

NEWSLETTER

AJAY RATTAN & CO CHARTERED ACCOUNTANTS

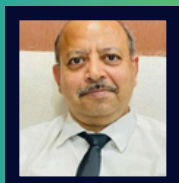
NEWSLETTER FOR NOVEMBER 24
VOLUME 14, ISSUE 11

INDEX

S. No	TITLE	PAGE NO.
1)	COMPLIANCE CALENDAR	1-3
2)	GST	4-18
3)	DIRECT TAX	19-22
4)	CORPORATE LAW & REGULATORY	23-25
5)	DISCLAIMER	26





ADVISORY BOARD



CA. AJAY AGGARWAL

**B.COM. (HONS.), FCA, FCS, LLB
DISA, DIP. (INTERNATIONAL
TAXATION), TRAINED MEDIATOR**

 :caajay9@gmail.com


 :9810005583



CA. VARUN GARG

B. COM. (HONS.), FCA

 :varun@ajayrattanco.com


 :9023637000



CA. PRADEEP RASTOGI

**B.Com. (HONS), FCA, LLB, MIMA,
PGD (ADR), APCCL**

 :pradeep@ajayrattanco.com

 :9818344544



COMPLIANCE

NOVEMBER 2024 DUE DATES

GST

DATE	COMPLIANCE DETAIL	APPLICABLE TO
10th	<ul style="list-style-type: none">a) GSTR-7 (TDS return under GST)b) GSTR-8 (TCS return under GST)	<ul style="list-style-type: none">• Person required to deduct TDS under GST• Person required to collect TCS under GST
11th	GSTR-1 (Outward supply return)	<ul style="list-style-type: none">• Taxable persons having annual turnover > Rs.5 crore in FY 2023-24• Taxable persons having annual turnover ≤ Rs.5 crore in FY 2023-24 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13th	<ul style="list-style-type: none">• GSTR-6 [Return by input service distributor (ISD)]• GSTR-5 (Return by Non-resident)• Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	<ul style="list-style-type: none">• Person registered as ISD• Non-resident taxable person (NRTP)• Taxable persons having annual turnover ≤ Rs.5 crore in FY 2023-24 and opted for QRMP Scheme
20th	<ul style="list-style-type: none">• GSTR-3B (Summary return)• GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	<ul style="list-style-type: none">• a) Taxable persons having annual turnover > Rs. 5 crore in FY 2023-24• b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and not opted for QRMP scheme• OIDAR services provider

25th	<ul style="list-style-type: none"> Form GST PMT-06 (Payment of tax for QRMP filers) 	<ul style="list-style-type: none"> Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme
30th	<ul style="list-style-type: none"> Availment of Unclaimed Input Tax Credit under GST Issue of Credit Notes under GST 	<ul style="list-style-type: none"> All GST-registered taxpayers

INCOME TAX

DATE	COMPLIANCE DETAIL	APPLICABLE TO
7th	<ol style="list-style-type: none"> TDS / TCS deposit Equalization Levy deposit 	<ul style="list-style-type: none"> Non-Government Deductors All Deductors
15th	<ul style="list-style-type: none"> Income-tax Return 	<p>Following Taxpayers not subject to Transfer Pricing regulations as per Income-tax Act, 1961</p> <ul style="list-style-type: none"> Corporates Non corporates (whose accounts are required to be audited) Partner of a firm whose accounts are required to be audited
30th	<ol style="list-style-type: none"> Income-tax Return Form 3CEAA (Master File) Form 3CEFA (option for exercise of safe harbour rules for international transaction) Form 3CEFB (option for exercise of safe harbour rules for specified domestic transaction) 	<ul style="list-style-type: none"> Taxpayers subject to Transfer Pricing regulations as per Income-tax Act, 1961

Corporate Law

DATE	COMPLIANCE DETAIL	APPLICABLE TO
28th	<ul style="list-style-type: none">Filing of e-Form PAS 6	<ul style="list-style-type: none">All unlisted public companies that issue shares in accordance with Rule 9A of the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2019
29th	<ul style="list-style-type: none">Filing of Annual Return in form MGT-7 with ROC.	<ul style="list-style-type: none">All Companies (whose AGM is held on 30 September 2024)

OTHER

DATE	COMPLIANCE DETAIL	APPLICABLE TO
15th	<ul style="list-style-type: none">Deposit of PF & ESI contributionTDS certificate in Form 16A (non-salary)	<ul style="list-style-type: none">All Deductors



NOTIFICATION NO-18/2024 – CENTRAL TAX, DATED 30.09.2024

This notification enables the Tribunal to investigate whether input tax credits availed by registered persons or tax rate reductions have led to corresponding price reductions in goods and services supplied. The powers are conferred under Section 171(2) of the GST Act, read with Section 109(1) and the second proviso to Section 109(5). The Appellate Tribunal's role will focus on ensuring that any benefits from tax credits or rate reductions are passed on to consumers as intended.

This notification shall come into force with effect from the 1st day of October 2024.

NOTIFICATION NO-19/2024 – CENTRAL TAX, DATED 30.09.2024

This notification has declared the Authority under Section 171 of the GST Act, 2017, will no longer accept requests for Anti-Profiteering examination of whether input tax credits availed or tax rate reductions have led to price reductions in goods or services. This change, effective from April 1, 2025, is based on the recommendations of the GST Council and follows the proviso to Section 171(2) of the Act. The decision aims to conclude the existing mechanism for examining price adjustments linked to tax benefits.

The notification takes effect from the date of its publication in the Official Gazette.

