

TAX EDGE

Monthly Tax &
Regulatory Updates

Tax • Regulatory • Assurance • Legal

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Goods & Services Tax (‘GST’)



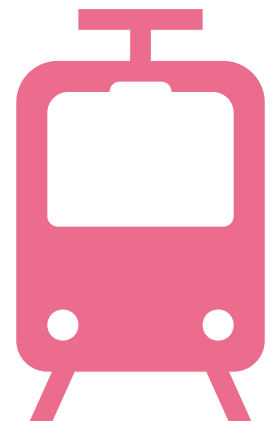
GST revenue collection for July 2024 Rs. 1,82,075 crore (10% higher than GST revenue in July 2023)

The gross GST revenue collected in the month of July 2024 is Rs. 1,82,075 crore as below:

IGST (Integrated Goods and Services Tax)	Rs. 96,447 Crore
CGST (Central Goods and Services Tax)	Rs. 32,386 Crore
SGST (State Goods and Services Tax)	Rs. 40,289 Crore
Compensation cess	Rs. 12,953 Crore
Total	Rs. 1,82,075 Crore

The gross GST collection for Financial Year 2024-25 till July 2024 stood at Rs. 7.39 lakh crore, representing a 10.2% year-on-year growth, driven by a strong increase in domestic transactions (11.80%) and marginal increase in imports (5%). After considering refunds, the net GST revenue in the FY 2024-25 till July 2024 stands at Rs.6.56 lakh crore, reflecting a growth of 11% compared to the same period last year.

Please [Click Here](#) to read the revenue report dated 1 August 2024 issued by GST department.



GST Network (GSTN) to organise GST analytics hackathon to drive innovation in tax compliance through predictive analytics

The GSTN is organising the GST analytics hackathon, an initiative to drive innovation in tax compliance through predictive analytics. This challenge invites Indian students, researchers and professionals from startups and companies to develop a predictive model for GST analytics framework. The hackathon would take place over 45 days from the start of registration to the final date for submission of developed prototypes.

- Eligibility - Open to Indian nationals affiliated with academic institutions or business organizations
- Prizes - Participants can compete for a total prize pool of Rs. 50 lakh
- Registration and participation - Prospective participants can register and access detailed information, including data sets and competition guidelines at <https://event.data.gov.in/event/gst-analytics-hackathon/>

Eligible innovators have been invited to join in creating an advanced analytics model in GST. The initiative by GSTN provides an opportunity to innovate and contribute towards nation building, with scope for personal rewards at the same time.

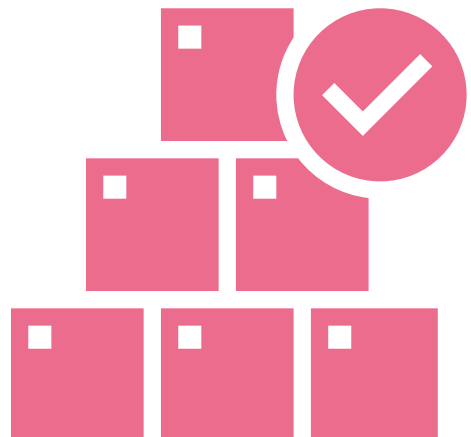


[ABOUT](#) [PROBLEM STATEMENT](#) [PRIZES](#) [T&C](#) [SUBMISSION AND EXPECTATION](#) [JURY AND EVALUATION](#) [FAQ](#)

The purpose of this Hackathon is to engage Indian students, researchers, and innovators in developing advanced, data-driven AI and ML solutions based on given data set. Participants will have access to a comprehensive data set containing approximately 900,000 records, each with around 21 attributes and target variables. This data is anonymized, meticulously labeled, and includes training, testing, and a non-validated subset reserved specifically for final evaluations by the GSTN.

Participants are encouraged to use this dataset to design and implement innovative artificial intelligence (AI) and machine learning (ML) algorithms to tackle the stated challenge.

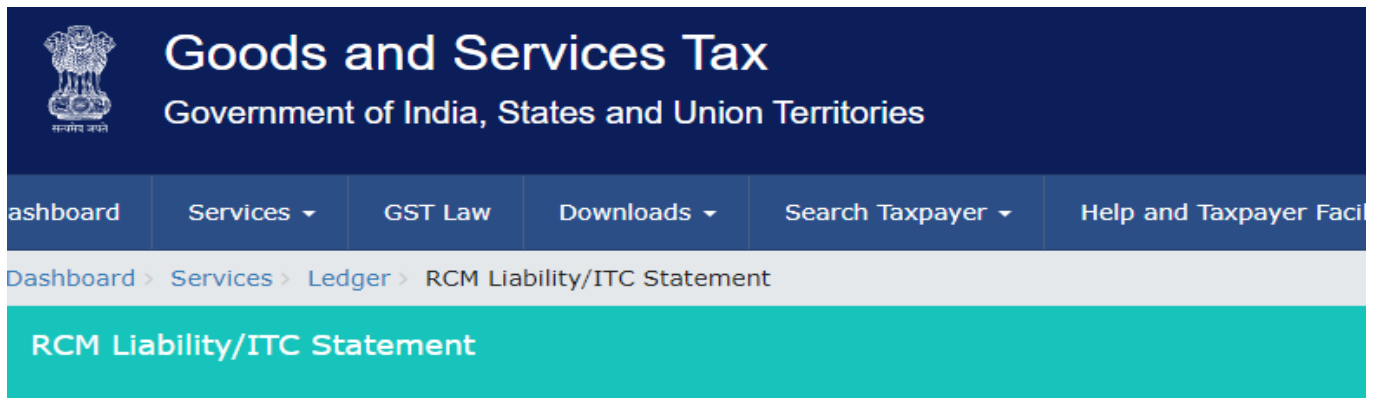
Please [Click Here](#) to read the Press Release dated 23 August 2024.



