

September 2024 | F&A | Volume XLIX



Welcome to our
monthly newsletter

We bring you a concise and noteworthy regulatory developments in Income Tax, Goods & Services Tax, Companies Act during September 2024. We had tried to cover all important updates occurred during September 2024 in this volume of newsletter. The sole purpose of this circulation is to update finance professionals and business owners on direct & indirect taxes and other compliances. Feedbacks are welcome at info@nucleusadvisors.in.



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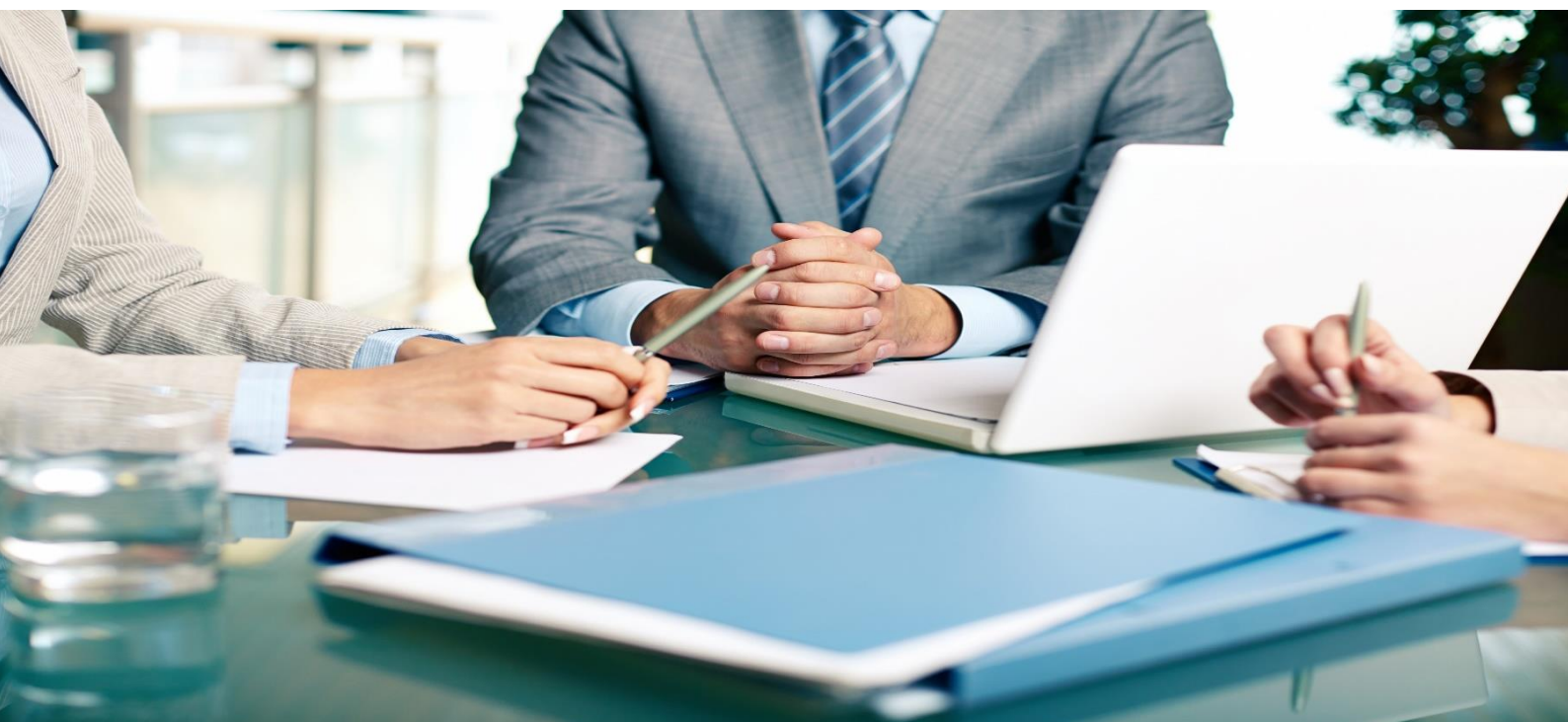
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Compliance Calender



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.



Direct Tax Updates

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- Advisory on issuance of Notices/Orders without digital signatures of the issuing authorities.



DIRECT TAX UPDATES

➤ “Auroville Foundation” Approved for Scientific Research Expenditure Deductions

The Central Government approves **Auroville Foundation** (PAN: AAATA0037B) as ‘Other Institution’ for research in social science or statistical research for the purposes of clause (iii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with rules 5C and 5E of the Income-tax Rules, 1962.

This Notification shall apply with effect from the Previous Year 2024-25 and accordingly shall be applicable for Assessment Years 2025-2026 to 2029-2030.

