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**Highlights on Proposed GST Amendments in Finance Bill 2023**

**Amendment of Section 10** – The proposed amendment will allow the composition dealers to make supply of goods through e-commerce operator.

**Amendment of Section 16** – Second proviso to section 16(2) – At present non payment to the supplier within 180 days liability towards ITC availed is added to output tax liability with interest. *According to proposed amendment such liability be paid with interest in such manner as may be prescribed.*

Third proviso – *It is proposed that ITC will be reclaimed if payment made to the supplier.* At present the word is payment by him (not specific about payment to the supplier)

**Amendment of Section 17** – New Clause inserted (fa) – As per the amendment ITC shall be blocked against the purchases made by the Company relating to fulfil the obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;

**Amendment of Section 23** – Proposed amendment by adding non-obstante clause to avoid contradictory provisions in sections 22 and 24 in regard to registration.

**Amendment of Sections 37, 39, 44 and 52** – Proposed amendment will disallow to file GSTR-1 (sec.37), GSTR-3B (sec.39), Annual Return GSTR-9 (sec.44) and Return by E-Commerce operator GSTR-8 (sec.52) after the expiry of a period of three years from the due date of furnishing the said returns or statement.

**Amendment of Section 56** – Interest on refund – At present there is no such rule available to compute the interest in the case of delay refund and there is no such conditions and restrictions in the matter of interest to be paid in account of delay refund. *Proposed amendment shall provide the manner for computation of the interest and subject to such conditions and restrictions.*

**Amendment of Section 122** – New sub-section (1B) is proposed to insert - Penalty on e-commerce operator in case the e-commerce operator will not follow the provisions as binding upon him and furnish incorrect statement.

**Amendment of Section 132** – Following clauses are proposed to be omitted and will not be treated as an offence for the purpose of prosecution.

Clause (g) - obstructs or prevents any officer in the discharge of his duties under this Act;

Clause (j) - tampers with or destroys any material evidence or documents;

Clause (k) - fails to supply any information which he is required to supply under this Act or the rules made thereunder or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) supplies false information;

**Amendment of Section 138** – Compounding of the offence – Compounding amount is proposed to be reduced i.e. “twenty-five per cent. of the tax involved and the maximum amount not being more than one hundred per cent. of the tax involved”

**Insertion of new section 158A** – The Government is going to empower itself by this new section 158A to share the records/returns etc.. of the person in the other portal.

**Schedule III** – Amended para 7 (supply outside India without entering into India), para 8 (High Sea sale etc.) and the explanation 2 thereof (about warehoused goods) to the Schedule III shall be treated to be amended with effect from 01-07-2017.

By virtue of this retrospective amendment if any one had paid tax that will not be refunded it is also proposed,

**Amendment of section 12 IGST** – Proviso to sub-section 8 of section 12 is proposed to be omitted. “Proviso is where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods.”

At present if courier is booked for UK by the Delhi registered person the place of supply according to proviso is UK. Therefore, the courier company charges IGST. After this amendment the place of supply will be the location of the registered person i.e. Delhi. The courier company will charge CGST and SGST.

Compiled by

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