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# Tax Edge

Monthly Tax & Regulatory Updates

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November 2024

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# Goods & Services Tax ('GST')



## **GST revenue collection for October 2024 Rs. 1,87,346 crore (8.9% higher than GST revenue in October 2023)**

The gross GST revenue collected in the month of October 2024 is Rs. 1,87,346 crore as below:

|  |                           |
|--|---------------------------|
| IGST (Integrated Goods and Services Tax) | Rs. 99,111 Crore          |
| CGST (Central Goods and Services Tax)    | Rs. 33,821 Crore          |
| SGST (State Goods and Services Tax)      | Rs. 41,864 Crore          |
| Compensation cess                        | Rs. 12,550 Crore          |
| <b>Total</b>                             | <b>Rs. 1,87,346 Crore</b> |

The gross GST collection for Financial Year (FY) 2024-25 till October 2024 stood at Rs. 12.74 lakh crore, representing a 9.4 % year-on-year growth, driven by a strong increase in domestic transactions (10.5%) and marginal increase in imports (6.3%). After considering refunds, the net GST revenue in the FY 2024-25 till October 2024 stands at Rs.11.28 lakh crore, reflecting a growth of 9% compared to the same period last year.

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



## **GST Network (GSTN) clarifies situations in which Form GSTR-2B [Input Tax Credit (ITC) statement] will not be generated by the portal**

Reportedly, it has come to the attention of GST department that certain taxpayers have claimed that their Form GSTR-2B for the month of October 2024 has not been generated on 14 November 2024. As such, the GSTN has informed that as per the design of Invoice Management System, Form GSTR-2B will not be generated by the system in below situations:

- In case taxpayer has opted for Quarterly Return Monthly Payment scheme, Form GSTR-2B will not be generated for the 1<sup>st</sup> and 2<sup>nd</sup> month of the quarter. For example, for the quarter October to December 2024, such taxpayer will get Form GSTR-2B for December 2024 only and not October 2024 and November 2024
- In case the taxpayer has not filed its previous period's Form GSTR-3B (summary return), Form GSTR-2B will not be generated by the system. Such taxpayers need to file their pending Form GSTR-3B in order to generate Form GSTR-2B on demand. For example, if the taxpayer has not filed Form GSTR-3B for September 2024, its Form GSTR-2B for October 2024 will not be generated. Once the taxpayer files its Form GSTR 3B for September 2024, it will be able to generate its Form GSTR-2B for October 2024 by clicking the 'Compute GSTR-2B (OCT 2024)' button on the Invoice Management System dashboard.

Please [Click Here](#) to read the advisory dated 16 November 2024 issued by GSTN.

## GSTN issues advisory regarding Invoice Management System (IMS) on Supplier View

IMS has been made available on the GST Portal from 14 October 2024 onwards, wherein the recipient taxpayer can accept, reject or keep the invoices pending which are saved / filed by their suppliers in their respective Form GSTR-1 (outward supply return) / 1A (amendment to Form GSTR-1) / Invoice Furnishing Facility (IFF). The 1<sup>st</sup> Form GSTR-2B on the basis of such actions taken in IMS by the recipient taxpayers has been generated on 14 November 2024 for the month of October 2024.

SUMMARY
ALL TABLES
View Advisory

ITC available
ITC Not Available
ITC Reversal

HELP

| S.NO.   | Heading <span style="font-size: small;">[Expand All ▼]</span> | GSTR-3B table       | Integrated Tax (₹) | Central Tax (₹) | State/UT Tax (₹) | Cess (₹) |
|---|---|---------------------|--------------------|-----------------|------------------|----------|
| <b>Part A</b> ITC Available - Credit may be claimed in relevant headings in GSTR-3B                             |   |                     |                    |                 |                  |          |
| I   | All other ITC - Supplies from registered persons ▼ (IMS)      | 4(A)(5) ⓘ           | 0.00               | 4,535.66        | 4,535.66         | 10.71    |
| II  | Inward Supplies from ISD ▼                                    | 4(A)(4) ⓘ           | 0.00               | 0.00            | 0.00             | 0.00     |
| III   | Inward Supplies liable for reverse charge ▼                   | 3.1(d)<br>4(A)(3) ⓘ | 0.00               | 0.00            | 0.00             | 0.00     |
| IV  | Import of Goods ▼   | 4(A)(1) ⓘ           | 0.00               | 0.00            | 0.00             | 0.00     |
| <b>Part B</b> ITC Available - Credit notes should be net off against relevant ITC available headings in GSTR-3B |   |                     |                    |                 |                  |          |
| I   | Others ▼  | 4(A) ⓘ              | 0.00               | 0.00            | 0.00             | 0.00     |

BACK TO DASHBOARD

DOWNLOAD GSTR-2B SUMMARY (PDF)

DOWNLOAD GSTR-2B DETAILS (EXCEL)

OPEN GSTR-3B

OPEN IMS DASHBOARD

To further facilitate the taxpayers, the Supplier View of IMS has also been made available where the action taken by their recipients on the records / invoices reported in Form GSTR-1 / 1A / IFF, would be visible to the suppliers in 'Supplier View' functionality. This would help a supplier taxpayer to see the action taken on their reported outwards supplies and help avoid any wrong action taken by the recipient taxpayer.

## Invoice Management System (IMS) Dashboard

### Inward Supplies

VIEW

### Outward Supplies

VIEW

**Note:**

**Inward Supplies:**

Dashboard to view and act on Imports and inward supplies reported by your supplier in IFF/GSTR-1/1A/5/6.

**Outward Supplies:**

Dashboard to view status of outward supplies reported based on action taken by your recipient.

## Invoice Management System (IMS) Dashboard

### Inward Supplies

VIEW

### Outward Supplies

VIEW

**Note:**

**Inward Supplies:**

Dashboard to view and act on Imports and inward supplies reported by your supplier in IFF/GSTR-1/1A/5/6.

