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Tax Edge

Monthly Tax & Regulatory Updates

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December 2024

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Goods & Services Tax (GST)



GST revenue collection for November 2024 Rs. 1,82,269 crore (8.5% higher than GST revenue in November 2023)

The gross GST revenue collected in the month of November 2024 is Rs. 1,82,269 crore as below:

IGST (Integrated Goods and Services Tax)	Rs. 91,828 Crore
CGST (Central Goods and Services Tax)	Rs. 34,141 Crore
SGST (State Goods and Services Tax)	Rs. 43,047 Crore
Compensation cess	Rs. 13,253 Crore
Total	Rs. 1,82,269 Crore

The gross GST collection for Financial Year 2024-25 till November 2024 stood at Rs. 14.57 lakh crore, representing a 9.3 % year-on-year growth, driven by a strong increase in domestic transactions (10.3%) and marginal increase in imports (6.3%). After considering refunds, the net GST revenue in the FY 2024-25 till November 2024 stands at Rs.12.91 lakh crore, reflecting a growth of 9.2% compared to the same period last year.

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



GST Network (GSTN) issues advisory on updates to E-Way Bill & E-Invoice systems

GSTN has announced that the National Informatics Centre (NIC) will roll out updated versions of the E-Way Bill and E-Invoice systems, effective from 1 January 2025 onwards. These updates are designed to enhance security of the portals in accordance with best practices and government guidelines.

Some of the key updates are mentioned below.

- ***Multi-Factor Authentication (MFA)***

One of the key changes involves the implementation of MFA. Currently, MFA, which requires login using a username, password and one time password, is mandatory for taxpayers with an Annual Aggregate Turnover (AATO) exceeding Rs. 100 Crore since 20 August 2023 onwards and optional for those with AATO exceeds Rs. 20 Crore since 11 September 2023 onwards.

Starting 1 January 2025 onwards, MFA will become mandatory for taxpayers with AATO exceeding Rs 20 Crore, from 1 February 2025 onwards for those with AATO exceeds Rs. 5 Crore and from 1 April 2025 onwards for all other taxpayers and users.

Taxpayers have been encouraged to activate and start using MFA immediately and detailed instructions are available on the E-Invoice and E-Way Bill portals. GSTN has advised taxpayers to ensure that their registered mobile number is updated in their GSTIN.

- ***Restriction of period of E-Way Bill generation from the date of base document***

The generation of E-Way Bills will be restricted to documents dated within 180 days from the date of generation. For instance, documents dated earlier than 5 July 2024 will not be eligible for E-Way Bill generation starting 1 January 2025 onwards.

- ***Restriction of extension of E-Way Bill for specific time / period***

The extension of E-Way Bills will be limited to 360 days from their original date of generation. For example, an E-Way Bill generated on 1 January 2025 can only be extended up to 25 December 2025.

GSTIN has requested the taxpayers to familiarize themselves with these updates and incorporate the necessary adjustments into their compliance processes. For additional details, the respective portals can be visited.

GOODS AND SERVICES TAX e - Invoice System

e-Invoice 1 Portal

Home | Laws | Help | Search | Contact Us | Registration | Statistics | Login

4 YEARS OF GST e-Invoice System
From 1st October 2020 to 1st October 2024

700 CRORES Total e-Invoices
11.35 LAKHS Suppliers
137 LAKHS Recipients

HIGHLIGHTS

- Digitally Signed & Verifiable, Standardized e-Invoices
- Seamless integration with GST E Way Bill System
- Auto population of returns
- Validated invoices for quick ITC
- 24*7 accessible service
- Interoperable services from 2 Portals
- Phased implementation
- Multiple modes of operations including Web, API, Bulk Tools
- Economic indicator
- Ease of doing business

LATEST UPDATES

- 10 SEP 2024** • QR Code Scanner Mobile App has been Please download the app at <https://einvoice1.gst.gov.in/Others/QF>
- 18 JUL 2024** • Interoperable Services of e-Invoice1 and e-Invoice2 Systems.
- 18 JUL 2024** • New features in e-Invoice and e-Waybill API Systems.
- 01 OCT 2023** • Implementation of atleast 6 digit HSN in e-Invoices and e-Waybills has been deferred
- 19 SEP 2023** • The tax payers, generation of e-Invoices and supplying to government

Goods and Services Tax E - Waybill System

Home | Laws | Help | Search | Registration | Statistics | Contact Us | Login

500 Crores of e-Waybills generated in 6 Years 3 Months

THANKS TO ALL STAKEHOLDERS

Top 10 States Generating e-Way bills :

State	No. of e-Way bills (in Crores)
MAHARASHTRA	79
GUJARAT	60
TAMIL NADU	50
KARNATAKA	48
HARYANA	45
UTTAR PRADESH	39
RAJASTHAN	22
DELHI	20
WEST BENGAL	20
TELANGANA	19

LATEST UPDATES

- 18 DEC 2024** • Latest Advisory on E-WayBill and E-Invoice Systems
- 02 DEC 2024** • Latest Advisory on FOIS RR No. entry in EWB
- 07 OCT 2024** • Latest Advisory on Railway RR No. entry in EWB
- 18 JULY 2024** • New features in E-invoice and E-waybill API's.
- 29 MAY 2024** • Release of E-Waybill 2 Portal on 1st June 2024.

