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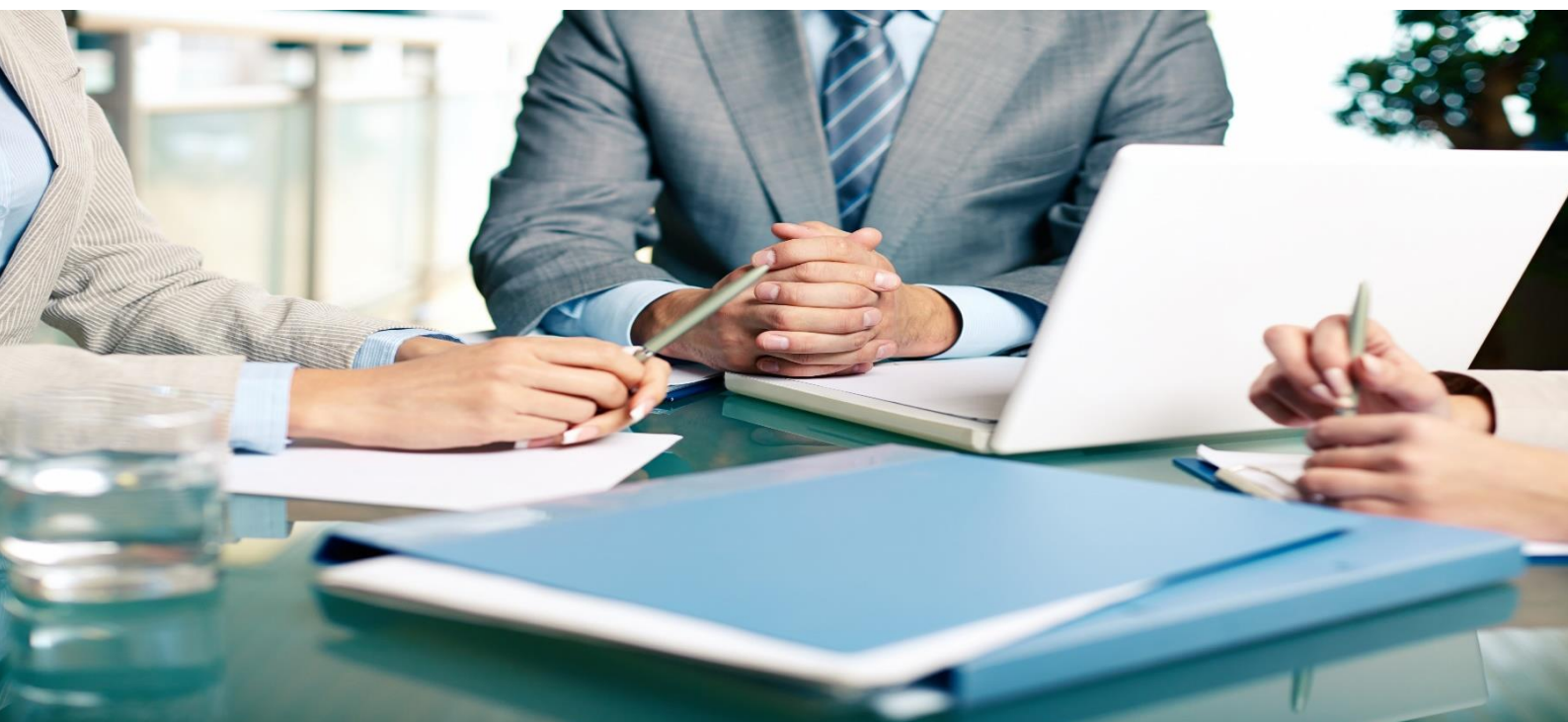
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## Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax, MCA, Audit & Assurance notification, circulars and case laws which may directly or indirectly impact our readers. At Nucleus, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.



# NEWSLETTER HIGHLIGHTS

## Direct Tax Updates

- Income Tax (Fourth Amendment) Rules.
- No TDS for Payment Receivable by Unit of IFSC
- Withholding Tax Rate on Royalties or Fees for technical services with member of OECD.