**Outward Supplies:**

Dashboard to view status of outward supplies reported based on action taken by your recipient.

The below mentioned records / invoices are not available in IMS for taking any kind of actions by the recipient but are visible in supplier view with the status as 'No Action Taken':

- Documents where ITC is not eligible either due to Place of Supply (POS) rule or section 16(4) of the CGST Act dealing with ITC of previous FY
- Records attracting Reverse Charge Mechanism (RCM) Supplies

Any action taken on records can be changed by the recipient taxpayer till the filing of Form GSTR-3B of the return period. In case the taxpayer changes any action after the generation of Form GSTR-2B, they need to click the Form GSTR-2B recompute button to recompute their GSTR-2B based on the new actions taken.

Please [Click Here](#) to read the advisory dated 13 November 2024.

## **GSTN issues advisory regarding IMS during initial phase of its implementation**

IMS is an optional facility introduced from October 2024 onwards on GST Portal, on which the invoices / records saved / furnished by the supplier in Form GSTR-1 / 1A / IFF, can be accepted, rejected or kept pending by recipients. Based on the action taken by the recipient on the IMS, system will generate Form GSTR 2B of the recipient on 14<sup>th</sup> day of each subsequent month.

The taxpayer can accept / reject / keep pending the invoice / record on IMS after due verification from his accounts. The ITC for the rejected record will not be available to the recipient in Form GSTR 2B. Further, the liability and ITC are being auto-populated in Form GSTR 3B of the taxpayer on the portal based on his liability declared in Form GSTR 1 / 1A and ITC made available in its Form GSTR 2B. However, the taxpayer can presently edit the said auto-populated details in Form GSTR 3B before filing the same.

IMS, being a new functionality introduced on the portal, there may be cases where in the initial phase of implementation of IMS, the recipient may make error / mistake while taking action (like acceptance / rejection / keeping pending) on the IMS in respect of an invoice / record. As Form GSTR-2B of the recipient will be generated on the portal based on the actions taken by the recipient on the IMS, any mistake in the action taken by the recipient on the IMS could result in incorrect details of available / eligible ITC to the recipient being shown in its Form GSTR-2B, which will also be auto-populated in its Form GSTR-3B on the portal. In such cases, the recipient can change the action on the IMS in respect of an invoice / record (for example, from 'rejected' to 'accepted' or vice versa) and can recompute his Form GSTR-2B at any time till the filing of Form GSTR-3B for the corresponding tax period, so that correct ITC is auto-populated in its Form GSTR-3B.

Despite this, there may still be some cases, where the recipient is not able to correct the action taken on the IMS, resulting in wrong auto-population of ITC in Form GSTR-3B of the recipient or wrong auto-population of liability in Form GSTR-3B of the corresponding supplier. Therefore, during the initial phase of implementation of IMS, taxpayers have been advised that in such cases, where due to any inadvertent mistake in the action taken on the IMS, if incorrect details of ITC / liability are auto-populated in Form GSTR-3B on the portal, the taxpayer may before filing their Form GSTR-3B return, edit such wrongly populated ITC / liability in their Form GSTR-3B, to correctly avail ITC or pay correct tax liability based on the factual position as per the documents / records available with him.

Please [Click Here](#) to read the advisory dated 12 November 2024.

## **GSTN issues advisory on Amnesty Scheme u/s 128A of Central GST Act, 2017 dealing with waiver of interest & penalty for outstanding tax dues**

### **Background**

For reducing tax disputes and to provide relief to taxpayers, GST Council in its 53<sup>rd</sup> meeting held on 22 June 2024 had recommended waiver of interest and penalties in the demand notices or orders issued u/s 73 of the CGST Act, 2017 (i.e. cases not involving fraud, suppression or wilful misstatement, etc.) for the FYs 2017-18, 2018-19 and 2019-20. To avail this waiver, the condition is that the full tax demanded is paid on or before 31 March 2025.

In view of the above, Rule 164 of CGST rules, 2017 was notified through Notification no. 20/2024 dated 8 October 2024, effective from 1 November 2024 onwards. This rule provides procedural guidelines for the said waiver scheme. As per the waiver scheme, if a notice or order is issued u/s 73 for the FYs 2017-18, 2018-19 and 2019-20, the taxpayers are required to file an application in Form GST SPL-01 or Form GST SPL-02, respectively on the common portal within 3 months from notified date, which is 31 March 2025.

### **Advisory issued regarding Form GST SPL-01 and Form GST SPL-02**

GSTN has issued advisory to inform that Form GST SPL-01 and Form GST SPL-02 are under development and same will be made available on the common portal tentatively from the 1<sup>st</sup> week of January 2025. In the meantime, taxpayers have been advised to pay the tax amount demanded in the notice, statement, or order issued u/s 73 on or before 31 March 2025, to ensure that they receive the waiver benefits by paying their taxes before the due date.

Taxpayer can pay the demanded tax amount through the 'payment towards demand' facility in case of demand orders and through Form GST DRC-03 in case of notices. However, if payment has already been done through Form GST DRC-03 for any demand order then taxpayer needs to link the said Form GST DRC 03 with such demand order through Form GST DRC-03A, which is now available on the common portal.

Please [Click Here](#) to read the advisory dated 8 November 2024.

## **GSTN issues advisory regarding Form GST DRC-03A for streamlining of payment process with formal demand procedure**

### **Background**

The GST department has noticed that some taxpayers have paid the demanded amount vide DRC 07/DRC 08/MOV 09/MOV 11/APL 04 through Form DRC-03 instead of using payment facility 'Payment towards demand' available on GST portal. This led to a situation where demand has been paid by the taxpayer, however the demand is not closed in the electronic liability register. To address this issue, the Government has notified a new Form GST DRC-03A which was notified vide Notification no. 12/2024 dated 10 July 2024.

