



# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

GST & Indirect Taxes Committee



CAPACITY BUILDING PROGRAM FOR GST OFFICERS AT RAJKOT, GUJARAT

## Recent Developments in GST

*Amendments · Notifications · Circulars · Advisories*

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FACULTY

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GST & Indirect Taxes Committee, ICAI · 24 June 2026

**PART 1**

# Post-Sale Discounts A Paradigm Shift

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Finance Act, 2026 — amendment to Sections 15 & 34 ends one of the most litigated questions in GST.



## Why officers should pay attention

### Among the most litigated issues

- Dealer incentives
- Turnover discounts
- Year-end rebates
- Secondary discounts
- Target-based incentives

### Audit teams raised demands because...

- discounts were **not agreed before supply**;
- discounts were **not invoice-linked**;
- therefore the supplier **could not reduce** the taxable value.



## Position before and after the amendment

### EARLIER

#### Pre-agreement was mandatory

A discount could reduce taxable value **only if** it was established in an agreement **before the supply** and could be linked to specific invoices.



### AFTER FINANCE ACT, 2026 · SEC 15 & 34

#### Credit note + ITC reversal

The pre-agreement / invoice-linkage requirement is **removed**. Tax adjustment is allowed through a **credit note**, provided the recipient **reverses the corresponding ITC** in the prescribed manner.

The enquiry shifts from "*was it pre-agreed?*" to "**is the transaction revenue-neutral?**"



WORKED  
EXAMPLE

POST-SALE  
DISCOUNTS



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## A year-end target discount — how it works now

### The original supply

AlphaTools Ltd sells 1,000 units @ ₹1,000 to dealer Beta Distributors = ₹10,00,000 + GST @18% ₹1,80,000. Beta claims full ITC of ₹1,80,000.

### Year-end incentive

Alpha grants a 5% **target-based discount** = ₹50,000 — decided after supply, **not** pre-agreed or invoice-linked.

**Earlier:** Alpha could **not** reduce taxable value → tax stuck on the full ₹10,00,000.

### NOW · CREDIT NOTE ROUTE

Alpha issues GST credit note	₹50,000 + ₹9,000
Alpha reduces output tax	— ₹9,000
Beta reverses ITC	— ₹9,000

Net effect to exchequer = ₹0 · revenue-neutral ✓



## What officers should now verify



### **Credit note issued?**

Confirm a valid GST credit note supports the value reduction.



### **ITC reversed by recipient?**

Check the recipient has reversed the corresponding ITC.



### **Records reconcile?**

Confirm supplier and recipient records tie out.



## PART 2

# Intermediary Services Change in Place of Supply

Arguably the most significant legal amendment from an enforcement perspective  
— omission of Section 13(8)(b).



## From supplier's location to recipient's location

### EARLIER · SEC 13(8)(b)

#### Place of supply = India

Many demands alleged that intermediary services supplied to **foreign clients** were taxable, because the place of supply was deemed to be the **location of the supplier** — i.e. India.



### AFTER OMISSION · SEC 13(2)

#### Place of supply = recipient

With 13(8)(b) omitted, the **general rule under Section 13(2)** applies — the place of supply is generally the **recipient's location**.

Where the foreign recipient is outside India and other conditions are met, the service can now qualify as an **export of service** rather than a domestic taxable supply.





WORKED  
EXAMPLE

INTERMEDIARY  
SERVICES

## Commission from a foreign principal



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Global Sourcing India arranges sales between a US **principal** and Indian buyers and earns commission of US\$ 10,000 ( $\approx$  ₹8,30,000).

### PRE-AMENDMENT · SEC 13(8)(b)

Place of supply = India → treated as a **domestic taxable supply**.

GST demanded @ 18%  $\approx$  ₹1,49,000

### POST-AMENDMENT · SEC 13(2)

Place of supply = recipient (USA) → subject to conditions, an **export of service**.

GST on commission ₹0 · zero-rated

**Officer's check:** verify the foreign recipient, receipt in convertible forex and the other export conditions — the relief flows from genuine cross-border facts, not merely a re-labelling of domestic commission.



PART 3

# GSTN Portal Advisories

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Recent portal & procedural changes — and what each means for the officer on the ground.



## Four recent advisories at a glance

Date	Advisory & key change	Relevance for GST officers
09 Jun 2026	<b>Timeline extension</b> — mandatory "Ship-To GSTIN" & voluntary e-Way Bill closure <b>deferred beyond 15 Jun 2026</b> .	Make taxpayers aware of the revised rollout; avoid action solely for non-compliance before the new effective date.
20/21 May 2026	<b>e-Way Bill portal enhancements</b> — mandatory Ship-To GSTIN capture in bill-to/ship-to + voluntary e-Way Bill closure for completed consignments.	Key for intelligence & anti-evasion — improves traceability, helps detect circular trading and fake movement of goods.
21 Apr 2026	<b>IMS offline utility</b> — Excel-based tool to accept, reject or keep invoices pending in bulk before ITC reconciliation.	Rely on IMS data in audits to verify whether disputed invoices were accepted/rejected and whether ITC claims align.
16 Apr 2026	<b>GSTR-3B interest error</b> — system issue caused incorrect interest in Table 5.1 for Mar 2026 returns (Rule 88B logic).	Caution before issuing notices on portal-generated interest for the affected period; manual verification may be needed.



WORKED  
EXAMPLE

E-WAY BILL · SHIP-TO  
GSTIN



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## Why "Ship-To GSTIN" aids anti-evasion

**BILL-TO**  
**Trader · Surat**  
invoice raised here



**SHIP-TO**  
**Site · Maharashtra**  
goods actually delivered here



**CAPTURED**  
**Ship-To GSTIN**  
now mandatory in EWB

### What it exposes

A real consignee GSTIN against every movement makes **circular trading** and **fake billing without goods** far harder to disguise.

### Voluntary closure

Completed consignments can be **closed** on the portal — preventing reuse of a stale e-Way Bill for a second, fictitious movement.



## IMS utility & the GSTR-3B interest caution

### IMS offline utility

An Excel-based tool lets taxpayers **accept, reject or keep pending** invoices in bulk before ITC reconciliation.

**For officers:** rely on IMS data to verify whether disputed invoices were accepted or rejected — and whether ITC claims align with the recipient's recorded actions.

### GSTR-3B interest error

GSTN acknowledged a system issue causing **incorrect interest in Table 5.1** for March 2026 returns, owing to Rule 88B logic.

**For officers:** exercise caution before issuing notices based **solely** on portal-generated interest figures for the affected period — manual verification may be necessary.

Common thread — **the portal is a tool, not a verdict**: use its data to target enquiry, but corroborate before raising demand.



# Thank You

Questions & discussion welcome

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