

*Demystifying Complexities*

# TAX EDGE

Monthly Tax & Regulatory Updates

Tax • Regulatory • Assurance • Legal



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# Goods & Services Tax ('GST')



## GST revenue collection for June 2024 Rs. 1,73,813 crore (8% higher than GST revenue in June 2023)

The gross GST revenue collected in the month of June 2024 is Rs. 1,73,813 crore as below:

IGST (Integrated Goods and Services Tax)	Rs. 87,310 Crore
CGST (Central Goods and Services Tax)	Rs. 32,627 Crore
SGST (State Goods and Services Tax)	Rs. 40,715 Crore
Compensation cess	Rs. 13,160 Crore
<b>Total</b>	<b>Rs. 1,73,813 Crore</b>

The gross GST collection for Financial Year 2024-25 till June 2024 stood at Rs. 5.56 lakh crore, representing a 10.13% year-on-year growth, driven by a strong increase in domestic transactions (12.71%) and marginal increase in imports (1.72%). After considering refunds, the net GST revenue in the FY 2024-25 till June 2024 stands at Rs.4.90 lakh crore, reflecting a growth of 9.91% compared to the same period last year.

Please [Click Here](#) to read the revenue report dated 28 July 2024 released by the GST Network.



## Advisory issued by GST department on Form GSTR-1A (document containing changes made to sales invoices reported in Form GSTR-1, outward supply return)

The Government vide Notification no. 12/2024 – Central Tax dated 10 July 2024, has introduced Form GSTR-1A which is an optional form / facility. This has been provided to the taxpayers to *add or amend particulars* of a supply of the current tax period, which was missed out or was wrongly reported in Form GSTR-1 (outward supply return) of the said tax period, before filing of Form GSTR-3B (summary return) of the said tax period.

Form GSTR-1A would be available to all taxpayers from August 2024 onwards, through which details furnished in Form GSTR-1 for the month of July 24 can be amended.

### Salient features of Form GSTR-1A

- It is an optional facility and can be filed only once for a particular tax period
- The corresponding impact of changes made through Form GSTR-1A on the liability of the taxpayer shall be reflected in Form GSTR-3B for the same tax period
- At the recipient's end, the input tax credit for the supplies declared or amended by the suppliers through Form GSTR-1A will be available to the recipient in Form GSTR-2B (static month-wise auto-drafted statement for regular taxpayers) generated for the next tax period
- For the taxpayers filing Form GSTR-1 on monthly basis:
  - ✓ Form GSTR-1A will be available on the portal every month from the due date of filing of Form GSTR-1 or the actual date of filing of Form GSTR-1, whichever is later, and will be available till the actual filing of corresponding Form GSTR-3B of the same tax period. The taxpayer cannot file Form GSTR-1 for a month until he files Form GSTR-3B for the previous month
  - ✓ From liability perspective, the net impact of particulars declared or amended through Form GSTR-1A, along with the particulars declared in Form GSTR-1, shall be auto-populated in Form GSTR-3B for the same tax period as that of Form GSTR-1

- For Quarterly Return Monthly Payment (QRMP) taxpayers, who file Form GSTR-1 on quarterly basis:
  - ✓ Form GSTR-1A shall be available quarterly after actual filing of Form GSTR-1 (quarterly) or the due date of filing of Form GSTR -1 (quarterly), whichever is later, and will be available till the actual filing of Form GSTR-3B of the same tax period
  - ✓ The supplies reported in Form GSTR-1 of the current tax period [including those declared in Invoice Furnishing Facility (IFF), for the 1<sup>st</sup> month, M1 and 2<sup>nd</sup> month, M2 of a quarter, if any] can be amended through corresponding quarterly Form GSTR-1A
  - ✓ From liability perspective, the net impact of the particulars declared in Form GSTR-1A (quarterly), along with particulars furnished in Form GSTR-1 (quarterly) (or through IFF of Month M1 and M2, if filed), shall be auto-populated in Form GSTR-3B (quarterly) of the same tax period
  - ✓ There will be no separate amendment facility available for records furnished through IFF for the months M1 and M2, during the month M1 and M2
- In case where change is required to be made in GSTIN of a recipient for a supply reported in Form GSTR-1 of a tax period, the same can be rectified through Form GSTR-1 for the subsequent tax period only.

Please [Click Here](#) to read the advisory dated 26 July 2024 issued by GST Network.

