



## Table of Contents

### Page 03

Newsletter Highlights

### Page 04-05

Direct Tax Updates

### Page 06-09

GST Updates

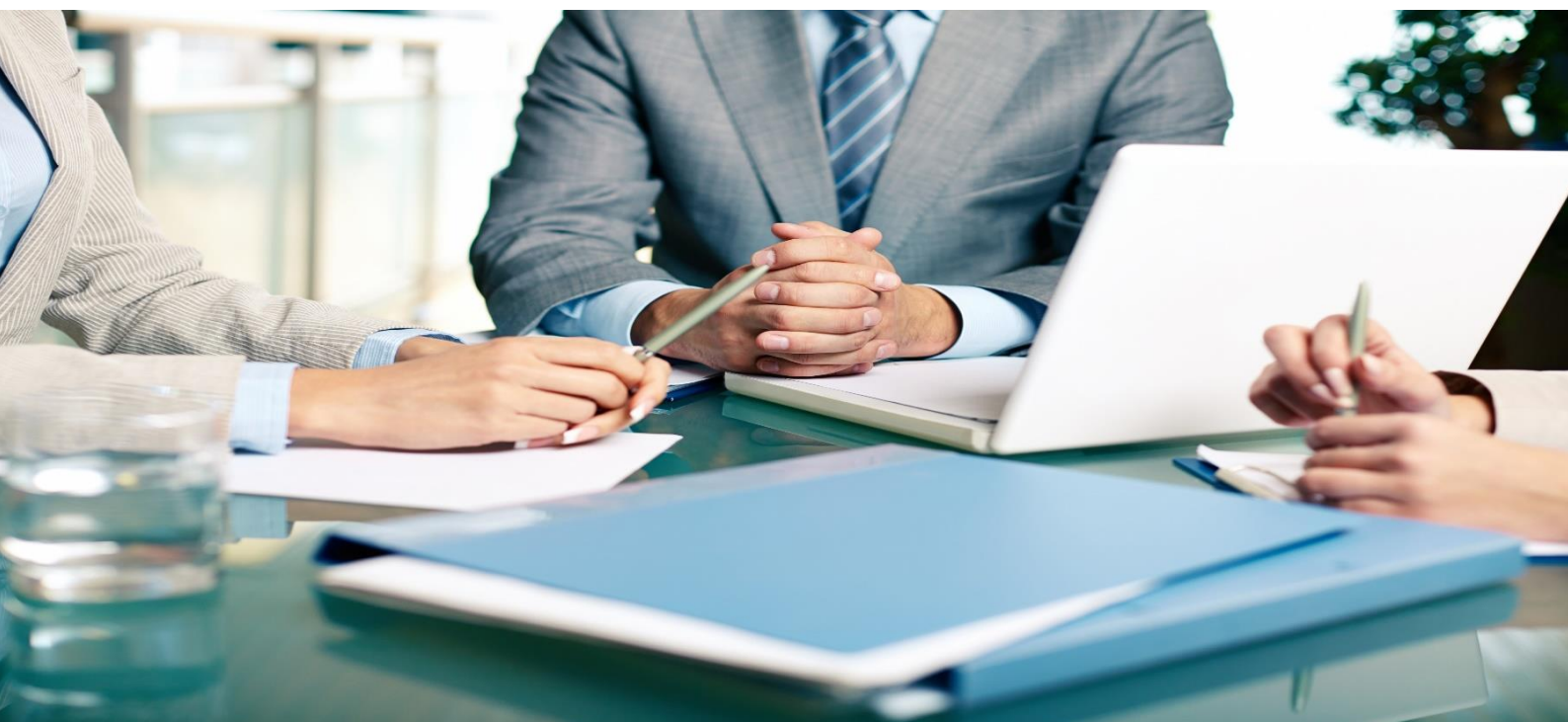
### Page 10-11

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

- Non-applicability of higher rate of TDS/TCS (as per 206AA) in the event of death of deductee/collectee before linkage of PAN and Aadhar.
- “Advanced Manufacturing Technology Development Centre” Approved for Scientific Research Expenditure Deductions.

## GST Updates

### Notifications Issued:

- Government Announces key dates for Finance Act, 2024 (8<sup>th</sup> of 2024), Provisions: Section 13 Effective from October 1, 2024, Sections 11 and 12 from April 1, 2025.

### Advisory Issued:

- Advisory for Biometric-Based Aadhar Authentication and Document Verification for GST Registration Applicants of Jammu & Kashmir, West Bengal, Dadra and Nagar Haveli and Daman and Diu and Chandigarh.
- Advisory in respect of changes in GSTR-8.
- Introduction of RCM Liability/ITC Statement.
- Advisory: Furnish Bank Account Details Before Filing GSTR-1/IFF - Notification No. 38/2023-Central Tax.

