

DIRECTORATE OF TRAINING,
EXCISE AND TAXATION DEPARTMENT,
PUNJAB, PATIALA

GST UPDATE
(September 2024)

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GIST of GST Notification

Centre's Tax Notification No.	Subject
Notification No. 17/2024–Central Tax [S.O. 4253(E)]	GST Notification No. 17/2024 – Finance Act Provisions Effective Dates
S.O.43/P.A.5/2017/S.148/2024,dated the 03rd September, 2024	Seeks to rescind Notification No. 30/2023-CT dated 31 st July, 2023
S.O.44/P.A.5/2017/S.148/2024, dated the 03rd September, 2024,	Seeks to notify special procedure to be followed by a registered person engaged in manufacturing of certain goods.
S.O.45/P.A.5/2017/S.158A/2024, dated the 03rd September,	Seeks to notify “Public Tech Platform for Frictionless Credit” as the system with which information may be shared by the common portal based on consent under sub-section (2) of Section 158A of the Central Goods and Services Tax Act, 2017.
S.O.46/P.A.5/2017/Ss.9 and 15/2024, dated the 03rd September,	Seeks to amend Notification No 01/2017-Central Tax (Rate) dated 28.06.2017

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GOVERNMENT OF PUNJAB
DEPARTMENT OF EXCISE AND TAXATION
(EXCISE AND TAXATION-II BRANCH)
NOTIFICATION

The 3rd September, 2024

No. S.O.43/P.A.5/2017/S.148/2024.- In exercise of the powers conferred by section 148 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act 5 of 2017), and all other powers enabling him in this behalf, the Governor of Punjab, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, is pleased to rescind the Government of Punjab, Department of Excise and Taxation, Notification No. S.O. 90/P.A.5/2017/S.148/2023, dated the 15th December, 2023, published in the Punjab Government Gazette (Extraordinary), Part-III, dated, the 20th December, 2023, except as respects things done or omitted to be done before such rescission.

2. This notification shall be deemed to have come into force on and with effect from the 1st day of January, 2024.

VIKAS PRATAP,
Additional Chief Secretary-cum
Financial Commissioner (Taxation) to
Government of Punjab, Department of
Excise and Taxation.

GOVERNMENT OF PUNJAB
DEPARTMENT OF EXCISE AND TAXATION
(EXCISE AND TAXATION-II BRANCH)
NOTIFICATION

The 3rd September, 2024

No. S.O.44/P.A.5/2017/S.148/2024.- In exercise of the powers conferred by section 148 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act 5 of 2017), and all other powers enabling him in this behalf, the Governor of Punjab, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, is pleased to notify the following special procedure to be followed by a registered person engaged in manufacturing of the goods, the description of which is specified in the corresponding entry in column (3) of the Schedule appended to this notification, and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Schedule, namely:—

- 1. Details of Packing Machines.—** (1) All the registered persons engaged in manufacturing of the goods mentioned in Schedule to this notification shall furnish the details of packing machines being used for filling and packing of packages in **FORM GST SRM-I**, electronically on the common portal, within thirty days of coming into effect of this notification.
- (2) Any person intending to manufacture goods as mentioned in the Schedule to this notification, and who has been granted registration after the issuance of this notification, shall furnish the details of packing machines being used for filling and packing of packages in **FORM GST SRM-I** on the common portal, within fifteen days of grant of such registration.
- (3) The details of any additional filling and packing machine being installed at the registered place of business shall be furnished, electronically on the common portal, by the said registered person within twenty four hours of such installation in PART (B) of Table 6 of **FORM GST SRM-I**.
- (4) If any change is to be made in the declared capacity of the machines, the same shall be furnished, electronically on the common portal, by the said registered person within twenty four hours of such change in Table 6A of **FORM GST SRM-I**.
- (5) Upon furnishing of such details in **FORM GST SRM-I**, a unique registration number shall be generated for each machine, the details of which have been furnished by the registered person, on the common portal.

(6) In case, the said registered person has submitted or declared the production capacity of his manufacturing unit or his machines, to any other government department or any other agency or organisation, the same shall be furnished by the said registered person in Table 7 of **FORM GST SRM-I** on the common portal, within fifteen days of filing such declaration or submission:

Provided that where the said registered person has submitted or declared the production capacity of his manufacturing unit or his machines, to any other government department or any other agency or organisation, before the issuance of this notification, the latest such certificate in respect of the manufacturing unit or the machines, as the case may be, shall be furnished by the said registered person in Table 7 of **FORM GST SRM-I** on the common portal, within thirty days of issuance of this notification.

(7) The details of any existing filling and packing machine disposed of from the registered place of business shall be furnished, electronically on the common portal, by the said registered person within twenty four hours of such disposal in Table 8 of **FORM GST SRM-I**.

2. Special Monthly Statement.— The registered person shall submit a special statement for each month in **FORM GST SRM-II**, electronically on the common portal, on or before the tenth day of the month succeeding such month.

3. Certificate of Chartered Engineer.— (1) The taxpayer shall upload a certificate of Chartered Engineer **FORM GST SRM-III** in respect of machines declared by him, as per para 1 of this notification, in Table 6 of **FORM GST SRM-I**.

(2) If details of any machine are amended subsequently, then fresh certificate in respect of such machine shall be uploaded.

4. This notification shall be deemed to have come into force on and with effect from the 1st day of April, 2024.

Schedule

S. No.	Chapter /Heading /Sub- heading /Tariff item.	Description of Goods.
(1)	(2)	(3)
1.	2106 90 20	Pan-masala
2.	2401	Unmanufactured tobacco (without lime tube)– bearing a brand name
3.	2401	Unmanufactured tobacco (with lime tube)– bearing a brand name
4.	2401 30 00	Tobacco refuse, bearing a brand name
5.	2403 11 10	‘Hookah’ or ‘gudaku’ tobacco bearing a brand name
6.	2403 11 10	tobacco used for smoking ‘hookah’ or known as ‘hookah’ tobacco or ‘gudaku’ not bearing a brand name
7.	2403 11 90	Other water pipe smoking tobacco not bearing a brand name.
8.	2403 19 10	Smoking mixtures for pipes and cigarettes
9.	2403 19 90	Other smoking tobacco bearing a brand name
10.	2403 19 90	Other smoking tobacco not bearing a brand name
11.	2403 91 00	“Homogenised” or “reconstituted” tobacco, bearing a brand name
12.	2403 99 10	Chewing tobacco (without lime tube)
13.	2403 99 10	Chewing tobacco (with lime tube)
14.	2403 99 10	Filter khaini
15.	2403 99 20	Preparations containing chewing tobacco
16.	2403 99 30	Jarda scented tobacco
17.	2403 99 40	Snuff
18.	2403 99 50	Preparations containing snuff

19.	2403 99 60	Tobacco extracts and essence bearing a brand name
20.	2403 99 60	Tobacco extracts and essence not bearing a brand Name
21.	2403 99 70	Cut tobacco
22.	2403 99 90	Pan masala containing tobacco 'Gutkha'
23.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', bearing a brand name
24.	2403 99 90	All goods, other than pan masala containing tobacco 'gutkha', not bearing a brand name

Explanation.— (1) In this Schedule, “tariff item”, “heading”, “sub-heading” and “Chapter” shall mean respectively, a tariff item, heading, sub-heading and Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the section and chapter notes and the General Explanatory notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

(3) For the purposes of this notification, the phrase “brand name” means brand name or trade name, whether registered or not, that is to say, a name or a mark, such as symbol, monogram, label, signature or invented word or writing which is used in relation to such specified goods for the purpose of indicating, or so as to indicate a connection in the course of trade between such specified goods and some person using such name or mark with or without any indication of the identity of that person.