## **Advisory on Refund of tax paid on inward supply of goods by Canteen Store Department (CSD) in Form GST RFD 10A**

In reference to Circular No. 227/21/2024-GST issued by GST policy wing, Central Board of Indirect Taxes & Customs (CBIC) on 11 July 2024 for online processing of refund applications filed by CSD (details explained in subsequent news item), the GST Network has developed an online functionality to enable CSDs file an application for refund in Form GST RFD-10A on GST common portal.

### **Process to be followed for filing application for refund in the above category**

- Login into the GST portal. Click on Services -> Refund -> Application for Refund
- Select 'Refund of tax paid on Inward supply of goods by CSD'
- Select Period for which refund is to be applied, by selecting 'From & To' period and then click on 'Create Refund' application
- The refund applications on GST portal are to be filed sequentially with respect to tax periods. If there is no refund to be claimed for a particular period, CSD needs to file a Nil refund claim for that period. Once an application for refund is filed or Nil refund claim is filed for a particular period, the system will not allow filing for the same period again. Similarly, it will not allow the taxpayer to file for any previous periods
- In the GST portal, the 'Select Period' is available from July 2017. If a taxpayer has already filed manual claims for refund for the earlier periods or no refund claim is required to be filed for the earlier periods, they have been advised to file NIL refund claim for such earlier periods

- The details of invoices for which refund is to be claimed are required to be uploaded in the statement. After successful validation of the statement, need to click on 'Proceed button'
- The total tax paid on inward supply of goods will be auto-populated. Need to enter the value of IGST, CGST and SGST in 'Total Refund applied for' table
- While filing application for refund, the applicant has to select the bank account number in which the refund is to be disbursed
- Before submitting the application for refund, the applicant can 'Save & Preview' the application. If any correction / addition or rectification is to be done, it can be done only before submission. Once the application is submitted using the 'Submit' button, system will not allow any change in the refund application

## GST RFD-10A

### Refund of tax paid on Inward Supplies of goods by Canteen Store Department (CSD)

• Indicates Mandatory Fields

#### Important Message

Notification No. 6/2017 of CT(R)/ST (R)/IGST (R) dated 30.06.2017 specifies that Canteen Store Department (CSD) shall be entitled to claim a refund of fifty percent of the tax paid by it on all inward supplies of goods received for the purposes of subsequent supply of such goods to the Unit Run Canteens of CSD or to the authorized customers of CSD.

In terms of Rule 95 of CGST/SGST Rules, 2017, Canteen Store Department (CSD) are required to apply for refund on a **quarterly basis**.

Statement •

[Click to upload the details of Inward supplies of goods received](#)

[Download Offline Utility](#) 

Kindly enter values in statement below for the Tax Period for which Refund is being claimed:

#### Total Tax paid on Inward supplies of goods received

Head	Integrated Tax	Central Tax	State Tax	Total
Tax	0.00	0.00	0.00	0.00

#### Total Refund Applied for

Head	Integrated Tax	Central Tax	State Tax	Total
Tax	<input type="text" value="₹0.00"/>	<input type="text" value="₹0.00"/>	<input type="text" value="₹0.00"/>	<input type="text" value="₹0.00"/>

Please [Click Here](#) to read the advisory dated 22 July 2024 issued by GST authorities.



## **Advisory on Refund of additional Integrated GST (IGST) paid on account of upward revision in prices of goods subsequent to exports**

GST Council has approved that application of refund of additional IGST paid on account of upward revision in prices of goods subsequent to exports may also be processed by Tax Administration. Accordingly, Notification no. 12/2024-Central Tax dated 10 July 2024 (details explained in subsequent news item) has also been issued. GST Network is in the process of development of a separate category of refund application in Form GST RFD-01, for filing an application of refund of additional IGST paid on account of upward revision in prices of goods subsequent to exports.

However, till the time such separate category for claiming refund of additional amount of IGST paid is developed on the common portal, such exporter(s) may claim refund of the additional IGST by filing an application of refund in Form GST RFD-01 under the category 'Any other' with remarks 'Refund of additional IGST paid on account of increase in price subsequent to export of goods' and uploading of Statement 9A & 9B (refer Notification No. 12/2024-Central Tax dated 10 July 2024) along with the relevant documents as specified in Circular no. 226/20/2024-GST dated 11 July 2024.

The application for refund filed under this category will be processed by the officer based on documentary proof submitted by the applicant. The list of documents which are required to be attached with the claim for refund are also mentioned in Para 6 of the said Circular.

Issues (if any) faced by the taxpayers in filing application for refund may be reported on Grievance redressal portal, i.e, <https://selfservice.gstsystem.in>.

