

Date : - 11.10.2024

Dear Sir/Madam,

The Central Board of Indirect Taxes and Customs (CBIC) has issued a series of new GST notifications, marking significant updates in the Goods and Services Tax (GST) regime. These notifications bring amendments to GST rates, GST RCM, GST Exemptions, GST amnesty Scheme, GST ITC order Rectification, late fee waiver etc. Your attention is invited to the below key comprehensive summary of these notifications and their impacts:

(A) Notification No. 06/2024-Central Tax (Rate)
dtd. 08.10.2024

Effective Date: 10.10.2024.

This notification amends the **Central Goods and Services Tax Act, 2017**, to update the GST applicability on metal scrap transactions between unregistered and registered persons. The Central Government, under its powers conferred by **Section 9(3)** of the **Central Goods and Services Tax (CGST) Act, 2017**, and based on the **GST Council's recommendations**, has introduced amendments to Notification No. 4/2017-Central Tax (Rate), focusing specifically on transactions involving **metal scrap**. A new **S. No. 8** has been added to the notification, which deals with the supply of metal scrap. Below is a table outlining the changes:

S. No.	Tariff Headings	Description of Goods	Supplier	Recipient
8	72, 73, 74, 75, 76, 77, 78, 79, 80, 81	Metal scrap	Any unregistered person	Any registered person

The above notification specifies that when an unregistered person supplies metal scrap to a registered person, the reverse charge mechanism (RCM) will apply. Registered buyers are now liable to pay the GST on behalf of unregistered suppliers.

(B). Notification No. 05/2024-Central Tax (Rate): -

To notify change in rate of Goods. The Notification shall be effective from **10.10.2024**.

- Cancer drugs such as Trastuzumab Deruxtecan, Osimertinib, and Durvalumab providing relief to patients – 5% (2.5% CGST + 5% SGST) (Earlier rate 12%)**
- Extruded or expanded savoury snacks**, classified under HS 1905 90 30 – 12% (6% CGST + 6% SGST) (Earlier rate 18%).
- Car and Motorcycle Seats:** The GST rate for car seats, classified under HS 9401 – 28% (14% CGST + 14% SGST) (Earlier rate 18%).

(C) Notification No. 07/2024-Central Tax (Rate):

Vide this Notification CBIC notified GST rate for transportation of **passengers by helicopters services on sharing basis to be 5% (2.5% CGST + 2.5% SGST)**

Provided input tax charged on goods used in supplying the service has not been taken. The Notification shall be effective from 10.10.2024.

(D) Notification No. 08/2024-Central Tax (Rate):

The said Notification notify following services exempted from GST. The Notification shall be effective from 10.10.2024.

a. Application fees/ Connection rental charges for electricity

connection:- Supply of services such as application fees for providing electricity connection, rental charges against electricity meter, testing fees for meters/ transformers/capacitors, labour charges from customers for shifting of meters/service lines, charges for duplicate bills etc. which are incidental, ancillary or integral to the supply of transmission and distribution of electricity by transmission and distribution utilities to their consumers, when provided as a composite supply.

b. Research and development grants from private or public sector to recognised educational institutions:-

R&D grant to three categories of research institution, college or university will be exempted from GST. These include recognition under State laws, Central Laws or one which has got exemption under Income Tax. The exemption will be available to both government as well as private institutions and there will be no threshold. Now, "past demands to be regularised on 'as is where is' basis.

c. Import of services by foreign airline companies: - Vide Notification No. 08/2024- Integrated Tax (Rate), CBIC exempted Import of services by an establishment of a foreign airlines company from a related person or any of its establishment outside India, when made without consideration.

This GST exemption is applicable provided that:

- Indian establishment of the foreign airline company is required to pay GST at the applicable rates on the transport of goods and passengers, as per the GST law
- Certification is obtained from the Ministry of Civil Aviation
- Reciprocal treatment is confirmed, ensuring that Indian airlines are not subject to similar taxes by the foreign country for identical services

**(E) Notification No. 09/2024- Central Tax (Rate):
Service related to renting of any property other
than residential dwelling**

The 54th GST Council meeting held on 09.09.2024, has proposed Renting of commercials properties brought under reverse charge mechanism, provided by **unregistered person to a registered person**. Vide this Notification, CBIC notified the effective date as 10.10.2024, to be date from which Supply of Service related to renting of any property other than residential dwelling by any unregistered person to any registered person, brought under Reverse Charge Mechanism

(F) Notification No. 21/2024-Central Tax:

The above Notification specifies deadlines by which tax payments must be made in order to avail of the waiver of interest, penalty, or both under Section 128A of the Act.

