



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

# SUPPLEMENT PROFESSIONAL PROGRAMME

*For June, 2024 Examination*

## GOODS AND SERVICES TAX (GST) & CORPORATE TAX PLANNING

*[Supplement covers amendments/developments from  
June, 2023 to November, 2023]*

**Group 2**

**Elective Paper 7.2**

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***Note:** Students are also required to update themselves on all the relevant Rules, Notifications, Circulars, Clarifications, etc. issued by the CBIC on or before 30<sup>th</sup> November, 2023 pertaining to GST and Customs Act, 1962.*

## Lesson 2 - Supply

### 1. Clarification regarding GST rates and classification of certain goods based on the recommendations of the GST Council in its 50th meeting held on 11th July, 2023 (Circular No. 200/12/2023-GST-August 01, 2023)

Based on the recommendations of the GST Council in its 50th meeting held on July 11, 2023, clarifications with reference to GST levy related to the following items are being issued:

- A. Un-fried or un-cooked snack pellets, by whatever name called, manufactured through process of extrusion; falling under CTH 1905 will attract GST rate of 5%.
- B. Fish Soluble Paste; attracted 18% under the residual entry S No. 453 of Schedule III of notification no. 1/2017-Central Tax (Rate), dated the 28th June, 2017.
- C. Desiccated coconut; falling under CTH 0801, the issue for past period from 01.07.2017 up to and inclusive of 27.07.2017 is hereby regularized on “as is” basis.
- D. Biomass briquettes; falling under any chapter, the issue for past period from 01.07.2017 up to and inclusive of 12.10.2017 is hereby regularized on “as is” basis.
- E. Imitation zari thread or yarn known by any name in trade parlance; that imitation zari thread or yarn known as “Kasab” or by any other name in trade parlance, would attract a uniform GST rate of 12% under tariff heading 5605.
- F. Supply of raw cotton by agriculturist to cooperatives; attracts 5% GST on reverse charge basis; clarification is hereby regularized on “as is basis”.
- G. Plates, cups made from areca leaves; regularized on “as is basis” for the period prior to 01.10.2019.

Goods falling under HSN heading 9021; would attract a GST rate of 5% and in view of prevailing genuine doubts, the issue for the past periods is hereby regularized on “as is basis”. However, it is clarified that no refunds will be granted in cases where GST has already been paid at higher rate of 12%.

#### Brief Analysis

In this circular clarification regarding GST rates and classification of goods like Un-fried or un-cooked snack pellets, Fish Soluble Paste, Desiccated coconut, Biomass briquettes, Imitation zari thread, raw cotton and Plates, cups made from areca leaves has been issued by the Central Government.

**For further details please visit:** <https://taxinformation.cbic.gov.in/view-pdf/1003174/ENG/Circulars>

### 2. Clarifications regarding applicability of GST on certain services



GST Council in the 50th meeting held on July 11, 2023 clarified the following issues:

- 1) **Whether services supplied by director of a company in his personal capacity such as renting of immovable property to the company or body corporate are subject to Reverse Charge Mechanism (RCM):** It is hereby clarified that services supplied by a director of a company or body corporate to the company or body corporate in his private or personal capacity such as services supplied by way of renting of immovable property to the company or body corporate are not taxable under RCM. Only those services supplied by director of company or body corporate, which are supplied by him as or

in the capacity of director of that company or body corporate shall be taxable under RCM in the hands of the company or body corporate under notification No. 13/2017-CTR (Sl. No. 6) dated 28.06.2017.

**2) Whether supply of food or beverages in cinema hall is taxable as restaurant service:** It is hereby clarified that supply of food or beverages in a cinema hall is taxable as 'restaurant service' as long as:

- a) The food or beverages are supplied by way of or as part of a service, and
- b) Supplied independent of the cinema exhibition service.

It is further clarified that where the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of composite supply, the entire supply will attract GST at the rate applicable to service of exhibition of cinema, the principal supply.

### **Brief Analysis**

In this circular clarification regarding services supplied by director of a company in his personal capacity such as renting of immovable property to the company or body corporate are subject to Reverse Charge Mechanism (RCM) and supply of food or beverages in cinema hall is taxable as restaurant service has been issued.