FORM GST SRM-I**Registration and disposal of packing machines of pan masala and tobacco products**

1. GSTIN	
2. Legal name	
3. Trade name, if any	
4. ARN	
5. Date of filing	

6. Details of the machines

Sr. No.	Make, if available.	Model no., if available.	Name of manufacturer.	Machine no.	Date of purchase.	Address of installation.	No. of tracks.	Weight of packages which can be packed on the machine (in grams).	Packing capacity of each track (No. of packages which can be packed for a particular weight of package).	Total packing capacity of the machine for a specific weight of package to be packed.	Electricity consumption capacity of the machine per hour (KWH).	Registration no. of the machine (to be auto-generated by the system).	Working status (Y/N)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11) (8x10)	(12)	(13)	(14)

9. Product details.

Sr. no.	Brand name.	Packing type.	Quantity in grams in each package.	HSN.	Description of the product.
(1)	(2)	(3)	(4)	(5)	(6)

10. Details of the Documents uploaded.

<ol style="list-style-type: none"> 1. Certificate of chartered engineer. 2. Information given to other departments 3. Any other document to be mentioned by taxpayer.
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11. Verification

I hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature of Authorised Signatory

Name

Designation / Status

Place

Date

Instructions to Form GST SRM-1**1. Terms used:**

- (i) GSTIN: Goods and Services Tax Identification Number
- (ii) HSN: Harmonized System of Nomenclature
- (iii) MRP: Maximum Retail Price
- (iv) KWH: Kilo Watt Hour
- (v) Packing type: Pouch, Zipper etc.

2. Table 6: Details of existing machines should be provided in Part-A and details of new machines added thereafter have to be provided in Part-B. Column wise details of the information to be provided is given in the table below:

Column no.	Description
(2).	Make of the machine, if available should be provided as to whether it is semi-automatic or automatic .
(3).	Mention model number of the machine, if available.
(4).	Name of the manufacturer of the machine to be provided.
(5).	Machine number to be provided.
(6).	Date of purchase as mentioned on the invoice or any other document in lieu thereof, issued by supplier, have to be provided.
(7).	Address of the place where machine has been installed has to be selected from the drop down provided for the same based on the details of places of business provided by the manufacturer in FORM GST REG-01.
(8).	Number of tracks associated with the machine to be provided.
(9).	Weight of package which can be packed by the machine (in grams) is to be declared here. The registered person can enter multiple entries of the same for each machine.
(10).	Packing capacity of each track has to be provided in terms of number of packages which can be packed by the machine on the said track per hour for the particular weight of package declared in column 9.
(11).	Total packing capacity of the machine for a specific weight of package which can be packed would be computed by System based on information provided in column 8,9 &10.
(12).	Electricity consumption capacity of the machine to be provided in KWH.
(13).	Unique registration no. of the machine would be generated by System after filing the form. Structure of the unique no. will be GSTIN followed by three digits.
(14).	Whether the machine is working or is at standby. Accordingly, Y or N to be selected from the drop down menu.

3. Table 6A: Amendment to the details of the machine already provided in Table 6 or amended thereafter to be provided. After entering registration number of the machine assigned by the System in column 12 of Table 6 , other details of the machine would be auto-populated. The same can be edited wherever required. Certificate of chartered engineer shall also be uploaded for the machines whose details have been amended if the particulars given in the certificate uploaded earlier undergoes any change and the details of the documents uploaded should be given in Table 10. Any such change in any of the details of the machine including its working status which needs to be amended, has to be communicated within twenty four hours of the said change carried out by the registered person.

4. Table 7: Details of the intimation of the machines furnished to other department have to be provided. Documents should be uploaded in pdf format after making entries and the details of the documents uploaded should be given in Table 10.

5. Table 8: Details of the machines disposed of (supplied /condemned) shall be provided. After entering registration number assigned to the machine by the System, other details would be auto-populated. Date of disposal and reason for the same to be provided.

6. Table 9: Details of the brands, packing type, HSN and description of the products manufactured to be provided in this table. If there is any change in the information already furnished in this table, the details need to be amended accordingly.

7. Table 10: List of Documents uploaded:

- Single Certificate of chartered engineer to be uploaded in pdf format for all machines in the format as per FORM GST SRM-III after entering the particulars of the machines.
- Certificate of chartered engineer, in the format as per FORM GST SRM-III, shall also be uploaded for the machines whose details have been amended if the particulars given in the certificate uploaded earlier undergoes any change.
- Document in pdf format providing details of the intimation of the machines furnished to other department have to be uploaded.

10. Power consumption

Sr. No.	Meter / DG set no.	Initial meter reading on first day of the month.	Final meter reading on the last day of the month.	Consumption (KWH).
(1)	(2)	(3)	(4)	(5)
(A) Electricity meter reading				
(B) DG set meter reading				
(C) Solar power having battery				
(D) Others				

11. Details of grid integrated solar power

Sr. No.	Initial meter reading on first day of the month.	Final meter reading on the last day of the month.	Generation/Export / Import /Consumption (KWH).
(1)	(2)	(3)	(4)
(A) Solar meter reading (Generation)			
(B) Power meter reading (Import of electricity)			
(C) Power meter reading (Export of electricity)			
(D) Net consumption [A+B-C]			

12. Verification

I hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature of Authorised Signatory
Name
Designation / Status

Place
Date

Instruction to Form GST SRM-II

1. Terms used:

- (i) GSTIN: Goods and Services Tax Identification Number
- (ii) HSN: Harmonized System of Nomenclature
- (iii) MRP: Maximum Retail Price
- (iv) KWH: Kilo Watt Hour
- (v) DG set: Diesel Generator set used for power generation
- (vi) Packing type: Pouch, Zipper etc.

2. Table 8: Details of inputs used for manufacturing the goods specified in Schedule appended with the notification, have to be provided. Column wise details of the information to be provided are given in the table below:

Column	Description
(1).	
(2).	HSN at minimum 4 digit level of the inputs used for manufacturing to be reported.
(3).	Description of the goods as per HSN to be provided.
(4).	Unit of measurement of the goods to be selected from the drop down.
(5).	Quantity available in the beginning of the month to be reported for the first time. From next month onwards, the information will be auto-populated from the closing balance of the previous month.
(6).	Quantity procured during the month have to be reported.
(7).	Value of the quantity procured have to be provided.
(8).	Quantity consumed have to be reported.
(9).	Closing balance should be the sum of quantity reported in col. 5 & 6 reduced by quantity reported in col. 8 (5+6-8)
(10).	Waste generated, if any to be reported.

3. Table 9: Details of the products manufactured to be reported brand wise, machine wise and package wise. Column wise details of the information to be provided is given in the table below:

Column no.	Description
1.	Brand reported in table 9 of Form GST SRM-I to be selected from drop down for reporting production during the tax period.
2.	Registration number of the machine assigned by System to be reported.
3.	Packing type viz. pouch, zipper etc. manufactured during the tax period to be reported.
4.	Description of the packing (Quantity in grams in each pack) to be reported.
5.	HSN, at 8 digit level, of the goods manufactured during the tax period to be reported.
6.	Description of the product manufactured during the tax period to be reported.
7.	Number of packages packed during the tax period to be reported.
8.	Maximum Retail Price (MRP) in Rs. per package packed to be reported.
9.	Total value in MRP of the packages packed during the tax period will be computed by System based on the information provided in col. 6&7.

4. Table 10: Power consumption during the month to be reported. Initial reading of the electricity meter in the beginning of the month to be reported for the first month. From the next month onwards, the final reading reported at the end of previous month will become initial reading of the month. Reading of DG set used, if any should also be reported separately. For reporting the reading of more than one electricity meter or DG set, separate rows to be used. Also, electricity meter reading is to be given of the main meter of the manufacturing unit in case separate meter for machines is not available. Solar power mentioned at PART C pertains to only that generated through batteries not integrated with the grid.

5. Table 11. Here, details of the power consumed from solar power integrated with the grid is to be reported.

FORM GST SRM-III
Certificate of Chartered Engineer

1. GSTIN -

2. Details of the machines for which certificate has been issued -

Sr. no.	Make, if available.	Model no., if available	Name of manufacturer.	Machine no.	Registration no. assigned by System (in cases where the amendment in specification of the machines in Table 6A to be done).	Date of purchase, if available.	No. of tracks.	Weight of packages which can be packed on the machine (in grams).	Packing capacity of each track (No. of packages packed for a particular weight of package).	Total packing capacity of the machine for a specific weight of package to be packed.	Electricity consumption capacity of the machine per hour (KWH).	Remarks if any.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11) (8x10)	(12)	(13)

This is to certify that I have examined --- (no.) machines and the above details are true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature
Name –
Registration number –
Address –
Mobile no. –

Date:

Place:

VIKAS PRATAP,
Additional Chief Secretary-cum-
Financial Commissioner (Taxation)
to Government of Punjab,
Department of Excise and Taxation.