## GST Updates

### Advisory Issued:

- GSTR-1/IFF: Introduction of New 14A and 15A tables
- Integration of E-Waybill system with New IRP Portals.



# DIRECT TAX UPDATES

## ➤ Income Tax (Fourth Amendment) Rules

In the Income-tax Rules, 1962, in Appendix II,--

a) in Form No. 3CD,--

(i) in PART A, in clause 8a, for the figures and letters “115BAD”, the figures and letters “115BAD/115BAE” shall be substituted;

(ii) in PART B,--

A. in clause 12, for the figures and letters “44AD”, the figures and letters “44AD, 44ADA” shall be substituted;

B. in clause 18, for sub-clause (ca), the following sub-clauses shall be substituted, namely:--

“(ca) Adjustment made to the written down value--

(i) under the proviso to sub-section (3) of section 115BAA (for assessment year 2020-21 only);

(ii) under the first proviso to sub-section (3) of section 115BAC or the proviso to sub-section (3) of 115BAD (for assessment year 2021-22 only);

(iii) under the second proviso to sub-section (3) of section 115BAC (for assessment year 2024-25 only).”;

C. in clause 19, in the table,--

(i) after the row with entry “35(2AB)”, the row with entry “35ABA” shall be inserted;

(ii) after the row with entry “35E”, the row with entry “any other relevant section” shall be inserted;

D. in clause 21, --

(I) in sub-clause (a), in the table, under the column relating to ‘Nature’,--

(i) for the words “Expenditure by way of penalty or fine for violation of any law for the time being force”, the words and brackets “Expenditure for any purpose which is an offence or is prohibited by law or expenditure by way of penalty or fine for violation of any law (enacted in India or outside India)” shall be substituted;

(ii) after the row with the words “Expenditure by way of any other penalty or fine not covered above”, the row with the words “Expenditure incurred to compound an offence under any law for the time being in force, in India or outside India” shall be inserted;

(iii) for the words “Expenditure incurred for any purpose which is an offence or which is prohibited by law”, the words “Expenditure incurred to provide any benefit or perquisite, in whatever form, to a person, whether or not carrying on a business or exercising a profession, and acceptance of such benefit or perquisite by such person is in violation of any law or rule or regulation or guideline, as the case may be, for the time being in force, governing the conduct of such person” shall be substituted;

(II) in sub-clause (b), in paragraph (ii), in sub-paragraph (B), in item (IV), for the word “payer”, the word “payee” shall be substituted;

E. In clause 26, for the brackets, letters and word “(f) or (g)”, the brackets, letters and word “(f), (g) or (h)” shall be substituted;

In clause 22, after the figures “2006”, the words and figures “ or any other amount not allowable under clause (h) of section 43B of the Income-tax Act, 1961” shall be inserted;’

F. in clause 32, in sub-clause (a),--

(I) in the table, in column (5), for the figures and letters “115BAD”, the figures and letters “115BAD/115BAE” shall be substituted;

(II) in the table, in column (6), for the figures and letters, “115BAD^”, the figures and letters “115BAD/115BAE^” shall be substituted;

(III) below the table, for the words and figures “To be filled in for assessment year 2021-22 only.”, the words and figures “To be filled in only for assessment year 2021-22 and 2024- 25, as applicable.”, shall be substituted;

b) In **Form No. 3CEB**, in the Annexure thereto, in Part C (Specified domestic transaction), serial number 25 shall be re-numbered as serial number 26 thereof and before serial number 26 as so renumbered, the

following shall be inserted namely : “Particulars in respect of specified domestic transaction in the nature of any business transacted between the persons referred to in sub-section (4) of section 115BAE”

c) In Form No. 65,--

(i) under the heading “Verification”, after clause (4), the following clause shall be inserted, namely:--

“ (5) \*I certify that the applicant company is a unit of an International Financial Services Centre and has filed the application within three months from the date on which the deduction under section 80LA of the Income- tax Act, 1961 is no longer applicable.”;

(ii) in the Annexure, in PART A, for clause 6, the following clauses shall be substituted, namely:-

“ 6. Date on which the company became a qualifying company [to be given only in case of a company which becomes a qualifying company after the initial period] (enclose evidence in support of the claim)

6A. (a) Has the applicant company availed of deduction under section 80LA of the Income- tax Act, 1961?