Introduction of Reverse Charge Mechanism (RCM) Liability / Input Tax Credit (ITC) Statement on GST portal

To assist taxpayers in correctly reporting RCM transactions, a new statement called 'RCM Liability / ITC Statement' has been introduced on the GST portal. This statement is likely to enhance accuracy and transparency for RCM transactions by capturing the RCM liability shown in Table 3.1(d) of Form GSTR-3B (summary return) and its corresponding ITC claimed in Table 4A(2) and 4A(3) of Form GSTR-3B for a return period.

The statement will be applicable from tax period August 2024 onwards for monthly filers and from July-September 2024 onwards for quarterly filers. The RCM Liability / ITC Statement can be accessed using the navigation: Services >> Ledger >> RCM Liability / ITC Statement.



The screenshot shows the GST portal interface. At the top, there is a dark blue header with the Government of India emblem and the text 'Goods and Services Tax Government of India, States and Union Territories'. Below this is a navigation bar with links for 'Dashboard', 'Services', 'GST Law', 'Downloads', 'Search Taxpayer', and 'Help and Taxpayer Faci'. A breadcrumb trail indicates the path: 'Dashboard > Services > Ledger > RCM Liability/ITC Statement'. The main content area has a teal header with the text 'RCM Liability/ITC Statement'.

Financial Year	Month	RCM Liability/ITC Statem
2024-2025	August	0.00

1. RCM Liability/ITC Statement
2. Report RCM ITC Opening Balance

Note:

- a. Positive RCM Liability/ITC Statement balance indicates that you have paid the RCM liability in Table 3 against it in Table 4A(2) and 4A(3).
- b. Similarly, a negative RCM Liability/ITC Statement balance suggests that RCM ITC has been claimed in remaining liability is yet to be paid in Table 3.1(d).



Goods and Services Tax

Government of India, States and Union Territories

Dashboard

Services ▾

GST Law

Downloads ▾

Search Taxpayer ▾

Help and Taxpayer Facilities

Ledger Balance | 28/08/2024 [Download](#)

	IGST (₹)	CGST(₹)	SGST (₹)	CESS (₹)
Electronic Liability Register (Return related)	0	0	0	0
Electronic Cash Ledger	0	0	0	0
Electronic Credit Ledger	0	3311	0	0
Electronic Credit Reversal and Re-claimed Statement	0	0	0	0
RCM Liability/ITC Statement	0	0	0	0

Please [Click Here](#) to read the advisory dated 23 August 2024 issued by GSTN.

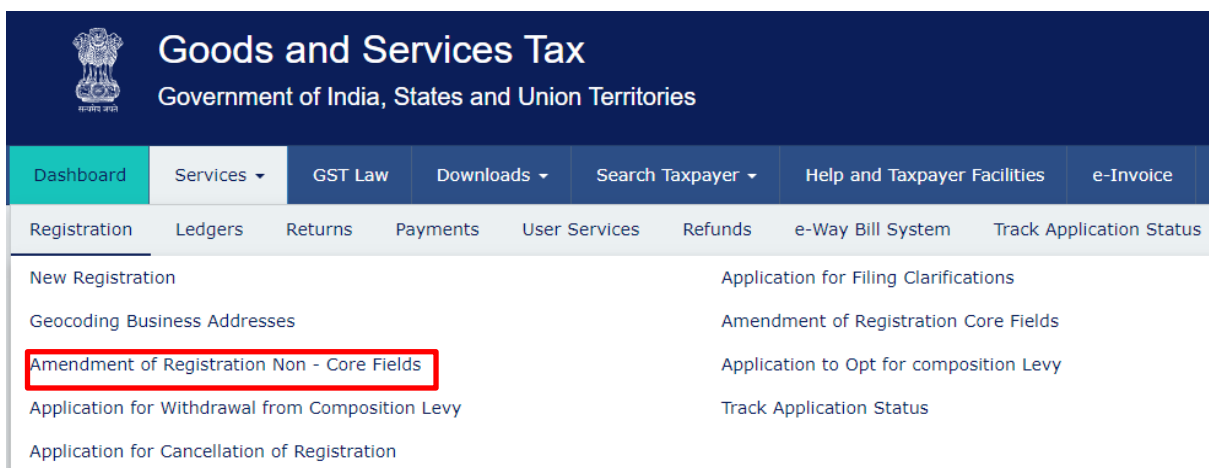


GSTN issues advisory on furnishing of bank account details by taxpayer before submission of Form GSTR-1 (outward supply return) / Invoice Furnishing Facility (IFF)

As per Rule 10A of CGST Rules, 2017 (notified vide Notification no. 31/2019 dated 28 June 2019), a taxpayer is required to furnish details of a valid Bank Account within 30 days from the date of grant of registration, or before furnishing the details of outward supplies of goods / services in Form GSTR-1 or using IFF, whichever is earlier. Advisory and various communications have already been issued from time to time to inform the taxpayers regarding furnishing the details of a valid Bank Account detail in the GST Registration.