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GOVERNMENT OF PUNJAB
DEPARTMENT OF EXCISE AND TAXATION
(EXCISE AND TAXATION-II BRANCH)
NOTIFICATION

The 3rd September, 2024

No. S.O.45/P.A.5/2017/S.158A/2024.- In exercise of the powers conferred by section 158A of the Punjab Goods and Services Tax Act, 2017 (Punjab Act 5 of 2017), and all other powers enabling him in this behalf, the Governor of Punjab, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, is pleased to notify “Public Tech Platform for Frictionless Credit” as the system with which information may be shared by the common portal based on consent under sub-section (2) of Section 158A of the Punjab Goods and Services Tax Act, 2017 (Punjab Act 5 of 2017).

2. This notification shall be deemed to have come into force on and

with effect from the 22 nd day of February, 2024.

VIKAS PRATAP,
Additional Chief Secretary-cum-
Financial Commissioner (Taxation) to
Government of Punjab, Department of
Excise and Taxation.

Notification Central Tax Page No- 6 to 41**GOVERNMENT OF PUNJAB****DEPARTMENT OF EXCISE AND TAXATION (EXCISE AND
TAXATION-II BRANCH) NOTIFICATION****The 3rd September, 2024**

No.S.O. 46/P.A.5/2017/Ss.9 and 15/2024.- In exercise of the powers conferred by sub-section (1) of section 9 and sub-section (5) of section 15 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act 5 of 2017), and all other powers enabling him in this behalf, the Governor of Punjab, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, is pleased to make the following amendments in the Government of Punjab, Department of Excise and Taxation, Notification No. S.O.16/P.A.5/2017/S.9/2017, dated the 30th June, 2017, published in the Punjab Government Gazette (Extraordinary), Part-III, dated the 30th June, 2017, namely:—

AMENDMENT

In the said notification, in Schedule I @ 2.5%, -

(i) against S. No. 165, in column (2), for the existing entry, the entry “2711 12 00, 2711 13 00, 2711 19 10” shall be substituted;

(ii) against S. No. 165A, in column (2), for the existing entry, the entry “2711 12 00, 2711 13 00, 2711 19 10” shall be substituted;

2. This notification shall be deemed to have come into force on and with effect from the 4th day of January, 2024.

VIKAS PRATAP,

Additional Chief Secretary-cum- Financial
Commissioner (Taxation) Government of
Punjab, Department of Excise and Taxation.

Notification Central Tax Page No- 6 to 41

GOVERNMENT OF PUNJAB
DEPARTMENT OF RURAL
DEVELOPMENT AND PANCHAYATS
NOTIFICATION

The 19th September, 2024

No. S.O.48/P.A.9/1994/S.209/2024.- In exercise of the powers conferred by sub-section (1) of section 209 of the Punjab Panchayati Raj Act, 1994 (Punjab Act 9 of 1994), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to direct that the general election of the members of the Gram Panchayats, shall be held by the 20th October, 2024.

DILRAJ SINGH,
Administrative Secretary to Government of
Punjab, Department of Rural Development

Notification Central Tax Page No- 6 to 41

GOVERNMENT OF PUNJAB
DEPARTMENT OF EXCISE AND TAXATION
(EXCISE AND TAXATION-II BRANCH)
NOTIFICATION

No. S.O. 49/P.A.5/2017/S.148/2024.- In exercise of the powers conferred by section 148 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act 5 of 2017), and all other powers enabling him in this behalf, the Governor of Punjab, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, is pleased to make the following amendments in the Government of Punjab, Department of Excise and Taxation, Notification No. S.O.44/P.A.5/2017/S.148/2024 dated the 3rd September, 2024, published in the Punjab Government Gazette, Part-III, dated the 13th September, 2024, namely:-

In the said notification, in para 4, for the words and letters “1st day

of April, 2024”, the words and letters “15th day of May, 2024” shall be substituted.

2. This notification shall be deemed to have come into force on and with effect from the 1st day of April, 2024.

KRISHAN KUMAR,

Financial Commissioner (Taxation) to
Government of Punjab, Department
of Excise and Taxation.

Notification Central Tax Page No- 6 to 41

GOVERNMENT OF PUNJAB
DEPARTMENT OF EXCISE AND TAXATION
(EXCISE AND TAXATION-II BRANCH)
NOTIFICATION

No. S.O. 50/P.A.5/2017/S.168A/2024.- In exercise of the powers conferred by section 168A of the Punjab Goods and Services Tax Act, 2017 (Punjab Act 5 of 2017) (hereinafter referred to as the said Act) and all other powers enabling him in this behalf and in partial modification of the Government of Punjab, Department of Excise and Taxation, Notification No. S.O. 41/P.A.5/2017/S.168A/2017, dated the 22nd March, 2021, published in the Punjab Government Gazette, Part-III, dated the 9th April, 2021,

No. S.O. 77/P.A.5/ 2017/S.168A/2021, dated the 7th July, 2021, published in the Punjab Government Gazette (Extraordinary), Part-III, dated, the 15th July, 2021, No. S.O. 20/P.A.5/2017/S.168A/2023, dated the 6th February, 2023, published in the Punjab Government Gazette, Part-III, dated the 10th February, 2023 and No. S.O. 71/ P.A.5/2017/S. 168A/2023, dated the 23rd August, 2023 published in the Punjab Government Gazette (Extraordinary), Part-III, dated the 25th August,2023, the Governor of Punjab, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, is pleased to extend the time limit specified under sub- section (10) of section 73 for issuance of order under sub-section (9) of section 73 of the said Act, for recovery of tax not paid or short paid or of input tax credit wrongly availed or utilized, relating to the period as specified below, namely:—

- (i) for the financial year 2018-19, up to the 30th day of April, 2024; and

- (ii) for the financial year 2019-20, up to the 31st day of August, 2024.
2. This notification shall be deemed to have come into force on and with effect from the 28th day of December, 2023.

KRISHAN KUMAR,
Financial Commissioner (Taxation) to
Government of Punjab, Department of
Excise and Taxation.

Notification Central Tax Page No- 6 to 41

**GOVERNMENT OF PUNJAB
DEPARTMENT OF EXCISE AND TAXATION
(EXCISE AND TAXATION-II BRANCH)**

NOTIFICATION

The 19th September, 2024

No. S.O. 51/P.A.5/2017/Ss. 2 and 5/2024.- In supersession of the Government of Punjab, Department of Excise and Taxation, notification No. S.O. 26/P.A.5/2017/Ss. 2 and 5/2022, dated the 30th March, 2022, published in the Punjab Government Gazette (Extraordinary), dated the 4th April, 2022 and in pursuance of the provisions of section with clause (99) of section 2 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act No.5 of 2017) (hereinafter referred to as the said Act), I, Varun Roojam, IAS, Commissioner of State Tax, Punjab hereby confer the powers specified in column 3 of the Schedule given below, on the officers specified in column

2 to be executed within the jurisdiction specified in column 4 of the said Schedule, namely:-

SCHEDULE

Serial No	Designation of the officer	Extent of powers	Jurisdiction
1	2	3	4
1.	Additional Commissioner of State Tax	Revisional Authority under section 108 of the said Act for orders passed by the Joint Commissioner of State Tax.	State of Punjab
2.	Joint Commissioner of State Tax	Revisional Authority under section 108 of the said Act for orders passed by the officers of the rank of Deputy Commissioner of State Tax.	State of Punjab
3.	Deputy Commissioner of State Tax	Revisional Authority under section 108 of the said Act for orders passed	Division in which posted.

by the officers of the rank
of
Assistant Commissioner
of State Tax
and State Tax Officer.

2. This notification shall come into force on and with effect from the date of its publication in the Official Gazette.

VARUN ROOJAM,
Commissioner of State Tax, Punjab.

