

NEWSLETTER

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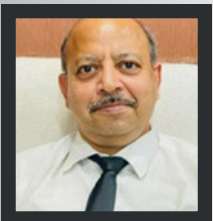
NEWSLETTER FOR JULY 24
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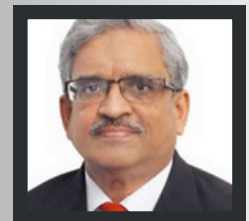


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COMPLIANCE

JULY 2024 DUE DATES

GST

DATE	COMPLIANCE DETAIL	APPLICABLE TO
10th	<ul style="list-style-type: none">a) GSTR-7 (TDS return under GST)b) GSTR-8 (TCS return under GST)	<ul style="list-style-type: none">1. Person required to deduct TDS under GST2. Person required to collect TCS under GST
11th	GSTR – 1 (Outward supply return)	<p>Taxable persons having annual turnover > Rs. 5crore in FY 2023-24</p> <p>Taxable persons having annual turnover ≤ Rs. 5crore in FY 2023-24 and not opted for Quarterly Return Monthly Payment(QRMP) Scheme</p>
13th	<ul style="list-style-type: none">1. GSTR-6[Return by input service distributor(ISD)]2. GSTR-5 (Return by Non-resident)3. GSTR-1 (Outward supply return)	<ul style="list-style-type: none">1. Person registered as ISD2. Non-resident taxable person (NRTP)3. Taxable persons having annual turnover ≤Rs. 5crore in FY 2023-24 and opted for QRMP scheme
20th	<ul style="list-style-type: none">1. GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]2. GSTR-3B (Summary return)	<ul style="list-style-type: none">1. OIDAR services provider.2. a) Taxpayers having annual turnover >Rs.5crore in FY 2023-24 .(b) Taxpayers having annual turnover ≤Rs.5 crore in FY 2023-24 and not opted for QRMP Scheme .

22th	GSTR-3B (Summary return)	Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme and having principal place of business in 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. Lakshadweep
24th	GSTR-3B (Summary return)	Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme and having principal place of business in any other state

INCOME TAX

DATE	COMPLIANCE DETAIL	APPLICABLE TO
7th	a) TDS/TCS deposit b) Equalization Levy deposit	a) Non-Government deductors b) All deductors
15th	1. Form 27EQ –TCS return 2. Annual Return on Foreign Liabilities & Assets (FLA) 3. Deposit of PF & ESI contribution	1. All Collectors 2. Indian companies / LLPs which have received Foreign Direct Investment (FDI) or made overseas investment 3. All Deductors
30th	TCS Certificate in form 27D	All Collectors
31st	1. Income Tax Return (ITR) 2. Filing of Form 10-IEA 3. TDS Return	1. Individuals (including expatriates) Non-corporates, not liable for Tax Audit. 2. Individuals, non-corporates, having income from business / profession & who are not liable for Tax Audit & wish to be governed by old tax regime under the Income-tax Act, 1961, or re-enter the new tax regime 3. All Deductors

GST



CIRCULAR NO - 207/01/2024 - GST, DATED- 26.06.2024

Fixing monetary limits for filing appeals or applications by the Department before GSTAT, High Courts and Supreme Court.

This Circular aims to streamline the appeal process, reduce litigation, and ensure that decisions are made based on the merits of each case while adhering to specified monetary limits.

The following monetary limits has been fixed below which appeal or application or Special Leave Petition, as the case may be, shall not be filed by the Central Tax officers before Goods and Service Tax Appellate Tribunal (GSTAT), High Court and Supreme Court under the provisions of CGST Act

Appellate Level	Monetary Limit
GST Tribunal	Rs. 20 Lakhs
High Court	Rs. 1 Crore
Supreme Court	Rs. 2 Crore

Also, the Circular outlines principles and exclusions for determining whether a case meets the monetary limits for filing an appeal under GST law:

