



Changes in the **World of GST**

21-Nov-2024

Table of CONTENTS

A. Recent Amendments:

- 1. GST on Rental of Commercial Property**
- 2. GST on Purchase/Sale of Scrap Metal**
- 3. Hard-Locking of GSTR 3B. New GSTR 1A, IMS**
- 4. Change in reporting requirements of B2C supplies**

B. PKC Knowledge Bulletin:

- 1. Updates to Tally Prime - Prime 5.0**

A. RECENT AMENDMENTS

1. GST on Rental of Commercial Property

Notification:

Notification No. 09/2024-Central Tax Rate

[Click here to access notification](#)

Amendment:

When a Registered Person (Tenant) takes any **property** other than residential dwellings on rent from an unregistered person (Property Owner), then the Registered Person is required to pay tax on such rent at the rate of 18% under Reverse Charge Mechanism (RCM).

Please note that the property referred to in this provision refers only to “Immovable Property” as per Corrigendum dated 22nd Oct 2024

As per Notification 05/2022, rental of residential property by registered person from an unregistered person is already liable payment of tax under RCM.

On reading the 2 notifications together (09/2024, 05/2022), it can be inferred that all rentals paid for an immovable property by a registered person to an unregistered person is liable to payment of tax under RCM (@ 18%) by the Registered person.

Effective Date of Applicability:

The RCM on non-residential property would be applicable with effect from 10th Oct 2024

A. RECENT AMENDMENTS

2. GST on Purchase/Sale of Scrap Metal (1/3)

1. Applicability of RCM (Reverse Charge)

Notification:

Notification No. 06/2024-Central Tax Rate

Amendment:

RCM applies to metal scrap, included in the HSN headings starting from 72 to 81 of the Customs Tariff purchased from unregistered suppliers (covering metals such as iron and steel, copper, nickel, zinc, aluminum, and lead).

The Scrap seller and buyer can be trader or manufacturer or any other category.

In such cases, the buyer, if registered, must pay GST on the purchase.

GST Rate:

An 18% GST rate is applicable under RCM.

Self-Invoicing:

Registered buyers must issue a self-invoice within 30 days of receiving the supply.

A. RECENT AMENDMENTS

2. GST on Purchase/Sale of Scrap Metal (2/3)

2. Applicability of TDS under GST

Notification:

Notification No. 25/2024-Central Tax Rate

[Click here to access notification](#)

Applicability:

TDS must be deducted on metal scrap purchases from registered suppliers under Section 51 of CGST Act, and this requirement applies to both government and non-government buyers. This is a notable departure from typical TDS rules, which generally apply only to government entities or similar bodies

Rate of TDS:

TDS is applicable at the rate of 2% of the taxable value without including GST (1% CGST and 1% SGST for intra-state transactions, or 2% IGST for inter-state transactions)

Threshold:

TDS is applicable only if the total contract value exceeds ₹2.5 lakh. The rule states that TDS is applicable for a "Supply under a contract" exceeding 2.5 lakhs. However, there is no mention of whether this limit applies per financial year or for contracts spanning multiple Years.

A. RECENT AMENDMENTS

2. GST on Purchase/Sale of Scrap Metal (3/3)

Liability to deduct TDS is also dependant on the location of supply, supplier & recipient as per the below table:

Location of Supplier	Place of Supply	Registration of Recipient	TDS Applicable?
State A	State A	State A	Yes
State A	State B	State B	Yes
State A	State A	State B	No

For making deduction & remitting TDS, a separate registration has to be taken by the registered person. . The registered person has to deposit the deducted TDS within 10th day of the succeeding month and file monthly return in Form GSTR-7. The registered person whose TDS has been deducted shall claim such TDS in GST common portal which will be credited in his Electronic Cash Ledger

No TDS on Unregistered Suppliers:

TDS provisions do not apply to purchases from unregistered suppliers.

Effective Date of Applicability:

The RCM on non-residential property would be applicable with effect from 10th Oct 2024

To check if the TDS & RCM provisions are applicable to your supplies pls check HSN headings starting from 72 to 81 of the Customs Tariff

A. RECENT AMENDMENTS

3. Hard-Locking of GSTR 3B. New GSTR 1A, IMS (1/4)

1. GSTR-1A:

a. What is GSTR-1A?

Taxpayers have a new facility to amend their incorrectly declared outward supplies in GSTR-1/IFF through GSTR-1A, allowing them an opportunity to correct their liabilities.

Invoices, Credit/Debit notes can be declared or removed or amended through GSTR 1A.

However, if the taxpayer wants to change the recipient's GSTIN in the record, then the taxpayer has to amend it only through the subsequent month's GSTR 1 & not through GSTR 1A.

GSTR 1A for a period can amend records of that period only, it will not be able to amend records of an earlier period. Also the corrections in the records will reflect in the same tax period.

b. When can GSTR 1A be filed?:

The option to file GSTR 1A for a period will be open after the due date of GSTR 1 for that period or actual date of filing GSTR 1 whichever is later

GSTR 1A will be open for making amendments till actual date of filing GSTR 3B

A. RECENT AMENDMENTS

3. Hard-Locking of GSTR 3B. New GSTR 1A, IMS (2/4)

Pls note if any updates are made in GSTR 1A & the taxpayer tried to file GSTR 3B, then the system will not allow & will show an error. The taxpayer either has to delete the GSTR 1A or file the GSTR 1A.