NOTIFICATION NO-20/2024 – CENTRAL TAX, **DATED 08.10.2024**

CBIC has issued Notification No. 20/2024-Central Tax dated 8 October 2024 for amending the provisions of the Central Goods and Services Tax Rules, 2017 (CGST Rules).

S. No	Amendment	Effective from
1.	<p>Procedure for rectification of order pursuant to sections 16(5) and 16(6) of the CGST Act:</p> <p>Section 16(5) was inserted in CGST Act to extend time limit to avail ITC for FYs 2017-18 to 2020-21 till 30 November 2021. Section 16(6) was inserted to provide that time limit to avail ITC where registration of the recipient is cancelled and subsequently restored would be extended to:</p> <ul style="list-style-type: none">- 30 November of the subsequent FY; or- 30 days from the date of order of revocation, whichever is later <p>CBIC has notified special procedure for rectification of orders in case of taxpayers with confirmed demands for incorrect ITC due to contravention of section 16(4) of CGST Act, but now eligible for ITC under newly inserted sections 16(5) or 16(6). Eligible taxpayers should file an electronic application for rectification on the common portal before 7 April 2025, provided no appeal has been filed against the original order. The officer who issued the original order would be responsible for processing of the application for rectification. The order of rectification must be issued within 3 months from the date of filing of the application.</p>	8th October 2024 onwards
2.	<p>Timelines to pay tax under amnesty scheme:</p> <p>In accordance with section 128A of CGST Act, to avail the benefit of interest and penalty waiver upon full payment of tax (on demands raised u/s 73 for the FYs 2017-18 to 2019-20), the due date for making such tax payments is as below:</p> <ul style="list-style-type: none">• In case proceedings were initiated u/s 73 of the CGST Act – 31 March 2025• In case proceedings were initiated u/s 74 (later considered as if the notice was issued u/s 73) – 6 months from the date of issue of order u/s 73 <p>Rule 164 has been inserted along with certain forms for providing procedure and conditions for availment of benefit u/s 128A.</p>	1 November 2024 onwards

3.	<p>CGST (Second Amendment) Rules, 2024:</p> <ul style="list-style-type: none"> • Time limit for issue of self-invoice - Rule 47A has been inserted to prescribe a time limit of 30 days from the date of receiving supply of goods or services, for issue of self-invoice by a taxpayer. • The option available to a registered person under second proviso to Rule 46 to issue a consolidated self-invoice at the end of the month for the supplies covered under section 9(4) of the CGST Act (i.e., under reverse charge) where the aggregate value of such supplies exceeds INR 5,000 in a day from any or all the suppliers has been removed. • Time limit for furnishing TDS return - Rule 66 of the CGST Rules has been amended to prescribe time limit within which the return u/s 39(3) shall be furnished by a person deducting tax u/s 51. Such person is required to furnish a return in Form GSTR-7 on or before the 10th day of the month succeeding the calendar month. • Refund - Rules 96(10), 89(4A) and 89(4B), which restrict refund incases where benefit of specified concessional / exemption notifications is availed on inward supplies, have been omitted. Consequently, Rules 89(4) and 89(5) have been suitably amended to allow refund in such instances. • In relation to Section 128A of the CGST Act, a new Rule 164 has been inserted, outlining the procedure for closing proceedings related to demand u/s 73. The Rule specifies that eligible taxpayers can electronically file applications in the prescribed forms (Form GST SPL-01 or Form GST SPL-02) through the GST portal. • Restriction to claim input tax credit (ITC)- Section 17(5)(i) of the CGST Act has been amended to inter alia remove restrictions to claim ITC in respect of taxes paid pursuant to demands alleging fraud, willful misstatement, or suppression of facts (under Section 74 of CGST Act) from FY2024-25 onwards. In this regard, consequential amendment is made to Rule 36(3) of the CGST Rules to provide that the restriction to claim ITC in respect of tax paid in pursuance of any order where any demand has been confirmed on account of any fraud, willful misstatement or suppression of facts will be restricted to the demands made under Section 74 of the CGST Act. 	1 November 2024 onwards
----	--	-------------------------

NOTIFICATION NO-21/2024 – CENTRAL TAX, DATED 08.10.2024

In accordance with section 128A of CGST Act, to avail the benefit of interest and penalty waiver upon full payment of tax (on demands raised u/s 73 for the FYs 2017-18 to 2019-20), the due date for making such tax payments are as below:

- In case proceedings were initiated u/s 73 of the CGST Act – 31 March 2025
- In case proceedings were initiated u/s 74 (later considered as if the notice was issued u/s 73) - 6 months from the date of issue of order u/s 73.

This notification shall come into force with effect from the 1st day of November 2024.

NOTIFICATION NO-22/2024 – CENTRAL TAX, DATED 08.10.2024

This notification seeks to notify the special procedure under section 148 of the CGST Act for rectification of demand orders issued for contravention of section 16(4) of the said Act.

Details:

- This notification introduces a special procedure under Section 148 of the CGST Act for rectifying demand orders that were issued for violations of Section 16(4).
- Section 16(4) deals with the time limit for availing Input Tax Credit (ITC), and contraventions typically involve non-compliance with these timelines.

NOTIFICATION NO-23/2024 – CENTRAL TAX, DATED 08.10.2024

This notification introduces a waiver of late fees for taxpayers who file NIL GSTR-7 returns after the due date from June 2021 onwards, No late fee in case of Nil Return and Rs.50 per day subject to maximum of Rs. 2000 in other cases.

This notification shall come into force with effect from the 1st day of November 2024.

NOTIFICATION NO-24/2024 – CENTRAL TAX, DATED 08.10.2024

In the said notification the purchase of metal scrap by a taxpayer from an unregistered person is covered under RCM.

