

CBIC notifies effective date for applicability of amendments brought in the GST Act

30 September 2024

Background

The Union Budget 2024 had brought in various amendments under the Central Goods and Services Tax Act (CGST Act). These include extension of the time limit for input tax credit (ITC) availment for FYs 2017-18 to 2020-21, common time limit for adjudication of fraud and non-fraud cases, waiver of interest or penalty (or both) in cases of demands raised in non-fraud cases for FYs 2017-18 to 2019-20, etc.

The Central Board of Indirect Taxes and Customs (CBIC), vide [Notification No. 17/2024-Central Tax dated 27 September 2024](#), has notified 27 September 2024 and 1 November 2024 as the effective dates of these amendments.

Highlights of the amendments

Amendments in CGST Act effective from 27 September 2024:

- Relaxation in time limits for ITC availment: Sections 16(5) and 16(6) were inserted to extend the time limit for availing the ITC for FYs 2017-18 to 2020-21 and in cases of revocation of the cancelled registration.
- End of operation of erstwhile demand and recovery provisions: Adjudication in cases of non-fraud and fraud cases under Section 73/74, respectively, shall be done only up to FY 2023-24.
- Appearance in summons proceedings: Allowing authorised representative to appear on behalf of summoned persons under Section 70.
- Anti-profiteering provisions: Amendments were introduced to transfer the adjudication of matters related to anti-profiteering by the principal bench of the Appellate Tribunal. Additionally, no new anti-profiteering application will be entertained after 1 April 2025.
- No refund of tax paid or the ITC reversed in matters already adjudicated.

Amendments in CGST Act effective from 1 November 2024:

- Amnesty scheme: Section 128A was inserted to provide waiver of interest or penalty (or both) in cases of the demands raised in non-fraud cases for FYs 2017-18 to 2019-20.
- Demand and recovery provisions: Section 74A was inserted to provide for the adjudication of fraud and non-fraud cases from 2024-25 onwards and common time limits for the issuance of show cause notices.
- GST waiver due to trade practices: Section 11A was inserted, empowering the government to waive the recovery of GST not levied or short levied as a result of prevalent trade practices.
- Refund restrictions: Section 54 was amended to provide that no refund of ITC or IGST paid on account of zero-rated supply of goods shall be available where such supply is liable for export duty.
- Pre-deposit requirements: The amount of pre-deposit for filing an appeal before the Appellate Authority was reduced to INR 40 crores from 50 crores, and before the Appellate Tribunal was reduced from 25% to 10% of disputed tax, with the maximum amount reduced from INR 100 crores to INR 40 crores.

- Time of supply in case of reverse charge supplies: In cases where the recipient is required to issue an invoice, the date of issuance of self-invoice shall be construed as the time of supply.
- Mandate for monthly TDS returns: Section 51 was amended to mandate the electronic furnishing of return in Form GSTR 7 on a monthly basis by the registered persons deducting tax at source, irrespective of the deductions made.
- Exclusion of extra-neutral alcohol (ENA) from GST: Un-denatured ENA (or rectified spirit) used for the manufacture of alcoholic liquor for human consumption has been brought out of the ambit of GST.

Our comments

With the new provisions coming into effect, it is essential for businesses to assess the impact of these amendments and take timely action, particularly to benefit from the amnesty scheme and ITC availment. The scheme is expected to resolve many pending cases, enhancing overall tax administration and recovery. Additionally, the phased implementation gives businesses adequate time to comprehend and adjust to the revised compliance requirements.

The notified provisions also introduce more stringent compliance and refund mechanisms, notably with the inclusion of Section 74A, which establishes a common time limit for the adjudication of both fraud and non-fraud cases from FY 2024-25 onwards.

**Connect
with us on**



@Grant-Thornton-Bharat-LLP



@GrantThorntonBharat



@Grantthornton_bharat



@GrantThorntonIN



@GrantThorntonBharatLLP



GTBharat@in.gt.com

© 2024 Grant Thornton Bharat LLP. All rights reserved.

“Grant Thornton Bharat” means Grant Thornton Advisory Private Limited, a member firm of Grant Thornton International Limited (UK) in India, and those legal entities which are its related parties as defined by the Companies Act, 2013, including Grant Thornton Bharat LLP.

Grant Thornton Bharat LLP, formerly Grant Thornton India LLP, is registered with limited liability with identity number AAA-7677 and has its registered office at L-41 Connaught Circus, New Delhi, 110001.

References to Grant Thornton are to Grant Thornton International Ltd. (Grant Thornton International) or its member firms. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by the member firms.