

# NEWSLETTER

**AJAY RATTAN & CO**  
**CHARTERED ACCOUNTANTS**

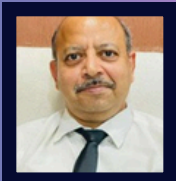
NEWSLETTER FOR OCTOBER 24  
VOLUME 14, ISSUE 10

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# COMPLIANCE

## OCTOBER 2024 DUE DATES

### GST

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

22th - 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

## INCOME TAX

DATE	COMPLIANCE DETAIL	APPLICABLE TO
7th	<ol style="list-style-type: none"><li>1. TDS / TCS deposit</li><li>2. Equalization Levy deposit</li><li>3. Filing of Tax Audit Report u/s44AB</li></ol>	<ul style="list-style-type: none"><li>• Non-Government Deductors</li><li>• All Deductors</li><li>• Taxpayers whose books of accounts are required to be tax audited and not subject to transfer pricing (who is required to submit its Income-tax Return on or before 31 October 2024)</li></ul>
15th	Form 27EQ –TCS return	All Collectors
30th	TCS certificate in Form 27D	All Collectors
31st	<ul style="list-style-type: none"><li>• Income-tax Return (where Transfer Pricing is not applicable)</li><li>• Transfer Pricing (TP) Report in Form 3CEB</li><li>• Tax Audit Report in Form 3CA/3CB</li><li>• Filing of Form 29B</li><li>• TDS Return</li></ul>	<ul style="list-style-type: none"><li>• a) Corporates</li><li>• b) Non corporates (whose accounts are required to be audited)</li><li>• c) Partner of a firm whose accounts are required to be audited</li><li>• Taxable persons having international transaction or specified domestic transaction</li><li>• Companies subject to MAT on book profits u/s 115JB (where transfer pricing laws are applicable)</li><li>• All Deductors.</li></ul>

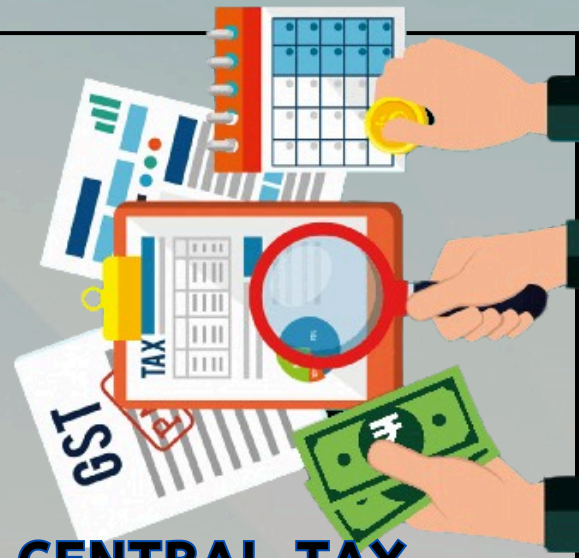
## Corporate Law

DATE	COMPLIANCE DETAIL	APPLICABLE TO
14th	<ul style="list-style-type: none"><li>Filing of statutory auditor's appointment in form ADT-1</li></ul>	<ul style="list-style-type: none"><li>All companies for which statutory auditor is appointed in the AGM held on 30 September 2024</li></ul>
29th	<ul style="list-style-type: none"><li>Filing of audited financial statements in form AOC-4 / AOC-4 XBRL</li></ul>	<ul style="list-style-type: none"><li>All Companies (whose AGM is held on 30 September 2024)</li></ul>
30th	<ul style="list-style-type: none"><li>Filing of Annual Accounts in Form 8</li><li>Details of MSME Trade Payables outstanding &gt; 45 days from the date of acceptance of the goods or services.</li></ul>	<ul style="list-style-type: none"><li>All LLPs</li><li>All Companies having MSME trade payable outstanding for more than 45 days</li></ul>

## OTHER

DATE	COMPLIANCE DETAIL	APPLICABLE TO
15th	<ul style="list-style-type: none"><li>Deposit of PF &amp; ESI contribution</li></ul>	<ul style="list-style-type: none"><li>All Deductors</li></ul>

# GST



## **NOTIFICATION NO-17/2024 – CENTRAL TAX, DATED 27.09.2024**

Ministry of Finance announces the implementation dates for various sections of the Finance (No. 2) Act, 2024. As per the notification, sections 118, 142, 148, and 150 of the Act will take effect from the date of the notification's publication in the Official Gazette. Additionally, sections 114 to 117, 119 to 141, 143 to 147, 149, and 151 to 157 will come into force on 1st November 2024.

The brief description of all the section along with the date notified are as follows:-

Finance Act Section, 24 Section	CGST Act, 17 Sections	Brief description	W.E.F.
114	9(1)	Un-denatured extra neutral alcohol (ENA) and rectified spirit used in alcoholic beverage production added to exception in levy.	01.11.2024
115	10	Reference of section 74A added.	01.11.2024
116	11(A)	Newly added Section 11A allows the government to waive central tax or excess tax on certain supplies if a prevalent practice led to non-levy or under-levy, based on the GST Council's recommendation.	01.11.2024
117	13(3)	The amendment specifies the time of supply where the recipient must issue a self-invoice.	01.11.2024

118	16(5)	Newly added section allows to claim input tax credit for invoices or debit notes related to the supply of goods or services from the financial years 2017 18 to 2020 21 in any return filed by November 30, 2021.	27.09.2024
	16(6)	Newly added section allows to avail ITC in case of revocation of cancelled registration, provided that the returns for the cancellation period are filed within 30 days of revocation order.	27.09.2024
119	17(5)	ITC restriction for tax paid under Section 74 is limited to the financial year 2023 -24. Additionally, references to Sections 129 and 130 have been removed.	01.11.2024
120	21	Reference of section 74A added.	01.11.2024
121	30	Proviso added to prescribe conditions and restrictions on the revocation of GST registration cancellations.	01.11.2024
122	31	For time limit to issue invoices by the recipient when they are able to pay taxes under RCM.	01.11.2024
123	35	Relevance of section 74A added.	01.11.2024
124	39	TDS deductor must now file a monthly return on FORM GSTR-7,even if no tax has been deducted	01.11.2024
125	49	Reference of section 74A added.	01.11.2024
126	50	Reference of section 74A added.	01.11.2024
127	51	Reference of section 74A added.	01.11.2024

128	54	Refund of ITC or tax paid shall not be allowed on case of export including SEZ supply where export duty of being paid.	01.11.2024
129	61	Reference of section 74A added.	01.11.2024
130	62	Reference of section 74A added.	01.11.2024
131	63	Reference of section 74A added.	01.11.2024
132	64	Reference of section 74A added.	01.11.2024
133	65	Reference of section 74A added.	01.11.2024
134	66	Reference of section 74A added.	01.11.2024
135	70(1A)	Authorized representatives can now appear on behalf of summoned persons and are required to provide truthful statements and produce requested documents during examination	01.11.2024
136	73(12)	The provisions section 73 shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24".	01.11.2024
137	74(12)	The provisions section 74 shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24"	01.11.2024
138	74A	A common time limit has been established for demand notices and orders, irrespective of fraud or misstatement. This will apply to cases from the financial year 2024-25 onwards,	01.11.2024
139	75	Reference of section 74A added.	01.11.2024
140	104	Reference of section 74A added.	01.11.2024

