

V.B.GAIKWAD & ASSOCIATES

328, 'E' Ward, D/10, Royal Plaza, Dabholkar Corner, Kolhapur-416 001.

[VERY IMPORTANT/VERY URGENT]

11.10.2024.

To,
All

Sir,

Sub.: GST – Payment of GST on the metal scrap (falling under Chapters 72 to 81) purchased from unregistered person under Reverse charge mechanism – Reg....

We herewith inform you that, the Government vide its Notification No.06/2024-Central Tax(Rate), dt.08.10.2024 has inserted new Sr.No.8 in Notification No.04/2017-Central Tax(Rate), dt.28.06.2017 (which declares the goods on which GST is payable on reverse charge mechanism basis by the registered person receiving the goods).

- [2] In result of the said amendment, now, w.e.f.10.10.2024, any registered person, purchasing the metal scrap (falling under Chapters 72 to 81) from an unregistered supplier, will be liable to pay GST on the said metal scrap on reverse charge mechanism basis.
- [3] Accordingly, w.e.f.10.10.2024, on the metal scrap (falling under HSN 72, 73, 74, 75, 76, 77, 78, 79, 80 or 81) to be purchased from an unregistered person, the registered person, -
- i) will have to issue self-invoice (as per the provisions of Sec.31(3)(f) of the CGST Act, 2017 read with Rule 46 of the CGST Rules, 2017) declaring the nature of the said metal scrap, its HSN, purchase value of the said scrap and the applicable rate of GST and the amount of GST payable on the said purchase value.
 - ii) will have to declare the said amount of GST payable under RCM in the GSTR-3B return of the month in which the said self-invoice is issued and have to pay the said GST in cash.
 - iii) will be eligible to claim ITC of the said GST in the said GSTR-3B return on the basis of the self-invoice, if, -
 - a) the said scrap is to be supplied on payment of GST
 - b) the said scrap is to be consumed by registered person/on behalf of registered person in the manufacture of taxable goods to be supplied on payment of GST for use in India or to be exported with/without payment of GST
 - c) the said scrap is being used by the registered person for providing taxable job work service.

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- [4] Accordingly, we herewith request you to kindly take note of the above said important legal development and to kindly implement the same at your end (w.e.f.10.10.2024) in case if you are purchasing the metal scrap from any unregistered person.
- [5] We hope we have clarified the matter. However, if you have any doubts then we request you to kindly come to our office for personal discussion.

Thanking you,

Yours faithfully,
Sd/-
V.B.Gaikwad & Asso.

Disclaimer – The above said circular/clarification is of general nature and not intended to address circumstances of any particular individual or party. The said circular/clarification is only for Private and Confidential circulation and any reliance to be placed thereon should be subject to further consultation and advice the matter.