As recommended in the 53rd Council Meeting and insertion of New Section 128A of the CGST Act vide Finance Act, 2024, for waiving of interest penalties on demand notices issued under Section 73 of the GST Act for fiscal years 2017-18, 2018-19, and 2019-20.

Vide this Notification CBIC notifies dates up to which tax should be paid for waiver of interest/penalties under section 128A of CGST Act 2017. The Notification shall be effective from 01.11.2024.

- Registered persons who have received notices or statements or orders referred to in **clause (a), (b), or (c)** of Section 128A of the CGST Act – Last date is 31.03.2025.
- Registered persons who have received a notice u/s 74 in respect of the period mentioned in **Section 128A(1)** (For some specific cases) – 6 months from the date of redetermination order.

(G) Notification No. 22/2024-Central Tax:- Special procedure for rectification of certain specified orders issued under sections 73, 74, 107 or 108 of CGST Act:

This notification provides a streamlined rectification process for addressing cases where the ITC, initially disallowed, is now

permissible under the law, allowing taxpayers to avoid unnecessary litigation.

Process Summary:

Applicability: The procedure applies to registered persons against whom an order has been issued confirming a demand for wrongful availment of input tax credit (ITC) in violation of Section 16(4). In other words, case where ITC initially disallowed, is now available under Section 16(5) or Section 16(6), and the person has not filed an appeal against the original order.

Filing of Application: The registered person must file an application for rectification of the order electronically on the common portal. Such application for rectification is to be filed within six months from the date of the notification, and the officer must issue a rectified order within three months from the date of the application. Along with the application, the person must upload information in the prescribed Annexure A format.

Summary of Rectified Order: Once the rectification is made, the authority must upload a summary of the rectified order electronically in the relevant forms based on the section under which the original order was issued.

Opportunity for personal hearing: If the rectification process adversely affects the registered person, the principles of natural justice must be followed, ensuring that the person is provided a fair opportunity to be heard before any adverse decision is made.

(H) Notification No. 23/2024-Central Tax:- Waiver of late fees for FORM GSTR-7 (TDS return) u/s 51 from June 2021 onwards: The Notification shall be effective from 01.11.2024.

Vide this Notification, CBIC provides for the waiver of late fees under Section 47 of the CGST Act for registered persons required to deduct TDS for delays in filing FORM GSTR-7 returns, for the month of June 2021 onwards if they exceed twenty-five rupees for every day of delay. The total late fee payable under Section 47 for failure to file FORM GSTR-7 by the due date is capped at one thousand rupees. In cases where no TDS is deducted, the late fee is completely waived. This notification offers significant relief to taxpayers by reducing penalties for filing delays, particularly in cases of nil returns.

(H) Notification No. 24/2024-Centra Tax dtd. 09.10.2024

Ministry of Finance has issued Notification No. 24/2024-Central Tax on October 9, 2024, amending the original Notification No. 5/2017-Central Tax dated June 19, 2017. This amendment, effective from October 10, 2024, introduces a significant change concerning suppliers of metal scrap. Under this new notification, suppliers engaged in the supply of metal scrap falling under Chapters 72 to 81 of the Customs Tariff Act, 1975, are excluded from the provisions of the earlier notification.

(I) Notification No. 25/2024-Central Tax, dtd. 09.10.2024

With the introduction of the GST in 2017, Section 51 of the CGST Act outlined provisions for Tax Deducted at Source (TDS), but it was enforced only from October 2018. Initially, the TDS requirement applied solely to government bodies and public sector units (PSUs). However, the GST Council has expanded these provisions to the metal scrap sector, based on the recommendations from its 54th meeting. On October 9, 2024, the government issued Notification 25/2024-Central Tax, implementing the TDS provisions for registered recipients of metal scrap. These rules become effective from October 10, 2024. This notification mandates that registered persons receiving metal scrap under chapters 72 to 81 of the Customs Tariff Act must deduct tax at source when making payments to registered suppliers. The general TDS rate under the CGST and SGST Acts is 1% each, making the total deduction 2% for intra-state supplies, while inter-state supplies are subject to the same rate under the IGST Act.

