

GST NEWSLETTER



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Goods and Services Tax Council



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MESSAGE

Invoice Management System (IMS) is now available on the GST Portal, effective from October 14, 2024. This system allows recipient taxpayers to accept, reject, or keep invoices pending based on the data filed by suppliers in GSTR-1/1A/IFF. The first GSTR-2B reflecting these actions for October 2024 has been generated on November 14, 2024. To further facilitate the suppliers, a 'Supplier View' has also been made available, allowing them to see actions taken by recipients on their reported invoices. However, certain invoices, such as those where ITC is not eligible or related to RCM supplies, will only appear in the Supplier View with the status "No Action Taken."

Additionally, biometric-based Aadhaar authentication and document verification has also been rolled out for GST registration applicants in Haryana, Manipur, Meghalaya, and Tripura, effective from December 7, 2024. This follows its introduction in Madhya Pradesh effective from November 27, 2024. Based on data analysis and risk parameters, applicants will either complete OTP-based Aadhaar authentication or visit a GST Suvidha Kendra (GSK) for biometric verification and document validation, strengthening the registration process.

On the revenue front, GST collections have gone up by 9.3% so far in the current fiscal year 2024-25, reaching Rs 14.56 lakh crore. Notably, in April 2024, GST collections peaked at a record Rs 2.10 lakh crore, reflecting healthy economic activity and improved compliance. The surge in recent GST collections reflects a positive trajectory for India's economy, underscoring robust domestic consumption and buoyant import activity.

Lastly, the 55th GST Council meeting, which is the last GST council meeting of this year, is scheduled to take place on December 21, 2024 in Jaisalmer, Rajasthan. The meeting will focus on strengthening and enhancing the GST framework.

Warm Regards

Pankaj Kumar Singh,
Additional Secretary

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NOTIFICATIONS

➡ Notification No. 26/2024 - Central Tax dated 18.11.2024

The Central Government vide the said Notification has extended the due date for filing of return in FORM GSTR-3B for the month of October, 2024 till 21.11.2024 for the persons registered in the State of Maharashtra and Jharkhand.

➡ Notification No. 27/2024 - Central Tax dated 25.11.2024

The Central Government vide the said Notification has substituted the Table V of Notification No. 02/2017-Central Tax dated 19.06.2017, granting the powers to Additional Commissioner or Joint Commissioner of Central Tax for passing an order or decision in respect of notices issued by the officers of Directorate General of Goods and Services Tax Intelligence. It has come into effect from 01.12.2024.

➡ Notification No. 28/2024 - Central Tax dated 27.11.2024

The Central Government vide the said Notification has appointed the Joint Commissioner or Additional Commissioner, Central Goods and Services Tax and Central Excise, Thane Commissionerate for passing an order or decision in respect of specific Show Cause Notices (SCNs) issued by the Directorate General of GST Intelligence (DGGI) under sections 73, 74, 122, 125, and 127 of the CGST Act as mentioned in the said Notification.

➡ Notification No. 29/2024 - Central Tax dated 27.11.2024

The Central Government vide the said Notification has extended the due date for furnishing FORM GSTR-3B for the month of October, 2024 till 30.11.2024 for registered persons whose principal place of business is in the State of Manipur.

GST PORTAL UPDATES

➡ Advisory: E-Invoice Glossary and Steps

GSTN has prepared an informative resource in the form of an e-invoice glossary and a step-by-step guide for taxpayers' reference. It can be accessed on the link below:

Link: <https://services.gst.gov.in/services/advisoryandreleases/read/461>

[Portal update on 29.11.2024](#)

➡ Advisory: Authorised e-Invoice Verification Apps

GSTN has prepared a consolidated document on authorized B2B e-Invoice verification apps available for download. The said document would serve as a reference to ensure that taxpayers have the most up-to-date information regarding approved B2B e-Invoice verification apps. It can be accessed on the link below:

Link: https://tutorial.gst.gov.in/downloads/news/authosied_e_invoice_verification_apps.pdf

[Portal update on 27.11.2024](#)

➡ **Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Madhya Pradesh**

GSTN vide this advisory has informed the taxpayers about the recent developments concerning the application process of the GST registration. They have listed some key points to be kept in mind during the registration process.

The above-said functionality has been developed by GSTN. It has been rolled out in Madhya Pradesh w.e.f 27.11.2024. Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application.

The detailed guidelines are available at the link provided below.

