

# ANALYSIS OF FINANCE BILL, 2024 AMENDMENTS IN GST



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# BRIEF OF AMENDMENTS MADE BY FINANCE BILL 2024.

- **The Finance Bill (No.2) 2024 (Bill No.55 of 2024)** Presented by Hon'ble Finance Minister Smt. Nirmala Sitaraman in UPA-3 on 23/07/2024 and will be enacted after getting consent of President of India.
- **In CGST Act 2017**, Clauses 110 to 146 except 114, 139, 140, 142, 143 shall come into effect on the date to be notified, clause 139 & 140 will come into effect from 01/08/2024, 01/10/2023 and Clause 114, 142, 143 will come into effect retrospectively from 01/07/2017.
- **In IGST Act,2017**, Clauses 147 to 150 shall come into effect on the date to be notified.
- **In UTGST Act,2017**, Clauses 151 to 152 come into effect on the date to be notified.
- **In GST (Compensation to States) Act,2017**, Clauses 151 to 152 come into effect on the date to be notified.

# AMENDMENTS IN CENTRAL GOODS AND SERVICES TAX ACT, 2017



# 1. BUDGET CLAUSE 110 AMENDS SECTION 9 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 9, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

## **Analysis**

Section 9 is being amended to take Extra Neutral Alcohol used in manufacture of alcoholic liquor for human consumption out of purview of central tax. Similar amendments are also proposed in IGST Act and UTGST Act.

## **Provision:**

**SECTION 9. Levy and collection.** — (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption **and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption**, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

## **Applicable WEF**

Date To Be Notified

## 2. BUDGET CLAUSE 111 AMENDS SECTION 10 OF GOODS AND SERVICES TAX ACT, 2017.

### **Amendment**

In section 10(5),—  
after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

### **Analysis-**

Sub-section (5) of section 10 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said subsection.

### **Provision**

Section 10(5) If the proper officer has reasons to believe that a taxable person has paid tax under sub-section (1) [or sub-section (2A), as the case may be] despite not being eligible, such person shall, in addition to any tax that may be payable by him under any other provisions of this Act, be liable to a penalty and the provisions of section 73 or section 74 **or section 74A** shall, mutatis mutandis, apply for determination of tax and penalty.

Section 74A is being inserted in the CGST Act, so as to provide for determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to the Financial Year 2024-25 onwards. It also provides for the same limitation period for issuing demand notices and orders in respect of demands from the Financial Year 2024-25 onwards, irrespective of whether the charges of fraud, wilful misstatement, or suppression of facts are invoked or not, while keeping a higher penalty, for cases involving fraud, wilful misstatement, or suppression of facts.

### **Applicable WEF**

Date To Be Notified.

### 3. BUDGET CLAUSE 112 INSERTS SECTION 11A OF GOODS AND SERVICES TAX ACT, 2017.

#### **Amendment**

Insertion of new section 11A.

#### **Analysis**

Section 11A is being inserted to empower the government to regularize non-levy or short levy of central tax due to any general practice prevalent in trade. Similar power is being proposed in IGST Act, UTGST Act and GST (Compensation to States) Act.

#### **Provision**

**“11A. Notwithstanding anything contained in this Act, if the Government is satisfied that —**

- (a) a practice was, or is, generally prevalent regarding levy of central tax (including non-levy thereof) on any supply of goods or services or both; and
  - (b) such supplies were, or are, liable to, –
    - (i) central tax, in cases where according to the said practice, central tax was not, or is not being, levied, or
    - (ii) a higher amount of central tax than what was, or is being, levied, in accordance with the said practice,
- the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the central tax payable on such supplies, or, as the case may be, the central tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the central tax was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice.”

#### **Effective WEF**

Date To Be Notified



## 4. BUDGET CLAUSE 113 AMENDS SECTION 13 OF GOODS AND SERVICES TAX ACT, 2017.

### **Amendment:**

- In section 13 of the Central Goods and Services Tax Act, in sub-section (3),—
- (i) in clause (b), for the words “by the supplier:”, the words “by the supplier, in cases where invoice is required to be issued by the supplier; or” shall be substituted;
  - (ii) after clause (b), the following clause shall be inserted, namely:—  
“(c) the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:”;
  - (iii) in the first proviso, after the words, brackets and letter “or clause (b)”, the words, brackets and letter “or clause (c)” shall be inserted

### **Analysis**

Amendment is proposed in sub section (3) of Section 13 of CGST Act to provide for time of supply of services where the invoice is required to be issued by the recipient of services in cases of reverse charge supplies.

Continued....

## 4. BUDGET CLAUSE 113 AMENDS SECTION 13 OF GOODS AND SERVICES TAX ACT, 2017.

### Provision

Section 13(3) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earlier of the following dates, namely :—

- (a) the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or
- (b) the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof ~~by the supplier~~ **by the supplier, in cases where invoice is required to be issued by the supplier; or:**

**“(c) the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:”**

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b) **or clause (c)**, the time of supply shall be the date of entry in the books of account of the recipient of supply :

Provided further that in case of supply by associated enterprises, where the supplier of service is located outside India, the time of supply shall be the date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier.

### **Applicable WEF**

Date To Be Notified.



# 5. BUDGET CLAUSE 114 AMENDS SECTION 16 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

Sub Section 5 & 6 inserted to Section 16

### **Analysis- Now ITC for FY 17-18 to FY 19-20 can be claimed till 30.11.2021**

Sub-section (5) is being inserted in section 16 of the CGST Act, so as to carve out an exception to the existing sub-section (4) and to provide that in respect of an invoice or debit note under the said subsection, for the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed upto the 30th day of November, 2021. Sub-section (6) is being inserted in the said section so as to allow the availment of input tax credit in respect of an invoice or debit note in a return filed for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, filed within thirty days of the date of order of revocation of cancellation of registration, subject to the condition that the time-limit for availment of credit in respect of the said invoice or debit note should not have already expired under sub-section (4) of the said section on the date of order of cancellation of registration. The aforesaid amendments are made effective from the 1st day of July, 2017. Further, where the tax has been paid or the input tax credit has been reversed, no refund of the same shall be admissible.