➤ Vivad Se Vishwas Scheme, 2024

1. **Short title and commencement-** These rules may be called the Direct Tax Vivad se Vishwas Rules, 2024.

2. Amount payable by declarant.-

- a. Where a declarant files a declaration to the designated authority under sub-section (1) of section 91 of the Act, on or before the 31st December, 2024, the amount payable by the declarant under the Act shall be as mentioned in column (3) of the Table specified in section 90 of the Act, subject to the conditions as provided in the First, Second and Third provisos of the said Table.
- b. Where a declarant files a declaration to the Designated Authority under sub-section (1) of section 91 of the Act, on or after the 1st January, 2025 but on or before the last date, the amount payable by the declarant under the Act shall be as provided in column (4) of the Table specified in section 90 of the Act, subject to the conditions as provided in the First, Second and Third provisos of the said Table.
- c. Where the dispute includes issues covered in favour of declarant, the disputed tax in respect of such issues shall be the amount, which bears to tax, including surcharge and cess, payable on all the issues in dispute, the same proportion as the disputed income in relation to issues covered in favour of declarant bear to the disputed income in relation to all the issues in dispute

3. Form of declaration and undertaking.

- a. The declaration for any dispute referred to in sub-section (1) of section 91 and the undertaking referred to in sub-section (4) of the said section shall be made in Form-1 to the designated authority and shall be filed separately in respect of each order:

Provided that where the appellant and the income-tax authority have both filed an appeal or writ petition or special leave petition in respect of the same order, single Form-1 shall be filed by the appellant.

- b. The declaration and the undertaking under sub-rule (1) shall be verified by the declarant or any person competent to verify the return of income on his behalf in accordance with section 140 of the Income-tax Act, 1961 (43 of 1961).
- c. The designated authority, on receipt of declaration, shall issue a receipt electronically in acknowledgement thereof.

4. Form of certificate by Designated Authority.- The Designated Authority shall issue a certificate referred to in sub-section (1) of section 92 electronically in Form-2.

5. Intimation of payment.- The intimation of payment as referred to in sub-section (2) of section 92, made pursuant to the certificate issued by the designated authority shall be furnished along with proof of withdrawal of appeal, objection, application, writ petition, special leave petition, or claim filed by the declarant to the designated authority in Form-3.

6. Order by designated authority.- The order by the designated authority under sub-section (2) of section 92, in respect of payment of amount payable by the declarant as per certificate issued under sub-section (1) of section 92, shall be in Form-4.

7. Laying down of procedure, formats and standards.-

- a. The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall lay down procedures, formats and standards for furnishing and verifying the declaration and undertaking in Form-1, under sub-rule (1) of rule 4, issuance of certificate in Form-2 under rule 5, intimation of payment and proof of withdrawal in Form-3 under rule 6 and issuance of order in Form-4 under rule 7.
- b. The Principal Director General of Income-tax (Systems) or the Director General of Incometax (Systems) shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies in relation to the said declaration, undertaking, certificate, intimation and order.

8. Manner of computing disputed tax in cases where loss or unabsorbed depreciation is reduced. -

- Where the dispute in relation to an assessment year relates to reduction in loss or unabsorbed depreciation to be carried forward under the Income-tax Act, 1961 (43 of 1961), the declarant shall have an option to -
 - i) include the tax, including surcharge and cess, payable on the amount by which loss or unabsorbed depreciation is reduced in the disputed tax and carry forward the Loss or unabsorbed depreciation by ignoring such amount of reduction in loss or unabsorbed depreciation; or
 - ii) carry forward the reduced amount of loss or unabsorbed depreciation.
- Where the declarant exercises the option as provided in clause (ii) of sub-rule (1), he shall be liable to pay tax, including surcharge and cess, along with interest, if any, as a consequence of carrying forward the reduced amount of loss or unabsorbed depreciation in subsequent years:

Provided that the written down value of the block of asset on the last day of the year, in respect of which unabsorbed depreciation has been reduced, shall not be increased by the amount of reduction in unabsorbed depreciation:

Provided further that in computing the reduced amount of loss or unabsorbed depreciation to be carried forward in clause (ii) of sub-rule (1), one-half of the amount by which loss or unabsorbed depreciation is reduced shall be considered for reduction, if such reduction is related to issues covered in favour of declarant

9. Manner of computing disputed tax in cases where MAT credit is reduced. -

- a. Where the dispute in relation to an assessment year relates to reduction in MAT credit to be carried forward, the declarant shall have an option to -
 - i. include the amount by which MAT credit to be carried forward is reduced in disputed tax and carry forward the MAT credit by ignoring such amount of reduction, or
 - ii. carry forward the reduced MAT credit.
- b. Where the declarant exercises the option as provided in clause (ii) of sub-rule (1), he shall be liable to pay tax, including surcharge and cess, along with interest, if any, as a consequence of carrying forward reduced MAT credit in subsequent years:

Provided that in computing the reduced amount of MAT credit to be carried forward in clause (ii) of sub-rule (1), one-half of the amount by which MAT credit is reduced shall be considered for reduction, if such reduction is related to issues covered in favour of declarant.

