

GST BULLETIN

A Publication of Council on GST,
Indirect & State Taxes, MCCI

MARCH 2025 • ISSUE-I

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It has been almost 7 years and a half, that GST was introduced in our country, with the Mantra, "One Nation, One Tax, One Market", subsuming a large number of consumption taxes that previously existed in India, administered separately by the Centre and the States

With the introduction of GST, the country adopted a pan India technology platform. The entire indirect tax compliance and reporting ecosystem witnessed a remarkable transformation that was unthinkable 7 and half years ago. The monthly revenue collection of Rs. 1.8 lakh crore plus has become the new normal in this year.

In the recent times, the Chamber has instituted a few unique initiatives on GST, Indirect & State Taxes, to provide services to our members. In this regard MCCI GST Help Desk, in collaboration the Commissionerates of CGST and SGST deserves special mention. Several meetings/ workshops are also being held regularly for addressing issues, information dissemination and redressal of grievances.

I am sure that these continued initiatives of MCCI would go a long way in further strengthening the enabling environment for the development of industry, services and trade.

We are happy to bring to you "MCCI GST Bulletin", the quarterly Newsletter of MCCI Council on GST, Indirect & State Taxes.

Please feel free to share your suggestions and views on our initiatives.

I look forward to your support and guidance to make our initiatives better and more effective, going forward.

Happy reading.



Amit Saraogi
President, MCCI



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MESSAGGES



Sushil Kumar Goyal

Chairman,
Council on GST,
Indirect & State Taxes, MCCI

"We are all aware that GST, introduced in 2017, has provided a common national market for the country, with uniform tax rates and procedures, by removing the economic barriers, thereby paving the way for an integrated economy at the national level.

Although the taxpayers from the industry, trade and business are through with the problems faced at the initial stages, there are several burning issues still prevalent, which need to be addressed and a plethora of doubts, asking for clarifications. Amidst the vibrant hues of Holi, and with April's booming warmth right around the corner in Kolkata, the economic landscape continues to evolve, bringing both challenges and opportunities. Notably, the financial year 2024-25 has demonstrated the continued success of the GST system, with strong revenue growth and increased tax compliance.

Beyond the impressive revenue figures, the GST has fostered a more streamlined and transparent business environment. It has reduced the cascading effect of taxes, making goods and services more affordable for consumers. This simplification has also eased the burden on businesses, particularly small and medium-sized enterprises (SMEs), allowing them to focus on growth and innovation.

The Chamber has set up MCCI GST Help Desk to provide handholding and mentoring support on GST, with all the important stakeholders. In this initiative, we have received all out support from the Commissionerate of CGST and SGST.

We are proud to commence a Quarterly Newsletter of our Council from March 2025, with the pros and cons of GST, Indirect and State Taxes.

We hope that our Issues would add value to our beloved readers."





Proposed changes in GST law by Finance Bill 2025

The Finance Bill, 2025, has introduced several regulatory changes and enabling provisions under GST, aligning with the recommendations made by the GST Council in its 55th meeting. ¹

The following amendments are proposed to take effect retrospectively from July 1, 2017:

- 1. Supply of goods warehoused in a SEZ or FTWZ to any person before clearance of such goods for exports or to the DTA shall be treated neither as supply of goods nor a supply of service.**
 - Entry (aa) is proposed to be inserted in Schedule III of the CGST Act, 2017, stating that the supply of goods warehoused in a SEZ or FTWZ to any person before clearance for export or to the DTA shall not be considered a supply of goods or services.
 - The terms SEZ, FTWZ, and DTA will have the same meanings as assigned in Section 2 of the SEZ Act, 2005.
 - Clause 129 of the Finance Bill, 2025, proposes that no refund will be available for taxes already paid on such transactions.
 - This amendment brings the treatment of goods warehoused in SEZ/FTWZ in line with the existing GST provisions for transactions in Customs bonded warehouses.
- 2. Amendment in section 17(5)(d) of the CGST Act, 2017 to substitute the words 'plant OR machinery' with words 'plant AND machinery'**
 - The term "**plant or machinery**" in Section 17(5)(d) of the CGST Act, 2017, is proposed to be replaced with "**plant and machinery**" to clarify input tax credit (ITC) eligibility.
 - ITC on goods or services used for constructing immovable property on a taxpayer's own account,



including for business purposes, will only be allowed if the resultant property qualifies as **"plant and machinery"** as defined in Section 17(5).

- The Hon'ble Supreme Court had ruled that **"plant or machinery"** in Section 17(5)(d) could not be equated with **"plant and machinery"** as defined in the explanation to Section 17.
- To override this ruling, the Finance Bill, 2025, proposes replacing **"plant or machinery"** with **"plant and machinery"**, effectively nullifying the Supreme Court's interpretation.
- This amendment is proposed to have retrospective effect from July 1, 2017, regardless of any court judgment, decree, or order to the contrary.

The below mentioned amendment is proposed to be effective from 1 April 2025:

3. Inter-state RCM transactions to be covered under ISD mechanism

- Section 2(61) of the CGST Act, 2017, is being amended to explicitly include inter-state procurements of services under reverse charge within the scope of the Input Service Distributor (ISD) mechanism by referencing Sections 5(3) and 5(4) of the IGST Act, 2017.
- Sections 20(1) and 20(2) of the CGST Act, 2017, are being amended to align with this change, allowing an ISD to distribute credit for common services subject to IGST under reverse charge among its distinct persons.
- This amendment facilitates the proper allocation of credit for services procured under reverse charge that are attributable to one or more distinct entities of the ISD.
- The amendments will take effect from April 1, 2025, in line with the notified date for implementing the revised definition and credit distribution provisions of ISD, as recommended in the Finance Act, 2024.

The below mentioned amendments are proposed to be effective from a date to be notified by the Central Government in the Official Gazette

4. Omission of provision relating to time of supply for supply of vouchers

- Sections 12(4) and 13(4) of the CGST Act, 2017, which define the time of supply for vouchers, are proposed to be omitted.
- This omission clarifies that vouchers neither qualify as goods nor services, and therefore, their supply will not be subject to GST.
- Removing these provisions eliminates the unnecessary legal framework related to the time of supply for vouchers.
- The taxability of vouchers has been a long-standing issue in the indirect tax regime, and this amendment effectively resolves the debate by excluding vouchers from GST.

5. Enabling provisions for 'Track and Trace Mechanism' for specified commodities

- Section 148A of the CGST Act, 2017, is proposed to be inserted to introduce a Track and Trace Mechanism for specified commodities. This mechanism will require a Unique Identification Marking to be affixed on goods or their packaging.
- Section 2(116A) is proposed to define Unique Identification Marking as a marking specified under Section 148A, including a digital stamp, digital mark, or any other unique, secure, and non-removable marking.
- Section 122B is proposed to impose a penalty of ₹1,00,000 or 10% of the tax payable, whichever is higher, for non-compliance with the Track and Trace Mechanism. This penalty will be in addition to any other applicable penalties under the CGST Act.

6. Amendment to Section 34 to restrict output liability reversal owing to credit notes on non-reversal of attributable input tax credit by the recipient

- Section 34(2) of the CGST Act, 2017, is proposed to be amended to explicitly require the recipient to reverse the input tax credit attributable to a credit note, allowing the supplier to reduce their output tax liability accordingly.