Notification Central tax Page No – 6 to 41

GOVERNMENT OF PUNJAB
DEPARTMENT OF EXCISE AND TAXATION
(EXCISE AND TAXATION-II BRANCH)
NOTIFICATION

The 19th September, 2024

No.S.O. 52/P.A.5/2017/S.3/2024.- In exercise of the powers conferred by section 3 of the Punjab Goods and Services Tax Act, 2017 (Punjab Act No. 5 of 2017), and all other powers enabling him in this behalf, the Governor of Punjab, on being satisfied that it is necessary in the public interest so to do, is pleased to make the following amendment in Government of Punjab, Department of Excise and Taxation, Notification No. S.O.2/P.A.5/2017/S.3/2024, dated the 1st January 2024, published in the Punjab Government Gazette (Extraordinary), dated the 3rd January 2024, namely:-

AMENDMENT

1. The said notification shall be further valid till the 30th day of June, 2025.

KRISHAN KUMAR,
Financial Commissioner (Taxation) to
Government of Punjab, Department
of Excise and Taxation.

Notification Central Tax Page NO-6 to 41

GST Notification No. 17/2024 – Finance Act Provisions Effective Dates

Notification No. 17/2024 dated 27th September 2024,

announces the implementation dates for various sections of the Finance (No. 2) Act, 2024. As per the notification, sections 118, 142, 148, and 150 of the Act will take effect from the date of the notification's publication in the Official Gazette. Additionally,

sections 114 to 117, 119 to 141, 143 to 147, 149, and 151 to 157 will come into force on 1st November 2024. This phased enforcement allows for

the gradual implementation of various provisions of the Finance Act, impacting taxation and other fiscal regulations. The notification was issued under the authority of the Central Board of Indirect Taxes and Customs (CBIC) and signed by Raushan Kumar, Under Secretary

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS)
New Delhi

**Notification No. 17/2024–Central Tax | Dated : 27th September,
2024**

In exercise of the powers conferred by clause (b) of sub-section (2) of section 1 of the Finance (No. 2) Act, 2024 (15 of 2024), the Central Government hereby appoints. – (a) the date of publication of this notification in the Official Gazette, as the date on which the provisions of sections 118, 142, 148 and 150 of the said Act shall come into force;

and (b) the 1st day of November, 2024, as the date on which the provisions of sections 114 to 117, 119 to 141, 143 to 147, 149 and 151 to 157 of the said Act shall come into force.

[F. No. CBIC-20006/20/2023-GST]

RAUSHAN KUMAR, Under Sec

Notification Circular CGST Page NO-42 to 100

GST on advertising services provided to foreign clients

Circular No. 230/24/2024-GST, issued by the GST Policy Wing of the Central Board of Excise and Customs, addresses the tax implications of advertising services provided by Indian companies to foreign clients. The circular clarifies that Indian advertising agencies that provide comprehensive advertising services to foreign clients are not considered intermediaries under Section 2(13) of the Integrated Goods and Services Tax (IGST) Act, 2017. The services include activities such as media planning, content creation, strategy development, and media space procurement. Since these services are supplied on a principal-to-principal basis,

the advertising agencies are not acting as intermediaries but rather provide the main supply of advertising services to the foreign clients. Consequently, the place of supply for these services is determined by the location of the recipient, which is the foreign client outside India, and hence, these services qualify as exports, eligible for related benefits under the GST framework. The circular further clarifies that the foreign client remains the recipient of the services, even if there is a representative in India or the target audience is located in India. The advertising services are neither considered performance-based under Section 13(3) of the IGST Act, as they do not involve physical presence or goods, nor do they fall under the clauses requiring physical availability. Therefore, the place of supply is determined by the general rule under Section

13(2), which points to the location of the recipient, i.e., outside India. However, the circular also distinguishes scenarios where an Indian advertising company acts merely as a facilitator between the foreign client and the media owner. In such cases, the advertising company is deemed an intermediary, and the place of supply is the location of the advertising company in India, as per Section 13(8)(b) of the IGST Act. Government of India Ministry of Finance Department of Revenue Central Board of Excise and Customs GST Policy Wing, New Delhi Page Contents Circular No. 230/24/2024-GST Dated: September 10, 2024 3.1 Issue 1 -Whether the advertising company can be considered as an “intermediary” between the foreign client and the media owners as per section 2(13) of IGST Act? 3.2 Issue-2 Whether the representative of foreign client in

India or the target audience of the advertisement in India can be considered as the “recipient” of the services being supplied by the advertising company under section 2(93) of CGST Act? 3.3 Issue-3

Whether the advertising services provided by the advertising companies to foreign clients can be considered as performance-based services as per section 13(3) of the IGST Act? Circular No. 230/24/2024-GST Dated: September 10, 2024 To The Principal Chief Commissioners/Chief-Commissioners/Principal Commissioners/Commissioners of Central Tax (All), The Principal Directors General/ Directors General (All). Subject: Clarification in respect of advertising services provided to foreign clients-reg. References have been received from the trade and industry requesting for clarification regarding advertising services being

provided by Indian advertising companies/agencies to foreign entities, as some of the field formations are considering the place of supply of the said services as within India, thereby denying the export benefits to such advertising companies. ADVERTISEMENT 1.2

In view of the difficulties being faced by the trade and industry and to ensure uniformity in the implementation of the provisions of the law across field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"), hereby clarifies the issues in succeeding paragraphs.

2. Issue in Brief 2.1 A foreign company or firm hires an advertising company/agency in India for advertisement of its goods or services and may enter into a comprehensive agreement with the advertising

company/agency encompassing all the issues related to advertising services ranging from media planning, investment planning for the same, creating and designing content, strategizing for maximum customer reach, the identification of media owners, dealing with media owners, procuring media space, etc. for displaying/broadcasting/printing of advertisement including monitoring of the progress of the same. In such a case, the advertising agency provides a one stop solution to the client who outsources the entire activity to the agency. 2.2 In this scenario, media owners raise invoice to the advertising agency for inventory costs, which are then paid by the advertising agency. Subsequently, the advertising agency raises invoice to the foreign client for the rendered advertising services and receives the

payments in foreign exchange from the foreign client. In this regard, clarification has been sought as to: a. Whether the advertising company can be considered as an “intermediary” between the foreign client and the media owners in terms of section 2(13) of Integrated Goods and Services Tax Act, 2017 (herein after referred to as the “IGST Act”), thereby resulting in determination of place of supply under section 13(8)(b) of the IGST Act? b. Whether the representative of foreign client in India or the target audience of the advertisement in India can be considered as the recipient of the services being supplied by the advertising company under section 2(93) of CGST Act? c. Whether the advertising services provided by the advertising companies to foreign clients can be considered as performance-based services

as per section 13(3) of the IGST Act? 3. CLARIFICATION: 3.1 Issue 1 – Whether the advertising company can be considered as an “intermediary” between the foreign client and the media owners as per section 2(13) of IGST Act? 3.1.1 As per section 2(13) of IGST Act, read with Circular no. 159/15/2021-GST dated 20.09.2021, a broker, agent or any other person who arranges or facilitates the main supply of goods or services or both or securities and has not involved himself in the main supply on his own account is considered as intermediary. 3.1.2 In the instant scenario, it is observed that the foreign clients enter into a comprehensive agreement with advertising companies/agencies in India and outsource the entire activity of advertising services to the advertising companies/agencies. Further, these advertising

companies/agencies enter into an agreement with the media owners in India for implementing the said media plan and procurement of media space for airing or releasing or printing advertisement. 3.1.3 The advertising agency, in this case, enters into two agreements: i. With the client located outside India for providing a one stop solution starting from designing the advertisement to its display in the media as agreed to with the client. The advertising company raises invoice to its foreign client for the above advertising services and the payments of the same is received from the foreign client in foreign exchange. ii. With the media company to procure media space for display of the advertisement and to monitor campaign progress based on data shared by the media company. The media company bills the

advertising agency and the payment for same is made by the advertising agency to the media company. 3.1.4 Thus, the agreement, in the instant case, is in the nature of two distinct principal-to-principal supplies and no agreement of supply of services exists between the Media company and the foreign client. The advertising company is not acting as an agent but has been contracted by the client to procure and provide certain services. The advertising agency is providing the services to the client on its own account. 3.1.5 In view of above, it is clarified that in the present scenario, the advertising company is involved in the main supply of advertising services, including resale of media space, to the foreign client on principal-to-principal basis as detailed above and does not fulfil the criteria of "intermediary" under section 2(13)

of the IGST Act. Thus, the same cannot be considered as “intermediary” in such a scenario and accordingly, the place of supply in the instant matter cannot be linked with the location of supplier of services in terms of section 13(8)(b) of the IGST Act.

