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TAX EDGE

Monthly Tax &
Regulatory Updates

Tax • Regulatory • Assurance • Legal

October 2024

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Goods & Services Tax (‘GST’)



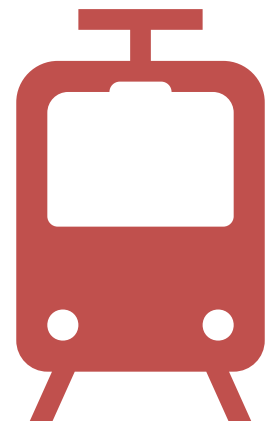
GST revenue collection for September 2024 Rs. 1,73,240 crore (6.5% higher than GST revenue in September 2023)

The gross GST revenue collected in the month of September 2024 is Rs. 1,73,240 crore as below:

IGST (Integrated Goods and Services Tax)	Rs. 90,594 Crore
CGST (Central Goods and Services Tax)	Rs. 31,422 Crore
SGST (State Goods and Services Tax)	Rs. 39,283 Crore
Compensation cess	Rs. 11,941 Crore
Total	Rs. 1,73,240 Crore

The gross GST collection for Financial Year (FY) 2024-25 till September 2024 stood at Rs. 10.87 lakh crore, representing a 9.5% year-on-year growth, driven by a strong increase in domestic transactions (10.4%) and marginal increase in imports (6.8%). After considering refunds, the net GST revenue in the FY 2024-25 till September 2024 stands at Rs.9.60 lakh crore, reflecting a growth of 9.1 % compared to the same period last year.

Please [Click Here](#) to read the revenue report dated 1st October 2024 released by the GST Network.



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).

Please [Click Here](#) to read the advisory dated 29 October 2024 issued by GSTN.

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

uatreg.gst.gov.in/registration/auth/amend/uin/noncore/bank

Application Type	UIN	Name of the Entity
Amendment (Non-Core Fields)	3624IND00002ON2	Neha Warhokar
Type of Registration	Due Date to Complete	Last Modified
Other Notified Persons	25/07/2024	19/07/2024

Authorized Registry ✓ Bank Accounts ✓ Verification ✓

Details of Bank Account

Account Number* 1234567890 Type of Account* Current Account

Enter Bank IFSC* BNA0009060 GET ADDRESS

Don't know your IFSC? Click here to find your bank

Branch and Address of the Bank
B N P PARTHAS, 8th FLOOR EAST TOWER (SOOD TOWER), 25, BARAKHANDA 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

uatreg.gst.gov.in/registration/auth/amend/uin/noncore/bank

Branch and Address of the Bank
B N P PARTHAS, 8th FLOOR EAST TOWER (SOOD TOWER), 25, BARAKHANDA 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	Cancelled 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
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Date of Amendment* 04/10/2024

Reason for Amendment* Adding new Bank details

BACK CANCEL SAVE

© 2024-25 Goods and Services Tax Network Site Last Updated on 30-09-2024 Designed & Developed by GSTN

Site best viewed at 1024 x 768 resolution in Microsoft Edge, Google Chrome 49+, Firefox 45+ and Safari 6+

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

The screenshot shows a web browser window with the URL uatreg.gst.gov.in/registration/auth/amend/ain/soncore/bank. The page displays the 'Bank and Address of the Bank' as H N P PARIBAS, 25/11/10H EAST TOWER (SUITE 1007R), 25, HARIJANABA ROAD, NEW DELHI - 110001. A 'VALIDATE ACCOUNT DETAILS' button is visible with 'Remaining Attempts: 19'. A message states: '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.' Below this is a 'Document Upload' section for 'Proof of Details of Bank Accounts*'. It includes a 'Bank Statement' upload area with a red error message and three columns of file upload instructions for 'Bank Statement', 'Cancelled cheque having name of Taxpayer', and 'First Page of Bank Passbook'. Each column specifies file format (PDF or JPG) and size (2 MB). At the bottom, there is a 'Date of Amendment*' field with the value '04/10/2024' and a 'Reason for Amendment*' dropdown menu with the selected option 'Adding new Bank details'. 'BACK', 'CANCEL', and 'SAVE' buttons are located at the bottom right.

Please [Click Here](#) to read the advisory dated 22 October 2024 issued by GSTN.