### **Applicable WEF**

Retrospective Amendment WEF 01.07.2017.

## **Continued**

# 5. BUDGET CLAUSE 114 AMENDS SECTION 16 OF GOODS AND SERVICES TAX ACT, 2017.

## Provision

“(5) Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017- 18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed upto the thirtieth day of November, 2021.

(6) Where registration of a registered person is cancelled under section 29 and subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under section 39,—

- (i) filed upto thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier;  
or
- (ii) (ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration,  
whichever is later.”.

## 6. BUDGET CLAUSE 115 AMENDS SECTION 17(5) OF GOODS AND SERVICES TAX ACT, 2017.

### **Amendment**

In section 17(5) -

in clause (i), for the words and figures “sections 74, 129 and 130”, the words and figures “section 74 in respect of any period upto Financial Year 2023-24” shall be substituted.

### **Analysis**

Section 17(5) of the CGST Act is being amended, so as to restrict the non-availability of input tax credit in respect of tax paid under section 74 of the said Act only for demands upto Financial Year 2023-24. It also removes reference to sections 129 and 130 in the said sub-section.

### **Provision**

17(5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely :—

(i) any tax paid in accordance with the provisions of ~~sections 74, 129 and 130~~ **section 74 in respect of any period upto Financial Year 2023-24.**

### **Applicable WEF**

Date To Be Notified.

# 7. BUDGET CLAUSE 116 AMENDS SECTION 21 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 21-

after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Section 21 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

**SECTION 21. Manner of recovery of credit distributed in excess.** — Where the Input Service Distributor distributes the credit in contravention of the provisions contained in section 20 resulting in excess distribution of credit to one or more recipients of credit, the excess credit so distributed shall be recovered from such recipients along with interest, and the provisions of section 73 or section 74 **or section 74A**, as the case may be, shall, mutatis mutandis, apply for determination of amount to be recovered.

## **Applicable WEF**

Date To Be Notified.

## 8. BUDGET CLAUSE 117 AMENDS SECTION 30 OF GOODS AND SERVICES TAX ACT, 2017.

### **Amendment**

In section 30 (2)- after the proviso, the following proviso shall be inserted, namely:—  
“Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.”.

### **Analysis**

A new proviso in sub-section (2) of section 30 of the CGST Act is being inserted, so as to provide for an enabling clause to prescribe conditions and restrictions for revocation of cancellation of registration.

### **Provision**

#### **SECTION 30. Revocation of cancellation of registration. —**

(2) The proper officer may, in such manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application :

Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being heard.

**“Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.”**

### **Applicable WEF**

Date To Be Notified.

# 9. BUDGET CLAUSE 118 AMENDS SECTION 31 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 31

(a) in sub-section (3), in clause (f), after the words and figure “of section 9 shall”, the words “, within the period as may be prescribed,” shall be inserted;

(b) after clause (g), the following Explanation shall be inserted, namely:—  
‘Explanation.—For the purposes of clause (f), the expression “supplier who is not registered” shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.’.

## **Analysis**

Section 31(3)(f) of the CGST Act is being amended, so as to incorporate an enabling provision for prescribing the time period for issuance of invoice by the recipient in case of reverse charge mechanism supplies.

Explanation in sub-section (3) of the said section is also inserted so as to specify that a supplier registered solely for the purposes of tax deduction at source under section 51 of the said Act shall not be considered as a registered person for the purpose of clause (f) of sub-section (3) of section 31 of the said Act.

**Continued....**

# 9. BUDGET CLAUSE 118 AMENDS SECTION 31 OF GOODS AND SERVICES TAX ACT, 2017.

## Provision

**SECTION 31. Tax invoice.** — (1) A registered person supplying taxable goods shall, before or at the time of, —

(3) Notwithstanding anything contained in sub-sections (1) and (2) —

(f) a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 ***shall within the period as may be prescribed*** issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both;

(g) a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall issue a payment voucher at the time of making payment to the supplier.

***‘Explanation.—For the purposes of clause (f), the expression “supplier who is not registered” shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.’***

## Applicable WEF

Date To Be Notified.



# 10. BUDGET CLAUSE 119 AMENDS SECTION 35 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 35 (6)-

after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Sub-section (6) of section 35 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

**=SECTION 35. Accounts and other records. —**

(6) Subject to the provisions of clause (h) of sub-section (5) of section 17, where the registered person fails to account for the goods or services or both in accordance with the provisions of sub-section (1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of section 73 or section 74 **or section 74A**, as the case may be, shall, mutatis mutandis, apply for determination of such tax.

## **Applicable WEF**

Date To Be Notified.

# 11. BUDGET CLAUSE 120 AMENDS SECTION 39 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 39(3)-

,the following sub-section shall be substituted, namely: — “(3) Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:

Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month.”.

## **Analysis**

Section 39(3) of the CGST Act is being substituted, so as to mandate the electronic furnishing of return for each month by the registered person required to deduct tax at source, **irrespective of whether any deduction has been made** in the said month or not. It also empowers the Government to prescribe by rules, the form, manner and the time within which such return shall be filed.

**To Be Continued....**

# 11. BUDGET CLAUSE 120 AMENDS SECTION 39 OF GOODS AND SERVICES TAX ACT, 2017.

## Provision

### **SECTION 39. Furnishing of returns. —**

~~(3) Every registered person required to deduct tax at source under the provisions of section 51 shall furnish, in such form and manner as may be prescribed, a return, electronically, for the month in which such deductions have been made within ten days after the end of such month.~~

**“(3) Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:**

**Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month.”.**

## **Applicable WEF**

Date To Be Notified.