### **Advisory issued by GSTN on 5 November 2024**

GSTN has now developed the new Form GST DRC-03A on GST portal which is available to adjust the paid amount through Form DRC-03 against the corresponding demand order. Therefore, it has been advised to the taxpayers to use Form DRC-03A to link the payment made vide Form DRC-03 with the demand order. Only Forms DRC-03 where the cause of payment is either 'Voluntary' or 'Others' can be used in the Form GST DRC-03A.

Taxpayers would be required to enter the ARN of Form DRC-03 along with the relevant demand order number on the portal. Upon entering the ARN and selecting the demand order number of any outstanding demand, the system will auto-populate relevant information of Form DRC-03 as well as from the specified demand order against which the payment is to be adjusted.

Once the adjustment is made, corresponding entries will automatically be posted in the taxpayer's liability ledger to reflect the updated status of demands.



GSTIN/UIN/Temp ID -

Legal Name -

Trade Name -

Status - DRAFT

• Indicates Mandatory Fields

**Notes:**

- FORM GST DRC-03 filed under 'Voluntary Payments' and 'Others' categories of cause of payment alone shall be eligible for offset.
- FORM GST DRC-03 shall be offset to the extent of outstanding demand, if the outstanding demand is less than the available balance in Form GST DRC-03.
- The balance calculated in the "Adjustment of Demand" screen are for the purpose of users knowledge and the offset shall actually happen only once the application is submitted.
- FORM GST DRC-03 utilised for claiming re-credit of ITC in FORM GST PHT-03A cannot be considered for offset against demand.

FORM GST DRC-03 Reference Number \*

Date of Filing

Cause of Payment

Period From

Period To

SEARCH

In case taxpayers face any technical issue, a ticket shall be raised under the category 'DRC-03A-Filing' on Grievance Redressal portal being <https://selfservice.gstsystem.in>.

Further, the GSTN has issued responses to certain Frequently Asked Questions (FAQs) such as the below.

- What is Form GST DRC-03A?
- Who can file DRC-03A?
- Which demand orders can be adjusted through Form GST DRC-03A filing?
- What details do taxpayers need to enter while filing Form GST DRC-03A?
- Can a taxpayer adjust the amount paid in Form GST DRC 03 partially against a demand using Form GST DRC 03A?
- Can a taxpayer use multiple Form GST DRC-03s to adjust a single demand and vice-versa?
- What is DRC 03 Register and its purpose?

Please [Click Here](#) to read the advisory dated 5 November 2024 issued by GSTN.

Please [Click Here](#) to read the detailed process for filing of Form DRC-03A.

Please [Click Here](#) to read the answers to above FAQs dated 5 November 2024.

## **Time limit of 30 days for reporting e-Invoice on the Invoice Registration Portal (IRP) – Reduction of threshold criteria for Annual Aggregate Turnover (AATO) from Rs. 100 crore to Rs. 10 crore & above**

### **Background**

In September 2023, the GSTN had issued an advisory introducing a 30-day time limit for reporting old invoices on the e-invoice IRP portals for taxpayers with AATO  $\geq$  Rs. 100 crore. For example, if an invoice has a date of 1 November 2023, it cannot be reported after 30 November 2023. AATO for this purpose means the aggregate value of all taxable supplies (excluding value of inward supplies on which tax is payable by a person under reverse charge), exempt supplies, export of goods or services or both and inter state supplies of persons having the same Permanent Account Number, to be computed on all India basis. This measure was designed to ensure timely submission and improve the efficiency of the e-Invoice reporting process for larger businesses.

### **Advisory issued by GSTN on 5 November 2024**

The above threshold limit of AATO Rs.100 crore has been lowered to cover taxpayers with an AATO of Rs. 10 crore and above. Effective from 1 April 2025 onwards, taxpayers with AATO  $\geq$  Rs. 10 crore would not be allowed to report e-Invoices older than 30 days from the date of reporting on IRP portals. The restriction would apply to all document types (Invoices / Credit Notes / Debit Notes) for which an Invoice Reference Number (IRN) is to be generated.

For instance, if an invoice is dated 1 April 2025, it cannot be reported after 30 April 2025. The validation built into the IRP would not allow the user from reporting the e-invoice after the 30-day window. Hence, it is essential for taxpayers to ensure that they report the e-invoice within the 30-day window provided by the new time limit. There would be no such reporting restriction on taxpayers with an AATO  $<$  Rs.10 crore as of now.

Please [Click Here](#) to read the advisory dated 5 November 2024.

## **GST on salary paid to Expatriates – In absence of invoice issued by Indian entity, value of services to be adopted as ‘Nil’ for the purpose of calculation of GST liability (Delhi High Court ruling dated 22 October 2024)**

### **Background**

Following Hon'ble Supreme Court's landmark decision of May 2022 in case of Northern Operating Systems, the GST authorities in India initiated proceedings on many multinational companies demanding GST on services provided by expatriates or seconded employees, holding them as 'import of services' of manpower supply.

In June 2024, the Central Board of Indirect Taxes & Customs (CBIC) issued Circular no. 210/04/2024-GST clarifying that in cases where the foreign affiliate is providing services to the related domestic entity for which full ITC is available to the recipient, the value of supply declared in the invoice by the domestic entity may be deemed as open market value in terms of 2<sup>nd</sup> proviso to Rule 28(1) of CGST Rules. In case invoice is not issued by the recipient, the value of services may be considered as Nil and may be adopted as open market value.