E-Way bill system is for GST registered person / enrolled transporter for generating the way bill (a document to be carried by the person in charge of conveyance) electronically on commencement of movement of goods exceeding the value of Rs. 50,000 in relation to supply or for reasons other than supply or due to inward supply from an unregistered person.

Please [Click Here](#) to read the advisory dated 17 December 2024 issued by GSTN.

GSTN issues advisory on difference in value of Table 8A & 8C of Annual Returns for Financial Year (FY) 2023-24

Background

As per Notification no. 12/2024 Central Tax dated 10 July 2024 read with Notification no. 20/2024-Central Tax dated 8 October 2024, for FY 2023-24 onwards, the total credit available for inwards supplies shall be auto-populated in Table 8A of Form GSTR 9 (annual return) from Form GSTR-2B (Input Tax Credit Statement) of FY 2023-24. Further, in Table 8C of Form GSTR-9 total value of Input-tax Credit (ITC) on inwards supplies received during the FY but availed in next FY up to specified period, needs to be filled manually.

Advisory issued by GSTN on 9 December 2024

Reportedly, several concerns have been received by GST department regarding potential mismatches between the values in Table 8A and Table 8C of Form GSTR-9 for FY 2023-24. It is important to note that for FY 2022-23, values in Table 8A of Form GSTR-9 were auto-populated from GSTR-2A (system generated statement of Inward Supplies). However, for FY 2023-24, these values will now be auto-populated from Form GSTR-2B. Therefore, to some extent, in Form GSTR-9 of FY 2023-24, values in Table 8A will be inflated in respect of FY 2022-23; at the same time values will be lower than expected in respect of FY 2023-24, hence there will be a mismatch between the two tables i.e. 8A and 8C. Few scenarios in this regard have been advised by GSTIN as below:



SI	Issue	Reporting in Form GSTR 9
1	Invoice having the date of FY 2023-24 but the supplier has reported in Form GSTR 1 after the due date of 31 March 2024. As a result, this amount is not auto populated in Table 8A of Form GSTR 9 for FY 2023-24 because it is the part of next year's Form GSTR 2B. How to report such transaction in Form GSTR 9 of FY 2023-24?	Taxpayer shall report such ITC in Table 8C and in Table 13 as this is the ITC of FY 2023-24. This is in line with the instructions to the Table 8C and Table 13 of Form GSTR 9.
2	Invoice belongs to FY 2023-24 and ITC has been claimed in FY 2023-24. Due to payment not made to supplier within 180 days, ITC was reversed in 2023-24 as per the 2 nd proviso to section 16(2) and this ITC is reclaimed in next FY 2024-25, after making the payment to supplier. How to report such transaction in Form GSTR 9 of FY 2023-24?	This reclaimed ITC shall be reported in Table 6H of Form GSTR 9 for FY 2024-25 hence not in the Table 8C and Table 13 of Form GSTR 9 of FY 2023-24. This is in line with the Instruction to the Table 13 given in the Notified Form GSTR 9. Similar reporting is applicable for the ITC reclaimed as per Rule 37A of CGST Rules, 2017
3	Invoice belongs to FY 2023-24, but goods not received in 2023-24 therefore ITC is claimed in Table 4A5 of Form GSTR 3B and reversed in Table 4B2 as per the guidelines of Circular 170 and such ITC reclaimed in next FY 2024-25 till the specified time period. How to report such transaction in Form GSTR 9 of FY 2023-24?	Taxpayer shall report such reclaimed ITC in the Table 8C and Table 13 as this is the ITC of FY 2023-24

SI	Issue	Reporting in Form GSTR 9
4	Invoice belongs to FY 2022-23 which is appearing in the Table 8A of GSTR 9 of FY 23-24, as the supplier would have reported the same in Form GSTR 1 after the due date of filing of Form GSTR-1 for the tax period of March 23. How to report such transaction in Form GSTR 9 of FY 2023-24?	This is the ITC of last year (2022-23) and was auto populated in Table 8A of Form GSTR-9 of FY 2022-23. Hence, aforesaid value need not to be reported in Table 8C and Table 13 of Form GSTR-9 for FY 2023-24. This is in line with the instruction no 2A given for the notified Form GSTR 9 which states that Table 4, 5, 6 and Table 7 should have the details of current FY only
5	Where to report the reclaim of ITC for an Invoice which belongs to FY 2023-24 and which is claimed, reversed and reclaimed in the same year?	<p>As already clarified by Central Board of Indirect Taxes & Customs's (CBIC's) press release dated 3 July 2019 in para 'k', it may be noted that the label in Table 6H clearly states that information declared in Table 6H is exclusive of Table 6B. Therefore, information of such ITC is to be declared in one of the rows only.</p> <p>Further, as the claim and reclaim is reported only in one row therefore the same should not be reported in the reversal under Table 7 of Form GSTR 9 of FY 2023-24.</p>

Please [Click Here](#) to read the advisory dated 9 December 2024 issued by GSTN.