141	107	Pre-deposit amount for filing GST appeals has been reduced.	01.11.2024
142	109	Amendment to this section allow the Revisional Authority to conduct examinations related to specific	27.09.2024
143	112	The time limit for filing appeals before the GST Appellate Tribunal has been set at 3 months from the notification date	01.11.2024
144	122	122 Penalty for electronic commence operator, who is liable to inflect tax at source under section 52.	01.11.2024
145	127	Reference of section MA added	01.11.2024
146	128A	A waiver of interest and penalties is available for demand notices and orders under Section 72 of the CGST Act for the financial years 2017-18, 2018-15, and 2019-20, contingent upon the full tax amount being paid fry a specified date	01.11.2024
147	140	Transitional ITC for service-related invoice received prior to, on or after, the appointed day with retrospective effect from 01.07.2004.	01.11.2024
148	171	A sunset clause for the anti-profiteering cases	27.09.2024
149	Schedule III	Co-insurance premiums and re-insurance commissions are are now included in GST	01.11.2024
150	16(4) & 16(5)	No refund shall be made of all the tax paid of the input tax credit reversed, which would not have been so 15453not reversed, had section 26/5) & 15(6) been in 16 at all material times.	27.09.2024



151	5(1)	Un-denatured extra neutral alcohol(ENA) and rectified spirit used in alcoholic beverage production added exception in levy.	01.11.2024
152	6A	Newly added Section 11A allows the government to waive central tax or excess tax on certain supplies if a prevalent practice led to non-levy or under-levy, based on the GST Council's recommendation.	01.11.2024
153	16	Refund of ITC or tax paid shall not be allowed in case of export including SE2 supply where expert duty is being paid	01.11.2024
154	20	Pre-deposit amount for filling GST appeals has been reduced.	01.11.2024

## **AMENDMENTS GIVING EFFECT TO THE RECOMMENDATIONS OF 54TH GST COUNCIL MEETING HELD ON 9TH SEPTEMBER 2024**

### **THE CBIC HAS ISSUED THE CIRCULARS ARE AS FOLLOWS:-**

To give effect to the above recommendations, the Central Board of Indirect Taxes & Customs (CBIC) has issued a series of Circulars summarised below:

S. No.	Circular	
1.	Clarification in respect of advertising services provided to foreign clients.	<p>Clarification in relation to services provided by an Indian advertising company / agency to a foreign entity:</p> <ul style="list-style-type: none"> <li>• <u>An advertising company cannot be considered an 'intermediary'</u></li> </ul> <p>In cases where a foreign client enters into a comprehensive agreement with an Indian</p>

**Circular No.  
230/24/2024-GST  
dated 11 September  
2024**

advertising company / agency, which in turn enters into an arrangement with media company owners, the advertisement company acts on a principal-to-principal basis and cannot be considered as an 'intermediary' (except where the advertising company merely acts as an agent of the foreign client and the media company owner directly raises an invoice to the foreign client)

- Foreign company is the recipient of the services

Since the foreign client is liable to pay the consideration for the advertising services, they are considered as recipients of such services as per the GST provisions.

Further, neither the target audience nor the Indian representative of foreign clients should be considered recipients, as they do not bear the cost of advertising services.

- Advertising services do not qualify as performance-based services

The supply of advertising services does not require the physical presence of the recipient in India. Accordingly, the Place of Supply cannot be the location at which the services are performed in terms of section 13(3) of IGST Act.

- Place of Supply for advertising services

The Place of Supply shall be the location of the service recipient as per section 13(2), which would lie outside India. This would, in turn, lead to the transaction being qualified as the export of services, subject to the fulfilment of other conditions as stipulated under section 2(6) of the IGST Act, 2017

- Place of supply in case where india advertising agency merely acts as an agent for the foreign client

When the advertising company acts solely as an agent between the foreign client and media owners, it is considered an intermediary, and the place of supply is the location of the supplier (advertising company) as per section 13(8)(b) of the IGST Act.

2.

Clarification on availability of ITC in respect of demo vehicles

Circular No.  
231/25/2024-GST  
dated 11 September  
2024

Background

ITC in respect of motor vehicles for transportation of persons with a seating capacity of not more than 13 persons is blocked as per section 17(5)(a) of the CGST Act except when used for

- Further supply of such motor vehicles,
- Transportation of passengers,
- Imparting training on driving such motor vehicles

Clarification

- Demo vehicles are used by authorised dealers for test drives and showcasing features to potential buyers. The primary use is to encourage customers to purchase similar vehicles; thus, it qualifies as being used to supply motor vehicles further. Accordingly, the ITC on demo vehicles is allowed, as they contribute directly to promoting and selling vehicles
- If the vehicles are used for other purposes, such as staff transportation, or if the dealer only acts as an agent for the manufacturer without selling the vehicles directly, the ITC is not available
- The demo vehicles when capitalized in the books of account by authorized dealers, they are considered as 'capital goods' as per section 2(19) of the CGST Act. Since these vehicles are used to promote further sales and are used in the course or furtherance of business, ITC is available, irrespective of its capitalization in books of account
- Additionally, if a capitalized demo vehicle is later sold, the dealer must pay tax as per section 18(6) of the CGST Act

<p>3.</p>	<p><b>Clarification on place of supply of data hosting services provided by service providers located in India to cloud computing service providers located outside India</b></p> <p><a href="#">232/26/2024-GST dated 11 September 2024</a></p>	<p><b>Clarifications with respect to services provided by data hosting service providers to its overseas cloud computing service providers:</b></p> <ul style="list-style-type: none"> <li>• Such services cannot be considered as 'intermediary services'</li> <li>• Even in cases where some hardware is provided by the recipient to the supplier, the same cannot be considered as services provided in relation to the goods 'made available' by the recipient</li> <li>• Further, such services cannot be considered as the services provided directly in relation to an immovable property or physical premises</li> <li>• In view of the above, the Place of Supply of such services cannot be determined as per sections 13(8)(b) / 13(3)(a) / 13(4) of the IGST Act. Instead, the same would be covered under the general provision i.e., section 13(2) of the IGST Act. Accordingly, the Place of Supply of such service would be the location of recipient of service</li> </ul>
<p>4.</p>	<p><b>Clarification on Refund restriction under Rule 96(10) of CGST Rules, 2017</b></p> <p><a href="#">233/27/2024-GST dated 11 September 2024</a></p>	<ul style="list-style-type: none"> <li>• Rule 96(10) of the CGST Rules restricts exporters from claiming refunds of IGST on exports if they have availed of concessional or exempt benefits on the inputs used for those exports, under specific notifications.</li> <li>• Effective from 23 October 2017, Notification No. 16/2020-CT introduced an Explanation that provides relief to exporters. It states that if an exporter has availed an exemption from Basic Customs Duty (BCD) alone, but subsequently paid IGST and compensation cess on the inputs, it will not be considered a violation of the provisions of Rule 96(10)</li> <li>• It has been clarified that if an exporter initially imported inputs without paying IGST and compensation cess under Notification No. 78/2017-Customs or 79/2017-Customs but later paid these taxes along with applicable interest and the bill of entry was reassessed, such exporters will not be treated as having violated Rule 96(10). This ensures that these exporters remain eligible to claim IGST refunds on their exports</li> </ul>

# **NEWS AND UPDATES**

## **➔ Advisory on Re-Opening of Reporting Input Tax Credit (ITC) Reversal Opening Balance**

### **Background**

As per Notification No. 14/2022 – CT dated 5 July 2022 read with Circular no. 170/02/2022-GST dated 6 July 2022, the Government introduced certain changes in Table 4 of Form GSTR-3B regarding availment and reversal of ITC along-with reporting of re-claimed and ineligible ITC. Accordingly, the re-claimable ITC earlier reversed in Table 4(B)2 may be subsequently claimed in Table 4(A)5 on fulfilment of necessary conditions and such reclaimed ITC also needs to be reported in Table 4D (1).

Dashboard Services GST Law Downloads Search Taxpayer Help and Taxpayer Facilities e-Invoice News and Updates

Dashboard Opening Balance Declaration English

Advisory

**Declaration of Opening Balance of Accumulated ITC Reversal which is pending for re-claim**

Date	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)
28/09/2024	0.00	0.00	0.00	0.00

Note: When reporting the accumulated balance of reversed ITC, it is important to take into account only those ITC which were previously reversed in Table 4B(2) but are eligible for re-claim and have not yet been re-claimed.