Principles for Determining Monetary Limits

1. **Dispute on Tax Demand:** Only the aggregate amount of tax in dispute is considered.
2. **Dispute on Interest:** Only the amount of interest in dispute is considered.
3. **Dispute on Penalty:** Only the amount of penalty in dispute is considered.
4. **Dispute on Late Fee:** Only the amount of late fee in dispute is considered.
5. **Dispute on Interest, Penalty, and/or Late Fee:** The aggregate amount of interest, penalty, and late fee is considered.
6. **Dispute on Erroneous Refund:** The amount of refund in dispute is considered.
7. **Monetary Limit Application:** Applies to the disputed amount of tax, interest, penalty, or late fee.
8. **Composite Orders:** The monetary limit is based on the total amount involved in all appeals or demand notices within the composite order.

Exclusions: Monetary limits do not apply in the following circumstances:

1. **Ultra Vires Provisions:** When a provision of GST Acts or related rules/regulations has been held unconstitutional.
2. **Ultra Vires Orders/Notifications:** When orders, notifications, instructions, or circulars are held unconstitutional.
3. **Specific Matters:**
 - Valuation of goods or services
 - Classification of goods or services
 - Refunds
 - Place of supply
 - Recurring issues involving interpretation of laws/rules/notifications
4. **Strictures/Adverse Comments:** When adverse comments or costs have been imposed against the government or its officers.
5. **Board's Discretion:** Any other case deemed necessary by the Board in the interest of justice or revenue.

CIRCULAR NO - 208/02/2024- GST, DATED- 26.06.2024

Non-availability of Make, Model Number, and Machine Number

Earlier, Vide Notification No. 04/2024-Central Tax dated 05.01.2024, the CBIC has notified the special procedure to be followed by a registered person engaged in manufacturing of the goods. The procedure prescribes the Details of Packing Machines, Special Monthly Statement, Certificate of Chartered Engineer, Details of the machines, Details of the intimation of the machines furnished to other departments, Disposal of the packing machines, Product details, Details of the Documents uploaded.

Vide this Circular, clarifications has been issued regarding compliance with the special procedure for manufacturing units under GST, as per Notification No. 04/2024-CT dated 05.01.2024. These are summarized as under:

Issue 1: Non-availability of Make, Model Number, and Machine Number

Optional Fields for Make and Model: In Table 6 of FORM GST SRM-I, make and model number are optional. If the make is unavailable, the year of purchase can be declared as the make number.

Mandatory Machine Number: The machine number is mandatory. If unavailable, the manufacturer can assign a numeric number and provide details in Table 6

Issue 2: Electricity Consumption Rating

Declaration Based on Available Data: Declare the electricity consumption rating based on available specifications or documents in Table 6 of FORM GST SRM-I.

Certification by Chartered Engineer: If not available, get it calculated and certified by a Chartered Engineer in FORM GST SRM-III. Upload this certificate with FORM GST SRM-I and provide details in Table 10.

Issue 3: Reporting Value in Column 8 of Table 9 (FORM GST SRM-II)

Goods with No MRP: For goods without MRP, enter the sale price of the goods in Column 8 of Table 9.

Issue 4: Qualifications of Chartered Engineer

Eligibility: A Practicing Chartered Engineer with a certificate of practice from the Institute of Engineers India (IEI) is qualified to provide the required certificate.

Issue 5: Applicability of Special Procedure

SEZ units: Not Applicable to SEZ Units

Manual Seamer/Sealer: The procedure is not applicable to manual seamer/sealer operations or manual packing, such as post-harvest tobacco leaf packing.

Machine to be Declared: Declare the machine used for final packing in Table 6.

CIRCULAR NO - 209/03/2024 - GST, DATED- 26.06.2024

Clarification regarding Place of Supply (Pos) Relating to place of supply of goods to unregistered persons

Earlier, vide Notification 02/2023-Integrated Tax dated 29.09.2023, amendment made effective in Section 10(1) of IGST Act, by inserting new clause (ca), relating to place of supply of goods, where supply made to person other than a registered person.

Vide this Circular, clarification has been issued to address and resolve the ambiguity regarding the place of supply in cases where the billing and delivery addresses of goods supplied to unregistered persons differ, particularly in e-commerce transactions.