The Central Government hereby appoints the 1st day of October, 2024 as the date on which the Direct Tax Vivad Se Vishwas Scheme, 2024 shall come into force.

The forms can be referred from Notification No. 4 of 2024 dated 20th & 27th September

➤ Procedure for making declaration and furnishing undertaking in Form-1 under Rule 4 of the Direct Tax Vivad Se Vishwas Rules, 2024.

In exercise of the powers conferred under Rule 8 of The Direct Tax Vivad Se Vishwas Rules, 2024, the Director General of Income Tax (Systems), Bengaluru, hereby lays down the following procedures:

Online filing of Form -1:

- All the declarants filing declaration under sub-section (1) of section 91 of The Direct Tax Vivad Se Vishwas Scheme, 2024 are required to file the declaration and undertaking referred to in sub-section

(4) of section 91, in Form-1, online on the e-Filing portal of the Department: <https://www.incometax.gov.in>.

- The declaration and undertaking shall be verified in accordance with section 140 of the Income tax Act, 1961.
- Form-1 shall be furnished electronically under digital signature, if the return of income is required to be furnished under digital signature or, in other cases through electronic verification code.

Preparation and submission of Form -1:

- Form-1 shall be available for data entry and preparation online to the declarant after login
- The declarant is required to login into the e-Filing portal of the Department: <https://www.incometax.gov.in> using their valid Login credentials.
- A link for filing the Form-1 has been provided under the e-Filing Portal: <https://www.incometax.gov.in> -> Login -> e-File -> Income Tax Forms -> File Income Tax Forms -> Select “Persons not dependent on any source of Income (Source of Income not relevant)” -> Vivad Se Vishwas Scheme, 2024(Form 1 DTVSV 2024).
- Select Form-1 and Assessment Year (or Financial Year as applicable for Tax Deduction/Collection at Source related cases) and filing type (original/revised) from the dropdown Menu
- Form - 1 contains specific schedules and the declarants are required to fill the relevant schedules and tables under the schedules with validations for proper submission of the declaration.
- The Form can be submitted by clicking on “Submit” button.
- Digital Signature Certificate or Electronic Verification Code is mandatory to submit the Form.
- Acknowledgement number for submission of declaration shall be generated electronically.

Viewing Submitted Forms:

- The submitted Form would be available for view and download by going to <https://www.incometax.gov.in> -> Login -> e-File -> Income Tax Forms -> View Filed Forms -> Select the applicable option.

Submission to designated Authority:

- Online Submission of Form-1 in the manner prescribed herein would be treated as submission to the designated authority as prescribed under Clause (e) of Section 89 of the The Direct Tax Vivad Se Vishwas Scheme, 2024.

This Notification comes into effect September 30, 2024.

Circulars Issued

This circular clarifies the GST treatment of ADVERTISING SERVICES provided by Indian agencies to foreign clients - Circular No. 230/24/2024-GST

1. Advertising agencies are not intermediaries as per section 2(13) of the IGST Act; they directly supply services to foreign clients.
2. The foreign client is considered the recipient of services, not their Indian representative or target audience.
3. Advertising services do not qualify as performance-based services under section 13(3) of the IGST Act.
4. The [place of supply](#) is determined by the location of the foreign client, qualifying these [services as exports](#).
5. If an agency merely acts as an agent for media owners, it may be classified as an intermediary.
6. In such cases, the place of supply would be linked to the agency's location.
7. Trade notices should be issued to inform the industry about these clarifications.
8. The circular aims to ensure uniformity in GST implementation across field formations.
9. For difficulties, stakeholders are encouraged to contact the Board.

This circular clarifies the availability of input tax credit (ITC) for DEMO VEHICLES used by authorized dealers - Circular No. 231/25/2024-GST

1. Demo vehicles are primarily for trial runs and cannot be classified as being used for taxable supplies like passenger transport or driving training.
2. They can be considered to promote further sales of similar vehicles, thus qualifying for ITC exclusion under section 17(5)(a).
3. However, if demo vehicles are used for purposes [other than promoting sales](#), such as staff transportation, ITC is [not](#) available.
4. Dealers acting merely as agents for manufacturers in providing test drives cannot claim ITC for demo vehicles.
5. When demo vehicles are [capitalized](#), they fall under "capital goods" and [ITC remains valid](#) if used in business.
6. ITC is subject to restrictions if depreciation on the tax component is claimed under the Income-tax Act.
7. If a capitalized demo vehicle is sold, applicable GST must be paid as per the CGST Act.
8. Trade notices should be issued to inform stakeholders of these clarifications.
9. Stakeholders can reach out to the Board for implementation difficulties.