7. Amendments in respect of functionality of Invoice Management System (IMS')

- Section 38 is proposed to be amended to establish a legal framework for generating an inward report based on taxpayer actions taken on auto-populated details under the Invoice Management System (IMS) functionality.

8. Pre-deposit for filing of appeal before appellate authorities in respect of an order passed which involves only penalty amount

- Section 107(6) of the CGST Act, 2017, is proposed to be amended to reduce the pre-deposit requirement for appeals before the Appellate Authority in cases involving only a penalty demand, with no tax demand. The pre-deposit will be reduced from 25% to 10% of the penalty amount.
- Section 112(8) of the CGST Act, 2017, is proposed to be amended to set the pre-deposit at 10% of the penalty amount for appeals before the Appellate Tribunal in cases where only a penalty demand is involved, with no corresponding tax demand.



Proposed changes in Custom Act by Finance Bill 2025

The proposed amendments in the **Custom Act, 1962** will come into effect from the date on which the Finance Bill, 2025, receives the assent of the President of India.

1. **A new sub-section (1B) is being inserted in section 18 of the Custom Act, 1962** to provide a definite time limit of two years for the finalization of provisional assessments, this period may be extended by the Commissioner of Customs for up to one additional year, provided there is sufficient cause. For any cases that are still pending, the time limit will be calculated from the date the Finance Bill receives assent.
2. **A new sub-section (1C) is being inserted in section 18 of the Custom Act, 1962** to provide for certain grounds on which the two-year time limit for finalizing provisional assessments may be suspended.
3. **A new section 18A is being inserted in the Custom Act, 1962** for voluntary revision of entries made after clearance. This provision would allow importers and exporters to amend any entry related to goods within a specified time frame and under certain conditions. The revised entries would be treated as self-assessments, enabling duty payments, or could be considered as a refund claim under Section 27. The section also specifies certain cases where this provision will not be applicable.
4. **A new Explanation is being inserted in sub-section(1) of Section 27(1) of the Custom Act, 1962** to clarify that the limitation period for refund claims, arising from a revised entry under Section 18A or an amendment under Section 149 of the Customs Act, 1962, shall be one year from the date of payment of duty or interest.
5. **A new clause is being inserted in Explanation 1 of section 28 of the Custom Act, 1962** specifying that in cases where duty is paid under a revised entry as per Section 18A, the relevant date shall be the date of payment of duty or interest.

6. **A new clause is being inserted after clauses (d) and (e) in Section 127A of the Customs Act, 1962** to define the terms "Interim Board," "Member of the Interim Board," and "pending applications."
7. **Two new provisos are being inserted after sub-section (5) of Section 127B of the Customs Act, 1962** to provide a definitive end date for the submission of applications under this section.
8. **A New Sub-section is being inserted after sub-section (2) in Section 127D of the Custom Act, 1962** to clarify that the powers of the Settlement Commission shall be exercised by the Interim Board. Furthermore, the provisions of this section will apply to the Interim Board, mutatis mutandis, in the same manner as they apply to the Settlement Commission.
9. **A New Sub-section is being inserted after sub-section (4) in Section 127F of the Custom Act, 1962** specifying that the powers and functions of the Settlement Commission shall be exercised or performed by the Interim Board
10. **A Proviso to Section 127G of the Customs Act, 1962,** is being inserted to specify that the powers and functions of the Settlement Commission shall be exercised or performed by the Interim Board.
11. **A new sub-section is being inserted after sub-section (3) in Section 127H of the Customs Act, 1962,** to specify that the powers and functions of the Settlement Commission shall be exercised or performed by the Interim Board.

Proposed changes in Custom Tariff Act by Finance Bill 2025

The amendments proposed in the **Custom Tariff Act, 1975:**

1. **Amendment in First Schedule of the Customs Tariff Act, 1975:**
 - The proposed amendments will simplify the customs tariff structure by reducing the number of tariff rate slabs.
 - **Tariff Rate Slabs:-** The existing rate slabs aim to reduce from 25%, 30%, 35%, and 40% to a single rate of 20% and from 150%, 125%, and 100% to 70%.
 - This amendment is aimed at streamlining the tariff structure, improving the identification of



goods, and aligning the tariff lines with the World Customs Organization (WCO) classification.

2. Amendment in Notification No. 11/2018 – Customs (dated 02.02.2018):

- Exemption of 25 items from the levy of Social Welfare Surcharge.
- This amendment will apply from 2nd February 2025 and will provide relief to the identified goods from the surcharge.

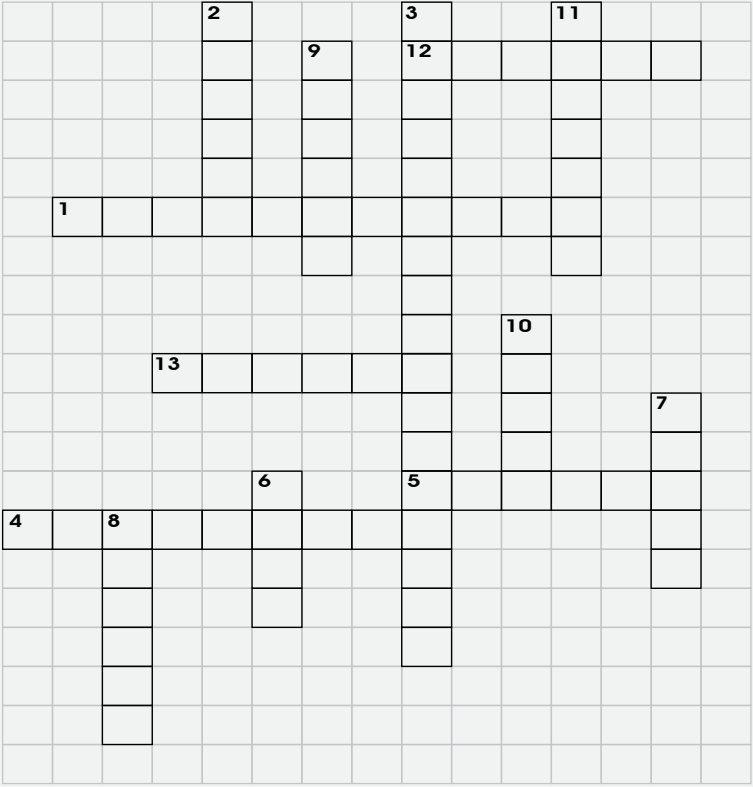
3. Amendment in Notification No. 153/94 – Customs (dated 13.07.1994):

- This amendment relates to articles of foreign origin that are imported into India for maintenance, repair, and overhauling.
- The current rule requires exports within six months, extendable to one year.
- The amendment increases the duration for the export of railway goods from six months to one year, with an additional extension of up to one year.

4. Amendment in ICGR (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2017:

- Extension of time limit for fulfilling the end-use condition from the current six months to one year.
- Quarterly Statement: Importers will now be required to submit a quarterly statement instead of the current monthly statement.