Verification

I/We hereby solemnly affirm and declare that the information given herein above is true and correct (in respect of Form GSTR-3B) to the best of my knowledge and belief and nothing has been concealed therefrom.

BACK SUBMIT WITH DSC SUBMIT WITH EVC

To facilitate the taxpayers in correct and accurate reporting of ITC reversal and reclaim thereof and to avoid clerical mistakes, a new ledger namely Electronic Credit Reversal and Re-claimed Statement was introduced on the GST portal from August 2023 return period for monthly taxpayers and from July-September 2023 quarter for quarterly taxpayers. The taxpayers were also given an opportunity to report their cumulative ITC reversal as an opening balance in the newly introduced Electronic Credit Reversal and Re-claimed Statement.

## **➔ Advisory on extension of due dates for reporting opening balance**

Now, the taxpayers are being provided with a final opportunity to report their cumulative ITC reversal (ITC that has been reversed earlier and has not yet been reclaimed) as opening balance for 'Electronic Credit Reversal and Re-claimed Statement', if any, before hard locking the reversal and reclaim ledger.

The important dates to report opening balance are mentioned below.

- The functionality to report the opening balance will be available from 15 September 2024 to 31 October 2024
- The amendments in the declared opening balance will be available till 30 November 2024.
- Taxpayers having monthly filing frequency are required to report their opening balance considering the ITC reversal done till the return period of July 2023 only, as after this period balance is already available in ledger.
- Quarterly taxpayers shall report their opening balance up to Q1 of the Financial Year 2023-24, considering the ITC reversal made till April-June 2023 return period only. After this period, balance is already available in ledger

Soon system would not allow to re-claim ITC in excess of the amount reversed earlier and the taxpayers will not be able to reclaim excess ITC compared to the balance available in their Electronic Credit Reversal and Re-claimed Statement. Therefore, it is advised to make use of this extended period to ensure that all relevant information is reported accurately.

## **Advisory on Archival of GST Returns data on GST portal (Dated 24.09.2024)**

Section 39(11) of the CGST Act, 2017, implemented with effect from 1 October 2023 onwards vide Notification No. 28/2023 – CT dated 31 July 2023, provides that taxpayers shall not be allowed file their GST returns after the expiry of 3 years from the due date of furnishing the said return.

Further, as per GST portal data policy, data for view of taxpayer to be retained for 7 years only. Therefore, the same data policy is being implemented on the GST portal. Thus, return data will not be available to view beyond 7 years for taxpayers.

Accordingly, on 1 August 2024 return filed for July 2017 has been archived and on 1 September 2024, data for August 2017 has been archived. Further, this data archival is going to be a monthly activity. Hence on 1 October 2024, data of September 2017 shall be taken down from the GST portal and so on.

Taxpayers have been advised by GST Network to download their relevant data from the GST portal for any future reference, if required.

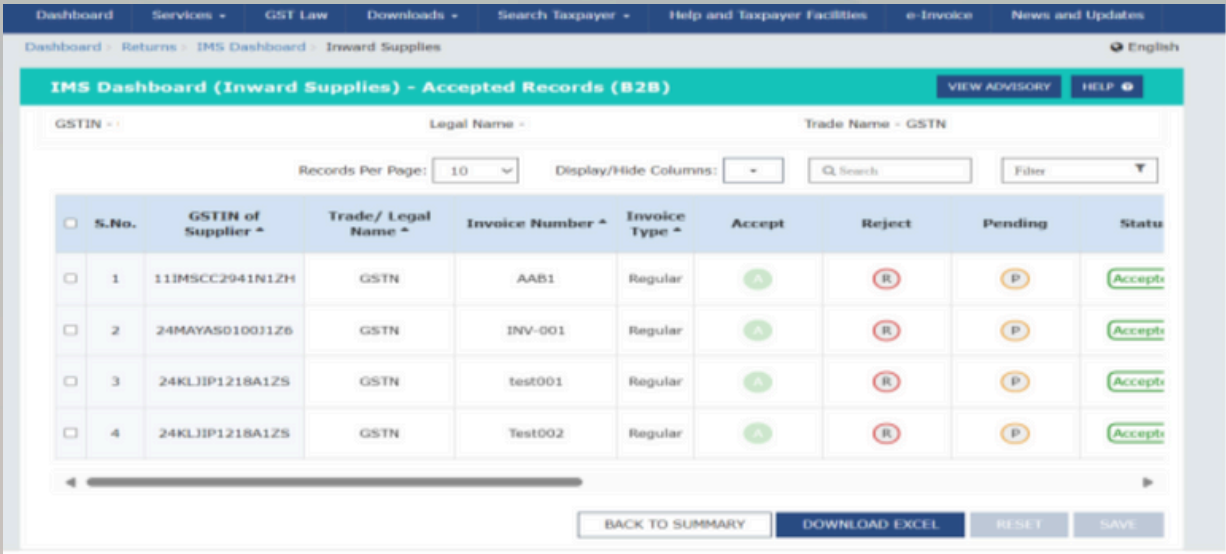
## **Invoice Management System (IMS) introduced by GST Network (GSTN) along with draft manual**

### **Background**

GSTN is developing a new functionality viz., the IMS to streamline the process of invoice reconciliation for taxpayers. This functionality is meant to facilitate the matching of invoices received from and reported by the suppliers. IMS would enable a taxpayer to accept, reject or keep it pending for subsequent availment of Input Tax Credit (ITC). The functionality would be available to taxpayers from 1 October 2024 onwards.

## Salient Features of IMS functionality

- Once the suppliers save any invoice in Form GSTR-1 (outward supply return) / Invoice Furnishing Facility (IFF) / Form GSTR-1A (amendment to Form GSTR-1), the same would be reflected in the IMS dashboard for further action by the recipient.



The screenshot displays the IMS Dashboard (Inward Supplies) - Accepted Records (B2B) interface. The dashboard includes a navigation bar with links for Dashboard, Services, GST Law, Downloads, Search Taxpayer, Help and Taxpayer Facilities, e-Invoice, and News and Updates. The main content area shows a table of accepted records with the following columns: S.No., GSTIN of Supplier, Trade/Legal Name, Invoice Number, Invoice Type, Accept, Reject, Pending, and Status. The table contains four rows of data:

S.No.	GSTIN of Supplier	Trade/Legal Name	Invoice Number	Invoice Type	Accept	Reject	Pending	Status
1	11IMSCC2941N1ZH	GSTN	AAB1	Regular	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
2	24MAYAS0100J1Z6	GSTN	INV-001	Regular	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
3	24KLJIP1218A1ZS	GSTN	test001	Regular	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept
4	24KLJIP1218A1ZS	GSTN	Test002	Regular	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Accept

- The recipient may either accept or reject an invoice or keep it pending in the system. This action can be taken from the time of saving records in Form GSTR-1/ IFF/ Form GSTR-1A (by the supplier / taxpayer) till the time the recipient files Form GSTR-3B. If no action is taken on an invoice in IMS, then it will be deemed to be accepted and will move to Form GSTR-2B as an accepted invoice.
- In case the supplier / taxpayer (before filing Form GSTR-1) amends the details of the saved invoice, the amended invoice will replace the original invoice irrespective of the action taken by the recipient on the original invoice.
- If the supplier / taxpayer (after filing Form GSTR-1) amends the details of the saved invoice through Form GSTR-1A, then the same will also flow to the IMS. However, the corresponding ITC in respect of the amended invoice will flow to Form GSTR-2B of the recipient in the subsequent month.
- Based on the actions taken by the taxpayer, the invoices / records can be classified as follows:
  1. **Accept:** Accepted records will become part of 'ITC Available' section of respective Form GSTR 2B. GST on accepted records will auto-populate in Form GSTR 3B as eligible ITC .
  2. **Reject:** Rejected records will become part of 'ITC Rejected' section of respective GSTR 2B. ITC of rejected records will not auto-populate in Form GSTR 3B.
  3. **Pending:** Pending records will not become part of Form GSTR 2B and Form GSTR 3B. Such records will remain on IMS dashboard till the time same is accepted or rejected. 'Pending' action shall not be allowed in following scenarios:

- a) Original Credit note
- b) Upward amendment of the credit note irrespective of the action taken by recipient on the original credit note
- c) Downward amendment of the credit-note if original credit note was rejected by recipient
- d) Downward amendment of Invoice/ Debit note where original Invoice/ Debit note was accepted by recipient and respective GSTR 3B has also been filed.