# 12. BUDGET CLAUSE 121 AMENDS SECTION 49 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 49-

in sub-section (8), in clause (c), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Sub-section (8) of section 49 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

**SECTION 49. Payment of tax, interest, penalty and other amounts. —**

(8) Every taxable person shall discharge his tax and other dues under this Act or the rules made thereunder in the following order, namely :-

- (a) self-assessed tax, and other dues related to returns of previous tax periods;
- (b) self-assessed tax, and other dues related to the return of the current tax period;
- (c) any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74 **or section 74A.**

## **Applicable WEF**

Date To Be Notified.

# 13. BUDGET CLAUSE 122 AMENDS SECTION 50 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 50-

in sub-section (1), in the proviso, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Sub-section (1) of section 50 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

**SECTION 50. Interest on delayed payment of tax.** — (1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council :

[Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 **or section 74A** in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.]

## **Applicable WEF**

Date To Be Notified.

# 14. BUDGET CLAUSE 123 AMENDS SECTION 51 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 51 –

in sub-section (7), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Sub-section (7) of section 51 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

**SECTION 51. Tax deduction at source. —**

(7) The determination of the amount in default under this section shall be made in the manner specified in section 73 or section 74 **or section 74A**.

## **Applicable WEF**

Date To Be Notified.

# 15. BUDGET CLAUSE 124 AMENDS SECTION 54 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 54-

(a) in sub-section (3), the second proviso shall be omitted;

(b) after sub-section (14) and before the Explanation, the following sub-section shall be inserted, namely:

—  
“(15) Notwithstanding anything contained in this section, no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty.”.

## **Analysis**

Sub-section (3) is being amended and a new subsection (15) is being inserted in section 54 of the CGST Act, so as to provide that no refund of unutilised input tax credit or integrated tax shall be allowed in cases of zero rated supply of goods where such goods are subjected to export duty.

## **Provision**

**SECTION 54. Refund of tax. —**

Second Proviso of Sub-section 3

~~Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies.~~

**“(15) Notwithstanding anything contained in this section, no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty.”**

## **Applicable WEF**

Date To Be Notified.



# 16. BUDGET CLAUSE 125 AMENDS SECTION 61 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 61 of the Central Goods and Services Tax Act, in sub-section (3), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Sub-section (3) of section 61 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

### **SECTION 61. Scrutiny of returns. —**

(3) In case no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period as may be permitted by him or where the registered person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action including those under section 65 or section 66 or section 67, or proceed to determine the tax and other dues under section 73 or section 74 **or section 74A.**

## **Applicable WEF**

Date To Be Notified.

# 17. BUDGET CLAUSE 126 AMENDS SECTION 62 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 62 –

in sub-section (1), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Sub-section (1) of section 62 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

**SECTION 62. Assessment of non-filers of returns.** — (1) Notwithstanding anything to the contrary contained in section 73 or section 74 **or section 74A**, where a registered person fails to furnish the return under section 39 or section 45, even after the service of a notice under section 46, the proper officer may proceed to assess the tax liability of the said person to the best of his judgment taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.

## **Applicable WEF**

Date To Be Notified.

# 18. BUDGET CLAUSE 127 AMENDS SECTION 63 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 63 –

after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Section 63 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

**SECTION 63. Assessment of unregistered persons.** — Notwithstanding anything to the contrary contained in section 73 or section 74 or section 74A, where a taxable person fails to obtain registration even though liable to do so or whose registration has been cancelled under sub-section (2) of section 29 but who was liable to pay tax, the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgment for the relevant tax periods and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates :

Provided that no such assessment order shall be passed without giving the person an opportunity of being heard.

## **Applicable WEF**

Date To Be Notified.

# 19. BUDGET CLAUSE 128 AMENDS SECTION 64 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 64 –

in sub-section (2), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Sub-section (2) of section 64 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

**SECTION 64. Summary assessment in certain special cases. —**

(2) On an application made by the taxable person within thirty days from the date of receipt of order passed under sub-section (1) or on his own motion, if the Additional Commissioner or Joint Commissioner considers that such order is erroneous, he may withdraw such order and follow the procedure laid down in section 73 or section 74 or section 74A.

## **Applicable WEF**

Date To Be Notified.

# 20. BUDGET CLAUSE 129 AMENDS SECTION 65 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 65 –

in sub-section (7), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Sub-section (7) of section 65 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

**SECTION 65. Audit by tax authorities. —**

(7) Where the audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74 **or section 74A**.

## **Applicable WEF**

Date To Be Notified.

# 21. BUDGET CLAUSE 130 AMENDS SECTION 66 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 66 –

in sub-section (6), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

## **Analysis**

Sub-section (6) of section 66 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Provision**

### **SECTION 66. Special audit. —**

(6) Where the special audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74 *or section 74A*.

## **Applicable WEF**

Date To Be Notified.

## 22. BUDGET CLAUSE 131 AMENDS SECTION 70 OF GOODS AND SERVICES TAX ACT, 2017.

### **Amendment**

In section 70 –

after sub-section (1), the following sub-section shall be inserted, namely: — “(1A) All persons summoned under sub-section (1) shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and the person so appearing shall state the truth during examination or make statements or produce such documents and other things as may be required.”.

### **Analysis**

Sub-section (1A) is being inserted in section 70 of the CGST Act, to enable an authorised representative to appear on behalf of the summoned person before the proper officer in compliance of summons issued by the said officer.

### **Provision**

**SECTION 70. Power to summon persons to give evidence and produce documents. —**  
**“(1A) All persons summoned under sub-section (1) shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and the person so appearing shall state the truth during examination or make statements or produce such documents and other things as may be required.”**

### **Applicable WEF**

Date To Be Notified.