CROSSWORD



ACROSS:

1. _____ supply means a supply which is provided or agreed to be on a recurrent basis, under a contract. (10)
4. _____ of credit means the supplier of goods or service or both having the same PAN as that of ISD. (9)
5. _____ authentication is compulsory for GST registration (6)
12. The relevant date in case of refund on account of _____ payment of GST due to mistake or inadvertence is the date of payment of GST (6)
13. Credit used for taxable, and exempt is known as _____ credit. (6)

DOWN:

2. _____ value means full amount which a recipient of a supply is required to pay to obtain the goods or service (6)
3. _____ service means service of any description which is made to the user through signs, signal, writing, images and sounds or intelligence of any nature by wire, radio, visual or other electromagnetic means. (17)
6. Documents to be generated in case of the exempted supply are _____ of supply. (4)
7. Every person who has made an outward supply in _____ the period in which it becomes liable to register till the date on which registration is granted shall declare the same in the _____ return furnished by him after registration. (5)
8. Interest is payable on reversal of unwanted _____. (6)
9. _____ includes refund of tax paid on tax paid on zero rated supplies of goods and services or both or on input service used in making such zero-rated supplies. (6)
10. Offering a free bucket with detergent is a _____ supply. (5)
11. Interest is payable on _____ payment of tax. (7)

Proposed changes in Excise Act by Finance Bill 2025

1. The deferment of additional excise duty of Rs.2 per litre of the unblended diesel has been extended once again, now until March 31st, 2026.This extension serves as a temporary measure to ease financial burdens by preventing an abrupt increase in fuel prices.

Answers :

- 1.Continuous
2. Market
- 3.Telecommunication
- 4.Recipient
- 5.Aadhar
- 6.Bill
- 7.First
- 8.Credit
- 9.Refund
- 10.Mixed
- 11.Belated
- 12.Excess
- 13.Common





West Bengal Budget Analysis 2025-26



The West Bengal Budget for 2025-26 presented by Smt. Chandrima Bhattacharya, Hon'ble Minister of State for Finance on 1st February 2025

The highlights of the budget are as follows:

- The **Gross State Domestic Product (GSDP)** of State at Constant Prices has increased by 6.80% in 2024-25 (1st AE) which is higher than the growth rate of India i.e. 6.37%.
- All the three sectors (namely agriculture, industry and service sectors) in West Bengal's economy have contributed significantly and exhibited higher annual growth than national figures.
 - The **agriculture sector** has grown at a rate of 4.2 per cent, much higher than the India's growth of 3.8 percent.
 - The **industry sector** has registered growth of 7.3 per cent, substantially higher than the national figure of 6.2 per cent.
 - The **services sector** has been the fastest growing, with a growth rate of 7.8 per cent, also higher than India's growth of 7.2 per cent.

Budget Estimates 2025-26:

- The **Total Receipts other than borrowings** are estimated to be Rs. 34,96,409 crores.
- The **Total Expenditure** is estimated to be Rs.50.65 lakh crore.
- The **Net Tax receipts** are estimated at Rs.28.37 lakh crore.
- The **Fiscal Deficits** are estimated at 4.4% of GSDP.
- The **Revenue Deficits** are estimated to be 1.7% of GSDP.
- The **Revenue Receipts** are estimated to be Rs.34.2 lakh crore.
- The **Capital Receipts** are estimated to be Rs.16.4 lakh crore.
- The **Gross Market Borrowings** are estimated at Rs.14.82 lakh crore.
- The **Capital Expenditure** of Rs.11.21 lakh crore (3.1% of GDP) earmarked in FY 2025-26.
- The State budget for 2025-26, pegged at Rs.3.89 lakh crore, with a significant focus on social welfare, rural growth and infrastructure
- The State Government has proposed to allocate **INR 1, 477.91 crore** for the industry and **INR 4,141.82 crore** for power.

- West Bengal ranks 2nd highest in the number of MSMEs across the country, contributing 10% to the total share, in this Budget state has allocated INR 1,228.78 crore for MSMEs, for the year 2025-26.
- **9 thousand 600 crores** were allotted for Bengal Housing Project this additional amount has been allocated for an additional **16 lakh beneficiaries**.
- The State Government has allocated INR 200 crore to buy mobile phones for Asha-Anganwadi workers.
- The State Government has succeeded in lowering the unemployment rate. In January 2025, while India's unemployment rate was around 7.93%, that of West Bengal was around 4.14%,
- Dearness allowance (DA) increased to 18% for government employees, including teaching and non-teaching staff, as well as pensioners.
- The Government of West Bengal has projected expenditure to the tune of Rs. 3,36,116.02 crore from the Consolidated Fund.
- The State Government has allocated INR 200 cr. To boost agri marketing for 350 new **Sufol Bangla Store**.
- The Government has unveiled a series of infrastructure and agricultural development projects in its budget, allocating significant funds for rural connectivity, river erosion and agrarian support initiatives.
- FDI limit enhanced for insurance from 74 to 100%.

Fiscal Indicators:

- 1. Revenue Receipts:** Revenue Receipts comprise State's own tax, central tax devolution, non-tax revenue of the State Government and grants received from Government of India.
 - a. State's Own Tax:** The State's tax revenue increased from ₹21,128.74 crore in 2010-11 to ₹89,985.50 crore in 2023-24, reflecting a fourfold growth over this period. Revised Estimates for 2024-25 stand at ₹99,863.16 crore, while Budget Estimates for 2025-26 project ₹1,12,543.80 crore.
 - b. Central Tax Devolution:** Central tax devolution was ₹84,971.79 crore in 2023-24. The Revised Estimates for 2024-25 is ₹96,009.97 crore, with Budget Estimates for 2025-26 at ₹1,06,998.64 crore (As per the Fifteenth Finance Commission's recommendations, the State's share has been fixed at 41% of the net proceeds of the net shareable Central Taxes).
 - c. Non-Tax Revenue:** Non-tax revenue was to ₹3,238.14 crore in 2023-24. Revised Estimates for 2024-25 project ₹3,286.42 crore, while Budget Estimates for 2025-26 significantly increase it to ₹9,360.41 crore.

- d. Others (Grants):** Others (Grants) means the plan and non-plan grants received from the Government of India. The State Government received ₹22,072.17 crore in 2023-24. The Grants supposed to have been received by the State as per Revised Estimates of 2024-25 is ₹28,431.23 crore and as per Budget Estimates for 2025-26, it is set at ₹37,157.57 crore

2. Capital Receipts and Expenditure: Actual figures of capital receipts and capital expenditure for the financial year 2023-24 were ₹1,455.98 crore and ₹29,757.22 crore respectively. For the year 2024-25, capital receipts and capital expenditure as per revised estimates are ₹222.54 crore and ₹29,978.66 crore respectively. For 2025-26, budget estimates for capital receipts and capital expenditure are set at ₹2,223.63 crore and ₹40,086.65 crore respectively.

3. GSDP Growth: GSDP of the state at current price grew to ₹1815010 crore (2011-12 base year) in 2024-25(1st AE). GSDP has increased by about four times over the fourteen-year span.

State's expenditure on key sectors:

West Bengal's 2025-26 expenditure on six key sectors as a proportion of its total expenditure is as follows. The average for each sector represents the 2024-25 budget estimates across 31 states, including West Bengal

- **Agriculture:** The state has allocated 6.8% of its expenditure to agriculture in 2025-26, surpassing the 2024-25 state average of 6.3%.
- **Education:** West Bengal has allocated 14.8% of its total expenditure to education in 2025-26, which is slightly lower than the 2024-25 average allocation by states (15%).
- **Health:** The state has earmarked 6.4% of its expenditure for health in 2025-26, slightly exceeding the 2024-25 state average of 6.2%.
- **Rural Development:** West Bengal has set aside 4.2% of its expenditure for rural development in 2025-26, which is below the 2024-25 state average of 5.1%.
- **Roads and Bridges:** The allocation for roads and bridges is 2.2% in 2025-26, which is lower than the 2024-25 state average of 4.3%.
- **Social Welfare and Nutrition:** The allocation for social welfare and nutrition stands at 13.9% in 2025-26, significantly higher than the 2024-25 state average of 7.6%.