This circular addresses the place of supply for DATA HOSTING SERVICES by Indian providers to overseas cloud computing services - Circular Clarification on Data Hosting Services (F. No. CBIC-20001/6/2024-GST)

1. Data hosting providers do not act as intermediaries, as they provide services on a principal-to-principal basis, not facilitating end-user transactions.
2. Such services cannot be classified under "goods made available" or "immovable property" provisions in the IGST Act.
3. Consequently, the place of supply is determined by the location of the recipient, i.e., the overseas cloud provider.

4. [This qualifies the service as an export](#) under the IGST Act, meeting the criteria for export services.
5. Trade notices should be issued to disseminate this information.
6. Any implementation challenges should be communicated to the Board.

Clarifies IGST refunds for exporters who imported inputs without IGST payment - Circular No. 233/27/2024-GST

Background: Rule 96(10) of CGST Rules bars refund of IGST if certain concession notifications were availed on imported inputs.

Issue Addressed: Can IGST refunds be regularized if the exporter later pays IGST and compensation cess after initially importing without payment?

Key Clarification:

1. The retrospective amendment (Notification No. 16/2020-CT) states that benefits under exemption notifications are not considered availed if IGST and compensation cess are paid later.
2. If an exporter pays IGST and cess later (with interest) and has their import assessed by Customs, the refund of IGST on exports will not be deemed a contravention of rule 96(10).
3. Conclusion: Refunds of IGST are permissible if Inputs were initially imported without paying IGST and IGST and cess are paid later, and Customs reassessment is completed.
4. Action Required: Trade notices should be issued to communicate this clarification.
5. Implementation Issues: Any difficulties should be reported to the Board.

Notifications Issued

Notification-1

Seeks Commencement Dates for Provisions of the Finance (No. 2) Act, 2024 17/2024-Central Tax

Announcement on Start Dates for Finance (No. 2) Act, 2024

The Central Government has stated:

1. The provisions in sections 118, 142, 148, and 150 of the Finance (No. 2) Act, 2024 will take effect from the date this [notification](#) is [published](#) in the Official Gazette.
2. The provisions in sections 114 to 117, 119 to 141, 143 to 147, 149, and 151 to 157 will come into effect on [November 1, 2024](#).

[No.CBIC-20006/20/2023-GST]

Summary is tabulated below:

Section of the Finance (No. 2) Act, 2024	Provision	Effective Date	Description of Amendment
114	Section 9 of the CGST Act outlines the levy and collection of GST on intra-State supplies.	1st November 2024	Now, the law also covers specific types of alcohol and spirits that are used to make alcoholic beverages meant for people to drink.
115	Section 10 of the CGST Act outlines the composition levy for registered persons with an aggregate turnover of up to fifty lakh rupees, allowing them to pay a reduced tax rate instead of the standard GST	1st November 2024	Section 10 of the CGST Act is amended to include “or section 74A” after “section 73 or section 74” in sub-section (5). This addition broadens the scope of relevant tax provisions.
116	Section 11A allows the Government to waive the recovery of Goods and Services Tax if it finds that a prevailing practice led to non-levy or short-levy of tax on certain goods or services.	1st November 2024	Section 11A is added to the CGST Act, allowing the Government to waive central tax on certain goods or services if it determines that a prevailing practice led to non-levy or short-levy of tax.
117	Section 13 outlines the time of supply for services, determining when tax liability arises based on invoice issuance, payment receipt, or service provision.	1st November 2024	Section 13 of the CGST Act is amended to clarify invoice issuance rules. It specifies that if an invoice is required, it should be issued by the supplier; alternatively, if the recipient issues the invoice, the date of issuance will be considered. The first proviso is also updated to include this new clause regarding recipient-issued invoices.
118	Insertion of Section 16(5) and 16(6)	Date of publication in Official Gazette	Section 16(5) is amended to allow registered persons to claim input tax credit for invoices or debit notes related to the financial years 2017-21 in returns filed by November 30, 2021. Section 16(6), if a person's registration is canceled and later revoked, they can claim input tax credit for relevant invoices in returns filed within specified timelines after the revocation.
119	Section 17 outlines the rules for claiming input tax credit, allowing businesses to claim credit only for goods/services used in their operations while restricting credits on personal use, certain services, and specific items	1st November 2024	In Section 17(5) of the CGST Act, the amendment changes the reference from “sections 74, 129 and 130” to “section 74 in respect of any period up to Financial Year 2023-24.
120,123,125-127,129-134,145	Section 21, 35, 49, 50, 51, 61, 62, 63, 64 ,65, 66	1st November 2024	Insertion of section 74A
121	Section 30 of CGST Act, A registered person whose GST registration is cancelled can apply to have it revoked under prescribed conditions. The tax officer will then decide to either approve or reject the application, ensuring the applicant has a chance to be heard before any rejection.	1st November 2024	In section 30 of the Central Goods and Services Tax Act, in sub-section (2), after the proviso, the following proviso shall be inserted, namely:-- “Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions , as may be prescribed.”