# 23. BUDGET CLAUSE 132 AMENDS SECTION 73 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 73 —

- (i) in the marginal heading, after the words “Determination of tax”, the words and figures “, pertaining to the period upto Financial Year 2023-24,” shall be inserted;
- (ii) after sub-section (11), the following sub-section shall be inserted, namely:— “(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.”.

## **Analysis**

Sub-section (12) is being inserted in section 73 of the CGST Act, so as to restrict the applicability of the said section for determination of tax pertaining to the period upto Financial Year 2023-24.

## **Provision**

**SECTION 73.** Determination of tax “*pertaining to the period upto Financial Year 2023-24*” not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any willful-misstatement or suppression of facts.

“*(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.*”

## **Applicable WEF**

Date To Be Notified.

# 24. BUDGET CLAUSE 133 AMENDS SECTION 74 OF GOODS AND SERVICES TAX ACT, 2017.

## Amendment

In section 74

- (i) in the marginal heading, after the words “Determination of tax”, the words and figures “, pertaining to the period upto Financial Year 2023-24,” shall be inserted;
- (ii) after sub-section (11) and before Explanation 1, the following sub-section shall be inserted, namely:—  
“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.”;
- (iii) the Explanation 2 shall be omitted.

## Analysis

Sub-section (12) is being inserted in section 74 of the CGST Act, so as to restrict the applicability of the said section for determination of tax pertaining to the period upto Financial Year 2023-24.

## Provision

SECTION 74. Determination of tax ***“pertaining to the period upto Financial Year 2023-24”*** not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilful misstatement or suppression of facts. —

***“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.”***

~~Explanation 2. — For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.~~

## Applicable WEF

Date To Be Notified.

# 25. BUDGET CLAUSE 134 INSERTS SECTION 74A OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

After section 74 , New Section 74A shall be inserted

## **Analysis**

Section 74A is being inserted in the CGST Act, so as to provide for determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to the Financial Year 2024-25 onwards. It also provides for the same limitation period for issuing demand notices and orders in respect of demands from the Financial Year 2024-25 onwards, irrespective of whether the charges of fraud, wilful misstatement, or suppression of facts are invoked or not, while keeping a higher penalty, for cases involving fraud, wilful misstatement, or suppression of facts.

## **Applicable WEF**

Date To Be Notified.

## **To Be Continued.....**

## 25. BUDGET CLAUSE 134 INSERTS SECTION 74A OF GOODS AND SERVICES TAX ACT, 2017.

### Provision

***“74A. (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:***

***Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.***

***(2) The proper officer shall issue the notice under subsection (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.***

**To Be Continued.....**

## 25. BUDGET CLAUSE 134 INSERTS SECTION 74A OF GOODS AND SERVICES TAX ACT, 2017.

### Provision

***(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under subsection (1), on the person chargeable with tax.***

***(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.***

***(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—***

***(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of tax due from such person or ten thousand rupees, whichever is higher;***

***(ii) (ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.***

**To Be Continued.....**

# 25. BUDGET CLAUSE 134 INSERTS SECTION 74A OF GOODS AND SERVICES TAX ACT, 2017.

## Provision

***(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.***

***(7) The proper officer shall issue the order under subsection (6) within twelve months from the date of issuance of notice specified in sub-section (2):***

***Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner, or an officer authorised by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of Central Tax, may, having regard to the reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.***

***(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, may, —***

**To Be Continued.....**

## 25. BUDGET CLAUSE 134 INSERTS SECTION 74A OF GOODS AND SERVICES TAX ACT, 2017.

### Provision

- (i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;***
- (ii) (ii) pay the said tax along with interest payable under section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.***
- (9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—***

To Be Continued.....



# 25. BUDGET CLAUSE 134 INSERTS SECTION 74A OF GOODS AND SERVICES TAX ACT, 2017.

## Provision

- (i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;***
- (ii) (ii) pay the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within sixty days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;***
- (iii) (iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.***

# 25. BUDGET CLAUSE 134 INSERTS SECTION 74A OF GOODS AND SERVICES TAX ACT, 2017.

## Provision

***(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i) of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in subsection (1) in respect of such amount which falls short of the amount actually payable.***

***(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of subsection (5) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.***

***(12) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024- 25 onwards.***

***Explanation 1.—For the purposes of this section,—***

***(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;***

***(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.***

**To Be Continued....**

## 25. BUDGET CLAUSE 134 INSERTS SECTION 74A OF GOODS AND SERVICES TAX ACT, 2017.

### Provision

***Explanation 2.—For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.***

## 26. BUDGET CLAUSE 135 AMENDS SECTION 75 OF GOODS AND SERVICES TAX ACT, 2017.

### **Amendment**

In section 75 of the Central Goods and Services Tax Act, —

(a) in sub-section (1), after the word and figures “section 74”, the words, brackets, figures and letter “or sub-sections (2) and (7) of section 74A” shall be inserted;

(b) after sub-section (2), the following sub-section shall be inserted, namely: —

“(2A) Where any Appellate Authority or Appellate Tribunal or court concludes that the penalty under clause (ii) of sub-section (5) of section 74A is not sustainable for the reason that the charges of fraud or any willful misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under clause (i) of sub-section (5) of section 74A.”;

**To Be Continued....**

## 26. BUDGET CLAUSE 135 AMENDS SECTION 75 OF GOODS AND SERVICES TAX ACT, 2017.

(c) for sub-section (10), the following sub-section shall be substituted, namely:—

“(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sub-section (10) of section 73 or in sub-section (10) of section 74 or in sub-section (7) of section 74A.”;

(d) in sub-section (11), after the word and figures “section 74”, the words, brackets, figures and letter “or subsection (7) of section 74A” shall be inserted;

(e) in sub-section (12), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74 A” shall be inserted;

(f) in sub-section (13), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74 A” shall be inserted.