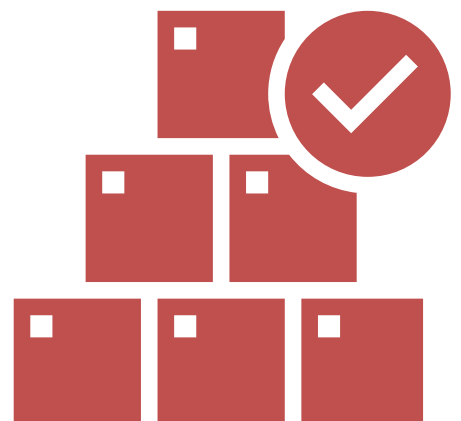
GSTN issues additional frequently asked questions (FAQs) on Invoice Management System (IMS)

This month onwards GSTN has made available the functionality of IMS to taxpayers, which is a process for invoice reconciliation. The functionality is meant to facilitate the matching of invoices received by a taxpayer from and reported by its suppliers. IMS enables a taxpayer to accept, reject or keep it pending for subsequent availment of Input Tax Credit (ITC). IMS is now live and running on the GST portal. The 1st Form GSTR-2B (details of inward supplies from registered suppliers) on the basis of action taken in IMS would be generated for the month of October 2024 on 14 November 2024.

On 22 September 2024, the GSTN had issued a set of 34 FAQs. On 17 October 2024, GSTN has issued answers to additional FAQs such as the below:

- Which invoices are visible on IMS dashboard since 14 October 2024
- Which is the 1st Form GSTR-2B prepared using actions taken on IMS
- Can taxpayer take action after 14 November 2024 and regenerate Form GSTR-2B for October 2024
- Is it mandatory to act on IMS. What happens if no action is taken
- When should an invoice / debit note be rejected
- In light of the time limit to avail ITC being till 30 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
- 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
- What to do in case wrong invoice is corrected by issue of credit note by the supplier instead of amending the same and such credit note has been rejected by the recipient
- Can the credit note be kept as pending in IMS. If not, why
- Whether liability can be added in the same Form GSTR 3B (summary return) in case where credit note has been rejected by the recipient before filing of GSTR 3B by the supplier

Please [Click Here](#) to read the additional FAQs dated 17 October 2024.



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.

Please [Click Here](#) to read the advisory dated 15 October 2024.

Central Board of Indirect Taxes and Customs (CBIC) issues notifications to give effect to the 54th GST Council Meeting recommendations

CBIC has issued various notifications (summarized below) to give effect to recommendations made in the 54th GST Council meeting held on 9 September 2024 at New Delhi.

SI	Amendment	Effective from
1	<p><i>Procedure for rectification of order pursuant to sections 16(5) and 16(6) of the CGST Act:</i></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>	8 October 2024 onwards

SI	Amendment	Effective from
2	<p><i>Timelines to pay tax under amnesty scheme:</i></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 are 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><i>Waiver of late fee for filing Tax Deduction at Source (TDS) Return in Form GSTR-7:</i></p> <p>Late fee for delay in furnishing Form GSTR-7 for the month of June 2021 onwards has been reduced to Rs.50 per day with a maximum cap of Rs. 2000. In cases of NIL return, the entire late fee has been waived.</p>	1 November 2024 onwards
4	<p><i>Scope of TDS provisions expanded:</i></p> <p>A taxpayer receiving supplies of metal scrap from a registered person, shall deduct tax at source @ of 2%</p>	1 November 2024 onwards

SI	Amendment	Effective from
5	<p><i>CGST (Second Amendment) Rules, 2024:</i></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 facility allowing a taxpayer liable to pay tax on reverse charge mechanism u/s 9(4) to generate a consolidated invoice based on the aggregate daily value has been discontinued by omitting the second proviso to Rule 46 • 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 in cases 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 	1 November 2024 onwards
6	<p><i>Extension of GST exemption to cover following services:</i></p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ✓ A Government Entity, or ✓ 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 	10 October 2024 onwards

