT for applying for registration

Instead, the simplified registration scheme earlier prescribed for a person supplying OIDAR services from a place outside India has also been made applicable to such persons.

### ❖ **Rule 9 - Verification of the application and approval – amended to omit the words “in the presence of the said person”.**

Now Requirement of the presence of the applicant for physical verification of business premises has been done away with.

### ❖ **Rule 10A: Furnishing of Bank Account Details - amended**

Time limit to furnish bank account details: Earlier of

- i. within 30 days from date of grant of registration or
- ii. before furnishing GSTR 1/using IFF

- ❖ **Rule 25: Physical verification of business premises in certain cases – rule substituted**  
**Physical Verification after grant of registration:** Verification report to be uploaded within 15 working days post verification and if Physical Verification before grant of registration: report to be uploaded at least five working days prior to the completion of 30 days.
- ❖ **Rule 21A: Suspension of registration - Sub rule (2A) amended & Proviso inserted under sub-rule (4)**  
Provisions introduced for system-based suspension of registration in case of failure to furnish the details of valid bank account within stipulated time & Automatic revocation on furnishing said details.
- ❖ **Rule 23: Revocation of cancellation of registration – Sub rule (1) amended & Proviso inserted.**  
Time limit to apply for revocation increased from 30 days to 90 days from the date of the service of the order of cancellation. Further, if there is sufficient cause and for reasons recorded in writing, it can be extended by Commissioner or an officer authorised in this behalf not below the rank of Additional or Joint Commissioner for a further period not exceeding 180 days.

#### **TAX INVOICE, CREDIT AND DEBIT NOTES:**

- ❖ **W.e.f. 01.08.2023 - E-invoicing made applicable for taxpayers having aggregate turnover exceeding Rs. 5 Cr**  
Threshold limit for e-invoicing reduced to Rs. 5 Crore from Rs. 10 Crores
- ❖ In cases involving supply of online money gaming/ services provided by/ through ECO or by supplier of OIDAR services to unregistered person, tax invoice must contain name of the state of recipient irrespective of value of supply
- ❖ **Clarification on applicability of e-invoicing to Government Departments/PSUs etc. registered solely for the purpose of deduction of tax at source as per provisions of section 51**  
Registered Persons whose turnover exceed 5 crores & issuing invoices to Government Departments or establishments/ Government agencies/ local authorities/ PSUs are required to issue e-invoice.

#### **ASSESSMENT AND AUDIT**

- ❖ **Section 62: Assessment of non-filers of returns**  
Registered Person can now furnish a valid return within 60 days of the service of the assessment order and the said assessment order shall be deemed to have been withdrawn. Further 60 days can be extended by another 60 days on payment of an additional late fee of one hundred rupees for each day of delay beyond sixty days of the service of the said assessment order.



## **PAYMENT OF TAX:**

- ❖ In the cases where IGST credit has been wrongly availed and subsequently reversed on a certain date, there will not be any interest liability during the time period starting from such availment and up to such reversal, if the balance of ITC in the electronic credit ledger, under the heads of IGST, CGST and SGST taken together, has never fallen below the amount of such wrongly availed ITC.
- ❖ Credit of compensation cess shall not be taken into account while considering the balance of electronic credit ledger for the purpose of calculation of interest in respect of wrongly availed and utilized IGST, CGST or SGST credit.

## **TDS & TCS:**

### ❖ **Rule 67(2) amended**

The Details of TCS furnished by ECOs in GSTR-8 shall be made available only to the registered suppliers, as the supplies by unregistered persons do not attract TCS.

## **RETURNS:**

### ❖ **In Rule 59(6): After clause (d), (e) & (f) added. Additional cases prescribed wherein a registered person is debarred from furnishing details of outward supplies**

Cases wherein a registered person is debarred from furnishing details of outward supplies:

- i. Registered Person served intimation under Rule 88D: unless he has either paid the amount equal to the excess ITC as specified in the said intimation or has furnished a reply explaining the reasons.
- ii. If Registered Person has not furnished the details of the bank account as per the provisions of rule 10A.

### ❖ **New Rule 88D – Inserted: Manner of dealing with difference in input tax credit available in auto-generated statement containing the details of input tax credit and that availed in return**

- Where the ITC availed in GSTR 3B for a tax period exceeds the ITC available in GSTR 2B, by such amount & percentage as may be recommended by the council, then the person shall be intimated of such difference in Part A of FORM GST DRC-01C.
- The RP shall either (a) pay the excess ITC amount along with interest through DRC 03 & furnish the details thereof in Part B of FORM GST DRC-01C. or (b) furnish a reply, incorporating reasons why excess ITC has been claimed, in Part B of FORM GST DRC-01C within 7 days.
- Where any amount remains to be paid within the period of 7 days and where no explanation or reason is furnished by the registered person in default or where the explanation furnished by such person is not found to be acceptable by the PO, the said amount shall be liable to be demanded

## **REFUNDS:**

### ❖ **Rule 89(1): Third Proviso amended**

Refund by CTP/NRTP shall be claimed only after the last return required to be furnished by him has been so furnished.