Below is a screenshot of IMS dashboard showing summary of all inwards records and action taken thereon:

S.No.	Heading	Number of Records			
		No Action	Accepted	Rejected	Pending
I	B2B - Invoices	6	4	5	3
II	B2B - Invoices (Amendments)	5	2	2	3
III	B2B - Debit Notes	342	0	1	2
IV	B2B - Debit Notes (Amendments)	2	1	2	1
V	B2B - Credit Notes	248	3	3	0
VI	B2B - Credit Notes (Amendments)	2	5	4	0
VII	Eco [9(5)] Invoices	7	3	5	3
VIII	Eco [9(5)] Invoices (Amendments)	3	5	1	3

Further, the GSTN has issued a draft manual explaining the detailed step wise procedure with screenshots from the GST portal to guide the taxpayers for using the facility. Please go to given site ([https://tutorial.gst.gov.in/downloads/news/draft\\_manual\\_ims.pdf](https://tutorial.gst.gov.in/downloads/news/draft_manual_ims.pdf)) and read the draft manual released on 17 September 2024.



## Frequently Asked Questions (FAQs) on IMS

Following the introduction of IMS, GSTN has issued responses to a set of 34 FAQs as below:

S. No.	Question	Answer
1.	What is Invoice Management System (IMS)?	Invoice Management System (IMS) is a facility in GST system, where the invoices/records saved/filed by the supplier in GSTR-1/1A/IFF, can be accepted, rejected or kept pending by recipients in order to correctly avail ITC.
2.	How can I access IMS?	IMS can be accessed using below path on GST Portal: <a href="#">Dashboard</a> > <a href="#">Services</a> > <a href="#">Returns</a> > <a href="#">Invoice Management System (IMS) Dashboard</a>
3.	When will IMS be made available to taxpayers?	IMS will be launched on the GST Portal from 1st October 2024 and shall be available to the taxpayers for taking actions on the received invoices/records from 14th October 2024 onwards.
4.	What all records will be available in IMS for taking an action?	All the saved or filed original invoices/records and their amendments by suppliers through GSTR1/1A/IFF will be available to the recipient for taking actions in IMS. However, the documents where ITC is not eligible either due to: <ol style="list-style-type: none"><li>1. POS rule or</li><li>2. Section 16(4) of the CGST Act, will not appear on IMS and will directly go to 'ITC Not Available' section of GSTR-2B.</li></ol>
5.	What will happen to the accepted and rejected record?	All the accepted/rejected records belonging to a particular GSTR-2B period will be removed from IMS on filing of GSTR-3B for that particular period. Only the pending record and the invoices/records belongs to future tax period shall remain in IMS.

6.	When will the documents be flown to IMS?	The documents will be available in IMS as soon as they are saved by the supplier in their corresponding GSTR-1/1A/IFF.
7.	When can the recipient taxpayer take action on a record?	As soon as a supplier/ taxpayer saves an Invoice/records in GSTR-1/1A/IFF, it is shown and is available to the recipient taxpayer in IMS for taking actions.
8.	What all documents will not be made available in IMS but will be part of GSTR-2B?	Below records will not be part of IMS but will directly flow to GSTR-2B: 1.Document flowing from the following forms: <ul style="list-style-type: none"> <li>• GSTR 5</li> <li>• GSTR 6</li> </ul> 2.ICEGATE documents 3.RCM records 4.Document where ITC is ineligible due to: <ul style="list-style-type: none"> <li>• POS rules</li> <li>• Section 16(4) of CGST Act 5. Documents where ITC to be reversed on account of Rule 37A</li> </ul>
9.	Who will have access to IMS functionality?	Taxpayers registered as normal taxpayers (including SEZ unit/Developer) and casual taxpayers will be able to access IMS functionality.
10.	What are the actions that I can take on an IMS ?	Below actions are allowed to take in IMS: i. Accept ii. Reject iii. Pending Note: By default all the records will flow into “No Action” category and records with “No Action” will be deemed accepted at the time of GSTR-2B generation.
11.	Can I take actions multiple time on a document?	Yes, action can be taken multiple times on an invoice/record before filling of GSTR 3B. In case of multiple actions on a record, latest action will overwrite the previous action. However, the action taken will be frozen at the time of filing the corresponding GSTR-3B by the recipient.

12.	Are there any invoices/records where pending action is not allowed in IMS?	<p>Yes, for the following 4 scenarios pending action would not be available :-</p> <ol style="list-style-type: none"> <li>1. Original Credit note</li> <li>2. Upward amendment of the credit note rejected by the recipient irrespective of the action taken by recipient on the original credit note</li> <li>3. Downward amendment of the credit note by the recipient if original credit note was rejected by him,</li> <li>4. Downward amendment of Invoice/ Debit note rejected by the recipient where original Invoice/ Debit note was accepted by him and respective GSTR 3B has also been filed.</li> </ol>
13.	What happens to the original record if the same record is amended by the supplier?	<p>If original and amended record belongs to 2 different GSTR 2B return period, then it is mandatory to take action on original record and file the respective GSTR 3B before taking action on amended record (amended through GSTR-1/1A/IFF). In case if recipient take the action on amended record first then system will not allow to save the action in IMS.</p> <p>In case both the original records and amended records belong to same period GSTR-2B, the action taken on amended records will prevail over the action taken on original record.</p>
14.	What will happen to documents on which taxpayers has taken an action on IMS?	<p>The documents will be treated in following manner based on different kind of action:</p> <ol style="list-style-type: none"> <li>1. Accept -Accepted records will become part of 'ITC Available' section of respective GSTR 2B. ITC of accepted records will auto-populate in GSTR 3B.</li> <li>2. Reject -Rejected records will become part of 'ITC Rejected' section of respective GSTR 2B. ITC of rejected records will not auto-populate in GSTR 3B.</li> <li>3. Pending -Pending records will not become part of GSTR 2B and GSTR 3B. Such records will remain on IMS dashboard till the time same is accepted or rejected or till the time timeline prescribed in Section 16(4) of CGST Act.</li> <li>4. No Action - records with "No Action" status will be deemed accepted at the time of GSTR-2B generation.</li> </ol>

15.	Which documents will be considered for GSTR-2B generation?	All the filed and accepted (no action will be treated as deemed accepted) or rejected records will be considered for GSTR-2B generation as per the cut-off dated of GSTR-2B. Saved records unless filed will be considered as “no action” committed and thus will flow as the status of the record that existed before saving for GSTR-2B generation.
16.	What If I have taken an action on a document in saved status but the same is edited/changed by the supplier before filing his GSTR-1?	In case a saved record is edited before filing of GSTR-1 by the supplier, the amended record will replace the saved document in IMS and the action taken on such record by the recipient will be reset. Thus, the edited record will be available for recipient for fresh action in IMS. Similarly, if a document is deleted before filing of GSTR-1/1A/IFF by supplier then such document will be removed from IMS also.
17.	Will Reverse Charge document received from registered suppliers also form part of IMS?	No, RCM invoices are not part of IMS but will continue to be part of GSTR-2B as it is being reflected today.
18.	As a taxpayer what all will I be able to view on the IMS?	<p>The IMS has two different views:</p> <ol style="list-style-type: none"> <li>1. <u>Recipient view</u>: As a recipient, a taxpayer will have an “inward supply” view to see all the specified documents which are saved or filed by your respective supplier. These documents will be available for actions by the recipient.</li> <li>2. <u>Supplier view</u>: As a supplier, a taxpayer will have an “Outward supply” view to see actions taken on all the specified documents by their respective recipient.</li> </ol> <p>*It will be made available shortly.</p>
19.	What happens if recipient reject a record?	<ol style="list-style-type: none"> <li>1. If the recipient rejects the record before filling of GSTR 1 by supplier, then the invoice/record can be edited and supplier can file the GSTR 1 with same detail. This edited record will be made available in the IMS for action by the recipient.</li> <li>2. If the recipient reject after filling of GSTR 1 by supplier, then the supplier needs to amend/add the invoice/record in GSTR-1A or in subsequent GSTR 1/ IFF with same detail. Amended record will be made available in the IMS for action by the recipient.</li> </ol>