SI	Amendment	Effective from															
7	<p><i>Change in GST rates:</i></p> <table border="1"> <thead> <tr> <th>Goods</th> <th>Old Rate</th> <th>New Rate</th> </tr> </thead> <tbody> <tr> <td>Cancer drugs namely Trastuzumab Deruxtecan, Osimertinib and Durvalumab</td> <td>12%</td> <td>5%</td> </tr> <tr> <td>Transportation of passengers by air in a helicopter on a seat-share basis</td> <td>12%</td> <td>5%</td> </tr> <tr> <td>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%)</td> <td>18%</td> <td>12%</td> </tr> <tr> <td>Car and Motorcycle Seats</td> <td>18%</td> <td>28%</td> </tr> </tbody> </table>	Goods	Old Rate	New Rate	Cancer drugs namely Trastuzumab Deruxtecan, Osimertinib and Durvalumab	12%	5%	Transportation of passengers by air in a helicopter on a seat-share basis	12%	5%	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%	10 October 2024 onwards
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8	<p><i>Scope of transactions subject to RCM expanded to cover the following:</i></p> <ul style="list-style-type: none"> • 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 	10 October 2024 onwards															

Please [Click Here](#) to read Notification no. 20/2024 dated 8 October 2024.

Please [Click Here](#) to read Notification no. 21/2024 dated 8 October 2024.

Please [Click Here](#) to read Notification no. 22/2024 dated 8 October 2024.

Please [Click Here](#) to read Notification no. 23/2024 dated 8 October 2024.

Please [Click Here](#) to read Notification no. 24/2024 dated 9 October 2024.

Please [Click Here](#) to read Notification no. 25/2024 dated 9 October 2024.

Please [Click Here](#) to read Notification no. 05/2024 dated 8 October 2024.

Please [Click Here](#) to read Notification no. 06/2024 dated 8 October 2024.

Please [Click Here](#) to read Notification no. 07/2024 dated 8 October 2024.

Please [Click Here](#) to read Notification no. 08/2024 dated 8 October 2024.

Please [Click Here](#) to read Notification no. 09/2024 dated 8 October 2024.

Advisory on GSTN e-Services app to replace e-Invoice QR code verifier app shortly

GST authorities are about to launch the new GSTN e-Services app, which would replace the old e-Invoice QR code verifier app. This app would offer the following features:

- Verification of e-Invoices - Scan the QR code to verify the B2B e-Invoices QR code and check the live status of the Invoice Reference Number (IRN)
- GSTIN Search - Search for GSTIN details using GSTIN or PAN
- Return Filing History - View the return filing history for a GSTIN
- Multiple Input Methods - Input search details using text, voice or scan functions
- Result Sharing - Share search results via the app

The app would soon be available on Google Play Store and App Store. No login is required to use the app.

Please [Click Here](#) to read the advisory dated 1 October 2024.

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

CBIC has issued notifications specifying the effective date for amendments made in CGST Act, 2017 vide Finance Act 2024, as below.

Amendments effective from 27 September 2024 onwards:

- Relaxation in time limits for availment of ITC - Effective from 1 July 2017 onwards, the following amendments have been made in section 16 of the CGST Act:
 - ✓ Time limit for claiming ITC in respect of invoice / debit notes for FYs 2017-18 to 2020-21 has been extended till 30 November 2021, if the same has been claimed in the GST returns
 - ✓ Time limit for claiming ITC in respect of the returns filed after revocation of cancellation of GST registration shall be later of the following dates:
 - (a) 30 days from the date of the order of the revocation; or
 - (b) Time limit provided u/s 16(4) of the CGST Act (i.e. 30 November with effect from 1 October 2022 onwards)

Further, no refund shall be available in respect of taxes already paid or where ITC has been reversed.

- Anti-profiteering provisions - Amendments were introduced to transfer the adjudication of matters related to anti-profiteering by the principal bench of the Appellate Tribunal. Additionally, no new anti-profiteering application will be entertained after 1 April 2025.

Section 109(1) was also amended to extend the functions of the Appellate Tribunal to include examination or adjudication of anti-profiteering cases u/s 171(2).

Amendments effective from 1 November 2024 onwards:

- Extra neutral alcohol exempted from purview of GST - Section 9 was amended to exclude 'un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption' from the levy of GST. Similar amendments were also made in the IGST Act and Union Territory GST Act
- Section 11A was inserted to empower the Government to regularize non-levy or short levy of GST due to common trade practices. Corresponding amendments were also made in IGST Act, Union Territory GST Act and Cess Act, 2017
- Reverse Charge Mechanism - Section 13(3) of the CGST Act provides for time of supply for services attracting reverse charge mechanism. The said provision was amended to provide that time of supply in respect of services received from unregistered suppliers and attracting reverse charge mechanism will be earlier of:
 - ✓ Date of payment;
 - ✓ Date of issuance of self-invoice.