From 1 September 2024 onwards, this rule is being enforced by the GST department. Therefore, for the period August 2024 onwards, taxpayer will not be able to furnish Form GSTR-1 / IFF, without furnishing the details of a valid Bank Account on GST portal.

Therefore, all taxpayers who have not yet furnished the details of a valid Bank Account have been requested by the GSTN to add their bank account information in their registration details by visiting Services > Registration > Amendment of Registration Non - Core Fields tabs on GST portal.



In absence of valid bank account details in GST registration, taxpayer will not be able to submit Form GSTR-1 or IFF from August 2024 return period onwards.

Please [Click Here](#) to read the advisory dated 23 August 2024 issued by GSTN.

Central Board of Indirect Taxes & Customs (CBIC) issues guidelines for 2nd series of special all-India drive against fake GST registrations

Background

Reportedly, GST authorities have found unethical persons misusing the identity of other persons to obtain fake GST registration and fraudulently pass on ITC to other persons by issuing sales invoices without actual supply of goods or services. This activity has become a serious problem causing huge revenue loss to the tax department. GST officers have found fake electricity bills, property tax receipts, rent agreement etc. being used as proof of place of business to obtain GST registrations.

Special all-India drive during May to August 2023

In the national co-ordination meeting of the state and central GST officers held in April 2023, it was discussed that there was a need of coordinated action on a mission mode by GST department to tackle these activities in a systematic manner. Accordingly, it was decided to launch a special all-India drive to detect such fake GST registrations and to prevent any further revenue loss to the department. As a result, guidelines were issued to run a special drive from 16 May 2023 to 15 July 2023 (which was further extended till 14 August 2023) for the purpose of identification of fraudulent GST registrations, establishment of an information sharing mechanism, action to be taken by field officers and laying down of a feedback and reporting mechanism.

Key takeaways of the above drive for taxpayers were as below:

- Registered office with GST authorities must be a place where the taxpayer carries out his business activities. It should be a permanent location and not a temporary one. Further, it should be a physical location easily identifiable and traceable by tax authorities
- Taxpayer must be in a position to prove ownership or lease of the premises, such as by way of a rent agreement, sale deed, etc.
- Taxpayer must display the GST registration certificate prominently at the registered office. Within 15 days of any change in registered office, taxpayer must duly intimate the same to GST authorities

2nd series of special All-India drive starting from 16 August 2024

A meeting of the national co-ordination committee was held on 11 July 2024, wherein it was discussed that the special All-India drive conducted during the year 2023 was found quite effective in weeding out fake registrations. The committee felt that there may be a need for further focused and coordinated action by Central and State tax authorities to clean up the tax base and to take action against fake registrations and fake / bogus invoices, on the same pattern as was done in the year 2023. It was, therefore, decided that a 2nd special All-India drive against fake registrations would be conducted by GST authorities for a period of 2 months starting from *16 August 2024* onwards. Accordingly, guidelines have been issued for the same by Ministry of Finance on 12 August 2024 for the purpose of identification of fraudulent GST registrations, establishment of an information sharing mechanism, action to be taken by field officers and laying down of a feedback and reporting mechanism.

Please [Click Here](#) to read Instruction no. 2 dated 12 August 2024 issued by CBIC.

GSTN issues advisory for biometric-based Aadhaar authentication & document verification for applicants from Jammu & Kashmir & West Bengal

In a bid to remind taxpayers about the recent changes in GST registration process, the GST Network has advised to keep the following key points in mind during the registration process.

- Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the GST portal, based on data analysis and risk parameters for biometric-based Aadhaar authentication and taking a photograph of the applicant along with verification of the original documents uploaded with the application. This functionality has been developed by GSTN and has been rolled out in Jammu & Kashmir and West Bengal on 2 August 2024
- The 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 on e-mail
 - ✓ Link for One Time Password (OTP) based Aadhaar authentication, *or*
 - ✓ 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)

- If the applicant receives the link for OTP-based Aadhaar authentication, it can proceed with the application as per the existing process. If, however, the applicant receives the link for booking an appointment, it will be required to book the appointment to visit the designated GSK using the link provided in the e-mail. Once the applicant gets the confirmation of appointment through e-mail (the appointment confirmation e-mail), it will be able to visit the designated GSK as per the chosen schedule
- At the time of visit to GSK, the applicant is required to carry the following details
 - ✓ Copy of the appointment confirmation e-mail
 - ✓ Details of jurisdiction as mentioned in the intimation e-mail
 - ✓ Aadhaar card and PAN card (original for verification)
 - ✓ Other original documents that were uploaded with the application, as communicated by the intimation e-mail
- 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
- The applicant is required to choose an appointment for biometric verification during the maximum permissible period for the application as indicated in the intimation e-mail. In such cases, Application Reference Numbers (ARNs) will be generated once the biometric-based Aadhaar authentication process and document verification are completed
- The feature of booking an appointment to visit a designated GSK is now available for the applicants of Jammu & Kashmir and West Bengal
- The operation days and hours of GSKs will be as per the guidelines provided by GST administration in respective state

Please [Click Here](#) to read the advisory dated 2 August 2024 issued by GST authorities.