122	Section 31 of the Central Goods and Services Tax Act mandates that registered persons must issue a tax invoice for taxable goods and services, detailing key information like description, quantity, and tax charged.	1st November 2024	In section 31 of the CGST Act, sub-section (3) is amended to specify that the provisions in clause (f) are to be fulfilled "within the period as may be prescribed." Additionally, an explanation clarifies that "supplier who is not registered" includes those who registered solely for tax deduction under section 51.
124	Section 39 outlines the requirements for registered persons to electronically file monthly or quarterly returns detailing their tax liabilities and deductions. It specifies deadlines, payment obligations, and conditions for rectifying errors, ensuring compliance within a three-year limit post due date.	1st November 2024	Section 39(3) now requires registered persons who deduct tax at source under section 51 to electronically submit a return for each calendar month, detailing deductions made. This return must be filed even if no deductions were made during that month, ensuring consistent reporting.
128	Section 54 of the Central Goods and Services Tax Act outlines the process for claiming refunds on taxes paid, specifying eligibility, application requirements, and conditions under which refunds may be withheld. Notably, refunds for unutilized input tax credit on zero-rated supplies are prohibited if the goods are subject to export duty.	1st November 2024	In Section 54 of the Central Goods and Services Tax Act: (a) The second proviso in sub-section (3) has been removed. (b) A new sub-section (15) has been added stating that no refund will be given for unused input tax credit or integrated tax paid on zero-rated goods if those goods are subject to export duty.
135	Insertion of new subsection (1A)	1st November 2024	Section 70(1A) mandates that individuals summoned under sub-section (1) must attend in person or via an authorized representative. They are required to provide truthful statements and produce any requested documents during the examination. This ensures compliance and cooperation with the investigating officer's requirements.
136	Section 73 outlines procedures for addressing unpaid or short-paid taxes, erroneously refunded amounts, or wrongly utilized input tax credits without fraud. It specifies notice requirements, payment options to avoid penalties, and establishes a three-year timeframe for issuing determinations and penalties.	1st November 2024	In Section 73 of the CGST Act, the heading will now specify that it pertains to tax determination for the period up to Financial Year 2023-24. A new sub-section (12) confirms this applicability.
137	Section 74 outlines the process for addressing unpaid or short-paid taxes, erroneously refunded amounts, or wrongly utilized input tax credits due to fraud or misrepresentation. It specifies notice issuance, timelines for payment and penalties, and concludes proceedings if payments are made within specified periods.	1st November 2024	In Section 74 of the Central Goods and Services Tax Act, the heading will now specify that it pertains to tax determination for the period up to Financial Year 2023-24. A new sub-section (12) confirms this applicability, and Explanation 2 will be omitted entirely.
138	Insertion of new Section 74A	1st November 2024	Section 74A requires the proper officer to issue notices for unpaid or incorrectly claimed taxes within 42 months, with penalties varying from 10% for unintentional errors to full tax for fraud. Taxpayers can avoid penalties by settling amounts before or within 60 days of a notice, with provisions effective from the financial year 2024-25
139	Section 75 outlines general provisions for tax determination, including the exclusion of stay periods in timeline calculations and the requirement for a hearing when adverse decisions are contemplated. It specifies that penalties cannot exceed those in the notice and that no double penalties can be imposed for the same act under different provisions.	1st November 2024	The amendments to section 75 expand penalties by including references to section 74A. A new sub-section (2A) allows for a lesser penalty if fraud charges under 74A aren't proven. Sub-section (10) states that adjudication concludes if decisions aren't made within specified timelines. Sub-sections (11), (12), and (13) link various processes and rules to section 74A, ensuring consistent application across related sections.