20.	What will happen to the documents in IMS on filing of GSTR 3B by recipient?	All the accepted/rejected records belonging to a particular GSTR-2B period will be removed from IMS on filing of GSTR-3B for that particular period.
21.	What will happen to the documents kept pending in IMS?	Pending records will continue to be in IMS till the time of cut-off date as per section 16(4) of CGST Act, 2017. Once records crossed the timeline prescribed in section 16(4) of CGST Act, it will be removed from IMS.
22.	Can I download all the data available in IMS?	Yes, excel download facility is available to download the IMS data.
23.	What is draft GSTR 2B?	GSTR-2B will continue to be generated on 14th of every month with the same logic as current GSTR-2B which will now be considered as draft GSTR 2B. This draft will consist of all the accepted / deemed accepted records and rejected records. Here, rejected records are for view only and will not flow in GSTR-3B.
24.	Can I take any action after generation of draft GSTR 2B?	Yes, the recipient will be allowed to take an action on any record available in draft GSTR 2B also, till the filing of GSTR-3B. In such cases, at the time of filling GSTR-3B recipient will require to recompute his GSTR 2B to have impact of actions taken after 14th in his GSTR-3B
25.	Is there any scenario where draft GSTR 2B will not be generated by system on 14th of subsequent month?	Yes, In case the previous period GSTR 3B is not filed by the taxpayer then the system will not generate their draft GSTR 2B on 14th of the subsequent month. However, the taxpayer can generate their GSTR 2B from the IMS dashboard after filing their previous GSTR 3B.

26.	How many times can I regenerate GSTR 2B?	Before filling of GSTR 3B, there is no restriction on number of times such GSTR-2B can be recomputed/regenerated.
27.	What about GSTR-2B for quarterly taxpayers?	For quarterly taxpayers, GSTR-2B will not be generated for the months M1 and M2 of the quarter. However, GSTR-2BQ for the quarter (M1, M2 and M3 combined) will be generated on 14th of Q+1 month an re-computation of 2B will be allowed on or after 14th of Q+1 month till filing of corresponding GSTR-3B. The same logic as is there for monthly GSTR-2B / 3B will be applicable
28.	What will happen to GSTR2A?	GSTR-2A shall continue to be generated as it is.
29.	Is it mandatory to recompute GSTR 2B?	If there is any change made by recipient on IMS dashboard after draft GSTR 2B generation by system, it is mandatory to re-compute GSTR 2B
30.	How to take an action on records available on IMS dashboard	<ol style="list-style-type: none"> <li>1. Action on Individual record: To take action on individual record, recipient can select the action by clicking on the radio button available at line-item level and then click on save button to save the action taken.</li> <li>2. Action on multiple records: To take action on multiple records in one go, recipient can select multiple records or all the records through checkbox option available on screen. After selecting multiple records, system will enable main action buttons on heading of action radio buttons with count of selected records. Through these action buttons recipient can take action on multiple records in one go.</li> </ol> <p>Note: On all the multiple selected records, only one type of action can be taken.</p>

31.	<p>What will happen if the recipient rejects the Tax Invoice or Debit Note for the supplies of FY 23-24 which was eligible for GSTR 2B of Oct'24, given the deadline to avail the ITC by 30th November?</p>	<p>Taxpayer are advised to reconcile their records before filling of their GSTR 1 for October 2024 tax period for which due date is 11th November 2024.</p> <p>The Taxpayer can accept/reject the record on IMS after due verification. The ITC for the rejected record will not flow to GSTR 2B for Oct'24.</p> <p>However, recipient can change the action from rejected to accepted in IMS and recompute GSTR 2B at the time of filing GSTR 3B and take corresponding ITC in the GSTR 3B for Oct'24.</p>
32.	<p>Can a supplier amend FCM invoice to RCM invoice and what will the impact on the ITC?</p>	<p>Yes, the supplier can amend an Invoice from FCM to RCM subject to the time limit as per GST law.</p> <p>The system shall reduce the ITC of the amended FCM Invoice in case the said invoice was accepted by the recipient.</p> <p>Further, the RCM invoice shall flow to GSTR 2B of the recipient.</p>
33.	<p>Can the place of supply be changed by the supplier in the GSTR 1 and what will be the impact on the ITC?</p>	<p>Yes, place of supply can be changed by the supplier in the GSTR 1 subject to the time limit given in the GST law.</p> <p>Further if the ITC become ineligible due to change in place of supply, then recipient should reverse the ITC in the Table 4B1</p>
34.	<p>What will happen if the recipient rejects the original Credit Note or upward amended Credit Note?</p>	<p>If the recipient rejects the Credit note and furnished the GSTR 3B then the corresponding liability will be added to the supplier liability in the GSTR 3B of subsequent tax period.</p>

# DIRCT TAX



## Disposal of 573 direct tax cases by Hon'ble Supreme Court in view of revised monetary limit for filing appeals provided by Union Budget 2024-25

The Hon'ble Supreme Court on 24 September 2024 disposed off 573 direct tax cases where the tax effect is less than Rs. 5 crore, in view of the revised monetary limit of filing of appeals. The Union Budget 2024- 25 provided for an enhanced monetary limit for filing appeals related to direct taxes, excise and service tax.

Pursuant to the Budget 2024-25 announcement, CBDT and CBIC had issued necessary orders to enhance the monetary limit for filing appeals in their respective domains. As a result, it is expected that the cases pending before various appellate forums would come down and reduce tax litigation.

### **Direct Tax**

As per the announcements in the Union Budget 2024-25, the monetary thresholds for filing tax dispute appeals by the department were enhanced as below.

- For Income Tax Appellate Tribunal(ITAT) - Increased from Rs. 50 lakh to Rs. 60 lakh
- For High Courts - Increased from Rs. 1 crore to Rs. 2 crore
- For Supreme Court - Increased from Rs. 2 crore to Rs. 5 crore

As a result of these revised limits, it is estimated that around 4,300 cases as below may be withdrawn from various judicial forums over the course of time.

- ITAT - 700 cases
- High Courts- 2,800 cases
- Supreme Court- 800 cases



# **Direct Tax Vivad Se Vishwas Scheme,2024 – Ministry of Finance notifies corresponding Rules, Forms & Date of commencement as 1 October 2024**

## **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.

## **Procedure to be followed under the Direct Tax Vivad se Vishwas Scheme, 2024**

The Direct Tax Vivad se Vishwas Scheme, 2024 provides an opportunity to taxpayers to settle tax disputes pending as on 22 July 2024 at various appellate forums, in relation to tax, interest, penalty or fees payable under the Income-tax law. The procedure consists of the following steps.

- Step 1 - Taxpayers can settle their disputes by submitting a declaration in Form 1 with the designated authority
- Step 2 - Upon receipt of the declaration, the designated authority is required to (within 15 days from the date of receipt of the declaration), grant a certificate in Form 2 to the taxpayer specifying amount payable to settle the dispute
- Step 3 – The taxpayer is required to pay the specified amount within 15 days from the date of receipt of the certificate and intimate the designated authority about such payment in Form 3
- Step 4 - The designated authority is required to pass an order in Form 4 stating that the taxpayer has discharged the disputed tax liability which marks the conclusion of the dispute.