CBIC notifies effective date for amendments made in GST law vide Finance Act 2024

CBIC has issued Notification no. 16/2024-Central Tax dated 6 August 2024 notifying effective date for the following amendments made in CGST Act, 2017 vide Finance Act 2024.

- Amendments relating to the definition of Input Service Distributor (ISD) [section 2(61)] and manner of distribution of credit by ISD [section 20] will come into effect from *1 April 2025* onwards
- Penalty introduced for non-registration of packing machines by manufacturers of pan masala, chewing tobacco and other tobacco-related products will be effective from *1 October 2024* onwards

Given below is a snapshot of the above amendments proposed in the interim union budget of 2024 presented in the house of Parliament by Finance Minister on 1 February 2024.

Interim Union Budget 2024 proposal	Erstwhile provision	Amendment	Reason for Amendment
ISD provisions reinforced Section(s) amended: 2(61) & 20 of CGST Act	The GST Council in its 52 nd meeting proposed ISD mechanism to be made compulsory for distribution of ITC for common input services procured from 3 rd parties to specified distinct persons	The interim budget amended CGST Act following GST Council's decision, including input services taxable on reverse charge basis, and penalties to be imposed for non-compliance (detailed rules / guidelines expected)	Proper allocation of ITC to various locations of same legal entity
Taxation of tobacco, pan masala, & similar product manufacturers Section introduced: 122A of CGST Act	CBIC notified (in July 2023) specific procedures for capacity-based taxation for tobacco, pan masala & similar product manufacturers by registration of machines & filing of special monthly returns	The interim union budget proposed stringent enforcement measures: <ul style="list-style-type: none"> • Penalty of INR 1 lakh per unregistered machine • Risk of seizure & confiscation 	Proper allocation of ITC to various locations of same legal entity

Please [Click Here](#) to read the Notification dated 2 August 2024 issued by CBIC.

Form GSTR-1A (amendment to Form GSTR-1, outward supply return) – GSTN issues detailed tutorial / manual along with responses to Frequently Asked Questions (FAQs)

In line with Notification no. 12/2024 dated 10 July 2024 issued by CBIC, Form GSTR-1A has been made available to taxpayers with effect from July 2024 onwards.

What is Form GSTR-1A and who is required to file it?

A taxpayer who needs to amend any supply record furnished in Form GSTR 1 (outward supply return) or add any supply record of same tax period, can do so through Form GSTR-1A in the same month after filing Form GSTR-1 and before filing of Form GSTR-3B.

For example, Form GSTR 1 for the month of August 2024 is furnished by the taxpayer on 10 September 2024. Taxpayer commits a mistake in couple of records and misses to report 1 record in Form GSTR 1. In such case, Form GSTR 1A shall be open for the taxpayer on 10 September or due date of Form GSTR 1 (i.e. 11 September) whichever is later. Taxpayer will be able to amend the incorrect record and shall also be able to add the missing record in Form GSTR 1A. The correct value shall be auto populated in its Form GSTR 3B.

When will Form GSTR-1A be available for filing?

For monthly filer	For quarterly filer
Later of the following dates, till the actual filing of Form GSTR-3B of the same tax period <ul style="list-style-type: none">• Due date of filing Form GSTR-1 i.e., 11th of the following month, or• Date of actual filing of Form GSTR-1	Later of the following dates, till the filing of Form GSTR-3B of the same tax period <ul style="list-style-type: none">• Due date of filing Form GSTR-1 i.e., 13th of the month following the end of quarter, or• Date of actual filing of Form GSTR-1

Government has issued a detailed tutorial / manual on filing of Form GSTR-1A. Please [Click Here](#) to read the same.

Further, Government has also issued responses to other Frequently Asked Questions (FAQs) as below:

- *What is the due date for filing Form GSTR-1A?*

There is no due date for filing of Form GSTR-1A. It can be filed till the filing of Form GSTR-3B of the same tax period

- *Can taxpayer file Form GSTR 1A after filing Form GSTR-3B?*

No, taxpayer cannot file Form GSTR-1A once Form GSTR-3B is filed for the same tax period. However, the functionality of amending records reported in previously filed Form GSTR-1 in subsequent Form GSTR 1 will be continued as it is

- *Is it compulsory to file Form GSTR 1A?*

No, to file Form GSTR 1A is optional. Taxpayer can file Form GSTR-1A in following scenarios: (a) To add new records which taxpayer missed out while filing in Form GSTR-1, or (b) To amend records which were already reported in same period in Form GSTR-1