3.2 Issue-2 Whether the representative of foreign client in India or the target audience of the advertisement in India can be considered as the “recipient” of the services being supplied by the advertising company under section 2(93) of CGST Act?

3.2.1 As per Section 2(93)(a) of the CGST Act, the “recipient” of the services means the person who is liable to pay consideration where a consideration is payable for the supply of goods or services or both.

3.2.2 In the instant scenario, the foreign client is liable to pay the consideration to advertising company for the supply of advertising and not the

consumers or the target audience that watches the advertisement in India. Further, in this case, even if a representative of the said foreign client based in India, including a subsidiary or related person of the said foreign client, is interacting with the advertising company on behalf of the said foreign client, the said representative based in India cannot be considered as a recipient of the service, if the agreement is between the foreign client and the advertising company, the invoice is being issued for the said service by the advertising company to the foreign client and the payment for the said service is received by the advertising company directly from the said foreign client. Further, the target audience of the advertisements may be based in India but such target audience cannot be considered as recipient of the said

advertising services being supplied by the advertising company as per the definition of the recipient under section 2(93) of CGST Act. 3.2.3 Therefore, in view of above, it is clarified that the recipient of the advertising services provided by the advertising company in such cases is the foreign client and not the Indian representative of the foreign client based in India or the target audience of the advertisements, as per section 2(93) of the CGST Act, 2017. 3.3 Issue-3 Whether the advertising services provided by the advertising companies to foreign clients can be considered as performance-based services as per section 13(3) of the IGST Act?

3.3.1 The place of supply of performance based services is provided in sub-section (3) of section 13 of IGST Act. The provisions of clause (a) of the said sub-section pertain to the services

supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services. However, in the instant matter, there does not appear to be any such involvement of goods which are required to be physically available with supplier of advertising services. Therefore, the said provisions of clause (a) of the said sub-section cannot be made applicable for determination of place of supply of advertising services. 3.3.2 Further, clause of (b) of sub-section (3) of section 13(3)(b) of IGST Act provides that the place of supply shall be the location where the services are actually performed in case, where, a. services are supplied to an individual, b. represented either as the recipient of services or a person acting on behalf of the recipient, and c. which requires the physical

presence of the recipient or the person acting on his behalf, with the supplier for the supply of services 3.2.3 In the present scenario, the supply of advertising services does not require physical presence of the recipient (foreign client or representative or a person acting on his behalf) with the advertising company for availing the said advertising services. Thus, the said supply of advertising services cannot be considered as being covered under section 13(3)(b) of the IGST Act for being considered as the services actually performed in India in terms of the said section.

3.3.3 Accordingly, it is clarified that the place of supply of advertising services in such cases can neither be determined as per the provision of section 13(3)(a) nor as per the provisions of section 13(3)(b) of IGST Act. 4. Further, it is observed that in the

present scenario, the place of supply of the abovementioned advertising services does not appear to be covered under any other provisions of sub-sections (3) to (13) of Section 13 of the IGST Act. Therefore, in view of foregoing discussion, it appears that the place of supply of the said advertising service being supplied by the advertising company to the foreign clients can only be determined as per the default provision, i.e. sub-section (2) of section 13 of IGST Act, i.e. the place of location of the recipient of the services. Since the recipient of the advertising services in such scenario is the foreign client, who is located outside India, the place of supply of the said services appears to be the location of the said foreign client i.e. outside India as per Section 13(2) of IGST Act, and the said service can be considered to be export of

services, subject to the fulfilment of conditions mentioned in section 2(6) of IGST Act. 5. However, there may be cases where the advertising company located in India merely acts as an agent of the foreign client in engaging with the media owner for providing media space to the foreign client. In such cases, the agreement/contract for providing the media space and broadcast of the advertisement is directly between media owner and the foreign client. The media owner directly invoices the foreign client for providing the media space and broadcast of the advertisement and the foreign client remits the payment for the said services directly to the media owner. In such instances, the services of providing media space and broadcasting the advertisement are directly provided by the media owner to the foreign client. In such

cases, the advertising company is merely facilitating the provision of the said services of providing media space and broadcasting the advertisement between the foreign client and the media owner and does not provide the said services on its own account. The advertising company invoices the foreign client for the facilitation services provided by it. 5.1 Consequently, in such cases, the advertising company is an “intermediary” in accordance with Section 2(13) of the CGST Act, 2017, as elucidated in Circular No. 159/15/2021-GST dated 20.09.2021, in respect of the said services of facilitating the foreign client and accordingly, the place of supply in respect of the said services provided by the advertising company to the foreign client is determinable as per section 13(8)(b) of IGST Act, i.e. the location of the supplier, i.e. the

location of the advertising company. 6. It is requested that suitable trade notices may be issued to publicize the contents of this Circular. 7. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version will follow.

[F. No. CBIC-20001/6/2024-GST]

(SanjayMangal)

Principal Commissioner (GST)

Notification Circular CGST Page NO-42 to 100

Input Tax Credit Clarification for Demo Vehicles – GST

Circular TG Team 11 Sep 2024 1,956 Views 0 comment Print Goods and Services Tax | Circulars- Central Tax, Featured, Notifications/Circulars Sponsored Circular No. 231/25/2024-GST issued by the GST Policy Wing of the Central Board of Excise and Customs provides clarification on the availability of input tax credit (ITC) for demo vehicles used by authorized motor vehicle dealers. Demo vehicles are those maintained by dealers as per dealership norms for trial runs and feature demonstrations to potential buyers. Typically, these vehicles are purchased from manufacturers and recorded as capital assets in the dealer's books. The circular addresses two key issues:

the eligibility of ITC for demo vehicles as per section 17(5) of the CGST Act, and the impact of capitalizing these vehicles on ITC availability. The circular clarifies that ITC on demo vehicles is generally blocked under clause (a) of section 17(5) of the CGST Act, which restricts credit for motor vehicles used for passenger transport with up to 13 seats unless they are used for specific purposes such as further supply, passenger transportation, or driving training. However, since demo vehicles are used to promote the sale of similar motor vehicles, they can be considered as used for “further supply of such motor vehicles,” allowing ITC eligibility. ITC is not available if demo vehicles are used for other purposes, such as staff transport or merely for marketing services where the dealer acts as an agent. Additionally, even when demo vehicles are capitalized in the dealer’s books, they

qualify as capital goods under the CGST Act, and ITC remains available unless depreciation on the tax component is claimed under the Income-tax Act. Government of India Ministry of Finance Department of Revenue Central Board of Excise and Customs GST Policy Wing, New Delhi Circular No.231/25/2024-GST; Dated: September 10, 2024 To, The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/ Commissioners of Central Tax (All) The Principal Directors General/ Directors General (All) Subject: Clarification on availability of input tax credit in respect of demo vehicles-reg. The demo vehicles are the vehicles which the authorised dealers for sale of motor vehicles are required to maintain at their sales outlet as per dealership norms and are used for providing trial run and for demonstrating features of the vehicle to

the potential buyers. These vehicles are purchased by the authorised dealers from the vehicle manufacturers against tax invoices and are typically reflected as capital assets in books of account of the authorized dealers. As per dealership norms, these vehicles may be required to be held by the authorized dealers as demo vehicle for certain mandatory period and may, thereafter, be sold by the dealer at a written down value and applicable tax is payable at that point of time. 2. Reference has been received to issue clarification regarding availability of input tax credit in respect of demo vehicles on the following issues: ADVERTISEMENT Powered by i. Availability of input tax credit on demo vehicles, which are motor vehicles for transportation of passengers having approved seating capacity of not more than 13 persons (including the driver), in terms of clause(a) of section 17(5)

of Central Goods & Services Tax Act, 2017 (hereinafter referred to as the 'CGST Act"). ii. Availability of input tax credit on demo vehicles in cases where such vehicles are capitalized in the books of account by the authorized dealers. 3. In order to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the CGST Act, hereby clarifies the above issues as below. 4. Availability of input tax credit on demo vehicles, which are motor vehicles for transportation of passengers having approved seating capacity of not more than 13 persons (including the driver), in terms of clause(a) of section 17(5) of CGST Act. 4.1 Clause (a) of Section 17(5) of CGST Act provides that input tax credit shall not be available in respect of motor vehicles for transportation of persons having approved

seating capacity of not more than 13 persons (including the driver), except when they are used for making following taxable supplies, namely: A. further supply of such motor vehicles; or B. transportation of passengers; or C. imparting training on driving such motor vehicles.