[Portal update on 27.11.2024](#)

➡ **Advisory for Reporting TDS Deducted by scrap Dealers in October 2024**

GSTN has informed that various tickets have been received on the issue that taxpayers are unable to report TDS deducted on supplies of metal scrap under Chapters 72 to 81 of the Customs Tariff Act in the month October 2024 as they are not able to file return for the said month. This issue has occurred because while the taxpayers applied for GST registration in October 2024 pursuant to Notification No. 25/2024-Central Tax, effective from 10.10.2024, but their GST registrations were approved only in November 2024. Hence, in the return dropdown the month October 2024 is not visible to such taxpayers. This is as per the existing GSTN system design where returns for tax period prior to registration month is not enabled for taxpayers.

To resolve this, GSTN has advised the taxpayers who were granted registration in November 2024, but deducted TDS in October 2024, to report the consolidated amount of TDS deducted for the period from 10.10.2024 to 30.11.2024 in the GSTR-7 return to be filed for the month November 2024.

[Portal update on 26.11.2024](#)

➡ **Important advisory on GSTR 2B and IMS**

It has been reported that some taxpayers' GSTR-2B for October 2024 has not been generated on November 14, 2024. As per IMS design, GSTR-2B will not be generated by the system in below scenarios:

1. In case the taxpayer has opted for QRMP scheme (Quarterly filers), GSTR-2B will not be generated for first and second month of the quarter.
2. In case the taxpayer has not filed their previous period GSTR-3B, GSTR-2B will not be generated by the system. Such taxpayers need to file their pending GSTR-3B in order to generate GSTR-2B on demand.

Refer to IMS advisories and FAQs for more details on the link provided below.

[Portal update on 16.11.2024](#)

➡ **Advisory on IMS on Supplier View**

The Invoice Management System (IMS) has been available on the GST Portal since October 14, 2024. It allows recipient taxpayers to accept, reject, or keep invoices pending based on their suppliers' submissions in GSTR-1/1A/IFF. The first GSTR-2B on the basis of such actions taken in IMS by the recipient taxpayers will be generated on November 14, 2024 for October-2024 period.

To further facilitate the taxpayers, the Supplier View of IMS has also been made available where the Suppliers can now view action taken by recipient on their reported invoices under the "Supplier View" functionality. This will help to avoid any wrong action taken by the recipient taxpayer.

The below mentioned records/invoices are not available in IMS for taking any kind of actions by the recipient but are visible in supplier view with the status as 'No Action Taken':

1. Documents where ITC is not eligible either due to POS rule or Section 16(4) of the CGST Act,
2. Records attracting RCM Supplies

Any action taken on records can be changed by the recipient taxpayer till the filing of GSTR-3B of the return period. In case the taxpayer changes any action after the generation of GSTR-2B, they need to click the GSTR-2B recompute button to recompute their GSTR-2B based on the new actions taken.

[Portal update on 13.11.2024](#)

➡ **Advisory regarding IMS during initial phase of its implementation**

The Invoice Management System (IMS) is an optional facility introduced on the GST Portal from October 2024, which enables recipients to accept, reject, or keep invoices/records pending the invoices/records saved/furnished by the supplier in GSTR-1/1A/IFF. Based on the action taken by the recipient on the IMS, system will generate the GSTR 2B of the recipient on 14th of subsequent month.

The Taxpayer can accept/reject/keep pending the invoice/record on IMS after due verification from his accounts. The ITC for the rejected record will not be available to the recipient in the GSTR 2B. Further, the liability and input tax credit is being auto -populated in GSTR 3B of the taxpayer on the portal based on his liability declared in GSTR 1/1A and input tax credit made available in his GSTR 2B. However, the taxpayer can presently edit the said auto-populated details in GSTR 3B before filing the same.

IMS being a new functionality, there may be instances where recipient may make error/mistake while taking action on the IMS in respect of an invoice/record. As GSTR-2B of the recipient will be generated on the portal based on the actions taken by the recipient on the IMS, any mistake in the action taken by the recipient on the IMS could result in incorrect details of available/eligible input tax credit to the recipient being shown in his GSTR-2B, which will also be auto-populated in his GSTR-3B on the portal. In such cases, the recipient can change the action on the IMS in respect of an invoice/record (e.g. from rejected to accepted or vice versa) and can recompute his GSTR-2B at any time till the filing of GSTR-3B for the corresponding tax period, so that correct ITC is auto-populated in his GSTR-3B.

Despite this, there may still be some cases, where the recipient is not able to correct the action taken on the IMS, resulting in wrong auto-population of ITC in GSTR-3B of the recipient or wrong auto-population of liability in GSTR-3B of the corresponding supplier. Therefore, during this initial phase of implementation of IMS, the taxpayers are advised that in such cases, where due to any inadvertent mistake in the action taken on the IMS, if incorrect details of ITC/ liability are auto-populated in GSTR-3B on the portal, the taxpayer may before filing their GSTR-3B return, edit such wrongly populated ITC/liability in their GSTR-3B, to correctly avail ITC or pay correct tax liability based on the factual position as per the documents/records available with him.