Once the disputed tax is settled under the Direct Tax Vivad se Vishwas Scheme, 2024, the taxpayer would enjoy waiver and immunity from interest, penalty and prosecution in relation to the disputed tax arrears.

## **Notification nos. 103 &104 issued by Ministry of Finance**

On 19 September 2024, CBDT has issued Notification no. 103 appointing 1 October 2024 as the date on which the Direct Tax Vivad Se Vishwas Scheme, 2024 shall come into force.

On 20 September 2024, Ministry of Finance has issued Notification no. 104 notifying the 'Direct Tax Vivad se Vishwas Rules, 2024 prescribing amongst others the following:

- Forms 1, 2, 3 and 4 (explained above)
- Computation of disputed tax for issues covered in favour of the taxpayer
- Computation of losses, unabsorbed depreciation, Minimum Alternate Tax (MAT) credit and Alternative Minimum Tax (AMT) credit that can be carried forward when the dispute pertains to such losses, unabsorbed depreciation and MAT / AMT credit

## **CBDT rolls out E-Dispute Resolution Scheme, 2022, constitutes Dispute Resolution Committees (DRCs) across 18 jurisdictions across India**

### **Background**

The Finance Act, 2021 introduced new section 245MA in the Income-tax Act constituting a DRC, with the objective to settle disputes of small / medium taxpayers, where

- Returned income  $\leq$  Rs. 50 Lakh, and
- Aggregate amount of variation proposed  $\leq$  Rs. 10 Lakh

The DRC has powers to reduce or waive penalty or give immunity from prosecution for any offence punishable under the Income-tax Act. On 5 April 2022, CBDT had issued Notification nos. 26 and 27 prescribing the e-Dispute Resolution Scheme, 2022 and its Rules including scope of the scheme, procedure to be followed by the DRC and powers of the DRC.

### **Press Release issued by DRC on 30 August 2024**

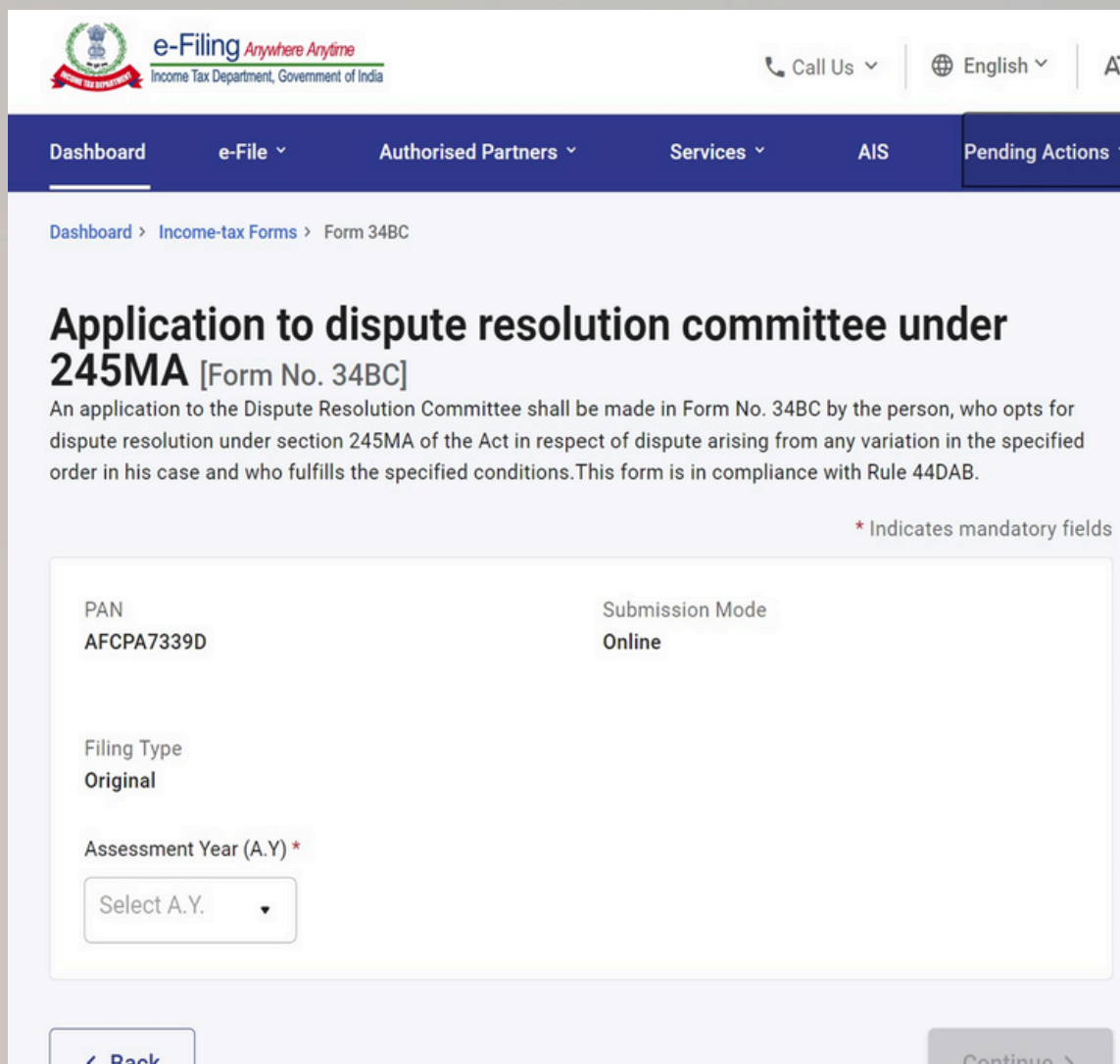
Taxpayers are required to submit their applications using Form 34BC, as per Rule 44DAB of the Rules, through the Income-tax department's e-filing portal (eportal.incometax.gov.in). Applications must be filed within 1 month of receiving the relevant order.

- For cases where an appeal has already been filed and is pending before the Commissioner of Income-tax (Appeals), applications must be submitted latest by 30 September 2024
- For cases where an order has been passed on or before 31 August 2024 and the time for filling appeal against such order before CIT(Appeals) has not lapsed, application can be submitted on or before 30 September 2024

## Accessing the e-DRS Module

Taxpayers can access the E-Dispute Resolution Scheme module by logging into the Income-tax portal and following the below procedure

- Log in using Permanent Account Number (PAN)
- Navigate to the Dashboard
- Click on 'e-File' and then select 'Income Tax Forms'
- Choose 'Dispute Resolution Committee in Certain Cases (Form 34BC)'
- Complete and review Form No. 34BC
- E-verify the form using Aadhaar One-Time Password (OTP), Electronic Verification Code (EVC) or Digital Signature Certificate (DSC)



The screenshot displays the e-Filing portal interface for the 'Application to dispute resolution committee under 245MA [Form No. 34BC]'. The header includes the e-Filing logo and navigation options like 'Call Us', 'English', and 'A'. The main navigation bar contains 'Dashboard', 'e-File', 'Authorised Partners', 'Services', 'AIS', and 'Pending Actions'. The breadcrumb trail shows 'Dashboard > Income-tax Forms > Form 34BC'. The title of the form is 'Application to dispute resolution committee under 245MA [Form No. 34BC]'. Below the title, a descriptive paragraph explains that the application is made in Form No. 34BC by the person who opts for dispute resolution under section 245MA of the Act. A note indicates that the form is in compliance with Rule 44DAB. A legend states '\* Indicates mandatory fields'. The form fields are: PAN (AFCPA7339D), Submission Mode (Online), Filing Type (Original), and Assessment Year (A.Y) with a dropdown menu set to 'Select A.Y.'. Navigation buttons for 'Back' and 'Continue' are visible at the bottom.