(J) Notification No. 20/2024- Central Tax dtd. 08.10.2024

Pursuant to the recommendations made in the 54th GST Council meeting held on 9 September 2024, CBIC has issued Notification No. 20/2024-Central Tax dated 8 October 2024 for amending the provisions of the Central Goods and Services Tax Rules, 2017.

These amendments focus on expanding the applicability of existing rules to include **section 74A**, streamline procedures, and introduce additional time limits for invoice issuance and submission of returns. Section 74A, referenced in multiple amendments, appears to address new or special cases related to tax determination, fraud, or

suppression of facts, which is now aligned with sections 73 and 74 throughout various procedural rules.

Insertion of Rule 164 – Procedure and conditions for closure of proceedings under section 128A in respect of demands issued under section 73 :-

This newly introduced **Rule 164** lays out the procedure and conditions for closing proceedings under **Section 128A** of the Central Goods and Services Tax (CGST) Act, 2017, with respect to demands issued under **Section 73**. Section 128A, which provides for **waiver of interest, penalty, or both**, can be invoked under specific conditions outlined in the rule. (*w.e.f. 01.11.2024*). In this regard, the following procedures and conditions of the amnesty scheme have been prescribed:

- The application form for opting for the amnesty scheme is as under:
 - In respect of a notice or a statement mentioned in Section 128A(1)(a) i.e., show cause notice issued under section 73 that is pending for adjudication – Form GST SPL-01; and
 - In respect of orders mentioned in Section 128A(1)(b) (where no order has been issued by First Appellate Authority or GST Appellate Tribunal) or 128A(1)(c) (where show cause notice alleging fraud, wilful mis-statement or, suppression of facts which are subsequently held otherwise in adjudication / appeal) – Form GST SPL-02.

The application to be accompanied with the details of payments made towards tax demanded (through Form GST DRC-03 or by crediting the amount in the Electronic Liability register created by the order).

▪ If the notice or statement or order covered under Section 128A(1) includes:

– Demand of tax, partially on account of erroneous refund and partially for other reasons, the application for amnesty scheme may be filed only after payment of full amount of tax demanded in the said notice or statement or order.

– Demand of tax, partially for the period mentioned in Section 128A(1) and partially for other periods, the application under the amnesty scheme may be filed only after payment of full amount of tax demanded in the said notice or statement or order.

▪ Amount payable under the amnesty scheme shall be the amount that remains payable after deducting the amount not payable in terms of Sections 16(5) and 16(6) of the CGST Act (i.e. after claiming the benefit of extended period to claim ITC).

▪ An application for claiming benefit under the amnesty scheme can be filed within a period of 3 months from the date notified under Section 128A(1) of the CGST Act (i.e., 31 March 2025), i.e. effectively the application needs to be filed by 30 June 2025. However, where a notice is issued under section 74(1), and an order is passed or is required to be passed by the proper officer by deeming the notice to have been issued under section 73(1), the

time limit for filing the application will be six months from the date of communication of the order passed by proper officer redetermining the tax demand under section 73 of the CGST Act.

▪ The application is to be accompanied by the documents evidencing withdrawal of appeal or writ petition, if any, to establish that the applicant is eligible for waiver of interest or penalty or both under Section 128A. If the applicant has filed an application for withdrawal of appeal or writ petition but the order for withdrawal has not been issued till the date of filing of application, the applicant shall upload the copy of the said withdrawal application and must file the copy of the order within one month of the issuance of the said order.

▪ If the proper officer is of the view that the application is liable to be rejected, the proper officer shall issue a notice in Form GST SPL-03 within 3 months from the date of receipt of application and also provide an opportunity of being heard to the applicant. The reply to such notice may be filed by the applicant in Form GST SPL-04.

– If the proper officer is satisfied that the applicant is eligible under the amnesty scheme, an order shall be issued in Form GST SPL-05, accepting the application and concluding the proceedings under Section 128A.

– If the proper officer is not satisfied, he shall issue an order in Form GST SPL-07 rejecting the application.

– The order accepting / rejecting the application shall be issued within a period of three months from the date of receipt of reply in Form GST SPL-04 or within a period of four months from the date of issuance of notice (in Form GST SPL-03) where no reply is received from the applicant.