**To Be Continued....**

## 26. BUDGET CLAUSE 135 AMENDS SECTION 75 OF GOODS AND SERVICES TAX ACT, 2017.

### **Analysis**

Sub-section (2A) is being inserted in section 75 in the CGST Act, so as to provide for redetermination of penalty demanded in a notice invoking penal provisions under clause (ii) of sub-section (5) of the proposed section 74A of the said Act to re-determine the penalty as per clause (i) of the sub-section (5) of the said section, in cases where the charges of fraud, wilful misstatement, or suppression of facts are not established.

It also amend section 75 of the said Act, so as to incorporate a reference to the sub-sections (2) and (7) of section 74A or the sub-sections thereof, in the relevant sub-sections of this section.

### **Applicable WEF**

Date To Be Notified.

## 27. BUDGET CLAUSE 136 AMENDS SECTION 104 OF GOODS AND SERVICES TAX ACT, 2017.

### **Amendment**

In section 104 of the Central Goods and Services Tax Act, in sub-section (1), in the Explanation, after the word and figures “section 74”, the words, brackets, figures and letter “or sub-sections (2) and (7) of section 74A” shall be inserted.

### **Analysis**

Sub-section (1) of section 104 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

### **Applicable WEF**

Date To Be Notified.

# 28. BUDGET CLAUSE 137 AMENDS SECTION 107 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 107 of the Central Goods and Services Tax Act, —

(a) in sub-section (6), in clause (b), for the word “twenty five”, the word “twenty” shall be substituted;

(b) in sub-section (11), in the second proviso, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74 A” shall be inserted.

## **Analysis**

Sub-section (6) of section 107 of the CGST Act is being amended, so as to reduce the maximum amount of pre-deposit for filing appeal before the Appellate Authority from rupees twenty five crores to rupees twenty crores in central tax.

It also amends sub-section (11) of the said section, so as to incorporate a reference to the proposed new section 74A in the said section.

## **Applicable WEF**

Date To Be Notified.



# 29. BUDGET CLAUSE 138 AMENDS SECTION 109 OF GOODS AND SERVICES TAX ACT, 2017.

## Amendment

In section 109 of the Central Goods and Services Tax Act, —

(a) in sub-section (1), after the words “Revisional Authority”, the words “, or for conducting an examination or adjudicating the cases referred to in sub-section (2) of section 171, if so notified under the said section” shall be inserted;

(b) in sub-section (5), after the proviso, the following provisos shall be inserted, namely:—

“Provided further that the matters referred to in subsection (2) of section 171 shall be examined or adjudicated only by the Principal Bench:

Provided also that the Government may, on the recommendations of the Council, notify other cases or class of cases which shall be heard only by the Principal Bench.”;

(c) in sub-section (6), for the words “The President”, the words, brackets and figure “Subject to the provisions of subsection (5), the President” shall be substituted.

# 29. BUDGET CLAUSE 138 AMENDS SECTION 109 OF GOODS AND SERVICES TAX ACT, 2017.

## **Analysis**

Section 109 of the CGST Act is being amended, so as to empower the Government to notify types of cases that shall be heard only by the Principal Bench of the Appellate Tribunal.

## **Applicable WEF**

Date To Be Notified.

# 30. BUDGET CLAUSE 139 AMENDS SECTION 112 OF GOODS AND SERVICES TAX ACT, 2017.

## Amendment

In section 112 of the Central Goods and Services Tax Act, —

(a) with effect from the 1st day of August, 2024, in subsection (1), after the words “from the date on which the order sought to be appealed against is communicated to the person preferring the appeal”, the words “; or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later.” shall be inserted;

(b) with effect from the 1st day of August, 2024, in subsection (3), after the words “from the date on which the said order has been passed”, the words “; or the date, as may be notified by the Government, on the recommendations of the Council, for the purpose of filing application before the Appellate Tribunal under this Act, whichever is later,” shall be inserted;

c) in sub-section (6), after the words, brackets and figure “after the expiry of the period referred to in sub-section (1)”, the words, brackets and figure “or permit the filing of an application within three months after the expiry of the period

**To Be Continued<sup>47</sup>....**

## 30. BUDGET CLAUSE 139 AMENDS SECTION 112 OF GOODS AND SERVICES TAX ACT, 2017.

(d) in sub-section (8), in clause (b),—

(i) for the words “twenty per cent.”, the words “ten per cent.” shall be substituted;

(ii) for the words “fifty crore rupees”, the words “twenty crore rupees” shall be substituted.

### **Analysis**

Sub-sections (1) and (3) of section 112 of the CGST Act are being amended, so as to empower the Government to notify the date for filing appeal before the Appellate Tribunal and provide a revised time limit for filing appeals or application before the Appellate Tribunal. The said amendment is made effective from the 1st day of August, 2024.

Sub-section (6) of the said section is also being amended so as to enable the Appellate Tribunal to admit appeals filed by the department within three months after the expiry of the specified time limit of six months.

**To Be Continued....**

## 30. BUDGET CLAUSE 139 AMENDS SECTION 112 OF GOODS AND SERVICES TAX ACT, 2017.

Sub-section (8) of the said section is also being amended so as to reduce the maximum amount of pre-deposit for filing appeals before the Appellate Tribunal from the existing twenty percent to ten percent of the tax in dispute and also reduce the maximum amount payable as pre-deposit from rupees fifty crores to rupees twenty crores in central tax.

### **Applicable WEF**

Date To Be Notified.

# 31. BUDGET CLAUSE 140 AMENDS SECTION 122 OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In section 122 of the Central Goods and Services Tax Act, with effect from the 1st day of October, 2023, in subsection (1B), for the words “Any electronic commerce operator who”, the words and figures “Any electronic commerce operator, who is liable to collect tax at source under section 52,” shall be substituted.