4.2 The intention of law, as it appears from the use of expression 'when they are used for making the following taxable supplies' in clause (a) of section 17(5) of CGST Act, is to exclude certain cases (based on the nature of outward taxable supplies being made using the said motor vehicle) from the restriction on availment of input tax credit in respect of the specified motor vehicles i.e. motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver). The taxable supplies, permitted for the purpose of being

excluded from the blockage of input tax credit as per provisions of clause (a) of section 17(5) of CGST Act, being further supply of such motor vehicles, transportation of passengers and imparting training on driving such motor vehicles. 4.3 As demo vehicles are used by authorized dealers to provide trial run and to demonstrate features of the vehicle to potential buyers, it is quite apparent that demo vehicles cannot be said to be used by the authorized dealer for providing taxable supply of transportation of passengers or imparting training on driving such motor vehicles. Therefore, demo vehicles are not covered in the exclusions specified in sub-clauses (B) and (C) of clause (a) of section 17(5) of CGST Act. Accordingly, it is to be seen whether or not the Demo vehicles in question can be said to be used for making “further supply of such motor vehicles”, as

specified in the sub-clause (A) of the clause (a) of section 17(5) of CGST Act. 4.4 Regarding the provision for blockage of input tax credit in respect of motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), the usage of the words “such motor vehicles” instead of “said motor vehicle”, in sub-clause (A) of the clause (a) of section 17(5) of CGST Act, implies that the intention of the lawmakers was not only to exclude from the blockage of input tax credit, the motor vehicle which is itself further supplied, but also to exclude from the blockage of input tax credit, the motor vehicle which is being used for the purpose of further supply of similar type of motor vehicles. As demo vehicles are used by authorized dealers to provide trial run and to demonstrate features of the vehicle to potential buyers, it helps the

potential buyers to make a decision to purchase a particular kind of motor vehicle. Therefore, as demo vehicles promote sale of similar type of motor vehicles, they can be considered to be used by the dealer for making 'further supply of such motor vehicles'. Accordingly, input tax credit in respect of demo vehicles is not blocked under clause (a) of section 17(5) of CGST Act, as it is excluded from such blockage in terms of sub-clause (A) of the said clause. 4.5 There may be some cases where motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver) are used by an authorized dealer for purposes other than for making further supply of such motor vehicles, say for transportation of its staff employees/ management etc. In such cases, the same cannot be said to be used for making 'further supply

of such motor vehicles' and therefore, input tax credit in respect of such motor vehicles would not be excluded from blockage in terms of sub-clause (A) of clause (a) of section 17(5) of CGST Act. 4.6 Further, there may be cases where the authorized dealer merely acts as an agent or service provider to the vehicle manufacturer for providing marketing service, including providing facility of vehicle test drive to the potential customers of the vehicle on behalf of the manufacturer and is not directly involved in purchase and sale of the vehicles. In such cases, the sale invoice for the vehicle is directly issued by the vehicle manufacturer to the customer. For providing facility of vehicle test drive to the potential customers of the vehicle, the dealer purchases demo vehicle from the vehicle manufacturer. The dealer may sell the said demo vehicle to a customer after a

specified time or kilometres as per agreement with the vehicle manufacturer on payment of applicable GST. In such a case, the authorized dealer is merely providing marketing and/or facilitation services to the vehicle manufacturer and is not making the supply of motor vehicles on his own account. Therefore, the said demo vehicle cannot be said to be used by the dealer for making further supply of such motor vehicles. Accordingly, in such cases, input tax credit in respect of such demo vehicle would not be excluded from blockage in terms of sub-clause (A) of clause (a) of section 17(5) of CGST Act and therefore, input tax credit on the same would not be available to the said dealer.

5. Availability of input tax credit on demo vehicles in cases where such vehicles are capitalized in the books of account by the authorized dealers.

5.1 As per provisions of section 16(1) of CGST

Act, every registered taxpayer is entitled to take input tax credit charged on any supply of goods and services made to him, where such goods or services are used in the course or furtherance of business of such person, subject to such conditions and restrictions as may be prescribed and in the manner which is specified. 5.2 Further, "goods" has been defined in section 2(52) of CGST Act, as, "goods" means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply. 5.3 Also, section 2(19) of CGST Act defines "capital goods" as, "capital goods" means goods, the value of which is capitalized in the books of account of the person claiming the input tax credit and which are

used or intended to be used in the course or furtherance of business.

5.4 As mentioned in paras above, as the demo vehicles are used by the authorized dealers to promote further sale of motor vehicles of the similar type and therefore, such vehicles appear to be used in the course or furtherance of business of the authorized dealers. Where such vehicles are capitalized in the books of accounts by the authorized dealer, the said vehicle falls in the definition of "capital goods" under section 2(19) of CGST Act. As per provision of section 16(1) of CGST Act, subject to such conditions and restrictions as may be prescribed, a recipient of goods is entitled to take input tax credit in respect of tax charged on the inward supply of any goods, which as per definition of "goods" under section 2(52) of CGST Act, includes even capital goods. Further, section 2(19) of CGST Act also recognizes

that capital goods are used or intended to be used in the course or furtherance of business. Accordingly, availability of input tax credit on demo vehicles is not affected by way of capitalization of such vehicles in the books of account of the authorized dealers, subject to other provisions of the Act. 5.5 However, it is to be mentioned that in case of capitalization of demo vehicles, availability of input tax credit would be subject to provisions of section 16(3) of CGST Act, which provides that where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the Income-tax Act, 1961, the input tax credit on the said tax component shall not be allowed. It is further mentioned that in case demo vehicle, which is capitalized, is subsequently sold by the authorized dealer, the authorized dealer shall have to pay an amount

or tax as per provisions of section 18(6) of CGST Act read with rule 44(6) of the Central Goods and Service Tax Rules, 2017. 6. It is requested that suitable trade notices may be issued to publicize the contents of this Circular. 7. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version would follow.

[F. No. CBIC-20001/6/2024-GST]

(Sanjay Mangal)

Principal Commissioner (GST)

Notification Circular CGST Page NO-42 to 100

Clarification on GST Place of Supply for Data Hosting Services

GST Circular No. 232/26/2024, issued by the Ministry of Finance, addresses the determination of the place of supply for data hosting services provided by Indian service providers to cloud computing service providers located outside India. Concerns had arisen over whether such services qualify as intermediary services and how the place of supply should be determined under the Integrated Goods and Services Tax (IGST) Act, 2017. The circular

clarifies that data hosting service providers in India do not qualify as intermediaries because they provide services on a principal-to-principal basis directly to cloud computing service providers, without interacting with the end users of the cloud services. Consequently, the place of supply cannot be determined under Section 13(8)(b) of the IGST Act, which applies to intermediary services. The circular further clarifies that data hosting services do not relate to goods “made available” by the cloud computing service providers, nor do they directly relate to immovable property. Therefore, sections 13(3)(a) and 13(4) of the IGST Act, which apply to services related to goods made available and immovable property, respectively, do not apply to data hosting services. Instead, the place of supply should be determined by the

default provision in Section 13(2) of the IGST Act, which states that the place of supply is the location of the recipient. As a result, when data hosting services are provided to recipients located outside India, the place of supply is considered outside India, making these services eligible for export benefits under the IGST Act, provided other conditions are met. Government of India Ministry of Finance Department of Revenue Central Board of Excise and Customs GST Policy Wing, New Delhi Circular No. 232/26/2024-GST; Dated: September 10, 2024 To, The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/ Commissioners of Central Tax (All), The Principal Directors General/ Directors General (All). Subject: Clarification on place of supply of data hosting services provided by service providers located in India to cloud

computing service providers located outside India-reg. Representations have been received from the trade and industry seeking clarification on the place of supply in case of data hosting services provided by service providers located in India to cloud computing service providers located outside India. 2. Issue ADVERTISEMENT 2.1 It has been represented that some field formations are of the view that the place of supply of data hosting services provided by the service providers located in India to cloud computing service providers located outside India is the location of data hosting service provider in India and therefore, the benefit of export of services is not available on such supply of data hosting services. 2.2 Thus, clarification has been sought in respect of the following issues- (i) Whether data hosting service provider