### ❖ **Rule 89(2): Clause (k) - amended**

Now, if any interest has been paid in excess along with tax, the same also can be claimed as refund

### ❖ **Rule 94: Order sanctioning interest on delayed refunds – sub-rule (2) inserted**

The period of delay beyond 60 days for which interest is payable shall not include:

- i. Any period beyond 15 days of receipt of notice in RFD 08, which the applicant takes to reply in GST RFD 09 or submit additional documents or reply.
- ii. Any period of time taken either by the applicant for furnishing the correct details of the bank account to which the refund is to be credited or for validating the details of the bank account so furnished, where the amount of refund sanctioned could not be credited

### ❖ **Clarification: Refund of accumulated ITC linked to GSTR-2B instead of GSTR-2A**

Refund of the accumulated ITC under section 54(3) for a tax period shall be restricted to ITC as per those invoices, the details of which are reflected in Form GSTR-2B.

### ❖ **Clarification: Manner of calculation of 'Adjusted Total Turnover' under rule 89(4) clarified consequent to Explanation inserted to said sub-rule.**

Value of goods exported out of India shall be FOB value declared in the shipping bill or value declared in the invoice whichever is lower.

While calculating "Adjusted Total Turnover", the value of goods exported out of India to be included will be same as being determined as per the said Explanation

## **DEMANDS AND RECOVERY**

- ❖ In case of Provisional attachment of property, encumbrance can be removed "on written instructions of Commissioner to this effect" or "on expiry of 1 year from the date of issuance of order of provisional attachment of property" whichever is earlier

## **APPEALS AND REVISION**

### ❖ **Rule 108. Appeal to the Appellate Authority - Sub-rule (1) amended**

Filing of GST APL – 01 shall only be filed electronically not otherwise.

❖ **Rule 109. Application to the Appellate Authority.**

Filing of GST APL – 03 shall only be filed electronically not otherwise.

Appeal to the Appellate Authority may be filed manually in APL 01/APL-03, along with the relevant documents, only if

- i. the Commissioner has so notified, or
- ii. the same cannot be filed electronically due to non-availability of the decision or order to be appealed against on the common portal.

**OFFENCES AND PENALTIES**

❖ **Section 132(1): amended**

Changes in section 132 are as follows:

- Clause (g), (j), (k) omitted: hence obstructing officer, tempering evidence or failing to supply/supplying false information will not attract imprisonment.
- Also to attract imprisonment now the amount of tax evaded/ITC wrongly availed or utilised /refund wrongly taken should exceed 200 lakhs.
- Only in case of an offence under clause (b) i.e. (b) issues any invoice/bill without supply of g/s/b, the person shall be imprisoned if the tax evaded exceeds 100 lakhs.

**Customs & FTP**

❖ **Deferred Payment of Import duty Rules, 2016 – rule 4 & 6 amended**

❖ **Rule 4: Payment of duty.**

*Due dates for deferred payment of import duty –*

Goods corresponding to Bill of Entry returned for payment from	Due date of payment of duty, inclusive of the period (excluding holidays)
• 1 <sup>st</sup> day to 15 <sup>th</sup> day of any month	16 <sup>th</sup> day of that month
• 16 <sup>th</sup> day till the end of last day of any month other than March	1 <sup>st</sup> day of the following month
• 16 <sup>th</sup> day till 31 <sup>st</sup> day of March	31 <sup>st</sup> March

Above rule has been amended to provide that, where the Central Government considers it necessary and expedient, it may, under exceptional circumstances, and for reasons to be recorded in writing, allow payment to be made on a different due date.

❖ **Rule 6: Deferred payment not to apply in certain cases**

If there is a default in payment of duty by due date more than once in three consecutive months, this facility of deferred payment will not be allowed unless the duty with interest has been allowed in full.

Above point has been amended to provide that eligible importer shall be permitted to make the deferred payment if he has

1. Paid the duty for a bill of entry within the due date and
2. Paid the differential duty for the same bill of entry along with interest on account of reassessment within one day (excluding holidays)

***Phased implementation of Electronic Cash Ledger (ECL) in Customs [Section 51A]***

CBIC has exempted following deposits from the provisions of section 51A of the Customs Act till 30.11.2023

- i. with respect to goods imported or exported in customs stations where customs automated system is not in place;
- ii. with respect to goods imported or exported at international courier terminals;
- iii. with respect to accompanied baggage;
- iv. other than those used for making electronic payment of:
  - a. any duty of customs, including cesses and surcharges levied as duties of customs;
  - b. IGST;
  - c. GST Compensation Cess;
  - d. interest, penalty, fees or any other amount payable under the Act, or Customs Tariff Act, 1975

**Note: With effect from 1.12.2023, payments relating to Courier shipments would be required to be done through electronic cash ledger**