Vide ruling dated 22 October 2024, the Delhi High Court has made some significant observations on the issue while disposing writ petitions in a batch of matters relating to valuation of import of services being secondment of employees from overseas entity. In these matters, the GST department had sought to tax the service by including in transaction value, the consideration by way of expenses incurred in foreign currency (i.e, salary paid by overseas company and recovered from Indian entity) and in Indian Rupees (i.e, salary paid to expatriates in India).



## Key observations of the High Court

Based on the below observations, the Delhi High Court quashed the show cause notices issued by GST department to taxpayers on the issue of secondment of employees

- Although payments were made, no invoices were generated by Indian entity for services provided by related foreign entities
- Para 3.7 of Circular no. 210/4/2024-GST clarified that where no invoice is generated by Indian entity for services rendered by its foreign affiliate, the value of such services can be considered as 'Nil' and treated as open market value as per the second proviso to Rule 28. Accordingly, value of the service rendered would have to be treated as 'Nil'
- In one of the cases, taxpayer had not only paid tax on a reverse charge basis but had also taken credit of the same. Once the position to govern all taxpayers across India came to be clarified by the CBIC, the continuation of penalty proceedings or for that matter the imposition of interest would not sustain

This is the 1<sup>st</sup> ruling pronounced after Circular no. 210/4/2024 was issued in June 2024, wherein High Court has examined valuation aspect of secondment arrangement. Taxpayers who have already paid tax along with interest and availed ITC of the tax so paid, could explore the possibility of claiming refund basis on the observations of Delhi High Court. Having said that, any aggressive position should ideally be avoided by taxpayers unless the matter receives finality from the Supreme Court of India.

Please [Click Here](#) to read order dated 22 October 2024 passed by Delhi High Court.



# Direct Tax



# Direct Tax

**Gross Direct Tax collection for Financial Year (FY) 2024-25 (upto 10 November 2024) is Rs. 15.02 Lakh Crore, 21.20% higher than gross collection for corresponding period last year**

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

| For the period 1 April 2024 till 10 November 2024       | Amount (Rs.)        | Remarks  |
|---|---------------------|--|
| Gross direct tax collection                             | Rs 15.02 lakh crore | 21.20% higher than gross collection for corresponding period last year |
| Net direct tax collection (after adjustment of refunds) | Rs 12.10 lakh crore | 15.41% higher than net collection for corresponding period last year   |
| Refunds issued  | Rs 2.91 lakh crore  | 53.07% higher than refunds issued for corresponding period last year   |

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

## **Cabinet Committee on Economic Affairs (CCEA) approves the Permanent Account Number (PAN) 2.0 project**

The CCEA, chaired by the Prime Minister Shri Narendra Modi, has given its approval for the PAN 2.0 project of the Income-tax department. The PAN 2.0 project is an e-Governance project for re-engineering the business processes of taxpayer registration services through technology driven transformation of PAN / TAN services for enhanced digital experience of taxpayers. This will be an upgrade of the current PAN / TAN 1.0 eco-system consolidating the core and non-core PAN / TAN activities as well as PAN validation service. The PAN 2.0 project aims to resonate with the vision of the Government of 'Digital India' by enabling the use of PAN as Common Identifier for all digital systems of specified government agencies.

# Direct Tax

The financial implications for the PAN 2.0 project is expected to be Rs.1435 crore. The PAN 2.0 project enables technology driven transformation of taxpayer registration services and is likely to have benefits including the below:

- Ease of access and speedy service delivery with improved quality
- Single source of truth and data consistency
- Eco-friendly processes and cost optimization; and
- Security and optimization of infrastructure for greater agility

Please [Click Here](#) to read the Press Release dated 25 November 2024.

## **Sections 115BAA / 115BAB of the Income-tax Act, 1961 allowing option to follow concessional tax regime for domestic / manufacturing companies – Central Board of Direct Taxes (CBDT) authorises Income-tax authorities to deal with applications for condonation of delay in filing Forms 10-IC / Form 10-ID**

### **What is Form 10-IC?**

Section 115BAA of the Act provides for an optional concessional tax regime for domestic companies @ 22% (plus surcharge and cess) on profits, provided they are willing to give-up / forego on certain specific tax exemptions / incentives mentioned in the said provision. The option to exercise being governed by the said provision is applicable from AY 2020-21 onwards. The taxpayer is required to submit *Form 10-IC* with the tax authorities if it wants to follow section 115BAA. The form is required to be submitted on or before the due date of filing Income-tax Return (ITR) u/s 139(1) of the Income-tax Act for the relevant year. The option once exercised is applicable to subsequent Assessment Years as well. Failure to submit Form 10-IC timely results in denial of the concessional tax rate u/s 115BAA.

# Direct Tax

Considering the difficulties faced by industry in submission of Form 10-IC for Assessment Year 2020-21 (being the 1st year for which section 115BAA was applicable), CBDT vide circular issued in March 2022 had condoned the delay for submission of Form 10-IC in cases where the following conditions were fulfilled:

- ITR for AY 2020-21 was filed on or before the due date u/s 139(1) of the Income-tax Act
- The taxpayer had opted for taxation u/s 115BAA in 'Filing Status' in 'Part A-GEN' of Form ITR-6, and
- Form 10-IC was filed electronically on or before 30 June 2022

In October 2023, CBDT has granted similar extension in timeline for submission of Form 10-IC for Assessment Year 2021-22, till 31 January 2024.

## **What is Form 10-ID?**

Section 115BAB of the Act provides for an optional concessional tax regime for domestic manufacturing companies @ 15% (plus surcharge and cess) on profits, provided they are

- Incorporated on or after 1 October 2019, and
- Commence manufacture / production of an article or thing on or before 31 March 2024, and
- Are willing to give-up / forego on certain specific tax exemptions / incentives mentioned in the said provision.