## MCA Updates

- MCA extends deadline of filing form PAS-7.



## DIRECT TAX UPDATES

### ➤ **Non-applicability of higher rate of TDS/TCS (as per 206AA) in the event of death of deductee/Collectee before linkage of PAN and Aadhar**

As per Circular no. 06 of 2024 dated 23.04.2024, the Board had provided a window of opportunity to the taxpayers upto 31 .05.2024 for linkage of PAN and Aadhaar for the transactions entered into upto 31.03.2024 so as to avoid higher deduction/collection of tax under section 206AA/206CC of the Income-tax Act, as the case maybe.

Several grievances have been received from the taxpayers where they have cited instances of demise of the deductee/collectee during the said period (i.e. on or before 31.05.2024) before the option to link PAN and Aadhaar could have been exercised. In such cases, tax demands are standing against the deductor/collector as a result of failure to link PAN and Aadhaar of the deceased person.

In order to redress such grievances of the taxpayers, the Board, hereby specifies that in respect of cases where higher rate of TDS/TCS was attracted under section 206AA/206CC of the Act pertaining to the transactions entered into upto 31.03.2024 and in case of demise of the deductee/collectee on or before 31.05.2024 i.e. before the linkage of PAN and Aadhaar could have been done, there shall be no liability on the deductor/collector to deduct/collect the tax under section 206AA/206CC, as the case maybe. The deduction/collection as mandated in other provisions of Chapter XVII-B or Chapter XVII-BB of the Act, shall be applicable.

➤ **“Advanced Manufacturing Technology Development Centre” Approved for Scientific Research Expenditure Deductions**

The Central Government approves ‘Advanced Manufacturing Technology Development Centre (PAN: AAEEA9272B), Chennai’ as ‘Other Institution’ under the category of ‘University, College or Other Institution’ for ‘Scientific Research’ for the purposes of clause (ii) 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.

## Notification Issued

### Notification-1

The Central Government has set the following commencement dates for the Finance Act, 2024 (8 of 2024)(referring earlier issued finance Act),

- October 1, 2024: Provisions of Section 13 will start.
- April 1, 2025: Provisions of Sections 11 and 12 will start.

### About

**Section 11 of Finance Act:** The amendment to Section 2 of the CGST Act, 2017 changes the definition of "Input Service Distributor" (ISD)

### Earlier,

Input Service Distributor" means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office

### After Amendment

“(61) “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20.

**Section 12 of Finance Act:** For section 20 of the CGST Act, the following section shall be substituted, namely:

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20. (1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, **shall be required to be registered as Input Service Distributor** under clause (viii) of section 24 and shall **distribute the of such invoices input tax credit** in respect.

(2) The Input Service Distributor shall distribute the credit of central tax or integrated tax charged on invoices received by him, including the credit of central or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.

(3) The credit of central tax shall be distributed as central tax or integrated tax and integrated tax as integrated tax or central tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed.”.

**Section 12:** Insertion of **new section 122A**

#### 1. Penalty for Non-Compliance:

- If a person involved in manufacturing goods fails to follow special registration procedures for machines (as notified under Section 148), they will face:

- A penalty of ₹1,00,000 for each machine that is not registered, in addition to any other penalties under Chapter XV or other relevant sections.

## 2. Seizure and Confiscation:

- Machines that are not registered will be subject to seizure and confiscation.
- However, the machine will not be confiscated if:
  - The penalty is paid.
  - The machine is registered according to the special procedure within three days of receiving the penalty notice.

## Advisory Issued

### Advisory-1

#### Advisory for Biometric-Based Aadhaar Authentication and Document Verification for GST Registration Applicants of Jammu & Kashmir, West Bengal, Dadra and Nagar Haveli and Daman and Diu And Chandigarh

Amendment:

Rule 8 of the CGST Rules, 2017 allows for biometric-based Aadhaar authentication and document verification for GST registration.

Implementation:

- The new functionality is rolled out in Jammu Kashmir and West Bengal.

Application Process:

- After submitting Form GST REG-01, the applicant will receive an email with one of the following links:
  - OTP-based Aadhaar Authentication: Follow existing process.
  - Appointment Booking: Book an appointment at a GST Suvidha Kendra (GSK) for biometric authentication and document verification.

### Advisory-2

#### Advisory in respect of Changes in GSTR 8

FORM GSTR-8 is a GST form specifically for e-commerce operators for TCS deductions.