This notification shall come into force with effect from the 10th day of October 2024.

NOTIFICATION NO-25/2024 – CENTRAL TAX, DATED 08.10.2024

This notification amends the TDS provisions under the GST regime by including transactions involving metal scrap under TDS requirements and clarifies that registered persons dealing with metal scrap supplies will now be required to deduct tax at source @ of 2%.

- Implication: Businesses dealing in metal scrap will now need to deduct TDS on their transactions, ensuring better compliance and transparency in the supply chain. The exemption provided in the proviso applies to other transactions, but metal scrap transactions remain under TDS, emphasizing accountability in this sector.

This notification shall come into force with effect from the 1st day of November 2024.

CHANGES IN RATES

NOTIFICATION NO-05/2024 – CENTRAL TAX AND INTEGRATED TAX RATES, DATED 08.10.2024

Goods/Services	Old Rate	New Rate	Effective From
Cancer drugs namely Trastuzumab Deruxtecan, Osimertinib and Durvalumab	12%	5%	10 October 2024 onwards
Namkeens and extruded / expanded savory food products under HSN 1905 90 30 (other than unfried or un-cooked snack pellets manufactured through extrusion process which is taxable 5%)	18%	12%	
Car and Motorcycle Seats	18%	28%	

NOTIFICATION NO-06/2024 & 09/2024- CENTRAL TAX AND INTEGRATED TAX RATES, DATED 08.10.2024

Scope of transactions subject to RCM expanded to cover the following:

- Purchase of metal scrap by a taxpayer from an unregistered person
- Renting of any property (excluding residential dwellings) by a registered person from an unregistered person

This notification shall come into force with effect from the 10th day of October 2024.

NOTIFICATION NO-07/2024- CENTRAL TAX AND INTEGRATED TAX RATES, DATED 08.10.2024

Goods/Services	Old Rate	New Rate	ITC available or	Effective From
Transportation of passengers, with or without accompanied baggage, by air, in a helicopter on seat share basis.	12%	5%	Provided that credit of input tax charged on goods used in supplying the service has not been taken. [Please refer to clause (iv) of paragraph 4 relating to Explanation.]	10 October 2024 onwards

NOTIFICATION NO-08/2024- CENTRAL TAX RATES, DATED 08.10.2024

Extension of GST exemption to cover following services:

- Services such as renting metering equipment, testing meters / transformers / capacitors, providing new electricity connections, shifting meters / service lines, and issuing duplicate bills, incidental or ancillary to the supply of electricity transmission and distribution.
- Research and development services provided against consideration received in the form of grants supplied by:
 - a) A Government Entity, or
 - b) Research association, university, college, or any institution notified under Income-tax Act, 1961

- Affiliation services provided by a central or state educational board, council or similar body to a school established, owned or managed by the Central Government, State Government or Union Territory.
- Any services provided by-
 - a) the National Skill Development Corporation set up by the Government of India
 - b) the National Council for Vocational Education and Training
 - c) an Awarding Body recognized by the National Council for Vocational Education and Training.
 - d) an Assessment Agency recognized by the National Council for Vocational Education and Training
 - e) a Training Body accredited with an Awarding Body that is recognized by the National Council for Vocational Education and Training

In relation to-

1. the National Skill Development Programme or any other scheme implemented by the National Skill Development Corporation;
2. a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or
3. any National Skill Qualification Framework aligned qualification or skill in respect of which the National Council for Vocational Education and Training has approved a qualification package.

NOTIFICATION NO-08/2024- INTEGRATED TAX RATES, DATED 08.10.2024

Extension of GST exemption to cover following services:

1. Import of services by an establishment of a foreign company in India, which is an airline company from a related person or from any of its other establishments outside India, when made without consideration.

Explanation:

Foreign company shall have the same meaning as assigned to it in sub-section (42) of section 2 of Companies Act, 2013 (18 of 2013).

Conditions:

Provided that GST at applicable rates is paid by the establishment of the foreign airline company in India on transport of goods and passengers as maybe applicable.

Provided that Ministry of Civil Aviation certifies that the establishment of the foreign company in India is that of an airline company which has been designated by the foreign government under the applicable bilateral air services agreement with India.

Provided further that, Ministry of Civil Aviation certifies that on a reciprocal basis, designated Indian airlines are not subject to levy of similar taxes by whatever name called for the same services appearing under the entry, by the Government of the country designating the foreign airline company.

2. Services such as renting metering equipment, testing meters / transformers / capacitors, providing new electricity connections, shifting meters / service lines, and issuing duplicate bills, incidental or ancillary to the supply of electricity transmission and distribution.
3. Research and development services provided against consideration received in the form of grants supplied by: (a) A Government Entity, or (b) Research association, university, college, or any institution notified under Income-tax Act, 1961
4. Affiliation services provided by a central or state educational board, council or similar body to a school established, owned or managed by the Central Government, State Government or Union Territory.
5. Any services provided by-
 - a) the National Skill Development Corporation set up by the Government of India
 - b) the National Council for Vocational Education and Training
 - c) an Awarding Body recognized by the National Council for Vocational Education and Training.
 - d) an Assessment Agency recognized by the National Council for Vocational Education and Training
 - e) a Training Body accredited with an Awarding Body that is recognized by the National Council for Vocational Education and Training

In relation to-

1. the National Skill Development Program or any other scheme implemented by the National Skill Development Corporation;
2. a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or
3. any National Skill Qualification Framework aligned qualification or skill in respect of which the National Council for Vocational Education and Training has approved a qualification package.