## **Analysis**

Sub-section (1B) of section 122 of the CGST Act is being amended, so as to restrict the applicability of the said sub-section to electronic commerce operators, who are required to collect tax at source under section 52 of the said Act. The said amendment is made effective from the 1<sup>st</sup> day of October, 2023 when the said sub-section had come into force.

## **Applicable WEF**

Date To Be Notified.

## **32. BUDGET CLAUSE 141 AMENDS SECTION 127 OF GOODS AND SERVICES TAX ACT, 2017.**

### **Amendment**

In section 127 of the Central Goods and Services Tax Act, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

### **Analysis**

Section 127 of the CGST Act is being amended, so as to incorporate a reference to the proposed new section 74A in the said section.

### **Applicable WEF**

Date To Be Notified.

# 33. BUDGET CLAUSE 142 INSERTS SECTION 128A OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

After section 128 of the Central Goods and Services Tax Act, the following section shall be inserted, namely:—

Waiver of interest or penalty or both relating to demands raised under section 73, for certain tax periods.

“128A. (1) Notwithstanding anything to the contrary contained in this Act, where any amount of tax is payable by a person chargeable with tax in accordance with,—

(a) a notice issued under sub-section (1) of section 73 or a statement issued under sub-section (3) of section 73, and where no order under sub-section (9) of section 73 has been issued; or

(b) an order passed under sub-section (9) of section 73, and where no order under sub-section (11) of section 107 or sub-section (1) of section 108 has been passed; or

(c) an order passed under sub-section (11) of section 107 or sub-section (1) of section 108, and where no order under sub-section (1) of section 113 has been passed,

**To Be Continued<sup>52</sup>....**



### **33. BUDGET CLAUSE 142 INSERTS SECTION 128A OF GOODS AND SERVICES TAX ACT, 2017.**

pertaining to the period from 1st July, 2017 to 31st March, 2020, or a part thereof, and the said person pays the full amount of tax payable as per the notice or statement or the order referred to in clause (a), clause (b) or clause (c), as the case may be, on or before the date, as may be notified by the Government on the recommendations of the Council, no interest under section 50 and penalty under this Act, shall be payable and all the proceedings in respect of the said notice 99 or order or statement, as the case may be, shall be deemed to be concluded, subject to such conditions as may be prescribed:

Provided that where a notice has been issued under subsection (1) of section 74, and an order is passed or required to be passed by the proper officer in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court in accordance with the provisions of sub-section (2) of section 75, the said notice or order shall be considered to be a notice or order, as the case may be, referred to in clause (a) or clause (b) of this sub-section:

**To Be Continued....**

### **33. BUDGET CLAUSE 142 INSERTS SECTION 128A OF GOODS AND SERVICES TAX ACT, 2017.**

Provided further that the conclusion of the proceedings under this sub-section, in cases where an application is filed under sub-section (3) of section 107 or under sub-section (3) of section 112 or an appeal is filed by an officer of central tax under sub-section (1) of section 117 or under sub-section (1) of section 118 or where any proceedings are initiated under sub-section (1) of section 108, against an order referred to in clause (b) or clause (c) or against the directions of the Appellate Authority or the Appellate Tribunal or the court referred to in the first proviso, shall be subject to the condition that the said person pays the additional amount of tax payable, if any, in accordance with the order of the Appellate Authority or the Appellate Tribunal or the court or the Revisional Authority, as the case may be, within three months from the date of the said order:

Provided also that where such interest and penalty has already been paid, no refund of the same shall be available.

(2) Nothing contained in sub-section (1) shall be applicable in respect of any amount payable by the person on account of erroneous refund.

**To Be Continued....**

## 33. BUDGET CLAUSE 142 INSERTS SECTION 128A OF GOODS AND SERVICES TAX ACT, 2017.

(3) Nothing contained in sub-section (1) shall be applicable in respect of cases where an appeal or writ petition filed by the said person is pending before Appellate Authority or Appellate Tribunal or a court, as the case may be, and has not been withdrawn by the said person on or before the date notified under sub-section (1).

(4) Notwithstanding anything contained in this Act, where any amount specified under sub-section (1) has been paid and the proceedings are deemed to be concluded under the said sub-section, no appeal under sub-section (1) of section 107 or sub-section (1) of section 112 shall lie against an order referred to in clause (b) or clause (c) of sub-section (1), as the case may be.”.

### **Analysis**

Section 128A in the CGST Act is being inserted, to provide for a conditional waiver of interest and penalty in respect of demand notices issued under section 73 of the said Act for the Financial Years 2017-18, 2018-19 and 2019-20, except the demands notices in respect of erroneous refund. In cases where interest and penalty have already been paid in respect of any demand for the said financial years, no refund shall be admissible for the same

### **Applicable WEF**

Retrospective Amendment wef 01.07.2017

## **34. BUDGET CLAUSE 143 AMEND SECTION 140 OF GOODS AND SERVICES TAX ACT, 2017.**

### **Amendment**

In section 140 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017, in subsection (7), for the words “even if the invoices relating to such services are received on or after the appointed day”, the words “whether the invoices relating to such services are received prior to, on or after, the appointed day” shall be substituted.

### **Analysis**

Sub-section (7) of section 140 of the CGST Act is being amended, so as to enable availment of the transitional credit of eligible CENVAT credit on account of input services received by an Input Services Distributor prior to the appointed day, for which invoices were also received prior to the appointed date. The said amendment is made effective from 1st day of July, 2017.

### **Applicable WEF**

Date To Be Notified

# 35. BUDGET CLAUSE 144 AMEND SECTION 171 OF GOODS AND SERVICES TAX ACT, 2017.

## Amendment

In section 171 of the Central Goods and Services Tax Act,—

(a) in sub-section (2), the following proviso and Explanation shall be inserted, namely: —

‘Provided that the Government may by notification, on the recommendations of the Council, specify the date from which the said Authority shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

Explanation.—For the purposes of this sub-section, “request for examination” shall mean the written application filed by an applicant requesting for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.’;

(b) the Explanation shall be renumbered as Explanation 1 thereof, and after Explanation 1 as so renumbered, the Explanation shall be inserted, namely: —

## 35. BUDGET CLAUSE 144 AMEND SECTION 171 OF GOODS AND SERVICES TAX ACT, 2017.

‘Explanation 2.—For the purposes of this section, the expression “Authority” shall include the “Appellate Tribunal”.’.