The screenshot displays the GST Self Service Portal interface. At the top, the URL is <https://selfservice.gstsystem.in>. The header includes the GST logo and the text "Goods and Services Tax" with a toll-free number: 1800-103-4786.

The main banner is titled "Attention Taxpayers! Safeguard yourself from fake messages on GST Refunds". It features a central illustration of a man in a white shirt and tie, flanked by a green checkmark and a red X. The banner is divided into "Do's" and "Don'ts" sections.

**Do's:**

- Use only GST portal <https://www.gst.gov.in/> for claiming refunds
- For any information on filing GST refund claims, checking the status of the refund application read <https://www.gst.gov.in/help/refund>
- Remember that GST portal never asks for detailed personal information and refund details on email, WhatsApp or SMS
- Stay updated with News & Update section of [www.gst.gov.in](http://www.gst.gov.in) for any official and authentic information
- In case of any query or clarification, please call GST helpdesk at 1800-103-4786

**Don'ts:**

- Do not reply to any message claiming to process GST refunds
- Do not open any link or attachment in the message
- Never fill any personal detail and other information on any platform other than GST portal for claiming refunds
- Do not call at the number mentioned in the message or respond to any call to update account information
- Do not trust information from any source other than the GST portal which uses similar portal names and interface

Below the banner, there are navigation buttons: Home, Report Issue, Check Status, and Feedback. A section titled "About this Portal" explains its purpose for lodging complaints and lists advantages like enabling users to provide all required information, enabling tax payers to check resolutions, and being based on selection of issues. A "News" section on the right shows a welcome message from GITA (GST Interactive Technical Assistant) and a list of recent news items, including "Gross and Net GST revenue collections for 28/07/2024" and "Advisory for FORM GSTR-1A".

Please [Click Here](#) to read the advisory dated 14 July 2024 issued by GST Network.



## Amendments giving effect to the recommendations of the 53rd GST Council meeting held on 22 June 2024

The Government has recently notified the CGST (Amendment) Rules, 2024 to give effect to various recommendations to the 53<sup>rd</sup> GST Council meeting held on 22 June 2024 in New Delhi. The CBIC has also issued 6 more circulars (in addition to 16 circulars issued on 26 June 2024) to clarify the legal positions recommended by the GST Council.

The gist of the Notifications and Circulars issued by CBIC has been summarised below.

Sl. No.	Amendment	Effective Date	Rule amended / inserted in CGST Rules, 2017
1	Application for GST registration filed by a taxpayer who has not opted for Aadhaar authentication can be treated as complete only after successful verification of the original documents uploaded at notified facilitation centers	Yet to be notified	Rule 8(4A)
2	For a taxpayer whose GST registration has been cancelled but subsequently the cancellation has been revoked, such taxpayer needs to file all pending GST returns within 30 days from the date of revocation order, or else the registration is liable to be cancelled again	10 July 2024	Rule 21

Sl. No.	Amendment	Effective Date	Rule amended / inserted in CGST Rules, 2017
3	<p>Valuation of Corporate Guarantee:</p> <ul style="list-style-type: none"> <li>• Deemed value of supply would be 1% of the value of guarantee or actual consideration, whichever is higher</li> <li>• Valuation shall be applicable on annual basis. For guarantees provided for part of a financial year, valuation shall be done proportionately</li> <li>• Where the recipient is eligible for full input tax credit, the invoice value shall be deemed to be the taxable value</li> <li>• Valuation of higher of 1% or actual consideration does not apply to guarantees provided on behalf of overseas entities (i.e., for export of services)</li> </ul> <p>Further, Circular has been issued to clarify the following in connection with the above.</p> <ul style="list-style-type: none"> <li>• Supply of service of providing corporate guarantee was taxable even before insertion of Rule 28(2) in CGST Rules, 2017</li> <li>• In respect of guarantee issued / renewed before 26 October 2023, the valuation is to be done in accordance with Rule 28, as it existed during that time. However, if the corporate guarantee is issued / renewed on or after 26 October 2023, then the valuation will be required to be done as per Rule 28(2) of CGST Rules</li> <li>• Valuation of corporate guarantee service has to be done based on the amount guaranteed, not on the actual loan disbursed. Input tax credit will be available irrespective of the loan disbursement status</li> <li>• When multiple entities provide a guarantee, the valuation thereof is based on the actual consideration or 1% of the guaranteed amount, whichever is higher. Each co-guarantor's GST liability is proportionate to their share of the guarantee</li> <li>• In terms of the amended rule 28(2) of the CGST Rules, GST is to be computed based on 1% of the guarantee offered per annum or the actual consideration, whichever is higher.</li> </ul>	Retrospective effect from 26 October 2023 onwards	Rule 28(2)