ADVISORY AND UPDATES ON THE GST PORTAL

GST NETWORK (GSTN) ISSUES ADVISORY ON BARRING OF GST RETURN ON EXPIRY OF 3 YEARS

As per the Finance Act, 2023 (implemented with effect from 1 October 2023 onwards), taxpayers are not allowed to file their GST returns after expiry of 3 years from the due date of furnishing the GST return u/s 37 (outward supply), 39 (payment of liability), 44 (annual return), 52 (tax collected at source). These provisions cover the following GST forms:

- GSTR-1 (outward supply return)
- GSTR-3B (summary return)
- GSTR-4 (annual return for taxpayers who have opted for composition scheme)
- GSTR-5 (return for non-resident foreign taxpayer)
- GSTR-5A (return for non-resident taxable person providing online information about their inward supplies)
- GSTR-6 (return for input service distributor)
- GSTR-7 (return for individuals deducting tax at source)
- GSTR-8 (return for e-commerce taxpayers who are required to collect tax at source)
- GSTR-9 (annual return)

The changes are going to be implemented on the GST portal from next year (2025) onwards. GSTN has advised taxpayers to reconcile their records and file the GST return at the earliest possible (if not filed till now).

GSTN ISSUES ADVISORY ON VALIDATION OF BANK ACCOUNT ON GST PORTAL

GSTN has introduced a validation process for cases where a taxpayer attempts a non-core amendment to update bank account details. Taxpayers have been requested by GST department to follow the below procedure while adding bank account details on the portal.

When the bank account details are entered, the taxpayer is required to click on 'Validate Account Details' button.

Application Type: Amendment (Non-Core Fields)
 UIN: 3624IND000020N2
 Name of the Entity: Neha Warhoker
 Type of Registration: Due Date to Complete
 Other Notified Persons: 25/07/2024
 Last Modified: 19/07/2024

Authorized Registry, Bank Accounts, Verification

Details of Bank Account

Account Number: 1234567890
 type of Account: Current Account

Enter Bank IFSC: SBIN0000000
 GET ACCOUNTS
 I don't know my IFSC? Click here to find your bank

Branch and Address of the Bank: S N P PARAS, 8th FLOOR EAST TOWER (SOOD TOWER), 25, SARAKIANDRA ROAD, NEW DELHI - 110001

VALIDATE ACCOUNT DETAILS Remaining Attempts: 20

Prior to clicking the ‘Validate Account’ button, the ‘Save’ button at the bottom of the screen as shown remains disabled.

Branch and Address of the Bank: S N P PARAS, 8th FLOOR EAST TOWER (SOOD TOWER), 25, SARAKIANDRA ROAD, NEW DELHI - 110001

VALIDATE ACCOUNT DETAILS Remaining Attempts: 20

Document Upload

Proof of Details of Bank Accounts

Note: Please upload minimum one supporting document. If you want to replace existing uploaded document, then delete the previous document using 'Delete' option and upload the new document.

Bank Statement
 File with PDF or JPEG format is only allowed.
 Maximum file size for upload is 1 MB
 Choose File No file chosen

Canceled cheque having name of Taxpayer
 File with PDF or JPEG format is only allowed.
 Maximum file size for upload is 1 MB
 Choose File No file chosen

First Page of Bank Passbook
 File with PDF or JPEG format is only allowed.
 Maximum file size for upload is 1 MB
 Choose File No file chosen

Date of Amendment: 04/10/2024

Reason for Amendment: Adding new Bank details

BACK CANCEL SAVE

The ‘Save’ button will become active only after the ‘Validate Account Details’ button is clicked.

Branch and Address of the Bank: S N P PARAS, 8th FLOOR EAST TOWER (SOOD TOWER), 25, SARAKIANDRA ROAD, NEW DELHI - 110001

VALIDATE ACCOUNT DETAILS Remaining Attempts: 19

The bank account details will be validated, and the validation status will be shown under My Profile >> Bank Account Validation Status. Please proceed and submit the bank account details.

Document Upload

Proof of Details of Bank Accounts

Note: Please upload minimum one supporting document. If you want to replace existing uploaded document, then delete the previous document using 'Delete' option and upload the new document.

Bank Statement
 File with PDF or JPEG format is only allowed.
 Maximum file size for upload is 1 MB
 Choose File No file chosen

Canceled cheque having name of Taxpayer
 File with PDF or JPEG format is only allowed.
 Maximum file size for upload is 1 MB
 Choose File No file chosen

First Page of Bank Passbook
 File with PDF or JPEG format is only allowed.
 Maximum file size for upload is 1 MB
 Choose File No file chosen

Date of Amendment: 04/10/2024

Reason for Amendment: Adding new Bank details

BACK CANCEL SAVE

GSTN ISSUES ADDITIONAL FREQUENTLY ASKED QUESTIONS (FAQS) ON INVOICE MANAGEMENT SYSTEM (IMS)

The new system shall facilitate taxpayers in matching their records/invoices vis a vis issued by their suppliers for availing the correct Input Tax Credit (ITC). Taxpayers can now make use of this facility to seamlessly accept, reject, or keep invoices pending in the system to avail later as and when required. The first GSTR-2B on the basis of actions taken in IMS would be generated for the return period Oct'24 on 14th November, 2024.

The below mentioned additional frequently asked questions (FAQs) on IMS to get a better understanding of the new functionality.

