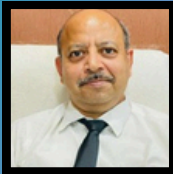


NEWSLETTER

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NEWSLETTER FOR FEBRUARY 25 **VOLUME 15, ISSUE 2**

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COMPLIANCE

FEBRUARY 2025 DUE DATES

GST

DATE	COMPLIANCE DETAIL	APPLICABLE TO
10th	<ul style="list-style-type: none">GSTR-7 (TDS return under GST)GSTR-8 (TCS return under GST)	<ul style="list-style-type: none">Person required to deduct TDS under GSTPerson required to collect TCS under GST
11th	GSTR-1 (Outward supply return)	<ul style="list-style-type: none">Taxable persons having annual turnover > Rs. 5 crore in FY 2023-24Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13th	<ul style="list-style-type: none">GSTR-6 [Return by input service distributor (ISD)]Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)GSTR-5 (Return by Non-resident)	<ul style="list-style-type: none">Person registered as ISDTaxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP SchemeNon-resident taxable person (NRTP)
20th	<ul style="list-style-type: none">GSTR-3B (Summary return)GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	<ul style="list-style-type: none">a) Taxable persons having annual turnover > Rs. 5 crore in FY 2023-24b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and not opted for QRMP schemeOIDAR services provider
25th	<ul style="list-style-type: none">Form GST PMT-06 (payment of tax for QRMP filers)	<ul style="list-style-type: none">Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme

INCOME TAX

DATE	COMPLIANCE DETAIL	APPLICABLE TO
7th	<ol style="list-style-type: none">1. TDS / TCS deposit2. Equalization Levy deposit	<ul style="list-style-type: none">• Non-Government Deductors• All Deductors

Other

DATE	COMPLIANCE DETAIL	APPLICABLE TO
15th	<ul style="list-style-type: none">• Deposit of PF & ESI contribution• Issue of TDS Certificate (other than salary)	<ul style="list-style-type: none">• All Deductors• All Deductors



CBIC ISSUED NOTIFICATIONS AND CIRCULARS ISSUED FOR THE MONTH OF JANUARY 2025

NOTIFICATION NO-01/2025 – CENTRAL TAX, DATED 10.01.2025

The CBIC has issued a notification to extend the due date for furnishing the return in FORM GSTR-1 for the month of December 2024 till the 13th Day of January 2025, and for the tax period October to December 2024 till 15th Day of January 2025.

NOTIFICATION NO-02/2025 – CENTRAL TAX, DATED 10.01.2025

The CBIC has issued a notification to extend the due date for furnishing the return in FORM GSTR-3B for the month of December 2024 till the 22nd Day of January 2025, and for the tax period October to December 2024 for the class of registered persons mentioned in column (2) of the Table given below, till the date mentioned in the corresponding entry in column (3) of the said Table, namely: -

S. No.	Class of registered persons	Due Date
I.	Registered persons whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.	24th Day of January 2025

2.	Registered persons whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi.	26th Day of January 2025
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NOTIFICATION NO-03/2025 – CENTRAL TAX, DATED 10.01.2025

The CBIC has issued a notification to extend the due date for furnishing the return in FORM GSTR-5 for the month of December 2024 till the 15th Day of January 2025.

NOTIFICATION NO-04/2025 – CENTRAL TAX, DATED 10.01.2025

The CBIC has issued a notification to extend the due date for furnishing the return in FORM GSTR-6 for the month of December 2024 till the 15th Day of January 2025.

NOTIFICATION NO-05/2025 – CENTRAL TAX, DATED 10.01.2025

The CBIC has issued a notification to extend the due date for furnishing the return in FORM GSTR-7 for the month of December 2024 till the 12th Day of January 2025.

NOTIFICATION NO-06/2025 – CENTRAL TAX, DATED 10.01.2025

The CBIC has issued a notification to extend the due date for furnishing the return in FORM GSTR-8 for the month of December 2024 till the 12th Day of January 2025.

NOTIFICATION NO-07/2025 – CENTRAL TAX, DATED 23.01.2025

This amendment introduces a significant procedural update in the Central Goods and Services Tax Rules, 2017 as under:

A. Introduction of Rule 16A – Issuance of a Temporary identification number (TIN)

A new rule 16A, has been inserted for the issuance of a temporary identification number (TIN) to a person who is not liable for registration under the CGST Act, 2017, but is required to make any payment under the provisions of the Act. The proper officer has the authority to grant a temporary identification number to such a person. This will be done by issuing an order in Part B of FORM GST REG-12.

The provision will come into force from **a date to be notified** by the government.

Earlier, The GST Council in its 55th Council Meeting has proposed to make the necessary arrangements in this regard. This new rule would ensure proper identification and tracking of such persons when they make payments, thereby improving compliance and ensuring that necessary tax payments are captured effectively.

B. Amendment in Rule 19 – Inclusion of FORM GST CMP-02

This amendment makes a specific change to Rule 19(1) of the Central Goods and Services Tax Rules, 2017, by expanding the scope of documents or intimations considered for the amendment of GST registration.

Before Amendment: Rule 19(1) allowed for the amendment of registration based on details provided in FORM GST REG-10 (used for non-resident taxable persons applying for GST registration).

After Amendment: The rule is expanded to include details furnished by composition taxpayers in FORM GST CMP-02. This effectively means that composition taxpayers' intimations regarding opting into the Composition Scheme (via FORM GST CMP-02) can now trigger or relate to an amendment in their GST registration.

The provision will come into force from **a date to be notified** by the government.

C. Amendment in Rule 87

This amendment introduces a connection between Rule 87(4) and the newly inserted Rule 16A, which pertains to the issuance of a temporary identification number (TIN) for persons not liable to GST registration but required to make a payment under the Act.

