



Monthly Missive for December, 2024

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CHARTERED ACCOUNTANTS

Key Highlights of 55th Meeting of GST Council held on 21st December 2024 are as follows:

1. GST on old used vehicles:

- To increase the GST rate from 12% to 18% on sale of all old and used vehicles, including EVs other than those specified at 18% -Sale of old and used petrol vehicles of engine capacity of 1200 cc or more & of length of 4000 mm or more; diesel vehicles of engine capacity of 1500 cc or more & of length of 4000 mm and SUVs.

[Note: GST is applicable only on the Value that represents Margin of the Supplier, that is, the difference between the Purchase price and Selling price (depreciated value if depreciation is claimed) and not on the value of the vehicle. Also, it is not applicable in case of unregistered persons.]

2. Clarification regarding applicability of late fee for delay in furnishing of form GSTR-9C and providing waiver of late fee on delayed furnishing of form GSTR-9C for the period from 2017-18 to 2022-23:

- The GST Council recommended to clarify through a circular that the late fee under Section 47(2) of the CGST Act, 2017 is leviable for the delay in filing the complete annual return under Section 44 of the CGST Act, 2017, which includes both form GSTR-9 (Annual Return) and form GSTR-9C (Reconciliation Statement), where applicable.
- For the annual returns pertaining to the period 2017-18 to 2022-23, the GST Council also recommended to issue notification under section 128 of CGST Act, 2017 for waiver of the amount of late fee for delayed filing of form GSTR-9C, which is in excess of the amount of late fee payable till the date of filing of form GSTR-9 for the said financial years, provided the said form GSTR-9C is filed on or before 31st March 2025.

3. Amendment in section 107 and section 112 of CGST Act, 2017 to provide for payment of pre-deposit for filing an appeal in respect of an order passed which involves only penalty amount.

- To amend the proviso to section 107(6) of CGST Act, 2017 providing for payment of pre-deposit at 10% instead of 25% for filing appeals before Appellate Authority in cases involving only demand of penalty without involving the demand of tax.
- To insert a new proviso to section 112(8) of CGST Act, 2017 providing for payment of pre-deposit at 10% for filing appeals before Appellate Tribunal in cases involving only demand of penalty without involving the demand of tax.

4. Provision for grant of Temporary Identification Number by Tax Officers to persons, not liable to be registered otherwise.

- To insert new rule 16A in CGST Rules, 2017 to provide for a separate provision for generation of temporary identification number for persons, who are not liable to be registered under CGST Act, 2017 but are required to make any payment as per rule 87(4) of CGST Rules, 2017.
- To amend Rule 87 (4) of CGST Rules, 2017 incorporating a reference to the new rule and consequential modification of form GST REG-12.

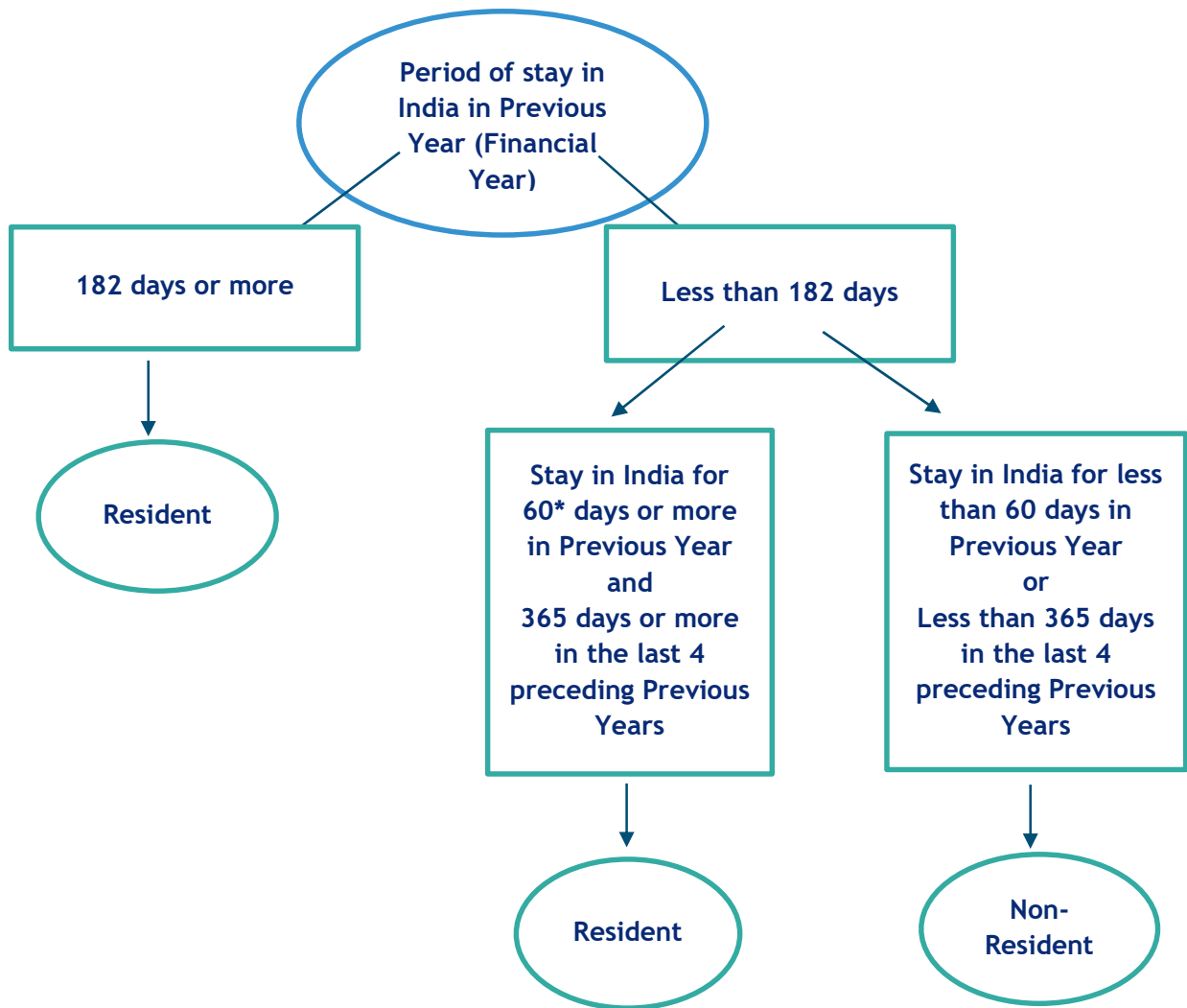
5. **Amendment in CGST Act, 2017 and CGST Rules, 2017 in respect of functionality of Invoice Management System (IMS).**