S. No	Question	Answer
1.	Which invoices are visible on IMS dashboard since 14th Oct 2024?	IMS dashboard since 14th Oct 2024? IMS is launched from GSTR-2B return period of Oct'24. Hence, all the records eligible for GSTR2B of Oct'24 return period onwards will be made available on the IMS dashboard. All the invoices which are part of GSTR2B of Sep'24 or older return periods will not be reflecting in IMS.
2.	Which is the first GSTR2B prepared using actions taken on IMS?	The first draft GSTR-2B on the basis of actions taken on invoices/records in the Invoice Management System dashboard would be generated and made available to all the taxpayers on 14th Nov 2024 for the return period Oct'24.
3.	Can taxpayer take action after 14th Nov,2024 and regenerate GSTR-2B of Oct'24 return period?	Taxpayer can take action on the invoices/records in their IMS dashboard and recompute their GSTR-2B of Oct 24' return period even after 14th November 2024 till the time the taxpayer files his GSTR-3B.
4.	Is it mandatory to act on IMS? What happens if no action is taken?	It is not mandatory to act on records in IMS dashboard for GSTR2B generation. The records where no action is taken by the recipient would be treated as accepted by the system and a GSTR-2B would be generated as it is generated presently
5.	When should an invoice/debit note be rejected?	Rejection of an invoice/debit note should be done very carefully as rejection will result in no ITC for the recipient. A record may be rejected if it does not pertain to the recipient, or the detail of the record is erroneous to such an extent that CN and DN cannot handle the situation.
6.	Whether liability can be added in the same GSTR 3B in case where credit note has been rejected by the recipient before filing of GSTR 3B by the supplier?	No, if a credit note is rejected by the recipient, the liability of the supplier is increased on the portal to that extent in the GSTR 3B of subsequent tax period and not in the GSTR 3B of same tax period.

7.	In light of the time limit to avail ITC being till 30th November for FY 2023-24 or furnishing of annual return whichever is earlier, how can the ITC of erroneously rejected invoice in IMS, be taken by the recipient in the FY 2023-24?	<p>In case the recipient taxpayer erroneously rejects an invoice in IMS, then the same invoice can be accepted in IMS again before filing of GSTR-3B</p> <p>After accepting the said invoice, the recipient taxpayer should recompute the updated GSTR-2B for availing the credit in GSTR 3B for the FY 2023-24.</p>
8.	How can recipient accept a genuine credit note issued by supplier in IMS as it will result further reduction of the recipient ITC, however recipient had reversed ITC corresponding to invoice itself because of 17(5), Rule 42, 38, 43 etc., or not availed the ITC at all because of POS or 16(4) etc., ineligibility?	In such cases recipient can accept the said credit note in IMS. As recipient had already reversed the ITC, there is no need for reversal of ITC again in case of such credit note.
9.	What action shall be available on upward amended invoice/debit notes, where the upward amended invoice/debit notes is Saved by supplier and the same is not filed?	<p>The recipient will not be able to take an action on an upward amended invoice/debit notes, if the said amended record has only been saved by supplier in GSTR-1/GSTR-1A/IFF but the same record has not been filed.</p> <p>The recipient will be able to take action once the supplier files such record.</p>
10.	What to do in case wrong invoice is corrected by issuance of Credit Note by the supplier instead of amending the same and such Credit note has been rejected by the recipient?	<p>In the absence of linkage of Credit Note with the corresponding invoices, system cannot understand whether original invoice for this Credit Note was accepted or rejected.</p> <p>Therefore, if the invoice is not correct, then it is advisable to rectify the mistake through amendment of invoices in the GSTR 1 instead of issuance of a Credit Note.</p>
11.	Can the Credit Note be kept as pending in IMS? If no, then why?	<p>Credit Note cannot be kept pending in the IMS by the recipient as the supplier has reduced its outward tax liability at the time of issuance of credit note.</p> <p>IMS does not change the existing flow where the documents/records reported by the supplier in the GSTR 1 is accepted and corresponding impact is reflected in the GSTR 2B. Now because of IMS, an additional option has been provided to recipient to reject the credit note if it does not belong to him.</p>

GSTN ISSUES ADVISORY REGARDING FORMS GSTR-9 (ANNUAL RETURN) & GSTR-9C (RECONCILIATION STATEMENT)

GSTN has issued advisory stating that from FY 2023-24 onwards, GST system will auto-populate eligible ITC for domestic supplies (excluding reverse charge and imports ITC) from table 3(I) of Form GSTR-2B to table 8A of Form GSTR-9. These changes in Forms GSTR-9 and GSTR-9C for the FY 2023-24 are available on the GST portal from 15 October 2024 onwards.

8. Other ITC related information Help ⓘ ↻				
Description	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)
(A) ITC as per GSTR-2B [Table 3(I) thereof]	₹14,670.00	₹50,343.20	₹50,343.20	₹0.00
(B) ITC as per sum total of 6(B) and 6(H) above	₹0.00	₹0.00	₹0.00	₹0.00
(C) ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year upto specified period	₹0.00	₹0.00	₹0.00	₹0.00
(D) Difference [(A)-(B+C)]	₹14,670.00	₹50,343.20	₹50,343.20	₹0.00

Further, a validation utility will be executed progressively (for validation by taxpayers) to complete the auto population of Form GSTR-9 from Form GSTR-2B for April 2023 to March 2024.

GSTIN ISSUED ADVISORY FOR BIOMETRIC-BASED AADHAAR AUTHENTICATION AND DOCUMENT VERIFICATION FOR GST REGISTRATION (APPLICANTS OF LADAKH, KERALA, NAGALAND AND TELANGANA)

This is to inform taxpayers about recent developments concerning the application process for GST registration. It is advised to keep the following key points in mind during the registration process.

1. Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application.
2. The above-said functionality has been developed by GSTN. It has been rolled out in Ladakh on 30th October 2024.
3. The said functionality also provides for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail,
 - (a) A Link for OTP-based Aadhaar Authentication OR
 - (b) A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail)

4. If the applicant receives the link for OTP-based Aadhaar Authentication as mentioned in point 3(a), she/he can proceed with the application as per the existing process.
5. However, if the applicant receives the link as mentioned in point 3(b), she/he will be required to book the appointment to visit the designated GSK, using the link provided in the e-mail.
6. The feature of booking an appointment to visit a designated GSK is now available for the applicants of Ladakh.
7. After booking the appointment, the applicant gets the confirmation of appointment through e-mail (the appointment confirmation e-mail), she/he will be able to visit the designated GSK as per the chosen schedule.
8. At the time of the visit of GSK, the applicant is required to carry the following details/documents:-
 - a copy (hard/soft) of the appointment confirmation e-mail
 - the details of jurisdiction as mentioned in the intimation e-mail
 - Aadhaar Card and PAN Card (Original Copies)
 - the original documents that were uploaded with the application, as communicated by the intimation e-mail.
9. The biometric authentication and document verification will be done at the GSK, for all the required individuals as per the GST application Form REG-01.
10. The applicant is required to choose an appointment for the biometric verification during the maximum permissible period for the application as indicated in the intimation e-mail. In such cases, ARNs will be generated once the Biometric-based Aadhaar Authentication process and document verification are completed.
11. The operation days and hours of GSKs will be as per the guidelines provided by the administration in your respective State.

ATTENTION – HARD - LOCKING OF AUTO-POPULATED LIABILITY IN GSTR-3B ON THE GST PORTAL

1. In order to assist taxpayers in filing their returns and minimizing human errors, GSTN has continuously improving the GST return filing process and in this endeavor the GST Portal now provides a pre-filled GSTR-3B form, where the tax liability is auto-populated from the declared supplies in GSTR-1/ GSTR-1A/ IFF by the supplier, while the Input Tax Credit (ITC) is auto-populated from GSTR-2B. A detailed system generated pdf of the auto populated GSTR-3B is also provided to all the taxpayers.
2. Now, taxpayers also have a facility to amend their incorrectly declared outward supplies in GSTR-1/IFF through GSTR-1A, allowing them an opportunity to correct their liabilities before filing their GSTR-3B. Additionally, to manage inward supplies and ensure accurate ITC claims in GSTR-3B, taxpayers have the option to take informed actions of accept/reject/pending on inward supplies via the Invoice Management System (IMS) which is now available to the taxpayers.
3. It may be noted that tentatively from January 2025 tax period, the GST Portal is going to restrict making changes in auto-populated liability in pre-filled GSTR-3B from GSTR-1/1A/IFF to further enhance accuracy in return filing. It is once again suggested hereby that in case any change is required in auto-populated liability, the same may please be handled through GSTR-1A.
4. However, locking of auto-populated ITC in GSTR-3B, after the roll out of IMS, will be implemented from a later date. For the same a separate advisory would be issued after addressing all the issues related to IMS, raised by the trade.

ACTION POINT FOR OCTOBER 2024 GST RETURN PERTAINING TO FY 2023-24:

1. Reconcile ITC for the FY 2023-24 and avail ITC of FY 2023-24, if any pending to avail.
2. Notify the suppliers about any ITC not reflected in GSTR-2B but for which goods/services have been received during 2023-24 before filing his GSTR 01.
3. Calculate the common ITC for FY 2023-24 and do the reversal as per Rule 42 and Rule 43 of the CGST Rules.
4. Check all vendor payments have been made within 180 days for FY 2023-24. If not, reverse the ITC with interest and re-avail in the month payment is actually made.
5. Ensure ITC for inputs and capital goods is correctly identified and recorded in the books for the disclosure in Table 6 of GSTR-9.
6. Make sure all outward supplies of FY 2023-24 are reported and if any transaction is left, please report in GSTR 01 of October 2024.

DIRECT TAX



EXTENSION OF DUE DATE FOR SUBMISSION OF INCOME-TAX RETURN (ITR) FOR ASSESSMENT YEAR (AY) 2024-25 FROM 31 OCTOBER 2024 TO 15 NOVEMBER 2024

The due date for submission of ITR for AY 2024-25 for following categories of taxpayers, has been extended from 31 October 2024 to 15 November 2024:

- Corporates
- Non corporates (whose accounts are required to be audited)
- Partner of a firm whose accounts are required to be audited

CENTRAL BOARD OF DIRECT TAXES (CBDT) ISSUES REVISED GUIDELINES FOR COMPOUNDING OFFENCES UNDER THE INCOME-TAX ACT, 1961

What is compounding of offences?

In certain offences, the parties involved can effect a compromise while the case is under trial in the court. This is called 'compounding', further action in trial is discontinued. Cases in which this is permissible are called compoundable offences.

In conformity with the Hon'ble Finance Minister's budget announcement on simplification and rationalization of compounding procedure, CBDT has issued revised guidelines for Compounding of offences under the Income-tax Act, 1961 ('Act') on 17 October 2024.

The revised guidelines supersede all existing guidelines on the subject and would apply to pending as well as new applications, from the date of its issue. The guidelines are expected to facilitate the stakeholders by reducing complexities arising out of existing multiple guidelines, simplifying the compounding procedure and lowering the compounding charges.

Salient features of the revised guidelines

- Categorization of offences has been eliminated
- Limit on number of occasions for filing applications has been removed
- Compounding of offences u/s 275A and 276B has been allowed
- Removal of existing time limit for submission of application (i.e., 36 months from date of filing of complaint)
- Allowing fresh application, in case earlier defects are cured
- Interest on delayed payment of compounding charges has been abolished
- For TDS defaults, a single rate of 1.5% per month has been introduced

In case of companies and HUFs, offences of the main accused as well as any or all co-accused can be compounded on payment of compounding charges by the main accused and / or any of the co-accused.