ACTIVITIES OF THE COUNCIL



4th MCCI GST Help Desk in progress



The Mentor Panel at 5th MCCI GST Help Desk, held on 27th November 2024 at MCCI: from R to L : Shri Sushil Kumar Goyal, Chairman, MCCI GST Council; Shri Anirban Talukdar, Joint Commissioner; Shri Rajat Shubhra Paul, Deputy Commissioner, Commercial Taxes, Govt of West Bengal and Shri Vivek Jalan, Co Chairman, MCCI GST Council



Workshop-cum-Interactive Session on GSTR 9, GSTR 9C and other Important Issues" held on 19th December 2024 at MCCI : from R to L : Shri Sushil Kumar Goyal, Chairman and Shri Vivek Jalan , Co-Chairman, Council on GST, Indirect & State Taxes, MCCI. The Chairman deliberating on an important issue



Session on "GST Amnesty Scheme 2024 and other Important Issues", held on 16th January 2025. From R to L : Shri Santosh Saraf , Past President, MCCI; Shri Shrawan Kumar , IRS, Chief Commissioner, CGST & CX, Kolkata Zone and Shri Vivek Jalan , Co Chairman, Council on GST, Indirect & State Taxes, MCCI



The Distinguished Panel [from R to L] : **Dr. Prakash Borgohain** , IRS, Additional Commissioner, Kolkata North, CGST; **Shri Amarendra Narayan** , IRS, Commissioner, Howrah, CGST; **Shri Manoj Kumar Kedia** , IRS, Principal Commissioner, Kolkata North, CGST; **Shri Santosh Saraf**, Past President, MCCI; **Shri Shrawan Kumar**, IRS, Chief Commissioner, CGST & CX, Kolkata Zone; **Shri Vivek Jalan**, Co Chairman, Council on GST, Indirect & State Taxes, MCCI; **Shri Satyajit Singh** , IRS, Commissioner, Kolkata South, CGST and **Shri Sanjay Bangartale**, IRS, Additional Commissioner, Kolkata South, CGST.



MCCI Team with CGST Team



Shri Sushil Kumar Goyal, Chairman, MCCI Council on GST, Indirect & State Taxes [4th from right] delivering his Opening Remarks at **5th MCCI GST Help Desk** held yesterday. The Mentor Panel [from R to L] : **Shri Sanjib Kothari**, Treasurer & Chairman, MCCI MSME Council; **Shri Rajat Subhra Paul**, Dy. Commissioner of Revenue, GoWB [SGST]; **Shri Anirban Talukdar**, Joint Commissioner of Revenue, GoWB [SGST]; **Shri Sushil Kumar Goyal** ; **Shri Ram Singh Shekhawat**, IRS, Additional Commissioner, CGST, Gol; **Shri Ankit Kaul** , IRS, Deputy Commissioner, CGST, Gol and **Shri Premjeet Kumar Mishra**, Superintendent, CGST, Gol.

ARTICLE I

FAQs on Input Service Distributor (ISD)

Compiled by **Adv. Sidhant Goyal**



Q 1. Who is an Input Service Distributor (ISD)?

Ans. An Input Service Distributor (ISD) shall distribute the credit (ITC) on the input services in accordance with Section 20 read with Rule 39, explained below, among the other units of the organization under same PAN.

Q 2. What is the purpose of introducing the concept of ISD?

Ans. The purpose of ISD is to facilitate the businesses to operate at their convenience allowing them to centralize procurement of services and distribution of credit to its units where such services are being used.

Q 3. Which ITC (credit) to be distributed by the ISD?

Ans. The ISD must distribute entire credit for the input service it receives. Both eligible and ineligible credits must be distributed among the Units registered in GST under the same PAN. The distribution of credit should be such that distributable credit will be 'nil' after each month's distribution.

Q 4. What type of credit is considered as ineligible in case of ISD?

Ans. The ISD must distribute the entire credit, whether eligible or ineligible. The credit which are blocked under section 17(5) of the CGST Act 2017 and other credit that is ineligible because it is used for exempted supply of goods or services are considered as ineligible credit.

Q 5. What is the definition of Input Service Distributor (ISD)?

Ans. Section 2(61) of the CGST Act 2017 defines Input Service Distributor as follows:

"Input Service Distributor" means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office.

The above definition of Input Service Distributor is applicable up to 31st March 2025. Thereafter the new definition will come into effect from 1st April



2025, which will be discussed in later parts of the FAQs.

Q 6. What is the manner of distribution of credit by ISD?

Ans. Section 20 of the CGST Act 2017 provides for Manner of distribution of credit by Input Service Distributor as follows:

- (1) The Input Service Distributor shall distribute the credit of central tax as central tax or integrated tax and integrated tax as integrated tax or central, by way of issue of a document containing, the amount of input tax credit being distributed in such manner as may be prescribed.
- (2) The Input Service Distributor may distribute the credit subject to the following conditions, namely:
 - (a) *the credit can be distributed to recipients of credit against a document containing such details as may be prescribed;*
 - (b) *the amount of the credit distributed shall not exceed the amount of credit available for distribution;*
 - (c) *the credit of tax paid on input services attributable to recipient of credit shall be distributed only to that recipient;*
 - (d) *the credit of tax paid on input services attributable to more than one recipient of credit shall be distributed amongst such recipient(s) to whom the input service is attributable and such distribution shall be pro rata on the basis of the turnover in a State or turnover in a Union Territory of such recipient, during the relevant period, to the aggregate of the turnover of all such recipients to whom such input service is attributable and which are operational in the current year, during the said relevant period;.*
 - (e) *the credit of tax paid on input services attributable to all recipients of credit shall be distributed amongst such recipients and such distribution shall be pro rata on the basis of the turnover in a State or turnover in a Union Territory of such recipient, during the relevant period, to the aggregate of the turnover of all recipients and which are operational in the current year, during the said relevant period.*

Explanation –For the purposes of this section,

(a) the “relevant period” shall be-

- (i) *if the recipients of credit have turnover in their States or Union Territories in the financial year preceding the year during which credit is to be distributed, the said financial year; or*

(ii) *if some or all recipients of the credit do not have any turnover in their States or Union Territories in the financial year preceding the year during which the credit is to be distributed, the last quarter for which details of such turnover of all the recipients are available, previous to the month during which credit is to be distributed.*

(b) *the expression of ‘recipient of credit’ means the supplier of goods or services or both having the same Permanent Account Number as that of Input Service Distributor.*

(c) *the term ‘turnover’ in relation to any registered person engaged in the supply of taxable goods as well as goods not taxable under this Act, means the value of turnover, reduced by the amount of any duty or tax levied under entries 84 and entry 92A of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule*

The above manner of distribution by Input Service Distributor is applicable upto 31st March 2025. Thereafter the new section will come into effect from 1st April 2025, which will be discussed in later parts of the FAQ.

Q 7. Whether credit related to purchase of Inputs or Capital Goods can be distributed?

Ans: No, only the credit of "input services" can be distributed. Hence, a service procured needs to be assessed whether the "input service" is related to any of the units of the organization.

Once it qualifies the "input service" can be distributed.