Sl. No.	Amendment	Effective Date	Rule amended / inserted in CGST Rules, 2017
4	<p>The revised mechanism for distribution of input tax credit by Input Service Distributor has been prescribed.</p> <p>Further, Rule 39(1A) has been inserted to provide mechanism for credit distribution in case of reverse charge</p>	Yet to be notified	Rule 39
5	Rule 59 has been amended to provide for a new optional facility by way of Form GSTR-1A to amend the details in Form GSTR-1 for a tax period and/ or to declare additional details, if any, before filing of Form GSTR-3B for the said tax period	10 July 2024	Rule 59
6	The threshold for mandatory reporting of invoice-wise details of interstate supplies made to unregistered person has been reduced from Rs. 2.5 lakh to Rs.1 lakh	1 August 2024	Rule 59(4)
7	Additional details or amendments furnished through Form GSTR-1A to reflect in Form GSTR-2B of same month (if Form GSTR-1A is filed by 11th) and subsequent month (if Form GSTR-1A is filed subsequently)	10 July 2024	Rule 60(7)
8	From Financial Year 2024-25 onwards, the due date for filing Form GSTR-4 (annual return for composition scheme dealers) will be 30 June following the end of financial year	10 July 2024	Rule 62
9	If an amount is available in the Electronic Cash Ledger (ECL) on the due date of payment of GST and if Form GSTR-3B is filed with delay, interest will not be calculated on the amount available in the ECL on the date of filing the said Return	10 July 2024	Rule 88B

Sl. No.	Amendment	Effective Date	Rule amended / inserted in CGST Rules, 2017
10	Additional IGST paid on account of upward revision in price subsequent to exports can be claimed by filing application for refund in Form GST RFD-01 before the expiry of 2 years from the relevant date. Further, circular has been issued to explain the procedure for application for refund	10 July 2024	Rule 89 & Rule 96
11	CSD under the Ministry of Defense can claim 50% refund of the central tax paid on goods purchased for resale to unit run canteens or authorized customers subject to prescribed conditions. The application for refund of tax paid on inward supplies of goods to be filed in Form GST RFD-10A. Further, circular has been issued to explain the procedure for application for refund	10 July 2024	Rule 95B
12	Proceeds for export of services under a bond or letter of undertaking (LUT) should be realised within 15 days after the expiry of 1 year, or the period allowed under Foreign Exchange Management Act, 1999 (FEMA), whichever is later	10 July 2024	Rule 96A
13	Procedure for filing appeal / application before the GST Appellate Tribunal (including withdrawal thereof) has been revised. Circular has been issued explaining the revised procedure	1 August 2024	Rule 110, Rule 111 and 113A
14	An unregistered person who is required to generate e-way bill in Form GST EWB-01, needs to submit the necessary details in Form GST ENR- 03 with the authorities	Yet to be notified	Rule 138(3)
15	A person who has paid tax, interest, penalty or other amounts through Form GST DRC-03 can file Form DRC-03A to credit such payment directly to the electronic liability register. However, if proceedings have been concluded and intimation in Form DRC-05 is issued by the GST authorities, the person cannot file Form DRC-03A for that payment	10 July 2024	Rule 142

Other key changes are as below:

- Filing of annual return in Form GSTR-9 / 9A for Financial Year 2023-24 is exempted for taxpayers having aggregate annual turnover up to Rs. 2 crore for the said Financial Year
- The exemption from biometric-based Aadhaar authentication u/s 8(4A) of the CGST Rules is withdrawn, effective from 10 July 2024 onwards
- Changes have been made in various forms including GSTR-2B, GSTR-3B, GSTR-7, GSTR-9 and GST RFD-01
- The rate of tax collected at source (TCS) has been reduced from 1% to 0.5% with effect from 10 July 2024 onwards

Please [Click Here](#) to read Notification no. 12/2024 dated 10 July 2024.

Please [Click Here](#) to read Notification no. 13/2024 dated 10 July 2024.

Please [Click Here](#) to read Notification no. 14/2024 dated 10 July 2024.

Please [Click Here](#) to read Notification no. 15/2024 dated 10 July 2024.

Please [Click Here](#) to read Circular no. 224/18/2024 dated 11 July 2024.