	Additionally, it mandates timely issuance of orders following directions from authorities.		
140	Section 104 allows the Authority or Appellate Authority to declare an advance ruling void if obtained through fraud or misrepresentation, provided the applicant is given a hearing.	1st November 2024	In section 104 of the CGST Act, sub-section (1)'s Explanation is amended to include "or sub-sections (2) and (7) of section 74A" after "section 74."
141	Section 107 outlines the process for appeals to the Appellate Authority against decisions made under tax laws. No appeal can be filed unless the appellant has paid the admitted tax, interest, fines, and fees in full, along with 10% of the remaining disputed tax amount (up to ₹20 crore). For appeals against orders under section 129(3), a payment of 25% of the penalty is required.	1st November 2024	In section 107 of the CGST Act, sub-section (6)(b) is amended to replace "twenty-five" with "twenty," and sub-section (11)'s second proviso is updated to include "or section 74A" after "section 73 or section 74."
142	Section 109 establishes the Goods and Services Tax Appellate Tribunal to hear appeals against decisions by the Appellate or Revisional Authorities. It outlines the formation of a Principal Bench in New Delhi and State Benches, specifies case distribution among them, and sets rules for handling appeals.	Date of publication in Official Gazette	Section 109 is amended to allow the Revisional Authority to adjudicate cases under section 171, which will be exclusively handled by the Principal Bench. Additionally, the Government can designate other cases for the Principal Bench, and the President's authority is now subject to these provisions.
143	Section 112 allows individuals aggrieved by orders under specific GST sections to appeal to the Appellate Tribunal within three months of the order's communication or a later notified date. The Tribunal can refuse appeals involving amounts under ₹50,000 and may allow late appeals for sufficient cause. Additionally, it stipulates conditions for filing appeals, including payment of certain amounts and fees.	1st November 2024	Section 112 is amended to adjust the timelines for filing appeals with the Appellate Tribunal. It also introduces flexibility for late applications and reduces the percentage and monetary thresholds for certain conditions, changing the appeal requirement from 20% to 10% and the threshold from ₹50 crore to ₹20 crore.
144	Section 122(1B): Penalties for Electronic Commerce Operators. An electronic commerce operator liable to collect tax at source will incur a penalty if they allow unregistered persons to sell, permit ineligible inter-State sales, or fail to report accurate supply details.	1st November 2024	Section 122(1B) of the CGST Act replaces "Any electronic commerce operator who" with "Any electronic commerce operator, who is liable to collect tax at source under section 52."
146	Section 128 The Government can, through a notification, partially or fully waive penalties from sections 122, 123, or 125, as well as late fees from section 47, for certain taxpayers under specified circumstances based on the Council's recommendations.	1st November 2024	Section 128A has been inserted to allow taxpayers to avoid interest and penalties if they pay the full tax amount due from July 1, 2017, to March 31, 2020, by a date specified by the Government. This relief does not apply to erroneous refunds, pending appeals, or cases with additional tax amounts ordered by appellate authorities. Furthermore, no appeals can be filed against proceedings deemed concluded under this section.
147	As per section 140, Registered persons can claim CENVAT credits carried forward from previous returns under the old law, provided conditions are met, such as having valid documentation. They can also claim credits for inputs and capital goods held in stock on the appointed day. Additionally, reversed credits for unpaid services can be reclaimed if payment is made within three months post-appointment.	1st November 2024	In Section 140 of the CGST Act, effective July 1, 2017, sub-section (7) is amended to replace "even if the invoices relating to such services are received on or after the appointed day" with "whether the invoices relating to such services are received prior to, on, or after the appointed day."

148	Section 171 mandates that any tax rate reduction or benefit from input tax credits must be passed on to recipients through a corresponding price reduction. An Authority can examine compliance, and if found profiteering, a penalty of 10% of the profiteered amount applies, waived if the amount is deposited within 30 days.	Date of publication in Official Gazette	The government may specify a date after which the Authority will not accept requests to examine whether input tax credits or tax rate reductions have led to a corresponding price reduction in goods or services. Additionally, the term "Authority" will now include the "Appellate Tribunal."
149	Amendment in Schedule III	1st November 2024	Schedule III of the CGST Act includes new provisions stating that the apportionment of co-insurance premiums by the lead insurer to co-insurers is exempt , provided the lead insurer pays all applicable taxes on the total premium. Additionally, services provided by insurers to reinsurers are exempt if the reinsurer pays all taxes on the gross reinsurance premium, including any ceding or reinsurance commissions.
150	Amendment in section 118	Date of publication in Official Gazette	No refund will be issued for any tax paid or input tax credit reversed that would not have been paid or reversed if section 118 had been in effect at all relevant times.
151	Section 5 imposes an integrated goods and services tax on all inter-State supplies, except for certain alcoholic beverages, at rates not exceeding 40% as notified by the Government.	1st November 2024	In the IGST Act, 2017, section 5(1) is amended to include "un-denatured extra neutral alcohol or rectified spirit used for the manufacture of alcoholic liquor for human consumption" following the mention of "alcoholic liquor for human consumption."
152	New section 6A introduced in IGST Act	1st November 2024	Section 6A of the IGST Act states that if the Government finds that a prevalent practice regarding the levy of integrated tax has led to non-levy or short-levy, it may, on the Council's recommendation, exempt the entire or excess integrated tax on those supplies via a notification.
153	Section 16 of the IGST Act defines "zero rated supply" as exports and supplies to Special Economic Zones, allowing registered persons to claim refunds on unutilized input tax credits. However, no refunds are permitted for zero-rated goods subject to export duties.	1st November 2024	Section 16 of the IGST Act has been amended to clarify that taxpayers can claim refunds for taxes paid on zero-rated supplies according to specific provisions. Additionally in Section 16(5), it establishes that no refunds will be permitted for unutilized input tax credits or integrated taxes on zero-rated goods if those goods are subject to export duties.
154	Section 20 of the IGST Act states that various provisions from the Central Goods and Services Tax Act will apply to integrated tax. This includes rules on supply, input tax credit, and penalties.	1st November 2024	Section 20 of the IGST Act has been amended to introduce a new fifth proviso. This specifies that the maximum amount payable for each appeal filed before the Appellate Authority or the Appellate Tribunal is capped at forty crore rupees . This change aims to standardize appeal costs.
155	Section 7 of the Union Territory Goods and Services Tax Act levies a tax on all intra-State supplies, excluding certain alcoholic products, allows for reverse charge provisions, and specifies obligations for electronic commerce operators in relation to tax payments.	1st November 2024	In the UTGST Act, 2017, Section 7(1) has been amended to include "un-denatured extra neutral alcohol or rectified spirit used for the manufacture of alcoholic liquor for human consumption" after the mention of "alcoholic liquor for human consumption." This expands the scope of taxable items under the Act.
156	New insertion of Section 8A in UTGST Act	1st November 2024	Section 8A of allows the Government to forgo the recovery of Union territory tax that was not levied or was short-levied due to prevalent practices regarding such supplies. If the Government, upon Council recommendation,