- *What are the available modes of preparing Form GSTR-1A?*

Form GSTR 1A can be filed only through online mode and through GST Suvidha Provider

- *Can Nil Form GSTR-1A be filed?*

No, filing of Nil Form GSTR 1A is not available

- *Can taxpayer amend the records reported in earlier Form GSTR 1 in current Form GSTR-1A?*

No, Form GSTR 1A allows to amend the records filed in Form GSTR 1 of current tax period only. The records reported in earlier Form GSTR 1 can be amended in any subsequent Form GSTR 1 subject to the time limit specified in the law

- *Can taxpayer file Form GSTR 3B if it saved some records in Form GSTR-1A but did not file Form GSTR-1A*

In case a taxpayer saved any record in Form GSTR-1A but did not file the same before filing the GSTR-3B, then it would face error at the time of filing Form GSTR 3B. System will not allow to file Form GSTR 3B. Therefore, it would be required to either delete the saved record in Form GSTR 1A or reset Form GSTR 1A or file Form GSTR 1A before filing Form GSTR 3B

- *Can taxpayer add the details of a Debit Note / Credit Note in Form GSTR-1A?*

Yes. A Debit Note / Credit Note can be added in corresponding tables of Form GSTR-1A

- *Can Recipient's GSTIN be amended in Form GSTR-1A?*

No, GSTIN of Recipient cannot be amended through Form GSTR-1A. Same can be done only through Form GSTR-1 of the following tax periods

- *Taxpayer has opted for Quarterly filing of Form GSTR-1. Can it add or amend details of any record furnished through IFF for the Month M1 or M2 in Form GSTR-1A?*

Yes. Any record furnished for the month of M1 or M2 through IFF can be amended in Form GSTR 1A of the same tax period which will be available to the taxpayer after filing of Form GSTR-1 for the quarter

- *Can the filed Form GSTR-1A be amended again if Form GSTR-3B is not filed?*

Form GSTR-1 can be filed only once for a particular tax period even if Form GSTR-3B is not filed

Please [Click Here](#) to read the FAQs issued by GSTN on 1 August 2024.

Direct Tax



Direct Tax

Gross Direct Tax collection for Financial Year (FY) 2024-25 (upto 11 August 2024) is Rs 8.13 Lakh Crore, 23.99% higher than gross collection for corresponding period last year

The Central Board of Direct Taxes has released the following statistics on 11 August 2024:

For the period 1 April 2024 till 11 August 2024	Amount (Rs.)	Remarks
Gross direct tax collection	Rs 8.13 lakh crore	23.99 % higher than gross collection for corresponding period last year
Net direct tax collection (after adjustment of refunds)	Rs 6.93 lakh crore	22.48 % higher than net collection for corresponding period last year
Refunds issued	Rs 1.20 lakh crore	33.49 % higher than refunds issued for corresponding period last year

Please [Click Here](#) to read the Press Release dated 11 August 2024.

Central Board of Direct Taxes (CBDT) clarifies the circumstances in which Tax Clearance Certificate u/s 230(1A) of the Income-tax Act is required to be obtained by residents domiciled in India, at the time of leaving the country

Background

As per Section 230(1A) of the Income-tax Act, a person domiciled in India is not allowed to leave India, unless he obtains a Tax Clearance Certificate from the Income-tax department stating that he has no liabilities under the following statutes:

- Income-tax Act, 1961, or
- Wealth-tax Act, 1957, or
- Gift-tax Act, 1958, or
- Expenditure-tax Act, 1987

Direct Tax

Liabilities arising under Black Money (Undisclosed Foreign Income & Assets) & Imposition of Tax Act, 2015, was hitherto not covered within the ambit of Section 230(1A). The Finance Act (No.2) Act, 2024 has amended the provision to include reference to the said Act, in order to cover the liabilities under the Black Money Act in the same manner as the liabilities under any of the above 4 statutes.

Confusion within the industry

Reportedly, there appears to be a mis-information about the above amendment emanating from incorrect interpretation of the amendment. It is being erroneously reported that *all* Indian citizens must obtain the Tax Clearance Certificate before leaving India, *which is incorrect*.

Clarification issued by CBDT on 20 August 2024

CBDT has clarified that every person is not required to obtain Tax Clearance Certificate. Only certain persons (as below), in respect of whom circumstances exist which make it necessary to obtain Tax Clearance Certificate, are required to obtain the certificate. This position has been in the statute since 2003 and remains unchanged even with the amendments vide Finance (No. 2) Act, 2024.

Persons required to obtain Tax Clearance Certificate u/s 230(1A) - Following residents domiciled in India, provided

- The person is involved in serious financial irregularities, or
- Where a tax demand > Rs. 10 lakh is pending which is not stayed by any authority

Please [Click Here](#) to read the Press Release dated 20 August 2024.

Direct Tax

Finance (No.2) Act, 2024 receives consent from President of India (after certain amendments to the Finance Bill)

The Finance (No. 2) Bill, 2024 was presented by the Finance Minister on 23 July 2024 in the Parliament. While moving the Bill for approval by the Lok Sabha on 7 August 2024, she introduced certain amendments as below. The said amendments have since been approved by the Rajya Sabha and the President of India, post which the Finance (No.2) Act, 2024 has been passed on 16 August 2024.

