

With Commentaries  
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**BILL No. 55 OF 2024**

# **THE FINANCE (NO. 2) BILL, 2024**

**(AS INTRODUCED IN LOK SABHA)**



## CLAUSES

*Central Goods and Service Tax*

110. Amendment of section 9.
111. Amendment of section 10.
112. Insertion of new section 11A.
113. Amendment of section 13.
114. Amendment of section 16.
115. Amendment of section 17.
116. Amendment of section 21.
117. Amendment of section 30.
118. Amendment of section 31.
119. Amendment of section 35.
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121. Amendment of section 49.
122. Amendment of section 50.
123. Amendment of section 51.
124. Amendment of section 54.
125. Amendment of section 61.
126. Amendment of section 62.
127. Amendment of section 63.
128. Amendment of section 64.
129. Amendment of section 65.
130. Amendment of section 66.
131. Amendment of section 70.
132. Amendment of section 73.



CLAUSES

133. Amendment of section 74.
134. Insertion of new section 74A.
135. Amendment of section 75.
136. Amendment of section 104.
137. Amendment of section 107.
138. Amendment of section 109.
139. Amendment of section 112.
140. Amendment of section 122.
141. Amendment of section 127.
142. Insertion of new section 128A.
143. Amendment of section 140.
144. Amendment of section 171.
145. Amendment of Schedule III.
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*Integrated Goods and Services Tax*

147. Amendment of section 5.
148. Insertion of new section 6A.
149. Amendment of section 16.
150. Amendment of section 20.

*Union Territory Goods and Services Tax*

151. Amendment of section 7.
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*Goods and Services Tax  
(Compensation to States)*

153. Insertion of new section 8A.



AS INTRODUCED IN LOK SABHA  
ON 23RD JULY, 2024

Bill No. 55 of 2024

THE FINANCE (NO. 2) BILL, 2024

A

BILL

*to give effect to the financial proposals of the Central Government for the financial year 2024-2025.*

BE it enacted by Parliament in the Seventy-fifth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (1) This Act may be called the Finance (No. 2) Act, 2024.

(2) Save as otherwise provided in this Act,—

(a) sections 2 to 87 shall be deemed to have come into force on the 1st day of April, 2024;

(b) sections 110 to 153 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

All GST Sections



**Central Goods and Services Tax**

- Amendment of section 9.  
levy
- 110.** In the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Central Goods and Services Tax Act), 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.
- 12 of 2017.
- Past period litigation may be considered under newly inserted Section 11A of general practice
- Amendment of section 10.  
Composition scheme
- 111.** In section 10 of the Central Goods and Services Tax Act, in sub-section (5), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.
- Insertion of new section 11A.  
Exemption by notification
- 112.** After section 11 of the Central 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.

“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.”

The industries which are facing litigation due to industry practice will now have the opportunity to represent before the GST Council & Government for regularisation of GST treatments owing to general industry practice.

Amendment of section 13.

Time of Supply of Services

113. 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.

Amendment of section 16.

ITC

114. In section 16 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017, after sub-section (4), the following sub-sections shall be inserted, namely:—

“(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

Where order has been passed then relief is available only if appeal is filed and not otherwise.

Where as to get relief of interest and penalties if appeal is filed appeal need to be withdrawn



## Examine clause (5)

### Situation 1

1. Tax payer has reversed the ITC before 30.11.2021 due to issuance of notice / voluntary reversal.
2. Is it possible to re-avail the ITC since newly inserted clause (5) do not prohibit. The provisions of GST law may prohibit it.

### Situation 2

1. Tax payer has not availed the ITC and wish to avail now.
2. This is not possible since time of 30.11.2021 has expired.
3. There might be situation such ITC has been shown in GSTR 9 then benefit might be given

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) 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.”.

Amendment of section 17.  
blocked credit

**115.** In **section 17** of the Central Goods and Services Tax Act, in sub-section (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.

ITC of tax paid by the Supplier under Section 74A shall be allowed to the recipient even if the Department has alleged fraud, suppression, etc for the tax period FY 2024-25

Amendment of section 21.  
ISD: Recovery of credit

**116.** In **section 21** 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.

Amendment of section 30.  
Revocation of cancellation of registration

**117.** In **section 30** of the Central Goods and Services Tax Act, in sub-section (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.”.

Amendment of section 31.  
Tax Invoice

**118.** In **section 31** of the Central Goods and Services Tax Act,—



### RCM: Self invoicing if supply is received from URP

(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;

Self-invoicing under RCM has to be done within prescribed time limit

(b) after clause (g), the following *Explanation* shall be inserted, namely:—  
**RCM: Payment voucher issued to URP**

*‘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.’.

Amendment of section 35.