qualifies as 'Intermediary' between the cloud computing service provider and their end customers/users/subscribers as per Section 2(13) of the Integrated Goods and Services Tax Act, 2017 (herein after referred to as the "IGST Act") and whether the services provided by data hosting service provider to cloud computing service providers are covered as intermediary services and whether the place of supply of the same is to be determined as per section 13(8)(b) of IGST Act. (ii) Whether the data hosting services are provided in relation to goods "made available" by recipient of services to service provider for supply of such services and whether the place of supply of the same is to be determined as per section 13(3)(a) of the IGST Act. (iii) Whether the data hosting services are provided directly in relation to "immovable

property” and whether the place of supply of the same is to be determined as per section 13(4) of the IGST Act. 3. Clarification 3.1 Whether data hosting service provider qualifies as ‘Intermediary’ between the cloud computing service provider and their end customers/users/subscribers as per Section 2(13) of the IGST Act and whether the services provided by data hosting service provider to cloud computing service providers are covered as intermediary services and whether the place of supply of the same is to be determined as per section 13(8)(b) of IGST Act. 3.1.1 As per section 2(13) of the IGST Act, read with Circular no. 159/15/2021-GST dated 20.09.2021, a broker, agent or any other person who arranges or facilitates the main supply of goods or services or both or securities and has not involved himself in the main supply on his

own account is considered as 'intermediary'. Persons who supply goods or services, or both on their own account are not covered in the definition of "intermediary". 3.1.2 The cloud computing service providers generally enter into contract with data hosting service providers to use their data centres for hosting cloud computing services. Data hosting service provider either owns premises for data centre or operates data centre on leased premises, procures infrastructure and human resource, handles operations like infrastructure monitoring, IT management and equipment maintenance, etc. to provide the said supply of data hosting services to the cloud computing service providers. The data hosting service provider generally handles all aspects of data centre like rent, software and hardware infrastructure, power, net

connectivity, security, human resource, etc. Importantly, the data hosting service providers do not deal with end users/consumers of cloud computing services and may not even know about the end users. 3.1.3 It is observed that data hosting service provider provides data hosting services to the cloud computing service provider on a web platform through computing and networking equipment for the purpose of collecting, storing, processing, distributing, or allowing access to large amounts of data. The cloud computing service provider provides cloud-based applications and software services to various end users/customers/subscribers for data storage, analytics, artificial intelligence, machine learning, processing, database analysis and deployment services, etc.. The end users/customers/subscribers

access cloud computing services seamlessly over the internet through technology hosted on data centers. There appears to be no contact between data hosting service provider and the end users/ consumers/ subscribers of the overseas cloud computing service provider. Thus, it is observed that the data hosting service provider provides data hosting services to the cloud computing service provider on principal-to-principal basis on his own account and is not acting as a broker or agent for facilitating supply of service between cloud computing service providers and their end users/consumers. 3.1.4 Accordingly, it is clarified that in such a scenario, the services provided by data hosting service provider to its overseas cloud computing service providers cannot be considered as intermediary services and hence, the place of

supply of the same cannot be determined as per section 13(8)(b) of IGST Act. 3.2 Whether the data hosting services are provided in relation to goods “made available” by recipient of services to service provider for supply of such services and whether the place of supply of the same is to be determined as per section 13(3)(a) of the IGST Act, 2017. 3.2.1 Section 13(3)(a) of the IGST Act provides that in cases where the services are supplied in respect of goods which are made physically available by the recipient of services to service provider, the place of supply will be location of service provider. 3.2.2 In the instant scenario, it is observed that the data hosting service provider, as an independent entity, is providing seamless data hosting services to the overseas cloud computing service providers, through the premises, hardware and personnel

at the data centre which not only comprises of hardware but also other essential infrastructure (without which the hardware infrastructure cannot be utilized) like ventilation and cooling system, uninterrupted power supply, software, network connectivity, security protocols, etc. which are owned by the data hosting service providers and are independently handled, operated, monitored and maintained by them. These data hosting service providers are charging their clients (cloud computing service providers), the charges for the services being provided by them to these clients as consideration depending on the specific terms and conditions as per agreements between them. From the above, it is observed that throughout the provision of the said services, the data hosting service provider owns premises for data

center or operates data center on leased premises, independently handles, monitors and maintains the premises, hardware and software infrastructure, personnel and in such scenario, the overseas cloud computing service providers cannot be considered to own the said infrastructure and make the same physically available to the data hosting service provider for supply of the said services

3.2.3 In view of above, it is clarified that data hosting services provided by data hosting service provider to the said cloud computing service providers cannot be considered in relation to the goods “made available” by the said cloud computing service providers to the data hosting service provider in India and hence, the place of supply of the same cannot be determined under section 13(3)(a) of the IGST Act.

3.2.4 There may

be some cases where some of the hardware required for data hosting service is provided by the recipient of the service, i.e., the cloud computing service provider to the data hosting service provider. Even in these cases, data hosting service provider handles all aspects of data centre, like arranging for the premises, making available software and other hardware infrastructure, power, net connectivity, security, human resource, maintenance etc., for providing data hosting services to the cloud computing service provider. Accordingly, in such cases, though the data hosting services is being provided by the data hosting service provider inter-alia using the hardware made available by the cloud computing service provider, it cannot be said that data hosting service are being provided in relation to the said goods

made available by the cloud computing service provider to them. Accordingly, even in these cases, place of supply cannot be determined under section 13(3)(a) of the IGST Act.. 3.3 Whether the data hosting services are provided directly in relation to “immovable property” and whether the place of supply of the same is to be determined as per section 13(4) of the IGST Act. 3.3.1 Section 13(4) of the IGST Act provides for the place of supply where services supplied are directly in relation to immovable property. 3.3.2 In the present scenario, it is observed that the data hosting service providers either use owned or leased premises for keeping IT infrastructure and other hardware required for providing data hosting services. They also procure hardware, uninterrupted power supplies, backup generators, ventilation and cooling equipment,

network connectivity, fire suppression systems, security, human resource, etc.; handle operations like server monitoring, IT management and equipment maintenance, including repairs and replacements of the same, for providing data hosting services to their clients. 3.3.3 Thus, it is observed that data hosting services are not passive supply of a service directly in respect of immovable property but are regarding supply of a comprehensive service related to data hosting which involves the supply of various services by the data hosting service provider like operating data centre, ensuring uninterrupted power supplies, backup generators, network connectivity, backup facility, firewall services, and monitoring and surveillance service for ensuring continuous operations of the servers and related hardware, etc. which are

essential for cloud computing service provider to provide cloud computing services to the end users/customer/subscribers. 3.3.4 Accordingly, it is clarified that in such a scenario, the data hosting services cannot be considered as the services provided directly in relation to immovable property or physical premises and hence, the place of supply of such services cannot be determined under section 13(4) of IGST Act. 4. Further, the place of supply for the data hosting services provided by data hosting service provider located in India to overseas cloud computing service providers does not appear to fit into any of the specific provisions outlined in sections 13(3) to 13(13) of the IGST Act. Therefore, the place of supply in such cases needs to be determined according to the default provision under section 13(2) of the IGST Act, i.e. the location of the recipient

of the services. Where the cloud computing service provider receiving the data hosting services are located outside India, the place of supply will be considered to be outside India according to section 13(2) of the IGST Act. 5. Accordingly, supply of data hosting services being provided by a data hosting service provider located in India to an overseas cloud computing entity can be considered as export of services, subject to the fulfilment of the other conditions mentioned in section 2(6) of IGST Act. 6. It is requested that suitable trade notices may be issued to publicize the contents of this Circular. 7. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version will follow.