GSTN issues advisory on mandatory sequential filing of Form GSTR-7 returns (tax deduction at source under GST)

Reportedly, GSTN has received multiple queries regarding the sequential filing of returns in Form GSTR-7. Taxpayers have been referring to Frequently Asked Questions (FAQs) issued by GSTN, wherein 'it is not mandatory' is mentioned.

The screenshot shows a web browser window with the URL tutorial.gst.gov.in/userguide/returns/GSTR7_FAQ.htm. The page title is "FAQs" and it includes a link to view the page in full context. The content is organized into sections with yellow headers and teal question boxes:

- Nil Form GSTR-7**
 - 8. Do I need to file Form GSTR-7 even if no TDS is deducted in the tax period?**

It is not mandatory to file nil return, in such case.
- Entering Details in Tables of Form GSTR-7**
 - 9. How can I discharge my TDS liability?**

TDS liability can be discharged through Electronic Cash Ledger only at the time of filing return.
 - 10. Can the deductee take action on the TDS credit declared by me?**

The deductee can accept/ reject the TDS details auto-populated to TDS and TCS Credit received table of his/her return. Taking action by deductee is mandatory for crediting the amount of TDS to cash ledger.
 - 11. When TDS amount will be credited to deductee's Electronic Cash Ledger?**

TDS amount will be credited to deductee's Electronic Cash Ledger only after his/ her accepting of TDS and TCS credit received (which is auto populated on filing of returns by the deductor) and filing of this relevant form.
 - 12. What will happen if the TDS credit entry is rejected by the deductee?**

TDS credit entries rejected by the deductee will be auto-populated into Table 4 of Form GSTR-7 and the relevant details will be required to be amended by the deductor in Form GSTR-7 of next tax period. Post correction of such details in Form GSTR-7, the data will automatically flow to concerned GSTIN (supplier) for accepting or rejecting it. This process will be repeated until TDS details are accepted by counter-party.

Sequential Filing of GSTR-7:

As per Notification no. 17/2024-Central Tax dated 27 September 2024, the filing of Form GSTR-7 has been made sequential starting from October 2024 onwards. Therefore, Form GSTR-7 returns must be filed in chronological order, beginning with the return for October 2024 onwards. For any month in which no deductions have been made, deductors are required to file a Nil return for that month.

Please [Click Here](#) to read the advisory dated 4 December 2024 issued by GSTN.

GSTN issues glossary & step by step guide on e-invoicing

GSTN has prepared informative resources in the form of a glossary and step by step guide on e-invoicing.

Glossary on e-Invoicing



- **e-Invoicing:** 'e-Invoicing' means reporting details of specified GST documents to a Government-notified portal i.e., Invoice Registration Portal (IRP) and obtaining an Invoice Reference Number (IRN). It doesn't mean the generation of invoices by a Government portal.
- **IRP (Invoice Registration Portal):** It is a government approved platform where notified persons upload or report invoices. Currently, six portals are authorised to generate IRN on reporting of invoices as per Rule 48(4) of the CGST Rules. Reporting invoices and generating Invoice Reference Numbers (IRN) on any of these portals is free of charge.
- **IRN (Invoice Reference Number):** The unique identifier for every invoice reported on an IRP. It is based on the computation of a hash of the supplier's GSTIN, the financial year, the document type, and the document number.
- **AATO (Annual Aggregate Turnover):** AATO (Annual Aggregate Turnover) for e-Invoicing is calculated based on the PAN of a taxpayer and the information provided in their GSTR-3B returns. It represents the total turnover of the taxpayer during a financial year and is used to determine the applicability of e-Invoice reporting requirements.
- **Enablement:** The process of registering and enabling a taxpayer for e-Invoicing on the GST portal, allowing them to report e-Invoices on any of the six IRPs. Taxpayers are automatically enabled for e-Invoicing based on AATO but if not enabled they need to be self-enabled on the portal (<https://einvoice.gst.gov.in>).
- **GSTIN (Goods and Services Tax Identification Number):** A unique identification number assigned to each registered taxpayer under the GST system.
- **GSTR-1:** A monthly or quarterly return that taxpayers need to file, which contains details of outward supplies, including e-Invoice data.
- **Debit Note:** A debit note is a document issued by a seller to notify the buyer of an increase in the quantity and/or value/taxes of a previously issued invoice. It serves as an instrument to adjust for errors, sales returns or any other similar circumstance.
- **Credit Note:** A credit note, on the other hand, is issued by a seller to inform the buyer about a reduction in the quantity and / or value/taxes of a previously issued invoice. This

decrease can occur due to factors like discounts, rebates, or overpayments etc.