Q 8. Whether credit relating to units providing exempt service or making supply of exempted Goods can be distributed?

Ans: Yes, the credit relating to units, which are exclusively engaged in manufacture or supply of exempted goods or supply of exempted services needs to be distributed. However, such credit can be distributed to these units as ineligible credit.

Q 9. Is it mandatory for an ISD to get registered under the GST Acts?

Ans. Yes, an ISD is required to obtain a separate registration. As per Section 24(1)(viii) of the CGST Act, registration is mandatorily required if the entity wants to distribute the credit on account of common expenditure to other units of the organization.

Q 10. Whether registration of the Units is mandatory to whom the credit is getting transferred under the GST Acts?



Ans. No, it is not mandatory for units to obtain registration for the purpose of getting credit which is being distributed because the ISD can distribute credit to unregistered units also.

Q 11. What are the examples of common input service usually received and distributed by the ISD?

Ans. The following are the examples of 'input services' which are usually received and distributed by the ISD:

- a) Audit services
- b) Legal and Consultancy services
- c) HR and Recruitment services
- d) Telecommunication and Internet services
- e) Training and development services
- f) Market Survey services
- g) Shared Information Technology Infrastructure services
- h) Warehouse and Logistics services
- i) Software Licensing and Subscription services
- j) Branding and Corporate Identity services
- k) Public Relations and Media services
- l) Taxation and Accounting services

Q 12. Whether the ISD and the units receiving ITC may be situated in different states?

Ans. Yes, the Input Service Distributor and the recipient of credit can be located in different states or in the same state.

Q 13. Whether the distributor and the recipient of ITC can have different PAN numbers?

Ans. No, it is mandatory for Input Service Distributor and the recipient of credit to be registered under the same PAN.

Q 14. What are the documents required for distribution of credit by an ISD?

Ans. The input service distributor is required to issue invoices for the purpose of distribution of credit among the units. An Input Service Distributor not only requires issuing invoices, it requires to issue credit notes also.

Q 15. What is the information required in the invoice for distribution of credit by an ISD?

Ans. Rule 54(1) of the CGST Rules, 2017, prescribes that an Input Service Distributor invoice or credit note issued by an Input Service Distributor shall contain the following details:

- (a) name, address and registration number (GSTIN) of the Input Service Distributor.
- (b) a consecutive serial number not exceeding

sixteen characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash and slash symbolized as "-", "/" respectively, and any combination thereof, unique for a financial year.

- (c) date of its issue.
- (d) name, address and GSTIN of the recipient to whom the credit is distributed.
- (e) amount of the credit distributed, and
- (f) signature or digital signature of the Input Service Distributor or his authorised representative.

Apart from the above, details of the service being distributed must be mentioned in the invoice to be issued by the ISD.

Q 16. Can an ISD distribute the input tax credit to all the units?

Ans. No. The input tax credit of input services shall be distributed only amongst those registered or unregistered persons who have used such input services in the course or furtherance of business.

Q 17. What are the conditions for distribution of credit?

Ans. According to a simple reading of the provisions, an Input Service Distributor shall distribute input tax credit subject to the following conditions, namely, -

- a) Credit to be distributed to recipient under ISD invoice contents/details of which are prescribed under Rule 54 of the CGST Rules. Such a document should be issued to each of the recipients of credit.
- b) Credit distributed should not exceed the credit available for distribution.
- c) Tax paid on input services used by a particular recipient (registered as supplier or not), is to be distributed only to that recipient.
- d) Credit of tax paid on input services used by more than one recipient shall be distributed to all of them in the ratio of turnover of the recipient in a State/Union territory to aggregate turnover of all recipients to whom the input service is attributable, and which are operational during the current year.

Q 18. How does an ISD distribute the credit to be distributed?

Ans. Section 20 of the CGST Act, 2017 read with Rule 39 of the CGST Rules, 2017 provides the manner of distribution of credit by the input service distributor. The input service distributor may distribute the credit in respect of the GST paid on the input services to its units in which such service is utilized in pro-rata basis, that is, the turnover of the unit in the relevant period.

Q 19. How does an ISD calculates the credit to be distributed?

Ans. The input service distributor is to distribute the credit in respect of the GST paid on the input services to its



units. The input tax credit that is required to one of the recipients say "Unit-1", whether registered or not, from amongst, the total of all the recipient from to whom input tax credit is attributable, including the recipients who are engaged in making exempt supply, or are otherwise not registered for any reason, shall be the amount, "C1" to be calculated by applying the following formula :

$$C1 = (t1 / T) \times C$$

where,

"C" is the amount of credit to be distributed,

"t1" is the turnover, of the Unit-1 during the relevant period, and

"T" is the aggregate of the turnover, during the relevant period, of all recipients to whom the input service is attributable.

Q 20. What is "relevant period" for the purpose of distribution of credit by ISD?

Ans. The term relevant period means the following: -

- (a) if the recipients of credit have turnover in their States or Union territories in the financial year preceding the year during which credit is to be distributed, in the said financial year; or
- (b) if some or all recipients of the credit do not have any turnover in their States or Union territories in the financial year preceding the year during which the credit is to be distributed, the last quarter for which details of such turnover of all the recipients are available, previous to the month during which credit is to be distributed.

Q 21. Who is the "recipient of credit" for the purpose of distribution of credit?

Ans. The expression "recipient of credit" means the supplier of goods or services or both having the same Permanent Account Number as that of the Input Service Distributor.

Q 22. What forms a part of the "turnover" for the purpose of distribution of credit?

Ans. The turnover for the purpose of ISD in relation to any registered person engaged in the supply of taxable goods as well as goods not taxable under GST Acts does not include any duty or tax levied under entry 84 and 92A of List I and entry 51 and 54 of List II of the Seventh Schedule of the Constitution.

In other words, the turnover shall not include Excise duty, Sales Tax and VAT which are still applicable on certain goods such as Tobacco, Alcohol, Narcotics and other similar items for the purpose of calculation of turnover.

Q 23. Can ISD make any supply?

Ans. No, an ISD cannot make any supply, neither in Forward Charge nor under Reverse Charge. The purpose of ISD is only for distribution of credit to the units in respect of input services on inward supply that relates to the unit(s).

Q 24. Can ISD discharge the RCM liability for invoices received?

Ans. As mentioned in the instructions of GSTR 6 issued as per Rule 65 of the CGST Rule, 2017, ISD will not have any reverse charge supplies. If ISD wants to take reverse charge supplies, in that case ISD has to separately register as Normal Taxpayer in the same state.

Q 25. Shall ISD be liable to distribute the RCM ITC for invoices received under Section 9(3) or 9(4) of the CGST Act, 2017?

Ans. As mentioned in the definition of ISD as stated in Section 2(61) of the CGST Act, 2017, ISD shall receive invoices under Section 9(3) or Section 9(4) on behalf of the distinct persons and is "eligible to distribute" such ITC. However, tax is to be paid under the regular taxpayer registration in the same state and same can be transfer to ISD.

Q 26. What are the documents required for transfer of credit from regular taxpayer to ISD?