CBDT NOTIFIES REVISED FORM 12BAA TO ENABLE EMPLOYEES REPORT DETAILS OF TAX DEDUCTED / COLLECTED AT SOURCE (ON VARIOUS SOURCES OF INCOME) TO EMPLOYERS

Vide Union Budget 2024, the Finance Minister had proposed an amendment in section 192(2B) of the Income-tax Act, to enable employers consider credit of all TDS / tax collected at source (TCS) paid / deposited by the employees. Pursuant to the said amendment, CBDT vide Notification no. 112/2024 has amended the Income-tax rules and introduced revised Form 12BAA. This form can be utilised by the employees to report the details of TDS / TCS (on various sources of income) to their employer. Consequential changes have also been made in Part B of Form 16 (TDS certificate) and Form 24Q (TDS return on salary).

DIRECT TAX VIVAD SE VISHWAS SCHEME, 2024 – GUIDANCE NOTE 1/2024 ISSUED BY CBD

Background

In the past, the Direct Tax Vivad Se Vishwas Act, 2020 was launched for appeals pending as on 31 January 2020, for settlement of disputes between taxpayers and revenue authorities. Reportedly, the Scheme got an encouraging response from taxpayers and also resulted in garnering substantial revenue for the Government of India. Encouraged by the success of the Scheme introduced last time, Government vide Finance (No. 2) Act, 2024 has relaunched the scheme in the form of 'Direct Tax Vivad se Vishwas Scheme, 2024'. The objective is same, i.e., to provide a mechanism for settlement of disputed issues, thereby reducing litigation without much cost to the exchequer.

The date of commencement of the scheme has been notified as 1 October 2024. Further, rules and forms for enabling the scheme have also been notified on 20 September 2024. On 30 September 2024, the Directorate of Income Tax (Systems), Bengaluru, has issued the Procedure for making declaration and furnishing undertaking in Form-1 under Rule 4 of The Direct Tax Vivad Se Vishwas Rules, 2024.

Guidance note / FAQs issued by CBDT on 15 October 2024

CBDT has issued a Guidance note on 15 October 2024, covering responses to queries around the following key issues:

- Eligible and non-eligible cases
- Amount payable on tax arrears as per the Scheme
- Types of forms and timelines specified in the Scheme
- Search assessments – Assessments which shall be considered to have been made on the basis of search initiated u/s 132 / 132A
- Roll back years– Whether Advance Pricing Agreement can be pursued
- Applicability where time limit to file appeal has not expired on 22 July 2024
- Settling penalty appeal while quantum appeal is pending
- Applications for waiver of interest
- Whether taxpayers can settle appeal under the Scheme using refunds which they are expecting from the department
- TDS / TCS issues
- Set-aside matters
- 2 appeals for 1 AY in respect of the same order
- Appeal before High Court / Supreme Court yet to be admitted
- Assessment order stayed by High Court / Supreme Court

CBDT issues new guidelines to handle applications for condonation of delay in filing ITR with refund/ losses

Background

Section 119(2)(b) of the Income-tax Act gives CBDT the authority to admit an application or claim for refund and carry forward and set off of loss. CBDT has been delegated the power to specify the conditions subject to which an Income-tax authority may admit such application or claim.

Accordingly, CBDT has issued Circular no. 11/2024 dated 15 October 2024 (superseding previous instructions), to deal with the applications for condonation of delay in filing ITRs claiming refund or carry forward of loss and set off. The Circular contains comprehensive guidelines on the conditions for condonation and the procedures to be followed for deciding such matters.

Highlights of the Circular

- Monetary limit for acceptance / rejection of applications for condonation of delay are as below:

Authority	Amount of claim
Principal Commissioner of Income- tax (PCIT) / CIT	Upto Rs.1 crore, for any 1 AY
Chief CIT	Rs. 1 crore to Rs. 3 crore, for any 1 AY
PCIT	Exceeding Rs. 3 crore, for any 1 AY
CIT, Central Processing Centre (CPC), Bengaluru	For condonation of delay in verification of ITR, by sending ITR-V

- An application for condonation of delay shall not be entertained beyond 5 years from the end of the AY for which such application / claim is made. The time limit applies to applications filed on or after 1 October 2024 onwards
- A condonation application should be disposed of within 6 months from the end of the month in which the application is received by the competent authority
- In order to give effect to section 139(9A) inserted by Finance (No. 2) Act, 2024, it has been provided that the authorities shall ensure the existence of a reasonable cause and genuine hardship for the delay in filing ITR. Further, the Assessing Officers may be directed by the authorities to conduct enquiries to deal with the application on merits.
- If a claim for refund arises as a result of Court order, the period during which the proceedings were pending before any Court shall be excluded when calculating the 5 year period. However, the application for condonation must be submitted within 6 months from the end of the month in which the Court order was issued or the end of the FY, whichever is later
- A belated application for a supplementary refund claim (claiming additional refund after assessment for the same year) can be considered for condonation if other conditions are met. The authority to accept or reject such claims within monetary limits has been delegated to Principal CIT / Chief CIT / CIT subject to following conditions:
 - a)The taxpayer's income is not assessable in the hands of another person under any provision of the Income-tax Act
 - b)No interest will be allowed on belated claims for refund
 - c)The refund results from excess TDS / TCS, advance tax or self-assessment tax payments

CORPORATE LAW & REGULATORY



MINISTRY OF CORPORATE AFFAIRS (MCA) OBSERVES ROBUST DIRECTOR KNOW YOUR CUSTOMER (KYC) FILING DURING FY 2024-25.