- **e-Invoice QR Code:** A type of two-dimensional barcode that can be read by a digital device and provides information about the invoice. The QR code generated for e-Invoicing includes parameters such as the supplier's GSTIN, the recipient's GSTIN, invoice number, date of generation of the invoice, invoice value, IRN, etc..
- **GSTN e-Services App:** The mobile application designed to enhance the verification process for B2B e-invoices. It allows users to easily verify e-Invoices by scanning the QR code, providing key details of the invoice and the live status of the IRN, whether active or cancelled. The app also enables users to search for registered business details using GSTIN or PAN and view their return filing history, and the return filing status of the business.
- **e-Invoice FO (Front Office) Portal:** The official web portal provided by GSTN where taxpayers can access various e-Invoice-related functionalities, including enablement status, e-Invoice generation, and searching for IRNs. It also provides links to all six IRPs, e-Invoice schema, master codes, enablement status, search IRN functionality, etc. (Link <https://einvoice.gst.gov.in>)
- **JSON Format:** JSON (JavaScript Object Notation) is a standard data interchange format. For e-Invoicing, the invoice data must be uploaded in a predefined schema INV-01 in JSON format.
- **API for e-Invoice Reporting:** IRPs offer API-based functionality for reporting e-Invoices. API (Application Programming Interface) is a set of protocols for building and integrating software applications.
- **B2B Invoices:** These are invoices issued in a business-to-business transaction. e-Invoicing requirements in India currently apply to B2B invoices for certain taxpayers, based on their annual turnover.
- **ERP System:** Enterprise Resource Planning (ERP) system is a type of software used by companies to manage their day-to-day business activities. Taxpayers can continue to generate invoices from their current ERP system, but details of all such B2B invoices need to be uploaded or reported on an Invoice Registration Portal (IRP) in a notified format.

- **OTP:** One-Time Password (OTP) is a password that is valid for only one login session or transaction. During the registration process on an IRP, an OTP is sent to the registered mobile number for verification.
- **Auto-population:** This refers to the automatic filling in of data in a field. In the context of e-Invoicing, once an e-Invoice has been validated and has received an IRN, the data from the e-Invoice is auto-populated into the supplier's GSTR-1 form in the GST system.
- **e-Invoice schema:** (INV-1 - Version 1.1) The e-Invoice schema is a predefined and standardised framework that defines the structure of the e-Invoice, including mandatory and optional fields, their format and rules for the generation of an e-Invoice.
- **Master codes:** Master codes refer to a set of pre-defined codes used in the e-Invoicing system, such as HSN codes, country codes, currency codes, state codes, and others.
- **Signed e-Invoice:** This refers to an e-Invoice that has been digitally signed by the Invoice Registration Portal (IRP) after validation. The signed e-invoice is provided with a unique IRN and QR code.

Scan the QR Code below to download the GSTN e-Services App



Disclaimer: The information provided above is intended for guidance and support purposes only. Taxpayers are advised to refer to the relevant sections of the GST Act and Rules for legal definitions and interpretation. The content shared does not constitute legal advice. Users are responsible for ensuring compliance with applicable laws and regulations.

Goods and Services Tax Network (GSTN)

(A Government Enterprise)



Steps For e-Invoicing

A. Introduction:

'e-Invoicing' means reporting details of specified GST documents to a Government-notified portal i.e., Invoice Registration Portal (IRP) and obtaining an invoice reference number. It doesn't mean the generation of invoices by a Government portal.

In e-invoicing, taxpayers continue to create their GST invoices on their own Accounting/Billing/ERP Systems. These invoices are reported to any of the six authorized 'Invoice Registration Portals (IRPs)' in a standard format (called 'Schema' & notified as Form GST INV-1) and generating Invoice Reference Numbers (IRN) on any of these portals is free of charge.

B. To whom applicable/ who is eligible for e-Invoicing

Taxpayers whose aggregate turnover exceeds the notified limits (based on PAN) in any preceding financial year (since 2017-18) (as per the relevant notification) are required to comply with the e-invoicing regulations. Currently, the notified aggregate turnover is 5 crore and above is applicable from 1st August 2023.

C. Exemption from e-Invoice:

Certain taxpayers or entities are exempted from e-invoice reporting as per relevant notifications. Please refer to the respective notifications for detailed information.

D. Which documents/supplies covered:

GST invoices, Credit Notes and Debit Notes in respect of B2B Supplies, Supplies to SEZs (with and without payment), Exports (with and without payment) and Deemed Exports.

E. Process of e-Invoice:

- i. Taxpayers will continue to create their GST invoices on their own Accounting/Billing/ERP Systems.
- ii. These invoices will be reported to any of the six authorized 'Invoice Registration Portals (IRPs)'.
- iii. On reporting, IRP returns a signed e-Invoice with a unique 'Invoice Reference Number (IRN)' along with a QR Code.
- iv. Then, the Invoice (with QR Code) can be issued to the receiver. A GST invoice for B2B transaction will be valid only with a valid IRN

F. Steps for E-invoice Reporting:

Step 1: Enablement for e-Invoicing:

- i. All taxpayers who are eligible for the e-Invoicing, as per the Government notifications are automatically enabled for reporting of e-Invoices on any of the six authorized IRP portals.
- ii. The enablement status can be checked at <https://einvoice.gst.gov.in>.
- iii. If an eligible taxpayer is not enabled for e-Invoice, they can get self-enabled at <https://einvoice.gst.gov.in>.
- iv. Please note that the enablement status on the e-Invoice portal doesn't automatically mean that a taxpayer is legally obligated to do e-Invoicing. The 'enablement' is primarily to ensure only the taxpayers having notified turnover limits are able to register and test/report invoices on IRPs.