**Application to dispute resolution committee under 245MA [Form No. 34BC]**

An application to the Dispute Resolution Committee shall be made in Form No. 34BC by the person, who opts for dispute resolution under section 245MA of the Act in respect of dispute arising from any variation in the specified order in his case and who fulfills the specified conditions. This form is in compliance with Rule 44DAB.

\* Indicates mandatory fields

PAN  
AFCPA7339D

Submission Mode  
Online

Filing Type  
Original

Assessment Year (A.Y) \*  
Select A.Y.

[← Back](#) [Continue >](#)

# TDS CHART FROM 1.OCT.2024

Section	Deductee*	Nature of transaction	Threshold Limit (Rs)	TDS Rate
192	R, NR	Payment of salary	Basic exemption limit of employee	Normal Slab Rates
192A	R, NR	Premature withdrawal from EPF	50,000	10% (20% without PAN)
193	R	Interest on securities	Debentures- 5,000	10%
			8% Savings (Taxable) Bonds 2003 or 7.75% Savings (Taxable) Bonds 2018- 10,000	
			Other securities- No limit	
194	R	Payment of any dividend	5,000	10%
194A	R	Interest from other than interest from securities (from deposits with banks/post office/co-operative society)	Senior Citizens- 50,000	10%
			Others- 40,000	
194A	R	Interest from other than interest on securities u/s 193 and interest from banks/post office/co-operative society.	5,000	10%
194B	R, NR, FC	Income from lottery winnings, card games, crossword puzzles, and other games of any type (Except Online Gaming)	Aggregate income from lottery winnings, card games, crossword puzzles etc- 10,000	30%
194BA	R, NR, FC	Income from online games	No limit	30%
194BB	R, NR, FC	Income from horse race winnings	10,000	30%
194C	R	Payment to contractor/sub-contractor:-	Single transaction- 30,000	Individual - 1%, Other than individual 2%
			Aggregate transactions- 1,00,000	
194D	R	Insurance commission to:		
		a) Domestic Companies	15,000	10%
		b) Other than companies	15,000	5% (2% from 1 April 2025)
194DA	R	Income from the insurance pay-out, while payment of any sum in respect of a life insurance policy.	1,00,000	2%
194E	NR, FC	Payment to non-resident sportsmen/sports association	No limit	20% + Surcharge & Cess
194EE	R, NR	Payment of amount standing to the credit of a person under National Savings Scheme (NSS)	2,500	10%
194F	R, NR	Payment for the repurchase of the unit by Unit Trust of India (UTI) or a Mutual Fund	No limit	This section is omitted with effect from 1st October 2024
194G	R, NR, FC	Payments, commission, etc., on the sale of lottery tickets	15,000	2%
194H	R	Commission or brokerage	15,000	2%
194-I	R	Rent:		
		194-I(a) Rent on plant and machinery	2,40,000	2%
		194-I(b) Rent on land/building/furniture/fitting	2,40,000	10%

194-IA	R	Payment in consideration of transfer of certain immovable property other than agricultural land.	50,00,000	1%
194-IB	R	Rent payment by an individual or HUF not covered u/s. 194-I	50,000 per month	2%
194-IC	R	Payment under Joint Development Agreements (JDA) to Individual/HUF	No limit	10
194J	R	Any sum paid by way of fee for professional services	30,000	10%
194J	R	Any sum paid by way of remuneration/fee/commission to a director	30,000	10%
194J	R	Any sum paid for not carrying out any activity concerning any business;	30,000	10%
194J	R	Any sum paid for not sharing any know-how, patent, copyright, etc.	30,000	10%
194J	R	Any sum paid as a fee for technical services	30,000	2%
194J	R	Any sum paid by way of royalty towards the sale or distribution, or exhibition of cinematographic films	30,000	2%
194J	R	Any sum paid as fees for technical services, but the payee is engaged in the business of operation of the call center. Prior to June 1, 2017, the rate was 10%	30,000	2%
194K	R	Payment of any income for units of a mutual fund, for example, dividend	No limit	10%
194LA	R	Payment in respect of compensation on acquiring certain immovable property	2,50,000	10%
194LB	NR, FC	Payment of interest on infrastructure debt fund to Non-Resident	No limit	5%
194LC	NR, FC	Payment of interest for the loan borrowed in foreign currency by an Indian company or business trust against loan agreement or the issue of long-term bonds	No limit	5%
194LC	NR, FC	Payment of interest for the loan borrowed in foreign currency by an Indian company or business trust against the issue of long-term bonds listed in IFSC	No limit	4%
194LD	NR, FC	Payment of interest on bond (rupee-denominated) to FII or a QFI	No limit	5%
194LBA(1)	R	Certain income distributed by a business trust to its unitholder	No limit	10%
194LBA(2)	NR, FC	Interest income of a business trust from SPV distribution to its unitholders	No limit	5%
194LBA(2)	NR, FC	Dividend income of a business trust from SPV, in which it holds the entire share capital exempt the capital held by the government, and distribution to its unitholders	No limit	10%
194LBA(3)	NR	Rental income payment of assets owned by the business trust to the unitholders of such business trust	No limit	30%
194LBA(3)	FC	Rental income payment of assets owned by the business trust to the unitholders of such business trust	No limit	40%
194LBB	R	Certain income paid to a unitholder in respect of units of an investment fund	No limit	10%
194LBB	NR	Certain income paid to a unitholder in respect of units of an investment fund	No limit	30%
194LBB	FC	Certain income paid to a unitholder in respect of units of an investment fund	No limit	40%

194LBC	R	Income from investment in securitisation fund received to an individual and HUF	No limit	25%
194LBC	NR	Income from investment in securitisation fund received to a domestic company	No limit	30%
194LBC	FC	Income from investment in securitisation fund received to a foreign company	No limit	40%
194M	R	Certain payments by Individual/HUF not liable to deduct TDS under Section 194C, 194H, and 194J	50,00,000	2%
194N	R, NR	Cash withdrawal exceeding a certain amount	Co-operative society: 3 Crore Others: 1 crore	2%
194N	R, NR	Cash withdrawal in case person not filing ITR for last three years and the original ITR filing due date expired	- 20 lakh to 1 crore -1 crore	2% 5% *If cash is withdrawn by a co-operative society the limit shall be Rs 3 Crore instead of Rs 1 Crore
194O	R	Payment for the sale of goods or provision of services by the e-commerce operator through its digital or electronic facility or platform.	5,00,000	0.10%
194P	R	Payment of pension or interest to specified senior citizens of age 75 years or more	Basic exemption limit of senior citizens or super senior citizens	Normal tax slab rates
194Q	R	Payments for the purchase of goods	50,00,000	0.10%
194R	R	Perquisite or benefit to a business or profession	20,000	10%
194S	R	TDS on the transfer of virtual digital assets	Specified Persons- 50,000	1%
		Specified persons: Individual or a HUF not having income from business or profession OR		
		Individual or a HUF having sales from business or profession less than	Others- 10,000	
194T	R	TDS on certain payment to partner	20000	10% (w.e.f. 1. April.2025)
195	NR	Income on investments made by NRI citizen	No limit	20%
195	NR	Income by way of LTCG referred to in section 115E in the case of NRI	No limit	10%
195	NR, FC	Income by way of LTCG under section 112(1)(c)(iii)	No limit	10%
195	NR, FC	Income by way of LTCG under section 112A	No limit	10%
195	NR, FC	Income by way of STCG under section 111A	No limit	15%
195	NR, FC	Any other income by way of LTCG	No limit	20%
195	NR, FC	Interest payable on money borrowed by the government or Indian concern in foreign currency	No limit	20%
195	NR, FC	Income from royalty payable by the Indian concern or the government, for the copyright in a subject referred in the first proviso of section 115A or computer software referred to in the second proviso of section 115A	No limit	20%
195	NR	Income from royalty payable by government or Indian concern in pursuance of an agreement on matters included in the industrial policy	No limit	20%
195	FC	Income from royalty payable by government or Indian concern in pursuance of an agreement on matters included in the industrial policy	No limit	50%
		If the agreement for such royalty payment is entered in between 31st March 1961 and 1st April 1976		