[Portal update on 12.11.2024](#)

➡ **Advisory for waiver scheme under section 128A**

To reduce tax disputes and provide relief to taxpayers, the GST Council in its 53rd meeting on June 22, 2024, recommended for waiver of interest and penalties in the demand notices or orders issued under Section 73 of the CGST Act, 2017 for FY 2017-18, 2018-19, and 2019-20. To avail this waiver, the full tax demanded is paid on or before 31.03.2025.

Rule 164 of the CGST Rules, 2017, was notified vide Notification No. 20/2024 dated 08.10.2024, effective from 01.11.2024. As per the waiver scheme, the taxpayers are required to file an application in FORM GST SPL-01 or FORM GST SPL-02, respectively on the common portal within three months from notified date, which is 31.03.2025.

In this regard it is to inform that Form GST SPL-01 and Form GST SPL-02 are under development and same will be made available on the common portal tentatively from the first week of January 2025. Meanwhile, taxpayers are advised to pay the tax amount demanded under Section 73 on or before 31.03.2025, to ensure that they receive the waiver benefits by paying their taxes before the deadline.

Taxpayer can pay the demanded tax amount through the “payment towards demand” facility in case of demand orders and through Form GST DRC-03 in case of notices. However, if payment has already been done through Form GST DRC-03 for any demand order then taxpayer need to link the said Form GST DRC 03 with such demand order through Form GST DRC-03A, which is now available on the common portal.

[Portal update on 08.11.2024](#)

➡ **Advisory related to ‘Other Territory’ applications**

As per Notification No. 2/2017-Central Tax dated 19.06.2017, and related trade notices, applicants selecting ‘Other Territory’ in the State/UT tab of the GST registration form (Part-A) shall only be administered under ‘Mumbai South’ or ‘Chennai North’ Commissionerate’s and shall select centre jurisdiction as follows:

1. For ‘Other Territory’ pertaining to the continental shelf and exclusive economic zone contiguous to the western coast of India adjacent to States/ Union Territories of Gujarat, Maharashtra, Goa, Daman and Diu, Karnataka, Kerala and Lakshadweep, the applicant shall select as :

Commissionerate: ‘Mumbai South’

Division: ‘Division 1’

Range: Range I- A-D (as per first alphabet of applicant’s name)

Range II- E-H
Range III- I-M
Range IV- N-R
Range IV- N-R
Range V- S-Z

2. For 'Other Territory' pertaining to the continental shelf and exclusive economic zone contiguous to the eastern coast of India adjacent to States/ Union Territories of West Bengal, Odisha, Andhra Pradesh, Puducherry, Tamil Nadu and Andaman and Nicobar Islands, the applicant shall select as:

Commissionerate: 'Chennai North'

Division: Any of the divisions corresponding to 'Chennai North' which will be displayed in the dropdown.

Range: Any of the ranges corresponding to selected division which appear in the dropdown.

The applicant is advised to select the division and range corresponding to 'Chennai North' Commissionerate as per the first alphabet of applicant's name as mentioned in the trade notice which is available on the following link (Page 1 to 13):

<https://gstchennai.gov.in/pdf/>

[Portal update on 07.11.2024](#)

➡ **Advisory for Form GST DRC-03A**

The Central Government introduced Form GST DRC-03A (notified vide Notification No. 12/2024, dated 10.07.2024) to address issues where taxpayers paid demands using Form GST DRC-03 instead of the 'Payment towards demand' facility available on the GST portal. This led to a situation where demand has been paid by the taxpayer, however the demand is not closed in the electronic liability register.

Accordingly, GSTN has developed the new Form GST DRC-03A on GST portal which is available now to adjust the paid amount through DRC-03 against the corresponding demand order. Therefore, it is advised to the taxpayers to use the DRC-03A form to link the payment made vide DRC-03 with the demand order. Only DRC-03 forms where the cause of payment is either 'Voluntary' or 'Others' can be used in the Form GST DRC-03A.

Taxpayers will be required to enter the ARN of the DRC-03 along with the relevant demand order number on the portal. Upon entering the ARN and selecting the demand order number of any outstanding demand, the system will auto-populate relevant information of the DRC-03 form as well as from the specified demand order against which the payment is to be adjusted.