Step 2: Register on any of the six Invoice Registration Portals:

The Invoice Registration Portal (IRP) is the website for uploading/reporting invoices by the notified persons. Currently, six IRP portals have been notified for reporting the invoice. These six active Invoice Registration Portals (IRPs) offer services for reporting e-Invoices and generating Invoice Reference Numbers (IRN), free of charge.

The list of authorized portals is as follows:

- | | |
|---|---|
| https://einvoice1.gst.gov.in | https://einvoice4.gst.gov.in |
| https://einvoice2.gst.gov.in | https://einvoice5.gst.gov.in |
| https://einvoice3.gst.gov.in | https://einvoice6.gst.gov.in |

Enabled taxpayers must register on any of the six IRPs before they can start reporting e-invoices. This onboarding process involves a one-time verification of the taxpayer's registered mobile number and email through an OTP.

Upon successful validation, login credentials for the IRP portal are created, and the taxpayer is ready to report e-invoices.

Step 3 & 4: Reporting and Auto-population of e-Invoice:

- i. To receive an Invoice Reference Number (IRN) for their e-Invoices, taxpayers must report the data of e-invoices on the

IRP portal using the predefined INV-01 schema in a JSON format.

- ii. Most IRPs provide functionalities for reporting e-Invoices via offline tool, online web tool, Mobile App and API-based methods.
- iii. The schema and the portal have built-in validations to prevent duplicate reporting and other checks.
- iv. Upon successful validation, a signed e-invoice, carrying a unique IRN and a QR code, is returned to the taxpayer.
- v. A copy of this invoice is then shared with the GST system for auto-population in the supplier's GSTR-1 return.
- vi. Issue e-Invoice with IRN details to buyer.

G. e-Invoice Verification:

To verify the IRN of an e-Invoice, taxpayers have multiple options.

- i. First, taxpayers can utilize the GSTN e-Invoice QR Code Verifier app, which is available on the Google Play / App Store, to verify e-invoices reported on any of the IRPs.
- ii. Alternatively, taxpayers can use the 'Search IRN' functionality available at: <https://einvoice.gst.gov.in/einvoice/search-irn>

H. e-Invoice Master FO Portal:

- i. As the number of IRP portals e-Invoice master information portal, which can be accessed at <https://einvoice.gst.gov.in>.
- ii. This portal serves as a one-stop resource for all e-Invoicing related information. It offers access to master codes, the ability to check enablement status, search IRN functionality, information about all the IRPs along with links to their respective portals, the e-invoice schema, and more.
- iii. In the near future, this portal is also expected to provide the functionality to download e-Invoices.

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

Please [Click Here](#) to read the glossary on e-invoicing.

Please [Click Here](#) to read the step by step guide on e-invoicing.



GSTN issues advisory on authorised e-invoice verification applications

GSTN has prepared a comprehensive document (snapshot given below) listing authorized B2B e-invoice verification applications available for download. This document is intended to serve as a reference, ensuring that taxpayers have access to the latest information on approved B2B e-Invoice verification applications.

Authorised e-Invoice Verification APPs



GSTN	IRP-1&2 (NIC)	IRP-3 (Cygnet)	IRP-5 (EY)	IRP-6 (iRIS)
e-Services App*	QR Code Verify App*	IRP App*	Invoice Registration Portal*	Peridot*

*Application Name

All are valid e-Invoice Verification APPs and Interoperable

In case of further verification, use search IRN functionality at <https://einvoice.gst.gov.in>

Note: 'Clear IRP' does not have any apps as of now.

Disclaimer: The information provided above is intended for information and support purposes only. For any technical assistance or query, taxpayers should contact the respective IRP. Taxpayers are advised to refer to the relevant sections of the GST Act and Rules for legal definitions and interpretation. The content shared does not constitute legal advice. Users are responsible for ensuring compliance with applicable laws and regulations.

Please [Click Here](#) to read the advisory dated 27 November 2024.



Direct Tax



Direct Tax

Central Board of Direct Taxes (CBDT) launches electronic campaign to address income & transaction mismatches for FYs 2021-22 & 2023-24

CBDT has launched an electronic campaign to assist taxpayers in resolving mismatches between the income and transactions reported in the Annual Information Statement (AIS) and those disclosed in Income Tax Returns (ITRs) for the FYs 2021-22 and 2023-24. This campaign also targets individuals who have taxable income or significant high-value transactions reported in their AIS but have not filed ITRs for the respective years. The initiative is part of the implementation of the e-Verification Scheme, 2021.

As part of the campaign, informational messages have been sent via SMS and email to taxpayers and non-filers where mismatches have been identified between transactions reported in AIS and the ITRs filed. The purpose of these messages is to remind and guide individuals who may not have fully disclosed their income in their ITRs to take this opportunity to file revised or belated ITRs for FY 2023-24. The last date to file these revised or belated ITRs for FY 20-23-24 is *31 December 2024*. For cases pertaining to FY 2021-22, taxpayers can file updated ITRs by *31 March 2025*.