The option to exercise being governed by the said provision is applicable from Assessment Year 2020-21 onwards. The taxpayer is required to submit *Form 10-ID* with the tax authorities if it wants to follow section 115BAB. The form is required to be submitted on or before the due date of filing ITR u/s 139(1) of the Income-tax Act for the relevant year. The option once exercised is applicable to subsequent AYs as well. Failure to submit Form 10-ID timely results in denial of the concessional tax rate u/s 115BAB.

## **Circular no. 17 dated 18 November 2024 issued by CBDT**

Reportedly, CBDT has been receiving representations stating that Form 10-IC or Form 10-ID could not be filed for various Assessment Years on or before the due date or extended due date. Accordingly, it was requested by the industry to condone the delay in filing of Form 10-IC / Form 10-ID for those years.

# Direct Tax

Accordingly, CBDT has now authorised:

- Principal Commissioner of Income-tax / Commissioner of Income-tax to admit and deal with applications for condonation of delay in filing Form 10-IC or Form 10-ID for Assessment Years 2020-21, 2021-22 and 2022-23 where there is a delay of *upto 365 days*
- Principal Chief Commissioner of Income-tax / Chief Commissioner of Income-tax / Director General of Income-tax to admit and deal with applications for condonation of delay in filing Form 10-IC or Form 10-ID for AYs 2020-21, 2021-22 and 2022-23 where there is a delay of *more than 365 days*

The above authorities while entertaining applications for condonation of delay, are required to satisfy themselves that the applicant's case is fit for condonation under the existing provisions of Income-tax Act. Further, they are required to ensure that the following conditions are fulfilled:

- ITR was filed on or before the due date u/s 139(1) of the Income-tax Act
- The taxpayer had opted for taxation u/s 115BAA or 115BAB in 'Filing Status' in 'Part A-GEN' of Form ITR-6, and
- The taxpayer was prevented by reasonable cause from filing such Form before the expiry of the time allowed and the case is of genuine hardship on merits

With effect from 18 November 2024 onwards, no application for condonation of delay in filing Form 10-IC or Form 10-ID can be entertained beyond 3 years from the end of the AY for which such application is made. An application for condonation of delay is required to be disposed of, as far as possible, within 6 months from the end of the month in which such application is received by the concerned authority.

Please [Click Here](#) to read Circular No. 17 dated 18 November 2024.

# Direct Tax

**Charitable trusts / institutions – CBDT authorises Income-tax authorities to deal with applications for condonation of delay in filing Forms 9A / 10 / 10B / 10BB for Assessment Year (AY) 2018-19 & subsequent years, in supersession of earlier circulars / instructions**

## Background

Charitable trusts / institutions are eligible to claim tax exemption under 2 regimes:

- 1st Regime - Fund / Institution / Trust / University / Educational Institution / Hospital / Medical Institution referred u/s 10(23C)(iv) or (v) or (vi) or (via) of Income-tax Act
- 2nd Regime - Trust registered u/s 12AA/ 12AB of Income-tax Act

Charitable trusts / institutions falling in either regime are required to furnish *Form 10B*, if:

- It's annual total Income > Rs. 5 Crore (before applying exemption provisions under Income-tax Act), or
- Foreign contribution has been received by it, or
- It has applied any part of its income outside India

If none of the above criteria is fulfilled, charitable trusts / institutions are required to furnish *Form 10BB*.

Form 9A is used by charitable trusts / institutions to exercise the option to apply income in the subsequent year, in cases where 85% of the income could not be applied during the relevant year.

Form 10 is used by charitable trusts / institutions to claim tax exemption on income derived from property held in the name of the trust / institution if it wants to accumulate > 15% of the income derived from such property.

# Direct Tax

## *Circular no. 16 dated 18 November 2024 issued by CBDT*

CBDT has from time to time issued circulars / instructions to deal with applications for condonation of delay in filing Form 9A / 10 / 10B / 10BB for AY 2018-19 and subsequent years. In [supersession of all earlier circulars / instructions](#), CBDT has now authorised:

- Principal Commissioner of Income-tax / Commissioner of Income-tax to admit and deal with applications for condonation of delay in filing Form 9A / 10 / 10B / 10BB for AY 2018-19 and subsequent AYs where there is a delay of *upto 365 days*
- Principal Chief Commissioner of Income-tax / Chief Commissioner of Income-tax / Director General of Income-tax to admit and deal with applications for condonation of delay in filing Form 9A / 10 / 10B / 10BB for AY 2018-19 and subsequent years where there is a delay of *more than 365 days*

The above Income-tax authorities while entertaining applications for condonation of delay, are required to satisfy themselves that the applicant / taxpayer was prevented by reasonable cause from filing such forms before the expiry of the time allowed and the case is of genuine hardship on merits.

With effect from 18 November 2024 onwards, no application for condonation of delay in filing Form 9A / 10 / 10B / 10BB can be entertained beyond 3 years from the end of the AY for which such application is made. An application for condonation of delay is required to be disposed of, as far as possible, within 6 months from the end of the month in which such application is received by the concerned authority.

Please [Click Here](#) to read Circular No. 16 dated 18 November 2024.