The provision is expanded to include the reference to Rule 16A, allowing persons with a temporary identification number (TIN) to also generate challans for payment via the common portal. The amendment will come into force from a date to be notified by the government.

The amendment will come into force from **a date to be notified** by the government.

NOTIFICATION NO-08/2025 – CENTRAL TAX, DATED 23.01.2025

The CBIC has issued a notification for the taxpayer exempting late fees u/s 47 of the CGST Act, 2017. The same exemption applies to the registered persons who were needed to submit the FORM GSTR-9C (reconciliation statement) along with their annual return in FORM GSTR-9 but failed to perform it within the stipulated timelines for financial years 2017-18 to 2022-23.

Notification highlights

- **Applicability:** This applies for the financial years 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23.
- **No Refund:** The taxpayers who have filed the late fee earlier shall not be qualified for any refund.
- **Late Fee Waiver:** the late fees of surpassing the amount liable to get paid under section 47 of the CGST Act have been exempted for taxpayers who file their pending FORM GSTR-9C by March 31, 2025.

Due Date of GST Compliance

It is advised to the taxpayer to file their due FORM GSTR-9C reconciliation statements on or before March 31, 2025, to benefit from this waiver.

CHANGE IN RATES :-

CENTRAL TAX / INTEGRATED TAX / UNION TERRITORY TAX RATES

→ Notification no-01/2025- Change in Rate

- A New Entry No. 98B has been inserted in Schedule I-2.5%, to reduce the GST rate on Fortified Rice Kernels (FRK) classifiable under Heading 1904 from 9%. Therefore, GST rate reduced 5% from 18%.
- Amendment in the definition of 'pre-packaged and labelled' – To cover all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are 'pre-packed' as defined under the Legal Metrology Act, or a label affixed thereto is required to bear the declarations under the provisions of the Act and rules.

(This Notification shall have an immediate effect i.e. 16.01.2025.)

→ Notification no-02/2025- Exemption on goods

- A New Entry 105A has been inserted in Notification No. 02/2017-Central Tax (Rate) to fully exempt Gene Therapy from GST.

(This Notification shall have an immediate effect i.e. 16.01.2025.)

→ Notification no-03/2025- Concessional rate of Tax

- Amendment has been made in NN. 39/2017-Central Tax (Rate) where Concessional 5% GST rate had been notified on food inputs of food preparations under HSN 19 or 21 that are supplied for food preparations intended for free distribution to economically weaker sections under a government program subject to the existing conditions.

(This Notification shall have an immediate effect i.e. 16.01.2025.)

→ Notification no-04/2025- Change in rate on Sale of all old and used vehicles including electric vehicles (EVs) except categories which already taxed at 18%

- Amendment made in Notification No. 8/2018-Central Tax (Rate), to increase the GST rate from 12% to 18% on sale of all old and used vehicles, including EVs other than those specified at 18%. This is to provide a uniform tax rate of 18% which were previously taxed at 12%, including old EVs bracket when resold by businesses.

(This Notification shall have an immediate effect i.e. 16.01.2025.)

→ Notification no-05/2025- Change in GST Structure on Hotel Accommodation Services

A new definition for "Specified Premises" has been introduced, which applies to financial years.

- Category (a)- Premises that provided hotel accommodation in the preceding financial year, where the value of any unit of accommodation exceeded ₹7,500 per unit per day or equivalent.
- Category (b)- Premises declared as "specified premises" by a registered person supplying hotel accommodation services. Such declarations must be made between January 1 and March 31 of the preceding financial year.
- Category (c)- Premises declared as "specified premises" by a person applying for GST registration. This declaration must be filed within 15 days of receiving acknowledgment for the registration application.

The amendment ensures clarity in defining “Specified Premises” and provides a structured process for declarations, reflecting the government's intent to refine tax applicability and reporting mechanisms.

- Annexure VII has been inserted – For OPT-IN DECLARATION FOR REGISTERED PERSON (Declaration by a registered person supplying hotel accommodation service before the jurisdictional GST authority declaring the premises to be a ‘specified premises’). Such declarations shall be filed by a registered person on or after 1st of January of the preceding Financial Year but not later than **31st of March of the preceding Financial Year**.
- Annexure VIII has been inserted – FOR OPT-IN DECLARATION FOR PERSON APPLYING FOR REGISTRATION (Declaration by a person applying for registration before the jurisdictional GST authority declaring the premises to be a ‘specified premises’).
- Annexure IX has been inserted – OPT-OUT DECLARATION (Declaration by a registered supplier of hotel accommodation service before the jurisdictional GST authority declaring the premises as not a ‘specified premises’). Such declarations declaring the premises as not a ‘specified premises, for a Financial Year, shall be filed on or after 1st of January of the preceding Financial Year but not later than 31st of March of the preceding Financial Year.

(This Notification shall have an immediate effect i.e. 01.04.2025.)

→ Notification no-06/2025- Exemption on Services

- Exemption on contributions made by general insurance companies from the third-party motor vehicle premiums to the Motor Vehicle Accident Fund (MVA Fund) – A New Entry 36B has been inserted under NN. 12/2017-Central Tax (Rate).
- Changes made in Entry No. 25A of the NN. 12/2017-Central Tax (Rate), to change made in words “transmission and distribution” to “transmission or distribution”
- To provide exemption on services provided by “a training partner approved by the National Skill Development Corporation” in relation to the services as provided under Entry 69 of NN. 12/2017-Central Tax (Rate).