Once the adjustment is made, corresponding entries will automatically be posted in the taxpayer's liability ledger to reflect the updated status of demands. Please click on [Detailed Advisory](#)

[Portal update on 05.11.2024](#)

➡ Advisory: Time Limit for Reporting e-Invoice on the IRP Portal – Lowering of Threshold to AATO 10 Crores and Above

From 01.04.2025, taxpayers with an AATO of 10 crores and above would not be allowed to report e-Invoices older than 30 days from the date of reporting on IRP portals. This restriction would apply to all document types (Invoices/Credit Notes/Debit Notes) for which an IRN is to be generated.

For example, if an invoice is dated 01.04.2025, it cannot be reported after 30.04.2025. The validation built into the invoice registration portals (IRP) would disallow the user from reporting the e-Invoice after the 30-day window. Hence, it is essential for taxpayers to ensure that they report the e-Invoice within the 30-day window provided by the new time limit.

It is further clarified that there would be no such reporting restriction on taxpayers with an AATO of less than 10 crores as of now. To provide sufficient time for taxpayers to comply with this requirement, the above limit would come into effect from 01.04.2025 onwards.

[*Portal update on 05.11.2024*](#)

➡ Gross and Net GST revenue collections for the month of October, 2024

Please click on the link below to view the gross and net GST revenue collections for the month of October, 2024.

https://tutorial.gst.gov.in/downloads/news/revenue_report_oct24.pdf

[*Portal update on 01.11.2024*](#)

BEST PRACTICES ACROSS INDIA

➡ CGST Faridabad Conducted an Interactive GST Session with Automobile Manufacturers and Trade Associations in Rewari



CGST Faridabad conducted an interactive session on GST with automobile component manufacturers and trade associations in the CGST Rewari jurisdiction at the PWD Rest House, Rewari. During the session, concerns raised by the participants were addressed, and it was emphasized that steps are being taken to improve the Ease of Doing Business (EODB) in the region.

➡ **CGST Ahmedabad and SGST Gujarat Hosted an Interactive Session with Taxpayers and Trade Associations on Registration and Refund Procedures**



On November 12, 2024, CGST Ahmedabad and SGST Gujarat organized an interactive session with taxpayers and trade associations through VC Mode. The session included a detailed presentation on the Registration and Refund procedures. Officers from GSTN and DG Systems also participated, providing valuable insights to the attendees.

➡ **The State Coordination meeting held in the States of Tripura, Nagaland and Assam in November, 2024**

State Coordination meeting between CGST authorities and SGST was held in the month of November in Tripura, Nagaland and Assam to streamline tax administration, enhance capacity building and fostering compliances.

LEGAL CORNER

➡ **Pacta Sunt Servanda**

‘Pacta Sunt Servanda’ is a latin term which means that ‘agreement must be kept’. It is one of the most significant principles in contract law, holding that agreements must be respected and upheld. This maxim underscores the binding nature of lawful agreements, ensuring that parties honor their commitments. It is vital in both contract and international law, promoting trust and accountability.

The principle of ‘Pacta Sunt Servanda’ is not explicitly codified in India as a legal principle but is embedded within the Indian Contract Act, 1872, emphasizing the binding nature of lawful contracts. Sections such as Section 10, Section 37, and Section 73 reflect this maxim, highlighting that agreements must be honored unless discharged by law. The Hon’ble Courts, as seen in cases like *ONGC v. Saw Pipes Ltd.* (2003) and *Alopi Parshad & Sons Ltd.*(1960), highlighted the importance of upholding contractual terms agreed upon in good faith, emphasizing Pacta Sunt Servanda.

Indian law provides for exceptions to the principle of Pacta Sunt Servanda, particularly when fairness or public policy is at stake:

1. Doctrine of Frustration (Section 56, Indian Contract Act): Contracts may be discharged when performance becomes impossible due to unforeseen events.
2. Force Majeure: Many contracts include force majeure clauses that excuse performance during extraordinary events like natural disasters, war, or pandemics.
3. Unconscionability: If a contract is grossly unfair, courts may refuse to enforce it, as seen in cases involving undue influence or duress.
4. Jus Cogens Norms: Agreements contrary to fundamental international laws, such as those prohibiting genocide or slavery, are void.

Pacta Sunt Servanda is a foundational principle in Indian contract law, ensuring the enforceability of valid agreements and fostering legal certainty. While it strengthens trust in commercial dealings, its rigid application can be challenging in cases of unforeseen hardship. Indian courts uphold this maxim but allow exceptions through statutory provisions and judicial discretion, balancing contractual sanctity with fairness. This approach reflects a nuanced legal framework that respects contracts while ensuring justice in exceptional cases.

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