Taxpayers can also provide their feedback, including disagreement with the information reported in the AIS, through the AIS portal accessible via the e-filing website (<https://www.incometax.gov.in/iec/foportal/>). CBDT has encouraged all eligible taxpayers to take advantage of this opportunity to fulfil their tax responsibilities.

Please [Click Here](#) to read Press Release dated 17 December 2024 issued by Ministry of Finance.

Direct Tax

Direct Tax Vivad se Vishwas Scheme, 2024 – Guidance Note 2/2024 issued by CBDT

Background

In the past, the Direct Tax Vivad Se Vishwas Act, 2020 was launched for appeals pending as on 31 January 2020, for settlement of disputes between taxpayers and revenue authorities. Reportedly, the Scheme got an encouraging response from taxpayers and also resulted in garnering substantial revenue for the Government of India. Encouraged by the success of the Scheme introduced last time, Government vide Finance (No. 2) Act, 2024 has relaunched the scheme in the form of 'Direct Tax Vivad se Vishwas Scheme, 2024'. The objective is same, i.e., to provide a mechanism for settlement of disputed issues, thereby reducing litigation without much cost to the exchequer.

The date of commencement of the scheme has been notified as 1 October 2024. Further, rules and forms for enabling the scheme have also been notified on 20 September 2024. On 30 September 2024, the Directorate of Income Tax (Systems), Bengaluru, has issued the Procedure for making declaration and furnishing undertaking in Form-1 under Rule 4 of The Direct Tax Vivad Se Vishwas Rules, 2024.

Guidance Note 2/2024 issued by CBDT on 16 December 2024

CBDT has issued Guidance Note 1/2024 on 15 October 2024, covering responses to queries around various issues. Subsequently, CBDT has issued Guidance Note 2/2024 on 16 December 2024 answering another set of Frequently Asked Questions around following issues:

- Eligibility of cases
- Set-aside appeal
- Prosecution
- Computation of amount payable
- Disputed penalty
- Cases under Advance Pricing Agreement / Mutual Agreement Procedure
- Taxes paid before filing declaration
- Withholding tax related queries

Please [Click Here](#) to read Circular no.19 dated 16 December 2024 issued by CBDT.

Direct Tax

Exemption to banks from requirement to withhold tax at source u/s 194N of the Income-tax Act, 1961 on cash withdrawals by Foreign Diplomatic Missions

Section 194N of the Income-tax Act, 1961 requires withholding of tax at source @ 2% by banks / co-operative societies / post offices in case of cash payments exceeding Rs. 1,00,00,000 (threshold limit) to any recipient / account holder from one or more accounts maintained by such recipient / account holder with the bank / co-operative society / post office.

There are certain exceptions in terms of withdrawals by some specified categories of recipients / account holders which are not subject to withholding of tax at source u/s 194N. On 28 November 2024, the Ministry of Finance has issued a notification exempting banks / co-operative societies / post offices from the requirement of withholding tax at source u/s 194N on cash withdrawals by *Diplomatic Missions, agencies of the United Nations, International Organisations, Consulates and Offices of Honorary Consuls* which are exempt from paying taxes in India as per the Diplomatic Relations (Vienna Convention) Act 1972 (43 of 1972) and the United Nations (Privileges and Immunities) Act 1947 (46 of 1947). The exemption is applicable from 1 December 2024 onwards.

Please [Click Here](#) to read the Notification No. 123/2024 dated 28 November 2024.





International Tax



International Tax

Switzerland suspends its unilateral application of the Most Favoured Nation (MFN) clause in the protocol to the Double Taxation Avoidance Agreement (DTAA) between Switzerland & India for dividends

Switzerland and India have entered into DTAA on 2 November 1994 for the avoidance of double taxation with respect to taxes on income (Swiss India DTAA). It was revised by the amending protocols dated 16 February 2000 and 30 August 2010.

Article 11 of the amending protocol dated 30 August 2010 contains a so-called MFN clause, which stipulates that if, after the signing of the amending protocol dated 30 August 2010, India under any DTAA or protocol with a 3rd state which is a member of the Organisation for Economic Co-operation and Development (OECD), limits its taxation at source on dividends, interest, royalties or fees for technical services to a rate lower than the rate provided for in Swiss India DTAA on the said items of income, the same rate as provided for in that DTAA or protocol on the said items of income shall also apply between Switzerland and India as from the date on which such DTAA or protocol enters into force.

Following the signing of the amending protocol dated 30 August 2010, India concluded 2 new DTAA's with states which are now OECD members, in which it granted lower rates with respect to dividends. These are the DTAA dated 26 July 2011 with Lithuania (India Lithuania DTAA) and 13 May 2011 with Colombia (India Colombia DTAA).