→ Notification no-07/2025- Changes w.r.t. Reverse charge mechanism on services

- Sponsorship services provided by the body corporates: Amended Entry No. 4 of NN. 13/2017-Central Tax (Rate) to provide that Sponsorship services provided by the body corporates would be subject to Forward charge. Body corporate has been excluded now in RCM Notification. Earlier, supply of sponsorship by any person to anybody corporate or partnership firm located in the taxable territory is chargeable to GST under Reverse Charge Mechanism (RCM).
- Renting of Any commercial/ immovable property (other than residential dwelling) by unregistered person – To Exclude taxpayers registered under the Composition Levy Scheme from the purview of the Reverse Charge Mechanism (RCM) for renting of commercial/immovable property (other than residential dwellings) under Entry 5AB.

→ Notification no-08/2025- Amendment in NN. 17/2017-Central Tax (Rate)

Notification No. 17/2017-Central Tax (Rate) notifies the categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator.

Vide this Notification, amendment has been made in term ‘Specified premises to align with clause (xxxvi) of paragraph 4 of Notification No. 11/2017-Central Tax (Rate).

(This Notification shall have an immediate effect i.e. 01.04.2025.)

CIRCULARS

CIRCULAR NO-244/01/2025- GST, DATED 28.01.2025

The CBIC issued Clarification vide Circular No. 244/01/2025-GST dated 28.01.2025, clarifying the GST treatment for specific insurance-related transactions and provides a retrospective regularization for GST compliance.

The Clarification provides as under:

A. Inclusion in Schedule III of CGST Act:

Earlier, through the Finance (No. 2) Act, 2024 and came into force on 01.11.2024 vide Notification No. 17/2024-Central Tax dated 27.09.2024.

The following activities or transactions which shall be treated neither as a supply of goods nor as a supply of services:

- **Apportionment of Co-Insurance Premium:** This activity is excluded from GST, provided the lead insurer pays GST on the entire premium amount received from the insured.
- **Ceding or Reinsurance Commission:** Insurer-to-reinsurer transactions involving ceding commissions (or reinsurance commissions) deducted from reinsurance premiums are excluded from GST, provided, the reinsurer pays GST on the gross reinsurance premium (inclusive of the ceding commission) received from the insurer.

B. Retrospective Regularization:

The GST Council in 53rd Meeting recommended and approved the regularization of GST payments for the above activities for the past period (i.e., from 01.07.2017 to 31.10.2024) on an 'as is where is' basis.

This means:

- Past GST compliance and payments made for these transactions are deemed valid.
- Any procedural lapses or technical deviations during this period will not be penalized.

CIRCULAR NO-245/01/2025- GST, DATED 28.01.2025

The CBIC vide issuing Circular No. 245/02/2025-GST dated 28.01.2025, has provided various clarifications on issues as recommended by the GST Council in its 55th meeting held on 21st December 2024.

A. GST applicability on penal charges:

Concerns were raised on whether penal charges should be considered as "payment/consideration for tolerating an act or situation," which would make them taxable under GST. Circular No. 178/10/2022-GST dated 03.08.2022, had earlier clarified that Payments such as liquidated damages are not a consideration for tolerating an act but are meant to deter breach or non-performance. Contracts are executed for performance, not breach, and related penalties are incidental events. Penal charges levied by REs under the RBI directive are similar to liquidated damages or penalties for breach of a contract. These charges are not payment for any service or act but are recovered as deterrents for non-compliance with loan terms.

Now, it is clarified that no GST is payable on penal charges levied by REs in compliance with RBI directions.

B. Applicability of GST exemption to Payment Aggregators (PAs) under Sl. No. 34 of notification No. 12/2017-CTR dated 28.06.2017:

Definition and Role of Payment Aggregators (PAs):

- Payment Aggregators (PAs) are entities facilitating e-commerce platforms and merchants to accept various payment methods without requiring their own integration systems.
- PAs receive payments from customers, pool them, and transfer the funds to merchants within a time period as specified by RBI regulations.

Based on the recommendations, it is clarified:

- RBI-regulated Payment Aggregators (PAs) are entitled to the GST exemption for settlement of transactions up to ₹2,000.
- This exemption is limited to payment settlement functions that involve the handling of money.
- Payment Gateway (PG) services are not covered under this exemption.

C. Regularization of GST on Research and Development Services Provided by Government Entities Against Grants:

Earlier, the Council in 54th Council Meeting, exempted research and development (R&D) services provided by Government Entities, research associations, universities, colleges, or other institutions against consideration in the form of grants. This exemption came into effect from 10.10.2024, as per Notification No. 08/2024-CT(Rate) dated 08.10.2024.

Regularization for the Past Period (01.07.2017 to 09.10.2024) – To address past compliance concerns, the GST Council, in its 55th meeting on 21.12.2024, recommended regularizing the payment of GST on such transactions for the period 01.07.2017 to 09.10.2024, on an ‘as is where is’ basis. Accordingly, No additional liability will be imposed on entities for the said past period if they have already paid GST on such transactions. Entities that did not pay GST during this period are not required to retrospectively pay GST, effectively regularizing their past compliance.

D. Regularization of GST on Skilling Services Provided by Training Partners Approved by NSDC:

GST Council in its 55th Meeting, recommended reinstating the exemption for skilling services provided by NSDC-approved Training Partners. The exemption was restored by amending Notification No. 12/2017-CTR vide Notification No. 06/2025-CT(Rate) dated 16.01.2025, effective from 16.01.2025.

Regularization for Interim Period (10.10.2024 to 15.01.2025) – For the period 10.10.2024 to 15.01.2025, during which the exemption was not available, the GST Council recommended regularizing the payment of GST on these services on an ‘as is where is’ basis. This means no additional GST liability will arise for this period if GST was not paid, and GST already paid will stand regularized.

E. Applicability of GST on Facility Management Services Provided to MCD Headquarters

As per the 55th GST Council meeting recommendations:

- GST is applicable on facility management services provided to MCD Headquarters for the upkeep of its office building.
- The applicable GST rate will depend on the nature of the specific service provided.