- In cases where no notice is issued in Form GST SPL-03, the proper officer shall issue an order accepting the application within three months from the date of its receipt.
- If no order is issued by the proper officer within the aforesaid time limits, the application shall be deemed to be approved and the proceedings shall be deemed to be concluded.
- If no appeal is filed against the order in Form GST SPL-07 (order rejecting the application under the amnesty scheme) within the time period specified under Section 107(1), the original appeal (if any) filed by the applicant (and withdrawn) shall be restored.
- However, if an appeal has been filed against Form GST SPL-07 and the appellate authority holds that the proper officer has wrongly rejected the application, the appellate authority shall pass an order in Form GST SPL-06 accepting the said application and concluding the proceedings under section 128A. On the contrary, if the appellate authority issues an order holding that the proper officer has rightly rejected the application, the original appeal (if any) filed by the applicant shall be restored, subject to the condition that the applicant files an undertaking within 3 months from the date of issuance of order by the appellate authority that he has neither filed nor intends to file an appeal against the aforesaid order of the appellate authority.
- In cases where the applicant is liable to pay an additional amount as per second proviso to Section 128A(1) of the CGST Act, and such additional amount is not paid within the prescribed time limits, the

waiver of interest or penalty as per the order in Form GST SPL-05 / GST SPL-06 (if any) shall become void.

- Similarly, where the applicant is liable to pay any amount of interest, or penalty, or both, in respect of any demand pertaining to erroneous refund or on account of demand pertaining to periods other than those covered under section 128A(1), and the details of such amount have been mentioned in FORM GST SPL-05 / GST SPL-06, the applicant shall pay the said amount of interest, or penalty, or both, within a period of three months from the date of issuance of the order, and where the said amount is not paid within the said time period, the waiver of interest or penalty as per the order in Form GST SPL-05 / GST SPL-06 (if any) shall become void.
- Further, Form GST SPL-01 to GST SPL-08 have been notified and appended to the CGST Rules.

Refund on zero-rated supply of goods or services or both

- Rule 89 of the CGST Rules prescribing the mechanism for claiming refund of unutilized ITC on zero-rated supply of goods or services or both is amended as under:
 - A separate refund mechanism under Rules 89(4A) and 89(4B) of the CGST Rules was prescribed in cases where the supplier making zero-rated supply of goods / services has claimed benefits / exemptions on procurements under the prescribed notifications (such as under EPCG, as an EOU/STPI, Merchant Exports etc.). The said mechanism is now omitted to prescribe a single mechanism for claiming

refund of unutilized ITC on zero-rated supply of goods / services that would apply, irrespective of whether the supplier has claimed the benefit / exemptions under such notifications.

– Consequent amendments have been made in the formula prescribed under Rule 89(4) of the CGST Rules to enable the suppliers covered under the erstwhile Rules 89(4A) or (4B) to claim refund under Rule 89(4) of CGST Rules.

▪ Similarly, Rule 96(10) of the CGST Rules specifically barred an exporter to export the goods 'on payment of IGST' (and consequently claim refund) in case benefit of prescribed notifications (such as under EPCG, as an EPU/STPI, Merchant Exports etc.) is claimed on its procurements. Rule 96(10) prescribing this restriction has been omitted. Various consequential changes have also been made. ▪ These amendments to come into effect from 8 October 2024.

Restriction to claim input tax credit (ITC) Effective 1 November 2024.

Section 17(5)(i) of the CGST Act has been amended to inter alia remove restrictions to claim ITC in respect of taxes paid pursuant to demands alleging fraud, wilful mis-statement or suppression of facts (under Section 74 of CGST Act) from FY 2024-25 onwards.

In this regard, consequential amendment is made to Rule 36(3) of the CGST Rules (with effect from 1 November 2024) to provide that the restriction to claim ITC in respect of tax paid in pursuance of

any order where any demand has been confirmed on account of any fraud, willful misstatement or suppression of facts will be restricted to the demands made under Section 74 of the CGST Act.

Time limit for issuance of self-invoice :-Insertion of New Rule 47A- Time limit for issuing tax invoice in cases where recipient is required to issue invoice:

This amendment, effective from November 1, 2024, mandates a strict timeline for issuing tax invoices for recipients who are liable to pay taxes under the Reverse Charge Mechanism (RCM) for supplies received from unregistered persons.