			finds that these practices affected the tax liabilities, it can issue a notification to exempt the applicable tax.
157	New insertion of section 8A GST (Compensation to States) Act.	1st November 2024	Section 8A of the GST (Compensation to States) Act allows the Government to waive the recovery of cess that was not levied or was short-levied due to prevailing practices regarding such supplies. If the Government, on Council recommendation, finds these practices affect tax liabilities, it can issue a notification to exempt the applicable cess.

Notification-2

Seeks Appellate Tribunal's Authority to Examine Price Reductions Related to Input Tax Credits 18/2024-Central Tax

The Government of India has issued Notification No. 18/2024, empowering the Principal Bench of the Appellate Tribunal to assess if input tax credits or tax rate reductions by registered persons have led to a corresponding decrease in the prices of goods or services. This notification takes effect from October 1, 2024.

Notification-3

Seeks to Cut-off Date for Examination of Price Reductions Related to Input Tax Credits 19/2024-Central Tax

The Central Government, using powers from the Central Goods and Services Tax Act, 2017, has decided, based on the Goods and Services Tax Council's recommendations, that starting April 1, 2025, the Authority will not accept requests to check if input tax credits or tax rate cuts have actually led to lower prices for goods or services provided by registered businesses.

Advisory Issued

Advisory-1

Introduction of Invoice Management System IMS

A new Invoice Management System (IMS) is being introduced on the GST portal to help taxpayers efficiently manage invoice corrections and amendments with their suppliers. This system will assist in matching records and invoices for accurate Input Tax Credit (ITC) claims, allowing taxpayers to accept, reject, or hold invoices for later review. This facility will be available starting October 1st.

For FAQ's please refer - [click here](#)

Advisory-2

Advisory on Reporting of supplies to un-registered dealers in GSTR1/GSTR 5

- **Threshold Reduction:** The reporting threshold for invoice-wise details of inter-state taxable outward supplies to unregistered dealers has been reduced from ₹2.5 lakh to ₹1 lakh.
- **Reporting Requirements:** This change affects Table 5 of Form GSTR-1 and Table 6 of GSTR-5.
- **Upcoming Functionality:** The new reporting functionality is being developed and will be available on the portal soon.
- **Interim Reporting:** Taxpayers should continue reporting details for supplies over ₹2.5 lakh until the updated system is implemented.

Advisory-3

Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Bihar, Delhi, Karnataka, Odisha and Punjab

This notification outlines important updates regarding the GST registration process:

1. **Biometric Aadhaar Authentication:** Applicants can now be identified via biometric-based Aadhaar authentication on the common portal, including a photograph and document verification.
 2. **Rollout Locations:** This functionality was launched in Bihar, Delhi, Karnataka, and Punjab on September 6, 2024, however for Odisha it is **28th September 2024**.
 3. **Application Process:** After submitting Form GST REG-01, applicants will receive an email with either:
 - A link for OTP-based Aadhaar Authentication, or
 - A link to book an appointment at a GST Suvidha Kendra (GSK) for biometric verification and document checks.
 4. **Appointment Booking:** Applicants must book an appointment if they receive the second link and will receive a confirmation email for their appointment.
 5. **Required Documents:** At the GSK, applicants must bring:
 - Appointment confirmation email
 - Jurisdiction details from the intimation email
 - Original Aadhaar and PAN cards
 - Original documents uploaded with the application.
 6. **Verification Process:** Biometric authentication and document verification will occur at the GSK. Applicants must schedule their appointment within the specified time frame.
- Operational Details:** GSKs will operate according to state-specific guidelines.