Thus, The facility management services provided to the MCD Headquarters for office upkeep are taxable under GST and do not qualify for exemption under Sr. No. 3A of Notification No. 12/2017-CTR.

F. DDA is a Local Authority as per section 2(69) of the CGST Act, 2017

Definition of Local Authority under Section 2(69)

The term 'local authority' under Section 2(69) includes:

1. A Municipal Committee, Zilla Parishad, District Board, or similar self-governing body.
2. Any other authority legally entitled to or entrusted by the Central or State Government with the control or management of a municipal or local fund.

Based on the analysis and as recommended by the 55th GST Council, it is clarified that DDA does not meet the requirements to be classified as a 'local authority' under Section 2(69) of the CGST Act, 2017.

The Delhi Development Authority (DDA) cannot be treated as a local authority under the CGST Act, 2017. Consequently, services provided by DDA are not subject to GST under the Reverse Charge Mechanism (RCM) applicable to local authorities.

G. Regularization of GST Payment on Certain Support Services Provided by Electricity Transmission or Distribution Utilities:

The GST Council in 55th Meeting, aligning the entries at Sr. No. 25 (existing exemption for transmission/distribution of electricity) and Sr. No. 25A (newly added exemption for incidental services). This alignment was implemented through Notification No. 6/2025-CTR dated 16.01.2025, effective from 16.01.2025.

It is clarified that:

- The payment of GST on incidental or ancillary services (as mentioned in Para 9.1) provided by electricity transmission or distribution utilities for the period 10.10.2024 to 15.01.2025 is regularized on an 'as is where is' basis.

This measure ensures compliance while resolving issues related to GST applicability for the interim period.

H. Regularizing the Payment of GST on Services Provided by Goethe Institute/Max Mueller Bhawans

Goethe Institute/Max Mueller Bhawan provides linguistic and cultural training to young Indians, especially those preparing for their stay in Germany. Until 1st April 2023, these institutes neither collected GST from their students nor paid GST to the government, as they operated under the bona fide belief that their activities were exempt from GST.

As per the 55th GST Council recommendation, it is clarified that:

- The payment of GST on services supplied by Goethe Institute/Max Mueller Bhawans is regularized for the period 01.07.2017 to 31.03.2023 on an 'as is where is' basis.

I. Regularizing Payment of GST on Reverse Charge (RCM) Basis for Renting of Commercial Property by Unregistered Persons to Registered Persons under Composition Levy

The GST Council in 55th Meeting, has recommended that composition taxpayers be excluded from the scope of Sr. No. 5AB in Notification No. 13/2017-CTR. This exclusion was implemented via Notification No. 07/2025-CT(Rate) dated 16.01.2025, effective from the same date.

Now, it is clarified that the payment of GST on RCM basis for renting of commercial property by an unregistered person to registered persons under composition levy is regularized for the period 10.10.2024 to 15.01.2025 on an 'as is where is' basis.

CIRCULAR NO-246/03/2025- GST, DATED 30.01.2025

The clarification addresses whether late fees under section 47 of the CGST Act apply if FORM GSTR-9C is filed after the due date of the annual return in FORM GSTR-9.

1. Late Fee Applicability for FORM GSTR-9C Filing Delay

Queries were raised regarding whether late fees under Section 47 of the CGST Act apply when FORM GSTR-9C (reconciliation statement) is filed after the due date of the annual return (FORM GSTR-9).

2. Regulatory Background:

Before 01.08.2021: Registered persons with turnover exceeding ₹2 crore were required to get their accounts audited and submit a certified reconciliation statement (FORM GSTR-9C) along with their annual return (FORM GSTR-9).

After 01.08.2021: The mandatory audit requirement was removed. Now, taxpayers with turnover exceeding ₹5 crore must submit a self-certified reconciliation statement (FORM GSTR-9C) along with FORM GSTR-9.

3. Clarification on Late Fees:

If FORM GSTR-9C is required but not filed along with FORM GSTR-9, the annual return is considered incomplete.

Late fees under Section 47(2) of the CGST Act will apply from the due date of the annual return until the complete return (both FORM GSTR-9 and FORM GSTR-9C) is submitted.

No separate late fee for delays in filing FORM GSTR-9 and FORM GSTR-9C; it will be calculated based on the complete annual return submission.

4. Waiver of Late Fee for Past Years (Upto FY 2022-23):

As per Notification No. 08/2025-Central Tax (dated 23.01.2025), excess late fees for delays in filing FORM GSTR-9C for financial years up to FY 2022-23 have been waived, provided it is filed on or before 31st March 2025.

However, no refund will be given for late fees already paid for past delays.

NEWS AND UPDATES

Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration (Applicants of Tamil Nadu, Himachal Pradesh, Rajasthan)

1. Rule 8 of the CGST Rules, 2017 has been amended to provide that an applicant can be identified on the common portal, based on data analysis and risk parameters for Biometric-based Aadhaar Authentication and taking a photograph of the applicant along with the verification of the original copy of the documents uploaded with the application.
2. The above-said functionality has been developed by GSTN. It has been rolled out in Tamil Nadu , Himachal Pradesh and Rajasthan.
3. The said functionality also provides for the document verification and appointment booking process. After the submission of the application in Form GST REG-01, the applicant will receive either of the following links in the e-mail,
 - A Link for OTP-based Aadhaar Authentication OR
 - A link for booking an appointment with a message to visit a GST Suvidha Kendra (GSK) along with the details of the GSK and jurisdiction, for Biometric-based Aadhaar Authentication and document verification (the intimation e-mail)
4. If the applicant receives the link for OTP-based Aadhaar Authentication as mentioned in point 3(a), she/he can proceed with the application as per the existing process.
5. However, if the applicant receives the link as mentioned in point 3(b), she/he will be required to book the appointment to visit the designated GSK, using the link provided in the e-mail.
6. The feature of booking an appointment to visit a designated GSK is now available for the applicants of Tamil Nadu, Himachal Pradesh and Rajasthan.
7. After booking the appointment, the applicant gets the confirmation of appointment through e-mail (the appointment confirmation e-mail), she/he will be able to visit the designated GSK as per the chosen schedule.
8. At the time of the visit of GSK, the applicant is required to carry the following details/documents
 - a copy (hard/soft) of the appointment confirmation e-mail
 - the details of jurisdiction as mentioned in the intimation e-mail
 - Aadhaar Card and PAN Card (Original Copies)
 - the original documents that were uploaded with the application, as communicated by the intimation e-mail.
9. The biometric authentication and document verification will be done at the GSK, for all the required individuals as per the GST application Form REG-01.
10. The applicant is required to choose an appointment for the biometric verification during the maximum permissible period for the application as indicated in the intimation e-mail. In such cases, ARNs will be generated once the Biometric-based Aadhaar Authentication process and document verification are completed.