Clarification :- When goods are supplied to an unregistered person and the billing address differs from the delivery address, the place of supply is the location as per the delivery address recorded in the invoice. Also, Suppliers should record the delivery address as the recipient's address on the invoice when the billing and delivery addresses differ.

CIRCULAR NO - 210/04/2024 - GST, DATED- 26.06.2024

Valuation of supply of import of services by a related person where recipient is eligible to full input tax credit

Clarification:

- A foreign affiliate provides services to a related domestic entity in India.
- If full ITC is available to the domestic entity, the value declared in the invoice is deemed to be the open market value
- If no invoice is issued, the value is deemed Nil, and this Nil value is considered the open market value.

This valuation method aligns with the treatment of domestic supplies between related or distinct persons under Rule 28 and the Circular No. 199/11/2023-GST.

CIRCULAR NO - 211/05/2024 - GST, DATED- 26.06.2024

Time Limit u/s 16(4) of CGST Act, 2017 in respect of RCM supplies received from unregistered persons

This clarification aims to resolve industry concerns and provide clear guidance on the time limits for availing ITC in cases of RCM supplies from unregistered suppliers. Timely issuance of the invoice and payment of tax is crucial to avoid interest and penal consequences.

Clarification :-

- For supplies received from unregistered suppliers where tax is paid on Reverse Charge Mechanism, the relevant financial year for section 16(4) is the financial year in which the recipient issues the invoice.
- The recipient must fulfil all conditions and restrictions under sections 16 and 17 of the CGST Act.
- Delayed issuance of the invoice will result in interest on delayed tax payment and may attract penal action under section 122 of the CGST Act.

CIRCULAR NO - 212/06/2024 - GST, DATED- 26.06.2024

Mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers

Clarification verifying the reversal of Input Tax Credit (ITC) by recipients when discounts are offered by suppliers through credit notes after the supply has been effected.

Currently, there is no facility on the common portal to verify whether the ITC attributable to the discount has been reversed by the recipient.

Clarification: Verification Mechanism via Physical certificates

- Suppliers can procure a certificate from the recipient, issued by a Chartered Accountant (CA) or Cost Accountant (CMA), certifying the required ITC reversal.
- CA/CMA Certificate must include details of credit notes, relevant invoice numbers, amount of ITC reversal, and the relevant document through which the ITC reversal has been made.
- If the tax amount involved in the discount does not exceed ₹5,00,000 in a Financial Year, the supplier can procure an undertaking/certificate from the recipient instead of a CA/CMA certificate.
- Such certificates or undertakings are considered suitable and admissible evidence for the purpose of section 15(3)(b)(ii) of the CGST Act.
- Suppliers should produce these certificates/undertakings during proceedings such as scrutiny, audit, investigations, etc.
- Even for past periods, these certificates can be produced as evidence of ITC reversal.

CIRCULAR NO - 213/07/2024 - GST, DATED- 26.06.2024

Taxability of re-imbursalment of securities/shares as SOP/ESPP/RSU provided by a company to its employees.

This Circular addresses the taxability especially in cases where Indian subsidiary companies offer the option for allotment of securities/shares of their foreign holding companies.

Clarifications:

- **Non-Taxability of Securities Transfer:** Transfer of shares/securities is not subject to GST as they are neither goods nor services.
- **Compensation Plans:** ESOPs, ESPPs, and RSUs provided as part of employee compensation are not subject to GST.
- **Reimbursement of Costs:** Reimbursement of the cost of shares/securities by the domestic subsidiary company to the foreign holding company on a cost-to-cost basis is not subject to GST.

- **Additional Charges:** Any additional charges over the cost of securities by the foreign holding company are subject to GST on a reverse charge basis by the domestic subsidiary company.

CIRCULAR NO - 214/08/2024 - GST, DATED- 26.06.2024

Clarification on treatment of input tax credit (ITC) in relation to the premium for life insurance policies which is not included in taxable value

This Circular addresses whether the amount of insurance premium not included in taxable value under Rule 32(4) of the CGST Rules should be considered an exempt supply/non-taxable supply. Further, if considered exempt/non-taxable, there would be a need for reversal of ITC as per section 17(1) of the CGST Act read with Rule 42 & 43 of the CGST Rules.