Article 10(2) of India Lithuania DTAA provides for a residual tax rate in the source state @ 5% of the gross amount of dividends if the beneficial owner is a company that owns at least 10% of the capital of the company paying the dividends. Lithuania joined the OECD on 5 July 2018. In a statement published on *13 August 2021*, the Swiss competent authority indicated that, on the basis of the MFN clause between Switzerland and India, Lithuania's accession to the OECD had had the effect, retroactively to and including 5 July 2018, of replacing the residual tax rate in the source State for dividends from qualifying shareholdings from *10% to 5%* in the context of relations between India and Switzerland.

International Tax

Similarly, Article 10(2) of India Colombia DTAA provides for a general residual tax rate of 5% in the source State. Colombia joined the OECD on 28 April 2020. In the statement published on *13 August 2021*, the Swiss competent authority indicated that, on the basis of the MFN clause between Switzerland and India, Colombia's accession to the OECD had had the effect, retroactively to and including 28 April 2020, of replacing the residual tax rate in the source State for dividends from *10% to 5%* (dividends from qualifying participations and so-called portfolio dividends) in the context of relations between India and Switzerland.

In addition, the statement of 13 August 2021 specified that in the event that reciprocity regarding the interpretation of the MFN clause was not guaranteed by the Indian competent authority, the Swiss competent authority would reserve the right to reverse the unilateral application of the MFN clause and to readjust the DTAA rates applicable to income accruing from 1 January 2023 onwards.

Subsequently, in a landmark decision of Nestle SA, the Hon'ble Supreme Court of India vide its ruling dated 19 October 2023 has held that the MFN clause is not effective automatically. It can be enforced only after a separate notification is issued to this effect by the respective state. Further, To claim benefit of MFN clause, based on the DTAA between India and a 3rd country that *is* an OECD member, the relevant date to be considered is the date when the DTAA was entered into with India, not a later date when the 3rd country becomes an OECD member.

On the basis of Supreme Court's ruling, the Swiss competent authority has acknowledged that its interpretation of para. 5 of the Protocol to the Swiss India DTAA is not shared by the Indian side. In the absence of reciprocity, it therefore has waived its unilateral application with effect from 1 January 2025 onwards. Accordingly, income accruing on or after 1 January 2025 may be taxed in the source state at the rates provided for in the Swiss India DTAA regardless of the application of para. 5 of the Protocol to the Swiss India DTAA.

As a result, for dividends due from 1 January 2025 onwards, the residual tax rate in the source state is limited to 10%. For prior period (2018 to 2024) however, the reduced rate pursuant to MFN benefit as per the earlier Statement dated 13 August 2021 continues to remain applicable in Switzerland.

Please [Click Here](#) to read the Statement issued by Swiss Competent Authority on 11 December 2024.

International Tax

Transfer Pricing – Safe Harbour Rules introduced for foreign companies engaged in business of diamond mining

What are Safe Harbor Rules?

Transfer Pricing provisions mentioning the circumstances in which the Income-tax authorities of India are obligated to accept the price declared by a taxpayer in course of international transactions with associated enterprises, for the purpose of calculating income accruing or arising in India u/s 9(1)(i) of the Income-tax Act.

As per Explanation 1(e) to section 9(1)(i) of the Income-tax Act, in the case of a foreign company engaged in the business of mining of diamonds, no income shall be considered as accruing or arising in India through / from activities confined to display of uncut and unassorted diamond in any special zone notified by the Government of India.

Notification no. 124 issued by CBDT on 29 November 2024

Vide Notification no. 124 dated 29 November 2024, CBDT has introduced Safe Harbour Rules for foreign companies engaged in the business of diamond mining. These companies must be engaged in the business of selling raw diamonds in any notified special zone. The Safe Harbour Rules are applicable for computing income taxable under the head 'Profits and gains of business or profession' as per the Income-tax Act. CBDT has inserted new rules 10TI, 10TIA, 10TIB and 10TIC in the Income-tax Rules, 1962 containing the following key details:

- The Safe Harbour Rules apply to foreign companies engaged in the business of selling raw diamonds in any notified special zone as referred to in Explanation 1(e) to section 9(1)(i) of the Income-tax Act
- If the taxpayer can exercise the option for Safe Harbour, the profits and gains of the business chargeable to tax shall be 4% or more of the gross receipts from such business
- The taxpayer can exercise the option for Safe Harbour by furnishing Form 3CEFC to the Income-tax authorities before furnishing ITR for the relevant year

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Consequences of exercise of Safe Harbour Rules

- Deductions u/s 30 to 38 of the Income-tax Act are considered as fully allowed. No further claims are allowed
- Depreciation is treated as claimed. Written-down value (WDV) of assets is adjusted accordingly
- Set-off of unabsorbed depreciation u/s 32(2) or carried-forward business losses u/s 72(1) is disallowed
- Set-off of losses from other businesses u/s 70(1) or other heads of income [section 71(1)/(2)] against business profits is not allowed

Further, taxpayer exercising the option for Safe Harbour is not entitled to invoke Mutual Agreement Procedure (MAP) under the DTAA.

Please [Click Here](#) to read Notification no. 124 / 2024 dated 29 November 2024.





Corporate Law & Regulatory



Corporate Law & Regulatory

1.12 lakh companies registered between April to November 2024 - Initiatives taken by Government to promote registration of companies

The total number of companies registered during current FY 2024-25 till 30 November 2024 is 1,12,962.