**For further details please visit:** <https://taxinformation.cbic.gov.in/view-pdf/1003175/ENG/Circulars>

### **3. Notification- special procedure to be followed by the electronic commerce operators in respect of supplies of goods through them by composition taxpayers**

#### **No. 36/2023- Central Tax-August 04, 2023)**

The Central Government, on the recommendations of the Council, hereby notifies the electronic commerce operator who is required to collect tax at source under section 52 as the class of persons who shall follow the special procedure in respect of supply of goods made through it by the persons paying tax under section 10 of the said Act, namely:-

- i. the electronic commerce operator shall not allow any inter-State supply of goods through it by the said person;

the electronic commerce operator shall collect tax at source under sub-section (1) of section 52 of the said Act in respect of supply of goods made through it by the said person and pay to the Government as per provisions of subsection (3) of section 52 of the said Act. And (iii) the electronic commerce operator shall furnish the details of supplies of goods made through it by the said person in the statement in **FORM GSTR-8** electronically on the common portal.

### **Brief Analysis**

In this notification, the Central Government has issued the special procedure to be followed by the electronic commerce operators in respect of supplies of goods through them by composition taxpayers. The electronic commerce operator shall not allow any inter-State supply of goods through it by the said person. They have to collect the tax at source as per GST laws.

**For further details please visit:** <https://taxinformation.cbic.gov.in/view-pdf/1009818/ENG/Notifications>

**4. Notification-special procedure to be followed by the electronic commerce operators in respect of supplies of goods through them by unregistered persons.**

**(Notification No. 37/2023- Central Tax-August 04, 2023)**

The Central Government, on the recommendations of the GST Council, hereby notifies the electronic commerce operator who is required to collect tax at source under section 52 as the class of persons who shall follow the stated special procedure in respect of supply of goods made through it by the persons exempted from obtaining registration in accordance with the notification issued under sub-section (2) of section 23 vide notification number 34/2023- Central Tax, dated the 31st July, 2023, Namely:-

- i. The electronic commerce operator shall allow the supply of goods through it by the said person only if enrolment number has been allotted on the common portal to the said person;
- ii. The electronic commerce operator shall not allow any inter State supply of goods through it by the said person;

the electronic commerce operator shall not collect tax at source under sub-section (1) of section 52 in respect of supply of goods made through it by the said person; and (4) the electronic commerce operator shall furnish the details of supplies of goods made through it by the said person in the statement in FORM GSTR-8 electronically on the common portal.

**Brief Analysis**

In this notification, the Central Government has issued the special procedure to be followed by the electronic commerce operators in respect of supplies of goods through them by unregistered persons.

**For further details please visit:** <https://taxinformation.cbic.gov.in/content-page/explore-notification>

## Lesson 5 - Input Tax Credit and Computation of GST Liability

### 1. Amendments Notification - (Second Amendment, 2023) to the CGST Rules, 2017

(Notification No. 38/2023-Central Tax-August 04, 2023)

The Central Government, on the recommendations of the Council, amended the Central Goods and Services Tax Rules, 2017, the amended rules inter alia provides for physical verification of business premises in certain cases under Rule 25. Rule 25 substituted as (1) where the proper officer is satisfied that the physical verification of the place of business of a person is required after the grant of registration, he may get such verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of *fifteen working days* following the date of such verification. (2) Where the physical verification of the place of business of a person is required before the grant of registration in the circumstances specified in the proviso to sub- rule (1) of rule 9, the proper officer shall get such verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal at least five working days prior to the completion of the time period specified in the said proviso.”.

#### **Brief Analysis**

In this Circular, Board(CBIC) on the recommendations of the Council, amended the Rule 25 (i) of the GST Rules, 2017 related to physical verification of the place of business by the Proper officer in certain cases. Proper office after physical verification need to upload the report along with the other documents on the common portal within specified days.

**For further details please visit:**<https://taxinformation.cbic.gov.in/view-pdf/1009820/ENG/Notifications>