Clarification: No Requirement for ITC Reversal

- Life insurance services are taxable; however, the premium component allocated for investment is not included in the taxable value as per Rule 32(4). The premium portion not included in the taxable value is neither nil rated, wholly exempt, nor non-taxable, as the service itself is taxable.
- The amount of the premium for taxable life insurance policies, which is not included in the taxable value as per Rule 32(4) of the CGST Rules, should not be treated as pertaining to an exempt or non-taxable supply.
- Consequently, there is no requirement for reversal of input tax credit in respect of this amount under Rule 42 or Rule 43 of the CGST Rules.

CIRCULAR NO - 215/09/2024 - GST, DATED- 26.06.2024

Taxability of wreck and salvage values in motor insurance claims

Insurance companies provide services of insuring vehicles for damages, charging premiums from the vehicle owners. It is the responsibility of the insurance company to either get the vehicle repaired or compensate the insured person, as per the terms of the insurance contract.

Clarification:

No GST Liability for Insurance Companies: If the insurance company deducts the salvage value from the claim amount, the salvage remains with the insured (due to deduction in claim settlement). In such cases, there is no supply of salvage by the insurance company, and hence, no GST liability on the insurance company for the salvage value.

GST Liability for Insurance Companies: If the insurance company settles the claim for the full IDV (Insured's Declared Value) without deducting the salvage value, the salvage becomes the property of the insurance company. In such cases, the insurance company is liable to discharge GST on the disposal or sale of the salvage.

CIRCULAR NO - 216/10/2024 - GST, DATED-26.06.2024

GST liability and ITC availability for warranty replacement of parts and repair services during the warranty period

Clarification:

- **Replacement of Goods:** Earlier, Circular was issued to address GST liability and ITC reversal only for replacement of parts, not for entire goods. Now, it is clarified that such clarifications extend to entire goods replaced under warranty. Where the term 'parts' is used in the initial circular, it should be read as 'goods or parts'.
- **Replacement by Distributors from Own Stock:** No GST or ITC reversal required when distributors replace parts/goods from their stock and get replenished by the manufacturer.
- **Nature of Supply for Extended Warranty:**

For Agreement at the Time of Original Supply: If the supplier of goods and extended warranty are different, the extended warranty is a separate supply of services.

For Agreement After Original Supply: The extended warranty is always treated as a supply of services.

CIRCULAR NO - 217/11/2024 - GST, DATED-26.06.2024

Entitlement of ITC by the insurance companies on the expenses incurred for repair of motor vehicles in case of reimbursement mode of insurance claim settlement.

Insurance companies provide general insurance services, including motor vehicle insurance, and settle claims either through a Cashless or Reimbursement mode.

Clarification:

- ITC on Repair Expenses in Reimbursement Mode: Insurance companies are considered recipients of repair services, even if the initial payment is made by the insured and reimbursed by the insurer.

ITC is available to insurance companies for repair expenses incurred under reimbursement mode, as the insurance company is ultimately liable for the repair costs.

- ITC Availability When Repair Invoice Includes Excess Amounts beyond approved claim cost:

Separate Invoice: If two separate invoices are issued (one for the approved claim cost to the insurance company and one for the excess amount to the customer), ITC is available to the insurance company on the invoice issued to it, subject to reimbursement of the said amount to the customer.

Single Invoice: If a single invoice is issued for the full repair amount to the insurance company, ITC is available only to the extent of the approved claim cost reimbursed to the insured.

- ITC Availability When Invoice for vehicle repair is Not in the Name of the Insurance Company: ITC is not available to the insurance company if the repair invoice is not in its name, as the conditions of Section 16(2) are not satisfied.