Advisory to Taxpayers on Extension of E-Way Bills Expired on 31st December 2024

It is hereby informed that the technical challenges encountered in the e-way bill generation process have been resolved, and the portal is now functioning smoothly. In connection with the technical issues faced earlier, the following facilitation measures have been put in place:

1. Extension of Expired E-Way Bills:

- As per the existing procedure, e-way bills that expired at midnight on 31st December 2024, could be extended either within 8 hours prior to the expiry or 8 hours after the expiry.
- Due to the technical glitch, this process was disrupted. To mitigate the impact, the window period for extending the e-way bills expiring on 31st December 2024, has been extended up to 1st January 2025, midnight. Taxpayers and transporters are advised to utilize the "Extend EWB" facility on the portal to extend these e-way bills, if required.

2. Generation of E-Way Bills for Goods Moved During the Glitch:

- payers and transporters who moved goods on 31st December 2024 without generating e-way bills due to the technical issues are hereby advised to generate the necessary e-way bills on 1st January 2025 using the existing facility on the portal.

Implementation of mandatory mentioning of HSN codes in GSTR-1 & GSTR 1A

After successful implementation of Phase-I & Phase-II now Phase-III regarding Table 12 of GSTR-1 & 1A is being implemented, from return period February 2025. In this phase manual entry of HSN has been replaced by choosing correct HSN from given Drop down. Also, Table-12 has been bifurcated into two tabs namely B2B and B2C, to report these supplies separately. Further, validation regarding values of the supplies and tax amounts involved in the same, have also been introduced for both the tabs of Table-12. However, in initial period these validations have been kept in warning mode only, which means failing the validation will not be a blocker for filling of GSTR-1& 1A.

Attention - Hard - Locking of auto-populated liability in GSTR-3B

1. Please refer to the advisory dated October 17, 2024 , regarding the restricting the editing of auto- populated liability in GSTR-3B from the January 2025 tax period.
2. However, various requests have been received from the trade seeking time for the same. Therefore, the decision of making non-editable of auto-populated liability in GSTR-3B is currently not being implemented from January tax period, on the GST Portal.
3. It may be noted that the above change will be introduced soon and trade will be informed accordingly. Taxpayers are encouraged to prepare for the said change.

Advisory for Waiver Scheme under Section 128A

1. Taxpayer's attention is invited to the advisory on the above subject issued by GSTN on 29.12.2024. The link for the said advisory is given here: <https://services.gst.gov.in/services/advisoryandreleased/read/564>
2. It is to inform that both Forms GST SPL 01 and GST SPL 02 are available in the GST portal and the taxpayers are advised to file applications under waiver scheme.
3. One of the eligible conditions for filing application under waiver scheme is to withdraw the appeal applications filed against the demand order/notice/statement for which waiver application is to be submitted. In this regard, it is to inform that for the appeal applications (APL 01) filed before First Appellate authority, withdrawal option is already available in the GST portal. However, for the appeal applications (APL 01) filed before 21.03.2023, withdrawal option is not available in GST portal. For such cases, the taxpayers are advised to submit their request for withdrawal of appeal applications to the concerned Appellate Authority. The Appellate authority will forward such requests to GSTN through State Nodal officer for withdrawal of such appeal applications (i.e. filed before 21.03.2023 and not disposed of) from backend.
4. Difficulty if any faced by the taxpayers may be reported to <https://selfservice.gstsystem.in> by raising a ticket under category "Issues related to Waiver Scheme".

Direct tax



Budget 2025

Sl	Clause No.	Section	Amendment	Effective from
1.	6	10 Clause 12BA inserted	National Pension System Trust: Any payment from the National Pension System Trust to an assessee, being the parent or guardian of a minor, under the pension scheme referred to in section 80CCD, on partial withdrawal made out of the account of the minor, as per the terms and conditions, specified under the Pension Fund Regulatory and Development Authority Act, 2013 and the regulations made thereunder, to the extent it does not exceed 25% of the amount of contributions made by such guardian.	01.04.2025
2.	7	12AB	Procedure for fresh registration of Trust: Sub-section (1) of the said section, inter alia, provides for the procedure for registration or cancellation of registration of trust or institution by the Principal Commissioner or Commissioner, on receipt of an application made under clause (ac) of sub-section (1) of section 12A. It is proposed to insert a proviso to the said sub-section to provide that where an application is made under sub-clause (i) to (v) of the said clause, and the total income of such trust or institution, without giving effect to the provisions of sections 11 and 12, does not exceed Rs. 5 crores during each of the 2 previous year, preceding to the previous year in which such application is made, the registration shall be given for 10 years instead of 5 years).	01.04.2025