Notification Circular CGST Page NO-42 to 100

IGST Refund for exporters who initially imported without paying IGST & Cess

Circular No. 233/27/2024-GST, issued by the GST Policy Wing of the Central Board of Excise and Customs, addresses the regularization of Integrated Goods and Services Tax (IGST) refunds under sub-rule (10) of Rule 96 of the CGST Rules, 2017. This rule restricts the refund of IGST paid on exports if the exporter has

availed concessional or exemption benefits on imported inputs. The circular clarifies that exporters who initially imported inputs without paying IGST and compensation cess under Notifications No. 78/2017-Customs and 79/2017-Customs can regularize their IGST refunds. This is applicable if the exporters subsequently paid the IGST and compensation cess, along with interest, on the imported inputs or are willing to do so. The explanation inserted into sub-rule (10) of Rule 96 by Notification No. 16/2020-CT, effective retrospectively from October 23, 2017, states that the benefits of the relevant exemption notifications are not considered availed if IGST and compensation cess have been paid on inputs, even if only the Basic Customs Duty (BCD) exemption was used. Applying this explanation, the circular clarifies that if the inputs

were initially imported without IGST and compensation cess, but the taxes were paid later with interest, the refund of IGST on exports would not be in violation of Rule 96(10). The exporters need to have their Bill of Entry reassessed by the jurisdictional Customs authorities to reflect this payment. Government of India Ministry of Finance Department of Revenue Central Board of Excise and Customs GST Policy Wing, New Delhi Circular No. 233/27/2024-GST; Dated: September 10, 2024 To, The Principal Chief Commissioners /Chief Commissioners/Principal Commissioners/Commissioners of Central Tax and Central Tax (Audit) (All) The Principal Directors General/Directors General (All) Subject: Clarification regarding regularization of refund of IGST availed in contravention of rule 96(10) of CGST Rules, 2017, in cases where the exporters had

imported certain inputs without payment of integrated taxes and compensation cess – regarding. Sub-rule (10) of rule 96 of Central Goods and Services Tax Rules, 2017 (hereinafter referred to as “CGST Rules”) provides for a bar on availment of the refund of integrated tax (IGST) paid on export of goods or services, if benefits of certain concessional/exemption notifications, as specified in the said sub-rule, have been availed on inputs/raw materials imported or procured domestically. In this regard, references have been received from the field formations and trade/ industry wherein clarification has been sought on whether refund of integrated tax paid on exports of goods by a registered person can be regularized in a case where the registered person had initially imported inputs without payment of integrated tax and

compensation cess, by availing the benefits under Notification No. 78/2017-Customs dated 13.10.2017 or Notification No. 79/2017-Customs dated 13.10.2017, but subsequently, at a later date, the said person has either paid the IGST and compensation cess, along with interest, on such imported inputs or is now willing to pay such IGST and compensation cess, along with interest.

ADVERTISEMENT 2. The issue has been examined and in order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "CGST Act"), hereby clarifies the following: 2.1 Vide Notification No. 16/2020-CT dated 23.03.2020, an Explanation was inserted in

sub-rule (10) of rule 96 of CGST Rules retrospectively with effect from 23.10.2017, which reads as follows: "Explanation. – For the purpose of this sub-rule, the benefit of the notifications mentioned therein shall not be considered to have been availed only where the registered person has paid Integrated Goods and Services Tax and Compensation Cess on inputs and has availed exemption of only Basic Customs Duty (BCD) under the said notifications." 2.2 A bare perusal of the said Explanation, which was inserted with retrospective effect, reveals that in cases where the benefits of these exemption notifications have not been availed in respect of IGST and compensation cess, it shall be deemed that benefit of the said notifications has not been availed for the purpose of sub-rule (10) of rule 96 of CGST Rules. Therefore, extension of logic given in

the said Explanation may lead to a view that in cases where inputs were initially imported without payment of integrated tax and compensation cess but subsequently, IGST and compensation cess on such imported inputs is paid at a later date, along with interest, then in such cases, it can be considered that the benefits of notifications mentioned in clause (b) of sub-rule (10) of rule 96 of CGST Rules have not been availed for the purpose of said sub-rule. Accordingly, refund of IGST claimed on exports made with payment of Integrated tax in such cases may not be considered to be in contravention of provisions of sub-rule (10) of rule 96 of CGST Rules. 2.3. In view of the above, it is clarified that where the inputs were initially imported without payment of integrated tax and compensation cess by availing benefits under Notification No.

78/2017-Customs dated 13.10.2017 or Notification No. 79/2017-Customs dated 13.10.2017, but subsequently, IGST and compensation cess on such imported inputs are paid at a later date, along with interest, and the Bill of Entry in respect of the import of the said inputs is got reassessed through the jurisdictional Customs authorities to this effect, then the IGST, paid on exports of goods, refunded to the said exporter shall not be considered to be in contravention of provisions of sub-rule (10) of rule 96 of CGST Rules. 3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

F. No., CBIC-20001/6/2024-GST]

(Sanjay,Mangal)

Principal,Commissioner,(GST)

Notification Judiciary Page NO-101 to 110

Failure to Respond Due to Genuine Reason; Court Sets Aside Order for Violation of Natural Justice

Case Law Details

Case Name : Tvl. B. S. Construction Vs State Tax Officer
(Madras High Court)

Appeal Number : W.P. No. 27292 of 2024

Date of Judgement/Order : 12/09/2024

Related Assessment Year :

Courts : All High Courts Madras High Court

Tvl. B. S. Construction Vs State Tax Officer (Madras High Court)
Madras High Court held that order passed in violation of principles of natural justice since failure to respond to notice was due to the impression that response cannot be filed as GST, registration ,is, cancelled.

Notification Judiciary Page NO-101 to 110

Penalty for GSTR-3B & GSTR-2A Mismatch Set Aside for Lack of Hearing Opportunity

Case Law Details

Case Name : Tvl. Canply Vs Deputy Commissioner (ST)
(FAC) (Madras High Court)

Appeal Number : Writ Petition No. 27770 of 2024

Date of Judgement/Order : 19/09/2024

Courts : All High Courts Madras High Court

Tvl. Canply Vs Deputy Commissioner (ST) (FAC) (Madras High Court) Madras High Court held that order confirming tax liability and imposing penalty on ground of mismatch of input tax claim between GSTR-3B and GSTR-2A set aside as order passed without giving opportunity of being heard. Facts- The case, of, the, petitio,

Notification Judiciary Page NO-101 to 110

GST Registration Cancellation Based on Prima Facie Investigation Untenable: HP HC

Case Law Details

Case Name : A.M. Enterprises Vs State of Himachal Pradesh & Ors. (Himachal Pradesh High Court)

Appeal Number : CWP No.1517 of 2024

Date of Judgement/Order : 20/09/2024

Related Assessment Year :

Courts : All High Courts Himachal Pradesh HC

A.M. Enterprises Vs State of Himachal Pradesh & Ors.

(Himachal Pradesh High Court) Himachal Pradesh High Court

held that prima facie investigation cannot be basis of an order of cancellation of GST registration. Drastic penalty of cancellation of GST registration can be imposed only after completion of

Notification Judiciary Page NO-101 to 110

Tribunal held no pari materia between Section 37 of MVAT Act, Section 33 of MPVAT Act & Section 48 of GVAT Act

Case Law Details

Case Name : Commercial Tax Department Vs Teena Saraswat Pandey & Anr. (NCLAT Delhi)

Appeal Number : Company Appeal (AT) (Ins.) No. 1265 of 2022

Date of Judgement/Order : 09/09/2024

Related Assessment Year :

Courts : NCLAT

Commercial Tax Department Vs Teena Saraswat Pandey & Anr.
(NCLAT Delhi) Conclusion: Section 37 of the Maharashtra Value Added Tax Act, 2002 (MVAT Act) and Section 33 of the Madhya Pradesh Value Added Tax Act, 2002 (“MPVAT Act”) are not pari materia with Section 48 of the Gujarat Value Added Tax Act, 2003 (GVA)

Notification Judiciary Page NO-101 to 110

Appellate Authority Cannot Enhance GST Liability Without
SCN Under Section 107(11)

Case Law Details

Case Name : Hriday Kumar Das Vs State of West Bengal And
Ors. (Calcutta High Court)

Appeal Number : FMA/1168/2024

Date of Judgement/Order : 24/09/2024

Related Assessment Year :

Courts : All High Courts Calcutta High Court

Hriday Kumar Das Vs State of West Bengal And Ors.

(Calcutta High Court) In the case of Hriday Kumar Das vs. State of West Bengal and Ors., the Calcutta High Court addressed an intra-court appeal regarding an interim order that mandated the appellant to pay 10% of the disputed tax amount for the stay of proceedings, under