CIRCULAR NO - 218/12/2024 - GST, DATED- 26.06.2024

Taxability of the transaction of providing loan by an overseas affiliate to its Indian affiliate or by a person to a related person

- Taxability of Loans Between Related Entities: Providing loans between related entities or by overseas affiliates to Indian entities, with consideration only by way of interest or discount, is considered a supply but is exempt from GST.
- Processing and Administrative Fees related to loan services: Generally, a one-time fee is charged, such fees if charged are taxable under GST as they represent taxable consideration for the service of facilitating the loan.

However, Absence of such fees in related party transactions implies no additional taxable supply apart from the interest or discount. Hence, there is no GST on such transactions by resorting to open market value for valuation as per Rule 28 of CGST Rules.

CIRCULAR NO - 219/13/2024 - GST, DATED- 26.06.2024

Availability of ITC for Ducts and Manholes Used in Optical Fiber Cable (OFC) Networks

- Ducts and manholes are part of the “plant and machinery” as they are used in the OFC network for making outward supply of telecommunication signals.
- They are not specifically excluded from the definition of “plant and machinery” as they are not land, building, civil structures, telecommunication towers, or pipelines laid outside factory premises.
- **ITC Availability:** ITC is not restricted for ducts and manholes used in the OFC network under Section 17(5)(c) or (d) of the CGST Act. This applies because they are integral to the OFC network used for telecommunication services and are not excluded items under the plant and machinery definition.

CIRCULAR NO - 220/14/2024 - GST, DATED- 26.06.2024

Place of supply applicable for custodial services provided by banks to Foreign Portfolio Investors

Custodial Services Definition and Scope: Include safekeeping of securities of clients and incidental services.

Account Holder Clarification: Custodial services are not considered services provided to account holders as per Section 13(8)(a) of the IGST Act.

The place of supply for services supplied by a banking company or financial institution to account holders is the location of the supplier.

Place of Supply Determination: Custodial services are not covered under Section 13(8)(a) of the IGST Act as they do not qualify as services provided to ‘account holders.

Place of supply for custodial services is determined under the default provision, Section 13(2), implying the location of the recipient of services.

CIRCULAR NO - 221/15/2024 - GST, DATED-26.06.2024

Time of supply on Annuity Payments under Hybrid Annuity Mode (HAM) Projects

Under Hybrid Annuity Mode, a portion of the Bid Project Cost is received during the construction period, and the remaining payment is received as deferred payments (annuity) spread over several years.

HAM Contracts: Considered as continuous supply of services under Section 2(33) of the CGST Act. Payments are made periodically, either on specified dates or upon the completion of specific events as per the contract.

The HAM contract should be considered holistically as a single contract for both construction and O&M services. It cannot be artificially split based on payment terms.

Time of Supply:

- If the invoice is issued on time: the date of issuance of the invoice or date of receipt of payment, whichever is earlier.
- If the invoice is not issued on time: the date of provision of service (due date of payment) or date of receipt of payment, whichever is earlier.

Inclusion of Interest Component

The instalments/annuity paid by NHAI to the concessionaire may include an interest component. As per Section 15(2)(d) of the CGST Act, this interest component should be included in the taxable value for the purpose of tax payment.

CIRCULAR NO - 222/16/2024 - GST, DATED-26.06.2024

Time of Supply for Spectrum Allocation Services

GST is payable on these spectrum allocation services under reverse charge mechanism as per Notification No. 13/2017-Central Tax (Rate) dated 28th June 2017.

Time of Supply under Deferred Payment Options

Upfront Payments: GST is payable when the upfront payment is made or due, whichever is earlier.

Deferred Payments: GST is payable on deferred payments as and when they are due or made, whichever is earlier.