Please [Click Here](#) to read Circular no. 225/19/2024 dated 11 July 2024.

Please [Click Here](#) to read Circular no. 226/20/2024 dated 11 July 2024.

Please [Click Here](#) to read Circular no. 227/21/2024 dated 11 July 2024.

# Direct Tax





# Direct Tax

## India Union Budget 2024

The Hon'ble Finance Minister Nirmala Sitharaman presented the Union Budget for Financial Year 2024-25 on 23<sup>rd</sup> July 2024. In continuation of the Interim Budget presented by her earlier this year, focus on the 4 important constituents of the population was reiterated, namely the Poor, Women, Farmer and Youth. In pursuit of a 'Developed India', the Budget laid a roadmap which rests on the following 9 priorities of the Government:

- Productivity and resilience in Agriculture
- Employment & Skilling
- Inclusive Human Resource Development & Social Justice
- Manufacturing & Services
- Urban Development
- Energy Security
- Infrastructure
- Innovation, Research & Development
- Next Generation Reforms

The target is to reach a deficit of below 4.5% next year and overcome the risks to growth caused by elevated asset prices, global political uncertainties and shipping disruptions.

On Direct Taxes front, proposals have been made to reduce the corporate tax rate for foreign companies, increase standard deduction for salaried taxpayers in the new tax regime, promote domestic cruise ship operations by non-residents, rationalize time limit for filing appeal with Tribunal, change capital gains tax rates, reduce withholding tax rates on payment to residents, increase limit of tax-deductible remuneration paid by partnership firms / limited liability partnerships to partners, clarify applicability of withholding tax on purchase of immovable property, etc. In addition, the Government has proposed to release phase 2 of the 'Direct Tax Vivad se Vishwas Scheme, 2024' for settlement of pending disputes with taxpayers. Some old provisions such as indexation benefit on long term capital gains, equalization levy & angel tax have been done away with. Further, time limit has been prescribed for filing revised withholding tax returns, scope of transfer pricing officer's power has been widened to investigate specified domestic transactions which have not been referred by assessing officer or which have not been reported by the taxpayer.

From an Indirect Taxes perspective, proposals have been made to exempt extra neutral alcohol from purview of Goods & Services tax (GST), empower Government to prescribe conditions for revocation of cancellation of GST registration & also for issue of self-invoice by taxpayer for supplies taxable on reverse charge basis, streamline refund on export of goods subject to export duty, provide common time limit for issue of notice & order irrespective of whether the matter involves fraud, suppression etc. or not, relax & align input tax credit claims, reduce monetary limit of pre-deposit for filing of appeals, allow additional time for filing appeals till necessary infrastructure is in place & give relief for initial years of GST implementation due to lack of clarity. On customs front, Government intends to continue with digitization of records. Duration for re-import of goods exported out of India under warranty has been proposed to be increased from 3 years to 5 years.

Pease [Click Here](#) to read our analysis on the India Union Budget 2024.

# Direct Tax

## Frequently Asked Questions (FAQs) issued by Central Board of Direct Taxes (CBDT) on the new capital gains tax regime proposed in Union Budget 2024-25

CBDT has issued answers to the following FAQs:

Question	Response by CBDT
What are the major changes brought about in the taxation of capital gains by the Finance (No.2) Bill, 2024?	<p>The taxation of capital gains has been rationalised and simplified. There are 5 broad parameters to this, as below:</p> <ul style="list-style-type: none"><li>• Holding period has been simplified. There are only 2 holding periods now, 1 year and 2 year</li><li>• Rates have been rationalised and made uniform for majority of assets</li><li>• Indexation has been done away with for ease of computation with simultaneous reduction of long term capital gain tax rate from 20% to 12.5%</li><li>• Parity between Resident and Non-resident</li></ul> <p>No change in roll over benefits.</p>
What is the date when the new taxation provisions come into force?	Any transfer made on or after 23 July 2024.
How has the holding period been simplified?	Earlier there were 3 holding periods for considering an asset to be a long-term capital asset. Now the holding period has been simplified. There are only 2 holding periods; for listed securities, it is 1 year, for all other assets, it is 2 years.
Who will benefit from the change in holding period?	The holding period of all listed assets will be now 1 year. Therefore, for listed units of business trusts (Real Estate Investment Trusts, Infrastructure Investment Trusts) holding period is reduced from 36 months to 12 months. The holding period of gold, unlisted securities (other than unlisted shares) is also reduced from 36 months to 24 months.
What about the holding period of immovable property and unlisted shares?	The holding period of immovable property and unlisted shares remains the same as earlier i.e. 24 months.