Pls note that GSTR 1A once filed cannot be amended or cannot be filed again.

c. What can be done in GSTR 1A?:

A tax payer can do the following using GSTR 1A:

- Add new records which taxpayer missed out while filing in form GSTR-1, and/or
- Amend records which were already reported in same period in form GSTR-1

2. Invoice Management System (IMS):

a. What is IMS?

This system allows taxpayers to choose the invoices which need to reflect in GSTR 2B. The taxpayer can also choose to reject or keep the invoice as pending on the IMS.

If the taxpayer chooses to keep the invoice as pending, then it will reflect in the IMS of subsequent months till it is accepted or rejected.

If the taxpayer does not take any action on an invoice in the IMS, then the invoice will be deemed to be accepted & move to the GSTR 2B.

A. RECENT AMENDMENTS

3. Hard-Locking of GSTR 3B. New GSTR 1A, IMS

(3/4)

Such acceptance or rejection can be done till the taxpayer files his GSTR 3B.

b. How does data populate into the IMS?:

The invoices will appear in the IMS once the invoice is saved in GSTR 1 by the supplier but the same invoice will appear in GSTR 2B only when the supplier files their GSTR 1.

RCM on Inward supplies, ITC ineligible due to Place of Supply rules will come directly in GSTR 2B & not go through the IMS

c. Impact of amendments on the IMS system:

If the supplier amends the GSTR 1 through GSTR 1A, then the revised invoices will reflect in the IMS but the ITC impact will happen only in the subsequent month in GSTR 2B. If no action (accept or reject) is taken original on the original invoice, then no action can be taken on the amended invoice.

If an action has been taken & the supplier amends the invoice through GSTR 1/1A, then the invoice's status will be changed to action pending.

Pls note that going forward if GSTR 3B of a particular month is not filed, then the GSTR 2B of the next month will not be generated. It will be generated only when the GSTR 3B is filed.

A. RECENT AMENDMENTS

3. Hard-Locking of GSTR 3B. New GSTR 1A, IMS

(4/4)

d. Impact of rejection by buyer on the seller:

If a buyer rejects an invoice/credit note due to the following, then the seller's liability in GSTR 3B will be automatically increased in the immediate next month:

- a. Credit note rejected by the buyer
- b. Upward amendment of the credit note rejected by the buyer
- c. Downward amendment of the credit note rejected by the recipient if original credit note was rejected by him
- d. Downward amendment of Invoice/ Debit note rejected by the recipient where original Invoice/ Debit note was accepted by him and respective GSTR 3B has also been filed.

Effective from:

The IMS & GSTR 1A systems are enabled on the GST portal with effect from 01 October 2024

Pre-Filled GSTR 3B without edit option:

With effect from Jan 2025 tax period (that is the return to be filed in Feb'25), the GSTR 3B auto-generated from the portal cannot be edited. The liabilities & ITC will be auto-populated from GSTR 1/1A/IFF, IMS/GSTR 2B.

A. RECENT AMENDMENTS

4. Change in reporting of B2C sales

Taxable Supplies made to unregistered buyers outside of the state of seller where invoice value (Taxable value + GST) is more than Rs. 2.5 lacs is required to be reported in Table 5 of GSTR 1.

With effect from Oct's GSTR 1 (that is, the return to be filed in Nov'24), this limit has been reduced from Rs. 2.5 lacs to Rs. 1 lac.

Appropriate changes need to be made in the accounting package used by the sellers. For Tally, in the latest release of 5.0, this change has been incorporated.

B. PKC KNOWLEDGE BULLETIN

1. Updates to Tally Prime - Prime 5.0 (1/2)

Some of the key features added to Tally Prime 5.0 are:

1. Connected GST:

- Upload and file GSTR-1, GSTR-3B, and CMP-08 directly from TallyPrime to the GST portal. Filing method such as DSC or EVC can be chosen through Tally itself.
- Download GSTR-1, GSTR-3B, GSTR-2A, and GSTR-2B directly from TallyPrime (OTP verification for Authentication will be there - It will automatically get reflected in the Reconciliation tab of Tally - from there it can be downloaded in Excel/CSV/PDF format)
- Create and validate party ledgers using real-time details from the GST portal using their GSTIN.

2. B2CL Invoice Compliance:

Maintain B2CL Invoices (Outward Inter-state Supply) as per latest threshold limit - reduced from Rs 2.5 lakh to Rs 1 lakh (vide Notification No. 12/2024 – Central Tax).

3. Automated Tax Calculation to comply with TDS u/s 194Q:

Deducts TDS on the excess amount of purchases exceeding Rs. 50 Lacs. In previous tally versions, TDS was calculated incorrectly on the whole amount of purchases instead on amounts exceeding 50 Lakh Rupees.

B. PKC KNOWLEDGE BULLETIN

1. Updates to Tally Prime - Prime 5.0 (2/2)

4. Stripe View for Reports:

TallyPrime introduces Stripe View that is designed to improve readability of entries in reports with large volume of data, by highlighting alternating rows.

5. Effective Payment Management System:

Enables sorting of pending bills. Now make payments promptly in the order of due dates, with the oldest bill being settled first (Track and settle MSME Outstanding Bills based on Activity Type).



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