Key Recommendations made by the 53rd GST Council Meeting

A. Recommendations relating to GST rates on Goods

1. A uniform rate of 5% IGST will apply to imports of 'Parts, components, testing equipment, tools, and toolkits of aircrafts, irrespective of their HS classification to provide a fillip to MRO activities subject to specified conditions.
 2. All milk cans (of steel, iron, and aluminium) irrespective of their use will attract 12% GST.
 3. GST rate on 'carton, boxes and cases of both corrugated and non-corrugated paper or paperboard' (HS 4819 10; 4819 20) to be reduced from 18% to 12%.
 4. All solar cookers whether single or dual energy source, will attract 12% GST.
 5. To amend existing entry covering Poultry keeping Machinery attracting 12% GST to specifically incorporate "parts of Poultry keeping Machinery" and to regularise past practice on 'as is where is' basis in view of genuine interpretational issues.
 6. To clarify that all types of sprinklers including fire water sprinklers will attract 12% GST and to regularise the past practice on 'as is where is' basis in view of genuine interpretational issues
 7. To extend IGST exemption on imports of specified items for defence forces for a further period of five years till 30th June 2029.
 8. To extend IGST exemption on imports of research equipment/buoys imported under the Research Moored Array for African-Asian-Australian Monsoon Analysis and Prediction (RAMA) programme subject to specified conditions.
 9. To exempt Compensation Cess on the imports in SEZ-by-SEZ Unit/developers for authorised operations w.e.f. 01.07.2017.
- Other Miscellaneous Changes**
10. Other Miscellaneous Changes To exempt Compensation cess on supply of aerated beverages and energy drinks to authorised customers by Unit Run Canteens under Ministry of Defence.
 11. To provide Adhoc IGST exemption on imports of technical documentation for AK-203 rifle kits imported for Indian Defence forces.

B. Recommendations relating to GST rates on services

1. To exempt the services provided by Indian Railways to general public, namely, sale of platform tickets, facility of retiring rooms/waiting rooms, cloak room services and battery-operated car services and to also exempt the Intra-Railway transactions. The issue for the past period will be regularized from 20.10.2023 to the date of issue of exemption notification in this regard.
2. To exempt GST on the services provided by Special Purpose Vehicles (SPV) to Indian Railway by way of allowing Indian Railway to use infrastructure built & owned by SPV during the concession period and maintenance services supplied by Indian Railways to SPV. The issue for the past will be regularized on 'as is where is' basis for the period from 01.07.2017 till the date of issue of exemption notification in this regard.
3. To create a separate entry in notification No. 12/2017- CTR 28.06.2017 under heading 9963 to exempt accommodation services having value of supply of accommodation up to Rs. 20,000/- per month per person subject to the condition that the accommodation service is supplied for a minimum continuous period of 90 days. To extend similar benefit for past cases.
Other changes relating to Services
4. Co-insurance premium apportioned by lead insurer to the co-insurer for the supply of insurance service by lead and co-insurer to the insured in coinsurance agreements, may be declared as no supply under Schedule III of the CGST Act, 2017 and past cases may be regularized on 'as is where is' basis.
5. Transaction of ceding commission/re-insurance commission between insurer and re-insurer may be declared as no supply under Schedule III of CGST Act, 2017 and past cases may be regularized on 'as is where is' basis.
6. GST liability on reinsurance services of specified insurance schemes covered by Sr. Nos. 35 & 36 of notification No. 12/2017-CT (Rate) dated 28.06.2017 may be regularized on 'as is where is' basis for the period from 01.07.2017 to 24.01.2018.
7. GST liability on reinsurance services of the insurance schemes for which total premium is paid by the Government that are covered under Sr. No. 40 of notification No. 12/2017-CTR dated 28.06.2017 may be regularized on 'as is where is' basis for the period from 01.07.2017 to 26.07.2018.
8. To issue clarification that retrocession is 're-insurance of re-insurance' and therefore, eligible for the exemption under Sl. No. 36A of the notification No. 12/2017-CTR dated 28.06.2017.
9. To issue clarification that statutory collections made by Real Estate Regulatory Authority (RERA) are exempt from GST as they fall within the scope of entry 4 of No.12/2017-CTR dated 28.06.2017.
10. To issue clarification that further sharing of the incentive by acquiring bank with other stakeholders, where the sharing of such incentive is clearly defined under Incentive scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions and is decided in the proportion and manner by NPCI in consultation with the participating banks is not taxable.