Ans. As per Rule 54(1A) of the CGST Act 2017, a registered person, having the same PAN and State code as an Input Service Distributor, may issue an invoice or a credit or a debit note to transfer the credit of common input services to the Input Service Distributor, which shall contain the following details: -

- a) name, address and registration number (GSTIN) of the registered person having the same PAN and same State code as the Input Service Distributor.
- b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters -hyphen or dash and slash symbolized as "-" and "/" respectively, and any combination thereof, unique for a financial year.
- c) date of its issue.
- d) registration number (GSTIN) of supplier of common service and original invoice number whose credit is sought to be transferred to the Input Service Distributor.
- e) name, address and registration number (GSTIN) of the Input Service Distributor.
- f) taxable value (value of common services), rate and amount of credit to be transferred.
- g) signature or digital signature of the registered person or his authorised representative.

Q 27. Can a company have multiple ISD?

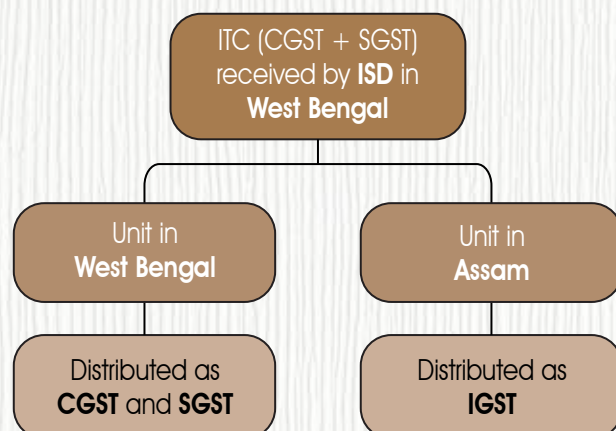
Ans. Yes, a company can have multiple ISD based on different offices like the marketing division, security division, heads office, regional office, etc. The



regular offices receiving common credit must also have an ISD registration in their respective state. Registration is mandatory in the state where the company is likely to receive an invoice which is a common credit and is liable to be distributed among other units of the company.

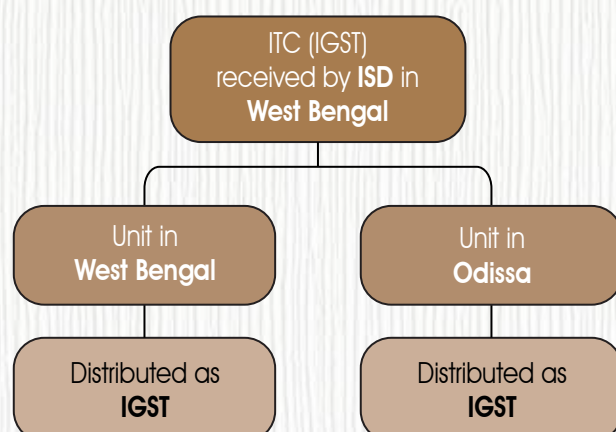
Q 28. Whether CGST and SGST/UTGST credit received by ISD be distributed to its units?

Ans. Yes, an ISD can distribute CGST and SGST/UTGST credit as CGST and SGST/UTGST to its units located in the same state and as IGST to its units located in different states.



Q 29. Whether IGST credit received by ISD be distributed to its units?

Ans. Yes, an ISD can distribute IGST credit as IGST to its units, whether located in the same state or different state.



Q 30. Is the ISD required to file any returns?

Ans. Yes, ISD is required to file a monthly return by the 13th of the following month in FORM GSTR-6. Such distributed ITC by the ISD shall reflect in FORM GSTR-2A and FORM GSTR-2B.

Q 31. Whether ISD can distribute ITC received in one month in subsequent months?

Ans. No, the ITC available for distribution by ISD should be distributed to the recipients in the same month itself. (Rule 39(1) (a) of the CGST Rules, 2017).

Q 32. Should ineligible credit be distributed by an ISD?

Ans. The Input Service Distributor must separately distribute the amount of eligible and the amount of ineligible input tax credit [under the provisions of section 17(5) or otherwise input tax credit].

Q 33. How do ISD distribute credit in a new unit where there is no turnover?

Ans. A new unit is a unit which is not having turnover in the previous financial year or in the last quarter. Consequently, the ISD cannot allocate any ITC to the new unit. Once the new unit generates turnover in a subsequent quarter, that quarter becomes the "relevant period" for future distributions.

For example:

A new unit started operations in Jan 2025 and turnover in the Jan-Mar 2025 quarter of Rs.10,00,000/-. The Jan-Mar 2025 quarter will become the "relevant period" for distributions made from April 2025 onwards. The ISD will then include the new unit's turnover from the Jan-Mar 2025 quarter to compute its proportionate share of ITC.

Q 34. How will the input tax credit having already distributed be reversed on issuance of an ISD credit note?

Ans. The credit reduced by issuance of an ISD credit note is to be apportioned to each recipient in the same ratio in which the credit of the original invoice was distributed. The amount mentioned in the credit note should be reduced from the amount to be distributed in the month in which the credit note is issued. If the amount of credit being distributed is less, the amount to be apportioned needs to be added to the output tax liability.

Q 35. Under what circumstances is ISD Credit Notes required to be issued?

Ans. The ISD is required to issue a credit note under the following circumstances:

- The ISD receives a Credit Note from the Supplier
- If the ISD distributes ITC to the wrong recipient, the distributed ITC must be reduced. The ISD is required to issue a credit note to the respective recipient, thereby reducing the ITC available to them.

Q 36. What is the manner of recovery of credit distributed in excess?

Ans. Section 21 of the CGST Act 2017 provides the manner of recovery of credit distributed in excess as follows:

Where the Input Service Distributor distributes the credit in contravention of the provisions contained in section 20 resulting in excess distribution of credit to one or more recipients of credit, the excess credit so distributed shall be recovered from such recipients along with interest, and the provisions of section 73 or section 74 or section 74A, as the case may be, shall, mutatis mutandis, apply for determination of amount to be recovered.



Q 37. Whether the excess credit distributed could be recovered from ISD by the department?

Ans. No. Excess credit distributed can be recovered along with interest only from the recipient and not from ISD. Such an amount is to be deposited by the recipient using FORM DRC-03. If the recipient does not pay, then the proceedings under Section 73 or 74 or 74A shall be initiated by issuing DRC-01.

Q 38. What are the consequences of credit distributed in contravention of the provisions of the Act?

Ans. If the recipient fails to pay the excess ITC received, the ISD will also be subjected to a general penalty under Section 122(1)(ix), in addition to any proceedings initiated against the recipient.

Q 39. What are the changes going to be implemented from 1st April 2025 in respect of ISD?

Ans. Section 2(61) and Section 20 of the CGST Act 2017 has been amended and same will be effective from 1st April 2025. Also, rule 39 of the CGST Rules 2017 has been amended and same is also expected to be effective from 1st April 2025. These amendments will bring the following 3 main changes in the ISD provisions.

- 1) The provisions of ISD, which were not made mandatory for the taxpayer after the above amendments, these provisions will now become mandatory.
- 2) The credit of invoices in respect of services liable to tax under reverse charge mechanism is liable to be distributed as specified under law.
- 3) The registered person may issue an invoice on the ISD having same PAN and State Code, specified in the rules related to ISD, previously it was not covered in the rule 39 of the CGST Rules 2017.

Q 40. What are the changes going to be implemented from 1st April 2025 in respect of ISD to make these provisions mandatory?

Ans. Earlier the government clarified that it is not mandatory to register as ISD credit can be transferred through invoices. The provisions of ISD, which were not made mandatory for the taxpayer after the above amendments, these provisions will now become mandatory. Section 2(61) of the CGST Act 2017, that defines Input Service Distributor has been substituted, which will be effective from 1st April 2025 is as follows:

"Input Service Distributor" means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20.