# Direct Tax

## CBDT launches campaign to generate awareness amongst taxpayers for correct reporting of income from foreign sources in Income-tax Return (ITR)

CBDT has launched a Compliance-Cum-Awareness Campaign for AY 2024-25 to assist taxpayers in accurately completing Schedule Foreign Assets (FA) and reporting income from foreign sources (Schedule FSI) in their ITR. Compliance with Schedule FA and FSI is mandatory under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, which requires the full disclosure of foreign assets and income.

| Schedule FA |              |              |  |                                  |          |                  |   |   |  |                 |  | Details of Foreign Assets and Income from any source outside India  |  |
|-------------|--------------|--------------|--|----------------------------------|----------|------------------|---|---|--|-----------------|--|---|--|
| A1          |              |              |  |                                  |          |                  |   |   |  |                 |  | Details of Foreign Depository Accounts held (including any beneficial interest) at any time during the calendar year ending as on 31 <sup>st</sup> December, 2023                               |  |
| Sl No       | Country name | Country code | Name of financial institution                                  | Address of financial institution | ZIP code | Account number   | Status  | Account opening date  | Peak balance during the period             | Closing balance | Gross interest paid/credited to the account during the period  |   |  |
| (1)         | (2)          | (3)          | (4)  | (5)                              | (6)      | (7)              | (8)   | (9)   | (10)                                       | (11)            | (12)   |   |  |
| (i)         |              |              |  |                                  |          |                  |   |   |  |                 |  |   |  |
| (ii)        |              |              |  |                                  |          |                  |   |   |  |                 |  |   |  |
| A2          |              |              |  |                                  |          |                  |   |   |  |                 |  | Details of Foreign Custodial Accounts held (including any beneficial interest) at any time during the calendar year ending as on 31 <sup>st</sup> December, 2023                                |  |
| Sl No       | Country name | Country code | Name of financial institution                                  | Address of financial institution | ZIP code | Account number   | Status  | Account opening date  | Peak balance during the period             | Closing balance | Gross amount paid/credited to the account during the period<br><i>(drop down to be provided specifying nature of amount viz. interest/dividend/proceeds from sale or redemption of financial assets/ other income)</i> |   |  |
| (1)         | (2)          | (3)          | (4)  | (5)                              | (6)      | (7)              | (8)   | (9)   | (10)                                       | (11)            | (12)   |   |  |
| (i)         |              |              |  |                                  |          |                  |   |   |  |                 |  |   |  |
| (ii)        |              |              |  |                                  |          |                  |   |   |  |                 |  |   |  |
| A3          |              |              |  |                                  |          |                  |   |   |  |                 |  | Details of Foreign Equity and Debt Interest held (including any beneficial interest) in any entity at any time during the calendar year ending as on 31 <sup>st</sup> December, 2023            |  |
| Sl No       | Country name | Country code | Name of entity   | Address of entity                | ZIP code | Nature of entity | Date of acquiring the interest                    | Initial value of the investment   | Peak value of investment during the period | Closing value   | Total gross amount paid/credited with respect to the holding during the period   | Total gross proceeds from sale or redemption of investment during the period  |  |
| (1)         | (2)          | (3)          | (4)  | (5)                              | (6)      | (7)              | (8)   | (9)   | (10)                                       | (11)            | (12)   | (13)  |  |
| (i)         |              |              |  |                                  |          |                  |   |   |  |                 |  |   |  |
| (ii)        |              |              |  |                                  |          |                  |   |   |  |                 |  |   |  |
| A4          |              |              |  |                                  |          |                  |   |   |  |                 |  | Details of Foreign Cash Value Insurance Contract or Annuity Contract held (including any beneficial interest) at any time during the calendar year ending as on 31 <sup>st</sup> December, 2023 |  |
| Sl No       | Country name | Country code | Name of financial institution in which insurance contract held | Address of financial institution | ZIP code | Date of contract | The cash value or surrender value of the contract | Total gross amount paid/credited with respect to the contract during the period |  |                 |  |   |  |

DETAILS OF FOREIGN ASSETS

# Direct Tax

|      |  |  |  |  |  |  |  |  |  |  |  |
|------|--|--|--|--|--|--|--|--|--|--|--|
| (i)  |  |  |  |  |  |  |  |  |  |  |  |
| (ii) |  |  |  |  |  |  |  |  |  |  |  |

**E** Details of account(s) in which you have signing authority held (including any beneficial interest) at any time during the calendar year ending as on 31<sup>st</sup> December, 2023 and which has not been included in A to D above.

| Sl No | Name of the Institution in which the account is held | Address of the Institution | Zip Code | Name of the account holder | Account Number | Peak Balance/ Investment during the year (in rupees) | Whether income accrued is taxable in your hands? | If (7) is yes, Income accrued in the account | If (7) is yes, Income offered in this return |                        |                         |
|-------|--|----------------------------|----------|----------------------------|----------------|--|--|--|--|------------------------|-------------------------|
|       |  |                            |          |                            |                |  |  |  | Amount                                       | Schedule where offered | Item number of schedule |
| (1)   | (2)  | (3a)                       | (3b)     | (4)                        | (5)            | (6)  | (7)  | (8)  | (9)  | (10)                   | (11)                    |
| (i)   |  |                            |          |                            |                |  |  |  |  |                        |                         |
| (ii)  |  |                            |          |                            |                |  |  |  |  |                        |                         |

**F** Details of trusts, created under the laws of a country outside India, in which you are a trustee, beneficiary or settlor

| Sl No | Country Name and code | Zip Code | Name and address of the trust | Name and address of trustees | Name and address of Settlor | Name and address of Beneficiaries | Date since position held | Whether income derived is taxable in your hands? | If (8) is yes, Income derived from the trust | If (8) is yes, Income offered in this return |                        |                         |
|-------|-----------------------|----------|-------------------------------|------------------------------|-----------------------------|-----------------------------------|--------------------------|--|--|--|------------------------|-------------------------|
|       |                       |          |                               |                              |                             |                                   |                          |  |  | Amount                                       | Schedule where offered | Item number of schedule |
| (1)   | (2a)                  | (2b)     | (3)                           | (4)                          | (5)                         | (6)                               | (7)                      | (8)  | (9)  | (10)   | (11)                   | (12)                    |
| (i)   |                       |          |                               |                              |                             |                                   |                          |  |  |  |                        |                         |
| (ii)  |                       |          |                               |                              |                             |                                   |                          |  |  |  |                        |                         |