Section 31(3)(f) of the CGST Act provides that in respect of procurements made from an unregistered person attracting GST under the reverse charge mechanism, a registered person is required to issue a self-invoice.

With effect from 1 November 2024, the following amendments are made in relation to the manner of issuance of self-invoice:

- Self-invoice shall be issued within a period of 30 days from the date of receipt of goods or services or both (Insertion of Rule 47A).
- The option available to a registered person under second proviso to Rule 46 to issue a consolidated self-invoice at the end of the month for the supplies covered under section 9(4) of the CGST Act (i.e., under reverse charge) where the aggregate value of such supplies exceeds INR 5,000 in a day from any or all the suppliers has been removed.

Amendment in Rule 142 – Notice and order for demand of amounts payable under the Act:

These amendments primarily incorporate provisions related to Section 74A. These changes are designed to align with the introduction of this new section in the CGST Act, which deals with recovery of tax, interest, and penalties. (*w.e.f. 01.11.2024*)

Key points of the amendments are as follows:

- **Sub-rule (1)(a):** After the words “or section 74,” the phrase “or section 74A” is added. This means that notices issued under section 74A (similar to section 74) will now be treated equally under this provision.
- **Sub-rule (1)(b):** Adds a reference to **sub-section (3) of section 74A** after the mention of section 74. This allows the provisions of sub-section (3) of section 74A, which likely deal with specific recovery processes, to be included.
- **Sub-rule (1A):** References to **sub-section (1) of section 74A** are included alongside section 74. This change broadens the scope of the rule to include recovery proceedings under section 74A.
- **Sub-rule (2):** The existing provision, which referred to recovery of “tax, interest, and penalty in accordance with subsection (5) of section 74,” is expanded to include **sub-sections (8) and (9) of section 74A**. This substitution ensures that the recovery processes under section 74A mirror those under section 74.
- **Sub-rule (2B):** This amendment adds “or section 74A” after “section 74,” ensuring that section 74A is included in this rule, which deals with notices of demand.
- **Sub-rule (3):** The sub-rule is entirely substituted to address payments under both section 73 and section 74A. If a person makes a payment of tax and interest under sub-section (8) of section 73 or

sub-section (8) of section 74A, or makes a payment of tax, interest, and penalty under sub-section (8) of section 74 or sub-section (9) of section 74A, they are required to inform the proper officer using FORM GST DRC-03. The proper officer will then conclude the proceedings by issuing FORM GST DRC-05.

- **Sub-rule (4):** After "section 74," the amendment adds the words "or sub-section (6) of section 74A." This incorporates section 74A into the sub-rule dealing with post-notice payment procedures.
- **Sub-rule (5):** After "section 74," the phrase "or section 74A" is added, ensuring that section 74A is treated similarly to section 74 regarding the continuation of proceedings.

Miscellaneous amendments:-

- With effect from 1 November 2024, Rule 66(1) of CGST Rules is amended to prescribe the time limit for filing Form GSTR-7 (Return for tax deducted at source) to be 10th of the succeeding month.
- Rule 86(4B) of the CGST Rules provides that where a registered person deposits the amount of erroneous refund sanctioned to him under Rule 96(3), in contravention to Rule 96(10) of the CGST Rules along with interest and penalty, an amount equivalent to the erroneous refund deposited by the registered person shall be re-credited to the Electronic Credit Ledger. Rule 86(4B) has been amended to delete reference to the phrase 'in contravention to Rule 96(10)' to give effect to omission of rule 96(10).
- Pursuant to the insertion of Section 74A of the CGST Act with effect from 1 November 2024, Rules 88B, 88D, 96B, 121, 142 of

the CGST Rules have been amended to incorporate the reference to Section 74A of the CGST Act with effect from 1 November 2024.

- Further, Forms GST REG-20, GST REG-31, GSTR-9, GST APL-01, GST APL-05, GST INS-01 and GST DRC-01A appended to the CGST Rules have been substituted / amended.

You are advised to take note of the above key amendments and take necessary action for compliance, wherever applicable. In case of any doubt or further query on the above matter or on any other matter, please do consult us.

Thanking you,
Yours sincerely,
**For M/s Salience Legal
(Nilesh Choudhary)
Advocate & Consultant**