3.	8	13	<p>Sub-section (3) of section 13 specifies as to the persons referred to in clause (c) of subsection (1) and sub-section (2) of the said section.</p> <p>It is proposed to amend clause (b) of the said sub-section so as to provide that specified person would be any person whose total contribution to the trust or institution, during the relevant previous year exceeds Rs. 1 lakh, or, in aggregate up to the end of the relevant previous year exceeds Rs. 10 lakh, as the case may be.</p> <p>It is further proposed to amend clause (d) of the said sub-section so as to provide that any relative of person referred to in clause (b) shall not be treated as specified person for the purposes of the said sub-section.</p> <p>It is also proposed to amend clause (e) of the said sub-section so as to provide that any concern in which the person referred to in clause (b) has substantial interest shall not be treated as specified person for the purposes of the said sub-section.</p>	01.04.2025
4.	10	23	<p><u>Annual value of income from house property:</u></p> <p>Sub-section (2) of said section provides that where house property is in the occupation of the owner for the purposes of his residence or owner cannot actually occupy it <u>due to his employment, business or profession carried on at any other place</u>, in such cases, the annual value of such house or part of the house shall be taken to be nil.</p> <p>It is proposed to substitute the sub-section (2) of the said section so as to provide that the annual value of the property consisting of a house or any part thereof shall be taken as nil, if the owner occupies it for his own residence or cannot actually occupy it due to any reason.</p>	01.04.2025
5.	16	80CCA	<p><u>Withdrawal from National Savings Scheme exempted:</u></p> <p>Sub-section (2) of the said section, inter alia, deems the withdrawals of amounts together with the interest accrued on such amount, as income chargeable to tax in the previous year when these amounts (or interest accrued on such amount) are withdrawn.</p> <p>It is proposed to provide exemption from the provisions of sub-section (2) of section 80CCA to such withdrawals made on or after 29th August, 2024 by an assessee, being an individual.</p>	29.08.2024

6.	17	80CCD	<p><u>Deduction of contribution to pension scheme of Central Government under National Pension Scheme Vatsalya Accounts:</u></p> <p>The said section provides for deduction in respect of contribution to pension scheme of the Central Government by the assessee, being an individual employed by the Central Government on or after the 1st January, 2004 or, being an individual employed by any other employer or any other assessee being an individual has in the previous year paid or deposited any amount in his account under the said pension scheme.</p> <p>It is proposed to insert a second proviso to sub-section (1B) and to amend sub-sections (3) and (4) of the said section so as to extend the tax benefits available to a pension scheme under section 80CCD, to the contributions made to the National Pension Scheme Vatsalya Accounts, as follows:--</p> <p>(a) a deduction to be allowed to the parent or guardian's total annual income, of the amount paid or deposited in the account of any minor under a pension scheme under subsection (1B) of section 80CCD to a maximum of Rs. 50,000/-;</p> <p>(b) chargeability of amount on which deduction has been allowed under sub-section (1B) of section 80CCD is also proposed to be provided where such amount or any interest accrued thereon is withdrawn in the case where deposit was made in the account of the minor;</p> <p>(c) the amount received by the assessee, on the death of the minor resulting in closure of the account in respect of which deduction has been allowed earlier under sub-section (1B) of section 80CCD shall not be deemed to be the income of the parent or guardian.</p>	01.04.2026 (AY 2026-27)
7.	20	87A	<p>Proviso to the said section provides that where the total income of the assessee is chargeable to tax under section 115BAC(1A), and the total income—</p> <p>(a) does not exceed Rs. 7,50,000/-, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing for the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to 100% of such income-tax or an amount of Rs. 25,000/-, whichever is less;</p> <p>It is proposed to amend the proviso to the said section to substitute Rs. 7,50,000/- with Rs.12,00,000/- and Rs. 25,000/- with Rs. 60,000/- respectively.</p> <p>It is further proposed to insert a second proviso to the said section to provide that the deduction under the first proviso, shall not exceed the amount of income-tax payable as per the rates provided in sub-section (1A) of section 115BAC.</p>	01.04.2026 (AY 2026-27)

8.	37	132	<p><u>Search and seizure:</u> Sub-section (8) of the said section provides that the last date for taking approval for retention of seized books of account or other documents is 30 days from the date of the order of assessment or reassessment or recomputation. It is proposed to amend the said sub-section so as to provide that the said time limit for taking approval for retention shall be 1 month from the end of the quarter in which the assessment or reassessment or recomputation order has been made.</p>	01.04.2025
9.	39	139	<p><u>Return of income:</u> Sub-section (8A) of the said section provides that any person, may furnish an updated return of his income or income of any other person in respect of which he is assessable under this Act, within 24 months from the end of the relevant assessment year. It is proposed to amend sub-section (8A) of the said section so as to extend the time-limit to file an updated return to 48 months from the end of relevant assessment year. It is further proposed to insert a proviso in sub-section (8A) so as to provide that no updated return shall be furnished by any person where any notice to show-cause under section 148A has been issued in his case after 36 months from the end of the relevant assessment year. However, where an order is passed under sub-section (3) of section 148A determining that it is not a fit case to issue notice under section 148, updated return may be filed upto 48 months from the end of the relevant assessment year.</p>	01.04.2025
10	40	140B	<p><u>Tax on updated return:</u> In the case of filing updated return upto 12 months from the end of the relevant assessment year - additional income-tax payable shall be 25% of aggregate of tax and interest payable. In the case of filing updated return upto 24 months from the end of the relevant assessment year - additional income-tax payable shall be 50% of aggregate of tax and interest payable. In the case of filing updated return upto 36 months from the end of the relevant assessment year - additional income-tax payable shall be 60% of aggregate of tax and interest payable. In the case of filing updated return upto 48 months from the end of the relevant assessment year - additional income-tax payable shall be 70% of aggregate of tax and interest payable.</p>	01.04.2025
11.	51	193	<p><u>Interest on securities:</u> The limit for no deduction of tax is increased from Rs. 5,000/- to Rs. 10,000/- in case of any interest payable to an individual or a HUF, who is resident in India, on any debenture issued by a company in which the public are substantially interested and such interest is paid by the company by an account payee cheque.</p>	01.04.2025