# Direct Tax

Question	Response by CBDT
Change in the rate structure for Securities Transaction Tax (STT) paid capital assets	Rate for short-term STT paid listed equity, Equity oriented mutual fund and units of business trust (Section 111A) has increased from 15 to 20%. Similarly the rate for these assets for long-term (Section 112A) has increased from 10 to 12.5%.
Is there any change in the exemption limit for long-term capital gain u/s 112A which was earlier Rs. 1 lakh?	Yes. The exemption limit of Rs.1 lakh for long-term capital gain on these assets has also increased to Rs.1.25 lakh. This increased exemption limit will apply for Financial Year 2024-25 and subsequent years.
Change in the rate structure for other long-term capital gains	The rate for other long-term capital gains on all assets has been rationalized to 12.5% without indexation (Section 112). This rate was earlier 20% with indexation. This will ease in simplifying the taxation of capital gains and their easy computation.
Who will benefit by change in tax rate from 20% (with indexation) to 12.5% (without indexation)?	The reduction in tax rate will benefit all category of assets. In most of the cases, the taxpayers will benefit substantially. But where the gain is limited vis-a vis inflation, the benefit will also be limited or absent in a few cases.
Can the taxpayer continue to avail the roll over benefits on capital gains?	Yes. The roll over benefits remain the same as earlier. There is no change in roll over benefits already available under the Income-tax Act. Therefore, taxpayers who want to save on long term capital gains tax even with low rates, can continue to avail the roll over benefits on fulfillment of conditions as applicable.
In which assets, can the long-term capital gain be invested for roll over benefits?	For roll over benefits, taxpayers can invest their gains in house property u/s 54 or 54F or in certain bonds u/s 54EC. For complete details of all roll over benefits, please refer section 54, 54B, 54D, 54EC 54F, 54G of the Income-tax Act.
What is amount upto which roll over benefit is available?	Investment of capital gain in Section 54EC bonds (up to Rs. 50 lakh) and in other cases, the capital gain is exempt from tax, subject to certain specified conditions.
What is the overall rationale for changes?	Simplification of any tax structure has benefits of ease of compliance viz computation, filing, maintenance of records. This also removes the differential rates for various classes of assets.

Please [Click Here](#) to read the Press Release dated 24 July 2024.

## **CBDT awards Taxnet 2.0 Project to M/s Bharti-Airtel Ltd**

CBDT has awarded the Taxnet 2.0 project to M/s Bharti-Airtel Ltd for providing network connectivity, facility management services and video conferencing services to the Income-tax department. subsequent to approval by the Government. This is a state-of-the-art technology, providing secure, reliable and seamless connectivity services and marks a significant advancement over the current Taxnet 1.0 project. It is expected to go a long way in enhancing the digital infrastructure of the Income-tax department.

The Taxnet 2.0 aims to revamp the Income-tax department's network system, provide enhanced security, improved reliability and a seamless user experience for all stakeholders. M/s Bharti-Airtel Ltd., renowned for its expertise and innovative solutions in the field of telecommunication, has been selected for this critical project through an open tender selection process.

The key features of Taxnet 2.0 project include enhanced security by utilizing state-of-the-art technology to protect sensitive data and ensure privacy, higher reliability by delivering consistent and dependable service to departmental users across the country and seamless connectivity by ensuring smooth and uninterrupted access to departmental users, thereby enhancing tax services for citizens and businesses alike.

The implementation of Taxnet 2.0 project is expected to provide a robust network connectivity platform to the Income-tax department that further advances the Government's commitment to modernizing our digital infrastructure and delivering high-quality services to the public.

Please [Click Here](#) to read the Press Release dated 19 July 2024.

# Corporate Law & Regulatory



# Corporate Law & Regulatory

## Ministry of Corporate Affairs (MCA) allows Directors (Director Identification Number holders) to update email id & mobile phone number on MCA portal at any time of the year

In line with the efforts of MCA to ensure accuracy in directors' information available in its repository, MCA has introduced a significant update relating to updation of email id and mobile phone number linked to a DIN, under the Companies Act, 2013.