Also, section 31(3)(f) of the CGST Act was amended to empower Government to prescribe time-limit to issue self-invoice in case of supplies received from unregistered persons subject to reverse charge mechanism. Further, an unregistered supplier would also include a person who is registered solely for deducting tax u/s 51 of the CGST Act.

- Removal of restrictions to claim ITC in respect of taxes paid pursuant to the following:
 - ✓ Demands alleging fraud, wilful misstatement or suppression of facts (u/s 74 of CGST Act) from FY 2024-25 onwards; and
 - ✓ Detention/ seizure and confiscation of goods or conveyances.
- Refund restrictions - Section 54 was amended to provide that no refund of ITC or IGST paid on account of zero-rated supply of goods shall be available where such supply is liable for export duty

- Appearance in summons proceedings - Allowing authorised representative to appear on behalf of summoned persons u/s 70
- Demand and recovery provisions:
 - ✓ Adjudication in cases of non-fraud (section 73) and fraud (section 74) cases, shall be done only up to FY 2023-24
 - ✓ Section 74A has been inserted to provide for the adjudication of fraud and non-fraud cases from FY 2024-25 onwards and common time limit for the issue of show cause notices
- Pre-deposit requirement has been reduced as below:
 - ✓ For appeal before the first Appellate Authority, the cap is now set at Rs.20 crore for CGST and SGST (reduced from existing Rs. 25 crore each)
 - ✓ For appeal before GST Appellate Tribunal, the pre-deposit requirement is reduced from 20% to 10%, with a maximum limit of Rs. 20 crore for CGST and SGST (from existing Rs.25 crore each)
- Penalty provisions applicable to e-commerce operator u/s 122(1B) have been made applicable only to those e-commerce operators who are required to collect tax at source u/s 52
- GST Amnesty scheme for waiver of interest / penalty / both relating to demands u/s 73 of CGST Act for FYs 2017-18 to FY 2019-20 has been introduced. The scheme is subject to certain conditions / restrictions
- The transitional credit on input services received by Input Service Distributor would be available irrespective of whether such invoices were received prior to, on or after 1 July 2017
- Transactions not treated as 'supply' of goods / services - Following transactions have been added to Schedule III list:
 - ✓ Co-insurance premium apportioned by lead insurer to co-insurer, provided the lead insurer pays tax on the entire premium paid by the insured
 - ✓ Ceding commission / re-insurance commission between insurer and re-insurer, provided tax on the gross reinsurance premium inclusive of reinsurance commission / ceding commission is paid by the reinsurer
- Mandate for monthly TDS returns - Section 39 of CGST Act to provide for mandatory filing of TDS returns even if no deductions are made. Such filings to be made within the prescribed time limit
- Section 30 deals with revocation of cancellation of registration by GST officer. A new proviso has been inserted in section 30(2) to prescribe that revocation of cancellation of registration shall be subject to such conditions and restrictions as may be prescribed by the Government.

Please [Click Here](#) to read Notification no. 17/2024 dated 27 September 2024.

Please [Click Here](#) to read Notification no. 18/2024 dated 30 September 2024.

Please [Click Here](#) to read Notification no. 19/2024 dated 30 September 2024.

Direct Tax



Direct Tax

Gross Direct Tax collection for Financial Year (FY) 2024-25 (upto 10 October 2024) is Rs. 13.57 Lakh Crore, 22.30% higher than gross collection for corresponding period last year

The Central Board of Direct Taxes has released the following statistics on 10 October 2024:

For the period 1 April 2024 till 10 October 2024	Amount (Rs.)	Remarks
Gross direct tax collection	Rs 13.57 lakh crore	22.30 % higher than gross collection for corresponding period last year
Net direct tax collection (after adjustment of refunds)	Rs 11.26 lakh crore	18.35 % higher than net collection for corresponding period last year
Refunds issued	Rs 2.31 lakh crore	46.03 % higher than refunds issued for corresponding period last year

Please [Click Here](#) to read the Press Release dated 10 October 2024.