12	52	194	<p><u>Dividends:</u> No tax is required to be deducted at source if the amount or aggregate of the amounts of such dividend during the financial year by the company to the shareholder, being an individual, does not exceed Rs. 10,000/- (earlier limit was Rs. 5,000/-).</p>	01.04.2025
13	53	194A	<p><u>Interest other than “Interest on securities”:</u> The limits for no deduction of tax at source have been increased from Rs. 5,000/- to Rs. 10,000/- & from Rs. 50,000/- to Rs. 1,00,000/-</p>	01.04.2025
14	56	194D	<p><u>Insurance commission:</u> The limit for no deduction of tax at source has been increased from Rs. 15,000/- to Rs. 20,000/-.</p>	01.04.2025
15	58	194H	<p><u>Commission or brokerage:</u> The limit for no deduction of tax at source has been increased from Rs. 15,000/- to Rs. 20,000/-.</p>	01.04.2025
16	59	194I	<p><u>Rent:</u> The limit for no deduction of tax at source has been changed. Earlier, it was Rs. 2,40,000/- per annum. Now, it has been changed to Rs. 50,000/- per month or part thereof.</p>	01.04.2025
17	60	194J	<p><u>Fees for professional or technical services:</u> The limit for no deduction of tax at source has been increased from Rs. 30,000/- to Rs. 50,000/-.</p>	01.04.2025
18	67	206C	<p><u>TCS on foreign remittance:</u></p> <ul style="list-style-type: none"> • The limit for no collection of tax at source on foreign remittances and tour packages has been increased from Rs. 7,00,000/- to Rs. 10,00,000/-. • No tax be collected at source if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E, for the purpose of pursuing any education. • TCS on sale of goods (0.10%) is omitted. 	01.04.2025

The tax slabs on income of individuals & Hindu undivided family in case of new regime are changed as follows:

For AY 2025-26

Sl No	Income	Rate of tax
1.	Upto Rs. 3,00,000/-	Nil
2.	From Rs. 3,00,001/- to Rs. 6,00,000/-	5%
3.	From Rs. 6,00,001 to Rs. 9,00,000/-	10%
4.	From Rs. 9,00,001 to Rs. 12,00,000/-	15%
5.	From Rs. 12,00,001 to Rs. 15,00,000/-	20%
6	Above Rs. 15,00,000/-	30%

New Rates From AY 2026-27

Sl No	Income	Rate of tax
1.	Upto Rs. 4,00,000/-	Nil
2.	From Rs. 4,00,001/- to Rs. 8,00,000/-	5%
3.	From Rs. 8,00,001 to Rs. 12,00,000/-	10%
4.	From Rs. 12,00,001 to Rs. 16,00,000/-	15%
5.	From Rs. 16,00,001 to Rs. 20,00,000/-	20%
6.	From Rs. 20,00,001 to Rs. 24,00,000/-	25%
7.	Above Rs. 24,00,000/-	30%

Corporate Law & Regulatory



State Bank of India (SBI) issues report on India's Investment & External Commercial Borrowings (ECB) landscape

India's investment ecosystem and ECBs have witnessed significant developments over the past few years. The recent report by SBI has highlighted trends in investment announcements, private sector's contribution and role of ECBs in corporate financing.

ECBs have emerged as a key source of funding for Indian corporates, enabling capital expansion and modernization. The total outstanding ECBs stood at USD 190.4 billion as of September 2024. Of this, the non- Rupee and non-FDI components accounted for approximately USD 154.9 billion. The private sector held 63% (USD 97.58 billion), while the public sector accounted for 37% (USD 55.5 billion).

The ECB pipeline remains strong, reflecting sustained demand for overseas funding. Interest rates on ECBs have shown a declining trend, reducing borrowing costs for Indian companies. The overall cost of ECBs fell by 12 basis points year-over-year to 6.6% during April - November 2024.

Please [Click Here](#) to read the press release dated 26 January 2025 issued by Ministry of Finance.

Please [Click Here](#) to read the detailed report issued by SBI on 22 January 25.

Ministry of Corporate Affairs(MCA) issues press release highlighting its initiatives & achievements during 2024

On 29 December 2024, MCA has issued a press release highlighting its initiatives and achievements during 2024, as below:

- Prime Minister Internship Scheme launched to provide 1 crore internships in top companies over 5 years
- Successful migration of MCA21 from Version 2 to Version 3 for streamlined compliance
- Jan Vishwas initiatives simplify share transmission and lost share certificate processes, eliminates surety requirements for duplicate physical security certificates

- Investor Education and Protection Fund Authority launches enhanced grievance redressal mechanism with multilingual Interactive voice response facility
- Integrated technology platform proposed under Insolvency and Bankruptcy Code for better efficiency
- Insolvency and Bankruptcy Code (IBC) resolves Rs. 10.22 lakh crore default cases pre-admission with record resolution rates
- Competition Commission of India (CCI) disposes 99% of combination cases by September 2024
- Central Processing Centre (CPC) launched for nationwide e-form processing
- Centre for Processing Accelerated Corporate Exit (CPACE) reduces corporate exit processing time to 90 days
- Amendments introduced in Indian Accounting Standards (Ind AS 116 and Ind AS 117)
- Faceless adjudication mechanism introduced for decriminalized corporate defaults

Please [Click Here](#) to read the detailed press release dated 29 December 2024 issued by MCA.