### **Analysis**

Proviso and Explanation is being inserted in subsection (2) of section 171 of the CGST Act, so as to empower the Government to notify the date from which the Authority under the said section will not accept any application for anti-profiteering cases. Explanation in the sub-section (3A) of the said section is being inserted, so as to include the reference of Appellate Tribunal in the Authority under the said section so that the Appellate Tribunal may be notified by the Government to act as an Authority under the said section.

### **Applicable WEF**

Date To Be Notified

## 36. BUDGET CLAUSE 145 AMENDMENT OF SCHEDULE III OF GOODS AND SERVICES TAX ACT, 2017.

### Amendment

In Schedule III to the Central Goods and Services Tax Act, after paragraph 8 and before Explanation 1, the following paragraphs shall be inserted, namely: —

“9. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.

10. Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.”.

## 36. BUDGET CLAUSE 145 AMENDMENT OF SCHEDULE III OF GOODS AND SERVICES TAX ACT, 2017.

### **Analysis**

Paragraph 8 is being inserted in Schedule III to the CGST Act, so as to provide that the activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements shall be treated as neither supply of goods nor supply of services, provided that the lead insurer pays the tax liability on the entire amount of premium paid by the insured. Paragraph 9 is being inserted in Schedule III to the CGST Act, so as to provide that the services by the insurer to the re-insurer, for which the ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, shall be treated as neither supply of goods nor supply of services, provided that tax liability on the gross reinsurance premium inclusive of reinsurance commission or the ceding commission is paid by the reinsurer.

### **Applicable WEF**

Date To Be Notified



# 37. BUDGET CLAUSE 146 NO REFUND OF TAX PAID OR INPUT TAX CREDIT REVERSED OF GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed, had section 114 been in force at all material times.

## **Analysis**

No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed had the said clause 114 been in force at all material times.

## **Applicable WEF**

Date To Be Notified

# AMENDMENTS IN INTEGRATED GOODS AND SERVICES TAX ACT, 2017



# 1. BUDGET CLAUSE 147 AMENDMENT OF SECTION 5 OF INTEGRATED GOODS AND SERVICES TAX ACT, 2017.

## Amendment

In the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the Integrated Goods and Services Tax Act), in section 5, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and undenatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

## Analysis

Sub-section (1) in Section 5 in the IGST Act is being amended, so as to not levy integrated tax on Extra Neutral Alcohol used for manufacture of alcoholic liquor for human consumption.

## Provision

SECTION 7 - (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Union territory tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, **and un-denatured extra neutral alcohol or rectified spirit which is used for manufacture of alcoholic liquor, for human consumption** on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding twenty percent., as may be notified by the Central Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

## Applicable WEF

Date To Be Notified

## 2. BUDGET CLAUSE 148 INSERTION OF SECTION 6A OF INTEGRATED GOODS AND SERVICES TAX ACT, 2017.

### **Amendment**

After section 6 of the Integrated Goods and Services Tax Act, the following section shall be inserted, namely:—

Power not to recover Goods and Services Tax not levied or short-levied as a result of General practice.

“6A. Notwithstanding anything contained in this Act, if the Government is satisfied that—

(a) a practice was, or is, generally prevalent regarding levy of integrated tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to —

(i) integrated tax, in cases where according to the said practice, integrated tax was not, or is not being, levied; or

(ii) a higher amount of integrated tax than what was, or is being, levied, in accordance with the said practice,

## 2. BUDGET CLAUSE 148 INSERTION OF SECTION 6A OF INTEGRATED GOODS AND SERVICES TAX ACT, 2017.

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the integrated tax payable on such supplies, or, as the case may be, the integrated tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the integrated tax was not, or is not being, levied, or was, or is being, short levied, in accordance with the said practice.”.

### **Analysis**

Section 6A is being inserted in the IGST Act, so as to empower the Government to regularize non – levy or short levy of integrated tax where it is found that such non levy or short levy was a result of general practice.

### **Applicable WEF**

Date To Be Notified

### 3. BUDGET CLAUSE 149 AMENDMENT OF SECTION 16 OF INTEGRATED GOODS AND SERVICES TAX ACT, 2017.

#### **Amendment**

In section 16 of the Integrated Goods and Services Tax Act,—

(a) in sub-section (4), —

(i) in clause (i), after the words “claim refund of the tax so paid”, the words and figures “in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder” shall be inserted;

(ii) in clause (ii), for the words “which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid”, the words and figure “or both, on zero rated supply of which, the supplier may pay integrated tax and claim the refund of tax so paid, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder” shall be substituted;

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

“(5) Notwithstanding anything contained in subsection (3) and (4), no refund of un utilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods are subjected to export duty.”.

# 3. BUDGET CLAUSE 149 AMENDMENT OF SECTION 16 OF INTEGRATED GOODS AND SERVICES TAX ACT, 2017.

## Analysis

Sub-section (4) in Section 16 in the IGST Act is being amended, so as to provide for notification of class of persons who may make zero rated supplies of goods or services or both or class of goods or services which may be supplied on zero rated basis, and refund of integrated tax in respect of which can be claimed, in accordance with the provisions of Section 54 of the Central Goods and Services Tax Act, subject to such conditions, safeguards and procedures as may be prescribed. Sub-section (5) is being inserted in the said Section to provide that no refund of unutilized input tax credit or of integrated tax paid on account of zero rated supply of goods shall be allowed in cases where the zero-rated supply of goods is subjected to export duty.