Q 41. What are the changes that are going to be implemented from 1st April 2025 in respect of ISD to allow credit of the tax paid under RCM?

Ans. The credit for invoices in respect of services liable to tax under the reverse charge mechanism (RCM) are liable to be distributed as specified under law. Apart from the amendment in section 2(61), Section 20(1) and Section 20(2) of the CGST Act 2017 provide for Manner of distribution of credit by Input Service Distributor has been substituted for the purpose as follows:

- (1) *Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input Service Distributor under clause (viii) of section 24 and shall distribute the input tax credit in respect of such invoices.*
- (2) *The Input Service Distributor shall distribute the credit of central tax or integrated tax charged on invoices received by him, including the credit of central or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.*

Q 42. What are the changes going to be implemented from 1st April 2025 in respect of ISD to receive invoices from regular taxpayers?

Ans. The registered person must issue an invoice on the ISD having same PAN and State Code, specified in the rules related to ISD, previously it was not covered in rule 39 of the CGST Rules 2017. New Rule 39(1A) has been inserted to allow the same, which is expected to come into effect from 1st April 2025, which are as follows:

For the distribution of credit in respect of input services, attributable to one or more distinct persons, subject to levy of tax under sub-section (3) or (4) of section 9, a registered person, having the same PAN and State code as an Input Service Distributor, may issue an invoice or, as the case may be, a credit or debit note as per the provisions of sub-rule(1A) of rule 54 to transfer the credit of such common input services to the Input Service Distributor, and such credit shall be distributed by the said Input Service Distributor in the manner as provided in sub-rule (1).



CGST NOTIFICATIONS

| DECEMBER | | |
|----------|------------|---|
| 10.12.24 | 30/2024-CT | Extension of the due date for furnishing FORM GSTR-3B for the month of October, 2024 is in the district of Murshidabad in the state of West Bengal. |
| 13.12.24 | 31/2024-CT | Common adjudicating authority for Show cause notices issued by officers of DGGI |

| JANUARY | | |
|----------|------------|---|
| 10.1.25 | 01/2025-CT | Extension of the due date for furnishing FORM GSTR-1 for the month of Dec, 2024 and the quarter of Oct to Dec, 2024. |
| 10.1.25 | 02/2025-CT | Extension of the due date for furnishing FORM GSTR-3B for the month of Dec, 2024 and the quarter of Oct to Dec, 2024. |
| 10.1.25 | 03/2025-CT | Seeks to extend the due date for furnishing FORM GSTR-5 for the month of Dec, 2024 |
| 10.1.25 | 04/2025-CT | Seeks to extend the due date for furnishing FORM GSTR-6 for the month of Dec, 2024 |
| 10.1.25 | 05/2025-CT | Seeks to extend the due date for furnishing FORM GSTR-7 for the month of Dec, 2024 |
| 10.1.25 | 06/2025-CT | Seeks to extend the due date for furnishing FORM GSTR-8 for the month of Dec, 2024 |
| 23.1.25 | 07/2025-CT | Central Tax Notification to amend CGST Rules, Central Goods and Services Tax (Amendment) Rules, 2025 |
| 23.1.25 | 08/2025-CT | Central Tax Notification for waiver of the late fee |
| FEBRUARY | | |
| 11.2.25 | 09/2025-CT | "Notification Regarding Dates of Coming into Force of Central Goods and Services Tax (Amendment) Rules, 2024" |

CGST NOTIFICATION (RATE)

| JANUARY | | |
|---------|------------------------------------|---|
| 16.1.25 | 01/2025-CT (R) / 01/2025-IT (R) | Seeks to amend Notification no. 01/2017- CT (R) / 01/2025-IT(R)"Amendments to Central Tax (Rate) Notification Regarding Fortified Rice Kernel (FRK) and Pre-packaged Commodities" |
| 16.1.25 | 02/2025-CT (R) / 02/2017- IT (R) | Seeks to amend Notification no. 02/2017- CT (R) / 01/2025-IT(R)"Amendments to Central Tax (Rate) Notification Regarding Gene Therapy and Pre-packaged Commodities" |
| 16.1.25 | 03/2025-CT (R) / 40/2017- IT (R) | Seeks to amend Notification no. 39/2017- CT (R) / 40/2017- IT (R)"Amendment to Central Tax (Rate) Notification Regarding Food Inputs for Fortified Rice Kernel Supply" |
| 16.1.25 | 04/2025-CT (R) / 09/2018- IT (R) | Seeks to amend Notification no. 08/2018- CT (R) / 09/2018- IT (R)"Amendment to Central Tax (Rate) Notification: Increase in Tax Rate for Specified Items" |
| 16.1.25 | 05/2025-CT (R) / No 8/2017- IT (R) | Seeks to amend Notification No 11/2017 - CT (R) / No 8/2017- IT (R) dated 28th June, 2017 to implement the recommendations of the 55th GST Council. |
| 16.1.25 | 06/2025 -CT(R) / No 9/2017-IT (R) | Seeks to amend Notification No 12/2017-CT (R) / No 9/2017-IT (R) dated 28th June, 2017 to implement the recommendations of the 55th GST Council. |
| 16.1.25 | 07/2025-CT (R) / No 10/2017-IT (R) | Seeks to amend Notification No 13/2017-CT (R) / No 10/2017-IT (R), dated 28th June, 2017 to implement the recommendations of the 55th GST Council. |
| 16.1.25 | 08/2025-CT (R) / No 14/2017-IT(R) | Seeks to amend Notification No 17/2017- CT (R) / No 14/2017-IT (R), dated 28th June, 2017 to implement the recommendations of the 55th GST Council. |

CGST CIRCULARS AND INSTRUCTIONS

CIRCULARS

| DECEMBER | | |
|----------|----------------------|--|
| 4.12.24 | 239/33/2024--GST | Amendment to previous circulars regarding 'Proper officer under GST Laws |
| 31.12.24 | 240/34/2024-GST | Clarification in input tax credit for goods delivered under e-commerce operator . |
| 31.12.24 | 241/35/2024-GST | Clarification on availability of input tax credit for services delivered under e-commerce operator . |
| 31.12.24 | 242/36/2024-GST | Clarification on place of supply of Online Services supplied by the suppliers of services to unregistered recipients |
| 31.12.24 | 243/37/2024-GST | Clarification on various issues pertaining to GST treatment of vouchers |
| JANUARY | | |
| 28.1.25 | 244/01/2025-GST | Clarification of GST on co-insurance premium |
| 28.1.25 | 245/02/2025-GST | Clarifications regarding applicability of GST on certain services. |
| 30.1.25 | 246/03/2025-GST | Clarification on applicability of late fee for delay in furnishing of FORM GSTR-9C |
| FEBRUARY | | |
| 14.2.25 | 247/04/2025-GST | Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council, at Jaisalmer. |
| JANUARY | | |
| 13.1.25 | Inst No. 01/2025-GST | GUIDELINES FOR ARREST AND BAIL IN RELATION TO OFFENCES PUNISHABLE UNDER THE CGST ACT, 2017 |
| 31.1.25 | | Information received from Ministry of Civil Aviation (MoCA) with respect to Gazette notification No. 08/2024 - Integrated Tax (Rate) dated 08.10.2024 notified by Department of Revenue. |
| FEBRUARY | | |
| 7.2.25 | Inst No. 02/2025-GST | Procedure to be followed in department appeal filed against interest and/or penalty only, related to Section 128A of the CGST Act, 2017 |