(b) If so, please specify the date on which such deduction is no longer applicable?”.

### ➤ No TDS for Payment Receivable by unit of IFSC

No deduction of tax shall be made under the provisions of the Income-tax Act as specified in column (4) of the Table below in respect of the payments, as specified in column (3) of the said Table, made by any ‘payer’ to a person being a Unit of International Financial Services Centre, (hereinafter referred as ‘payee’), as specified in column (2) of the said Table.

#### List of payments receivable by a Unit of International Financial Services Centre (IFSC)

Sl. No.	International Financial Services Centre (IFSC Unit) (Payee)	Nature of Receipt	Relevant TDS provisions as per Income tax Act, 1961
(1)	(2)	(3)	(4)
1.	Banking Unit	Interest income on External Commercial Borrowings /	Section 195
		Professional fees	Section 194J
		Referral fees	Section 194 H
		Brokerage income	Section 194 H
		Commission income on factoring and forfaiting services	Section 194 H
2.	IFSC Insurance Intermediary office	Insurance Commission	Section 194D
3.		Interest income on External Commercial Borrowings /Loans	Section 195/ 194A

	Finance Company & Finance Unit	Dividend income	Section 194
		Commission income on factoring and forfaiting services	Section 194H
4.	Fund Management entity	Professional fee	Section 194J
5.	Broker Dealer	Dividend	Section 194
6.	Investment Advisor	Investment advisory fee	Section 194J
7.	Registered Distributor	Distribution fee and Commission fee	Section 194H
8.	Custodian	Professional fee	Section 194J
		Commission Fee	Section 194H
9.	Credit rating agency	Credit rating fee	Section 194J
10.	Investment banker	Investment banker fee	Section 194J
11.	Debenture trustee	Trusteeship fee	Section 194J
12.	International Trade Finance Service or "ITFS"	Commission income	Section 194H
13.	FinTech Entity	Technical fee/Professional fee	Section 194J
		Commission income	Section 194H

➤ **Withholding Tax Rate on Royalties or Fees for technical services with member of OECD**

Convention between the Government of the Republic of India and the Kingdom of Spain for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital came into force on the 12th January, 1995, after the notification by both the Contracting States to each other of the completion of the procedures required under their laws for bringing into force the said Convention;

And whereas, the Central Government in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), had directed that all the provisions of the said Convention annexed to the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 356 (E), dated the 21st April, 1995, shall be given effect to in the Union of India;

And whereas, paragraph 7 of the Protocol dated the 8th February, 1993, to the aforesaid Convention provides that if under any Convention or Agreement between India and a third State which is a Member of the Organisation for Economic Cooperation and Development (OECD), which enters into force after the 1st January, 1990, India limits its taxation at source on royalties or fees for technical services to a rate lower than the rate provided for in this Convention on the said items of income, the same rate as provided for in that Convention or Agreement on the said items of income shall also apply under this Convention;

And whereas, in the Convention between India and Germany, which entered into force on the 26th October, 1996, and Germany was a member of the Organisation for Economic Co-operation and Development at the time of entering into the Convention with India, the Government of India has limited the taxation at source on royalties and fees for technical services to a rate lower than that provided in the Convention between India and Spain on the said items of income;

Now, therefore, in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby directs that the following modification shall be made in the Convention notified vide said notification number G.S.R. 356 (E), dated the 21st April, 1995, which are necessary for implementing the said Convention between India and Spain, namely:---

In the said notification, in the Convention annexed therewith between the Republic of India and Kingdom of Spain, in Article 13 relating to Royalties and Fees for Technical Services, for paragraph 2, the following paragraph shall be substituted, namely:---

“2. However, such royalties and fees for technical services may also be taxed in the Contracting State in which they arise and according to the law of that State, but if the recipient is the beneficial owner of the royalties or fees for technical services, the tax so charged shall not exceed ten per cent of the gross amount of royalties or fees for technical services.”.