## Provision

16. Zero rated supply

(4) The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify-

(i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid **in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder;**

(ii) a class of goods or services **or both, on zero rated supply of which, the supplier may pay integrated tax and claim the refund of tax so paid, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder.**

**“(5) Notwithstanding anything contained in subsections (3) and (4), no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods are subjected to export duty.”.**

Applicable WEF

Date To Be Notified

## 4. BUDGET CLAUSE 150 AMENDMENT OF SECTION 20 OF INTEGRATED GOODS AND SERVICES TAX ACT, 2017.

### **Amendment**

In section 20 of the Integrated Goods and Services Tax Act, for the fifth proviso, the following proviso shall be substituted, namely:—

“Provided also that a maximum amount of forty crore rupees shall be payable for each appeal to be filed before the Appellate Authority or the Appellate Tribunal.”.

### **Analysis**

Section 20 in the IGST Act is being amended, so as to reduce the maximum amount of pre-deposit payable for filing appeal before appellate authority from rupees fifty crores to rupees forty crores of integrated tax. Further, it proposes to reduce the maximum amount payable as pre-deposit for filing appeal before the Appellate Tribunal from rupees hundred crores to rupees forty crores of integrated tax.

### **Provision**

**Provided also that a maximum amount of forty crore rupees shall be payable for each appeal to be filed before the Appellate Authority or the Appellate Tribunal.**

### **Applicable WEF**

Date To Be Notified



# AMENDMENTS IN UNION TERRITORY GOODS AND SERVICES TAX ACT, 2017



# 1. BUDGET CLAUSE 151 AMENDMENT OF SECTION 7 OF UNION TERRITORY GOODS AND SERVICES TAX ACT, 2017.

## **Amendment**

In the Union Territory Goods and Services Tax Act, 2017 (hereinafter referred as the Union Territory Goods and Services Tax Act), in section 7, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and un-denatured extra neutral alcohol or rectified spirit which is used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

## **Analysis**

Sub-section (1) in Section 7 in the UTGST Act is being amended, so as to not levy union territory tax on Extra Neutral Alcohol used for manufacture of alcoholic liquor for human consumption.

## **Provision**

SECTION 7 - (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Union territory tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, **and un-denatured extra neutral alcohol or rectified spirit which is used for manufacture of alcoholic liquor, for human consumption** on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding twenty percent., as may be notified by the Central Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

## **Applicable WEF**

Date To Be Notified

## 2. BUDGET CLAUSE 152 INSERTION OF SECTION 8A OF UNION TERRITORY GOODS AND SERVICES TAX ACT, 2017.

### **Amendment**

After section 8 of the Union Territory Goods and Services Tax Act, the following section shall be inserted, namely: —

Power not to recover Goods and Services Tax not levied or short-levied as a result of General practice.

“8A. Notwithstanding anything contained in this Act, if the Government is satisfied that—

(a) a practice was, or is, generally prevalent regarding levy of Union territory tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to—

(i) Union territory tax, in cases where according to the said practice, Union territory tax was not, or is not being, levied; or

(ii) a higher amount of Union territory tax than what was, or is being, levied, in accordance with the said practice,

## 2. BUDGET CLAUSE 152 INSERTION OF SECTION 8A OF UNION TERRITORY GOODS AND SERVICES TAX ACT, 2017.

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the Union territory tax payable on such supplies, or, as the case may be, the Union territory tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the Union territory tax was not, or is not being, levied, or was, or is being, short-levied, in accordance with the said practice.”.

### **Analysis**

Section 8A in the UTGST Act is being inserted, so as to empower the Government to regularize non –levy or short levy of union territory tax where it is found that such non levy or short levy was a result of general practice.

### **Applicable WEF**

Date To Be Notified

# AMENDMENTS IN GOODS AND SERVICES TAX (COMPENSATION TO STATES) ACT, 2017



# 1. BUDGET CLAUSE 153 INSERTION OF SECTION 8A OF GOODS AND SERVICES TAX (COMPENSATION TO STATES) ACT, 2017.

## Amendment

In the Goods and Services Tax (Compensation to States) Act, 2017, after section 8, the following section shall be inserted, namely: —

Power not to recover cess not levied or short levied as a result of general practice.

“8A. Notwithstanding anything contained in this Act, if the Government is satisfied that—

- (a) a practice was, or is, generally prevalent regarding levy of cess (including non-levy thereof) on any supply of goods or services or both; and
- (b) (b) such supplies were, or are, liable to, —
  - (i) cess, in cases where according to the said practice, cess was not, or is not being, levied; or
  - (ii) a higher amount of cess than what was, or is being, levied, in accordance with the said practice,



# 1. BUDGET CLAUSE 153 INSERTION OF SECTION 8A OF GOODS AND SERVICES TAX (COMPENSATION TO STATES) ACT, 2017.

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the cess payable on such supplies, or, as the case may be, the cess in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the cess was not, or is not being, levied, or was, or is being, short-levied, in accordance with the said practice.”.

## **Analysis**

Section 8A is being inserted in the GST (Compensation to States ) Act, so as to empower the Government to regularize non –levy or short levy of cess where it is found that such non levy or short levy was a result of general practice.

## **Applicable WEF**

Date To Be Notified

# DISCLAIMER

The above write up has been compiled from various provisions of Finance Bill 2024, CGST Act 2017, IGST Act 2017, and rules and notifications issued there under. The compilation may not be entirely correct for reader to reader due to different interpretations by different readers. The readers are advised to take into the consideration the prevailing legal position before acting on any of the comments in this write up. Readers are also requested to convey the correct position as per their interpretation of the provisions of Finance Bill 2024, CGST Act 2017, IGST Act 2017, and rules and notifications issued there under which shall be most welcome for correcting this write up.



# Thank You.....



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