GSTN ADVISORY

| DECEMBER | |
|----------|---|
| 4.12.24 | Mandatory Sequential Filing of GSTR-7 Returns as per Notification No. 17/2024 |
| 8.12.24 | Biometric-Based Aadhaar Authentication and Document Verification for GST Registration |
| 9.12.24 | GSTR-9 Reporting Changes for FY 2023-24: Addressing ITC Auto-Population and Mismatch Concerns |
| 15.12.24 | Biometric-Based Aadhaar Authentication and Document Verification - Chhattisgarh, Goa and Mizoram |
| 17.12.24 | Updates to E-Way Bill and E-Invoice Systems |
| 18.12.24 | Guidance for EWB of railway system. |
| 23.12.24 | Entry of Receipt Numbers Pertaining to Leased Wagons in the E-Way Bill System |
| 29.12.24 | Waiver Scheme under Section 128A |
| 31.12.24 | Biometric-Based Aadhaar Authentication and Document Verification - Arunachal Pradesh |
| JANUARY | |
| 1.1.25 | Taxpayers on Extension of E-Way Bills Expired on 31st December, 2024 |
| 8.1.25 | Biometric-Based Aadhaar Authentication and Document Verification - Rajasthan |
| 9.1.25 | Implementation of mandatory mentioning of HSN codes in GSTR-1 & GSTR 1A |
| 10.1.25 | Extension of Due Date w.r.t GSTR 1 and GSTR 3B |
| 14.1.25 | Generation Date for Draft GSTR 2B for December 2024 |
| 14.1.25 | Waiver Scheme under Section 128A |
| 22.1.25 | Implementation of mandatory mentioning of HSN codes in GSTR-1 & GSTR 1A |
| 24.1.25 | Business Continuity for e-Invoice and e-Waybill Systems |
| 27.1.25 | Introduction of E-Way Bill (EWB) for Gold in Kerala State |
| 27.1.25 | Attention – Hard - Locking of auto-populated liability in GSTR-3B |
| 28.1.25 | Biometric-Based Aadhaar Authentication and Document Verification - Tamil Nadu and Himachal Pradesh |
| 29.12.24 | Waiver Scheme under Section 128A |
| 31.12.24 | Biometric-Based Aadhaar Authentication and Document Verification - Arunachal Pradesh |
| FEBRUARY | |
| 6.2.25 | Clarification on E-Way Bill Requirement for Precious Metals and Jewellery |
| 8.2.25 | Biometric-Based Aadhaar Authentication and Document Verification - Maharashtra and Lakshadweep |
| 12.2.25 | GST Registration Process: Aadhaar Authentication and Biometric Verification |
| 15.2.25 | Introduction of Form ENR-03 for Enrolment of Unregistered Dealers/Persons in e-Way Bill Portal for generating e-way Bill. |
| 18.2.25 | Biometric-Based Aadhaar Authentication and Document Verification - Jharkhand and Andaman and Nicobar Islands |

MULTIPLE CHOICE QUESTIONS

1. **A registered person receives a supply of services from a foreign advocate. The place of supply, as per Section 13 of the IGST Act, would be:**
 - a. The location of the foreign advocate.
 - b. The location of the recipient of services.
 - c. The location of the intermediary, if any.
 - d. The location where the services are effectively used and enjoyed.
2. **Under which provision of the CGST Act can the proper officer require a person to furnish information or documents related to any matter relevant to an inquiry?**
 - a. Section 70
 - b. Section 71
 - c. Section 73
 - d. Section 74
3. **A registered person has erroneously paid IGST instead of CGST and SGST for an intra-state supply. What is the procedure for rectification of this error?**
 - a. File a request for adjustment of IGST to pay CGST and SGST.
 - b. Adjust the IGST paid against future IGST liability.
 - c. Utilize the mechanism of Section 77 of the CGST Act for rectification.
 - d. No rectification is allowed.
4. **A company receives sponsorship services for a corporate event. The time of supply for such services, where the payment is received after the event, would be:**
 - a. Date of completion of the event.
 - b. Date of issue of invoice as per law.
 - c. Date of receipt of payment.
 - d. Earlier of (b) or (c).
5. **A taxpayer fails to file GSTR-3B for three consecutive tax periods. Under what provision can the proper officer proceed to assessment in such cases?**
 - a. Section 62
 - b. Section 63
 - c. Section 64
 - d. Section 73
6. **For the purpose of availing ITC under Section 16 of the CGST Act, which of the following conditions must be satisfied?**
 - a. Possession of tax invoice only.
 - b. Receipt of goods or services only.
 - c. Payment of tax to the supplier only.
 - d. Possession of tax invoice, receipt of goods or services, payment of tax to the supplier, and filing of return.
7. **A registered person opts for the composition scheme. He also makes an inter-state supply of services. What is the impact on his eligibility for the composition scheme?**
 - a. He can continue under the composition scheme, no impact.
 - b. He is ineligible for the composition scheme from the date of inter-state supply.
 - c. He needs to obtain prior approval from the jurisdictional officer.
 - d. He can continue if the inter-state supply is within the same state.
8. **A supply of goods is made from a warehouse in State A to a customer in State B. The goods are transported through State C. The place of supply will be:**
 - a. State A.
 - b. State B.
 - c. State C.
 - d. Any of the above, based on the agreement.
9. **Which of the following is considered as a "distinct person" under Section 25 of the CGST Act?**
 - a. A person having multiple business verticals within the same state.
 - b. A person having multiple registrations.
 - c. A person having a single registration.
 - d. A person having multiple branches within the same district
10. **In which of the following cases, E-way bill is not required?**
 - a. Transportation of alcoholic liquor for human consumption, petroleum crude, high speed diesel.
 - b. Transportation of goods being done by a non-motorized conveyance
 - c. Transportation of currency, kerosene oil sold under PDS, coral.
 - d. All of the above
11. **Which of the following forms of supply are included in Schedule I**
 - a. Permanent transfer of business assets on which input tax credit has been claimed
 - b. Agency transaction for services
 - c. Barter
 - d. None of the above
12. **What is the last date by which you need to issue credit note?**
 - a. On or before November 30, following the end of financial year
 - b. The date of filing of the relevant annual return
 - c. Earlier of the two dates mentioned in (a) and (b)
 - d. None of the above

Answers :

1. b) The location of the recipient of services.
2. a) Section 70
3. a) Section 62
4. c) Utilize the mechanism of Section 77 of the CGST Act for rectification.
5. d) Earlier of (b) or (c).
6. d) Possession of tax invoice, receipt of goods or services, payment of tax to the supplier, and filing of return.
7. b) He is ineligible for the composition scheme from the date of inter-state supply.
8. b) State B.
9. b) A person having multiple registrations.
10. b) Transportation of goods being transported by a non-motorised conveyance
11. a) Permanent transfer of business assets on which input tax credit has been claimed
12. c) Earlier of the two dates mentioned in (a) and (b)

Council on GST, Indirect & State Taxes, MCCI

Chairman
Shri Sushil Kumar Goyal

Co-Chairman
Shri Vivek Jalan

Merchants' Chamber of Commerce & Industry

15B, Hemanta Basu Sarani, Kolkata – 700 001, Phone No. 033 2262–5070/71

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