



KEY GST UPDATES

UNION BUDGET 2024-25



TAXQUEST



RELAXATION FOR DELAYED ITC AVAILMENT FOR FY 2017-18, 2018-19, 2019- 20 AND 2020-21

Relief for assesseees who have availed ITC for FY 2017-18, 2018-19, 2019- 20 and 2020-21 beyond the prescribed period of September of the following financial year but prior to November 30, 2021.

This proposed amendment settles the ongoing dispute regarding the availment of ITC beyond the stipulated time period of September of the following Financial Year.

However, the relief is discriminatory for the taxpayer who has already complied with the prevalent law for the said financial year.



TAXQUEST

NO RESTRICTION ON AVAILMENT OF ITC EVEN IN CASE OF FRAUD OR SUPPRESSION

The ITC restriction on tax paid under Section 74 (Fraud and Suppression) will apply until FY 2023–24. Restrictions on tax paid after goods detention under Section 129 and confiscation under Section 130 will be removed.

The amendment limits the restriction on Input Tax Credit (ITC) to tax paid under Section 74 until FY 2023–24. A new Section 74A will replace Section 74 from FY 2024–25. It seems that ITC restriction won't apply to tax paid under Section 74A based on the absence of mention in the amended Section 17(5)(i).



TAXQUEST

NO REFUND OF ITC OR IGST PAID ON EXPORT OF GOODS THAT ARE SUBJECTED TO EXPORT DUTY

A proposed amendment to Section 54 aims to restrict refunds of unutilized Input Tax Credit or Integrated Goods and Services Tax for zero-rated supply of goods subject to export duty.

The proposed amendment aims to limit refunds under Section 54 for unutilized ITC and IGST on zero-rated supplies subject to export duty, expanding on previous restrictions limited to unutilized ITC.



TAXQUEST

AUTHORIZED REPRESENTATIVE CAN APPEAR ON BEHALF OF THE SUMMONED PERSON

The proposal suggests amending Section 70 of the CGST Act to allow the summoned person to appear in person or through an authorized representative as directed by the proper officer, complying with the summons.

The proposed amendment allows taxpayers in inquiries to have a representative at summons proceedings. There is no clarity as to whether it is up to the officer's discretion in allowing this and who would be liable for penalties, the representative or the taxpayer.



TAXQUEST

NO DIFFERENTIATION IN FRAUD AND NON-FRAUD CASES FOR ISSUANCE OF NOTICE

A new section is proposed to be introduced pertaining to determination of tax not paid, short paid, erroneous refund, wrong availment of ITC or utilization by reason of fraud or otherwise. The said provision will be applicable for F.Y. 2024-25 and onward.

As per the newly inserted section a common time limit of 42 months is proposed for issuance of notice to demand tax. The said period of 42 months is to be considered from the due date of filing the annual return or date of erroneous refund.

The time limit for passing of the order is proposed to be revised to 12 months from date of issuance of demand notice. The said period may be extended by a further period of 6 months on obtaining authorization from Commissioner or any officer authorized the Commissioner.



TAXQUEST

ILLUSTRATIVE IMPACT OF CHANGE IN PROVISIONS FOR ISSUANCE OF NOTICE

For the financial year 2024–25 with the annual return filing deadline on December 31, 2025, a comparative analysis of time limits is provided:

Particulars	New Provision	Existing Non-Fraud Cases	Existing Fraud Cases
Due date of issuing notice	30.06.2029	30.09.2028	30.06.2030
Due date of issuance of order	30.06.2030	30.12.2028	30.12.2030
Extended period of issuance of order with approval	31.12.2030	–	–



TAXQUEST

REDUCTION IN AMOUNT OF PRE-DEPOSIT FOR FILING APPEAL

Proposed amendments aim to reduce pre-deposit amounts for GST appeals. Maximum pre-deposit for Appellate Authority appeals under Section 107(6) to decrease from INR 50 crores to INR 40 crores. Pre-deposit for Appellate Tribunal appeals under Section 112 to reduce from 20% max INR 100 crores to 10% max INR 40 crores.



TAXQUEST

WAIVING INTEREST AND PENALTIES FOR NON-FRAUD CASES FROM JULY 2017 TO MARCH 2020.

The inclusion of Section 128A in the CGST Act aligns with the 53rd GST Council meeting's recommendations to address initial GST implementation challenges. The Finance Bill lacks specifics on deposit deadlines for disputed tax which was proposed as March 31, 2025 by the Council.

Clarity is also required in instances where the taxpayer is in receipt of a notice/order involving multiple issues, whether partial relief under this proposed Section can be granted and the taxpayer can opt for litigation route for the remaining issues. Similarly, in case where a taxpayer is in receipt of a notice/order involving multiple years, whether the demand raised against one particular year can be litigated and waiver can be claimed for the remaining years



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TAXQUEST