Ministry of Labour & Employment issues press release highlighting its initiatives & achievements during 2024

- On 28 December 2024, the Ministry of Labour & Employment has issued a press release highlighting its initiatives and achievements during 2024, as below:
- e-Shram launched as 'one stop solution' with access to 12 welfare schemes for unorganized workers. Registrations on e-Shram crosses 30 crore
- Prime Minister inaugurates, lays foundation stone and dedicates 28 key projects worth Rs. 3,921 Crore under Employees' State Insurance Corporation (ESIC)
- ESIC gives in-principle approval for establishment of 10 new ESIC medical colleges
- National Career Service portal mobilizes 3.89 Crore vacancies since inception; integrated with 30 states / union territories employment portals and several private job portals
- Building and Construction Workers MIS portal launched for centralised data management system
- Employee Provident Fund Organization (EPFO) rolls out major changes to ease withdrawal process, including increased limit for auto claim settlements
- 6 regional meetings held with states / union territories to facilitate framing rules within ambit of labour codes
- Ministry working towards framework development for social security coverage to gig and platform workers

Please [Click Here](#) to read the detailed press release dated 28 December 2024 issued by Ministry of Labour & Employment

MCA extends due date to 31 March 2025 for filing Corporate Social Responsibility (CSR) return in Form CSR-2 for FY 2023-24

Background

Section 135 of the Companies Act, 2013 provides the criteria for assessing CSR eligibility of a company, implementation and reporting of its CSR policies. According to the law, certain classes of profitable organizations are required to incur atleast 2% of the 3-year annual net profit towards CSR activities in a particular FY. Companies having a minimum of following net-worth during the immediately preceding FY can make CSR expenditure u/s 135 of the Companies Act, 2013:

- Net worth ≥ Rs. 500 Crore
- Turnover ≥ Rs. 1000 Crore
- Net Profit ≥ Rs. 5 Crore

A foreign corporation having its branch office or project office in India, which fulfills the above criteria can also make CSR.

Reporting of CSR activities with MCA needs to be done annually in Form CSR-2 by companies falling within the ambit of section 135 of the Companies Act.

Extension of due date for filing Form CSR-2 for FY 2023-24

Considering the operational delays faced by companies in meeting CSR obligations due to economic and policy uncertainties, MCA has extended the due date for filing Form CSR-2 for FY 2023-24 with MCA, from 31 December 2024 to 31 March 2025.

The extended deadline provides companies with breathing space needed to streamline their CSR initiatives and related filings. By offering additional time, Government seeks to ensure that companies execute CSR activities effectively rather than rushing to meet deadlines, which could potentially compromise the quality of implementation.

Please [Click Here](#) to read the notification dated 31 December 2024.

Amendments in Foreign Exchange Management (Mode of Payment & Reporting of Non-Debt Instruments) Regulations, 2019 governing foreign investments in equity & other non-debt instruments in India

Background

With the objective to simplify and standardize the procedure for mode of payment and remittance for foreign investments in equity and other non-debt instruments and also to ensure uniformity across various schedules, including investments by non-residents, Foreign Portfolio Investors (FPIs), Foreign Venture Capital Investors (FVCIs) and Indian startups, the Reserve Bank of India (RBI) has issued Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (3rd Amendment) Regulations, 2025 making significant amendments to the Foreign Exchange Management (Mode of Payment & Reporting of Non-Debt Instruments) Regulations, 2019, which govern foreign investments in equity and other non-debt instruments in India.

Key changes introduced vide Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (3rd Amendment) Regulations, 2025

PURCHASE OR SALE OF EQUITY INSTRUMENTS OF AN INDIAN COMPANY BY A PERSON RESIDENT OUTSIDE INDIA

Mode of Payment (Inward remittances)	The amount must be paid via inward remittance from abroad through banking channels or from a repatriable foreign currency or Rupee account. The sale proceeds (net of taxes) may be remitted outside India or credited to a repatriable foreign currency or Rupee account. Consideration may include issue of equity shares by an Indian company in lieu of funds payable to the investor and includes swaps of equity instruments or equity capital.
Timeline for Issuance of Equity Instruments	Equity instruments must be issued within 60 days of receipt of consideration. For partly paid equity shares, the 60-day period is calculated from the receipt of each instalment (call payment).
Refund in case of non-issue	If equity instruments are not issued within 60 days, the consideration must be refunded within 15 days via outward remittance through banking channels or credit to the repatriable foreign currency or Rupee account of the investor.
Foreign Currency Account	Indian companies issuing equity instruments may open a foreign currency account with an Authorized Dealer in India, per the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2016.
Remittance of Sale Proceeds (Outward remittances)	The sale proceeds (net of taxes) of equity instruments may be remitted outside India or credited to a repatriable foreign currency or Rupee account of the investor, maintained under the applicable deposit regulations.

INVESTMENTS BY FOREIGN PORTFOLIO INVESTORS / INVESTMENTS IN LIMITED LIABILITY PARTNERSHIPS

Investment can be made via inward remittance or through a Special Non-Resident Rupee (SNRR) or foreign currency account. Sale proceeds (net of taxes) can be remitted abroad or credited to an eligible account.

CONVERTIBLE NOTES BY INDIAN STARTUPS

- Startups can issue convertible notes to foreign investors, with payments received through inward remittance or repatriable accounts.
- Repayment or sale proceeds may also be remitted abroad or credited to a repatriable account.
- Banking channels for foreign investments now explicitly include Special Rupee Vostro Accounts, allowing broader participation in Rupee-denominated transactions

This amendment is another step by RBI to modernize India's foreign investment framework. By addressing operational issues, promoting transparency, and enabling Rupee-based transactions, these amendments are likely to aid in strengthening India's position as a favourable investment destination.

Please [Click Here](#) to read Notification no. FEMA 395(3)/2025-RB dated 14 January 2025.



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