**G** Details of any other income derived from any source outside India which is not included in,- (i) items A to F above and, (ii) income under the head business or profession

| Sl No | Country Name and code | Zip Code | Name and address of the person from whom derived | Income derived | Nature of income | Whether taxable in your hands? | If (6) is yes, Income offered in this return |                        |                         |
|-------|-----------------------|----------|--|----------------|------------------|--------------------------------|--|------------------------|-------------------------|
|       |                       |          |  |                |                  |                                | Amount                                       | Schedule where offered | Item number of schedule |
| (1)   | (2a)                  | (2b)     | (3)  | (4)            | (5)              | (6)                            | (7)  | (8)                    | (9)                     |
| (i)   |                       |          |  |                |                  |                                |  |                        |                         |

**NOTE ►** Please refer to instructions for filling out this schedule



# Direct Tax

| Schedule FSI                             |     |  |                                | Details of Income from outside India and tax relief (available only in case of resident) |                        |   |                        |   |  |  |  |
|--|-----|--|--------------------------------|--|------------------------|---|------------------------|---|--|--|--|
| INCOME FROM OUTSIDE INDIA AND TAX RELIEF | Sl. | Country Code (dropdown to be provided in the e-filing utility) | Taxpayer Identification Number | Sl.  | Head of income         | Income from outside India (included in PART B-TI) | Tax paid outside India | Tax payable on such income under normal provisions in India | Tax relief available in India (e)= (c) or (d) whichever is lower | Relevant article of DTAA if relief claimed u/s 90 or 90A |  |
|  |     |  |                                |  | (a)                    | (b)   | (c)                    | (d)   | (e)  | (f)  |  |
|  | 1   |  |                                |  | i                      | House Property                                    |                        |   |  |  |  |
| ii                                       |     |  |                                |  | Business or Profession |   |                        |   |  |  |  |
| iii                                      |     |  |                                |  | Capital Gains          |   |                        |   |  |  |  |
| iv                                       |     |  |                                |  | Other sources          |   |                        |   |  |  |  |
| Total                                    |     |  |                                |  |                        |   |                        |   |  |  |  |
| 2  |     |  |                                |  | i                      | House Property                                    |                        |   |  |  |  |
|  |     |  |                                |  | ii                     | Business or Profession                            |                        |   |  |  |  |
|  |     |  |                                |  | iii                    | Capital Gains                                     |                        |   |  |  |  |
|  |     |  |                                |  | iv                     | Other sources                                     |                        |   |  |  |  |
|  |     |  |                                |  | Total                  |   |                        |   |  |  |  |
|  |     |  |                                | Total  |                        |   |                        |   |  |  |  |

**NOTE ►** Please refer to the instructions for filling out this schedule.

As part of the campaign, informational messages would be sent via SMS and email to resident taxpayers who have already submitted their ITR for AY 2024-25. These messages are intended for individuals identified through information received under bilateral and multilateral agreements, suggesting that they may hold foreign accounts or assets, or have received income from foreign jurisdictions. The purpose is to remind and guide those who may not have fully completed Schedule Foreign Assets in their submitted ITR for AY 2024-25, especially in cases involving high-value foreign assets. By leveraging data obtained through the Automatic Exchange of Information (AEOI), the Income-tax department attempts to create a more technology driven system.

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

Please [Click Here](#) to read a Step-by -Step Guide to fill Schedules FSI, TR and FA in ITR.

# Direct Tax

## Interest u/s 220(2) of the Income-tax Act for delay in payment of demand - Fixation of monetary limits for reduction / waiver of interest

### Background

As per section 220(2) of the Income-tax Act, if a taxpayer fails to pay the amount as per notice of demand u/s 156 of the Act, it is liable to pay simple interest @ 1% per month for the period of delay in making the payment. Further, section 220(2A) empowers the Principal Chief Commissioner / Chief Commissioner / Principal Commissioner / Commissioner for reduction or waiver of the amount paid / payable u/s 220(2) of the Act in the circumstances specified therein.

### Circular no. 15 dated 4 November 2024 issued by CBDT

CBDT has prescribed the following monetary limits for reduction / waiver of interest u/s 220(2):

| Income-tax authority  | Monetary limit for reduction / waiver of interest |
|---|---|
| Principal Commissioner of Income-tax / Commissioner of Income-tax | Upto Rs. 50 Lakh                                  |
| Chief Commissioner of Income-tax / Director General of Income-tax | Rs. 50 Lakh to Rs. 1.5 Crore                      |
| Principal Chief Commissioner of Income-tax                        | Above Rs. 1.5 Crore                               |

The power for reduction / waiver of interest u/s 220(2) in respect of any Income-tax authority is subject to satisfaction of all the following conditions specified u/s 220(2A) of the

Income-tax Act:

- Payment of such amount has caused or would cause genuine hardship to the taxpayer
- Default in payment of interest u/s 220(2) was due to circumstances beyond the control of the taxpayer; and
- Taxpayer has co-operated in any inquiry relating to assessment or any proceeding for recovery of demand from it

Please [Click Here](#) to read Circular No. 15 dated 4 November 2024.

# Direct Tax

## Condonation of delay in filing ITR by Co-operative societies claiming tax deduction u/s 80P of the Income-tax Act, 1961

### Background

Section 80P of the Income-tax Act provides for tax deduction in respect of income of co-operative societies. On a conjoint reading of section 80P with section 80AC of the Income-tax Act, for the AY 2018-19 onwards, tax deduction is allowable for such taxpayers only if they file their Income-tax Returns (ITRs) timely within the prescribed time limit under the law.