Reportedly, MCA has observed robust Director KYC filing during FY 2024-25. During 1 April 2024 to 30 September 2024, 22.98 lakh DIR-3 KYC forms have been filed compared to 20.54 lakh forms filed during the same period last year.

A special team has also been constituted to look into the grievances of stakeholders for efficient disposal, suggest systemic solution (if required) and provide better guidance for compliances on MCA-21 portal.

As per the provisions of Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014 every individual who holds a Director Identification Number as on 31 March of a FY is required to submit DIR-3 KYC form on or before 30 September of immediate next FY. Further, where an individual who has already submitted DIR-3 KYC in relation to any previous FY, submits DIR-3 KYC web in relation to any subsequent FY, it shall be considered as compliance of the provisions of this rule for the said FY.

For Details read Press Releasedated 1 October2024 issued by MCA.

FOREIGN CONTRIBUTION REGULATION ACT, 2010 (FCRA) – EXTENSION OF VALIDITY OF REGISTRATION CERTIFICATE

What is FCRA registration?

The Foreign Contribution Regulation Act, 2010 was enacted with a view to:

- Regulate acceptance and utilization of foreign contribution by certain categories of associations / companies in India (predominantly not-for-profit / charitable organizations in India)
- Prohibit acceptance and utilization of foreign contribution for any activities unfavourable to national interestof India

FCRA registration is a mandatory certification for organisations in India, enabling them to receive foreigncontributions legally. Organizations without an active FCRA registration cannot legally receive donations from overseas donors.

PUBLIC NOTICE DATED 28 SEPTEMBER 2024 ISSUED BY MINISTRY OF HOME AFFAIRS (MHA)

As per section 12(6) of the Foreign Contribution Regulation Act, 2010, the FCRA registration is valid for 5 years. However, the validity period has been extended several times in the past, the last being through MHA public notice dated 29 June 2024 when it was extended till 30 September 2024. MHA has now issued a public notice on 28 September 2024, extending the validity of the certificate as below:

- For those entities whose validity was extended till 30 September 2024 and whose renewal application is pending, the validity of certificate has been extended till 31 December 2024 or date of disposal of renewal application, whichever is later
- For those entities whose validity is expiring during 1 October 2024 to 31 December 2024 and who have applied / will apply for renewal before expiry of 5 years validity period, the validity of certificate has been extended till 31 December 2024 or date of disposal of renewal application, whichever is later

In case of refusal of application for renewal of FCRA registration, the validity of the certificate shall be considered to have expired on the date of refusal of the application. Such organization are not eligible to receive foreign contributions or utilize foreign contributions received earlier from the date of refusal.

Please read the public notice dated 28 September 2024 issued by Ministry of Home Affairs, for further details.

DUE DATE FOR SUBMISSION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) RETURN IN FORM CSR-2 FOR FY 2023-24 SHORTENED TO 31 DECEMBER 2024

What is Form CSR-2?

The Companies Act, 2013 mandates certain categories of companies to engage in CSR activities based on specific criteria. Companies are required to undertake CSR initiatives if they meet any of the following threshold criteria in the preceding FY:

- Net worth of Rs.500 crore or more
- Turnover of Rs.1,000crore or more
- Net profit of Rs.5 crore or more

Introduced in 2022, Form CSR-2 is the return in which companies are required to report details of their CSR initiatives (including projects undertaken), CSR committees, spending and unspent funds. Form CSR-2 must be filed separately from Form AOC-4, which is the annual return form due within 30 days of the company's annual general meeting (AGM). Earlier, for FY 2022-23, businesses were permitted to submit their CSR-2 returns by 31 March 2024.

Notification issued by MCA on 24 September 2024

MCA has amended the Companies (Accounts) Rules, 2014, revising the procedure for submission of CSR report for the FY 2023-24. Companies are now required to file Form CSR-2 separately, by 31 December 2024, after submitting their financial statements through Form AOC-4, Form AOC-4-NBFC (Ind AS), or Form AOC-4 XBRL, as the case may be.

For further details read notification dated 24 September 2024 issued by MCA.



DISCLAIMER

While every care has been taken in the preparation of this Bulletin to ensure its accuracy at the time of publication, Ajay Rattan & Co. assumes no responsibility for any errors which, despite all precautions, may be found therein. Neither this bulletin nor the information contained here in constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/ substitute professional advice that may be required before acting on any matter. All logos and trademarks appearing in the newsletter are the property of their respective owners.

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, re-transmission, dissemination, or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited.

HEAD OFFICE: E-115, 11TH FLOOR, HIMALAYA HOUSE,
KASTURBA GANDHI MARG, NEW DELHI-110001
BRANCH OFFICE: 1113, 11TH FLOOR, ARUNACHAL BUILDING,
BARAKHAMBA ROAD, NEW DELHI -110001
(Partner-in-charge -CA Ajay Aggarwal)

BRANCH OFFICES:

SCO 13, 1stFloor, Kabiri Site,
Industrial Area Phase -2,
Chandigarh -160002
(CA Varun Garg)

212-A, Vashisht Complex,
Sikanderpur, Gurugram-122004
(CA Piyush Jindal)

House No. 14266, Street No. 2A,
Ganesha Basti, Bhatinda- 151001
(CA Yogesh Kumar Jain)

Hanna Tower, Flat No.-1622,
Gaur Saundaryam, Tech Zone-
4, Near Charmurti Chowk,
Gautam Buddha Nagar, Uttar
Pradesh-201009
(CA Prakhar Srivastava)