Accounts and other records

**119.** In section 35 of the Central Goods and Services Tax Act, 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. **Maintaining of goods lost / stolen / destroyed**

Amendment of section 39.

Filing of return by Government / PSU who is required to deduct tax at source

Rule 66

FORM GSTR 07

Nil return is required to be filed

**120.** In section 39 of the Central Goods and Services Tax Act, for sub-section (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.”.

Amendment of section 49.

Payment of tax

**121.** In section 49 of the Central Goods and Services Tax Act, 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. **Order of discharge of tax**

Amendment of section 50.

Interest

**122.** In section 50 of the Central Goods and Services Tax Act, 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.

Interest shall be paid on gross amount on issuance of Notice u/s 73, 74 and 74A

Amendment of section 51.

TDS

**123.** In section 51 of the Central Goods and Services Tax Act, 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. **Determination of amount u/s 73, 74 and 74A**

Amendment of section 54.

Refund

**124.** In section 54 of the Central Goods and Services Tax Act,—





(a) in sub-section (3), the second proviso shall be omitted; **Second proviso shifted to sub-section (15)**

(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.”.

Amendment of section 61.  
**Scrutiny of return ASMT 10**

**125.** 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.

Amendment of section 62.  
**Assessment of Non-Filers of return Rule 100 GSTR 3A | ASMT 13**

**126.** In section 62 of the Central Goods and Services Tax Act, 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.

Amendment of section 63.  
**Assessment of URP Rule 100 ASMT 15**

**127.** In section 63 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.

Amendment of section 64.  
**Summary Assessment Rule 100 ASMT 17 | ASMT 18**

**128.** In section 64 of the Central Goods and Services Tax Act, 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.

Amendment of section 65.  
**Audit by department**

**129.** In section 65 of the Central Goods and Services Tax Act, 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.

Amendment of section 66.  
**Special audit**

**130.** In section 66 of the Central Goods and Services Tax Act, 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.

Amendment of section 70.  
**Summons**

**131.** In section 70 of the Central Goods and Services Tax Act, after sub-section (1), the following sub-section shall be inserted, namely: —

**Authorised representative can appear**

“(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

**Investigating Authorities used to summon key managerial persons such as CEO/CFO/ Directors including foreign managerial persons. This amendment will extend big relief in such scenarios.**



statements or produce such documents and other things as may be required.”.

Amendment of section 73.

Show Cause Notice other than fraud cases

**132.** In **section 73** of the Central Goods and Services Tax Act,—

(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.**”.

Amendment of section 74.

Show Cause Notice fraud cases

**133.** In **section 74** of the Central Goods and Services Tax Act, —

(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.

Insertion of new section 74A.

**134.** After section 74 of the Central Goods and Services Tax Act, the following section shall be inserted, namely: —

Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards.

“**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:**

2024-25 is running FY therefore do not expect any notice at any time soon.

The notice under section 74A shall start only after 31.12.2025 and before that very few notices may be issued.

For FY 2020-21, 2021-22 to 2023-24 notices shall be issued either u/s 73 / 74.

Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or



Mechanical issuance of SCN will be stopped Rs. 800 tax and penalty 20,000 was the norm

fraud or non fraud cases

> time limit to issue notice is uniform 42 months

> time limit to pass order is also uniform 12 months from the date of notice

The definition of fraud, willful misstatement and suppression of facts are not relevant for the purpose of issuance of notice and passing of order but relevant for the purpose of levy of amount of penalty.

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 sub-section (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.

(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 sub-section (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) 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.

(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 sub-section (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

So, for FY 2024-25, the due date to file GSTR 9 is 31-12-2025, therefore, the SCN can be issued for FY 2024-25 till 30-6-2029.

Now, ample time to the officers to understand the replies of the tax payer. Earlier it was only 3 month / 6 months if the notice was issued at the last date.

So, for FY 2024-25, since the due date to file GSTR 9 is 31-12-2025, SCN can be issued for FY 2024-25 till 30-6-2029, hence, demand order can be issued maximum upto 30-6-2030. Maximum extension can be given till 31-12-2030.



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, —

(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) 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,—

(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) 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,

in non fraud cases relief of penalty is available only if tax alongwith interest is paid on or before 60 days of issuance of notice.

No relief beyond 60 days or after passing of order in DRC 07.

15% penalty relief is applicable only if DRC 01A is served and not otherwise.

Therefore in fraud cases service of DRC 01A is mandatory.



and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(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.

(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 sub-section (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 sub-section (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.

*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.

Amendment of section 75.

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

Mandatory penalty of 10% of tax or Rs. 10,000 whichever is higher if tax collected and not paid within 30 days of from the due date of payment of such tax.