Key amendments to the Finance (No. 2) Bill, 2024

- Computation of long-term capital gains tax - Indexation benefit has been restored on sale of immovable property acquired prior to 23 July 2024 by a resident individual or Hindu Undivided Family (HUF)
- No benefit of foreign exchange fluctuation for non-resident taxpayers on sale of unlisted shares / securities
- An employer to consider the entire amount of the TDS / TCS while computing taxes to be deducted on salary income (even if it has the effect of reducing the taxes to be deducted on salary income of employee)
- Ambiguity has been addressed, regarding applicability of erstwhile reassessment procedure for cases where search was undertaken prior to 1 September 2024 but reassessment proceedings begin on or after 1 September 2024

The amendments at the enactment stage are generally restricted to addressing shortcomings / unintended difficulties in the budget proposals as per the Finance Bill.

Please [Click Here](#) to read the Finance (No.2) Act, 2024 dated 16 August 2024.

Direct Tax

Non-applicability of higher rate of withholding tax / tax collected at source (TCS) u/s 206AA / 206CC of the Income-tax Act, 1961, in the event of death of deductee / collectee before linkage of Permanent Account Number (PAN) & Aadhaar

Background

As per the Income-tax Act, 1961, every person who has been allotted a PAN as on 1 July 2017 and is eligible to obtain Aadhaar number, was required to intimate his Aadhaar to the tax authorities. The PAN of taxpayers who failed to intimate their Aadhaar would become inoperative and penal consequences would follow (during the period that PAN remains inoperative). One of these penal consequences was, tax would be required to be deducted / collected at source at higher rate as per the Income-tax Act, on transactions with such taxpayers.

Vide circular no. 6 dated 23 April 2024, CBDT had provided a window of opportunity to taxpayers upto 31 May 2024 for linkage of PAN with Aadhaar for transactions entered into upto 31 March 2024, so as to avoid higher deduction / collection of tax at source u/s 206AA / 206CC of the Income-tax Act.

Issue faced by the industry

Reportedly, grievances have been received by CBDT from taxpayers where they have cited instances of demise of deductee / collectee during the said period (i.e., on or before 31 May 2024) before the option to link PAN and Aadhaar could have been exercised. In such cases, tax demands are standing against the deductor / collector as a result of failure to link PAN and Aadhaar of the deceased person.

Relaxation provided by CBDT

In order to address the grievance, CBDT has specified that in respect of cases where higher rate of tax deducted at source (TDS) / TCS was attracted u/s 206AA / 206CC of the Income-tax Act relating to transactions entered into upto 31 March 2024 and in case of demise of the deductee / collectee on or before 31 May 2024 (i.e., before the linkage of PAN and Aadhaar could have been done), there shall be no liability on the deductor / collector to deduct / collect tax at higher rate u/s 206AA / 206CC. The regular rates for tax deduction / collection at source shall apply in such cases.

Please [Click Here](#) to read Circular no. 8 dated 5 August 2024 issued by CBDT.

Please [Click Here](#) to read the Press Release dated 7 August 2024 issued by Ministry of Finance.

Direct Tax

Total number of Income-tax Returns (ITRs) for Assessment Year (AY) 2024-25 filed till 31 July 2024 exceeds 7.28 crore (7.5% more than the total ITRs filed last year till 31 July 2023)

The total number of ITRs for AY 2024-25 filed till 31 July 2024 is more than 7.28 crore, which is 7.5% more than the total ITRs for AY 2023-24 (6.77 crore) filed till 31 July 2023.

An increasing number of taxpayers have opted for the new tax regime this year. Out of the total ITRs of 7.28 crore filed for AY 2024-25, 5.27 crore have been filed in the new tax regime compared to 2.01 crore ITRs filed in the old tax regime. Thus, about 72% of taxpayers have opted for the new tax regime, while 28% continue to be in the old tax regime.

The filing of ITRs peaked on 31 July 2024 (due date for salaried taxpayers and other non-tax audit cases) with over 69.92 lakh ITRs being filed on a single day (i.e., on 31 July 2024). The e-filing portal also observed its highest per hour rate of 5.07 lakh of ITR filing between 07:00 pm to 08:00 pm on 31 July 2024.

The e-filing helpdesk team of the Government has handled approximately 10.64 lakh queries from taxpayers during the year upto 31 July 2024.

The tax department has expressed gratitude to tax professionals and taxpayers for their support in compliances in filing of ITRs and forms. Taxpayers have also been requested to verify their (unverified) ITRs within 30 days of filing the ITR.

Please [Click Here](#) to read the Press Release dated 2 August 2024.

Direct Tax

Faceless Assessment Scheme - CBDT specifies circumstances in which Verification unit can perform enquiries / verification through means other than electronic mode

What is Faceless Assessment Scheme?

The Faceless Assessment Scheme of India seeks to streamline Income-tax filing by doing away with face to face meetings / encounters with tax officials. The scheme operates u/s 144B of the Income-tax Act and aims to improve the process using technology by doing away with the tax officers' and taxpayers' direct interaction.