**Availability:** Accessible on the GST portal for e-commerce operators.

**Filing Frequency:** GSTR-8 needs to be filed on a monthly basis. The due date for filing is the 10th of the following month. For example, for the month of July, the return must be filed by the 10th of August.

**Amendment :**

The GST Council has decided to reduce the Tax Collected at Source (TCS) rate from the current 1% to 0.5%, as per Notification No. 15/2024, issued on July 10, 2024.

**Applicability:**

#### **1. Period from 1st July to 9th July 2024:**

- During this period, the old TCS rate of 1% will continue to apply. Taxpayers are required to collect & report TCS at this rate for all transactions happened between these dates.

## 2. From 10th July 2024 onwards:

- A revised TCS rate of 0.5% will come into effect from 10th July 2024. Taxpayers must ensure their systems and processes are updated to reflect this new rate for all transactions happened from 10th July forward.

**Mandatory** : Filing GSTR-8 is **mandatory** for e-commerce operators who are required to collect Tax Collected at Source (TCS) under GST.

## Advisory-3

### New RCM Liability/ITC Statement on GST Portal

To help taxpayers report Reverse Charge Mechanism (RCM) transactions more accurately, a new statement called the **RCM Liability/ITC Statement** has been introduced on the GST Portal. This statement tracks the RCM liability reported in **Table 3.1(d) of GSTR-3B** and the corresponding input tax credit (ITC) claimed in **Table 4A(2) and 4A(3) of GSTR-3B** for the same period.

The statement will be applicable starting from:

- August 2024 for monthly filers
- July-September 2024 for quarterly filers

You can access it by navigating to: “Services >> Ledger >> RCM Liability/ITC Statement”.

Reporting RCM ITC Opening Balance

To report the opening balance for RCM ITC, follow this navigation:

Login >> Report RCM ITC Opening Balance or Services >> Ledger >> RCM Liability/ITC Statement >> Report RCM ITC Opening Balance

If you have paid excess RCM liability (shown in Table 3.1(d) of GSTR-3B) but have not claimed the corresponding ITC (in Table 4A(2) or 4A(3)), report the **positive value** of the excess paid as the opening balance.

If you have claimed excess RCM ITC (in Table 4A(2) or 4A(3)) without paying the liability (in Table 3.1(d)), report the **negative value** of the excess ITC claimed as the opening balance.

**Reclaiming previously reversed RCM ITC:** If you are reclaiming RCM ITC that was reversed earlier (in Table 4(B)2 of GSTR-3B), you can do so in Table 4A(5) of GSTR-3B. **This does not need to be reported as part of the opening balance.**

**Reconciliation Period for Opening Balance:**

- Monthly filers: Consider RCM ITC up to the July 2024 return period.
- Quarterly filers: Reconcile RCM ITC up to Q1 of FY 2024-25 (April-June 2024 period).

**Deadline for Declaring Opening Balance:**

- You can declare the opening balance until 31st October 2024.

**Amendments in Opening Balance:**

- You can correct any mistakes in the opening balance by 30th November 2024 and are allowed three attempts to amend it. After this date, no further amendments will be allowed.



## **Advisory-4**

### **Advisory: Furnish Bank Account Details Before Filing GSTR-1/IFF - Notification No. 38/2023-Central Tax**

Effective from September 1, 2024

- Action Required: Update your bank account details on the GST Portal to file GSTR-1/IFF.
- Deadline: Details must be furnished before filing GSTR-1/IFF for August 2024 and onwards.
- How to Update: Go to Services > Registration > Amendment of Registration (Non-Core Fields) on the GST Portal.
- Note: Bank account details will be validated after filing.

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

## Direct Taxes

### September 07, 2024

- Due date for deposit of Tax deducted/collected for the month of August, 2023. 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.

### September 14, 2024

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

### September 15, 2024

- Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of August, 2023 has been paid without the production of a challan.
- 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 August, 2024.
- Second instalment of advance tax for the assessment year 2025-26.

### September 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 August, 2024.
- Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on November 30, 2024).
- 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).
- Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) (if the assessee is required to submit return of income on November 30, 2024).

## Indirect Taxes

### September 10<sup>th</sup>, 2024

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

### September 11<sup>th</sup>, 2024

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

### July 13<sup>th</sup>, 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)

### July 18, 2024

- Due date for filing of CMP-08.

### July 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.

### July 22, 2024 & July 24, 2024

- Due date for filing of GSTR-3B.

- Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) (if the assessee is required to submit return of income on November 30, 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



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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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