Earlier, Directors (DIN holders) could update their email id or mobile phone number only once a year, between 1<sup>st</sup> April to 30<sup>th</sup> September, by filing e-form DIR-3 KYC on MCA portal. With effect from 1<sup>st</sup> August 2024 onwards, DIN holders can update their contact details with MCA at any time of the year. Between 1<sup>st</sup> April to 30<sup>th</sup> September, they can do so by filing e-form DIR-3 KYC without any statutory fee. If they are making amendment after 30<sup>th</sup> September or after filing e-form DIR-3 KYC once for that year, then they need to file e-form DIR-3 KYC again along a nominal statutory fee of Rs. 500.

To file form DIR-3 KYC on MCA, an individual must have a login ID, although they can also use a professional ID for this purpose. There is no need to file form DIR-6 for changes in email id or mobile phone number.

The amendment in e-form DIR-3 KYC brings significant relief to DIN holders by allowing more flexibility in updating their contact details with MCA.

Please [Click Here](#) to read the Notification dated 16 July 2024.

# Corporate Law & Regulatory

## Disclosure to MCA of Significant Beneficial Ownership (SBO) in companies – Changes in reporting Form BEN-2

### Who is an SBO?

An individual holding directly or indirectly  $\geq 10\%$  of shares or voting rights in a company (or limited liability partnership), exercising significant influence or control over the company, or having the right to receive or participate in the dividends of the company.

### What are SBO Rules, 2018?

A framework introduced in the year 2018 to identify individuals who hold SBO in a company. This framework is critical for maintaining transparency and to prevent fraud by ensuring that SBOs are properly declared and recorded.

### What is Form BEN-2?

A declaration required to be submitted by companies with MCA about their SBOs. It must be filed within 30 days whenever SBO is acquired or any change to existing interest occurs.

### Notification dated 15 July 2024 issued by MCA

MCA has issued a notification on 15 July 2024 amending the existing Form BEN-2. The new form aims to streamline the process of declaring SBO and changes related to it. It consists of the following major information:

- Company Information
  - ✓ Corporate Identity Number (CIN)
  - ✓ Name and registered office address of the company
  - ✓ Purpose of filing the form including declarations for holding reporting company, SBO, changes in particulars, changes leading to removal of existing SBO

# Corporate Law & Regulatory

- Declaration of SBO - Detailed fields for declaring SBO (including the number of SBOs), particulars of ownership and any changes to existing ownership
- Change in Particulars - Provisions for updating particulars of existing SBOs (including details such as ID, name, date of changes in SBO)
- Cessation of Control - Fields to declare cessation of control or significant influence by the SBO (including supporting documentation)
- Direct or Indirect Holding details - Elaborate details on how the significant beneficial interest is held, whether directly or indirectly, including by way of shares, voting rights, dividends or significant influence

The new form emphasizes the need for a comprehensive documentation and digital signatures from authorized personnel to ensure that the information provided is accurate and verified by a practicing professional.

Please [Click Here](#) to read the Notification dated 15 July 2024.





# Corporate Law & Regulatory

## MCA enhances reporting obligations in Form MSME-1 for payments to Micro & Small Enterprise (MSE) suppliers

### Background

To ensure timely payment to MSE suppliers, the MCA has in the past notified the Specified Companies (Furnishing of Information about Payment to Micro and Small Enterprise Suppliers) Order, 2019. This order mandates that companies receiving goods / services from MSEs, and who owe payments pending > 45 days (from the date of acceptance or deemed acceptance of goods / services) to such MSEs, must file a half-yearly return in Form MSME-1 with MCA, including details of the amount due and reasons for the delay.

Hitherto, the obligation for companies to file Form MSME-1 with MCA arose *only if* there were outstanding amounts due to MSE suppliers as on 30 September or 31 March of a given year. In other words, if there were no outstanding dues to MSE suppliers as on 30 September or 31 March, there was no need to file Form MSME-1 with MCA.

### Notification dated 15 July 2024 issued by MCA

- Going forward, companies need to file Form MSME-1 with MCA *irrespective* of whether there are any outstanding payables as on 30 September or 31 March or not
- The format of Form MSME-1 has been revamped to report details not only of delayed payments to MSEs, but all payments falling within the below categories:
  - ✓ Payments made within 45-day period
  - ✓ Payments made after 45-day period
  - ✓ Outstanding amounts and reasons for delays if any

Please [Click Here](#) to read the notification dated 15 July 2024.

# Corporate Law & Regulatory

## Reserve Bank of India (RBI) removes monetary limit on overseas remittance that can be made via online Form A2

### What is Form A2?

A document used in India for the transfer of money overseas. It is a mandatory form that needs to be submitted by the remitter to the Authorised Dealer (AD) bank for making any outward remittance of foreign exchange.