As per section 144B(5) of the Income-tax Act, the National Faceless Assessment Centre shall act as the nodal agency for all communications amongst the various units set up by the Income-tax department under the Faceless Assessment Scheme (such as assessment unit, review unit, verification unit or technical unit) including the taxpayer. Further, all such communications must take place electronically.

CBDT specifies the circumstances wherein enquiries / verification can be performed by the Verification unit through means other than electronic mode

On 1 August 2024, CBDT has issued an order specifying the following circumstances for the purpose of enquiry or verification functions by the Verification unit through mode *other than electronic means*.

- Where taxpayer has no digital footprint
- Where no response is received from taxpayer to a notice
- Where physical verification of assets / premises / persons is required, regardless of presence of digital footprint

Please [Click Here](#) to read the order issued by CBDT on 1 August 2024.

Corporate Law & Regulatory



Corporate Law & Regulatory

Ministry of Corporate Affairs (MCA) centralizes process for registration of place of business in India (such as branch office, representative office) by a foreign company, by designating 'Registrar, Central Registration Centre (CRC)' (instead of jurisdictional Registrar) as the authority for filing & processing of Form FC-1

What is Form FC-1?

Form required to be submitted with the Registrar of Companies (ROC) within 30 days of establishment of a place of business (such as branch office, liaison office, etc.) in India by a foreign company. The requirement emanates from the Companies (Registration of Foreign Companies) Rules, 2014, which provide guidelines for foreign companies to register in India. These rules require foreign companies to submit Form FC-1 along with necessary documents with the ROC within the jurisdiction where they set up their place of business. For example, if a foreign company starts business in Delhi, it must submit Form FC-1 to the ROC office in Delhi. However, the MCA has observed that different ROCs have been accepting Form FC-1 with varying attachments and supporting documents at their discretion, leading to inconsistencies in documentation. To address this, MCA has amended the said rules.

Key amendments to the Companies (Registration of Foreign Companies) Rules, 2014

With effect from 9 September 2024 onwards;

- Form FC-1 shall be filed only with the '[Registrar, CRC](#)' (instead of jurisdictional ROC). This change centralizes the registration process by designating a specific authority to handle all such filings, which is intended to improve efficiency and consistency
- All registrations relating to foreign companies will now be processed by CRC, to simplify the procedure and ensure uniform handling of submissions

Please [Click Here](#) to read the Notification dated 12 August 2024.

Corporate Law & Regulatory

Proceedings for adjudication of penalties under Companies Act, 2013 to take place electronically through e-adjudication platform

The Companies (Adjudication of Penalties) Rules, 2014, were framed under the Companies Act, 2013, to provide a mechanism for the adjudication ('determination') of penalties for non-compliance with provisions of the Companies Act, 2013 and its rules. These rules lay down the procedure for the deciding officers to impose penalties on companies, directors and other officers in default.

MCA has taken substantial steps to improve efficiency and streamline processes by adopting modern technology, including the introduction of an e-adjudication platform. To facilitate this, the following amendments have been made by way of Companies (Adjudication of Penalties) Amendment Rules, 2024, effective from 16 September 2024 onwards.

- *Electronic Legal Proceeding* - All adjudication proceedings (including issue of notices, filing of replies, documents, evidence, holding of hearings, attendance of witnesses, passing of orders and payment of penalties) shall take place electronically via new e-adjudication platform to be developed by the Government of India for this purpose
- *Issue of notices without email* - If an email address is not available, notices or summons will be issued by post to the last known address. However, after issuing the notices the entire proceedings shall be conducted electronically. The adjudicating officer shall preserve a copy of such notice on the e-adjudication platform. If no address is available, notices will be posted / uploaded on the e-adjudication platform.

Any company or individual dissatisfied with the decision of an adjudicating officer under the Companies Act, 2013, has the right to appeal to the Regional Director using e-Form ADJ. The e-Form provides a formal process to challenge the adjudicating officer's decision and seek a review by the Regional Director. The existing Form ADJ has been replaced by MCA with a new form introducing the mandatory use of e-adjudication platform for all proceedings. The new form also emphasizes digital signature integration and includes additional fields related to electronic processes, such as order ID and detailed information about current penalties and case facts.

Corporate Law & Regulatory



Form No. ADJ

Memorandum of Appeal

[Pursuant to Section 454(5) of the Companies Act, 2013 and rule 4(1) of the Companies (Adjudication of Penalties) Rules, 2014]

Refer instruction kit for filing the form
All fields marked in * are mandatory

Form language

English

Hindi

Before the Regional Director

In the matter of the Companies Act, 2013

And
In the matter of appeal against the order made on (DD/MM/YYYY)

By

1 *Order ID number of the adjudication order

Note: Pursuant to the second proviso in sub rule (1) of Rule 4 of the Companies (Adjudication of Penalties) Rules, 2014, the appeal in Form ADJ shall not seek relief against more than one order unless the reliefs prayed for are consequential.

2 *Category of Appellant

(Company/Foreign Company/Others [Individual])

Please [Click Here](#) to read the notification dated 5 August 2024.