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

Please [Click Here](#) to read Press Release dated 26 October 2024 issued by Ministry of Finance.

Please [Click Here](#) to read Circular dated 26 October 2024 issued by Central Board of Direct Taxes.

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.

Please [Click Here](#) to read the Press Release dated 17 October 2024.

Please [Click Here](#) to read the detailed guidelines dated 17 October 2024.

Direct Tax

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).

Please [Click Here](#) to read Press Release dated 16 October 2024.

Please [Click Here](#) to read Notification no. 112/2024 dated 15 October 2024.

Direct Tax Vivad se Vishwas Scheme, 2024 – Guidance Note 1/2024 issued by CBDT

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 appeals 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

Please [Click Here](#) to read Circular no. 12 dated 15 October 2024.

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.

Direct Tax

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:
 - ✓ The taxpayer's income is not assessable in the hands of another person under any provision of the Income-tax Act
 - ✓ No interest will be allowed on belated claims for refund
 - ✓ The refund results from excess TDS / TCS, advance tax or self-assessment tax payments

Please [Click Here](#) to read Circular no. 11/2024 dated 1 October 2024.

International Tax



International Tax

Transfer Pricing - CBDT notifies tolerance limit for computing arm's length price for Assessment Year (AY) 2024-25

The Income-tax Act 1961 allows the Government to prescribe the 'tolerance limit' every year for variation between the arm's length price computed u/s 92C of the Act and the actual price at which an international transaction or specified domestic transaction between associated enterprises takes place. The tolerance limit is prescribed as a factor of percentage of actual price and if the actual price falls within the said limit, then the actual price is considered acceptable for transfer pricing purposes. For AY 2024-25, Government has prescribed following tolerance limit:

- 1% of the actual transaction price in respect of wholesale trading*, and
- 3% of the actual transaction price in all other cases

** 'Wholesale trading' for this purpose has been defined to mean an international transaction or specified domestic transaction of trading in goods, which fulfils the following conditions, namely*

- *Purchase cost of finished goods is 80% or more of the total cost pertaining to such trading activities, and*
- *Average monthly closing inventory of such goods is 10% or less of sales pertaining to such trading activities*

In other words, if for AY 2024-25 the variation between the arm's length price computed under the Income-tax Act and the actual price at which transaction occurs, does not exceed the above variation, the actual price will be acceptable for transfer pricing cases. It is worthwhile to note that for the last 5 years (AYs 2019-20 to 2023-24), Government has consistently prescribed the same tolerance limit for transfer pricing purposes.

Please [Click Here](#) to read the Notification No. 116 dated 18 October 2024.

Corporate Law & Regulatory



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.

Please [Click Here](#) to read Press Release dated 1 October 2024 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 interest of India

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

Corporate Law & Regulatory

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 [Click Here](#) to read the public notice dated 28 September 2024 issued by Ministry of Home Affairs.

Corporate Law & Regulatory

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.1,000 crore 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.

Please [Click Here](#) to read notification dated 24 September 2024 issued by MCA.

Compliance Calendar

Compliance calendar for the month of November 2024

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th November	October 2024	TDS / TCS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
10 th November		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 th November		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 November		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 November	July – Sep 2024	Deposit of PF & ESI contribution	All Deductors
	FY 2023-24	TDS certificate in Form 16A (non-salary)	
		Income-tax Return	Following Taxpayers not subject to Transfer Pricing regulations as per Income-tax Act, 1961 a) Corporates b) Non corporates (whose accounts are required to be audited) c) Partner of a firm whose accounts are required to be audited
20 th November	October 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 November		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
29 th November	FY 2023-24	Filing of Annual Return in form MGT-7 with ROC.	All Companies (whose AGM is held on 30 September 2024)
30 th November		a) Income-tax Return b) Form 3CEAA (Master File) c) Form 3CEFA (option for exercise of safe harbour rules for international transaction) d) Form 3CEFB (option for exercise of safe harbour rules for specified domestic transaction)	Taxpayers subject to Transfer Pricing regulations as per Income-tax Act, 1961
		a) Availment of Unclaimed Input Tax Credit under GST b) Issue of Credit Notes under GST	All GST-registered taxpayers

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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