The GST Council recommended inter-alia-

- To amend section 38 of CGST Act, 2017 and rule 60 of CGST Rules, 2017 to provide a legal framework in respect of generation of form GSTR-2B based on the action taken by the taxpayers on the Invoice Management System (IMS).
- To amend section 34(2) of CGST Act, 2017, to specifically provide for requirement of reversal of input tax credit as is attributable to a credit note, by the recipient, to enable the reduction of output tax liability of the supplier.
- To insert a new rule 67B in CGST Rules, 2017, to prescribe the manner in which the output tax liability of the supplier shall be adjusted against the credit note issued by him.
- To amend section 39 (1) of CGST Act, 2017 and rule 61 of CGST Rules, 2017 to provide that form GSTR-3B of a tax period shall be allowed to be filed only after form GSTR-2B of the said tax period is made available on the portal.

Residential Status of Individual

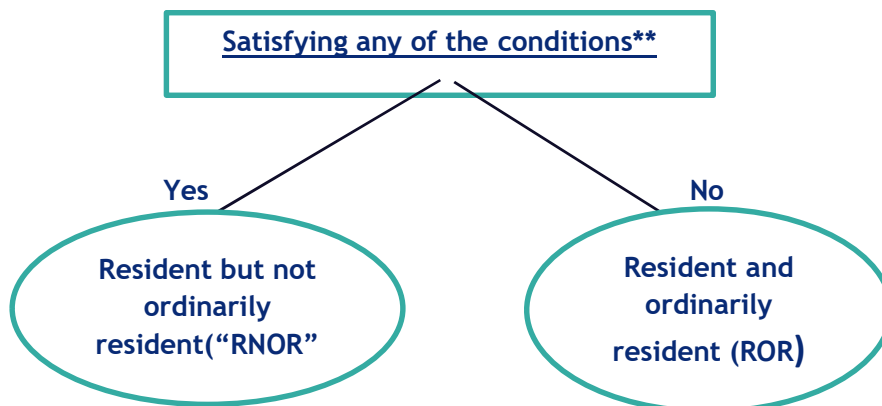
➤ Basic Conditions as per Section 6(1) of the Income Tax Act, 1961("the Act")



*Explanation to section 6(1) of the Act	
(i) Citizen of India, who leaves India in any previous year as a member of the crew of an Indian ship or for the purposes of employment outside India; or (ii) Citizen of India, or a person of Indian origin (Income other than from foreign sources \leq ₹15,00,000)	60 days had been substituted with 182 days
Citizen of India, or a person of Indian origin (Income other than from foreign sources $>$ ₹15,00,000)	60 days had been substituted with 120 days

Section 6(1A) of the Act: A citizen of India, who is not covered above (clause 1), shall be deemed to be resident in India in that previous year, if he is not liable to tax in any other country due to his residence or domicile and his total income other than foreign sources exceeds fifteen lakh rupees during the previous year.

➤ **Additional Conditions as per Section 6(6) the Act**



**Conditions	
S NO.	Particulars
1	Non-resident for 9 Previous Year in last 10 preceding Previous Years or stay in India < 730 days in last 7 preceding Previous Years.
2	Citizen of India, or a person of Indian origin having income other than from foreign sources > ₹15,00,000 and stay in India ≥ 120 Days but <182 days.
3	A Citizen of India who is deemed to be resident in India under clause (1A) as referred above.

Summary for Indian Citizen and person of Indian origin		
Less than 120 Days	120 Days or more but upto 181 days	182 days or more irrespective of Total Income
	If he satisfied both the conditions mentioned below then RNOR otherwise NR:	If he satisfied both the conditions then ROR otherwise R but NOR
Non-Resident (NR) in India	(i) Stay in India for 365 days or more in last 4 preceding previous years, and	Resident in India for 2 PY or more in last 10 preceding previous years, and
	(ii) His total income (other than foreign income) exceeds ₹15 lakhs.	Stay in India for 730 days or more in last 7 preceding previous years