Limited Liability Partnerships (LLPs) - Services of Centre for Processing Accelerated Corporate Exit (C-PACE) to be extended for voluntary closure of LLPs to reduce closure time

The Finance Minister in her Union Budget speech on 23 July 2024 announced that the services of the C-PACE will be extended for voluntary closure of LLPs to reduce closure time. In line with the same, MCA has issued a notification on 5 August 2024 introducing the LLP (Amendment) Rules, 2024 to amend the existing LLP Rules, 2009. As a result, effective from 27 August 2024 onwards, the nodal authority for voluntary closure of LLPs would be C-PACE (and not ROC).

Please [Click Here](#) to read the notification dated 5 August 2024.

Corporate Law & Regulatory

Ministry of Finance amends Foreign Exchange Management (Non-debt Instruments) Rules, 2019 pursuant to Union Budget announcement to simplify cross-border share swaps for ease of doing business

The Finance Minister in her Union Budget speech on 23 July 2024 announced that the rules and regulations for Foreign Direct Investment (FDI) and Overseas Investments will be simplified to facilitate foreign investments into the country, nudge prioritization and promote opportunities for using Indian Rupee as a currency for overseas investments.

Pursuant to the above, the Department of Economic Affairs, Ministry of Finance, as an initiative has amended the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 vide notification dated 16 August 2024, to simplify cross-border share swaps and provide for the issue or transfer of Indian company's equity instruments in exchange for foreign company's equity instruments. This is likely to facilitate global expansion of Indian companies through mergers, acquisitions and other strategic initiatives, enabling them to reach new markets and grow their presence worldwide. Another key change brings further clarity on the treatment of downstream investments made by Overseas Citizen of India - owned entities on a non-repatriation basis, aligning it with the treatment of Non-Resident Indian - owned entities.

Other changes include the below.

- Standardization of definition of 'Control' to ensure consistency with other laws
- Enablement of FDI in White Label Automated Teller Machines (ATMs) to boost financial inclusion nationwide
- Harmonization of definition of 'startup company' with the Government of India's notification dated 19 February 2019, issued by the Department for Promotion of Industry and Internal Trade

These amendments appear to be indicative of Government's commitment to creating a foreign-investor-friendly climate with continued measures to simplify rules and promote ease of doing business.

Please [Click Here](#) to read the Press Release dated 16 August 2024 issued by Ministry of Finance.

Please [Click Here](#) to read the Notification (detailed amendments) dated 16 August 2024 issued by Ministry of Finance.

Corporate Law & Regulatory

Reserve Bank of India (RBI) grants permission to non-residents for sale / purchase of Sovereign Green Bonds in International Financial Services Centre (IFSC) in India

RBI has introduced new provisions relating to purchase and sale of Sovereign Green Bonds by non-residents through IFSC in India. These provisions are intended to aid in enhancement of attractiveness of IFSC as a hub for green finance. By clarifying the process for purchase and sale of these bonds and managing related payments and remittances, the regulations aim to streamline investment procedures and encourage greater foreign participation in India's green bond market.

- Non-residents who have a securities account with a depository in IFSC can now purchase or sell Sovereign Green Bonds issued by the Government of India. The specific terms and conditions will be set by RBI
- Payment for buying Sovereign Green Bonds by non-residents must be made either through inward remittance from abroad via banking channels or from funds in a foreign currency account, in accordance with regulations of RBI / IFSC authority
- Non-residents are allowed to remit the sale or maturity proceeds (after taxes) of these Sovereign Green Bonds outside India.

Please [Click Here](#) to read the notification dated 2 August 2024 issued by RBI (Financial Markets Regulation Department).

Compliance Calendar

Compliance calendar for the month of September 2024

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th September	August 2024	TDS / TCS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
10 th September		a) GSTR-7 (TDS return under GST) b) GSTR-8 (TCS return under GST)	a) Person required to deduct TDS under GST b) Person required to collect TCS under GST
11 th September		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 th September		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 th September		Deposit of PF & ESI contribution	All Deductors
	July-Sep 2024	Deposit of 45% (2nd Installment) of Advance Tax for FY 2024-25	Taxpayers liable to pay advance tax
20 th September	August 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 th September		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
30 th September	FY 2023-24	a) Filing of KYC details of directors in Form Web KYC b) Filing of KYC details in form DIR-3 KYC c) Statutory audit under Companies Act d) Due date of holding Annual General Meeting (AGM) for all the Companies e) Filing of Form FC-3 (Annual accounts and list of places of business in India) with ROC f) Filing of Annual Activity Certificate (AAC) and audited financials g) Revised annual return on Foreign Assets & Liabilities (FLA) on the basis of Audited Financial Statements h) Filing of Tax Audit Report u/s 44AB	a) All directors / designated partners who hold Director Identification No (DIN) b) All directors / designated partners who have been allotted DIN during FY 2023-24 c) All Companies d) All Companies e) Liaison/Branch/Project office in India f) Liaison/Branch/Project office in India g) All companies & LLPs having Foreign Direct Investment (FDI). h) Taxpayers whose books of accounts are required to be tax-audited and not subject to transfer pricing (who is required to submit its Income-tax Return on or before 31 October 2024)

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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