The paragraph 2 of Article 13 of the said Convention, as amended by this notification, shall be applicable with effect from the assessment year 2024-25.

### ➤ Time limit for verification of return of income

It is clarified that:

(i) Where the return of income is uploaded and e-verification/ITR-V is submitted within 30 days of uploading - In such cases the date of uploading the return of income shall be considered as the date of furnishing the return of income.

(ii) Where the return of income is uploaded but e-verification or ITR-V is submitted after 30 days of uploading - In such cases the date of e-verification/ITR-V submission shall be treated as the date of furnishing the return of income and all consequences of late filing of return under the Act shall follow, as applicable.

The duly verified ITR-V in prescribed format and in the prescribed manner shall be sent either through ordinary or speed post or in any other mode to the following address only:

Centralised Processing Centre,

Income Tax Department,

Bengaluru - 560500, Karnataka.

The date on which the duly verified ITR-V is received at CPC shall be considered for the purpose of determination of the 30 days period from the date of uploading of return of income.

It is further clarified that where the return of income is not verified after uploading within the specified time limit mentioned at start (30 days), such return shall be treated as invalid.



## Advisory Issued

### GSTR-1/IFF: Introduction of new 14A and 15A tables

It is informed to all taxpayers that two new Table 14A and Table 15A have been introduced in GSTR-1 to capture the amendment details of the supplies made through e-commerce operators (ECO) on which e-commerce operators are liable to collect tax under section 52 or liable to pay tax u/s 9(5) of the CGST Act, 2017. These tables have now been made live on the GST common portal and will be available in GSTR-1/IFF from the February 2024 tax period onwards. These amendment tables are relevant for those taxpayers who have reported the supplies in Table 14 or Table 15 in earlier tax periods.

### Integration of E-Waybill system with New IRP Portals

GSTN has integrated E-Waybill services with four new IRP portals via NIC, enabling taxpayers to generate E-Waybills alongside E-Invoicing. This complements existing services on the NICIRP portal, extending E-Waybill services across all six IRPs. Users can utilize these portals for streamlined invoicing and e-way bill. Links of websites:

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

## Direct Taxes

### April 07, 2024

- Due date for deposit of Tax deducted/collected by an office of government for the month of March, 2024. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan.

### April 14, 2024

- Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M & 194-S in the month of February 2024

### April 15, 2024

- Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2024.
- Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of March, 2024

### April 30, 2024

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2024 has been paid without the production of a challan.
- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194-M & 194-S in the month of March, 2024
- Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2024
- Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2023 to March 31, 2024.
- Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2024.
- Due date for deposit of TDS for the period January 2024 to March 2024 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H.

## Indirect Taxes

### April 10, 2024

- Date for filing of GSTR-8 (Mar, 2024) and GSTR-7 (Mar,2024).

### April 12, 2024

- Date for filing of GSTR-1 (Mar-24).

### April 13, 2024

- Date for filing of GSTR-1 (Jan-Mar,24), GSTR-5 (Mar-2024), GSTR-6 (Mar-24).

### April 18, 2024

- Date for filing of CMP-08 (Jan-Mar, 2024)

### April 20, 2024

- Date for filing of GSTR-3B (Mar-24), GSTR-5A (Mar-24).

### April 22<sup>nd</sup>, 24<sup>th</sup>, 2024

- Date for filing of GSTR-3B (Jan-Mar, 2024)



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# ABOUT US

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Team Nucleus is comprised of people from Big4s and reputed consulting firms with combined experience of 30+ years. Team is distinguished by their functional and technical expertise combined with their hands-on experience, thereby ensuring that our clients receive the most professional



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