Measures for facilitation of trade

1. Waiver of Interest and Penalty

Waiver of interest and penalty on demand notices issued under Section 73 for FY 2017-18, 2018-19, and 2019-20, applicable where tax is paid entirely by March 2025.

2. Monetary Limits for Appeals

Monetary limit for filing appeals by the tax department set at ₹20 lakh for the tribunal, ₹1 crore for the High Court, and ₹2 crore for the Supreme Court.

3. Reduced Pre-Deposit for Appellate Authority

Maximum amount of pre-deposit for filing an appeal before the appellate authority reduced from ₹25 crore to ₹20 crore each for CGST and SGST.

4. Reduced Pre-Deposit for Tribunal

Pre-deposit for filing an appeal before the tribunal reduced to 20% and ₹20 crore each for CGST and SGST.

5. GST on Extra Neutral Alcohol (ENA)

Excluding rectified spirit/ENA from GST when used for alcoholic liquor production.

6. Reduction in rate of TCS to be collected by the ECOs for

Reducing TCS rate from 1% to 0.5% to ease the financial burden on suppliers.

7. Time for filing appeals in GST Appellate Tribunal:

Section 112 of the CGST Act, 2017 to allow the three-month period for filing appeals before the Appellate Tribunal to start from a date to be notified by the Government in respect of appeal/ revision orders passed before the date of said notification. This will give sufficient time to the taxpayers to file appeal before the Appellate Tribunal in the pending cases.

8. Amendment in Appeal Time Limits

Amendment in law to provide that the time limit for filing appeals before the tribunal will start from the date the government notifies it.

9. Relaxation in condition of Section 16(4) of CGST Act

- Extended Time Limit for ITC

Time limit to avail ITC u/s 16(4) extended to 30th November instead of October for FY 2017-18, 2018-19, 2019-20, and 2020-21.

- with respect to cases where returns have been filed after revocation

Relaxation where returns for the period from the date of cancellation of registration/ effective date of cancellation of registration till the date of revocation of cancellation of the registration, are filed by the registered person within thirty days of the order of revocation.

10. Extension of GSTR-4 Filing Deadline

Extension of time limit to file GSTR-4 till 30th June.

11. No Interest on Cash Ledger Amount

Interest will not be charged for the amount available in the cash ledger at the time of filing GSTR-3B

12. New Section 11A

The new provision allows regularisation of non-levy or short levy of GST, where tax was being underpaid or unpaid due to common trade practices.

13. Refund of additional Integrated Tax (IGST) paid on account of upward revision in price of the goods subsequent to export:

A mechanism is being introduced for claiming refund of additional IGST paid due to any upward revision in price of the goods after their export helping taxpayers claim refunds for paying additional IGST due to such move.

14. Valuation of corporate guarantee provided between related persons

GST Council recommended amendment of rule 28(2) of CGST Rules retrospectively with effect from 26.10.2023 and issuance of a circular to clarify various issues regarding valuation of services of providing corporate guarantees between related parties. It is inter alia being clarified that valuation under rule 28(2) of CGST Rules would not be applicable in case of export of such services and also where the recipient is eligible for full input tax credit.

15. Input Service Distributor (ISD)

The Council recommended amendment in section 140(7) of CGST Act retrospectively w.e.f. 01.07.2017 to provide for transitional credit in respect of invoices pertaining to services provided before appointed date, and where invoices were received by Input Service Distributor (ISD) before the appointed date.

16. New Form GSTR-1A

Insertion of new Form GSTR-1A to allow corrections in GSTR-1, which can be filed before filing GSTR-3B.

17. GSTR-9/9A Filing Exemption

Annual return in GSTR-9/9A exempted for taxpayers with an annual turnover up to Rs. 2 crores for FY 2023-24.

18. Amendment to Section 122(1B)

Clarified that penal provision under Section 122(1B) applies only to e-commerce operators required to collect TCS under Section 52, effective retrospectively from 1st October 2023.

19. Biometric Aadhar Authentication

Biometric-based Aadhar authentication on a PAN-India basis in a phased manner.