Advisory-4

Re-opening of Reporting ITC Reversal Opening Balance

1. **ITC Changes Notification:** Notification No. 14/2022 introduced amendments to Table 4 of Form GSTR-3B, allowing re-claimed ITC that was previously reversed to be claimed again under specific conditions and reported in the relevant sections.
2. **New Ledger Introduction:** To assist taxpayers in accurate ITC reporting, a new ledger called the Electronic Credit Reversal and Re-claimed Statement was launched on the GST portal in August 2023. Taxpayers can also report cumulative ITC reversals as an opening balance in this statement.

3. Final Reporting Opportunity: Taxpayers have a final chance to report their cumulative ITC reversals before the ledger is locked. Important dates are:

- Opening balance reporting: September 15, 2024, to October 31, 2024.
- Amendments to the declared balance: available until November 30, 2024.
- Monthly taxpayers should report reversals up to July 2023, while quarterly taxpayers should report up to Q1 of FY 2023-24.

4. Re-claim Limitations: After this period, the system will prevent reclaiming ITC exceeding the amount previously reversed. Taxpayers are encouraged to use this extended time for accurate reporting.

Advisory-5

Restoration of GST Returns data on Portal

Considering the feedback from the trade community regarding the challenges faced, the Department have restored the previous returns which earlier achieved on the portal. We recommend that you download and save any necessary information, as the archival policy will be applied again in the future with prior notice.

Advisory-6

Advisory on issuance of Notices/Orders without digital signatures of the issuing authorities

Doubts have been created regarding the validity of documents issued by the tax officers on the common portal viz. SCN/Orders without the Digital signatures on the pdf. document downloaded from the common portal. In this context, it is to be mentioned that such documents are generated on the common portal from the login of the officer, who logs in through Digital Signatures.

For assistance, refer to the GST Portal or contact us.



COMPLIANCE CALENDER

Direct Taxes

October 07, 2024

- Due date for deposit of Tax deducted/collected for the month of September, 2024.
- Due date for deposit of TDS for the period July 2023 to September 2024 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H.
- Due date for filing of audit report under section 44AB for the assessment year 2024-25 in the case of a corporate-assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2024).
- Furnishing of Audit report in Form no. 10B/10BB by a fund or trust or institution or any university or other educational institution or any hospital or other medical institution.

October 15, 2024

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of September, 2024 has been paid without the production of a challan.
- Due date for issue of TDS Certificate for tax deducted under section 194-IB, 194-IA, 194M, 194S in the month of August, 2024.
- Quarterly statement of TCS deposited for the quarter ending September 30, 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 September, 2024.
- Upload declarations received from recipients in Form No. 15G/15H during the quarter ending September, 2024.

October 30, 2024

- Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M & 194S for the month of September, 2024.

Indirect Taxes

October 10th, 2024

- Due date for filing GSTR-7 & GSTR-8.

October 11th, 2024

- Due date for filing of GSTR-1 for turnover exceeding 5Cr or opted to file monthly return (Sep, 2024).

October 13th, 2024

- Due date for filing of GSTR-1 who opted for quarterly filing as per QRMP scheme. (Jul-Sep, 2024)
- Due date for filing of GSTR-5 & GSTR-6. (Aug, 2024)

October 18, 2024

- Due date for filing of CMP-08. (Jul-Sep, 2024)

October 20, 2024

- Due date for filing of GSTR-3B for turnover exceeding 5 Cr or opted to file monthly return.
- Due date for filing of GSTR-5A.

October 22, 2024 & October 24, 2024

- Due date for filing of GSTR-3B.

- Quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending September 30, 2024.

October 31, 2024

- Quarterly statement of TDS deposited for the quarter ending September 2024.
- Due date for furnishing of Annual audited accounts for each approved programmes under section 35(2AA).
- Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending September, 2024.
- Due date for filing of return of income for the assessment year 2024-25 if the assessee (not having any international or specified domestic transaction) is (a) corporate-assessee or (b) non-corporate assessee (whose books of account are required to be audited) or (c) partner of a firm whose accounts are required to be audited or the spouse of such partner if the provisions of section 5A apply.
- Audit report under section 44AB for the assessment year 2024-25 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E.
- Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction.



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ABOUT US

Nucleus AAR Advisors LLP is an Investment Banking and Risk Advisory Firm providing specialized services in the field of Startup Advisory, M&A Advisory, International Taxation, Audit & Assurance. We partner with entrepreneurs in their critical decision making by providing them various analysis customized as per their requirement. We also help in the effective implementation of decisions and its subsequent monitoring as well.

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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