Initiatives taken by the Government to promote registration of companies are as below.

- Central Registration Centre (CRC) established on 22 January 2016 by Ministry of Corporate Affairs to centralize the online process of incorporation
- Cost of starting a business reduced significantly through following initiatives
 - ✓ All companies with authorized capital upto Rs.15 lakh are incorporated at zero statutory fee
 - ✓ Integration of Permanent Account Number (PAN) and Tax Deduction Account Number (TAN) applications with SPICE (web form for incorporation of Company) + EMemorandum of Association and E-Articles of Association and allotment of Director Identification Number (DIN) integrated into SPICE, registration with Employees' Provident Fund Organisation, Employees' State Insurance Act, Professional Tax Registration Certificate, Professional Tax Enrolment Certificate, Shops and Establishment Act, GSTIN
 - ✓ Rule 38(2) of the Companies (Incorporation) Rules 2014 provides that single SPICE+ form can be used to apply for allotment of DIN upto 3 Directors, Reservation of a Name, Incorporation of company and Appointment of Directors of the proposed for One Person Company, Private company, Public company and a company falling u/s 8 of the Companies Act, 2013
- Amendments were made in the Companies Act, 2013 in the year 2020 to facilitate Ease of Doing Business, Decriminalization of offences and to improve compliance requirements, specifically for Small Companies, One Person Companies, Start-ups and Producer Companies
- Exemptions from various provisions of the Companies Act to Private Companies, Government Companies, Charitable Companies, Nidhi Companies and International Financial Services Centre (GIFT city) companies have been provided

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

Corporate Law & Regulatory

Prevention of Sexual Harassment of Women at Workplace Act, 2013 - SHe-Box portal recently launched by Ministry of Women & Child Development

The Sexual Harassment electronic Box (SHe-Box) is an initiative by the Ministry of Women and Child Development, Government of India, aimed at providing a single-window access for women to register complaints related to sexual harassment at workplace. Launched to strengthen the implementation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, SHe-Box caters to women across all employment sectors, organized or unorganized, private or public.

Features of SHe-Box

- Comprehensive coverage - The platform is accessible to all women, irrespective of their work status or sector, ensuring inclusivity in addressing workplace sexual harassment
- Direct complaint submission - Women can directly submit their complaints through the portal, which are then forwarded to the appropriate authority to take action
- Confidentiality assurance - The system is designed to protect the privacy of complainants, ensuring that personal information remains confidential
- Real-time monitoring - Through designated nodal officers, the portal enables real-time tracking of complaints, ensuring timely redressal.

The complaint registration feature in the She-Box went live on 19 October 2024, after a majority of Central Ministries and Departments onboarded the portal. Since then, the portal has received 9 complaints. The portal has been designed to serve as a central repository for both, Government as well as the private sector.

Corporate Law & Regulatory

https://shebox.wcd.gov.in

LOGIN



MINISTRY OF WOMEN & CHILD DEVELOPMENT
Government of India



HOME ABOUT US LAWS AND REGULATIONS EMPANELMENT USER MANUAL CONTACT US LOGIN

SHe-Box Online Complaint Management System

IF YOU ARE FACING SEXUAL HARASSMENT AT WORKPLACE

Sexual Harassment electronic Box (SHe-Box) is an effort of GoI to provide a single window access to every woman, irrespective of her work status, whether working in organised or unorganised, private or public sector, to facilitate the registration of complaint related to sexual harassment. Any woman facing sexual harassment at workplace can register their complaint through this portal. Once a complaint is submitted to the 'SHe-Box', it will be directly sent to the concerned authority having jurisdiction to take action into the matter.



Please [Click Here](#) to read the Press Release dated 29 November 2024.



Compliance Calendar

Compliance calendar for the month of January 2025

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th January	December 2024	TDS / TCS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
10 th January		a) GSTR-7 (TDS return under GST) b) GSTR-8 (TCS return under GST)	a) Person required to deduct TDS under GST b) Person required to collect TCS under GST
11 th January		GSTR-1 (Outward supply return)	a) Taxpayers having annual turnover > Rs. 5 crore in FY 2023-24 b) Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13 th January		GSTR-6 [Return by input service distributor (ISD)] GSTR-5 (Return by Non-resident)	Person registered as ISD Non-resident taxable person (NRTP)
	Oct-Dec 2024	GSTR-1 (Outward supply return)	Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme
15 th January	December 2024	Deposit of PF & ESI contribution	All Deductors
	Oct-Dec 2024	Form 27EQ –TCS return	All Collectors
20 th January	December 2024	GSTR-3B (Summary return)	a) Taxpayers having annual turnover > Rs. 5 crore in FY 2023-24 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2023-24 and not opted for QRMP scheme
		GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	OIDAR services provider
22 nd January	Oct-Dec 2024	GSTR-3B (Summary return)	Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep
24 th January			Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2023-24 and opted for QRMP scheme and having principal place of business in any other state
30 th January			TCS certificate in Form 27D
31 st January		TDS Return.	All Deductors

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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