### Circular no. 13 dated 26 July 2023 issued by CBDT

Reportedly, CBDT had been receiving applications from cooperative societies claiming deduction u/s 80P for AY 2018-19 to AY 2022-23, seeking condonation of delay in filing ITR caused by delays in getting their accounts audited under state laws. Their request was to treat the returns as filed within the due date. To mitigate genuine hardship, CBDT vide Circular no. 13 dated 26 July 2023 had authorized the Chief Commissioners of Income-tax / Directors General of Income-tax to deal with such applications for condonation of delay pending before the CBDT, on merits in accordance with law where the taxpayer was required to get its accounts audited under the respective state law.

### Circular no. 14 dated 30 October 2024 issued by CBDT

CBDT has extended the above relaxation for AY 2023-24 as well.

Please [Click Here](#) to read Circular No. 14 dated 30 October 2024.

## Certain Income-tax forms to be furnished & verified electronically by taxpayers

Vide Notification no. 5 dated 30 October 2024, the CBDT has specified that the following Income-tax forms shall be furnished and verified electronically.

- Form 3CEDA – Application for rollback of an Advance Pricing Agreement
- Form 3CO – Application for approval u/s 35CCC(1) of the Income-tax Act, 1961 in relation to expenditure on an agricultural extension project notified by CBDT

Please [Click Here](#) to read Notification No. 5 dated 30 October 2024.



# Corporate Law & Regulatory



# Corporate Law & Regulatory

## Food Safety & Standards Authority of India (FSSAI) mandates linking of PAN with licenses for streamlined compliance & transparency

Based on the recommendation made by Department for Promotion of Industry and Internal Trade (DPIIT) regarding PAN as Business Identity, the Food Authority has decided to link PAN with FSSAI licenses and registrations. Accordingly, capturing of PAN has been made mandatory for applying new license / registration or its renewal or modification, with effect from 22 October 2024 onwards, in Food Safety Compliance System (FoSCoS) portal.

Existing licensed / registered Food Business Operators (FBOs) whose renewal or modification is *not* due in near future, are required to update the PAN details under FoSCoS 'User Profile' section at the earliest. In case of FBOs applying for Registrations who do not possess PAN, a declaration is required to be given for non-possession of PAN.

The screenshot shows the FoSCoS portal user profile page. The left sidebar contains a navigation menu with the following items: Pay Penalty, Head Office License, Tax Invoice, Relabeller NOC Application, File your response, e-Payment Register, and Search Console - Master Reports. The main content area displays the user profile details, including:

- Mobile No. (input field)
- Belongs To (dropdown menu, currently set to Relative)
- Secondary Contact Detail
- Email (input field)
- Mobile No. (input field)
- Belongs To (dropdown menu, currently set to Self)
- Pan Card Number** (input field, highlighted with a red border)
- Login Id (input field, containing the value 10822005000506)

A green Submit button is located at the bottom right of the form.

Food businesses have been advised to keep their contact details (email id and mobile number) updated under FoSCoS user profile section for receiving regular communications from FSSAI.

Please [Click Here](#) to read the order dated 13 November 2024 issued by FSSAI.

# Compliance Calendar

## Compliance calendar for the month of December 2024

| Compliance Due Date       | Concerned (Reporting) Period   | Compliance Detail  | Applicable To   |
|---------------------------|--|--|---|
| 7 <sup>th</sup> December  | November 2024  | TDS / TCS deposit  | Non-Government Deductors  |
|                           |  | Equalization Levy deposit  | All Deductors   |
| 10 <sup>th</sup> December | November 2024  | a) GSTR-7 (TDS return under GST)<br>b) GSTR-8 (TCS return under GST)                   | a) Person required to deduct TDS under GST<br>b) Person required to collect TCS under GST   |
| 11 <sup>th</sup> December |  | GSTR-1 (Outward supply return)   | a) Taxpayers having annual turnover > Rs. 5 crore in FY 2023-24<br>b) Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme |
| 13 <sup>th</sup> December |  | GSTR-6 [Return by input service distributor (ISD)]                                     | Person registered as ISD  |
|                           | GSTR-5 (Return by Non-resident)  | Non-resident taxable person (NRTP)   |   |
|                           | Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services) | Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP Scheme |   |
| 15 <sup>th</sup> December | November 2024  | Deposit of PF & ESI contribution   | All Deductors   |
|                           |  | FY 2024-25   | Deposit of 75% (3 <sup>rd</sup> Instalment) of Advance Tax  |
| 20 <sup>th</sup> December | November 2024  | GSTR-3B (Summary return)   | a) Taxpayers having annual turnover > Rs. 5 crore in FY 2023-24<br>b) Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and not opted for QRMP scheme                                    |
|                           |  | GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]     | OIDAR services provider   |
| 25 <sup>th</sup> December | November 2024  | Form GST PMT-06 (Payment of tax for QRMP filers)                                       | Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme  |
| 31 <sup>st</sup> December | FY 2023-24   | Belated / Revised Income-tax Return  | All Taxpayers (provided assessment is not complete before 31 <sup>st</sup> December 2024)   |
|                           |  | a) GSTR-9 (Annual GST Return)<br><br>b) GSTR-9C (Annual Reconciliation Statement)      | a) Taxpayers having aggregate annual turnover > Rs. 2 crore in FY 2023-24<br><br>b) Taxpayers having aggregate annual turnover > Rs. 5 crore in FY 2023-24  |

# About KrayMan

KrayMan Consultants LLP (KrayMan) is an accounting & consulting Firm headquartered in Gurugram & serving Clients across India for more than 12 years.

We were founded in 2012 by professionals from Big 4 accounting firms & industry background. We are a team of Chartered Accountants, Company Secretaries, Advocates & MBAs.

We specialize in India-Entry, Accounting, Taxation, Legal, Regulatory, Assurance, HR, Payroll & Loan staffing services. We provide services in the areas of Compliance, Advisory & Litigation.

We have been serving Domestic as well as International Clients from countries like USA, Japan, Australia, EU etc.

We have been Awarded under the category 'Small Business Award 2021' by the International Business Council of Australia.



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