Meaning GSTR 3B filing should not be delayed for more than 30 days

For example if proceedings is concluded for the Company it means penalty proceedings u/s 122 and 125 also concluded against its directors. However penalty proceedings u/s 129 and 130 may continue

Consequential changes has been inserted in sections 10(5), 21, 35, 49(8), 50(1), 51(7), 61(3), 62(1), 63, 64(2), 65(7), 66(6), 75, 104(1) and 107(6).



General provisions relating to determination of tax

(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 wilful-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.”;

(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 sub-section (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.

Amendment of section 104.

Advance ruling to be void in certain circumstances

**136.** 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.

Amendment of section 107.

Appeal to appellate authority

**137.** 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;

Maximum pre-deposit is Rs. 20 Crores and not Rs. 25 Crore





(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.

Amendment of section 109.

Constitution of GST-AT and benches thereof

S 171: Anti profiteering

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

Government can establish

(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 sub-section (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.”;

President can distribute the cases amongst benches

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

Amendment of section 112.

Appeal to GST-AT

The time limit to file an Appeal before the GST Appellate Tribunal w.e.f. 01.08.2024 shall be later of the following:

a. Within 3 months of the Appealable order

b. Notified date by the Government

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

(a) with effect from the 1st day of August, 2024, in sub-section (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 sub-section (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 referred to in sub-section (3)” shall be inserted;

(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.

Amendment of section 122.  
Penalty

**140.** In section 122 of the Central Goods and Services Tax Act, with effect from the 1st day of October, 2023, in sub-section (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.

Amendment of section 127.  
Power to impose penalty in certain cases

**141.** 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.

Insertion of new section 128A.

**142.** 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 a. Notice issued and order is pending

(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 b. Order issued, appeal pending but OIA not passed

(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, c. OIA passed by Appellate Authority / revisional authority, appeal pending with GST-AT, but order not passed

2017-18  
2018-19  
2019-20

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

Notification awaited

1. Date of payment
2. Date of withdrawal of appeal

Payment date shall be notified by the Government





### Summary of Section 128A: Waiver of Interest and Penalty

| Aspect               | Details   |
|----------------------|---|
| Applicability        | Tax payable as per notices/orders under sections 73, 107, 108 for period 1st July 2017 to 31st March 2020         |
| Condition for Waiver | Full payment of tax as per notice/order by the notified date  |
| Waiver               | No interest under section 50 and no penalty   |
| Result               | All proceedings deemed concluded  |
| Special Provision    | Notices under section 74 and subsequent orders as per section 75(2) are considered under this waiver              |
| Additional Condition | For cases with pending appeals/applications, additional tax as per appellate orders must be paid within 3 months  |
| Refund               | No refund of already paid interest and penalty  |
| Exclusions           | 1. Amounts payable due to erroneous refund 2. Cases with pending appeals/writs not withdrawn by the notified date |
| Appeal Restriction   | No appeal under sections 107(1) or 112(1) against orders if proceedings concluded under this section              |

Additional tax determined by higher authority shall be paid within 3 month from the date of the order then interest and penalty shall be waived.

or order or statement, as the case may be, shall be deemed to be concluded, subject to such conditions as may be prescribed: Rules will prescribe the last date of payment of tax which is 31.03.2025.

Provided that where a notice has been issued under sub-section (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:

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.

(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.”

Where S 74 is dropped by the higher authority

Appeal/Writ filed by the Taxpayer to be withdrawn on or before the notified date.

- No further Appeal can be filed in the matter concluded under this Scheme.

If appeal is filed then withdraw and make payment then only relief is available. However S 16(4) relief is available only if appeal is filed.



Amendment of section 140.  
Transitional credit

**143.** In section 140 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017, in sub-section (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.

Amendment of section 171.  
anti profiteering

**144.** 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: —

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

Amendment of Schedule III.  
No supply

**145.** 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.

Application for alleging Anti-Profiteering shall not be accepted by the Authority from the date to be notified.



**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.”.

No refund of tax paid or input tax credit reversed.

**146.** 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.

Financial and administrative powers of president - Section 114 has been deleted w.e.f.

*Integrated Goods and Services Tax*

Amendment of section 5.

Levy

**147.** 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.

13 of 2017.

Insertion of new section 6A.

Similar to Section 11A

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

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

“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,

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.”.

Amendment of section 16.

Zero rated supply

**149.** 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 sub-sections (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.”.

Amendment of section 20.

**150.** 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.”.

#### *Union Territory Goods and Services Tax*

Amendment of section 7.

**151.** 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

14 of 2017.



is used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

Insertion of new section 8A.

**152.** 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,

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.”.

*Goods and Services Tax  
(Compensation to States)*

Insertion of new section 8A.

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

15 of 2017.

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) 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,

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.”.



LOK SABHA

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to give effect to the financial proposals of the Central Government for the financial year  
2024-2025.

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*(Smt. Nirmala Sitharaman,  
Minister of Finance.)*