Hitherto, Form A2 could be submitted via online mode only for remittances upto USD 25,000 for individuals and USD 100,000 for corporates in a year.

### Circular dated 3 July 2024 issued by RBI

Going forward, RBI has allowed filing of Form A2 through online or offline mode without any monetary limit. This has been to improve ease of doing business in India.

Please [Click Here](#) to read the circular dated 3<sup>rd</sup> July 2024.



# Corporate Law & Regulatory

## Food Safety & Standards Authority of India (FSSAI) allows grant of instant license / registration for certain categories of food businesses

As per FSSAI regulations, there is a time limit of 60 days for grant of license and 7 days for grant of registration. To facilitate ease of doing business, the FSSAI authorities have decided to enable instant issue of license / registration for specific categories of food businesses such as wholesalers, distributors, retailers, transporters, storage without atmospheric control, importers, food vending agencies, direct sellers and merchant exporters. The instant issue via FSSAI's Food Safety Compliance System (FoSCoS) shall be subject to digital verification (through GST, Company Identification Number, Permanent Account Number, Aadhaar, etc.) and satisfaction of prescribed conditions. This would be an additional option alongside the existing procedure for applying and obtaining the license / registration.

The validity of instant license / registration shall be 1 year, post which it may be renewed. Applicants would be required to pay entire statutory annual fee for license / registration during the filing of application. To start with, the scheme for issue of instant license / registration will be rolled out in certain states namely Assam, Delhi, Gujarat, Jammu & Kashmir and Kerala.


The Government has also issued answers to following Frequently Asked Questions (FAQs) regarding instant license and registration:

- Which Kind of Businesses (KoBs) can get benefit of scheme for issue of instant license / registration
- What is the appropriate food product category for petty retailer of snacks / tea shops and hawker
- Can food businesses involved in retail, wholesale, distribution, storage, direct selling, food vending agency obtain instant license / registration for meat and fish products
- How can food business operators apply for instant process for license and registration
- What are the payment requirements for instant license / registration
- Which type of food businesses can apply for instant license
- How does the instant issue process differ from the regular application process
- What are the requirements for applying for instant license / registration
- Who are ineligible to apply for instant license / registration

# Corporate Law & Regulatory

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View all FSSAI Standardized Food Products | Clubbing of variants of food products

  
View all Eligibility Criteria Details

License/Registration	Know Your Officer	FBO Search	How to Apply	Application Processing	License Kit
 <b>Apply for Tatkal License/Registration</b> FAQs on Instant License and Registration	Apply for New License/Registration	Apply for Renewal without Sign in	Modification of License and Registration		

Please [Click Here](#) to read the letter dated 1<sup>st</sup> July 2024 issued by FSSAI.

Please [Click Here](#) to read the FAQs issued by FSSAI.



# Compliance Calendar

## Compliance calendar for the month of August 2024

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 <sup>th</sup> August	July 2024	TDS / TCS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
10 <sup>th</sup> August		a) GSTR-7 (TDS return under GST)	a) Person required to deduct TDS under GST
		b) GSTR-8 (TCS return under GST)	b) Person required to collect TCS under GST
11 <sup>th</sup> August		GSTR-1 (Outward supply return)	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 Quarterly Return Monthly Payment (QRMP) Scheme
13 <sup>th</sup> August		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
		GSTR-5 (Return by Non-resident)	Non-resident taxable person (NRTP)
		Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP Scheme
15 <sup>th</sup> August	April-June 2024	Deposit of PF & ESI contribution	All Deductors
		Issue of TDS Certificate in Form 16A (other than salary)	All Deductors
20 <sup>th</sup> August	July 2024	GSTR-3B (Summary return)	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
		GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	OIDAR services provider
25 <sup>th</sup> August		Form GST PMT-06 (payment of tax for QRMP filers)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme

# About KrayMan

KrayMan Consultants LLP (KrayMan) is an accounting & consulting Firm headquartered in Gurugram & serving Clients across India for more than 12 years.

We were founded in 2012 by professionals from Big 4 accounting firms & industry background. We are a team of Chartered Accountants, Company Secretaries, Advocates & MBAs.

We specialize in India-Entry, Accounting, Taxation, Legal, Regulatory, Assurance, HR, Payroll & Loan staffing services. We provide services in the areas of Compliance, Advisory & Litigation.

We have been serving Domestic as well as International Clients from countries like USA, Japan, Australia, EU etc.

We have been Awarded under the category 'Small Business Award 2021' by the International Business Council of Australia.

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