20. Changes in Sections 73 and 74:

- Unified time limit for issuing demand notices and orders for both fraud and non-fraud cases.
- Increased time limit for paying tax demanded with reduced penalty from 30 to 60 days.

21. Sunset Clause for Anti-Profiteering Cases:

Added sunset clause for anti-profiteering cases, shifting hearing panel to the principal bench of GSTAT, effective from 1st April 2025.

22. No refund of IGST in specific case

Where export duty is payable, IGST will not be refunded by modifying Sections 16 and 54. This applies for both exports and supplies to SEZ unit/developer with or without payment of tax.

23. FORM GSTR-1

The threshold for reporting of B2C inter-State supplies invoice-wise in Table 5 of FORM GSTR-1 was recommended to be reduced from Rs 2.5 Lakh to Rs 1 Lakh.

24. Compulsory filing of GSTR-7

GSTR-7 must be filed mandatorily even if no TDS is deducted, reported invoice-wise and no late fee will be charged for nil filing.

CORPORATE LAW & REGULATORY



Reserve Bank of India (RBI) allows Authorised Dealer (AD) Category-I banks (maintaining special rupee vostro account) to extend facility of opening additional special current account for settlement of export as well as import transactions

In November 2023, RBI had issued circular in terms of which Authorised Dealer (AD) Category-I banks maintaining special rupee vostro account on international trade settlement in Indian Rupees (INR) were permitted to open an additional special current account for its constituents, exclusively for settlement of export transactions.

To provide operational flexibility, the facility of opening an additional special current account by the AD Category-I banks (maintaining special rupee vostro account) has been allowed to be extended for settlement of their export as well as import transactions.

For, further details read FED Circular no. 11 dated 11 June 204 issued by RBI.

Ministry of Labour & Employment issues notifications to amend employee benefit schemes relating to pensions, provident funds & insurance

The Ministry of Labour & Employment has issued following notifications on 14 June 2024 to amend employee benefit schemes, with an objective to update and refine the existing framework for employee pensions, provident funds and insurance.

[Employees Pension \(Amendment\) Scheme 2024 \[G.S.R. 325\(E\)\]](#) – Amendment adding new actuarial factors for different age groups in Table B of Employees’ Pension Scheme, 1995. These factors are used to calculate the pension benefits for employees retiring before the age of 42 years. The amendment introduces a graduated scale for pension benefits, with an aim to provide a more accurate reflection of the contributions.

[Employees Pension \(2nd Amendment\) Scheme 2024 \[G.S.R. 326\(E\)\]](#) – Amendment replacing Table D of Employees’ Pension Scheme, 1995, which deals with the return of contributions upon exit from employment. The new table outlines the proportion of wages returned based on months of service, ranging from 0.08 for 1 month to 9.33 for 109 months and beyond. This detailed schedule aims to provide clearer guidelines and a structured approach to calculating the return of contributions, ensuring employees receive fair and transparent compensation upon exit from employment.

[Employees Pension \(3rd Amendment\) Scheme 2024 \[G.S.R. 327\(E\)\]](#) – Amendment imposing penalty on employers who default on contributions to the Employees’ Pension Fund. The Central Provident Fund Commissioner has been empowered to impose penalty @ 1% of outstanding contributions per month. The amendment is intended to enforce stricter compliance and ensure timely payments to the pension fund.

- [Employees Provident Funds \(Amendment\) Scheme 2024 \[G.S.R. 329\(E\)\]](#) – Amendment imposing penalty on employers who default on contributions to the Provident Fund. The authorized officials have been empowered to impose damages @ 1% of the arrears per month. The amendment is intended to enforce timely and complete contributions by employers.
- [Employees Deposit Linked Insurance \(Amendment\) Scheme 2024 \[G.S.R. 330\(E\)\]](#) – Amendment imposing penalty on employers who default on contributions to the Insurance Fund. The authorized officials have been empowered to impose 1% monthly penalty on employers defaulting on contributions to the Insurance Fund or other related charges. The amendment seeks to ensure more rigorous adherence to funding requirements of the insurance scheme, providing better security to the employees’ insurance benefits.



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