195	FC	Income from royalty payable by government or Indian concern in pursuance of an agreement on matters included in the industrial policy	No limit	20%
		If the agreement for such royalty payment is entered after 31st March 1976		
195	NR	Income from technical fees payable by government or Indian concern in pursuance of an agreement on matters related to industrial policy	No limit	20%
195	FC	Income from technical fees payable by government or Indian concern in pursuance of an agreement on matters related to industrial policy	No limit	50%
		If the agreement for such payment is entered in between 29th February 1964 and 1st April 1976		
195	FC	Income from technical fees payable by government or Indian concern in pursuance of an agreement on matters related to industrial policy	No limit	20%
		If the agreement for such payment is entered after 31st March 1976		
195	NR	Any other income	No limit	30%
195	FC	Any other income	No limit	40%
196B	NR, FC	Income (including LTCG) from units of an offshore fund	No limit	10%
196C	NR, FC	Income (including LTCG) from foreign currency bonds or GDR of an Indian company	No limit	10%
196D	NR, FC	Income (excluding dividend and capital gain) from Foreign Institutional Investors.	No limit	20%

\*"R" = Resident, "FC" = Foreign company, and "NR" = Non-Resident.

**Note:**

1. The Normal slab rates from FY 2023-24 for individuals and HUF have changed under the new tax regime.
2. Applicable surcharge and health and education cess shall be deducted in addition to the TDS rates deducted for NRI and FC deductee.
3. In the above TDS rate chart, the 'Resident' payee under the column 'TDS deducted' includes domestic companies.
4. All TDS amendments introduced in Finance Act, 2024 (Part 2) have been included in the TDS chart above.
5. Sec 194T, TDS on certain payment to partner will apply from 1. April.2025
6. Other amendments by Finance Act, Part 2

- Sec 192 – TDS & TCS adjustment (other than salary) is allowed while computing TDS us 192 w.e.f. 1. Oct 2024
- Sec 194C – Any service covered us 194J shall not be covered us 194C
- 194IA – Clarification is added that consideration means total consideration in case of multiple buyer and seller

7. Cells highlighted in yellow colour are amendments by Finance Act, 2024 (Part 2)

# CORPORATE LAW & REGULATORY



## **Measures by Ministry of Corporate Affairs(MCA) to address concerns & guide stakeholders for compliances on MCA-21 portal**

For regulatory compliances by companies and limited liability partnerships (LLPs) on MCA-21 portal, the MCA has a system of regular review of the concerns of stakeholders raised through emails, helpdesk system, ticketing tools, chatbot and social media handles.

As a further measure of resolving issues of urgent nature, a special team has been constituted to look into the grievances for efficient disposal and suggest systemic solution, if required and provide better guidance to stakeholders for their compliances on MCA-21 portal. Composition of the team is as below:

- Director (eGov), MCA
- Joint Director (eGov),MCA
- Assistant Director (eGov),MCA
- NISG-PMU Head assisted by team member

For more details refer Press Release dated 25 September 2024.

## **Extension of timeline till 30 September 2025 for companies to conduct Annual General Meeting (AGM) & Extraordinary General Meeting (EGM) through video conferencing (VC) or other audio visual means (OAVM)**

Due to COVID-19, MCA vide various circulars issued from time to time has allowed companies to conduct their AGMs / EGMs through VC or OAVM within such timelines as prescribed in those circulars. As per the latest in line of those circulars, the MCA vide Circular no. 9/2023 dated 25 September 2023 had last year extended the due date for conducting AGM (due to be held during the year 2023 / 2024) / EGM till 30 September 2024. MCA had further clarified that the extensions are limited to holding of AGM through VC or OAVM and in no way provides extension of time period for holding AGMs by companies under the Companies Act, 2013 Thus, companies which have not adhered to the relevant timelines of holding AGM shall remain subject to legal action under the Companies Act, 2013.



## **Circular no. 9 issued by MCA on 19 September 2024**

In continuation of the above line of circulars, MCA has issued Circular no. 9 on 19 September 2024 extending the due date to 30 September 2025 for AGMs which are due in the year 2024 or 2025 and / or EGMs, which are to be held through VC or OAVM.

## **Cross border mergers& amalgamations – With effect from 17 September 2024 onwards, foreign holding company seeking to amalgamate into its Indian wholly owned subsidiary may do so under the fast-track merger route**

### **Background**

Many Indian companies (especially in the information technology sector) are held as wholly owned subsidiaries of an overseas parent company. With the Government of India introducing relaxations to enhance ease of doing business in India, along with increasing investors' comfort of investing directly in an Indian company, several companies are desirous of contemplating a 'reverse flip', i.e., shifting their parent holding entities back to India.

Rule 25A of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 permits overseas company to merge with an Indian company by seeking prior approval of the Reserve Bank of India (RBI) and National Company Law Tribunal (NCLT). The process of obtaining an approval from the NCLT was often time consuming due to backlog of cases resulting in substantial delay in the merger process.

## **Notification no. 2/31/CAA/2013 dated 9 September 2024 issued by MCA**

MCA has issued a Notification on 9 September 2024 introducing new Rule 25A(5) to the above Rules, permitting the merger or amalgamation of a foreign holding company into an Indian subsidiary to be undertaken through the fast-track merger scheme (set out u/s 233 of the Companies Act, 2013). A fast-track merger would not require an approval from the NCLT, which would streamline the process and significantly reduce the costs and time required for a merger.

To avail the fast-track route for a merger between a foreign holding company and an Indian subsidiary, the following key conditions must be satisfied amongst others:

- Prior approval must be obtained from RBI by both transferor and transferee entities [RBI's approval would not be required if the transaction is being undertaken in accordance with Foreign Exchange Management (Cross Border Merger) Regulations, 2018]

Transferee Indian company must comply with section 233 of the Companies Act (i.e, provisions applicable to fast-track mergers)

For details read Notification no. 2/31/CAA/2013 dated 9 September 2024 issued by MCA.

## **Liberalised Remittance Scheme (LRS) for Resident Individuals - Discontinuation of reporting of monthly return**

Hitherto, Authorised Dealer (AD) Category-I banks were required to furnish information on the number of applications received and total amount remitted under LRS on a monthly basis in the Centralised Information Management System (CIMS). RBI now been decided to discontinue the requirement for submission of LRS monthly return by AD Category-I banks. Accordingly, from the reporting month of September 2024 onwards, AD Category-I banks shall not submit LRS monthly return (Return code - R089); they will be required to upload only transaction-wise information under LRS daily return (CIMS return code - R010) at the close of business of the next working day on CIMS (<https://sankalan.rbi.org.in>). In case no data is to be furnished, they shall upload a Nil report.

For details read Circular no. 16 dated 6 September 2024 issued by RBI.

# ***Industrial & Labour Law***

## **Industrial units in Haryana required to submit biennial return (once in 2 years) in Form ER-II based on the details furnished in quarterly return ER-I as of 30 September 2023, under the Employment Exchanges Act, 1959**

The Employment Exchange Department, Haryana, has issued a notification addressing all Industrial Units, Schools, Colleges and Hospitals of Gurugram to submit biennial return (i.e, a return to be filed once in 2 years) in Form ER-II under the Employment Exchanges Act, 1959 (Haryana). The due date for submission of said return is 30 September 2024.

The requirement to submit biennial return in Form ER-II was abolished in the year 2016. It is after 8 years, that the Employment Exchange of Haryana has revived the said requirement. Industrial Units, Schools, Colleges and Hospitals located in Gurugram, are required to take necessary action latest by 30 September 2024.



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